

Ex Post-Evaluation Brief

Chile: Sustainable Management of Natural Forests

Cooperation project with DED and GTZ (now GIZ)



Programme/Client	Sustainable Management of Natural Forests, Phase I + II, BMZ, Ref. 1995 66 035 (Phase I); 2001 65 050 (Phase II)	
Programme executing agency	Corporación Nacional Forestal de Chile (CONAF)	
Year of sample/ex post evaluation report: 2011*/2011		
	Appraisal (planned)	Ex post-evaluation (actual)
Investment costs (total)	(1) EUR 6.80 million (2) EUR 7.26 million	(1) EUR 8.10 million (2) EUR 9.98 million
Counterpart contribution (company)	(1) EUR 0.52 million (2) EUR 3.17 million	(1) + EUR 0.74 million (2) + EUR 5.92 million
Funding, of which budget funds (BMZ)	(1) EUR 5.11 million (2) EUR 4.09 million	(1) EUR 5.11 million (2) + EUR 0.03 million

* random sample

Project description: This programme was undertaken in cooperation between DED, GTZ (now merged into GIZ) and KfW – with CONAF, the Chilean forestry authority as national partner. It was implemented in Regions VII-XI of Chile, which harbour 77% of the country's natural forest (i.e. forests consisting of native species, amounting to 10.5 million hectares). Through (1) financial cooperation (FC), sustainable management of natural forests was supported by providing forest farmers with financial subsidies, accompanied by advisory services on the drafting and implementation of appropriate management plans. (2) Technical cooperation (TC) served for improving general forestry management, the quality of field extension services and the production and marketing of timber products.

Implementation: FC – some elements delayed (by up to three years). TC – as planned.

Objective: The overall objective was to contribute to preserving Chile's natural forest as well as to sustainable economic development. The project objective was to conserve selected natural forests owned by small and medium-scale farmers in Regions VII to XI, whilst enhancing their economic value, especially in key development areas within the selected regions. Combined with the technical advice provided, FC support enabled smallholders to shift utilisation patterns towards sustainable methods.

Target Group: Small and medium-scale farmers (direct beneficiaries); CONAF, companies, NGOs, municipalities (indirect beneficiaries)

Overall rating: 2

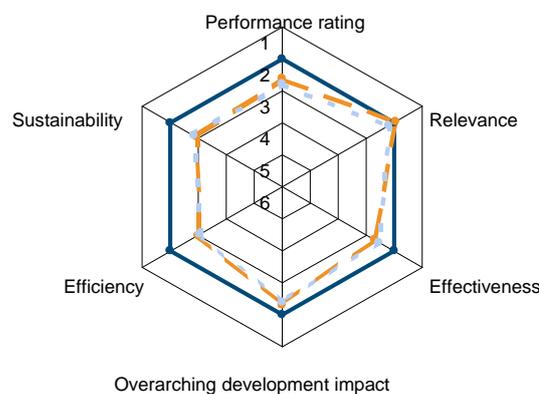
Of note:

The programme's time frame (roughly ten years) should serve as a benchmark for comparably complex interventions (sustainable management of natural forests, esp. in a smallholder context).

For similar programmes to achieve their desired effect in terms of sustainably adding value to natural products, the entire chain of production needs to be considered as early as possible.

The acceptance and confidence needed by beneficiaries for comparable interventions (esp. for longer-term measures) requires initial activities yielding positive short-term gains for the (e.g. thinning) particularly in a low income context.

Rating by DAC criteria



Legend:
—●— Project
—●— Average rating for sector
—●— Average rating for region

EVALUATION SUMMARY

Overall rating: The programme's approach – then of pilot nature – is meanwhile embedded within relevant institutions and enshrined in legislation. Sustainable methods of cultivation and value generation now have national support and continue to be practised in the intervention areas. In the awareness of the target group and the general public, natural forests are valued as an important socio-economic and ecological resource. **Rating: 2**

Relevance: The approach taken was to combat the progressive degradation of natural forests and to counter the structural disadvantage of sustainable forestry by providing temporary subsidies and participatory field extension, mainly for smallholders. This concept is both coherent and logical. It not only addressed the preservation of a unique and highly valuable biome; it also aimed at diversifying income sources for small marginal holdings, which previously had contributed significantly to forest degradation. In hindsight, it remains to what extent marketing and value-chain aspects should have been dealt with at an earlier stage, with those issues as yet only having been partially resolved. Coordinating the various intervention strands within German Development Cooperation proved time-consuming – not only for CONAF, the project partner. The existing degree of local *ownership* was an opportunity that could have been exploited more systematically (Sub-rating: 2).

Effectiveness: The programme's objective is considered achieved: within the selected development areas, a considerable amount of natural forest (to the extent expected, in excess of 40,000 hectares) was subjected to sustainable systems of management. Thanks to a participative field extension programme, the farmers absorbed the principles and practice of near-natural forestry. Advances were also made in processing and marketing, through collaboration with the private sector. This has enabled the farmers to derive greater value from the forest and thereby diversify and/ or increase their incomes (Sub-rating: 2).

Efficiency: Due to their low incomes, many farmers to a large degree previously utilised their land and forests for subsistence purposes, based on unsustainable utilisation patterns; investment initiatives for shifting towards sustainable land and resource use cannot succeed without the provision of funding support, at least temporarily and initially. Providing finance for a participative advisory programme won the target group over to the concept of sustainable forestry. The incentive payments, whilst improving household incomes, have contributed to establishing such a management system. Production efficiency is demonstrated by an adequate level of unit costs, whereas the gradually improving returns derived from forest land point to an acceptable degree of allocative efficiency. Alternatively, had it been possible to focus extension concept on slightly larger, medium-sized businesses, similar or even higher returns might have been possible. However, this would have failed to address the significant threat to natural forests resulting from overuse for firewood by smallholders. Moreover, supporting medium-sized businesses would not have achieved the aim of supporting marginalised and/ or indigenous target groups (Sub-rating: 2).

Overarching developmental impact: The programme introduced a concept for promoting sustainable natural forest management and implemented the concept in key regions. Experience thus gained has meanwhile translated into national legislation, and there is support in place at a national level. Natural forest areas – not only in the programme region – are now being recognised and protected, and economic reforms aimed at sustainable addressing degradation are receiving support. In addition, Chile has meanwhile assumed a spearheading role in regionally promoting natural forests management, not least due to this German-supported cooperation initiative. Through short term deployments, CONAF has provided support for natural forest management programmes (especially in cooperation with small-scale farmers) in both Columbia and Nicaragua (Sub-rating: 2).

Sustainability: Through legislation on natural forests and its subsidiary provisions, support for sustainable forestry (with particular regard for small farmers) has been incorporated at a national level. As a result of the programme, CONAF has gained comprehensive experience in implementing this approach. An open dialogue on improving the overall framework is going on between research institutions, non-governmental organisations and enterprises; this is embedded within institutions via an advisory board on forest legislation. Improved marketing opportunities – promoted by targeted support for the processing industry and better marketing concertation efforts by small farmers – should serve to further raise the economic appeal of natural forest management. The foundations have been laid for wide-ranging and lasting effects; by making changes to the overall framework and adjusting the budget, the impact can be improved further still. Sustainable methods of cultivation and value generation are widely recognised and continue to be practised in the intervention areas; nonetheless, further conversion subsidies will be needed to help near-natural silviculture spread more widely among smallholders (Sub-rating: 2).

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).