

Brazil – Protection of the Atlantic Coastal Forest of Paraná state

Ex post evaluation report

OECD sector	41030 - Biodiversity	
BMZ project ID	1995 66 357	
Project executing agency	Secretaria de Estado do Meio Ambiente (SEMA - State Ministry for the Environment)	
Consultant	GFA, Hamburg	
Year of ex post evaluation report	2010	
	Project appraisal (planned)	Ex post evaluation report (actual)
Start of implementation	Q3 1996	Q3 1997
Period of implementation	5 years	11 years
Investment cost	EUR 15.08 million	EUR 15.52 million
Counterpart contribution	EUR 5.88 million	EUR 6.32 million
Financing, of which Financial Cooperation (FC) funds	EUR 9.20 million	EUR 9.20 million
Other institutions / donors involved		
Performance rating	2	
• Relevance	1	
• Effectiveness	2	
• Efficiency	3	
• Overarching developmental impact	2	
• Sustainability	2	

Brief description, overall objective and project objectives with indicators

The FC-financed project in Paraná state is one of the six so-called Bilaterally Associated Projects supported under German Financial Cooperation for Brazil's Atlantic Coastal Forest (Mata Atlântica). As such, it is part of the Pilot Programme to Conserve the Brazilian Rain Forests (PPG7). The Bilaterally Associated Projects are directed at the establishment and management of conservation areas, the regeneration of degraded natural forest zona, mapping, environmental monitoring and institutional strengthening as well as the use of sustainable management forms in the Brazilian Atlantic Coastal Forest, which contains a flora and fauna unique to the world and is recognised as a so-called "*biodiversity hotspot*". The project measures implemented in Paraná covered:

- Mapping and monitoring as a database for environmental information and surveillance (Component A),
- Enhancing the effectiveness of environmental surveillance and inspection (Component B),

- Strengthening the protected area system and, specifically, four conservation areas in the project area (Component C),
- Institutional strengthening, especially for the project coordination unit *Unidade de Coordenação e Gestão/ UCG* (Component U) and cross-cutting tasks.

The FC project was designed to contribute towards improving the environmental conditions in the coastal mountains and coastal lowland of Paraná state (overall objective). The project objective was to consolidate the environmental management and environmental inspection in the Atlantic Coastal Forest of Paraná. The immediate target group of the project was the population residing in the project area (some 430,000 people); in addition, the inhabitants of Paraná and of the bordering states were considered an indirect target group.

The total cost of the FC project was EUR 15.5 million, of which EUR 9.2 million was provided from the FC grant and EUR 6.3 million was a counterpart contribution from Paraná state.

Project design / major deviations from the original project plans and their main causes

Germany's cooperation with Brazil entered uncharted waters with the first two FC projects to conserve Brazil's Atlantic Coastal Forest in Paraná and São Paulo, so there were no standard models or reference projects from which to draw experience at the time the project began. Conversely, a number of experiences gained from these two precursor projects are being applied to diverse follow-up projects in other Brazilian states. In Paraná itself, the project has promoted diverse partnerships which continue to be of importance for the environmental sector. These include partnerships with the municipalities of the project region, the State Ministry of Culture, the State Ministry for Public Affairs, the Environmental Police and non-governmental organisations (NGOs).

The relevant planning criteria were adhered to in all main components, and in general, all main components of the project can be rated successful. Only the promotion of agro-forestry and resource-conserving and sustainable production forms for the rural population, which was planned on a lesser scale at the time of project appraisal, was ultimately not implemented because of limited significance and demand. The on-site inspection of the financed equipment showed that the investments continued to be in good to very good condition. They are being well used and maintained and meet most of the expectations formulated at the time of project appraisal.

Key results of the impact analysis and performance rating

As could be expected at the time of project appraisal, coverage of the consequential costs does not constitute a problem for the project executing agency. Budget allocations are sufficient and are also being periodically increased in real terms; in addition, SEMA is authorised to retain revenue from license fees, fines etc for financing the follow-up activities of the project. The expectations set at the time of project appraisal in regard to these additional revenues have so far been met. The financial sustainability of the project can be considered secured.

The project did not intend to achieve significant income effects for any particular groups of the local population. In fact, the ban on utilisation and greater restrictions on forest use resulting from enhanced forest protection prompted resistance, particularly by livestock farmers, plantation operators, timber traders and land speculators. On the whole, however, the government of Paraná has succeeded well in resolving these conflicts, which no longer play a crucial role. It is doubtful whether the project has significantly contributed to poverty reduction for the local population, who also used to

benefit from previously unregulated and unsustainable uses of natural resources (wood felling and the sale of timber and hearts of palm, among other activities). Neither does the project have any specific potential for promoting gender equality. On the other hand, it undoubtedly has had a positive impact on eco-tourism as a new economic factor in Paraná, which is growing at double-digit rates and is a driving force for economic development in the state. Paraná is deliberately advertising its achievements in environmental protection to promote sustainable ecotourism.

In accordance with its objectives, the project has successfully improved the protection of natural resources, particularly of a rainforest area of global importance; it has also contributed to conserving valuable "natural capital" which is important for the supply of drinking water and for the development of tourism, among other things (especially ecotourism – see above). The intended changes in environmental policy have occurred to the degree described above.

The approach of improving the environmental situation of the forested hills and lowlands of Paraná by consolidating management and environmental control capacities for the Atlantic Coastal Forest, i.e. investing in conservation infrastructure, the protected areas themselves and the environmental institutions of Paraná state, is plausible. Within the protection of the natural resources, the Atlantic Coastal Forest of Paraná is considered the most important resource by the government of Paraná. Its conservation has turned into an even more important development objective both of the state and federal government than before the start of the project, while at the same time conserving an important global public good. Protected areas are a key element to in this scheme. The project meets development-policy objectives and directives of the Federal Ministry for Economic Cooperation and Development (BMZ) for the conservation and promotion of biodiversity (MDG 7). 'Environmental protection and management of natural resources' is one of the priorities of the BMZ country strategy for Brazil. The project was conceptually very well integrated into the existing institutional landscape of Paraná state. Donor coordination in this sub-project of the PP/G7 was unproblematic. (Sub-rating for Relevance: 1)

The project measures have sustainably enhanced environmental management and control capacities, and the corresponding indicators are regarded as fulfilled. First, the State Environmental Institute and the Environmental Police are working in accordance with applicable legislation, and second, clear provisions exist for state parks and ecological stations which are being followed in the corresponding planning and work processes. Progress has also been made in the standardisation and simplification of environmental licensing and inspection procedures. Thus, proceedings for environmental violations today only take an average of 150 days (unless being brought before court) from the time the charge is made up to the decision (average of 4.5 years before 2008). The preventive environmental monitoring by the state environmental authorities, however, is suffering from increasing staff shortages. The protection of the natural forest areas in an economically dynamic and socially complex endeavour, which certainly cannot be accomplished by environmental authorities alone. Hence there is need for the all state authorities involved to cooperate and to subscribe to sustainability – for which the political will has generally proven to exist. (Sub-rating for Effectiveness 2).

By and large, the project measures could be implemented within the available and planned budget. The adjustments made to the project measures and budget in the course of the project were appropriate and reasonable. Increased costs for institutional strengthening and project coordination resulted from the disproportionately long implementation period of 11 years – as compared to the originally envisaged five years. The quality of the work by the UCG and the consultant was good. UCG staff meanwhile

work in key positions in the Paraná's environmental sector – or of other federal states. The materials prepared by the UCG (maps, databases, accounting system and others) have been handed over to the SEMA and are being used according to their purpose, which also applies to the maps, the equipment and infrastructure supported under the project. The radio system (5% of the overall cost) is now being under-used, as mobile communication has expanded much more rapidly than expected. (Sub-rating for Efficiency: 3)

The project has contributed to preserving an ecologically unique habitat, which is highlighted by the stabilisation of natural forest cover in Paraná. Whereas a reduction of forest loss to 5 % – the initial target – would already have been rated as success, the forest area has actually grown by 0.9 %. In addition, water quality, another indicator, is being checked regularly and meets the standards. The project has also led to positive structural effects in terms of an improved institutional framework: in particular, enhanced cooperation between the diverse actors has created an important basis for the sustainable management of protected areas, with a positive general impact on Paraná's environmental policy. Protected area coverage has been and is being expanded; the relationship between the environmental administration, the private sector and the surrounding population in the project area has improved significantly (Sub-rating Developmental impact: 2).

The sustainability of the project is generally to be regarded as secured, but fraught with some uncertainties. Whilst the coverage of operating costs is expected to be assured even over the medium term through sufficient budget allocations as well as additional revenue generated by SEMA, increasingly scarce staff allocations of the State Environmental Institute have to be considered a potential risk. Although individual approaches towards sustainable land and natural resources management have met with only a limited response under the project, we do recognise the need for a consistent and multi-facted approach to create economic alternatives for the local population, which, however, was beyond the scope of this project (sub-rating Sustainability: 2).

In consideration of the criteria mentioned above, we rate the developmental efficacy of the project as good overall (rating 2).

General conclusions

None

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

Projects 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

The criterion of 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).