

Ex-post evaluation

Promoting certified forest management in Cameroon, DR Congo, Republic of the Congo, CAR and Gabon

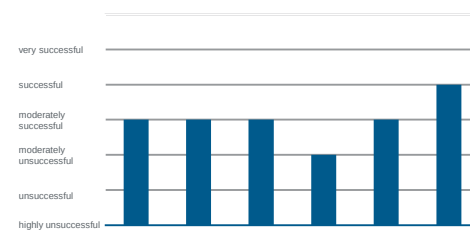
Title	Promotion of certified forest management (Programme de Promotion de l'Exploitation Certifiée des Forêts, PPECF)		
Sector and CRS code	31220 Forestry development		
Project number	2008 66 707		
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)		
Recipient/Executing agency	COMIFAC		
Project volume/ Financing instrument	Grant: EUR 9.7 million		
Project duration	04/2012–07/2017		
Year of report	2024	Year of random sample	2021

Objectives and project outline

The objective at outcome level was, that industrial forestry in the Congo Basin follow the principles of sustainability-oriented management. The objective at impact level was: The biodiversity and forest resources in the Congo Basin and adjacent savannahs are better protected and are used in ways that are increasingly sustainable.

The interventions included the development of conceptual approaches for high-value forest management and the support of interested forest companies through certification-related activities in selected concessions.

Overall rating:
moderately successful



Key findings

The project has made significant contributions to preserving the area of certified forests in the Congo Basin. However, the target values for additional certified area could not be achieved due to difficult general conditions. The project was therefore rated as “moderately successful” for the following reasons:

- The chosen target values were ambitious and considered too ambitious during an interim evaluation. Nevertheless, the target values were not adjusted (relevance).
- Companies were able to secure the certificates in the long term, but the quantitative targets of area certification were not met. In addition, there is no evidence that the interests of the indigenous population were sufficiently taken into account (effectiveness).
- Small-scale financing applications resulted in high costs on the part of KfW. Despite forestry companies' own shareholding rates of 50 %, production efficiency is low (efficiency).
- It was not possible to determine a direct contribution to the preservation of the certified forest area as part of the EPE. However, meta-studies show that certified forest areas plausibly contribute to preserving biodiversity and biomass as well as reducing degradation (impact).

Conclusions

- A demand-driven approach enables tailored support for beneficiary forestry companies.
- A transparent assessment of financing applications, their relevance, sustainability and cost-benefit ratio is necessary.
- Anchoring the knowledge generated in the cooperating institutions is essential.
- Target values should be realistic and achievable and used for project management.
- Strengthening national institutions is important to establish a positive framework for investments by sustainable forestry companies.

Ex post evaluation – Rating according to OECD-DAC criteria

At the time of the project's design in 2008/2009, more than 8% of the world's forest area consisted of certified managed forests. In Western Europe and North America, the share was over 50% and over 30% respectively, while in Africa and Asia it was less than 1%. Only around 6% of the certified forests were located in the tropics. However, a considerable momentum towards certification developed in the Congo Basin. Approximately 40 million ha there were granted as concessions and under commercial management. Management plans were available for 28 million ha, one of the essential prerequisites for certification. Almost 5 million ha, i.e. more than 12.5% of the areas were certified. According to the *Interafrican Forest Industries Association* (IFIA), this proportion should increase to 10 million ha by 2015, i.e. 25% of the forest with commercial production (10 out of 40 million ha) would be certified. However, the implementation of these ambitious targets was associated with significant uncertainties at the time of design. For long-term export-oriented concessions, the majority of the investments required for certification were commercially justifiable. However, the additional investments required for certification to include the target group and to preserve biodiversity present a financial challenge for some operations. The following factors made it difficult to follow the sustainability principles at the time: dysfunctional state structures, the high expenditure on taking over (things that are in fact) state tasks, the lack of uniform criteria adapted to the region by the *Forest Stewardship Council* (FSC), the organisation for the certification of sustainable forestry, demands for the reduction of commercial forest management by non-governmental organizations (NGOs), economic crises and the declining demand for tropical wood. Under these complex conditions, the *Central African Forest Commission* (*Commission des Forêts d'Afrique Centrale*, COMIFAC) was identified as the only organisation with a regional mandate to receive the financial contribution. COMIFAC is the recognised body in Central Africa for the guidance, coordination and harmonisation of all measures and initiatives for the protection and use of regional forest ecosystems. COMIFAC has the mandate, in cooperation with the national authorities, to ensure the framework conditions for the implementation of the strategic direction of the organization, to manage the intergovernmental coordination and implementation process and to coordinate the support measures of the international donor community. The Executive Secretariat of COMIFAC acted as the executing agency and was responsible for the coordination and management of Financial Cooperation (FC) measures. The specific implementation of the project was carried out by a management unit provided by a consultant.

Brief description of the project

The FC project "Programme for the Promotion of Certified Forest Use" (*Programme de Promotion de l'Exploitation Certifiée des Forêts*, PPECF) was designed as part of the DC programme "Sustainable Forest Management in the Congo Basin" to contribute to the sustainable management of natural resources in consultation with COMIFAC partner organisations. It was carried out from April 2012 to July 2017 with a focus on the countries of Cameroon, the Democratic Republic of the Congo (DRC), the Republic of the Congo and the Central African Republic (CAR), later also Gabon (Figure 1). The project interventions aimed at improving the framework conditions for sustainable forest management, biodiversity conservation and improving the socio-economic conditions for the target group. The mostly poor population in the peripheral zones of industrial forestry concessions and, in a broader sense, the world population were defined as the target group due to the effects of the project on the global goods "biodiversity" and "climate". The interventions included the development of conceptual approaches to managing high-value forests and the support of interested forestry companies. The quality of commercial forest management was promoted through the financing of certification-related activities in selected concessions. The project worked in a demand-oriented manner in accordance with the priorities of forestry companies and supported financing applications from companies or NGOs. It included measures to preserve biodiversity and measures to improve the living conditions of the target group and the improvement of the certification system. Finally, communication and public relations on commercial and sustainable forest management in the Congo Basin were also promoted. At the time of the EPE, the project was continued as Phase II (BMZ no. 2015 68 203) and Phase III (BMZ no. 2018 69 845). Funds for Phase IV were committed in 2023.

Map/satellite image of the project country including project areas/locations

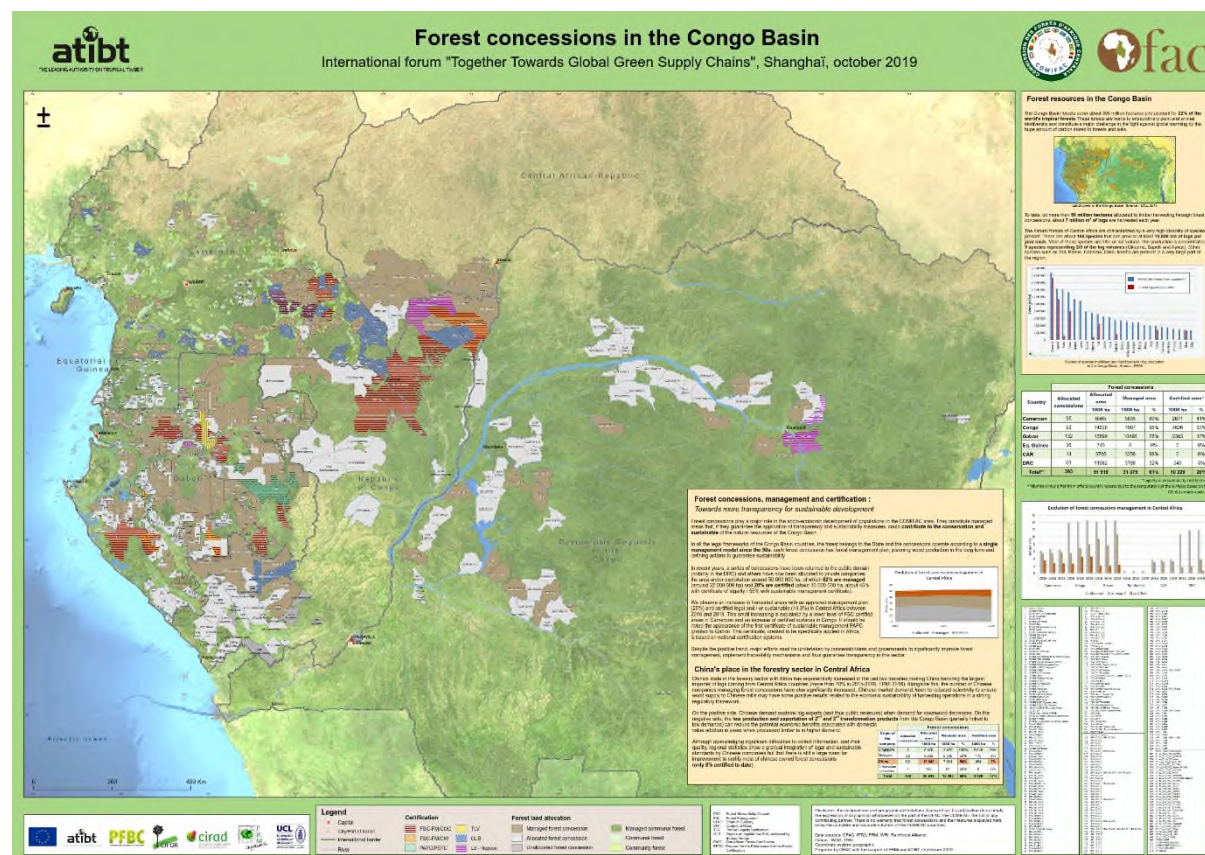


Figure 1: The Congo Basin with certified forest areas as of 2018. The legend in the upper right-hand section shows the concessions per country with their areas and the volume of wood harvested per country. The evolution of the concessions (with and without certification) can be seen in the graphic on the right and by means of the colour scheme according to the legend. Source: OFAC (Observatory of Central African Forests): <https://www.observatoire-comifac.net/cartographie/products>

Breakdown of total costs

The investment costs of Phase I are broken down as follows:

		Investment (planned)	Investment (actual)
Investment costs (total)	EUR million	10	9.7
Counterpart contribution	EUR million	0	0
Debt financing	EUR million	10	9.7
<i>Of which budget funds (BMZ)</i>	<i>EUR million</i>	10	9.7

Rating according to OECD-DAC criteria

Relevance

Alignment with policies and priorities

The project was in line with the priorities of the German Federal Government, namely the “Forest and sustainable development” sector concept of the Federal Ministry for Economic Cooperation and Development (BMZ) from 2002 and the national forest policies. Later, the project was also coordinated with the strategy “The world needs forests” of the Federal Ministry for Economic Cooperation and Development (BMZ) (2017) and the AFR100 initiative (since 2015).

The project is also in line with the priorities of the United Nations Convention on Biodiversity and the Nagoya Protocol on access and benefit sharing (ABS)¹ with the local population. Finally, it also contributes to the implementation of the European Union (EU) Forest Law Enforcement Governance and Trade (FLEGT) programme and has taken this into account in its design.

The PPECF was aligned with the first COMIFAC *convergence plan* (2005–2014) and supported its implementation, in particular through communication on commercial and sustainable forestry. The *convergence plan* sets out the strategic direction of the organization and the coordination framework for all activities of COMIFAC Member States and other actors for the conservation and sustainable management of forest ecosystems in Central Africa.

The first component of the PPECF aimed to support the creation of a favourable environment for the certification of sustainable forestry. This included, among other things, supporting the certification bodies (initially only FSC, later also PEFC (*Programme for the Endorsement of Forest Certification Schemes*) and *Pan African Forest Certification* – PAFC) in their standard development and the partner countries in creating the framework conditions for forest certification in order to sustainably manage a larger area of forest with forest certification (Outcome Indicator 1).

COMIFAC has the status of a special organisation of the Economic Community of Central African States (ECCAS) responsible for forests and the environment. It is the multilateral body responsible for the guidance, coordination and supervision of forestry and environmental policy in Central Africa. All countries in the Congo Basin are members of COMIFAC. It is the only institution with a regional mandate that can accept regional funding and is recognised as a neutral body by all countries in the subregion. In this sense, COMIFAC was the most suitable project-executing agency in the region to ensure a politically neutral implementation of the PPECF. The choice of COMIFAC as the project-executing agency was conceptually and politically sensible. The weaknesses of the executing agency were identified in the design. Within the programme, TC planned to strengthen COMIFAC. The selection of the project-executing agency at the time of project design, combined with strengthening through TC, is therefore plausible (see internal coherence).

When the PPECF was launched in 2012, some countries had already implemented a reform of their forest law (in the 1990s to 2000s). This was done with the support of international cooperation partners, in particular the French Development Agency (*Agence Française de Développement, AFD*). These legal frameworks allowed the private sector to implement forestry activities through national concession schemes. Depending on the country, there was a wide range of active concessionaires in the Congo Basin in 2012, ranging from large concessionaires owned by European or Lebanese companies to small local companies. In the years before the start of the project, the number of Chinese concessionaires increased. The companies followed different approaches to forest management: European companies were already active in the EU market in view of the growing interest in certified wood, while Asian-owned companies initially did not seek certification. The PPECF was designed for a period in which forest certification had gained momentum, but this did not continue as expected, instead weakening significantly and it did not recover over the course of implementation. As a result, even in view of the economic difficulties in the sector, the forestry companies that had not yet been certified were no longer willing to obtain certification. Against this background, the focus of the project's design was aligned with the context and the needs of the tropical wood market and the certification processes at the time.

¹ Access and Benefit-Sharing Capacity Development Initiative (ABS Initiative)
<https://www.bmz.de/de/themen/biodiversitaet/vorteilsausgleich-teilhabe/70514-70514>

The support provided by the PPECF was needs-based and aligned with the priorities of forestry companies and other partners, as they were able to submit financing applications to maintain the certified forest area (outcome indicator 2). The concept was also geared towards the needs of the target group (local communities and in particular the indigenous population) (outcome indicator 3).

Suitability of project concept

The overall design of the project was based on the ten FSC principles and assumed that improved forest management would result in environmental and social benefits (see Figure 2 “Theory of Change”). The design of the DC programme was appropriate to achieve the objectives of the programme and to have a sustainable impact. The programme's outputs and indicators aimed at sustainable forest management through compliance with the FSC principles. FSC Principle 4 aims to maintain or enhance the long-term social and economic well-being of local communities, FSC Principles 5 and 6 aim to ensure environmental and social benefits from the forest and avoid, repair or mitigate negative environmental impacts, FSC Principle 3 aims to protect indigenous peoples' rights. The impact logic for achieving the defined outcomes and impact via the outputs is comprehensible and plausible. However, the selected target values of the indicators were too optimistic, ambitious or unrealistic: The indicator of sustainably managed forest area is selected correctly, but too ambitious (indicator 2). A manager at the COMIFAC ES at the time stated that the ES had already expressed doubts about the project's target value of 10 million hectares during the preparation of the feasibility study – in view of an area of 4.7 million hectares certified at the time. However, this optimistic objective was not revised in the final module proposal. The 2014 interim evaluation questioned the achievability of certifying 10 million ha of forests. The design errors (indicators were too optimistic) were identified in the interim evaluation but were ultimately not adjusted despite the foreseeable consequences of the 2008 economic crisis (see Adaptability). Securing biodiversity (indicator 3) via forest conservation is plausible in the design, but a monitoring system should also have been planned to record the biodiversity impacts. However, the funding of scientific studies was an important addition to close evidence gaps. The assumption that the poor population benefits directly (Indicator 4) seems too optimistic from today's perspective and has not been systematically measured either. However, the WWF CIFOR study co-financed by the project and a study on mammals plausibly demonstrate that the situation in certified operations is better with regard to the socio-economic situation of local residents and the frequency of mammals in certified forests than in non-certified forests.

Overall, although the design of the programme seems coherent and suitable for achieving the objectives and impacts, the indicators were too optimistic, unrealistic, not systematically measured and not sufficiently precise formulated. A different valuation would have been appropriate given the fragile context. The opinion of the ES partners and the assessments of companies already certified could therefore have been better taken into account in the adjustment of the valuation. For the evaluation, we therefore propose changing Indicator 1 to: 6 million hectares of certified land are consolidated. This corresponds to an increase of about 30%.

As the forest areas in the Congo Basin are very large, the focus on financing physical infrastructure, such as the promotion of forest management routes, would have had only a marginal effect that would hardly have been scalable. For this reason, the design of the first phase of the PPECF focused on the creation of knowledge and capacity of private companies and NGOs. The design allowed for flexible financing applications from forestry companies, forestry organisations and other relevant partners, provided that they were in line with the project objectives. The project aimed to finance studies to support or maintain forestry companies' (FSC) certification, as well as to support certification or appraisal procedures. The studies also intended to identify social investments that companies had to make to meet FSC requirements. The investments should then be made by the companies. However, this meant that only those companies that had the capacity to apply to the PPECF for funding were eligible for promotion. These were primarily FSC-FM-certified companies, which were comparatively large. With this design, the segment of non-certified companies, which are often smaller companies, was not covered by the project, although this was originally intended (internal project documents).

Theory of Change

Program goal: Industrial forest management in the Congo Basin follows FSC principles or equivalent certification

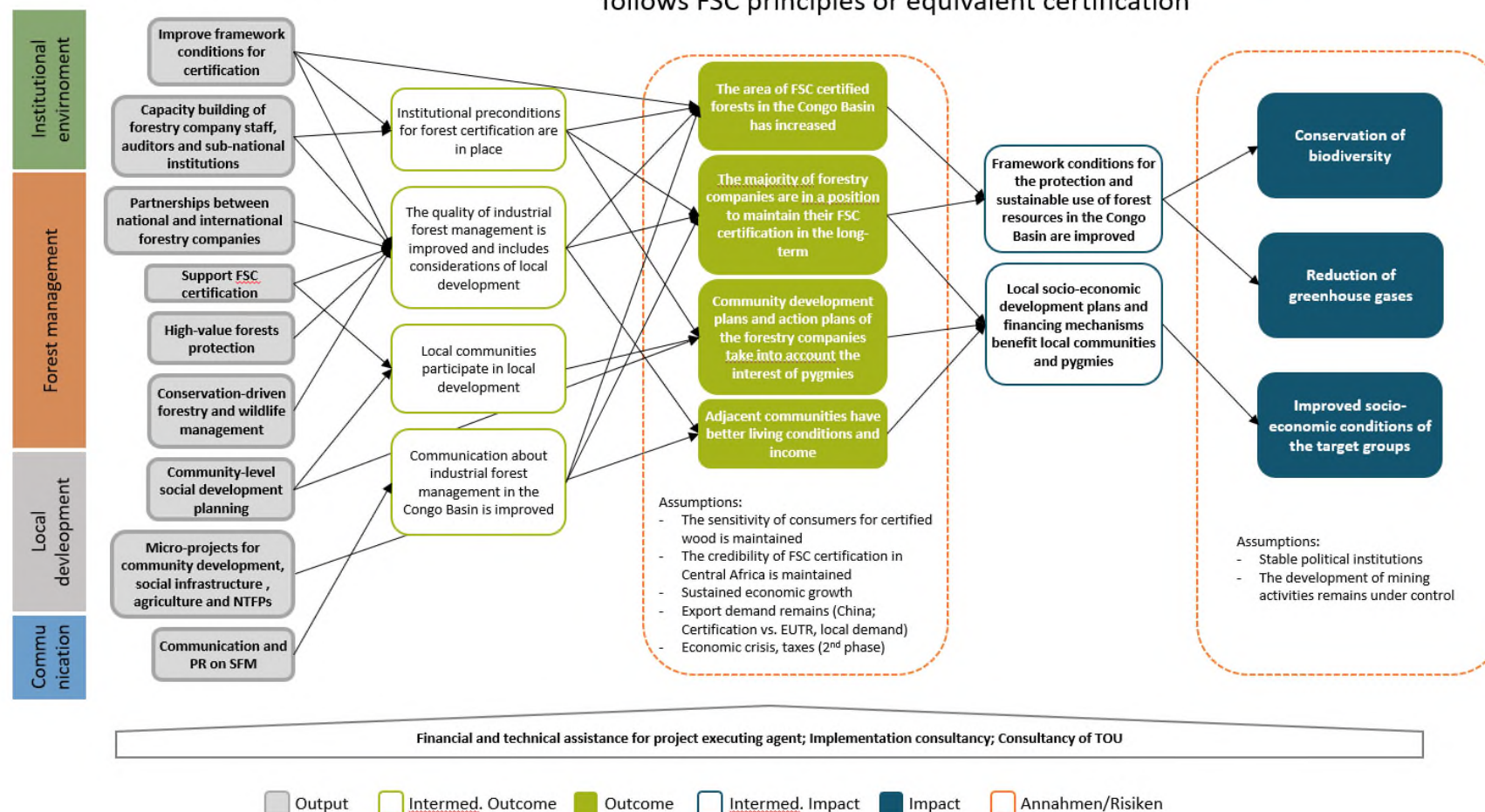


Figure 2: Theory of Change

Source: Own visualization

Since municipal development plans for forest companies do not play a major role, the fourth project indicator (75% of outlying communities and 100% of certified companies take into account the specific interests of the indigenous population) appears unrealistic in the design. It was assumed that the preparation of local development plans would help to identify the needs of indigenous peoples and enable the allocation of funds from the local development fund. The aim was to finance the local development fund (*Fonds local de développement*) through mandatory payments from the concessionaires. The development fund was not part of the project but was intended to act as a vehicle for refunding some of the collected forest export taxes to the local population (final inspection).

Response to changes/adaptability

The project concept was based on a needs-oriented approach and was therefore able to respond to changes and needs, in particular of forestry companies. For example, the funds for supporting new businesses were increased through two modified agreements. This shows the adaptability of the project and the willingness of KfW and the executing agency to adapt the finances to demands and needs. It was a good strategy to adapt to the general declining interest in forest certification: Only those companies that felt committed to sustainability despite the unfavourable market situation asked for support from the project.

In 2013, the European Union's timber regulation (EUTR) stipulated that forestry companies only need a legality certificate to market their timber on the EU market. As a result, most concessionaires' interest in FSC/PEFC certifications declined, and the private sector's attention shifted to obtaining legality certificates. The project concept, on the other hand, was geared towards FSC/PEFC certification and was based on the hypothesis that a large number of legal concessionaires would want to take advantage of the opportunity of the PPECF to take a step towards FSC certification (internal project documents). A stronger focus on non-certified companies would have been necessary in order to adapt to the given framework conditions and to be able to better reach non-certified companies. This was done in the second phase.

The declining interest in certification was accompanied by low interest on the part of the national institutions in sustainable forest management. This was mentioned in the interim evaluation, but no necessary adjustments were derived from it, such as the strengthening of the institutions. From the point of view of a former COMIFAC manager, the component of institutional strengthening was not sufficiently taken into account in the project. COMIFAC submitted the application to increase the focus of the project's strategy on strengthening forest administrations, but this did not happen even though it was already planned in the original design (within the programme, a strengthening of COMIFAC by TC was envisaged). PPEFC contact points made it possible for state institutions to submit applications for funding. However, these opportunities were not sufficiently used.

The steering committee played an important role by proposing appropriate options for adjustment of the project, such as the inclusion of other certification standards (PAFC/PEFC), in view of the changes and difficulties encountered by the project.

The target values of the indicators should have been adjusted after the interim evaluation, but this was not the case.

Rating summary:

The design of the project was based on strategic documents from the German Federal Government. The initial design of the programme appears appropriate to achieve the objectives and impacts. The risks were specified in the design. The results chain of the PPECF is plausible, but some of the underlying assumptions were already questioned by a COMIFAC manager at the beginning of the project without being adequately addressed in the design. The selected targets were too optimistic and not realistic in terms of value allocation. The targets and value allocation were not adjusted, even after the interim evaluation.

The orientation and design were aligned with COMIFAC's strategy. However, companies lost interest in forest certification. The project should have responded to the changes in the private sector and adapted the concept accordingly, but this did not happen.

The project's concept was well aligned with the needs of the certified forestry companies and promoted FSC certification. Due to the changes (decreasing interest in certification and economic crisis), the project would have had to adapt and also more strongly involve non-certified companies, which was prepared during the first phase, but only implemented in the second phase.

In its design, the project took into account the needs and capacities of particularly disadvantaged and vulnerable parts of the target groups. The needs of the target group (hunting and use of non-wood products) were also taken into account in the design and implementation. However, assumptions that were too optimistic were made here as well, and the effects were not systematically measured.

The project was not designed to have any specific gender impacts.

In summary, the project is rated as moderately successful in terms of relevance.

Relevance: 3

Coherence

Internal coherence:

The PPECF was embedded in the “DC Programme for Sustainable Forest Management” (PSFM) in the Congo Basin in order to contribute to the sustainable management of natural resources together with partners of the Central African Forest Commission COMIFAC. The programme concept provided for close cooperation between PPECF and the TC project “Regional Support for COMIFAC” (BMZ no. 2013 24 664), which was also part of the PSFM. The TC project aimed to strengthen the management skills and organisational structures in the COMIFAC partner institutions (internal project documents). Components were the organisational development of COMIFAC (component 1), participation of civil society (component 2), international cooperation and dialogue (component 3), regional protected area management (component 4) and analysis and implementation of experiences (component 5). The FC project focused on expanding the certified forest areas in the Congo Basin via FSC certification and improving the socio-economic conditions of the outlying communities. TC and FC measures are therefore complementary in their design.

The cooperation between the PPECF and TC was intensive at the start of the project, but steadily declined over time and took place in various forms. The management of the PSFM was a member of the steering committee of the PPECF and made an important contribution to the strategic guidelines of the project. The PPECF and the TC project jointly strengthened the COMIFAC governance working group. After a few years, the issue of forest governance lost importance for TC and cooperation was scaled back. There were specific synergy effects between the PPECF and TC. For example, TC cooperated with the Cameroonian timber value chain *Groupement de la Filière Bois au Cameroun* (GFBC) in the area of HIV/AIDS prevention at concessionaires. When TC ceased its support, the PPECF extended this intervention with the GFBC and developed a model strategy that is also of interest to other countries in the subregion (internal project documents).

More cooperation with TC would have been beneficial for the PPECF with regard to improving the social infrastructure via the certification processes. However, this was only partially achieved. For example, the approach of transferring concessionaires’ funds to local communities through the local development fund was a challenge. This approach was also one of the priorities of TC interventions. Closer cooperation between TC and FC projects could have helped the PPECF to better design the local development plans (e.g. through the use of the best practices developed by the TC project) and link them to the local development fund.

The interim evaluation noted the weak cooperation with TC projects and recommended seeking more synergies in the areas of training, e-learning and support for the COMIFAC working party on good governance. It also recommended that the PPECF team seek synergies with the *Forest Environment Sector Program* and the *Decentralisation and Local Development Support Project* in Cameroon. However, neither the project documents nor the interviews indicated that the PPECF had entered into a dialogue with these projects. However, according to FC managers, the FC project had a different approach and also different partners (private companies) than the TC projects in this sector, as commercial forest management was not the focus of the TC projects. There was therefore no direct contact person for FC, and it was logical that cooperation with TC was therefore not very strong. Emphasis was also placed on the fact that the procedures used by TC (e.g. for procurement) and designs (participation, inclusion, equality) were not as flexible as those of the PPECF, which made formal cooperation difficult.

The PPECF worked closely with external partners (e.g. AFD, EU partners on EU Timber Regulation (EUTR), ECOFAC 5 and 6, European Development Fund (EDF 11) which had a similar focus on commercial forestry and are aligned with COMIFAC.

AFD has been active in the region for a long time, especially in terms of legality and forest law. According to an interview with an AFD manager, the AFD and KfW approaches complemented each other well. AFD and the

PPECF jointly supported the establishment of the PAFC (*Pan African Forest Certification*). AFD has also contributed considerable knowledge and experience (on forestry in the Congo Basin, rotation intervals, forestry, carbon sequestration impact certification, etc.) which could be directly used by the PPECF. Another specific example of the cooperation was the joint support of the *International Tropical Timber Technical Association* (ATIBT). ATIBT was supported by AFD before the start of the PPECF. When the AFD programme expired, the PPECF took on this supporting role, in particular in the area of tropical timber marketing. KfW, AFD and the PPECF considered this transfer from one organisation to another sensible. Interviews with managers at ATIBT showed that the transition was very smooth. Several technical activities were also co-financed by both organizations.

At the beginning of the implementation of the PPECF (2013), the Congo Basin programme of the Sustainable Trade Initiative (*Initiatief Duurzame Handel*, IDH) had a similar objective and focused on private forestry companies. However, there was no close cooperation.

Possible cooperation with the EU in the area of forest management was planned in Cameroon, but ultimately did not take place in the first phase. There were differences of opinion between the forest administration in Cameroon and the EU on how to promote forest governance. Closer cooperation with the EU therefore only began in the second phase of the project, with ongoing coordination with the EU.

Other selective cooperations with relevant partners were also reported. Use of The Forest Trust's Centre for Social Excellence to train forest management leaders from forestry companies in social approaches to sustainable forest management; cooperation with the Worldwide Fund for Nature (WWF) Global Forest & Trade Network by disseminating their experience of social development through certification.

Several AFD projects were mentioned in the PPECF's planning documents for possible partnerships. These are: the project to support the eco-certification of forest concessions in Central Africa in five COMIFAC countries (ECOFORAF), the project to support the implementation of forest management plans in the Central African Republic (PARPAF) and the project for sustainable forest management in the Congo. However, the evaluation team could not find any concrete examples of tangible cooperation.

Finally, the PPECF benefited from the contributions of several international organisations operating in the region, such as the Observatory of Central African Forests (OFAC) and the International Union for Conservation of Nature (IUCN), which supported forest management.

Rating summary:

The FC and TC projects were part of a joint programme and were therefore designed to complement each other. They interact sensibly in the design. It was not possible to realise the identified and potential synergies as the FC and TC projects addressed different actors. Industrial forest management played only a negligible role for the TC module.

Cooperation with TC was therefore reduced, apart from the participation of a TC manager in the steering committee of the PPECF. In the interim evaluation, it was recommended to promote cooperation with other TC projects in the target countries, but this was not done. Overall, internal coherence remained below the expected level.

The PPECF worked proactively with other international organizations: IDH at the start of the project; a fruitful cooperation with AFD to support ATIBT; several selective cooperations with *The Forest Trust* of WWF. External coherence was sought and synergies were exploited.

In summary, we rate the coherence as moderately successful.

Coherence: 3

Effectiveness

The outcome of the project was defined as: the industrial use of forests in the Congo Basin is carried out in compliance with the principles of sustainability-oriented management.

The target achievement at outcome level is summarised in the table below:

Indicator	Status at PA	Target value PA/EPE	Actual value at final inspection	Actual value at EPE
(1) New: By the end of 2014, 6 million ha of forest area will be consolidated and sustainably managed in accordance with FSC or a comparable system (source: FSC certificates and FSC audits that demonstrate consolidation). (1) Old: By the end of 2014, 10 million hectares of forest area will be certified in accordance with FSC or a comparable system (sources: FSC certificates)	4.7 million ha	New: 6 million ha / Increase by 1.3 million ha Old: 10 million ha	5.5 million ha / increase by 0.8 million ha	Not achieved (0.8 million of 1.3 million ha – ~62%)
(2) 90% of companies are able to secure their certificates in the long term (source: annual monitoring reports, FSC announcements)	60 %	90 %	100 %	Value achieved. According to the final inspection, 90% of the companies were able to secure their certificates. This means that the target value has been reached at 100%.
(3) 75% of outlying communities and 100% of certified companies take into account the specific interests of the indigenous population (sources: sections in community development plans and in the companies' action plans for implementing the certification criteria)	N/A	75/100%	Value fulfilled according to the final inspection	Results cannot be recorded by named sources (quantitative analysis not carried out)

Contribution to the achievement of objectives

Outcome indicator 1: Expansion of certified areas

The area of certified forests did not increase significantly during the project period. The base value was increased by 800,000 ha instead of the planned 5.3 million ha. (Result indicator 1; Fig. 1) enlarged. The modified indicator of 6 million ha of consolidated certified forest area was also not fully achieved. However, the development of certified forest area varies greatly from country to country. In Cameroon, the certified forest area decreased by around 300,000 ha between 2013 and 2017, while it increased by 900,000 ha in the Congo. In Cameroon, the downturn in certified land was due to the cessation of the activities of two timber companies. No major change was observed in Gabon (FSC data).

A manager of the COMIFAC ES at the time stated that the ES had already expressed doubts about the target value of Indicator 1 during the preparation of the project's feasibility study. Ten million hectares of certified forests was assessed as very ambitious but was nevertheless not revised in the final module proposal (see Relevance). In 2014, the interim evaluation also showed that this indicator would not be achievable given the difficult framework conditions. There was also no adjustment to the target value. The positive developments in forest certification in Cameroon and the Congo (internal project documents) may also have contributed to maintaining the value. At the end of the phase, 5.5 million ha were certified (baseline 4.7 million ha). This figure has remained stable to this day.

Figure 3 shows the development of FSC-certified forest areas in the programme region (also see Figure 1). The following was noted in internal project documents: “However, in view of the declining interest in FSC certification in the Congo Basin, this is undoubtedly not a bad result” (internal project documents; Fig. 1). According to the final report, the project contributed to a maximum increase of 450,000 ha of certified forest, i.e. approximately 8% of the original target (0.8 million out of 1.3 million ha – ~62%).

According to interviews with forestry companies, however, it can be assumed that several forestry companies would not have maintained certification without the support of the FC project. In view of the difficult framework conditions, at least the preservation of the certified areas can therefore be regarded as a success from the perspective of the evaluation team.

One of the external factors as to why few additional certified forest areas were reached was the increasing criticism of tropical wood, despite certification. The criticism may be explained by the declining interest of customers in wood from the Amazon region, which recorded high deforestation rates. A representative of ATIBT stressed that while the European market demands more certified wood, customers are not willing to pay a higher price for it. The lack of an economic premium for certified timber at higher costs (compared to uncertified timber) was one of the reasons why the certified forest area was not increased. On the one hand, the global economic crisis in 2008 slowed down the momentum of FSC certification in Central Africa and as a result the project started “too late” in 2008. Demand for FSC-certified wood declined in all markets, especially in Europe. There were also uncertainties regarding the introduction of “Intact Forest Landscapes” (IFL) into FSC concessions, which raised doubts about the overall economic viability of FSC-certified wood in the Congo Basin (internal project documents). An important factor for the low expansion of certified forests was also the increasing competition from uncertified Asian concessions. A former FSC representative in the sub-region pointed out that FSC is in principle a market instrument and forestry companies should not need public funds to be certified. But in the context of the Congo Basin, where concessionaires perform state tasks to some extent in rural areas, the additional support from the PPECF made a significant difference. At the time the project began, the forestry companies were not sure whether it would be economically feasible to expand their FSC-certified areas. On the other hand, the project came “too early” with regard to the EUTR and FLEGT processes, which led to uncertainties and a wait-and-see attitude among forestry companies, who wanted to assess whether they could secure access to the EU market without having to invest in full FSC certification (project-internal documents).

It should also be pointed out here that the conservation of the certified forest area could only be achieved by companies that had already been certified. Non-certified companies did not request assistance. Additional certified forest areas were therefore not achieved via companies that had not already been certified. The project design should therefore have focused on a strategy for promoting non-certified companies. However, it was developed during the course of the project (see Relevance). In the second phase of the project, this was then implemented by supporting companies in the legalisation process of their certification.

The definition of “certified forests” was extended from FSC to FSC and PEFC certifications during the implementation of the project. AFD and PPECF jointly initiated the development of a regional PAFC standard (based on the PEFC certification system existing elsewhere), which was implemented in Gabon, Cameroon and the Congo. Recognition of the PAFC standard and the first certifications only took place after the end of the first phase.

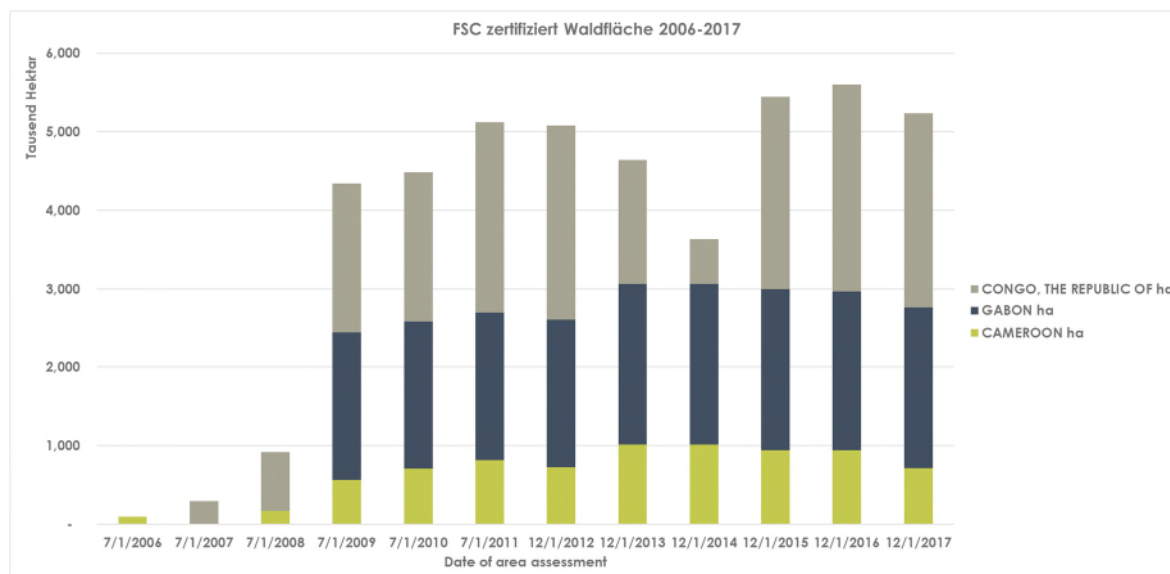


Figure 3: Development of certified forest areas in the programme region

Source: FSC database, own processing

Outcome indicator 2: Maintaining existing certifications

The support provided to the certified forestry companies took the form of numerous and different technical inputs to help them meet the certification requirements or prepare them for the corrective actions required by the audits. A cornerstone of this support was, for example, building capacity among the employees of the forestry companies on various aspects such as: GIS-supported mapping, quality control, health and occupational safety, social requirements, sustainable logging. Most companies confirmed the quality of the provided training and felt that these training measures should be repeated more frequently, especially to train new employees.

An important focus area of support for forestry companies was the preservation of biodiversity. In addition to training programmes on sustainable logging, research has been carried out to gain a better understanding of the ecology and succession of certain tree species. The aim was to achieve more sustainable management of the forest that takes better account of biodiversity. For example, there have been various initiatives to improve wildlife management (anti-wildlife measures, training for wildlife managers, proposal for a wildlife management plan for Gabonese forest companies, wildlife monitoring, etc.). (Internal project documents).

The majority of the companies interviewed confirm that the project was crucial for maintaining their certification. Only two out of eight forestry companies surveyed indicated that they would have maintained their certification even if they had not received support from the project. These are companies that are committed to sustainability, have sufficient capital and primarily serve the European market. All interviewees from KfW, the implementation consultant, FSC and COMIFAC emphasised that the project very likely contributed to the stabilisation and slight increase in certified forest areas, even if there was no concrete evidence for this. Without the support of the project, more companies might have abandoned their certification, especially in Cameroon, because there, government regulation made certification more difficult (see Sustainability).

All the surveyed representatives of KfW, the implementation consultant, AFD and the certified bodies agree that the needs of forestry companies have changed during the course of the project. Exports of timber from the Congo Basin to China have increased sharply. Chinese buyers were less interested in sustainability certification and did not request FSC/PEFC certificates. As a result, some companies that shifted their trade flows towards China no longer saw the comparative advantage of certification. With the entry into force of the FSC-STD-CB-01-2012-EN standard for the Congo Basin in 2012, the number of indicators that forestry companies must meet increased, making the certification process more complex overall. In 2014, the concept of integrated forest landscape (areas where logging is not permitted) was introduced, which brought new challenges for certified companies. These developments were not conducive to the spread and acceptance of FSC certification and required new skills and capacities from the certified companies to meet the new requirements (internal project documents).

The PPECF initially started with the support of a COMIFAC subgroup “Legality and Certification” within the framework of the Governance working party. The objective of this subgroup was to support the recognition of the FSC certificate as part of the FLEGT process and the general promotion of certification in the subregion. However, interviews with KfW managers and the project’s management unit (implementation consultant) show that the sub-working group was no longer active shortly after the interim evaluation in 2014. The interest of COMIFAC in this subgroup and in forest certification in general was questioned by various interview partners. COMIFAC’s commitment to FSC certification and the Programme for the Endorsement of Forest Certification (PEFC) has always been limited. COMIFAC did not use the PPECF to strengthen its role in certification or to encourage its Member States to improve forest management. An interim evaluation mentions that COMIFAC’s political support for the project continued. According to a former manager of COMIFAC ES and the implementation consultant, there was constructive cooperation between the implementation consultant and the ES in the first years of the project.

All project handouts and all interviews with KfW, the implementation consultant and COMIFAC showed that the partner countries’ interest in the project was always limited. During the five years of implementation, institutional support from the PPECF was limited to the financing of some workshops and research activities. From the outset, countries saw FSC certification as a market tool for forestry companies to become more competitive, while national forest administrations had their own legal frameworks and standards for forestry organisation and control. The national forest administrations showed little interest in sustainable forest certification, but were more interested in commercial forest use without certification. Therefore, the PPECF was not a priority at political level. Forest policy measures were even introduced during the implementation of the project (e.g. in Cameroon), which contradicted the objectives of the PPECF. The final report of the project emphasises that this lack of institutional support made it difficult for the concessionaires to improve the image of tropical wood on the market (internal project documents).

There are different opinions when it comes to explaining the lack of support for forest administrations by the PPECF. The implementation consultant is of the opinion that partner countries have never proactively sought funds to strengthen the capacity of their forest management. Another factor was that starting in 2013 and with the introduction of the European Timber Regulation (EUTR) and the start of the FLEGT process (starting in 2011 in Cameroon, 2012 in the Central African Republic and 2013 in Congo), the interest of administrations in FSC certification continued to decrease, as the legality certificates were easier and cheaper to obtain than FSC or PEFC certifications, or could even be issued themselves. The implementation consultant also stressed that cooperation with forest administrations is increasingly more difficult than with private companies due to cumbersome administrative procedures and lack of transparency. From the point of view of a former COMIFAC manager, on the other hand, the lack of demand from the partner countries’ forest administrations was also due to a lack of awareness-raising among the national institutions through the project. Initially, there were PPECF contact points in the national administrations, whose task was to identify the needs and request appropriate support. Despite the efforts of the PPECF contact points, the project failed to involve national institutions more closely.

The project contributed significantly to creating a design for the management of forests with high conservation value (FHVC), which was later (in Phase II) included in the national standards (internal project documents). Otherwise, there was little support in this area.

With regard to improving communication about commercial forest management (Component 3), the project worked at various levels. At the local level, it supported an awareness-raising campaign in communities in and near certified concessions (particularly on the subject of protecting the forest ecosystem). For example, films were shown in villages (internal project documents). Some of the planned awareness-raising measures via local radio or a communication campaign were ultimately not carried out because no service provider was found. This was described by individual interview partners as a missed opportunity to reach the target groups.

Some of the companies surveyed reported that the project improved their ability to communicate with regard to how to respond to criticism from civil society organisations. For example, in demonstrating their commitment to protecting the interests of local communities and the environment.

At international level, the PPECF supported the publication of the book “*Forêts d’Afrique centrale pour toujours*” (Central African Forests Forever) and the “*Mémento du Forestier Tropical*” (Guideline for tropical forests) (project-internal documents). This was an important contribution to public relations work and communication in order to promote sustainable forest management and certification to the general public. At the end of the first phase, the PPECF began cooperation with ATIBT when AFD ceased its support for the association. According to an ATIBT manager, the cooperation was significantly expanded in subsequent phases after the first phase. An important aspect of the PPECF’s support was the development of a marketing and communication plan on the value of Congo Basin timber. A registered “Fair and Precious label” was developed, which can only be used by companies that have a sustainability certification (FSC or PAFC) (internal project documents). With the support of the

PPECF, the “Fair and Precious” seal has been promoted through an attractive website.² Companies with the seal were supported in their ability to communicate.

Outcome indicator 3: Taking into account the specific interests of indigenous peoples

Regarding the consideration of indigenous peoples’ interests, several companies indicated that these could be taken into account through participatory mapping and design. For example, sacred sites, hunting areas and areas for collecting non-wood products were identified and excluded from wood use. One company said it identified tree species with the indigenous population that both groups wanted to use, and they could agree on a fair division of this resource. In one case, participatory design also helped to establish a constructive dialogue between indigenous peoples and other local communities. In another example, the indigenous population benefited from building their own school.

KfW managers and the implementation consultant expressed the opinion that, in some cases, local development plans were no more than a wish list without a detailed needs analysis and that the companies provide their support in an opportunistic way to gain the trust of the local communities or reduce tensions.

The interests of the indigenous population were taken into account in drawing up the plans, but not the specific interests of women. Although some community development plans do exist, they were only partially implemented and only contributed to improving living conditions to a limited extent. Outcome indicator 3 also lacks evidence and the measurement of the outcome.

External factors that were decisive for the achievement of the project objectives or posed a challenge

Between the PPECF feasibility study and the start of the project, external factors caused a decline in demand for both certified and non-certified wood. This made the production and marketing of certified wood less economically attractive. Other external factors occurred during implementation. The most important factors are:

- The consequences of the 2008 economic crisis, which led to a downturn in demand for wood. The sale of certified wood was also affected by this.
- The increasing availability of wood from plantations is leading to a substitution of wood from tropical natural forests. Teak, eucalyptus and other tropical hard woods from plantation production are cost-effective alternatives to more expensive natural forest woods.
- The EUTR (2013), which made it easier for forestry companies to market products on the EU market with legality certificates. According to the companies’ assessment, the EUTR is not as strict as FSC certification and requires less investment (e.g. in sustainable harvesting techniques).
- The publication of a new version of the FSC standard (FSC-STD-CB-01-2012-EN) in 2012, which was more restrictive and increased the costs for forestry companies. On the one hand, this reduced the interest of some companies in certification, and on the other hand, the interest of other companies in PEFC certifications instead of FSC certifications increased.
- In 2014, the FSC General Assembly adopted Proposal 65, which introduced the term “intact forest landscape” (areas where logging is not permitted). This brought new challenges for certified companies and called into question their economic sustainability (according to the companies), as, in some cases, large areas have to be protected and cannot be used economically. As a result, the forestry company loses production space.

Quality of implementation

It became apparent that COMIFAC did not have sufficient internal capacities for the efficient implementation of the project at the time of the EPE. It is a normative institution that does not have the mandate to implement projects. It also had limited financial and human resources. The initially active cooperation between the COMIFAC ES and the Implementation Consultant was initiated by one of the ES Managers and ceased when he left the institution. A discussion with the ES shows that its role has since been deliberately limited to providing general guidance at steering committee meetings and approving the funding requests submitted by the implementation consultant.

The implementation consultant has adapted the implementation modalities to the general conditions. Relevant examples are the cooperation with ATIBT, the inclusion of a second certification modality in the project (PEFC/PAFC) and the budget reallocation due to existing demand.

² <https://www.fair-and-precious.org/en>

Several respondents noted that the acceptance or rejection of applications or the selection of a particular service provider was sometimes unclear and there was a lack of transparency in decision-making. These respondents felt that most decisions were made by the implementation consultant. A staff change within COMIFAC meant that COMIFAC was only partially involved in the review of applications during the second half of the project. However, the decision criteria remained unchanged. Overall, this evaluation concludes, that despite individual comments to the contrary, the procedure for selecting applications for funding was transparent.

Direct support for the target group was given less importance than originally planned. This was critically assessed by the steering committee and mentioned again in the interim evaluation (internal project documents).

The project implemented little to promote gender equality. This was also not planned in the design.

Unintended effects (positive or negative)

A possible unintended negative effect from the point of view of the target group is that the target group of indigenous population can sell less game due to better control of forest resources. Without FSC certification, the illegal hunting and sale of wild meat is not controlled or is controlled only to a limited extent. As certified forestry companies are required to control poaching and the sale of illegally hunted meat, this could have a negative impact on the income of the hunting target group. However, the target group's hunting rights were taken into account in the design and access to hunting and the collection of non-wood products was coordinated with the target groups in the forestry companies' operational planning. Therefore, it is not possible for the evaluation team to make a clear assessment of this aspect.

One positive unintended effect identified by one of the companies surveyed was that the certified companies in the Congo Basin are able to cooperate more effectively thanks to the project. This included efforts to find a common response to new requirements, such as the introduction of intact forest landscapes in FSC-certified concessions.

Rating summary:

Outcome indicator 1 was not achieved. According to the final report, outcome indicators 2 and 3 were fully achieved. Companies were able to secure their certificates in the long term (Indicator 2). Outcome indicator 3 lacks evidence that the interests of the indigenous population have been sufficiently taken into account. Although the project reached disadvantaged groups (indigenous population), an improvement in their socio-economic living conditions and income increases in outlying communities have not been demonstrated (see Impact section for more information and rating of this aspect).

While the target group of the poor population in the peripheral zones of the forest concessions did not have any verifiable direct benefit from the FC project, the forest companies were able to use the project to improve their competence with regard to certification and were thus able to maintain their certification.

The procedures for selecting funding applications and the disbursement of funds were quick and ensured transparency (although this was questioned in isolated cases). The disbursement instalments for the projects were complex.

Gender impact potentials were not addressed and used in a targeted manner and were also not taken into account in the design. Women were not directly reached and supported through the project. Their socio-economic living conditions have not measurably improved. There was no follow-up with regard to gender.

In particular, the flexible focus on the needs of forestry companies willing to obtain certification was decisive for achieving the intended objectives.

Overall, the quality of the project's management and implementation can be rated as good. The consultant, steering committee and project-executing agency worked purposefully on the implementation of the project and were able to respond flexibly to the framework conditions and requirements.

The project was planned and implemented with integrity and in a transparent manner. The environmental and climate aspects were taken into account via the certification standards and implemented via the forestry companies.

Several external factors made forest certification less attractive to forestry companies and reduced demand for wood. Nevertheless, the project managed to adapt its activities to the new circumstances to some extent and to

provide the beneficiaries (forestry companies) with appropriate support. The project made a contribution to achieving the objectives.

The effectiveness is rated as moderately successful.

Effectiveness: 3

Efficiency

Production efficiency

The distribution of the funds amounting to EUR 9.7 million between the individual components (measure areas) was as follows:

Component 1: Establish technical and formal mechanisms and institutional conditions for certification through networks to support certification and support (new) private and public actors (9.5% of funds).

Component 2: Improve the quality of industrial forestry through training and specific activities related to certification (85% of funds).

Component 3: Strengthening communication about sustainable commercial forestry (5.5%).

The project duration, which was originally 3.5 years, was extended to five years, which enabled a disbursement rate of almost 98% to be achieved. This also extended the deployment time of the implementation consultant. This in turn meant higher costs (inputs) for the same results (outputs), i.e. lower efficiency.

Due to the project's demand-oriented approach, the financing requests from forestry companies (Component 2) were higher than originally expected. There were significant deviations from the originally planned composition of the disposition fund (internal project documents). As this component always included co-financing from forestry companies, it can be assumed that efficiency was increased as the output per funds used increased due to the counterpart contribution from the forestry companies. Forestry companies had to provide 50% co-financing. Each request for funding was also assessed for its benefit to other companies.

The applications for disbursement from the disposition fund submitted by the implementation consultant were carefully examined and discussions took place between the ES and the implementation consultant. However, this changed after there was a change in the management of the ES. From that point onwards, the ES only seemed to play the role of a managing body signing funding applications without making its own technical contributions or verifying the rationale for the applications.

The project's design provided for co-financing totalling EUR 2.5 million. This included private sector contributions amounting to around EUR 1.5 million as well as contributions from NGOs and FSC in the amount of around EUR 1 million (internal project documents). The actual co-financing totalled EUR 3.6 million. This was provided by forestry companies, certification organisations and non-governmental organisations in the form of investments and additional personnel costs (internal project documents). This high level of co-financing increases the overall efficiency of the project.

A cost benefit analysis commissioned by the project concluded in 2017 that each CFA franc³ used represents a benefit of 1.98–2.57 CFA francs (social and environmental services). The costs of EUR 5.7 million in investments would have provided EUR 11.3–14.6 million in benefits according to this model. Based on this study, the implementation consultant deduces that the investment in forest certification yields a return of EUR 1/ha/year. However, as the benefit refers primarily to theoretical social and environmental services according to the analysis and these were not clearly proven in the project and could not be attributed to the project, the evaluation team is not convinced of this approach. Although social and environmental services are important economic dimensions, they do not have any significance in the financial models of forest operators. With a yield of EUR 1/ha/year, the interest in sustainable forestry would otherwise be significantly higher.

According to a KfW manager, it is difficult to compare the efficiency of the PPECF with other KfW projects, as it is not a typical Financial Cooperation project. This interview partner emphasises that the implementation was efficient in view of the implementation consultant's relatively small team compared to the amount invested in the project. The implementation consultant was led by a proactive Chief Technical Advisor (CTA). However, from the point of view of KfW project management, this project was rather inefficient due to the very high administrative

³ Currency of the Central African Economic and Monetary Community

burden. The numerous applications for funding from the disposition fund had to be approved individually by KfW. A possible alternative would have been a simplified approval structure. For example, a random review by KfW and an external (annual) audit, while the majority of the application appraisals could have been reviewed and approved by external service providers in compliance with defined criteria.

Use of inputs (e.g. consulting firms) in relation to project output

There were only a very limited number of qualified service providers (consulting firms) in the partner countries, with some of these providers having the position of a virtual monopoly. In addition, the forestry companies preferred individual service providers with whom they had already worked in the past. As a result, the project worked with a very limited number of service providers. To avoid hiring inexperienced consultants directly (e.g. service providers without regional knowledge), the implementation consultant and the backstopping team applied several selection criteria. For example, they had to have already demonstrated their know-how, professionalism and ability to implement major projects (internal project documents).

In order to avoid high costs due to the “monopoly position” of service providers, the costs for consultants were aligned and the daily rates determined in advance. This helped to keep the costs of services low and ensure transparency (internal project documents). The interim evaluation found that too many small contracts were concluded with different service providers. Pooling measures into larger contracts would have increased the efficiency of the PPECF. (Internal project documents).

For each application for disbursement from the disposition fund, a cost benefit analysis was carried out by the implementation consultant. However, one source from KfW reported in an interview that the quality of the analysis had been questioned several times. KfW focuses on large-scale projects and therefore did not have the adequate tools and capacities to assess and approve small-scale financing applications. For example, a large number of applications with amounts of EUR 40,000 or EUR 50,000 had to be checked by KfW itself. Later, the review procedure was improved.

Despite reviewing applications for relevance and carrying out a cost benefit analysis, an AFD manager pointed out that the decisions on the award of contracts were sometimes unclear. One of the companies surveyed stressed that the need for support for forestry companies was sometimes not expressed by the companies themselves, but by the service providers. This reduced ownership on the part of the companies in some cases. Another company criticised the fact that the priorities of the project were not always clear and therefore the priorities of the inputs were not sufficiently transparent for the companies in relation to the expected outputs and results (for example, with regard to investments in improving communication and investments intended to benefit the local population directly).

A former manager of the COMIFAC ES stressed that the selection of the activities to be financed was questionable in individual cases and that not all activities of the project had an additional identifiable benefit. For example, a drone for EUR 200,000 was purchased for forest monitoring, but ultimately not used due to staff turnover.

In Gabon, certification processes have also become more attractive with the introduction of a new regulation in 2018. The regulation introduced a lower tax per hectare in FSC or PEFC certified concessions. The concessionaires in Gabon had little experience with certification and were unsure whether certification was economically worthwhile. In Phase II, the PPECF developed a set of instruments (toolbox) that helped companies increase their efficiency. According to the PEFC certification body, the toolbox was possible thanks to the results of Phase I. The toolbox contributed to increased efficiency among the forestry companies.

Timeliness of project activities

Most of the companies surveyed indicated that their requests for support were handled quickly and that support was always provided on time. An average of 38 days passed between the signing of the contract and the start of the consultant's on-site assignment (internal project documents).

Coordination and administrative expenses

The budget was originally calculated for a period of 3.5 years (41 months for the implementation consultant), but was extended to 64 months. The reason was that disbursements were slower than expected, especially at the start of the project. Accordingly, the share of the budget used for implementation consulting services increased from the planned EUR 1.860 million (18.6% of the total budget) to EUR 2.218 million (22.1% of the total budget). According to statements from a KfW manager, this figure appears to be within the framework of or even more economical compared to other KfW projects in the green sector. However, this project is atypical for KfW, as

many financing applications had to be reviewed, while other KfW projects are more likely to implement large-volume financing that requires less administrative workload.

Allocation efficiency

Appropriateness of the project priorities

If we compare the target of the original indicator 1 of 10 million ha of certified forest with the value of 5.7 million ha achieved for the planned use of funds, the outcome is very low compared to the planned input and therefore inefficient. Most of the companies surveyed confirm that the project has given them significant support in maintaining their certificates. Only two companies indicated that they would have maintained their certification themselves if they had not received support from the project.

The PPECF project was attractive for private forestry companies, and there were numerous requests for support from certified companies. There were far fewer requests from non-certified companies than originally assumed in the project planning. This was due to the fact that smaller companies did not have the capacity to submit qualified applications and did not have the necessary capital to provide the required co-financing. In addition, smaller companies without export business have no business incentive for certification. Furthermore, the project did not have the mandate to support companies in introducing certification, but only to accompany certification. As a result, the objective of increasing the certified forest area via companies that had not already been certified was missed. Looking back, focusing on non-certified forestry companies might have been the better way to achieve the certified area goal, but it would probably have required more resources. For forestry companies with little interest in the difficult context of a declining demand for certified wood, the question arises as to whether and how a larger certified forest area could have been achieved with a different project design, but with the same input (see Relevance and project design).

The steering committee assessed the involvement of indigenous people as insufficient and noted that more should have been done in this area. This was also mentioned in the interim evaluation. The evaluator recommended strengthening the direct support of the communities in certified concessions through community radio (internal project documents).

According to a CIFOR-WWF (*Centre for International Forestry Research*) study assessing the social impacts of forest certification, there are clear benefits for communities living in FSC-certified concessions to be included and taken into account.⁴ In this context, priority support to certified companies was probably the right decision to increase the impact of the project. The interim evaluation suggested identifying partnerships (projects or NGOs) through which direct promotion of peripheral communities and indigenous populations could be better. It is not clear whether direct support to the municipalities would have provided greater benefit. Some activities such as the awareness/education campaign were discontinued because no service provider was hired.

However, since the impacts on the target group's living conditions have not been quantified (see Impacts), no statement can be made on the allocation efficiency with regard to this point.

Rating summary:

One main objective, namely the expansion of the certified forest area, was not achieved with consistent inputs. An expansion of the certified forest area by companies that have not already been certified was also not achieved. Therefore, the efficiency with regard to investment funds is low if the target is not achieved.

Due to the extension of the project, the costs of the implementation consultant increased while the outputs remained the same. This led to a lower efficiency of the project.

Nevertheless, the implementation consultant's share of costs seems appropriate, as the project is not a typical large-scale KfW project, but numerous individual reviews of the forestry companies' applications had to be examined.

⁴ Cerutti, P. O., Lescuyer, G., Tsange, R., Kassa, S. N., Mapangou, P. R., Mendoula, E. E., Missamba-Lola, A. P., Nasi, R., Ackebil, P. P. T., & Yembe, R. Y. (2014). Social impacts of the Forest Stewardship Council certification: An assessment in the Congo basin. Center for International Forestry Research (CIFOR). <https://doi.org/10.17528/cifor/004487>

Forestry companies each co-financed 50% of the financing sum of the financing applications. The co-financing of forestry companies, certification organisations and non-governmental organisations was higher than expected in the design. This increased the efficiency of the project. The applications of the forestry companies were each subject to a cost benefit analysis. It can be assumed that the funds have been used efficiently.

With regard to production efficiency (input/output) and allocation efficiency (input/outcome), the project was moderately unsuccessful, as the planned inputs did not achieve the desired outcomes within the planned time. In some cases, the outcomes were not quantified (quality of life of the target group and representation of the interests of the target group), so that an assessment of the allocation efficiency is not possible.

The efficiency of the measure could possibly have been improved by focusing on companies that have not yet been certified. Alternatively, the target values should have been realistically adapted in the design. The outcomes should have been measured in order to better manage the project and make a statement about the allocation efficiency.

Efficiency: 4

Impact

The DC programme objective is “The biodiversity and forest resources in the Congo Basin and adjacent savannahs are better protected and are used in ways that are increasingly sustainable”. The project objective of the FC measure (module objective) is “Expanding certified forest management in the Congo Basin”. The FC project's module objective thus makes a significant contribution to the programme objective.

The achievement of the programme objective at impact level via the impact indicators can be summarised as follows:

Indicator	Status at PA	Target value at PA	Actual value at final inspection	Actual value at EPE
New: Indicator 1: 11 million ha of forest are managed sustainably according to internationally recognised sustainability criteria (FSC or comparable certification). Old: Indicator 1 (PA) Protection/sustainable use: 15 million ha (34% of the industrially used forest area in the Congo Basin) are managed according to internationally recognised sustainability criteria.	Baseline: 4.7 million ha FSC; 1.2 million ha Keurhout Board Of Experts⁵ (sustainable forest management seal); 0.5 million ha ISO 140015 Sources: FSC certificates according to IFIA, forest condition reports 2012–2016.	new: 11 million ha old: 15 million ha	FSC: 5.5 million ha No data available for the PEFC.	FSC: 5.7 million ha No data available for other certification systems.
(2) Improvement of socio-economic living conditions and income increases in outlying communities (model studies)	N/A	N/A	Value fulfilled according to the final inspection	The CIFOR-WWF study yields positive results, but without quantification.

Programme indicator 1 was based on the outcome indicator of the project, but with an increased certified forest area (15 million ha instead of 10 million ha). As this value of the programme also seems too ambitious, the value for the evaluation was reduced by the evaluation team to 11 million ha. This corresponds approximately to the

⁵ With regard to the establishment of a complaints office requested by the Federal Ministry for Economic Cooperation and Development (BMZ), the Keurhout Board of Experts has agreed to assume the role of an intermediary if necessary if accusations are made against the project or a company it supports.

percentage reduction made for Outcome indicator 1 of the project. However, this reduced value was also a long way from being achieved.

The first phase of the PPECF began in 2012. This was followed by a second and a third phase. It is not possible to clearly assign the impacts of the project to the respective phases.

Positive changes in the quality of life of the target groups, effects on biodiversity and biomass are used as the basis for assessing the impacts.

Contribution to overarching (intended) developmental changes

Forestry companies and COMIFAC emphasised that the first phase has played a decisive role in maintaining the certified area at a stable level in the long term, despite the difficult situation on the timber market. This was made possible by the technical support and capacity building provided by the PPECF. The beneficiary forestry companies were able to benefit from the project and obtain certification. A contribution was made to the overarching developmental changes (forest conservation) without achieving the target value (see section on effectiveness).

Indicator 2 (originally Outcome indicator 3) did not measure the achievement of improvements in socio-economic living conditions and income increases in outlying communities. A CIFOR-WWF study supports the theory that living conditions in neighbouring areas of certified forest companies are better than those of non-certified concessions. Further evidence within the framework of a monitoring system for the project would have been appropriate.

The socio-economic impacts of FSC-certified concessions compared to non-certified concessions are documented in the study published by CIFOR-WWF. The CIFOR-WWF study draws the following conclusions:

- The socio-economic conditions of the communities living in certified concessions are better than those in non-certified concessions.
- In particular, the study emphasises that FSC-certified concessions provide better working and living conditions for workers and their families.
- There are more inclusive and better regulated bodies/institutions for negotiations between the local population and the timber companies, but conflict resolution mechanisms are not established.
- Mechanisms for the negotiations on benefit compensation (ABS) are better managed. For example, the plan is for the local investment fund to encourage participation of indigenous groups in decisions on investments.
- There are innovative ways of dealing with problems related to the violation of customary laws.

The study concludes that certification has a clear and visible positive effect even under the difficult conditions in the Congo Basin (complex historical and political and economic situation). Another finding of the CIFOR-WWF study is that social relationships with the neighbouring population improve the longer a company works in a certified concession. Therefore, the results achieved by the PPECF are likely to have a more positive impact on local communities today than at the end of the first implementation period. Nevertheless, this study does not have sufficient figures and evidence to demonstrate improvements in living conditions and income increases in outlying communities.

Cooperation with communities

The forestry companies' feedback plausibly demonstrates that the project has provided them with methods and instruments to cooperate with the communities in the most effective way and to develop community development plans together. With one exception, all the forestry companies surveyed agreed that the local communities would have benefited from the recognition of their rights to hunt and collect non-wood products from the forest. The participation of the target group in the development of forest management plans enabled a clear identification of the areas that were important for their traditional rituals (e.g. hollies) and their livelihood (e.g. collection of certain non-wood products, hunting areas). Most of the companies surveyed stressed that the mobilisation of communities had improved mutual understanding and relations between companies and communities. However, most companies indicated that the specific needs of women were not taken into account in activities with local communities. The project was not designed to have any specific gender impacts. The project worked at various levels to improve the socio-economic conditions of the local communities (Component 2). According to the programme proposal, the target group lives from subsistence agriculture, hunting and the collection of non-wood products from the forest. The basic provision of social services is not guaranteed due to the low presence of state institutions. This is therefore often provided by forestry companies. The project helped certified companies to meet or maintain the requirements of FSC certification with regard to cooperation with local communities, as non-adapted forestry can also have a negative impact on the target group's living conditions (2011 programme proposal). The project expanded the capacities of the company's employees in terms of their ability to mobilise and cooperate

with the communities. The preparation of local development plans was co-financed by the project and carried out by the companies or national NGOs.

All companies emphasised that the involvement of local communities was helpful in reaching a consensus on investments from the Development Fund. Examples of such infrastructure and other investments are wells, schools, bridges, agricultural support for the indigenous population (consulting, agricultural equipment, seeds, planting fields, etc.), electrification by solar energy, etc. One company also pointed out that, as a result of the improved cooperation with the communities, several community members became employees of the company. The salary they received contributed to local development. In another case, community members began actively trading forest products on the company's premises. As a result, they generated additional income. However, the number of new jobs and income opportunities for the communities was limited, according to two interview partners. The creation of new jobs and improved income opportunities are arguments that were frequently used by companies and are also reflected in the CIFOR-WWF study, but no evidence could be provided as part of the project. However, it is plausible to assume that the investments made a positive contribution to local development.

Promoting infrastructure

According to the implementation consultant, part of the infrastructure financed by the companies (schools, hospitals, roads) was of low quality. Another aspect related to schools is the fact that national education teaching staff were equipped with low wages and possibly limited qualifications. The school buildings financed by the concessionaire can only operate within the framework of the existing education system and can therefore only ensure adequate education with a functioning education system and facilities of the state. Concessionaires alone cannot improve education, but improved infrastructure must go hand in hand with public investment.

A manager of AFD and the PPECF confirms that the certified concessionaires in remote areas have taken over the government's tasks to some extent in terms of social support and infrastructure development. In addition, an AFD manager emphasised that there may be significant differences in the amount of social investment between the certified companies. This may depend on the economic situation of the companies on the one hand and on the socio-economic existing situation of the communities on the other.

Conflicts and vulnerable groups

Some companies also emphasised that it was possible to reduce conflicts between the company's employees and the members of the communities, and in some cases also between the communities themselves. This was also a result of the support from the PPECF. Despite these positive examples, most companies admitted that they were unable to quantify the actual benefits for the communities. This impression was shared by KfW managers and the implementation consultant. They stressed that the actual benefit for the communities is limited. For them, the main reason is that community development is not their priority; instead, they focus on meeting the certification requirements. The final report also emphasises that community development plans played little role in the measures carried out by the forestry companies (internal project documents). The project's efforts to support the communities beyond the plans did not come into play (internal project documents).

As regards support for **vulnerable groups**, the majority of companies emphasised that gender issues were not taken into account, and the role of women in the consultation processes with forestry companies was not strengthened. The participation of women was limited to participation in the local committee.

In summary, the project has contributed to improving cooperation between businesses and local communities. However, the result of this improved cooperation in terms of local economic development and the improvement of livelihoods cannot be quantified. Based on these different statements, it can be concluded that the PPECF has probably contributed to improving the socio-economic conditions of local communities, although these contributions are rather low. Concrete evidence is also not available. The infrastructure measures that were promoted as part of the project via the development plans have the potential to improve the living conditions of the target group. The income of the target group did not demonstrate a verifiable increase.

Biological diversity

Another important focus of the project's support for forestry companies was the preservation of biodiversity. In addition to training programmes on the application of sustainable timber harvesting methods, research has been carried out to gain a better understanding of the ecology and succession of certain tree species. The aim was to achieve more sustainable management of the forest that takes better account of biodiversity. For example, there have been various initiatives to improve wildlife management (anti-wildlife measures, training for wildlife managers, proposal for a wildlife management plan for Gabonese forest companies, wildlife monitoring, etc.). (Internal

project documents). A “Wildlife Toolbox” was developed, which was used by at least some companies. However, there are no figures on wildlife monitoring or results that can be derived from the toolbox. A wildlife study was published in 2024, showing that the number of mammals in FSC-certified forests in West Africa is higher than in non-certified forests. The effect is particularly strong in mammals over 10 kg live weight. The number of rodents is higher in non-certified forests than in certified forests. The success with larger mammals is mainly due to the reduced hunting pressure.⁶

Impact on the timber market and timber prices

The impact of the first PPECF phase on the timber market and communication on sustainable tropical wood seemed limited, even though there was different feedback. A manager of the FSC emphasised that the project had no impact on the wood market, not even through the “*fair and precious*” label. Representatives of ATIBT agree that there is no clear evidence of greater awareness and credibility of sustainable forest management in the Congo Basin. However, they argue that sales managers in certified forestry companies report that they have experienced less criticism from their customers and international NGOs in recent years thanks to more efficient communication. The project’s contribution to this changed perception of wood products from the Congo Basin cannot be assessed on the basis of the available documents and interviews. From the information, the evaluation team can deduce that the project contributed to a better reputation for tropical wood and thus enabled improved marketing opportunities for certified tropical wood. The criticism on the part of the NGOs regarding the marketing of tropical wood has also diminished, which can also be assessed as an impact of the project. Cooperation with ATIBT was strengthened even further in the second phase and was able to achieve even more effects.

Institutional impacts and overarching developmental changes

Discussions with KfW, the implementation consultant, FSC and COMIFAC show that the project has no clear impacts on national forest administrations (see Effectiveness). Administrations were not sufficiently strengthened and there was no improvement in the legal framework for forestry. This relates to institutional framework conditions (end of log exports, efficient domestic wood processing, tax incentives, etc.) and strict compliance with legal provisions (internal project documents). Institutional strengthening was planned in the joint programme (result 1), but not in FC (see Suitability of project concept and adaptability). For this reason, this aspect is not included in the rating.

Respondents at KfW and the implementation consultant emphasised that there is no evidence that the introduction of a positive legal and tax framework for certification in Gabon is due to the project. A PPECF representative suspects that the first phase may have played an important role in reminding countries that they can use certification to improve their own national standards and legal provisions. According to an FSC representative, the situation in other COMIFAC countries has not developed positively. There is no political willingness for certification in the Republic of the Congo. Although most companies in the Democratic Republic of the Congo (DRC) would like to be certified, this is not possible due to a fragile state and problems with governance. In Cameroon, the political context in recent years has also been detrimental to forest certification.

Contribution to overarching (unintended) developmental changes

No unintended positive effects at impact level are known. An unintended negative effect may be a lower income of the hunting target group due to the more restricted sale of illegally hunted game meat (see Effectiveness). Interview partners reported that controlled hunting (as part of the FSC criteria) led to a reduced income of the target group, as the target group was able to sell less (illegal) wild game. Although traditional hunting and access to non-wood products is negotiated and documented between forest companies and target groups as part of forest certification, there may still be restrictions. The population may have earned less income due to better controls on illegal hunting and marketing of wild meat. For example, local authorities may seize wild meat or other non-wood products. Certification can therefore have a negative impact on local communities’ access to non-wood forest resources. However, there is no evidence of potentially lower incomes. The possible negative effect was only mentioned in interviews.

A possible unintended effect is the positive legal and tax framework for certification in Gabon. According to an interview partner, this is at least partly due to the impact of the project, even if institutional strengthening was not planned in the FC project (see above).

⁶ Zwerts, J.A., Sterck, E.H.M., Verweij, P.A. et al. FSC-certified forest management benefits large mammals compared to non-FSC. *Nature* 628, 563–568 (2024). <https://doi.org/10.1038/s41586-024-07257-8>

Broad impact of the project

It is not possible to establish a broad impact on structural or institutional changes. However, it can be assumed that there will be a broad effect in terms of capacity building in forestry companies. The measures were exemplary and can also be replicated via forestry companies that did not receive promotion. The digital tools and handouts on the website in particular can be widely used. The website was used and thus potentially contributed to the broad impact of the project. A total of 62,000 documents were downloaded between 2012 and 2017. This indicates a high level of interest from forestry companies. The number of users is consistently high (internal project documents).

Contribution of the introduction of certifications on the condition of forests (biomass and biodiversity)

Selective forest use can have an impact on the biomass and biodiversity of forests. A monitoring system for measuring the two dimensions was not set up as part of the project. There is no analysis of the impact of the project on biomass and biodiversity and no analysis of permanent observation areas of the certified operations. Other studies have therefore been used to assess this aspect, which allow for an approximation of the question below.

Effects of sustainable FSC forest management on biomass

It is not possible to draw any clear conclusions about changes in biomass (Karsenty et al., 2016; Wolff & Schweinle, 2022). In a meta-analysis of studies conducted, less deforestation was observed in 54% of cases for general forest areas with FSC certification compared to non-certified areas. In 46% of cases, FSC certification had no impact on deforestation. With regard to forest degradation, less degradation was observed in 70% of cases in certified areas (Wolff & Schweinle, 2022). This means that FSC certification is likely to counteract forest degradation and thus have a positive impact on biomass. A study in the Congo Basin states that certification has no direct effect on deforestation and the cause of deforestation (Karsenty, 2019). Some publications also conclude that certification with FSC has no long-term effect on the biomass in the forest areas studied. Individual studies even observe an increase in deforestation with the FSC certification measures in Central Africa (Karsenty et al., 2016).

However, a majority of the currently available studies and interview partners find that the deforestation rate is lower on FSC-certified land than on non-certified land (Oréade-Brèche & Nature+, 2017; Panlasigui et al., 2018; Wolff & Schweinle, 2022). Illegal deforestation plays a significant role on non-certified land, leading to a faster loss of biomass.

The studies show that FSC certification has a long-term positive effect on avoiding deforestation, reducing degradation, increasing biomass and thus increasing carbon sequestration in the forests. In turn, it can be deduced that the PPECF contributed to the preservation of biomass.

Impacts of sustainable FSC forest management on biodiversity

The link between improved biodiversity and the certification measures is clear. A meta-analysis shows that 74% of studies worldwide identify a positive impact of forest certification on biodiversity (Wolff & Schweinle, 2022). The respondents in the project also recognise the positive effects of FSC certification on biodiversity and the distribution of species.

The negative effect of selective logging on biodiversity and biomass can be minimised by means of measures such as sustainable timber harvesting and post-harvesting (preservation or promotion of natural rejuvenation). A further study in Gabon found that FSC-certified land causes less damage to trees and smaller back roads than conventionally managed forests. A positive effect on species is derived from this (Wolff & Schweinle, 2022). The anti-poaching measures linked to the certification also contribute to the conservation of species in the Congo basin. It was found that large wildlife in FSC-certified forests are significantly better protected than in those without certification (Karsenty et al., 2016). For example, the endangered African golden cat has reached higher population densities through the certification measures (Bahaa-el-din et al., 2016; Wolff & Schweinle, 2022). As an umbrella species, its preservation is of particular importance for an intact ecosystem. The conservation of chimpanzee and gorilla populations in the northern part of the Republic of the Congo also showed a positive effect from FSC certification (Wolff & Schweinle, 2022). The PPECF has also developed a wildlife management and monitoring tool that forestry companies can use to demonstrate impacts. The project financed a study on the occurrence of mammals in FSC-certified and non-certified forests in West Africa. The study, published in 2024, concludes that in FSC-certified forests, the number of mammals is higher than in non-certified operations (see Impacts).

Despite the information in these cited studies, however, the effect of certification on biodiversity and its measurability is questioned by some parties. The reasons mentioned are that studies often model biodiversity and therefore simplify it. Another reason mentioned is that different forest areas are difficult to compare and therefore general statements are not valid.

According to these studies, it is therefore not possible to make a clear statement about the positive or negative long-term impacts of forest certification on biodiversity. Further investigations would be necessary for this (Brandt et al., 2016). However, the meta-analysis shows the tendency that certifications have long-term positive effects in terms of biomass and biodiversity. In addition to these statements from studies, a mammal study in the project area shows that mammal populations occur more frequently in certified forests than in non-certified forests.⁷ However, other important biodiversity factors (plant diversity, forest composition after logging, regenerative capacity, biomass, among others) have not been studied. The studies and interviews therefore show that certification has a general positive impact on forest conservation, biomass, biodiversity and lower degradation. It can therefore be assumed that the PPECF has had a positive impact on biomass and biodiversity through the promotion of forest certification.

Rating summary:

The technical assistance provided by the PPECF and capacity building have played a decisive role in maintaining the certified forest area to this day. Political decisions (Gabon) also contributed to maintaining or expanding the certified area. The impacts of the project on biomass and biodiversity were not measured by the project. However, based on meta-studies, it can be plausibly assumed that the project not only contributed to the preservation of the forest, but also to the preservation of biomass, biodiversity and to lower degradation. Certified concessions are generally home to higher biodiversity than non-certified concessions in similar forest ecosystems. The forest ecosystems are better preserved, and the amount of poaching has decreased. The number of mammals is higher in FSC-certified forests than in non-certified forests.

Other overarching developmental changes that relate to social, economic and environmental impacts and improved incomes of the target group cannot be clearly proven. An improvement in the living conditions of the vulnerable, indigenous target group (indigenous population and women) has not been measured and is not demonstrable but is plausible.

According to the existing studies by CIFOR-WWF and statements by certified companies, it can be assumed that the living conditions in the environment of certified and managed forests are better than those in non-certified managed forests with similar socio-economic structures. It can be deduced from this that the project probably had a positive effect on the living conditions of the target group, at least up to the time of the EPE. The socio-economic conditions of the communities are better in FSC-certified concessions than in non-certified ones. It can therefore be plausibly deduced that this also applies to the project area of the FC project.

However, an effect on the income situation of the target group has not been quantified in the CIFOR-WWF study or as part of the project. Neither of the respondents was able to make a statement about this in interviews. Therefore, a positive effect on the income situation of the target group cannot be proven or denied. The evaluation team can therefore not confirm the achievement of Impact indicator 3 with regard to the income situation, as there is no evidence for this.

External factors such as the economic crisis and declining demand for tropical wood have contributed to the fact that not all of the intended development policy objectives of the measure were achieved.

No broad-based impact on structural or institutional changes has been identified. However, it was possible to establish a broad-based effect in terms of capacity building for forestry companies.

Overall, the impact is rated as moderately successful.

Impact: 3

⁷ Zwerts, J.A., Sterck, E.H.M., Verweij, P.A. et al. FSC-certified forest management benefits large mammals compared to non-FSC. *Nature* 628, 563–568 (2024). <https://doi.org/10.1038/s41586-024-07257-8>

Sustainability

Capacities of persons concerned

With regard to the sustainability of the knowledge acquired as part of the project, some of the companies surveyed emphasised that there were major differences depending on the topic. For aspects that were already known to the companies (e.g. environmentally friendly forestry), the capacity is maintained. However, this does not apply to other issues that are not part of the core competencies of the companies, such as wildlife monitoring, which is unlikely to continue without the support of the project. One of the companies emphasised that the knowledge acquired by employees is still up-to-date and that the impact on the company's business is tangible and sustainable. In general, all companies agree that the support they received in the form of capacity building and coaching was crucial to maintaining their certifications.

The interim evaluation also found that the certified companies maintained their level of sustainable management after certification. This was also the case in situations where companies considered whether other certifications, e.g. legality certificates, under the EUTR would not be more beneficial for them (internal project documents). From the existing documents and information from the interviews, it can be deduced that the forestry companies are able and willing to renew and maintain their certification.

Half of the companies surveyed stressed the need for continuous training for their employees, either with internal resources or with the help of external resources. They indicated that compliance with certain practices, e.g. related to occupational safety, decreased over time. Regular training of personnel is therefore necessary to ensure a high level of knowledge and compliance with the standards. To address this challenge, one of the companies surveyed indicated that it had submitted funding applications for the retraining of its staff, but these were not approved. Staff turnover is another issue highlighted by several companies. Employees who have been trained leave the company and the new employees have a lower level of knowledge.

The co-financing of the individual measures by the companies contributed to efficiency on the one hand, but also to sustainability, as companies only co-financed those measures that contribute to the company's long-term success.

The PPECF has initiated processes that require a broad consensus between national forest authorities, COMIFAC, private forestry companies and timber importing countries, in particular with regard to the concept of the protection of *High Conservation Value (forest)* areas (HCV(F)) and the IFL, which are both specific features of the FSC standard (internal project documents).

The forestry companies are now able to cooperate more effectively, which is also due to the capacity-building support provided by the project.

Contribution to support for sustainable capacities

Most certified companies in the subregion were able to improve their capacities through the project. All ten forestry companies surveyed during the evaluation highlighted the long-term benefits of the numerous training, coaching and other capacity building activities organised in the first phase of the PPECF. Since the support for the project was needs-based, capacity building was tailored to the needs of the individual companies. Capacity building pursued different goals. Training helped companies acquire the skills required by the FSC standard on various aspects. Examples of topics include conservation harvesting, GIS-supported mapping, community mapping and development plans, health and safety, wildlife monitoring and others. Training was provided to prepare for an FSC audit and to take corrective actions after the audit.

The PPECF project took advantage of its experience and shared it via its website, where all training materials, manuals and reports developed under the project are available online.⁸ However, the knowledge acquired as part of the project was not anchored in the educational institutions. Several of the companies surveyed stressed that the capacity-building tools and materials developed under the project served as a model for other companies and helped forestry companies pay more attention to indigenous peoples, wildlife, environmental impact studies, etc. They also emphasised that the detailed training reports and materials they received as part of capacity building provide the opportunity to repeat the training internally. It was stressed that the materials are also useful for non-beneficiary companies.

The development and dissemination of training materials on the Internet and the development of digital tools also enable companies to use these materials sustainably in their internal training. The development and

⁸ http://www.ppecf-comifac.com/tableau_recapitulatif.html

dissemination of an Excel-based tool⁹ that helps companies calculate the costs and benefits of certification for their specific situation and decide accordingly was an important step in terms of sustainable capacity building. In the first phase, an attempt was also made to develop software to help FSC-certified companies in their daily work. The intent was to make the software widely available to forestry companies and was and is available on the project's website (see link). However, the proposed software was too complex and the idea was abandoned. This idea was successfully revived in the next phases of the project, and the project is now working (in Phase III) on a full digital assistant that will continuously support the companies with all the important topics covered in the training courses. This concerns, for example, issues such as occupational safety, sustainable timber harvesting, mobilisation of communities, wildlife management, etc. The instrument is the result of considerations from the first phase of the project but was only introduced six years after the end of the first phase of the PPECF.

Durability of effects over time

The sustainability of the impacts of the PPECF project was influenced by the economic, political and social context of the various partner countries. In the Democratic Republic of Congo (DRC), political instability prevents the development and enforcement of a coherent forest policy. In Cameroon, the current legal framework for the forest sector for forest certification is unfavourable. In Gabon, the framework conditions for certification improved at the start of the second phase after a political decision was made to grant tax relief to certified companies. In the Republic of the Congo, the environment for certification was better throughout the first phase and improved further afterwards.

As described in the previous sections, there were changes in the political and economic context that influenced the impacts and sustainability of the project: The reduction in timber sales as a result of the economic crisis in 2008 and the introduction of the EUTR, which drove forestry companies' attention from FSC certification to legality certificates, as well as the lower demand for tropical timber.

The co-financing principle pursued by the project was an effective approach to guaranteeing sustainability. The PPECF project only co-financed activities requested by the companies, which means that these activities were part of a long-term development strategy of the respective companies. There were only a few activities that were stopped before they were realised, such as a software for communicating about secondary tree species. To avoid these kinds of situations, the implementation consultant introduced additional criteria in the evaluation of funding applications to verify whether the beneficiaries of the project support guarantee that they will use the materials/knowledge created in the long term.

It was not possible to determine the sustainability with regard to the resilience of the target group (women, indigenous population). However, there was a contribution regarding the target group's ability to plan, negotiate, better articulate and know their rights together with forestry companies. Two companies noted that local communities, in particular indigenous peoples, became more aware of their rights and the procedures that allow them to participate in forest management design. This helped them to maintain the individual socio-economic improvements achieved by the project.

The communities' capacity for joint design and negotiations with forestry companies was strengthened. However, the context of the measure in terms of social justice, economic performance, political stability and ecological balance remains unstable and may therefore jeopardise the sustainability of the positive effects. Nevertheless, vulnerable groups can benefit from the sustainable structures of certified forestry companies in the long term. No positive gender effects from the project were observed, but neither were they planned in the design. It is not certain that the strengthening of vulnerable groups will be permanent. However, if the certified companies continue to be present, this is likely.

Rating summary:

The PPECF's capacity building measures have had a long-term impact on the technical capabilities of forestry companies. They have been able to maintain the requirements for certification on a permanent basis. However, staff turnover can contribute to the loss of this knowledge within the company if it is not sufficiently embedded in internal knowledge management structures. Forestry companies have been better equipped to react collectively to changes. The forestry companies are able to maintain the positive effects of the measure in terms of personnel and finances even after the support has ended. The target group of forestry companies is therefore assessed to be resilient to risks. The capacity of the group of forestry companies is therefore sustainable.

⁹ Available at the following link: http://www.ppecf-comifac.com/tableau_recapitulatif.html?file=files/interventions/Tab-leau%202_Amelioration%20de%20la%20qualite%20de%20l%27exploitation%20industrielle/SROI_entre-prise%20xxx_Mars2017.xlsx

The co-financing approach of the measures by forestry companies contributed to the sustainability of the activities. The continuation of the PPECF in Phase II and Phase III (and soon in Phase IV) contributed to the sustainability of the effects of Phase I.

The target group of vulnerable local populations is less resilient to future risks if they do not receive continued support. However, if the certified companies continue to be present, the resilience is likely to be permanent. Indigenous people have become more aware of their rights.

The digital tools and the accumulated knowledge were designed at the beginning of the first phase. This was an important basis for sustainable knowledge management. The digital platform and digital tools were further expanded in the next phases. The knowledge generated by the project can be accessed on a website and is therefore sustainably available for use by companies and institutions.

The sustainability dimension of the project is assessed as moderately successful.

Sustainability: 2

Overall rating: 3

The first phase of the PPECF was carried out in a difficult and dynamic environment. Some of the initial assumptions on which the project design was based proved to be incorrect at the start of implementation. The project followed a flexible approach that allowed forestry companies to offer need-based support. These companies recognise that the project has made a significant contribution to preserving the area of certified forests in the Congo Basin to this day. Although the certified forest area is significantly lower than the target value, it can be regarded as a success given the context.

In terms of **relevance**, the design of the project appears to be appropriate to achieve the objectives and impacts. Risks were identified. However, the selected target values were too ambitious considering the framework conditions and the interim evaluation. The target values were not adjusted. The design was based on the strategic documents of the German Federal Government and was aligned with the COMIFAC strategy. Institutional strengthening was planned in the joint programme (Result 1), but not in FC. For this reason, this aspect is not included in the rating. The design took into account the needs and capacities of particularly disadvantaged and vulnerable parts of the target groups. The specific interests of women were not taken into account in the design. In terms of adaptability, the project was able to respond flexibly to the needs of forestry companies, but not to institutional weaknesses.

With regard to **coherence**, the TC and FC measures were designed to be complementary. However, the internal coherence during implementation remained less than it could have been. With regard to external coherence, synergies and cooperations were sought and used, in particular with regard to AFD, the EU and ATIBT.

Effectiveness: Outcome indicator 1 was not achieved. According to the final report, Outcome indicators 2 and 3 were fully achieved. Companies were able to secure their certificates in the long term (Outcome indicator 2). For outcome indicator 3, there is no evidence that the interests of the indigenous population were sufficiently taken into account in the implementation of the project. An improvement in their socio-economic living conditions and income increases in outlying communities have not been demonstrated (see Impacts). The project supported forestry companies and was able to flexibly support their needs. The implementation consultant, steering committee and executing agency worked in a targeted manner on the implementation of the project and were able to respond flexibly to the framework conditions and requirements.

The **efficiency** is low in terms of investment funds with low target achievement (certified forest area). An extension of the certified area was not achieved, while the costs of the project remained the same. The costs of the implementation consultant increased as the project was extended with the same target values. However, in view of the many small-scale financing applications, the consultant's share of the costs seems appropriate. Forestry companies each co-financed 50% of the funding for the applications. This increased the efficiency of the project. Despite this, production efficiency and allocation efficiency are rated as moderately unsuccessful.

With regard to the overarching developmental impacts, the project has made a decisive contribution to maintaining the certified forest area to this day by building capacity. The impacts on biodiversity, biomass, avoided deforestation, degradation and improvement of the living conditions of the target group were not measured by a follow-up system in the project. Based on meta-studies and a study financed by the project on the frequency of mammals in certified forests in the project area, it can plausibly be assumed, however, that the project not only contributed to the preservation of the forest, but also to the preservation of biomass, biodiversity (wildlife) and to lower degradation. According to existing studies by CIFOR-WWF and statements by certified companies, it can

be assumed that the living conditions in the environment of certified and managed forests are better than those in non-certified managed forests with similar socio-economic structures. It can be concluded that the project probably had and continues to have a positive effect on the living conditions of the target group. External factors such as the economic crisis and declining demand for tropical wood have contributed to the fact that not all of the intended development policy objectives of the measure were achieved. Overall, the impact is rated as moderately successful.

Sustainability: The PPECF's capacity-building measures have had a long-term impact on the technical capabilities of forestry companies. They were able to maintain the requirements for certification on a permanent basis. The target group of the vulnerable local population, on the other hand, is not very resilient to future risks, but the target group in certified operations is more resilient than outlying communities in non-certified operations. The communities' capacity for joint design and negotiations with forestry companies was strengthened. Strengthening vulnerable groups is likely to be sustainable only if the presence of certified companies is maintained. The knowledge generated by the project can be accessed on a website and is therefore permanently available for use by companies and institutions. The relevance of the project is assessed as moderately successful.

Contributions to Agenda 2030

Based on an ex-post identification of relevant global Sustainable Development Goals (SDGs) based on the FC project documentation, the project contributes to achieving SDG 1 (No poverty), 8 (Decent work and economic growth), 13 (Climate action) and 15 (Life on land). In the project design, contributions to the achievement of Millennium Development Goals (MDGs) 1 and 7 were expected.

Universal application, shared responsibility and reporting: In the planning phase, the project was in line with Millennium Development Goals (MDGs) 1 "Eradicate extreme poverty and hunger" and 7 "Ensure environmental sustainability". It contributed to Goals 6 and 9 of the German Federal Government's Programme of Action 2015 for "Fighting Poverty. Acting together". With regard to the 2030 Agenda for Sustainable Development (SDG), the project contributed to achieving SDG 1 "No poverty". This was done by supporting forest certification, which can create economic benefits for local communities, such as additional income, including for indigenous people. However, this potential contribution to alleviating poverty could not be proven in the project. The project also contributed to SDG 8 "Decent work and economic growth". Certified forestry companies follow stricter health and safety regulations. Occupational accidents were less common than in non-certified companies. Members of the local community benefited from the (limited) employment opportunities in the forestry businesses and from new income opportunities through the sale of non-wood products to the employees of the companies. However, increased income from the sale of non-wood products could not be proven. The project also made a contribution to climate change mitigation, as the measures prevented deforestation, and forest conservation made significant contributions to carbon sequestration. Finally, the project contributed to SDG 15 "Life on land". Certified companies have a greater biodiversity than non-certified companies. According to existing studies, forest ecosystems will be better preserved thanks to the appropriate design of harvesting measures and forest roads and back roads. The logging is lower than in non-certified areas. Studies show that there is less poaching activity in certified concessions. However, no clear evidence could be provided for this project, although the probability is high that this has been achieved.

Interaction of economic, environmental and social development: The project is also aligned with the three objectives of the United Nations Convention on Biodiversity. Support from the PPECF for the involvement of local communities in forest management design contributes in particular to Objective 3 "Fair and equitable division of benefits from the use of genetic resources". The project follows the principles of the Nagoya Protocol on access to genetic resources and the fair and equitable sharing of the benefits arising from their use (ABS). Finally, it is in line with the EU FLEGT project, in particular with the principles of legality and good local administration.

Inclusivity: The project follows a holistic approach and takes disadvantaged groups into account in its design. Disadvantaged groups have been reached, but the effects on income, health, education, income, social justice and gender are not demonstrable.

Project-specific strengths/weaknesses and general conclusions and lessons learned

The project had the following strengths in particular:

- The demand-oriented approach of the PPECF enabled beneficiary companies to receive tailored support and a high level of adaptability to changing framework conditions.
- The availability of training materials on the internet and the start of the introduction of digital tools in a second step made it possible for the knowledge acquired under the project to be available in the long term and to be disseminated beyond the core group of beneficiaries.
- The project was co-financed to a large extent by the beneficiaries (forestry companies).
- The co-financing of two scientific studies closed evidence gaps and showed that mammal occurrences developed more positively within certified forest areas than in non-certified forest areas. A positive effect on the socio-economic living conditions of the local population in certified forest areas compared to non-certified forest areas was demonstrated.

The project had the following weaknesses in particular:

- Even at the start of the project, the target of 10 million ha of certified forest area was assessed as over-ambitious. The target value was not adjusted even after the interim evaluation, which assessed this figure as too ambitious.
- The direct support of the communities with regard to social infrastructure, agriculture and non-wood products via the community development plans was not as intensive as in the conceptual design. This means that the impacts of the project on local economic development could only be expected indirectly, i.e. through the certification of forest companies.
- Evidence of overarching developmental impacts such as health, education, income, gender equality, biodiversity, resilience to risks, biomass conservation and CO₂ sequestration was not systematically measured in the project. In two studies financed by the project, however, it was concluded that mammal populations occur more frequently in certified forests than in non-certified forests and that the socio-economic living conditions of the local population of certified forests are better.
- The project caused a high workload for KfW, as the numerous financings had to go through an analysis and approval process.
- No baseline was defined for two of the four outcome indicators, which made it difficult to assess the impacts achieved by the project. An Outcome indicator (3) was defined by the evaluation team as Impact indicator 2.

General conclusions and lessons learned:

- A demand-based approach to the disbursement of the disposition fund enables the project to react to changes in the environment and adapt the project support to the specific needs of the beneficiaries.
- Where the project adopts a demand-driven approach, strict selection criteria and arrangements are required to ensure a transparent assessment of the relevance and cost-benefit ratio of forestry companies' financing applications.
- The direct commissioning of service providers enabled quick project implementation and ensured short permitting procedures. However, strict and transparent selection criteria are necessary to ensure transparent selection of service providers and to avoid monopolies or doubts about the award of contracts.
- By making co-financing a mandatory condition for investment, support can be targeted to the activities most needed and desired. This is the key to guaranteeing the sustainability of the results.
- The knowledge generated as part of the project and the development of suitable instruments should be anchored and disseminated at an early stage in the cooperating educational institutions and establishments. This should be done in addition to the path that was used, namely documentation via a website.
- When defining the indicators and their values, it should be ensured that the values can be achieved, that follow-up of the indicators can take as little time as possible and that follow-up is used as project management. The target values must be adjusted if the general conditions change.
- Financing measures in fragile contexts should go hand in hand with strengthening (weak) institutions. This offers synergies for improved internal coherence with TC.

Evaluation approach and methodology

Ex-post evaluation methodology

Ex-post evaluations follow the approach of a rapid appraisal, i.e. a data-supported, qualitative contribution analysis resulting in an expert opinion. Effects are attributed to the project considering plausibility, based on thorough analysis of documents, facts and impressions. This includes – if possible – the use of advanced technology (e.g. satellite imagery, online interviews, geocoding). There is a follow-up on possible conflicting information, attempting to eliminate inconsistencies and to base the rating on information that – to the extent possible – has been confirmed through different sources (triangulation).

Documents:

Internal project documentation, secondary specialist literature, reconstructed Theory of Change, interim evaluation, project progress reports, final report.

Data sources and tools for analysis:

Publications and secondary data from scientific publications and from the public FSC certification database.

Respondents:

Interviews with implementing consultants, certification bodies (FSC, PEFC), COMIFAC, forestry companies, national forest institutions in the partner countries, association of actors in the tropical wood sector, project-executing agencies and other donors such as KfW.

- A total of 18 interviews (20 respondents)

- Interviews were not possible with NGOs that supported forestry companies in community planning; the NGOs interviewed were either not directly involved in the project or could not provide full information.

- An interview with representatives of the vulnerable population target group was not possible.

The analysis of impacts is based on assumed causal relationships, documented in the results matrix developed during the project appraisal and, if necessary, updated during the ex-post evaluation. The evaluation report sets out arguments as to why the influencing factors in question were identified for the effects experienced and why the project under review was likely to make the contribution that it did (contribution analysis). The context of the development measure and its influence on results is taken into account. The conclusions are put into perspective regarding the availability and accuracy of the available data. An evaluation concept is the frame of reference for the evaluation.

This method provides a balance between cost and usefulness, generating evaluation findings with appropriate effort and expense. Also, it allows for a systematic success rating across the FC projects. Thus, an isolated ex post evaluation cannot fulfil the requirements of a scientific assessment in the sense of a strict causality analysis.

The following aspects caused limitations for the evaluation:

The evaluation team was unable to interview the NGOs directly involved in the mobilisation of village communities during the participatory process, which is a mandatory prerequisite for FSC certification. Such interviews would have helped to understand the level and representativeness of the participation of village communities.

Similarly, it was not possible for the evaluation team to interview members of the target group, i.e. vulnerable groups in remote areas with limited access to telephone networks. These types of interviews would have helped to verify the information provided by forest operators on the actual benefits of certification, the impact on target groups, but also on unintended negative effects such as lower incomes due to a restriction on the marketing of wild game, for example. The viewpoint of representatives of the target group would have been helpful for a triangulation in order to view, validate and evaluate the impacts and sustainability of the project from a wider perspective based on evidence.

The evaluation only concerned the first phase of the project. In most cases, the respondents had difficulty separating the project activities and results that took place in Phase I from those of the subsequent phases. Sometimes it was also difficult to assess whether a good result in Phase II and III was the result of the process initiated in Phase I and could therefore be considered as an impact of this phase, or whether it was more the result of processes from subsequent phases.

In general, there is a lack of quantitative data on the socio-economic conditions of certified and uncertified concessions. The only available study (Cerutti et al., 2014) provides clear conclusions, but only qualitative ones.

There are few studies that address the impact of certification on biomass and biodiversity, and these are limited in terms of the geographical area they cover and are only partially meaningful. Therefore, the assessments had to be derived on the basis of various assumptions and plausibility without being able to build on concrete figures, dates and facts on the project's follow-up system.

Rating methodology

Projects are rated on a six-point scale for each of the OECD DAC criteria. The scale is as follows:

- Level 1** very successful: result that clearly exceeds expectations
- Level 2** successful: fully in line with expectations and without any significant shortcomings
- Level 3** moderately successful: project falls short of expectations but the positive results dominate
- Level 4** moderately unsuccessful: significantly below expectations, with negative results dominating despite discernible positive results
- Level 5** unsuccessful: despite some positive partial results, the negative results clearly dominate
- Level 6** highly unsuccessful: the project has no impact or the situation has actually deteriorated

The overall rating on the six-point scale is based on a project-specific weighting of the six individual criteria. Rating levels 1–3 of the overall rating denote a "successful" project while rating levels 4–6 denote an "unsuccessful" project. It should be noted that generally, a project can only be considered developmentally "successful" if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("impact") and sustainability are rated at least "moderately successful" (level 3).

The annex to this report is available upon request.

About this publication

Responsible:

FC E

Evaluation unit of KfW Development Bank

FZ-Evaluierung@kfw.de

Maps or other cartographic displays are solely for information purposes and do not equate legal recognition of borders or territories. KfW assumes no liability for the accuracy, currentness or completeness of maps provided. Any liability is excluded for damages resulting directly or indirectly from their use.

KfW Group
Palmengartenstrasse 5–9
60325 Frankfurt am Main, Germany