

## Ex Post-Evaluation Brief

### ECUADOR: Reforestation and Forest Protection, Chongón-Colonche



<b>Sector</b>	Forestry development (CRS-Code. 31220)	
<b>Programme/Client</b>	Reforestation and Forest Protection, Chongón-Colonche, BMZ-Nr.: 1996 65 308*	
<b>Programme executing agency</b>	Fundación Natura (FN)	
<b>Year of sample/ex post evaluation report: 2013/2013</b>		
	Appraisal (planned)	Ex post-evaluation (actual)
<b>Investment costs (total)</b>	8.93 Mio. EUR	6.35 Mio. EUR
<b>Counterpart contribution (company)</b>	1.26 Mio. EUR	0.69 Mio. EUR
<b>Funding, of which budget funds (BMZ)</b>	7.67 Mio. EUR	5.66 Mio. EUR

\* random sample 2013

**Short description:** The Program intended to control logging and support sustainable forest management within the protected forest area of „Chongón-Colonche“ (Bosque Protector Chongón-Colonche - BPChC). In addition, it supported reforesting and managing natural resources in buffer zones in a sustainable manner as well as involving communities in sustainable agricultural production. The Program created a protected community forest area of ca. 140,000 ha, provided land titles, and established community forest management and monitoring systems. An Ecuadorian NGO, Fundación Natura (FN), implemented the project activities together with an external consultant.

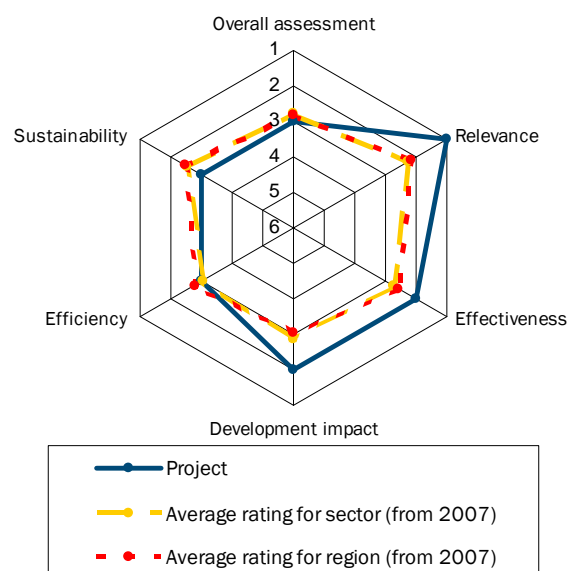
**Objectives:** The main program objective was to maintain and improve the natural resources base in the area of Chongón-Colonche. This area is situated in the western part of the "Cordillera de Colonche" and north-east of the city of Guayaquil, close to the coast. The revised project objectives were (1) to control logging and support sustainable forest management within the protected forest area; and (2) to manage natural resources in buffer zones in a sustainable manner as well as involving communities in sustainable agricultural production. **Target group:** The program was intended to support about 40,000 members in 25 indigenous communities (Comunas Campesinas) along the western slopes of the "Cordillera de Colonche." Communities have strong social cohesion and their own social and political organizations. With the support of Fundación Natura beneficiary communities created their own forest committees (Comités Forestales) to deal with forest-related issues, and facilitated discussion of community forest management.

#### Overall rating: 3

The project was an important and highly visible response to the environmental degradation of the Chongón-Colonche protected forest and its surrounding buffer area.

**Points to note:** Albeit for a short period of time, the project convincingly demonstrated that community management of protected and nearby buffering forests was feasible and that the use of financial incentives to promote conservation worked. It served as a model and financially contributed to the GOE's highly visible nationwide forest protection program (Socio Bosque). However, some project benefits began to be lost immediately following the bankruptcy of the Fundación Natura (which occurred for reasons unrelated to the project).

#### Rating by DAC criteria



## EVALUATION SUMMARY

### Overall rating

The Chongón-Colonche Project was an important and highly visible response to the environmental degradation of the Chongón-Colonche protected forest and its surrounding buffer area. It was begun at a time when environmental management was nascent. Public agencies had little capacity for monitoring and enforcement. Yet with remarkable perseverance it ultimately demonstrated that community management of forest resources could be made to work effectively over a large geographic area and under varying climatic conditions in Ecuador. It showed that the use of financial incentives to promote conservation worked, and it served as a model for subsequent work to reduce deforestation. The project has contributed to the high regard in which the German financial cooperation continues to enjoy in the public sector, and it served as a model and financially contributed to the GOE's highly visible Socio Bosque program (a nationwide forest protection program).<sup>1</sup> During project implementation significant achievements were made in line with the project objectives. Unfortunately, the Ministry of Environment, MAE (and Socio Bosque) have not prioritized actions to sustain project achievements and, since they are ecologically and/or socially fragile, they are degrading rapidly—some are effectively lost already. Of the 140,000 ha of community protected forest land<sup>2</sup>, only 24,186 ha<sup>3</sup> is still under protection. Of the 64 forest guards trained by Fundación Natura, 21 continue to work in the area under Socio Bosque supervision (although even these do not have a direct employment relationship with Socio Bosque). Most community forest committees no longer meet—and unequal treatment (only 9 out of 21 project communities have agreements with Socio Bosque)<sup>4</sup> has replaced regional solidarity with inter-community rancour. The radio system which informed enforcement officials of illegal hunting and logging no longer functions, and the roadside checkpoints which prevented truckers from removing illegally cut logs sit abandoned.

Among the supporting activities which provided alternative sources of income to the communities in order to reduce their need for forest resources, none was as important as the introduction of coffee. Through a hazard of nature, an epidemic has struck the coffee plantations

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<sup>1</sup> The government of Ecuador approved the "Programa Socio Bosque" (or Forest Partners Program) in 2008 to protect Ecuador's natural heritage by providing incentives for forest conservation. Socio Bosque provides a direct payment per hectare of native forest to landowners/farmers who agree to conserve their forest through voluntary conservation agreements that are monitored on a regular basis for compliance. Retrieved on October 4, 2013 from: [http://www.conservation.org/where/south\\_america/ecuador/Pages/projects.aspx](http://www.conservation.org/where/south_america/ecuador/Pages/projects.aspx).

<sup>2</sup> The author of this report received the number of 140,000 ha from the head of the agency responsible for this project during the ex post evaluation. However, according to KfW's operational department, (1) the total communal land area amounted to about 155,000 ha of land; (2) the community forest area amounted to about 85,000 ha of land; and (3) the protected forest land for which payments for environmental services were disbursed, amounted to 71,000 ha towards the end of the project.

<sup>3</sup> According to more recent data from December 2013 provided by the operational department, there are currently about 44,500 ha under protection through the Socio Bosque program (of which about 42,000 ha consist of community forest and about 2,500 ha belong to individual families).

<sup>4</sup> According to KfW's operational department, 12 communities (as well as 20 families with individual contracts) joined the Socio Bosque program; and 3 additional communities are currently negotiating their participation.

promoted by the project, and without intensive fumigation (that probably is beyond the means of local farmers and which would jeopardize their “organic” rating in any event), few trees will survive.

**Rating: 3**

Relevance

In this project, the German financial cooperation has taken up the challenge of incorporating the financial and resource needs of poor stakeholders in the sustainable management of environmentally important but fragile ecosystems. The project was ideally suited to the priorities of the indigenous target group. Their ability to subsist on the animals and forest products produced by the degraded forests that were accessible to them were manifestly at risk. Project goals enjoy the strong support of the donor community more broadly, and they are incorporated in the principles of the UN’s REDD approach. The GOE embraced the strategy of providing incentives to owners of lands that needed protection along with the donor community; and this approach continues to be reflected in its on-going activities with Socio Bosque.

The BMZ is supporting GOE’s „National Development Plan“, as well as its „Strategic Plan for a National Park System (SNAP)“ focusing on environmental resources and biodiversity protection, as well as creating alternative livelihoods for local people.

The project’s results chain was plausible in that it intended to protect forests by creating incentives and alternative livelihoods for indigenous people living in the buffer zone. Indicators were chosen appropriately involving state-of-the-art technology, such as Geographical Information Systems (GIS) to measure canopy density and thus the actual level of forest protection.

**Sub-Rating: 1**

Effectiveness:

Initial project objectives focused on reforestation and land titling had to be abandoned given the difficulties inherent in the former and complicated and exacerbated by a lack of official policies and procedures for the latter.

The revised project objectives were (1) to control logging and support sustainable forest management within the protected forest area; and (2) to manage natural resources in buffer zones in a sustainable manner as well as involving communities in sustainable agricultural production.

A general forest use plan was created for the primary forest of the Chongón-Colonche region by the Ministry of the Environment (MAE). However, the original (official) planned physical demarcation (approximately 71,000 ha within the Chongón-Colonche protective forest

[Bosque Protector Chongón-Colonche, BPChC]) was not accepted by the local communities because of concerns that land they had traditionally managed would be taken from them, on the one hand, and that critical watersheds would be denied protection, on the other. Working with staff of the Fundación Natura, the communities identified all of the at-risk forest areas located in their region that extend beyond the borders of the BPChC, and this was classified as a transition or buffer zone and made a target of conservation efforts.

Community-elaborated guidelines for sustainable forest management were developed through a participatory process and were unique to each of the 21 target communities. They represent a legal and policy foundation for monitoring and decisions on forestry management. Under the terms of their contracts with the Fundación Natura the communities undertook to monitor a little more than 142,000 ha of forest under the project. In the event the villagers were also responsible for enforcement; for which they received a compensatory financial payment in the amount of approximately USD 1 US/ha per annum for the duration of the project. These funds covered the salaries of community forest rangers, whose performance, mobility, and training were supervised and facilitated by the implementing agency, Fundación Natura.

Except where noted, due to the loss of Fundación Natura, the independent evaluation process could not generate new data on project achievements and it limited its scope to evaluating the credibility of the evidence presented. The self evaluation cites satellite photos showing that within the Chongón-Colonche protective forest loss of forest cover was taking place at a rate of 1,350 ha p.a. in 1990-99 but that it had been reduced to 65 ha p.a. by 2006-08 (in line with the project objective indicator: deforestation < 300 ha p.a.). This improvement has been supported by new employment opportunities available outside the project area due to a strengthening economy, out-migration, and an increase in tourism along the coast with a focus on wildlife and ecology. Independent evaluation consulted three different official publications on deforestation in Ecuador (all with publication dates in 2013) but could find no data more recent than 2008.

The project was challenging and it began poorly. Initial objectives focused on reforestation and land titling had to be abandoned given the difficulties inherent in the former and complicated and exacerbated by a lack of official policies and procedures for the latter. Land within the protected area was in the purview of one ministry (MAE) while the land outside its border was subject to the decisions of another, National Institute for Agrarian Development (INDA), which was in disarray (and the relevant functions ultimately passed to the Ministry of Agriculture, Livestock, Aquaculture and Fishing, MAGAP). The indigenous without title were hesitant to improve their land by reforesting (or indeed by improving it in other ways as well) for fear it might be taken from them. The initial hesitancy of the target group was only overcome with the setting of subsidy/incentive levels at 75 per cent of cost. Raising environmental consciousness and instituting community management of forest resources governed by norms set by the communities themselves proved time-consuming. But a willingness on the part of the German financial cooperation to permit a series of midcourse corrections, and the deter-

mination of the implementing agency to keep trying new approaches (until they got each activity tailored to community priorities) paid off. The project substantially achieved its ambitious goals (if not its numerical targets) by means of activities that were consistent with the desired impacts and effects.

### **Sub-Rating: 2**

#### Efficiency

Due to the high level of subsidy and the need for intensive administrative and programmatic support the project was not highly efficient. Nearly half the budget was spent on the original objectives without much to show for it. The operation of the Fundación Natura, the implementing agency, was expensive and it dominates the project's expenditures (2.0 million EUR for offices, staff and overhead costs). Costs for consulting services (1.6 million EUR) can also be considered relatively high. Taken together these represent some 60 percent of actual total expenditures. Notwithstanding, and not for reasons related to its participation in this project, Fundación Natura could not be financially sustained and it subsequently collapsed. So any investments that might have increased its institutional performance and/or staff professional capacity are a total loss.

Uptake of project-offered services was less than anticipated, increasing average cost. Only approximately half of the original anticipated budget for reforestation and agricultural funding initiatives was utilized. And the re-orientation of the focus from afforestation to forest protection also raised the cost of operations, as did the project's extended implementation period. On the other hand, beneficiary resistance to project offered services was real. Overcoming communities' hesitancy to participate had a real cost. Should further investments in conserving or restoring project achievements be considered, it should be borne in mind that follow-on activities within the project area would benefit from what has been done, and promotional costs could be expected to be much lower on a per unit basis.

### **Sub-Rating: 3**

#### Impact

Albeit for a short period of time, the project convincingly demonstrated that community management of protected and nearby buffering forests was feasible. Forest guards patrolled a vast area, monitoring of forest exploitation was carried out, felling of timber was dramatically reduced, and illegal logging and hunting were brought largely under control. Environmental consciousness was raised considerably. The indigenous communities in the project area are knowledgeable about environmental issues, especially regarding the relationship between forest cover, animal populations, water resources, and the microclimates of their villages and land-holdings. And they attribute their learning process to project activities. Committees to manage the incentives provided by the project and to commercialize agricultural products functioned while the project was active. Micro irrigation schemes provided by the project (90,

on an area of 145 ha) are largely still functioning as intended. Most have been expanded by the farmers themselves using their own resources. The newly irrigated lands provide a greatly improved standard of living for the direct beneficiaries, and a significant source of employment for the villages where they are located. The loss of the improved coffee trees has been devastating, however, and bee keeping proved less successful than anticipated.

**Sub-Rating: 2**

Sustainability

Project benefits began to be lost immediately following the bankruptcy of the Fundación Natura. When their stipends stopped, the community forest rangers slowed, and then (mostly) ceased their patrols. The two way radio system could not be made to function during the independent evaluation mission, and the radio frequency assigned to the project has been taken over by commercial interests. The forestry committees no longer meet; and the government program, Socio Bosque, does not work with communities and individuals that do not have land title.<sup>5</sup> As noted above Socio Bosque refuses to directly employ the project-trained wardens and some informants report that it has been discouraging communities from continuing to employ them on their own. Additionally, Socio Bosque is not working with the transition/buffering forest zones outside the limits of the protected area. An epidemic of coffee fungus is likely to destroy much of the about 200 hectares<sup>6</sup> of project-promoted coffee plantation. While the loss of forest cover slowed greatly during the project, both due to project activities and out-migration from the area, project induced re-forestation and natural regeneration were not able to stop the declining trend. Out of 2,240 hectares of forest replanted with native species, it is estimated that 1,590 hectares survived an extended period of drought during implementation.

**Sub-Rating: 3**

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<sup>5</sup> According to KfW's operational department, the Socio Bosque program supports issuance of land titles.

<sup>6</sup> According to the final report (AK), the project was to fund 300 ha of coffee plantations. In the event, it financed replanting on approx. 200 ha (from which approx. 175 ha survived). After the end of the project, a further 125 ha of coffee plantations were replanted or newly created at the the farmers' own initiative.

## Notes on the methods used to evaluate project success (project rating)

Projects (and programmes) are evaluated on a six-point scale, the criteria being relevance, effectiveness, efficiency and overarching developmental impact. The ratings are also used to arrive at a final assessment of a project's overall developmental efficacy. The scale is as follows:

1	Very good result that clearly exceeds expectations
2	Good result, fully in line with expectations and without any significant shortcomings
3	Satisfactory result – project falls short of expectations but the positive results dominate
4	Unsatisfactory result – significantly below expectations, with negative results dominating despite discernible positive results
5	Clearly inadequate result – despite some positive partial results, the negative results clearly dominate
6	The project has no impact or the situation has actually deteriorated

Ratings 1-3 denote a positive or successful assessment while ratings 4-6 denote a not positive or unsuccessful assessment

### **Sustainability is evaluated according to the following four-point scale:**

Sustainability level 1 (very good sustainability): The developmental efficacy of the project (positive to date) is very likely to continue undiminished or even increase.

Sustainability level 2 (good sustainability): The developmental efficacy of the project (positive to date) is very likely to decline only minimally but remain positive overall. (This is what can normally be expected).

Sustainability level 3 (satisfactory sustainability): The developmental efficacy of the project (positive to date) is very likely to decline significantly but remain positive overall. This rating is also assigned if the sustainability of a project is considered inadequate up to the time of the ex post evaluation but is very likely to evolve positively so that the project will ultimately achieve positive developmental efficacy.

Sustainability level 4 (inadequate sustainability): The developmental efficacy of the project is inadequate up to the time of the ex post evaluation and is very unlikely to improve. This rating is also assigned if the sustainability that has been positively evaluated to date is very likely to deteriorate severely and no longer meet the level 3 criteria.

The overall rating on the six-point scale is compiled from a weighting of all five individual criteria as appropriate to the project in question. Ratings 1-3 of the overall rating denote a "successful" project while ratings 4-6 denote an "unsuccessful" project. It should be noted that a project can generally be considered developmentally "successful" only if the achievement of the project objective ("effectiveness"), the impact on the overall objective ("overarching developmental impact") and the sustainability are rated at least "satisfactory" (rating 3).