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NORWEGIAN AGENCY FOR DEVELOPMENT COOPERATION

MID-TERM REVIEW AND APPRAISAL OF PROJECTS

IN THE NORWEGIAN PROGRAMME FOR SUSTAINABLE USE OF NATURAL RESOURCES IN CENTRAL AMERICA

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List of Abbreviations

(JD)	Juntas Directivas, Boards
ACICAFOC	Asoc Coordinadora Indígena y Campesina en Agroforestería Comunitaria
ACOMUITA	Asociación Comisión de Mujeres Indígenas Bibri de Salamanca
APPTA	Asociación de Pequeños Productores de Salamanca
APROCACAHO	Asociación de Productores de Cacao de Honduras
BID/ IDB	Inter American Development Bank
CACAONICA	Cooperativa de Servicio Agroforestal y Comercialización de Cacao
CATIE	Centro Agronómico Tropical de Investigación y Enseñanza
CCAD	Comision Centroamericana de Ambiente y Desarrollo
CECO-ECO	Centro para la competitividad de Eco-empresas
COA	Cooperativas o Asociaciones.
COCABO R.L	Cooperativa de Servicios Múltiples de Cacao Bocatoreña (Panamá).
CUNOROC	University of San Carlos' Regional Center for the North West, Guatemala
DANIDA	Danish International Development Agency
DP	Degraded Pastures Project
EARTH	Escuela de Agriultura Regional del Trópico Húmedo, Costa Rica
FHIA	Fundación Hondureña de Investigación Agrícola
FONDEAGRO	Fondo de Desarrollo Agropecuario / Nicaragua
GAMMA	Livestock and Environmental Management .
GEF	Global Environmental Fund
IICA	Inter-American Institute of Agricultural Cooperation
INBIO	Instituto Nacional de Biodiversidad, Costa Rica
INFOP	Instituto de Formación Profesional (Honduras)
INTA	National Institute of Technology / Nicaragua
LACEEP	Latin American and Caribbean Environmental Economics Program
MAG	Ministerio de Agricultura y Ganadería, El Salvador
MAGA	Ministerio de Agricultura y Ganadería, Guatemala
NITLAPAN	Instituto de Investigación y Desarrollo NITLAPAN
PETENLAC	Cooperativa de Productores de Leche de El Chal, Petén (PETENLAC).
PRISMA	Programa Salvadoreño de Investigación Sobre desarrollo y Medio Ambiente.
PTCARL	The Trifinio Project
SIDA	Swedish international development cooperation agency
TCGA	Toledo Cocoa Growers Association (Belice) representing Green and Black
UCA	Universidad Centro Americana
UICN	The World Conservations Union
UNA	National Agriculture University / Nicaragua

Summary and Recommendations

General Comments

Most of the projects visited are well on track in generating enthusiasm and concern for issues related to biodiversity, ecosystems and sustainable uses of natural resources as well as preventing degradation of the environment. The competence and capacity to implement the projects seems satisfactory and it has been difficult to pinpoint significant areas for potential improvement of the project processes.

Most projects are generally delayed in the implementation of plans. Particularly the start-up phase goes slower than planned. It is typical that the initial underperformance of plans is not caught up with and this leads to several cases of extending the project period with a year without extra funds provided. The positive development of NOK versus USD has also benefited some projects where the exchange gain is requested for financing and extension without affecting the initially approved NOK amount.

The weakest aspect generally observed is the slow implementation of training and to some extent limited publication of findings and hence lack of promulgation. Many projects have developed techniques that are valuable for a greater audience than the direct participants, in for example sustainable use of natural resources and conservation of the ecosystems. Publication of findings could help bring the information to larger groups.

Compared to the price/income-levels in the region the costs of the projects are generally found to be on the high side, affecting the efficiency of the undertaking. Much of this is due to acceptance of high rates during the project preparation and approval phase and cannot be mitigated at a later stage.

Poverty alleviation is mentioned by all projects as part of the justification, but the real effect or impact assessment as well as indicators are rarely found. Not having been developed and assessed initially, it will be almost impossible at later stages to assess if the projects have had any effect at all in this regard. In general, the new proposals focus more specifically on ecology and social equity. It remains to see if this new “fashion” is able to bring more direct focus on and real efforts in finding solutions to the poverty issue.

MID-TERM REVIEWS

Ch. 2.1 EARTH UNIVERSITY (CAM-0031, CAM-02/218)

"A Strategic Partnership for Sustainable Agricultural Development in Central America: Educating tomorrow's Entrepreneurs and Policy-Makers"

The Goal of this EARTH project is to "Contribute to sustainable development through educating Central American students in sustainable agricultural practices and natural resources management".

Four purposes are listed for this project:

1. Prepare rural youth from the humid tropics of Central America to be professional agronomists and regional leaders in efforts to develop sustainable agriculture and natural resource management.
2. Give students from poor areas an opportunity to receive an education which they otherwise would not be able to afford.
3. The students benefiting from the programme should achieve a solid theoretical base in agriculture, combined with an environmental and social orientation to the field.
4. Strengthen human resources, with emphasis on the participation of women.

The mission had the opportunity to discuss the advances of the project with the Rector, the Director of International Relations, the Academic Dean, and the Vice-President of Administration and Finances, as well as with a group of students that benefit from the scholarship programme.

The assessment of the mission is that the objective and purposes of the programme are being accomplished. The recent SIDA evaluation report was also useful in assessing the impact of the project. However, the mission had the following observations with regards to the graduated students who had received scholarship from this program: the impact of the programme was measured with a sample size of almost half of the graduates and with sub-samples that where small. Ratios will not be statistically significant, especially when one student placed in a certain area would make a different (for example, in the case of Honduras where the total sample was only of 8 students). Nevertheless, the exercise was positive in terms of how the results were presented. The mission suggests that the "sample size" in the future should try to include as many as possible of the total number of graduates, especially for sub-group analysis. Also with respect to impact, since the objective of the University is to create "agents of change," there is a need to give a better follow-up to graduate and to facilitate synergies with other institutions to better utilise the human resources developed by this Programme.

Below is a summary of the comments from the mission on the outputs of the project:

Outputs	Mission's comments
1. Over a six-year period, 45 students will have obtained a Bachelor's Degree in Agricultural Sciences after four years of studies.	Results easily shown; the target of having 15 students with scholarship per year is being met.
2. At least 50% of the students educated with NORAD funds will have been women.	Results show that 48% per cent of the student scholarships from NORAD are female. Since male students in general have more possibilities to choose and apply at EARTH and there are other donors with scholarship programs at the school, Norway should consider the possibility of giving the majority of the scholarships to female students to increase and balance the ratio male-female students in the university; where the majority of the student population are still male.
3. Students educated with NORAD funds will have come from Nicaragua, Guatemala and Honduras, with at least 30% from each country respectively.	According to the statistics the majority of the students come from Guatemala (35%) but the two other countries are represented close to the goal: Nicaragua (30%) and Honduras (28%)
4. NORAD is poverty oriented. The students educated with NORAD funds are students from a poor background not able to pay to go to EARTH.	EARTH has a well defined system of recruiting students that is in agreement with this statement, and they carefully select the students that will benefit from the programme. However some exceptions exist which are well justified (see comments on output 5).
5. All students educated with NORAD funds will be students with full scholarships without a loan agreement of any kind.	Even though NORAD has set this goal, EARTH has skilfully stratified the students to also include middle class students who could afford a partial scholarship, increasing the number of students benefiting from the programme. The argument from EARTH is that having only poor and "rich" students (those who could pay full tuition) is not a representation of society and that middle class students play an important role as a bridge for achieving EARTH mission.

Conclusions and recommendations

The mission considers that this programme is being executed according to what has been proposed and planned. For eventual future addendums the mission recommends providing 10 scholarship and primarily for female students. The majority of the student population is still male and women in the three targeted countries, especially from the rural areas, play an important role in reproducing values in their families which could be an additional impact besides the impact that their work would have on society and the environment. .

Ch. 2.2 IUCN ALIANZAS CAM-2241, CAM-00/114

"IUCN/Norway Framework Programme for Central America: Programa ALIANZAS"

The development and immediate objectives of the ***Alianzas*** Program consist in improving the quality of life of people in Mesoamerica through the conservation and sustainable use of key ecosystems, by creating "an effective mechanism that links organized stakeholders involved in sustainable management of ecosystems in field sites with policy-making activities and governance processes at different levels".

Even though the objectives may sound ambitious, the midterm review found in the areas visited that there has been a substantial advance towards the achievements of what has been proposed. The mission visited two project sites on the Costa Rican-Panamanian border – Talamanca and Boca del Toro—and had the opportunity to meet with organisation members of the consortia to obtain their impressions.

Outputs	**Mission's comments**
1. Organized stakeholders in selected areas (3) empowered to manage key ecosystems sustainable to improve their livelihoods and to influence management of similar ecosystems outside those areas.	Stakeholders clearly well organized. Improvement of their livelihoods needs to be addressed more clearly in the context of sustainable management of key ecosystems as proposed by this output.
2. Key regional ecosystems (and forces upon them) monitored and valuated at Geographic Areas of Concentration, and results fed into policy and decision-making in Mesoamerica.	No clear indication that ecosystems are being monitored by the consortia at this moment to influence policy-making. There is a possibility of bringing in university students for this purpose, but the monitoring system must be defined.
3. Organized stakeholders managing or influencing management of key ecosystems in areas of concentration and other sites have acquired the technical and organizational skills required for their tasks and are using them.	Some training has been carried out in this area. Also, pressure for the application of existing laws by mobilizing the organizations in the consortia has shown some results in terms of influencing sustainable natural resource management.
4. Local policies and governance mechanisms in place addressing key ecosystem management issues.	This is one of the areas where the mission clearly saw advances in the consortia visited, with the active involvement of the municipal governments.
5. Impact of national and regional policies promoted by IUCN on local ecosystem management processes assessed at the Geographical Areas of Concentration ("GACs").	Also substantial advances in this area. For example, the internalization in the consortia of the 12 principles of the ecosystem approaches.
6. New or updated national and regional policies on environmental management in place, using lessons learned on GACs.	Results or impact not clearly seen yet, except in the consortium of Río San Juan (Nicaragua) where there has been some influence in the moratorium for forest exploitation and the new proposed Forestry law.
7. Communication systems in place linking local experiences horizontally and vertically with regional thematic networks and policy-making processes.	Also advances in this area heading in the right direction. The results presented in the annual report for output 5 relate mostly to this output.
8. Effective Program management and monitoring achieved.	IUCN needs to systematize what is achieved in terms of effects/impacts with each activity executed by the consortia. This is considered in the ToR for the external evaluation planned for 2006

During this fieldtrip the mission was able to see, firsthand, a high degree of participation of the members of consortia in analyzing and discussing problems, trying to reach a common view. As one of the participants said "when we have seen, and agreed on, what causes the problems of our region, we have achieved 50% of what we want; the other 50% will be

obtained when we set a common goal to solve our problems and direct all our efforts towards their solution". In agreement with this comment, the mission feels there is a need to focus more on how to achieve the outputs/results set with ***Alianzas*** and to discuss more, within each consortium, the effects and/or the impacts expected from those outputs.

Conclusions and recommendations

The mission recommends that all the consortia should have a strategic plan as well as an effective follow-up system (see output 8 and comments) and LFA that link clearly activities, outputs, effects and impacts. Also, effects and impacts should be part of the permanent internal discussion and debate when it comes to the day-to-day activities that have been planned.

Also with respect to the effectiveness of the project activities, the mission recommends that these activities need to be relevant to the objectives of the Programme, in terms of their pertinence to the major issues considered within the framework of the Norwegian cooperation, such as poverty alleviation, gender equality and the environment. Also the indicators should be revised in terms of these cross-cutting issues. Especially, in the case of poverty alleviation, where this should not be seen only as income generated by the beneficiaries, but more generally, as one participant at the meetings put it, in terms of "the loss of quality of life"; and this includes economic issues as well as social and environmental issues.

The mission propose that the consortia should carry out a deep reflection on how these three dimensions of sustainable development are linked to poverty alleviation and incorporate it into the program discourse.

Ch 2.3 CATIE CORE CAM-2243, CAM-02/214

"Institutional support to CATIE's core budget"

As with most institutions of higher learning in Central America and the rest of the world, CATIE must struggle with balancing the need for money with the need to stay at the leading edge of scientific research. It is scientific accomplishment through research that provides added value to the teaching and outreach functions of an institution such as CATIE. While foreign assistance cannot be expected to support indefinitely that which Latin American countries should be supporting, development donors need to take this balancing act into consideration.

Objective: The Grant shall be used exclusively for CATIE's core functions in Central American Region and The Caribbean, over the period 1 January 2003 to 31 December 2007. The annual allocation will be NOK 3.2 million.

Project specific terms of reference:

1. CATIE's current financial situation and strategy to secure long-term sustainable financing of core budget

In 2000-2001, CATIE's core budget was USD 6 million. Today it is USD 4 million. Despite this 33% reduction in the core budget, CATIE has recouped lost income and increased its project portfolio by 25% to USD 20 million from a low of about USD 16 million in 2004. It has done more with less, a definition of efficiency and productivity.

This is not so much due to a single strategy as rather to several strategies or activities deriving from a more business-like approach from CATIE's leadership and staff in recent years. Some activities are already in operation while others are just being started. For example, graduate students are now self-financing USD 8-10 thousand of their own education through a nine-year loan program (first year is a grace period). CATIE has outsourced its souvenir shop, its printing tasks and partially its annual international fair. The Botanical Garden charges entrance fees. Under new management, the commercial farm now sells coffee, sugarcane, cacao, milk, beef and timber at a profit. The Forest Seed Bank sells USD 400.000 worth of certified seeds annually. Management of the *Tropics Foundation* has been tightened while its board of directors has been strengthened with influential, wealthy members. The *Friends of CATIE,* a fundraising association targeting big US donors, is now led by a professional fundraiser. She has 70 volunteers working to raise awareness and funds for CATIE. Finally, financial and accounting management at CATIE appears to be in the hands of an able and dedicated person.

2. CATIE's reorganisation into two technical-scientific departments and the establishment of interdisciplinary thematic groups

The reorganisation into two departments, *Natural Resources and the Environment* and *Agriculture and Agroforestry* has led to downsizing of departmental staff from 9 to 5 persons. At the same time, CATIE's 10 thematic groups have increased their self-financing through project acquisition. For example, the *Livestock and Environment* thematic group funds 95% of its own activities through projects financed by the World Bank, GEF, EU and Norway, etc. Its draw on CATIE's core budget is only 5%. The thematic group on *Eco-Enterprises* gets 50% of its financial needs from projects, 40% from consultancies and the remaining 10% from CATIE's core budget.

Additionally, a ten-year agreement is being signed with CIRAD, CABI and INCAE seconding people at their expense to CATIE. Four contracts with the World Bank have recently been signed. Some of CATIE's field operations have been decentralized. Spain has become an affiliated, dues-paying member and a significant supporter of projects. CATIE is establishing income-earning ties to private commercial agriculture and has gotten financing for work on ornamental plants.

Conclusion and recommendation:
CATIE continues to face its financial challenges with a business-like approach. A combination of cost-cutting measures and income generating activities has already led to positive results and may reap more benefits in the medium and long-term. As with most institutions of higher learning, it must struggle with balancing the need for money with the need to stay at the leading edge of scientific research. It is scientific accomplishment through research that provides added value to the teaching and outreach functions of an institution such as CATIE. While foreign assistance cannot be expected to support indefinitely that which Latin American countries should be supporting, development donors need to take this balancing act into consideration. To quote Borel and Iversen (2005), ***"We consider that the Norwegian and Swedish core support have for many years been very well invested as a tool of regional development. When contrasted to the material difficulty for the CATIE members to sustain the core infrastructure, the CATIE contribution to regional development is, in our opinion, the principal argument for continuing the Nordic core support to CATIE.***

However, since the Nordic core support is bound to cease at some point or another, we recommend that the decrease in the core support be made gradually, and at such a rate that is allows CATIE to adjust to the change. In addition it is important that MFA and SIDA maintain their commitment to support strategic projects in the long term, e.g. FOCUENCAS and Degraded Pastures."

Despite admirable progress, CATIE still faces great challenges in trying to sustain itself, the quality of its work and its geographic mandate. A combination of successful fundraising, increased project acquisition and hard, operational cost-cutting decisions will be needed. Norway should maintain its commitment to support CATIE through a long and difficult transition to institutional sustainability because of its excellent research, post-graduate teaching, and technical outreach; its thorough understanding of tropical agro-environmental issues, including the nexus with poverty; its pioneering effort with environmental economics in the region and its official regional mandate. Not least, it is an important vehicle for accomplishing the poverty-reduction and environmental goals and objectives of Norway's development program in the region.

Ch 2.4 CATIE, Degraded Pastures CAM-2242, CAM-113

"Multi-stakeholder participatory development of sustainable land use alternatives for degraded pasture lands in Central-America, 2003-2007"

The project has already contributed in a small but promising ways to poverty reduction. However, being in its ultimate phase, expenditures are only 35% of budget and the remaining project time might not be able to compensate for this shortfall. Some government institutions consider the program as dairy cattle promotion. The project will need to convince them that the emphasis is on diversified land use systems that generate social, economic and environmental benefits.

Overall Goal: Livestock farm families and communities in areas of degraded pastures of Central and South America are managing more sustainable and diversified land use systems that generate social, economic and environmental benefits.

Objectives:

a. *Farm families, local leaders and key institutions have designed and tested alternative ecological, social, economic and political approaches for improved land use of degraded pastures in three pilot zones.*
b. *Teaching, training and development programs targeted on the livestock areas of Central America are strengthened.*

The project should start now to analyse the financial situation that will be required by identified partners to take over, scale up and spread extension and research services for small and medium-scale producers. We recommend following such development closely, perhaps via a student thesis with agro-economic guidance from San Carlos University.

The project management should provide a statement on the project's use of chemical herbicides as well as provide quickly a short-term prognosis of the project and partnership status in Honduras and a long-term prognosis for what will happen for participants who lease their lands.

It remains an open question if some institutional problems could have been exposed earlier if a better baseline study had been carried out. However, the project satisfies sustainable-use, commercial and income needs of importance to beef and dairy producers in poorer communities. It needs to solidify institutional sustainability and intensify field activities. With satisfactory responses to the issues raised in this review, Norway should continue supporting the project while keeping a close watch on such issues as well as on the project budget.

Efficiency: Expenditures are only 35% of budget with only the rest of 2006 and 2007 remaining. Even more problematic, only 16% of the training budget has been spent. A revised budget for 2006-7 will be submitted in June including the costs for scaling up and institutional anchoring.

Effectiveness: The PETENLAC milk plant is fully operational, from start 1 March receiving ca 1000 litres/day now at 5-6000 litres/day. A private investor attracted to the project financed 4 cooling tanks and other equipment totalling USD 14,000. He is eager to work

more closely with the project to assure hygiene, quality and more production. He lost one load of 8000 litre due to mixing sour milk from some farmers. The plant is now working now at maximum allowable acidity level and a cooling malfunction can make the milk unacceptable. Milk collectors are now testing at the farm. A meeting 15-20 May will systematize technical options.

Impact and relevance: Rehabilitated, sustainable-use pastures in Peten and Muy Muy are already providing higher milk yields and more income to small and medium producers.

Anchoring strategy and institutional sustainability: In Peten the Municipalities and MAGA assumes its extension work. Participatory research handled by University of San Carlos. In Nicaragua it's NITLAPAN and FONDEAGRO for extension and UNA, UNAN and UCA and INTA for participatory research. Municipality Muy Muy is already on board. Matiguas is expected to join. Honduras' INFOP will do training in agro-sector but Municipality Olanchito so far not interested in joining. Project staff is working to convince a newly elected administration.

Project specific terms of reference

1. Assessment of the CATIE technical services provision in the region with emphasis on its importance as a source of income for CATIE as well as relevance in terms of knowledge building and feedback into the institution, opportunities for applied research, etc.

Fee-based technical and extension services providing relevant assistance in demand by producers is being tried in Chile, China, Costa Rica, Ecuador, India, and Africa. Some of these are voucher systems backed by governments and run by private firms or institutions while others are share-cropping systems, with the service provider getting an agreed part of successful harvests. Although optimism regarding fee-based services for small and medium-scale producers is present, it appears too early to make any conclusions (EIAEM, World Bank, FAO). It would be easy for CATIE to check on the present status of the extension-voucher system in Costa Rica. CATIE in Muy Muy was solicited for its technical services by a group of Spanish investors in the process of establishing a large cattle operation in the area. CATIE Muy Muy felt that while the offer was technically and financially attractive, such private consulting was not within its mandate. Perhaps CATIE should consider such opportunities as long as CATIE's eco-friendly advice and recommendations would be followed. The field experiences of CATIE staff as well as of the students employed in the project are being fed into the GAMMA thematic group and publicized through various media, workshops, meetings and training sessions with project partners at different levels.

2. Environmental and institutional sustainability

This is a project of validation of methodologies and not a production project. However, it is providing clear examples of environmental benefits for long-term productive use of the natural resource base. From a long list of benefits that can be mentioned are: reduction in soil erosion and increased fertility, better water infiltration and conservation, planting of shade and leguminous trees, live-fences, improved pasture grasses and legumes. Diversification of production is going well, judging from the remarks of male and female farmers. Chemical herbicides, nothing new to the grassroots producer, are applied for the purpose of quickly establishing improved pastures This may mark an environmental contradiction in the project as it can be argued that it foments continuing dependency on technologies not easily accessible to the poor of Central America. However, as opposed to traditional methods of herbicide application the project demonstrates safer and targeted use.

The project has signed letters of intent with the *Mancomunidad* of the municipalities of San Luis, Poptun and Dolores in Southern Peten (MANMUNISURP), for participation in the project. A *mancomunidad* is a legal association of two or more municipalities that join together to tackle development problems or projects that each on its own would not be able to resolve or implement. As the municipalities in the Peten have an agreement with the Ministry of Agriculture and Livestock's (MAGA) Section for Agriculture and Natural Resources (SARN) for extensionists, they offer some hope for institutional sustainability. At present, the project in Peten enjoys the services of 6 extensionists, 2 from each of the municipalities mentioned.

Both FAO and IFPRI predict more than a 33% increase in meat consumption in Latin America between 1990 and 2020. How to meet this significant rise in consumer demand with technologies and management regimes that sustain a healthy and productive natural resource base is the present and future challenge. The pressure on pastures and their immediate eco-systems is heavy now and will likely increase. Crop agriculture and livestock production already contribute to the degradation and erosion of these resources. It is generally agreed that livestock production as it is practiced today furthers land degradation, water loss and pollution, greenhouse gas emission and biodiversity loss.

However, with appropriate, sustainable-use management practices, innovative production alternatives and good policy, livestock production can contribute positively to the natural resource base by enhancing soil quality, increasing plant and animal biodiversity and substituting for scarce, non-renewable resources such as fossil fuels. (FAO and IFPRI, 1995)

While the debate about such issues goes on in various fora (much like the debate on climate change) action is required to restore pastures to sustainable and/or alternative, eco-friendly productivity for the people who depend on them for their livelihoods.

Ch 2.5 INBio HERBARIA CAM-0025, CAM-02/216

"Building Capacity and Sharing Technology for Biodiversity Management in Central America"

The development objective of the INBio project focuses on conservation and sustainable use of the Central American biodiversity. This will be achieved through greater leadership and organisational capacity that would enable collaborative work between governments and civil society. The immediate objectives of the project are to:
"address the demands for capacity building and technology transfer in the region's leading herbariums, using as a platform INBio's installed capacity and its network of contacts with international experts and institutions specialized in the subject of botany"; and to "encourage the organizations of, or participation in, forums aimed at unifying positions and strategies related to the sustainable management of biodiversity".

The midterm review shows that the activities carried out so far are clearly aimed in the right direction to accomplish the proposed objectives. The mission visited the Herbarium of El Salvador and met with the Project manager in the headquarters of INBio in Costa Rica. With both visits the mission was able to corroborate the advances of the project mentioned in the last report, as well as to clarify certain aspects of the project related to its impacts and to make recommendations based on the experience of the consultants.
Below is a summary of the comments from the mission on the outputs of the project.

Outputs	**Mission's comments**
1. Greater access to technologies.	Results easily seen, not difficult to be achieved: computers, software, internet, etc. Human resources is a concern (permanent staff)..
2. Greater information and knowledge generated.	Specimens collected being processed: identified, recorded in databases and stored properly. Some comments with respect to the repatriation of information
3. Better use of existing installed capacity.	Improvement of buildings seen. Exchange program of experts in place.
4. A more effective contribution to decision-making for conservation and sustainable use of biodiversity in the region.	Need for a clear strategy to accomplish this in 2006, according to plans (see chapter 2.5.3 for more comments).
5. A strengthened sense of opportunity and pride in the region's botanical wealth.	Meetings with potential users of the information that herbaria generate seen as a positive step. Also promotion through newspaper articles very positive
6. Gradual and subsequent integration of efforts by other similar units for the generation, processing and transfer of information on other taxonomic groups such as arthropods, fungi, vertebrates or those chosen by countries, based on their own interests.	Plans for 2006 to produce information material on other taxonomic groups. Need to be aligned with respect to the new proposal "opportunities offered by the flora of Central America for the productive development of the Region. This also applies to output 5.

Conclusions and recommendations

The mission recommends revising the project documents and reports since inconsistencies between outputs of the agreement text and the expected outcomes, activities, and sub-activities in the annual reports were encountered. Also in the presentation seen in El Salvador other objectives were mentioned than the ones in the project documents. They also showed grouping of activities by components (something not seen in the documentation). All of this leads to confusion and there is a need to standardize these concepts as well as the LFA.

Ch 2.6 TRIFINIO COMMISION CAM-2007 / CAM-01/05

"Comisión Plan Trifinio, Trinational System of the Sustainable Development Program for River Lempa's Upper Basin"

Institutional sustainability is firmly anchored in the three governments. Financial sustainability is anchored in government budgets, which of course could change, but in the case of Guatemala and Honduras their funds are coming from a committed IADB loan; and El Salvador appears committed to its own financial strategy for funding its part of the program. More effort needs to be focused on promoting and sustaining field activities. Successfully targeting youth will assure the long-term overall success of the program.

Overall Goal: Contribute to combating poverty and reducing environmental degradation in the Upper Rio Lempa watershed through tri-national action

Project specific terms of reference:

- **Special focus on the fact that El Salvador has not signed the loan agreement with IDB.** El Salvador does not intend to borrow from IDB for this program. It has already re-allocated environmental funds from its own Ministries of Agriculture (and Livestock), and Finances. It appears committed to its own long-term funding and is counting on Norway, Germany, its municipal governments and other local entities to finance present and future commitments to the program. For example, the Plan Trifinio and the Commission for Hydro Electricity for Rio Lempa have agreed to mutually implement and finance certain program activities.
- **Assessment of the relevance and coherence of the PET (Plan Estrategico Trinacional)** The PET strategy is a relevant and cohesive approach to the social, economic and environmental challenges facing the Upper Rio Lempa watershed. A weakness is the lack of discussion on the youth of the area. As much as 40% of the area's households have members legally or illegally emigrated seeking work elsewhere. We can assume that these are among the younger part of the potential work force. Extreme poverty and unemployment in the watershed are both said to be about 50% contributing to emigration from and crime in the area. Specifically targeting youth is necessary for securing the wo/manpower, brainpower and security that is required for development of the watershed. The word "jovenes" is mentioned just once in the PET document, toward the end.
- **An analysis of the structure of the deciding hierarchy of the PTCARL**. The program has institutionalised decision-making at various levels: The Tri-National Commission of the Plan Trifinio, the Executive Secretary, the tri-national operative coordination team. The National Committees of Participants (CNI) are vehicles for civil society participation in the decision-making process of the program. At the local level, Community Development Associations feed into the decision-making process. These grassroots associations are strongly interested in the program and appreciate its organizational training and capacity building.

Efficiency: The major investment to date has been in the establishment of central control and in establishing administrative and decision-making procedures. Although this has taken time, it appears well done and Norwegian support to central administration and operations seems well spent. However, the total program budget is under-spent by 75% at year 5 of a six-year project.

Effectiveness: Staff appears to be professional, experienced and well versed in development concepts and practices. It is now time to focus program resources on activities of direct benefit to grassroots participants.

Impact: It is too early to judge impact, but the tools and resources are available and enthusiasm and determination are apparent at all levels.

Relevance: The plans and activities are relevant but more attention needs to be paid to providing useful training for relevant employment of the youth of the region.

Sustainability: The program is institutionally grounded in the national and municipal governments of the three countries as well as in local development committees.

Risk management: Diversified production and employment, water supply, prevention of landslides, floods and uncontrolled fires are important risk management activities.

Special considerations:

- **Ownership and participation**. This is a government-owned and expert-driven program that is promoting two-way communication with all levels. Needs assessments, baseline studies and market studies are tools used to respond to and structure the participation of producer groups, women's groups and Community Development Associations.

- **Poverty reduction in economic, social and environmental terms.** Too early to tell, but all economic activities promoted are based on market studies, including market depth; social cohesion and development are promoted by the target group approach with training in organizational, leadership and membership responsibility.

- **Gender**: We met active and professional female leadership at the central headquarters as well as enthusiastic female leadership and participation at local group level.

Questions this review recommends responses to include but are not limited too:

1. Of 23 indicators, not one measures income changes. They are all connected to physical and capability changes may lead to income and living standard improvements, but why not measure the ultimate gauge of poverty: income? We recommend the program to do so.
2. One of the two indicators for the program's overall goal is the generation of local income comparable to the rural average for the country. However, neither the rural average nor a base average for the program area is provided. Why not?
3. When will quantified indicator targets be available and included in the program's logical framework?
4. Does the substantial under-spending of the budget and under-achievement of fieldwork imply that the program does not need the full budget?
5. Specifically targeting youth appears necessary for securing the wo/manpower, brainpower and security that is required for development of the watershed. What is the opinion of the program as to putting more emphasis on training and employment of youth?
6. Different timeframes have been aired for extending the program. What is the exact timeframe proposed by the program?
7. Does the extended time spent on developing central functions and the delay in field efforts indicate "top-heaviness"? The program should respond to this question.

NEW PROJECT APPRAISALS

Ch 3.1 INBio HERBARIOS CAM-0025, CAM-05/013

"Opportunities offered by the flora of Central America for the productive development of the region"

INBio has presented a new project proposal for financing by the Norwegian Ministry of Foreign Affairs with above mentioned title. This project can be viewed as being complementary to the existing project *Building Capacity and Sharing Technology for Biodiversity Management in Central America (Ref Ch 2.5).*

The project focuses on three different thematic issues:

a) Generation on new scientific knowledge linked to the sustainable activities of local communities,
b) Capacity building of more herbaria in the region, other than the seven in the ongoing project, and
c) Use of the results from the ongoing project for involvement of other social stakeholders, i.e. local authorities, communities, and companies.

The overall objective of the project is to obtain greater optimal use of the opportunities offered by the flora of Central America for productive purposes. Optimal use is defined and means sustainable use of natural resources that incorporates traditional knowledge. The herbaria in the region are expected to be key actors in the region with respect to supplying information on the use and management of natural resources. The geographical coverage of the project proposal is Central America, including Panama and Belize. The total budget for five years is estimated at USD 5.972 Mio.

The mission met INBio on the 28th of April to discuss the project proposal. The following elements were discussed: the project relationship with poverty alleviation, clarifying the project role in fulfilling regional agendas (e.g. CCAD), more elaboration on the contents of the Bio-Trade Initiative and the plant conservation strategy relative to what the project sets out to achieve, how to better relate with the various governments and authorities to obtain conservation and sustainable use, stakeholder analysis and target groups, costs, sustainability and complementarity with the existing project dealing with capacity building.

The mission concludes that the project falls within the scope of development cooperation guidelines for Central America and thus would be eligible for support. The project document, however, should be revised according to the recommendations summarized in chapter 3.1.7 and presented to NORAD as a second phase of the existing project.

Ch 3.2 IUCN & INBio CAM-2241, CAM-05/013

"Social Equity through knowledge; Biodiversity and Community"

The IUCN and INBio project proposal seeks to empower local rural communities of three Central American countries to strengthen environmental governance and sustainable management of biodiversity for improving their livelihoods. This will be obtained through capacity building and transfer of knowledge. The project proposal is the first initiative in the region linked to the world initiative of IUCN on conservation in order to reduce poverty. Some of the activities related to this initiative would be to reduce the poverty among indigenous people, save medicinal plants, water and landscape management, restoration projects, e.g. forest restoration, and protected areas' contribution to poverty reduction.

The project will carry out its work in two local communities in each of the countries of Honduras (highest rural population), Nicaragua (high concentration of poverty) and Costa Rica (availability of biodiversity information). The criteria for selection of communities will be based on the following; area of biological importance, identified economic activities associated with biological recourses, socio-environmental vulnerability, poverty indicators, access and transportation systems, presence of active organized groups in the area, buffer zone to protected areas, e.g. the Meso-American Biological Corridor.

The overall goal is to contribute to improve the livelihoods of rural populations through sustainable management of natural resources. The total budget for the five year project is estimated at USD 3.950 Mio.

The mission had a meeting on 3 May 2006 with IUCN and INBio in San Jose to discuss the project proposal. Discussions were concentrated on issues like; more exact information on the way of working in the communities, indicators and monitoring programmes related to measuring impact on poverty alleviation, cost-benefit considerations (INBio–IUCN, partner organisations, the local communities), high transaction costs, implementation strategy, relationships with the follow-up of the Convention on Biological Diversity –not only on conservation and sustainable use, but also with those of traditional knowledge and access and benefit sharing- and the feasibility of having a pilot phase in order to further concretize the project (way of working, selecting communities, developing indicators, especially impact indicators related to poverty alleviation etc).

The mission concludes that the project falls within the scope of development cooperation guidelines for Central America and thus would be eligible for support. The project document, however, should be revised according to the observations above and the recommendations summarised in chapter 3.2.7.

Ch 3.3 CATIE, CACAO CAM-2647, CAM-03/216

"Modernisation and integration of the organic cacao culture among indigenous and other farmers in Central America"

The proposed project offers a combined approach to sustainable agriculture and natural resource management, organisation and commercial development with poverty-reducing income generation that is sorely needed by the poor, small-scale producers and organisations of the region. Project interventions aim at resolving social, economic and environmental problems faced by local producers, families and communities. Nevertheless, conceptual issues on poverty, production systems, value-chain, commercial decision-making, gender, budget and geographic concentration need to be given more attention. Disagreement with a small but influential indigenous group needs resolution. Cooperation with Green and Black's cacao-marketing firm looks advantageous but needs more description and clarification of obligations and roles. These and other points for strengthening the proposal are listed below.

Description:
Six Central American cacao cooperatives or associations (CoA) in Belize, Guatemala, Honduras, Nicaragua, Costa Rica and Panama are experiencing problems and deficiencies in productivity, social organisation, business development, inter-group cooperation and weak national and international links. Cacao yields are low owing to diseases, poor genetic material and lax farm management. Cacao trees are not producing optimally because of poorly designed and managed tree-shade regimes. All the boards of directors (JD) have serious internal communication problems, little confidence from their producer-members who do not feel like owners of their own organisations. The organisations' management teams (EG) are very weak in administration and commercialisation. Small volumes of cacao beans lead to low operational output and high unit costs. With two exceptions, there exist no established initiatives with neighbouring countries or effective links, nationally or internationally.

The overall **goal** of the proposed project is that indigenous and *mestizo*[1] families as well as their organisations in remote cacao producing zones of Central America generate new models for integrated and sustainable management of their farms and realize innovations that promote successful, competitive and environment-friendly producer organisations for improving quality of life while maintaining and strengthening their cultures.

The main **objective** of the proposed project is that after 5 years, six cacao organisations and at least 5000 of their poor producer-member families of indigenous and *mestizo* backgrounds have improved their competitiveness and regional integration. The project proposes to demonstrate strengthened social cohesion, business management and improved production on at least 1000 pilot family farms, facilitate regional commercial integration for six organisations and improve group, national and international linkages. The project proposes a 5-year timeframe, activities in 6 countries and a budget of USD 5 Million.

Points for project response and strengthening the proposal:

1. Poverty reduction is the ultimate, all-encompassing and long-term goal of Norwegian development assistance. The proposal should conceptualise the project's approach to

[1] Mestizo is a person of white and Indian parentage. Along with indigenous Indians, mestizos are targeted participants in the proposed project.

poverty reduction (e.g. see the UN Millennium goals 1-8), provide baseline poverty levels of participant categories (e.g. indigenous, mestizo, family) and discuss possible short and medium term methods and indicators for measuring changes in poverty levels.

2. The proposal should explain how it relates to national development and poverty reduction strategies for the participant countries (e.g. PRSPs for Honduras and Nicaragua).
3. Concepts such as organic, environment-friendly and traditional production of cacao, and fair trade should be explained as well as the project's approach to use of chemical inputs.
4. Honduras and Nicaragua will be the main pilot countries in the proposed project, yet there is no description in the project proposal Annex 2 of the principal partner in Honduras, APROCACAHO. A description of APROCACAHO and other missing organisations should be included in Annex 2. TCGA should be spelled out.
5. Given project ambitions, reduced geographic coverage should be considered.
6. The proposal should clarify the roles of this project and IUCN's project in Talamanca.
7. Figure 1 on page 20 of the proposal and text elsewhere in the document portray various co-implementers and partners in the project but there is no clear and unified explanation of how decisions will be made and executed.
8. Project planners are dealing with possible differences of interest between two organisations in Talamanca: one is a large, well-established, experienced organisation, the other is small, fairly new but influential. Planners should continue as they are, with understanding and diplomacy, to find a solution that will prevent an unnecessarily disruptive conflict.
9. The proposal should describe more fully the role played by the producer-membership of the six partner organisations in the formulation of the proposal.
10. The proposal should explain possible advantages and disadvantages to biodiversity of cacao production, including possible indicators.
11. The proposal should provide a profile of Green and Black's, a large international purchaser of cacao, and explain its role in the project.
12. Is it possible to consider a mix of eco- and ethno-tourism as an income generator for cacao areas and communities?
13. In the proposal's discussion on education, training and research, and concepts such as the value-chain, business administration and environmental economics are either vague or absent.

With satisfactory responses to such issues incorporated into a revised project document, the need and the potential for quality results and impact offered by this challenging project makes it well worth Norwegian financial support.

Ch 3.4 CCAD CAM-2649, CAM-05/009

"Institutional Support to the Central American Commission for Environment and Development, CCAD"

The Central American Commission for Environment and Sustainable Development (CCAD) was created in 1989, as part of a political initiative for regional cooperation and integration. In 1991 CCAD was incorporated into the Central American Integration System (SICA), as its environmental element. The first step in establishing common regional policy goals, including environmental policy took place in 1994 with the signing of the Central American Alliance for Sustainable Development (ALIDES). The first Central American Environmental Plan (PARCA I) was adopted in 1999, intended as a tool for fulfilling the ALIDES environmental objectives and regional environmental agreements.

In 2004 the Ministerial Council of CCAD asked for a revision of the PARCA, resulting in the new PARCA II draft, covering the years 2005-2010. The Council of Ministers has approved the focal areas (las líneas estratégicas) of PARCA II. These focal areas are: a) prevention and control of contaminants, b) conservation and sustainable use of the natural heritage, and c) institutional strengthening of CCAD.

CCAD presented its Program for Institutional Development (PDI), based on a logical framework structure. The PDI responds to the challenges of improving strategic management capacity in CCAD, by developing the organisation into a permanently staffed institution with improved capacity at all levels. The economic viability of the Institutional Development Program presented in 2005 is based on an application of technical support for a total of USD 6 millions over a 5-year period, to be donated from the Nordic development agencies (NORAD/MFA, DANIDA, and SIDA).

Based on earlier documents and appraisals, Norway, Sweden and Denmark has decided to co-finance, with SIDA as lead agency, a bridge phase in 2006 for CCAD to carry out the activities suggested in the project proposal.

The objectives of the bridge phase are to:
- undertake a prioritization of the objectives and activities of the updated PARCA
- elaborate a Strategic Plan for the Executive Secretariat of CCAD for the period 2006-10
- identify the resources needed by SE-CCAD to execute the aforementioned Action Plan

According to the contract CCAD will deliver a draft version of the Action Plan to SIDA, and other Nordic partners for comments at the end of May this year, and the final draft version will be completed at the end of September this year. CCAD currently receives bridge support for 2006 from DANIDA, SIDA and NORAD/MFA, with SIDA as lead agency, in order to finalize a strategic plan for the execution of the Secretariat of CCAD. Norad has sanctioned USD 173 000 as support for developing the plan.

Several of the institutions visited indicated that their activities would be carried out in follow-up to CCAD priorities, e.g. the implementation of the BioTrade initiative, and the follow-up of the plant conservation strategy under CBD.

When asked about these initiatives, the CCAD representative informed the mission about

publications that were more detailed on the subject. The mission has not had time to view this new information. Given that a final draft of the Action plan has not been submitted yet, mission comments would only be preliminary, but we tend to think that the overall activities of the CCAD might be overambitious and consequently needs stronger prioritisation. One also has to bear in mind that CCAD's objectives and priorities also need to find their expression at the national level in Central American countries.
Having the appropriate environmental standards, regulations and frameworks in place for sustainable use of natural resources is important for all parts of society, including the poor. For example, poor knowledge of and inappropriate handling of contaminants, e.g. pesticides and herbicides, often lead to health problems in rural areas where the poor populations primarily live.

The stakeholders of the PARCA are diverse, but the various countries of the Central American countries could be seen as the primary target groups. These would be encouraged to harmonize various types of legislation, including regulation with respect to environmental impact assessment etc. Research institutions and NGOs would be key actors in implementing activities associated with the programme.

A major challenge for CCAD is to obtain sustainable financing for the policy work they are committed to do, and not revert to micromanagement of projects as a life strategy.

Ch 3.5 CATIE LACEEP CAM-2653, CAM-05/011

"Financial support for the Latin American and Caribbean Environmental Economics Program (LACEEP)"

After several years of consulting with Latin American and international economists, The Latin American and Caribbean Environmental Economics Program – LACEEP - was inaugurated during the Second Congress of the Latin American and Caribbean Association of Environmental and Resource Economists (ALEAR), in March 2005 in Oaxaca, Mexico. LACEEP's purpose is to improve the management of natural resources at all governmental levels, in nongovernmental and private organizations, as well as to contribute to better understanding of the causes and effects of environmental degradation.

Overall Goal:
Introduce a new paradigm that acknowledges limited natural resources, values and uses those resources efficient ways, sustains them long into the future, acknowledges the importance of providing and protecting public environmental goods, and realizes the link between natural resource degradation and poverty.

Objectives:
1. Create capacity in the field of environmental economics among Latin American and Caribbean academic and non-academic research and policy-making institutions, with particular emphasis on those countries identified as critical cases.

2. Create a network in which Latin America and Caribbean countries share experiences, learn about practices outside the region, and explore opportunities for regional cooperation in areas that are critical for an increasingly globalised economy.

Strengths: A relatively small amount of support can have a meaningful and innovative impact for a large and important part of the developing world. The network members are influential academics and policy-makers. The researchers supported are expected to influence future policy**.**

Weaknesses: A strategy for long-term self-financing and sustainability is lacking as well as a stronger intention to link activities and outputs to policy-making.

Financing: Total budget is USD 1,630,000 over 3 years. Canada and Sweden have already committed 1/3 each and have suggested that Norway be the third pillar.

Conclusion and recommendation:
The project is found to fill an important void in sustainable economic development training in the region. If the weaknesses mentioned above can be addressed, Norway should support LACEEP.

Ch 3.6 PRISMA CAM-2655 / CAM-05/015

"Financial support to the Environmental research institution PRISMA"

PRISMA has presented to Norwegian Ministry of Foreign Affairs a proposal to co-finance their Strategic Plan for research. In the Norwegian Embassy portfolio the project is entitled: *Financial support to the Environmental research institution PRISMA.*

PRISMA has carried out investigations with the objective of understanding:

- the dynamics of the rural poverty, in the light of changes in the macroeconomic situation
- the evolution of life strategies for rural families and their expression in the territories, and
- the possibilities of strengthening the rural life strategies of families from a management point of view, - which include natural resources and – which benefit from efforts in territorial management.

The current project proposal focuses on four issues: a) extension and consolidation of the framework for rural territorial planning; c) compensation for environmental services as a strategy for rural territorial planning; c) analyses of the territorial/regional dynamics in Central America; and d) communication strategy for mobilization/utilisation of knowledge.

The goal of the Programme is to consolidate the institutional transformation of PRISMA, towards a centre of regional excellence that can give added value to the mobilization of knowledge and communication and influence in policy-making. And its purpose is to mobilize relevant knowledge for actions and initiatives that can contribute to strengthening rural livelihoods while improving the management of natural resources in the Central American Region. The total budget requested from Norway for three years is USD 675,000, with 225,000 per year.

The mission concludes that the project falls within the scope of development cooperation guidelines for Central America and thus would be eligible for support. Recommendations for suggested changes in the project document are summarized in chapter 3.6.7.

1 Introduction

The current guidelines for the use of the Regional Grant for Central America contain sustainable use of natural resources as one of three topics of priority. The Norwegian Programme for Sustainable use of natural resources in Central America shall contribute to a more sustainable use of the natural resources in the region. The focus is on regional projects because the issue has indeed regional problems and possible answers. The issue is highly trans-national.

In 2003 Norad conducted a comprehensive appraisal of eight proposals in the sector of sustainable use of natural resources in Central America. Some proposals came from existing partners and some from other regional institutions working in the region. The appraisal was comprehensive and did not only evaluate the eight proposals separately. Relevant international conventions, regional agendas, national priorities, other donors, projects financed by Norwegian NGOs in the sector in the region and the complementarity among the eight proposals are examples on what was also taken into account.

Norad's appraisal concluded that the main challenges lies at the interface of sustainable environment and agriculture management, in relation to pollution aimed at securing/protecting the fresh water sources, and finally at finding management regimes that protect the coastal and marine ecosystems from deterioration. This mid-term review will look at the progress and results in each of the ongoing projects in the programme (six), evaluate six new proposals in the sector and, as in 2003, and do this in a comprehensive way. Terms of Reference for the review are listed in Annex 1.

The methodology applied for the mid-term reviews and appraisals of the new proposals was a start-up with desk study of documents made available. A fieldtrip to Central America took place from 23rd April to 12th May where the team worked in two groups and visited projects as well as interviewed project related staffs. Only very limited time was available for each visit as the mission covered 12 projects in 11 days and this put undue strain on the process. The travel and work plan as well as people consulted are listed in Annex 2. References are included in Annex 3.

This report is prepared by a team of independent consultants and they are responsible for the report and its conclusions and recommendations. These might not correspond with the opinions and positions of NORAD. The Team wishes to take this opportunity to thank all of those that have been involved in the review for their assistance, idea generation, and fruitful discussions.

The Review Team consisted of the team leader Åsbjørn Skaaland from Nordic Consulting Group (NCG), with one sub-team headed by Gunn Mari Paulsen from Norwegian Directorate for Nature Management, and another headed by Michael Angsreich from Noragric. Two regionally based consultants David Oliver Bradford Wilson and Richard Trejos formed part of the teamwork.

2 MID-TERM REVIEWS

2.1 EARTH University CAM-031, CAM-2/218

"A Strategic Partnership for Sustainable Agricultural Development in Central-America: Educating tomorrow's Entrepreneurs and Policy-Makers"

2.1.1 Project Description, Objectives and Budget

The goal of this EARTH project is to "Contribute to sustainable development through educating Central American students in sustainable agricultural practices and natural resources management".

The EARTH project has four purposes:

1. Prepare rural youth from the humid tropics of Central America to be professional agronomists and regional leaders in efforts to develop sustainable agriculture and natural resource management.
2. Give students from poor areas an opportunity to receive an education that they otherwise would not be able to afford.
3. The students benefiting from the programme should achieve a solid theoretical base in agriculture, combined with an environmental and social orientation to the field.
4. Strengthen human resources, with emphasis on the participation of women.

During the midterm review of the EARTH project, the mission had the opportunity to discuss the advances of the project with the Rector, the Director of International Relations, Academic Dean, and the Vice-President of Administration and Finances, as well as with a group of students that benefits directly from the scholarship programme. The assessment of the mission is that the objectives and purposes of the programme are being accomplished through the outputs and according to plan. The mission was also informed of the previous loan arrangements that EARTH provided to its graduate student.

The Budget agreed for the present Programme is summarised in the following table. The grant covers tuition fees equivalent to USD 12,000 per student per year:

Table 2.1.1; EARTH-NORAD Project – summary of the budget 2004-09 (1000)

	2004	***2005***	***2006***	***2007***	***2008***	***2009***	***Total***
NOK	1,506	3,088	4,750	4,750	3,243	1,661	19,000
USD	189	387	595.8	595.8	406.82	208.4	2,383.3

2.1.2 Impact & Effectiveness

The results obtained by each individual activity/output expected by the EARTH programme, as well as the observations from the midterm review mission are listed below.

Programme output 1*: Over a six-year period, 45 students will have obtained a Bachelor's Degree in Agricultural Sciences after four years of studies.*

Comments from the mission:
Results from this output are easily seen, thus the target of having 15 students per year is being met. In the year 2003 only 11 students received scholarships, but this was compensated the following year when 19 students were sponsored. For 2005 and 2006 15 new students are being sponsored each year.

Programme output 2*: At least 50% of the students educated with NORAD funds will have been women.*

Comments from the mission:
The statistics presented by EARTH show that 48% of the students with scholarship from NORAD are female, close to the target proposed.

The mission recommends that, since male students have in general had more possibilities to choose and apply to EARTH and there are other donors with scholarship programs at the school, MFA should consider the possibility of primarily giving scholarships to female students to increase and balance the ratio of female-male students in the university; where the majority of the student population is still male. Giving preference to women would also contribute to fulfilment of EARTH's present strategic goal of having 40% female students.

Programme output 3*: Students educated with NORAD funds will have come from Nicaragua, Guatemala and Honduras, with at least 30% from each country respectively.*

Comments from the mission:
Once again, according to the statistics given by EARTH this output is also being accomplished, and is near the target. The majority of the students come from Guatemala (35%) followed closely by the other two countries: Nicaragua (30%) and Honduras (28%). As is known, this programme has been in place since 1995, and at the beginning students from other countries were also sponsored, including 4 from Panama (2.7% of the total), 3 from Costa Rica (2%) and 2 from Belize (1.3%).

EARTH commented that both Norway and Sweden concentrated on scholarships for students from Nicaragua, Guatemala and Honduras, and asked why countries like Bolivia, Peru and Ecuador could not be included, whereupon the mission explained that Norwegian policy is to give preference to the least developed countries in the region.

Programme output 4*: NORAD is poverty oriented. The students educated with NORAD funds are students from a poor background not able to pay to go to EARTH.*

Comments from the mission:
EARTH gave the mission a presentation that showed the well-defined system that the University uses to recruit students. It includes having faculty members going to agricultural high schools in the three countries prioritised by Norway to promote the University, and to

encourage students to apply. In the process they receive support of EARTH graduates in their countries of origin.

According to EARTH's goals of educating "agents of change" they look for potential leaders, young men and women who besides having high academic achievements excel in other areas. When challenged about what their understanding of leadership values was, EARTH personnel mentioned the following: - The student would have been a leader for any local group, for example a sport-, church-, or other group. In addition EARTH faculty members would look at their actions in a group setting, or their personal behaviour in general.

During the first selection process students who score high on academic achievement and leadership qualities continue to further selection processes and a personal interview. In the case of students having lower, but acceptable academic scores, high scores on leadership values might lead to further selection processes and personal interviews. Once they have recruited the potential new students, EARTH looks into the financial background of the student's families and assigns the scholarship to the students who are poor, thereby complying with this requirement. Scholarship students are also evaluated over time. However, some exceptions exist that are well justified (see comments on output 5).

It also should be noted that the EARTH has different sources of income, and for this reason students are only told in the beginning of the first school year that they will receive a scholarship but not whether it will be a full or partial scholarship. Once the students have shown that they comply with the requirements of EARTH, e.g. maintaining at least an eight point grade average, they will be informed about the source of their particular scholarship.

Programme output 5*: All students educated with NORAD funds will be students with full scholarships without a loan agreement of any kind.*

Comments from the mission:
Even though NORAD has set this goal, EARTH has skilfully stratified the students to also include middle class students who could afford a partial scholarship, increasing the number of students benefiting from the programme. The argument from EARTH is that having only poor and "rich" students (those who could pay full tuition) is not a representation of society and that middle class students play an important role as a bridge for achieving EARTH's mission.

With regards to what happens to the students after having completed their education and to see if they obtain employment that contributes to a more sustainable agriculture and improved natural resource management, the mission found the SIDA report very useful for obtaining this type of information. This relates directly to the impact of the project based on what is happening to former students after their graduation.

However, the mission has the following observations from the SIDA report: the impact of the programme was measured with a sample size of xxx graduated students or almost 30% of the graduates. This will not produce statistically accurate results, particularly when the statistics are broken down by country, and especially when a student placed in a certain area of work could make a different (for example in the case of Honduras the sample was only of 8 students). Nevertheless, the exercise was positive in terms of how the results were presented. The mission suggests that the "sample size" in the future should try to include as much as possible the total number of graduates.

2.1.3 Financial Aspects & Efficiency

Norad/MFA has provided support to Earth University (EU) since Jan 16, 1995. The support has on average financed 15 students each year of 100 admitted, and the total amount provided through different Addendums amounts to USD 53.1 Mio.

The grant addendums cover the four-year period that the bachelor study for one student requires. The final year of one-academic-year support, Addendum #5, is completed in 2006 amounting to USD 720 000 as illustrated in table 2.1.2 below.

Table 2.1.2 The addendums for Norwegian Scholarships at EARTH 2003-08 (USD)

ADD #	***Acad. Year***	***2003***	***2004***	***2005***	***2006***	***2007***	***2008***	***2008***	***Total***
5 1 – year	***03-06***	180 000	180 000	180 000	180 000				**720 000**
6 3 years	***04-07***		189 000	189 000	189 000	189 000			**756 000**
	05-08			198 450	198 450	198 450	198 450		**793 800**
	06-09				208 373	208 373	208 373	208 373	**833 492**
									2 383 292
Ann.	**Total**	**180 000**	**369 000**	**567 450**	**775 823**	**595 823**	**406 823**	**208 373**	

Source; Audited statements and financial reports

For establishing the cost of the annual individual scholarship, EARTH University stipulates an estimated annual gradually increasing cost in the contract. This is calculated on the basis that it covers approximately 50% of the university costs. The other 50% is financed via the endowment fund belonging to the university. For the current Addendum #6 the year 2006 is the last for accepting new students. Even though the Addendum #6 lasts up to 2009, the remaining years will only allow the already accepted student to complete their education. When the inflation rate is known, the actual tuition fee is established. For the most recent year of Addendum 6 comprising three academic years for 15 students annually and amounting to a total of USD 2.3 Mio, Table 2.1.3 presents the development.

Table 2.1.3; Unit Grant Surplus funds of the Addendum stipulated amounts (USD)

Academic years	***Agreement amount***	***Actual Fee***	***Surplus per Grant***
04-07	12 600	12 400	200
05-08	13 230	13 230	0
06-09	13 892	13 300	592

This adjustment has, in addition to the strong Norwegian currency, led to surplus with the funds provided. For the transfer for 2006 this amounted to a deduction of USD 95 439 in the requested transfer.

The audits are undertaken by KPMG and in the audit report for 2005 the reporting is without reservations. There exists no evidence that the funds are deviated and the reporting is clear and easily comprehendible.

2.1.4 National and Regional Relevance

The scholarship programme under the auspices of NORAD is clearly relevant in terms of national and regional development of the countries of Central America. Preparing human

resources from marginalised areas of the humid tropics, where much of the deforestation and other unsustainable practices are depleting the remaining natural resources of the region, is a key issue and the environmental agenda of these countries. Furthermore, sustainable natural resource management is among the prioritized issues for Norwegian development cooperation with Central America.

2.1.5 Sustainability

Environmental Aspects

The programme is clearly contributing to environmental sustainability. Examples such as the banana paper produced from stalks, the recycling of the blue plastic bags commonly used in the banana production, as well as the use of garlic and chilli inside the plastic bags instead of pesticides are three good examples of this.

The environmental consciousness also taught to the students is another example that EARTH is fully committed to environmental sustainability. The examples of former students and other people connected to EARTH presented in its bi-monthly bulletin "Our People" show the legacy of the university in this area.

Institutional Aspects

As well known, EARTH is a financially solid institution, which gives the assurance that it is going to be continuing it mission. The university's fine reputation is growing rapidly, and countries from Africa and other parts of the world are interested in replicating the EARTH experience, for which they have asked EARTH to help them. This could also attract the attention of donors which at the same time could have another positive effect on the institutional sustainability.

However, having heard that the university is in the process of developing a strategic plan, the mission challenged its leaders to reflect on the pros and cons of increasing the number of students who could benefit from the eminent education provided here since the current number of new students is limited to one hundred, and so to expand the impact on societies and countries of the region. It could be mentioned that EARTH is helping surrounding communities in sustainable natural resource management practices. Furthermore, with the support of the Costa Rican Ministry of Education and donor support, EARTH is teaching entrepreneurship to teachers from 60 high schools in Costa Rica. Teachers participate in 3-day modules once a month for 15 months, achieving a certificate upon completion.

The mission was told that some of the graduate students had a hard time getting a proper job in the communities they originated from. Jobs were not available, and they could not start their own business since banks would not give them access to loans. The mission felt that since EARTH has an excellent reputation and takes pride in the high academic level of the students, it would also be important to contribute in follow-up of graduates. The possibility of working more closely with local banks to facilitate student loans was discussed, for example by looking more closely at the experiences of the Grameen bank in Asia.

2.1.6 Particular concerns

Impact of the programme on sustainable development

With regards to specific concerns about this project, particularly those dealing with the impact of the Norwegian support in terms of sustainable development this has been addressed partially in section 2.1.2 Impact and Effectiveness, in relation to the SIDA report.

There area two general areas where former student could be making an impact in terms of promoting sustainable development in their countries of origin:

1) influencing policy-making through various types of organisations addressing this issues (including government ministries, businesses, local schools and/or universities, NGO's, etc.); and
2) working directly in development projects implementing the knowledge on sustainable productive practices acquired while at EARTH.

The results shown by the SIDA report vary according to the situations in the different countries, but in general the countries represented in the Programme show the former students at EARTH working in the non-public sector (i.e. NGOs, their own businesses or private institutions –including universities). The bi-monthly bulletin, mentioned before, presents positive examples of former students applying the knowledge acquired in sustainable development with a social and environmental consciousness in their current jobs.

Gender issues

See output 2 for the mission's observation on gender equity since this issue is related directly to this output. The mission's proposal of providing scholarships primarily to female students should be considered seriously by the MFA since women in the three targeted countries, especially from the rural areas, play an important role in promoting values within their families and communities which could be an additional impact besides the impact that their professional work would have on society and the environment. This additional impact was highlighted by female students during the mission's visit to EARTH.

EARTH rightly takes pride good academic follow-up of the students by having one faculty member per 10 students. EARTH has however not been able to attract many women to the faculty, and the ratio of female to male faculty members is approximately 9/40. The mission would recommend EARTH to further explore ways and means of obtaining a higher female to male faculty staff ratio, e.g. by considering its policy of not hiring couples. The mission is further of the opinion that female leadership values often differ from male leadership values. A higher female to male faculty ratio is important as it would provide role models for the female, as well as male students.

The mission had the opportunity of discussing with EARTH representatives issues related to gender discrimination with respect to jobs and salaries, and was informed that while incidents of discrimination were reported in the -90s, such discrimination was rare now. In fact, after having graduated in December, most female graduates had a job by March the following year.

Work preconditions

The issue of including a precondition on the number of years that a student should work in their place of origin after graduation was evaluated by the mission. The conclusion is that other experiences show that these types of conditions are usually not fulfilled by an agreement of this nature, but rather by the commitment that the students have to their homeland. EARTH has been very successful in transmitting this sense of commitment to the students as part of their mission and vision, and therefore the mission believes that such a precondition is not an urgent need. Additionally, the SIDA evaluation report shows that of the sample examined, as much as 80% already return to their home country.

Influence of CAFTA[2] (Central American Free Trade Agreement with the USA)
With the CAFTA agreement signed there are expectations for new trends in the market. EARTH representatives thought it was dangerous to assume that a better financial situation for the country necessarily will permeate to the lower circles of society. A challenge would be to find out how social equity is brought about within the free trade mechanisms. With free trade the financial issues are more in the forefront, affecting the social and environmental issues. Another challenge was that of traceability of goods, and EARTH representatives thought this would be a barrier against small farmers, which is a target group of EARTH. In the immediate term, CAFTA will eradicate most trade quotas and tariffs between the US and the CAFTA countries: Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua.

Remaining tariffs will be phased-out over 10 to 15 years.
Comparing GDPs conjures up David and Goliath image. The CAFTA countries add up to $216 billion, or about 1.8% of the US GDP; the US with $11.8 trillion GDP, or about 55 times larger than CAFTA. In 2003, total trade between the US and CAFTA countries amounted to $32 billion. Nevertheless, the CAFTA countries make up the USA's 13th largest trading partner and 2nd in Latin America.

A widely cited report from the University of Michigan[3] has predicted that CAFTA will add $17.4 billion to the US economy and $4.6 billion to the economies of CAFTA countries. Interestingly, the report notes that both sides will benefit in the same sectors: agricultural products, food, beverages and tobacco, textiles, wearing apparel, leather products and footwear,[4] with an edge to CAFTA countries in the export of services. The report also concludes that global, multi-lateral agreements would bring even more benefit than unilateral or bilateral agreements. The same study predicts that while thousands of Americans and CAFTA citizens will lose their jobs, at least an equal number of new jobs will be created. In CAFTA countries, however, sectoral employment shifts could be relatively significant, thus requiring some adjustment assistance.

Although it can be questioned whether as a result of CAFTA, new trends in the market or new marketing opportunities will develop, it is a fact that student internships, which previously would take place in their home countries, now show a predominance for the USA and Costa Rica.

Multiplier effect of EARTH experiences
In addition to the focus on students as being agents of change, there are now, as a result of the SIDA evaluation and SIDA geographical concentration, innovative arrangements taking place with respect to cooperation between EARTH and the universities of URACCAN and BICCU on the Atlantic coast of Nicaragua. While in a first phase, 12 faculty members from these two universities have visited and taken three-week courses at EARTH a second phase of exchanges has brought 4 professors from EARTH to these local universities. After an evaluation of the experiences in the third phase, SIDA would consider how further cooperation between these or new institutions would take place. The mission suggests that

[2] The above is extrapolated from www.citizenJoe.org, 2 April 2006
[3] Computational Analysis of the US Bilateral Free Trade Agreements with Central America, Australia and Morocco by Brown, Kiyota and Stern, University of Michigan, February 2004.
[4] This may indicate some hope for the agricultural sector in the CAFTA countries if they couple their climatic advantages with essential and rapid institutional and agricultural productivity gains.

MFA should stay in close contact with SIDA for an exchange of these experiences, as well as further considering whether multiplier effects of EARTH skills could be further elaborated. There could for example be more geographical concentration in selecting students, or more concentration of work in poor segments of society through cooperation with other institutions like CATIE and Zamorano University.

2.1.7 Conclusions and Recommendations

The mission concludes that this programme is being executed in accordance with what has been proposed and planned. However there are some recommendations with regards to gender issues, follow-up of graduate students and the volume of support.

Recommendations:

- The mission recommends that MFA should consider the possibility of primarily giving scholarships to female students to increase and balance the ratio female to male students in the university; where the majority of the student population is still male. Giving preference to women would also contribute to fulfilment of EARTH's present strategic goal of having 40% female students.

- At the same time, Norway has been supporting EARTH for a long time, EARTH has other sources of income, and there is an ever increasing demand for Norwegian support in the region, the mission thinks that the number of scholarships should be reduced from 15 to 10 scholarships per academic year.

- The mission suggests that MFA should stay in close contact with SIDA for an exchange of experiences with respect to graduate student follow-up, as well as for considering whether multiplier effects of EARTH skills could be further elaborated. There could for example be more geographical concentration in selecting students, or more concentration of work in poor segments of society (cooperation with other institutions like CATIE and Zamorano University).

- Since the objective of the University is to create "agents of change" there is a need to give better follow-up to graduates and to create synergies with other institutions to utilize better the human resources developed by this Programme, EARTH is recommended to collaborate with local banks to promote graduate students loans.

2.2 IUCN Alianzas CAM-2241, CAM-00/114

"IUCN/Norway Framework Programme for Central America: Programa ALIANZAS"

2.2.1 Project Description, Objectives and Budget

NORAD has cooperated with IUCN in Central America since 1988 on various environmental aspects linked to conservation and sustainable use in wetlands and coastal ecosystems (CAM 033 – Wetlands and Coastal Zone Programme and CAM 008 Regional Wildlife Programme). Efforts to gather the various thematic areas into one programme started in 2001 with an external review. One milestone in the process was the CAM 2241 Baseline Study in the three geographical areas of concentration (GACs) in 2001. The new proposals were evaluated, further developed and reviewed in 2002 and 2003.

The new programme; the IUCN- NORAD Framework programme for Mesoamerica (CAM 00/114), locally called Alianzas, was started in 2004. The programme is taking place in three geographical areas: The Rio San Juan area between Costa Rica and Nicaragua, the Rio Paz area between Guatemala and El Salvador, and the Talamanca- Boca del Toro area between Costa Rica and Panama. These areas are examples of inland water, forest and coastal ecosystems and these ecosystems are highly vulnerable ecosystems in Central America.

The main focus of the programme is to establish effective relationships between local processes related to ecosystem management, implemented by local "consortia" on the one hand, and authorities at the local, regional and national levels. It is expected that this approach will open up for new avenues for more sustainable ecosystem management, improved living conditions for the local population and better governance structures (good governance). More than 500 000 people live in the areas that are covered by the project. These people among others have a need to:

1) cope with /or come out of the poverty situation they are part of (often extreme poverty),
2) develop sustainable and profitable income opportunities,
3) improve the coordination between the organizations,
4) increase their conscientiousness of environmental problems,
5) understand which activities lead to environmental problems,
6) improve the coverage of basic societal needs, and
7) participate in the decisions of the authorities.

IUCN-Mesoamerica is part of a global organisation, which has a membership base among non-governmental organisations (NGOs), intergovernmental organisations (IGOs), institutions and state parties in 140 countries. They have a global network at their disposal in case of scientific or technical questions, and work globally through six commissions. In Central America the organisation has participated in promoting local processes for nature resource management, in addition to lobbying and advising on policy development. Norway has been instrumental in establishing the IUCN-Mesoamerica office. The Budget agreed for the present Programme is summarized in the following table:

Table 2.2.1; IUCN-NORAD Project – summary of the budge t(USD 1000)

Year	***1***	***2***	***3***	***4***	***5***	***TOTAL***
Budget per Year	570	849	997	952	963	**4,332**

2.2.2 Impact & Effectiveness

The implementation of the Alianzas programme is based on 6 major strategies structured around the three basic components of the IUCN Global Programme: Knowledge, empowerment and governance.

The knowledge component will have been developed by two elements:

a) Learning from field experiences concerning a range of processes related with management of key ecosystems by local groups organized as local consortia.
b) Developing new methods to fill identified knowledge gaps, particularly at the local level, related to (promotion, strengthening and capacity building of local consortia, ecosystem management, ecosystem valuation (ecological and economic), utilising a bottom-up approach to acquisition and use of field experiences as basis for policy decisions at the local, national and regional level

The empowerment component will have been developed by two elements:

c) As a result of the experiences obtained through this project the impact from the local consortia will have significantly increased its impact on local actions, and local organizations will have obtained a stronger voice with respect to local issues and policies
d) The capacity building of local organizations will have been improved through the project. They will have been able to contribute significantly and positively in the local community and this will have given them a higher profile at the local level.

The governance component will have been developed through two elements:

e) Lessons learnt locally will have been used as basis for policy making processes. How this is done in the correct way relates to the knowledge components (a & b).
f) The other component involves actually using the experiences to influence policy making. This will be done through: support for lobbying organizations, technical support with respect to development of legislation, and dissemination of information and new approaches to the public to create a social environment supportive of conservation and sustainable development policies and legislation.

In the case of the Boca del Toro consortium, the Programme coordinator informed us that the *Alianzas* programme, although having been in operation for only two/three years, has had more impact than the project of the Mesoamerican Biological Corridor in the area, in spite of only having about one tenth of the financial resources. Due to the information materials produced and the discussions among the various organisations, the project has attracted interest from yet other organisations, including those that can supply financial means for the execution of projects, i.e. PROARCA, TNC and Fundación Natura among others. The programme coordinator also confirmed that they see examples of this in other regions, for example private land owners at the tributaries of the Rio Paz River, Guatemala, would like to conserve forest for the benefit of downstream ecosystems.

In the Rio San Juan area between Nicaragua and Costa Rica the consortia have been able to get involved in the second phase of the PROCUENCA programme[5]. By contacting their respective environmental ministries (MARENA in Nicaragua and Ministry of the Environmental and Natural Resources in Costa Rica), this consortium has been able to secure participation from the local level for the second phase of the project, as well as to be able to

[5] PROCUENCA is a World Bank and GEF financed project on the management instrument for the whole watershed of Rio San Juan. In general, WB and GEF financed projects have to be approved by the national governments and consultations at the local level (municipality or community level) do not necessarily take place.

intervene thematically with respect to the management of the water corridor. The GEF technical department of the PROCUENCA has also asked IUCN recently for technical assistance with regard to the programme. In the same region, in the San Carlos area of Nicaragua, the consortium, with the participation of the mayor, has been able to install fishing regulations according to biological principles, as well as obtaining a moratorium on logging in the area in order to stop illegal logging. The background for the latter is also the mayor's intention to make a management plan for the region.

Due to the widespread information about the *Alianzas* programme, among others by the presentation of a film about the Alianzas programme at the World Congress of the IUCN, IUCN-ORMA has received requests for technical assistance from Serbia, the IUCN- office for Africa, and the South America office, among others.

However, concerning other impacts and effects of the Programme, the mission addressed with the representative of IUCN, as well as with the two consortia visited –Talamanca and Boca del Toro–, the need to discuss internally these two aspects (impact and effectiveness) to find mechanisms to link activities and results with impact and/or effects. The impacts or the effects of the Programme intervention, through the activities that it supports, can be seen as the "story" behind the accomplishment of the activities. Therefore the mission recommends that stakeholders should discuss regularly and verify the activities that have visible impacts/ effects and if these meet their expectations.

For example, if in the annual plan there is a training session (capacitación) and this was carried out according to the plan; reporting if and when this was carried out is not enough. There should be a mechanism to follow up the effects of that training (the case of the forest rangers that participated in a congress in Chile is a good example of this; see comments on output 3 below). This was discussed openly with the organisations at the two sites visited, agreeing in both cases that this was necessary. It is important to notice that sometimes the effect/impacts are seen and captured but remain just as "anecdotes" told in formal and informal meetings, but seldom included systematically in the reports.

With respect to the effectiveness of the project activities, the missions discussed with IUCN and the consortia visited the importance that these activities need to be relevant to the objectives of the Programme. Their pertinence to the major issues should be considered within the framework of the Norwegian cooperation, such as poverty alleviation, gender equality and environment. The mission recommends that the indicators should be revised in terms of these cross-cutting issues. Especially in the case of poverty alleviation where this should not be seen only as income generated by the beneficiaries, but more generally, as one participant at the meetings put it, in terms of "the loss of quality of life"; and this includes economic issues as well as social and environmental issues. The mission proposed that the consortia should carry out a deep reflection on how these three dimensions of sustainable development are linked to poverty alleviation and incorporate it into the program discourse.

Development objective
Key ecosystems[6] in Mesoamerica [7] conserved and sustainably used, improving the quality of life of people in Mesoamerica.

[6] Key ecosystems: coastal, freshwater and forest ecosystems
[7] Mesoamerica, for IUCN, includes all Central America, Belize and southern Mexico

Immediate Objective
An effective mechanism links organized stakeholders involved in sustainable management of ecosystems in field sites with policy-making activities and governance processes at different levels.

With these two objectives in mind, the main focus of the programme is seen as establishing effective relationships between local processes related to ecosystem management, implemented by local consortia, on the one hand, and authorities at the local, regional and national levels on the other. It is expected that this approach will generate sustainable ecosystem management, and improve living conditions for the local population as well as improve governance structures (good governance).

IUCN has developed indicators for the outputs related to the development – and immediate – objective. The follow-up on these indicators should be reported on and permanently analyzed as part of the output 8: "Effective Program management and monitoring achieved", which has to do with an effective, efficient and accountable Management of the programme

For the development objective:

- Degradation of critical ecosystems in Local initiatives of Conservation and sustainable development at GACs has been halted by 2011.
- By 2011, the area of key ecosystems in the GACs used sustainably has increases by 25% (here: sustainable use = use of the resources will not degrade the ecosystem and will generate adequate income for the user)
- The proportion of women occupying decision-making positions in the community groups in Local initiatives of Conservation and Sustainable Development has increased to at least 30% by 2007
- Legislation and/or regulations were updated in at least 3 countries to enable or facilitate the work of Local Consortia of organizations on ecosystem management
- At least five major policy initiatives on natural management at the national or regional level have used experiences from GACs as supporting evidence or justification

For the immediate objective the following indicators have been developed:

- By 2008, at least 40% of community groups participate in the implementation of activities in Local Initiatives of Conservation and Sustainable Development in three GACs without external assistance, through the Local Consortia facilitated by the Programme.
- By 2008, the Programme has already exited two GACs or is at least ready to do so
- Communities in GACs share their experiences with other communities living in or using similar ecosystems
- By 2008, resource allocations (budget, staff, etc) from external agencies to the Local Initiatives for Conservation and Sustainable Development have increased by 25%.

In general, according to the last annual report, substantial elements of the outputs have already been obtained, e.g. consortia in all the three areas have been established and they consist of more than 80 community groups or organisations. The mission could corroborate during the field visit that these established consortia are actively involved in influencing policies and models for environmental management. For example, two consortia have managed USD 250,000 for area planning and solid waste management in Boca del Toro (Panama), and for the biological corridor of Monterrico Barra de Santiago in GAC Rio Paz (El Salvador). Also it was noticed that sharing of experiences among the consortia have taken place bi-nationally, to strengthen cooperation across borders, on themes like trade in endangered species, clean technologies, bi-national biological corridor areas, work on protected areas, and tourism and artwork produced by indigenous women. According to

IUCN, more than 120 persons have participated in these events. IUCN-ORMA has done a good job of following up on comments from NORAD and external reviews and appraisals. They also seem to have achieved a high degree of involvement of stakeholders in the three GACs. Below are the results achieved thus far by the programme, as well as the observations from the mission, for each output defined in the Programme.

Programme output 1*: Organized stakeholders in selected areas[8] empowered to manage key ecosystems sustainably to improve their livelihoods and to influence management of similar ecosystems outside those areas.*

Impact indicators are:

- Local consortia established and strengthened in each GAC
- More than 50% of the local organized groups participating in consortia activities at each Local Initiatives of Conservation and Sustainable Development in the GAC
- GAC stakeholders extract lessons generated by their own experience and make them available to others
- Decision-makers at different levels participate in a regular annual cycle of lessons learned events organized with strong participation of local stakeholders

Performance indicators are:

- By 6 months after Programme start, 3 consortia are organized in the respective GACs and are working on several Local Initiatives of Conservation and Sustainable Development
- By year 3 after the Programme start, key stakeholders in the areas of concentration have received technical assistance, training and financial support
- By the end of the Programme 10 lessons learned are reflected/incorporated in policies/decision-making instruments at local and national level
- By year 3 of the Programme the initiatives at the GACs will begin disseminating experiences and lessons that could be replicated in Mesoamerica.

Results so far from Programme output 1 according to the annual report by UICN:

- 6 local consortia established and they work in five countries. Consortia consist of 125 organizations, which have had an effect on conservation and sustainable use in the three GACs. 6 annual operative plans established during 3 bi-national workshops (one per GAC with 130 participants) and the plans are in operation.
- The six administrative organizations of consortia have been capacitated in financial matters and with technical instruments for registration and accounting.
- 95 representatives of the six consortia and main sectors participated in the 2nd workshop on interchanges of experience, in which they worked with six sectors and exchanged experiences on lessons learned. A diagnostic effort to identify the internal dynamics of communication of the 6 consortia. Additional specific results described for the various GACs.

Comments from the mission:

The indicators and results obtained so far have to do more with institutional and organizational strengthening (see output 3) than actual ecosystem management or improvement of livelihood. There is no clear link between some of the proposed indicators and this output, since the word “empowerment” should be clearly defined in the context of resource management and improvement of livelihood.

[8] Selected areas of concentration: Pacific Coast of Guatemala/El Salvador, San Juan River (Nicaragua/Costa Rica) and Talamanca-Bocas del Toro coast (Costa Rica/ Panama)

***Programme output 2**: Key regional ecosystems (and forces upon them) monitored and valuated at Geographic Areas of Concentration (GACs), and results fed into policy and decision-making in Mesoamerica.*

Impact indicators are:

- Monitoring for key ecosystems developed and being tested by year 5 in each GAC, based on the results of the Baseline –study (IUCN, 2001).
- At least one case study of ecological and economic valuation completed
- Decision-makers and other persons related with key-ecosystem management in the region exposed to monitoring reports.

Performance indicators:

- Area, condition and processes affecting GACs monitored according to the structure of the Baseline Study (IUCN, 2001).
- Same as above for key ecosystems within GACs by year 2
- Valuation completed for one priority ecosystem (freshwater, forest or coastal) by year 3. Valuation will include both goods and ecosystem services.

Results so far from Programme output 2:

- A platform for information has started to be developed, through geographical information systems, in the three GACs, which will facilitate decision-making and monitoring of the key ecosystems in the region.
- The consortia of the Bocas del Toro and Talamanca have started participative processes in economic and ecological valuation of the region Manzanillo (Costa Rica) and San Pond Sak (Panama) in order to help establishing a bi-national marine protected area (Corredor Biological Binacional Costero Marino).
- Other specific results related to GAC Rio San Juan (capacity building, economic valuation, digital information node which forms parts of the Nicaraguan environmental information system) and GAC Bocas del Toro-Talamanca (capacity building, economic valuation, systematisation of agroforestry experiences, new alliance with University for International Cooperation) have also been reported.

Comments from the mission:

The indicators show that there is not going to be any results or impact directly linked to this output until later in the execution of the project. Even though the conditions are being created to develop a baseline for the different GAC, no sign of how the monitoring system will be developed was seen nor how the results of the monitoring will be fed into policy and decision-making in the region.

***Programme output 3**: Organized stakeholders managing or influencing management of key ecosystems in areas of concentration and other sites have acquired the technical and organizational skills required for their tasks and are using them.*

Impact indicators are:

- Organized stakeholders managing key ecosystems at GAC and Local Initiatives of Conservation and Sustainable Development have acquired the necessary skills for their tasks through a variety of training means
- Decision-makers and other persons related with key-ecosystem management in the region exposed to awareness raising and training events
- All Programme beneficiaries have access to key information and data related with key ecosystems.

Performance indicators are:

- Project formulation and funding: By year 3 after training programme start, 10 consortia members at GACs are able to: prepare at least 1 proposal for each organization, successfully negotiate their proposal and secure funding commitment, proposals formulated contain: critical issues in ecosystem management, integrated approach.
- Ecosystem management: 3 years after programme start, 40% of local organizations at the GAC are working in the implementation of natural resource management projects in their sites using the approach in which they were trained, at least 30% of the people trained in ecosystem management are implementing at least one natural resource management project taking into account the approach, functioning and structure of the ecosystem.
- Gender perspective: 3 years after programme start, at least 50% of the key stakeholders in the GACs include a gender equity perspective in; project cycle (formulation, appraisal, planning, indicators, M & E policies), women and men participating as decision-makers, projects promote equal opportunity rights, promotion and creation of women's groups, 20% of the funds for the activities promote work toward equity.
- Monitoring and evaluation: 3 years after start of the programme, 20 partners and/or IUCN members have an M & E system in place, showing: follow-up activities, efficiency, effectiveness, impact and relevance.

Results so far from Programme output 3:

- Several documents and processes of capacity building, and interchanges of experiences in order to strengthen the organizing and technical capacities of the consortia.
- A conceptual document has been developed on how to work at the landscape level in the process of valuation, and 2000 manuals on the 12 principles[9] of the ecosystem approach in connection with the planning for 2006.
- There are additional results reported from the consortia in the annual report, among these:
  1) the development of an experimental nursery of red mangrove (CECON, Guatemala) that had the interest of the University of Quintana Too in México to reproduce the experience to reforest the coastal area of that Mexican State

[9] Ecosystem approach = The Convention on Biological Diversity applies an ecosystem approach to conservation and sustainable use. 12 principles have been established relative to management in relation to the ecosystem approach. The twelve principles of the ecosystem approach of the Convention on Biological Diversity are the following: 1.The objectives of management of land, water and living resources are a matter of societal choice. 2. Management is decentralised to the lowest appropriate level. 3. Ecosystem managers consider the effects of their activities on adjacent and other ecosystems. 4.Recognition of potential gains from management through (a) reduced market distortions (b) aligning incentives, (c) internalising costs and benefits 5. Conservation of ecosystem structure and functioning 6. Ecosystems managed within the limits of their functioning. 7. Undertake work at the appropriate spatial and temporal scales. 8. Recognize the varying temporal scales and lag-effects that characterise ecosystem processes, and set objectives for ecosystem management for the long term. 9. Management must recognize that change in inevitable. 10. Seek the appropriate balance between, and integration of, conservation and use of biological diversity. 11. Consider all forms of information including scientific, indigenous, and local knowledge innovations and practices. 12. The ecosystem principal of most relevance to the issue of mainstreaming is the recognition of the need to involve all relevant sectors of society and scientific disciplines.

2) and the participation of the forest rangers from CECON, MARN, SalvaNATURA in an Iberoamerican Conference of forest rangers in Chile that started an initiative of cross-border cooperation around the control of illegal trafficking of wildlife and the creation of two National Associations of forest rangers.

Comments from the mission:

- The indicators are well focused. There is a substantial advance in this area. The results obtained so far for output 1 seem to be more related to this output.
- The first example taken from the additional results reported from the consortia is a good example of a result that can be part of output 1.
- The second example taken from the additional results reported from the consortia is also a good example of the effects or impacts of participating in training sessions or conferences.

Programme output 4*: Local policies and governance mechanisms in place addressing key ecosystem management issues.*

Impact indicators are:

- The work agendas of local governments include and adopt policies for ecosystem management
- Concepts about resource management under an ecosystem approach have been integrated in the work mechanisms of local governments
- Decision-makers and other persons related with key ecosystem management in the region exposed to awareness raising and training events related to ecosystem management issues

Performance indicators are:

- By year 3 of project implementation there will be at least 6 municipal ordinances (two per GAC) directly concerned with resource management under an ecosystem approach, and in particular with water, wetlands and coastal zones.
- By year 3 a coordination entity will be in place for watersheds in each of the three GACs, and carrying out ongoing and consolidated work for coordination of activities and consensus seeking (conflict management)
- By year 3 there will be a plan for local influence, making it possible for local groups to put into practice their capacity for lobbying, negotiation and influence regarding environmental management
- By year 3 cooperation agreements will exist between consortia and local and regional authorities for cooperation and collaboration in areas f interest for environmental action in the selected communities
- By year 3 alliances will exist among consortia and regional and national environmental groups, allowing local proposals for be brought up to national decision-making spheres

Results so far from Programme output 4:

- The consortia have had an influence in adopting policies for environmental management in relation to the local authorities and as well in entities of the government in parts of the GAC.
- Various activities reported from the GACs to underline and exemplify the above statement.

Comments from the mission:

The indicators are well focused. This is one of the areas where the mission clearly saw advances in the consortia visited, with the active involvement of the municipal governments.

Programme output 5*: Impact of national and regional policies promoted by IUCN and local ecosystem management processes assessed at GACs*

Impact indicators are:

- Regional and national policies promoted by IUCN and other agencies have permeated decision-making at the local level
- Local ownership of the processes of national and regional policy for ecosystem management
- Decision-makers and others related with key ecosystem management in the region exposed to programme results and products related to ecosystem management processes at GACs, through specially targeted events.

Performance indicators are:

- In year 2 the project has carried out diffusion and participatory analysis of the main national and regional policies in the GACs
- In year 3 the project has evaluated application of this type of policy in ecosystem management processes occurring in the GACs
- In year 3 the project has a strategic plan to incorporate the results of prior evaluation in ecosystem management processes in the GACs, so as to obtain concrete results in the medium term.
- In year 4 a systematization document exists for at least 3 concrete experiences demonstrating influence on national and regional policies on water and wetlands, among other areas, within the processes of the GACs.

Result so far form Programme output 5:

- The consortia and their alliances have internalized and developed various products and taken several actions with regard to communication.
- several information products have been developed (bilingual brochure, bulletins, presentations, 2000 information sheets distributed etc)
- new alliance with the National University (UNA) on the publication of ecological and economic valuation
- strategic alliance with FLASCO
- alliances have promoted the programme
- communication strategy
- capacity building on communication policy to the mayor's offices of Boca del Toro and San Carlos during a workshop
- Other products underway
- Additional activities in the GACs

Comments from the mission:
The indicators are well focused. The results shown are better linked with output 7.

Programme output 6*: New or updated national and regional policies on environmental management in place, using lessons learned on GACs*

Impact indicators are:

- Decision-makers systematically exposed to programme results and products through specially targeted events and publications
- Changes favourable to ecosystem conservation and sustainable use registered in policies and legislation related to key ecosystems at the national and regional level

Performance indicators are:

- Within the second year, levels of operation and types of instruments to be influenced and identified

- At least 1 experience in the implementation of policies and legal instruments is used as reference within the "strategic work plans" of Ramsar[10] and CBD[11] conventions by the end of the programme
- By year 5, common policies to address at least one of the issues are being proposed to all countries of the region.

Results so far on Programme output 6:
- None reported at this moment.

Comments from the mission:
The indicators are well focused. Results expected later in the execution of the project, possibly related to Ramsar implementation in Monterrico, Guatemala and Boca del Toro, Panama.

Programme output 7*: Communication systems in place linking local experiences horizontally and vertically with regional thematic networks and policy-making processes*

Impact indicators are:
- Organized stakeholders managing key ecosystems at GACs have acquired the necessary skills for their communications tasks through a variety of training means
- Decision makers and other persons related with key ecosystem management in the region exposed to awareness-raising and training events related with communications issues for policies.
- All programme beneficiaries have access to key information and data related with key regional thematic networks and policy-making processes

Performance indicators are:
- A communication strategy is in place in each GAC in order to identify target audiences, media and messages for previously established plans for influence
- There is a regional communication strategy that integrates opportunities for IUCN interaction to strengthen the creation of knowledge and lessons learned in the GACs at the Mesoamerican and global level.
- There is an information bulletin on the activities of networks and decision-making processes that IUCN carries out in the region, which is distributed periodically among key persons in the GACs
- The names of key persons in the GACs are incorporated in the information distribution lists of the different IUCN thematic networks and in the respective web sites.
- The proceedings of exchanges of experiences among the GACs are distributed regularly and discussed in for a, both electronic and in person, in order to put lessons learned into practice.
- Lessons learned from these experiences (especially those having to do with water and watersheds) are incorporated in websites with extensive distribution at the national, regional and world level (i.e the Global Water Partnership TOOLBOX)
- Representatives of the GACs participate actively in processes of national and regional policy formation and implementation carried out by IUCN.

Comments from the mission:
The indicators are well focused. See comments on output 5; there is a substantial advance in this area.

[10] Ramsar convention on the Conservation of Wetlands of International importance (wetlands of international importance, wetlands and water policy, international cooperation)
[11] CBD = Convention on Biological Diversity (conservation, sustainable use, equitable sharing of resources)

***Programme output 8**: Effective Programme management and monitoring achieved*
Impact indicators are:

- Programme indicators achieved
- Budget spent as planned
- Programme Monitoring System in place

It is expected that:

- Reports are submitted on time and accepted
- Positive financial audits completed annually
- Full Steering Committee meets on half-yearly basis and endorses programme progress
- Program performance evaluation system in place
- Total expenditure incurred in accordance with agreed expenditure plan
- At least 30% of budget subcontracted to IUCN members and partners
- Increase by 30% in use of the database by key stakeholders
- 80% of IUCN members and partners included in the programme network
- At least 3 major communications produced by the Programme each year and received by 80% of key target groups.

Comments from the mission:
There is a need to define clearly the monitoring system to capture the "story" behind the indicators and the results of all the other outputs so as to measure effects and impacts. It would be interesting to see the internal evaluation exercise related to the outputs. For example, the topic on organization would correspond to output 3.

2.2.3 Financial Aspects & Efficiency

The project "IUCN – NORAD Framework Program – Mesoamerica" is based on an agreement signed 27th August 2003 for duration five years from January 2004 up to January 2009, within a total financial frame of NOK 35 million or USD 4.3 Mio at the time of signing the agreement. The agreed budget is presented in table 2.2.2.

Table 2.2.2; IUCN-Norad Project – Budget (1000 USD)

Output	***Year***	***1***	***2***	***3***	***4***	***5***	***TOTAL***
1	Ecosystem Management at GACs	150	350	350	350	350	**1.550**
2	Monit and Valuation of Ecosystems	40	40	40	40	40	**200**
3	Capacity Building and Training	60	80	80	80	80	**380**
4	Local Policies and Governance		25	25	25	25	**100**
5	Local Impact of Nat. & Reg. Policies			20	10	20	**50**
6	Influencing Nat. and Regional Policies			80	80	80	**240**
7	Communications	30	30	30	30	30	**150**
8	Project Mgmt and Monitoring						
	Staff	110	190	190	190	190	**850**
	Operations	30	30	30	30	30	**150**
	Equipment	80		30			**110**
	Subtotal	**500**	**745**	**875**	**835**	**845**	**3.800**
	Management fees (14%)	70	104.30	122.50	117	118.2	**532**
	PROGRAM TOTAL	**570**	**849.30**	**997.50**	**952**	**963.2**	**4.332**
	Program total in Mio NOK	*4.605*	*6.861*	*8.059*	*7.692*	*7.782*	*35.0*

Source: Agreement

The first financial period was established to be from 1st January 2004 to 28th February 2005 or 14 months. The second period was established from 1st March 2005 to 31st January 2006 or 11 months. The different length of periods should be taken into consideration when comparing the numbers. Table 2.2.3 presents the audited expenses for the first period and numbers from the financial reporting for the second period.

The data for project included in the last audit, represents a period of operation of 2 years and one month. The represents 42% of the total planned project period. The start-up is normally affected by delays but such events could to some extent have been taken into account during the planning of the project. Only Communications and the administrative cost of operations as well as purchase of equipment are in the vicinity of 40% while the total implementation stands at 27.5%.

Table 2.2.3; IUCN-Norad Project – Expenses (1000 USD)

Year		***Total Budget***	***2004***	***2005***	***Acc Expens***	***% Exec.***
Output			***14m***	***11m***		
1	Ecosystem Management at GACs	**1 550**	101,3	237,5	338,9	*21,9*
2	Monit and Valuation of Ecosystems	**200**	44,7	36,3	80,9	*40,5*
3	Capacity Building and Training	**380**	80,6	55,5	136,1	*35,8*
4	Local Policies and Governance	**100**	0,0	29,7	29,7	*29,7*
5	Local Impact of Nat. & Reg. Policies	**50**	0	0,0	0	*0*
6	Influencing Nat. and Regional Policies	**240**	0	0,0	0	*0*
7	Communications	**150**	34,6	24,7	59,3	*39,6*
8	Project Mgmt and Monitoring					
	Staff	**870**	123,8	171,4	295,2	*33,9*
	Operations	**150**	31,2	33,1	64,3	*42,8*
	Equipment	**110**	22,0	18,6	40,6	*36,9*
	Subtotal	**3 800**	**438,3**	**606,8**	**1045,1**	*27,5*
	Management fees (14%)	**532**	61,4	85,0	146,3	*27,5*
	PROGRAM TOTAL	**4 332**	**499,6**	**691,7**	**1191,4**	*27,5*
	Of total project budget	*100*	*11,5*	*16,0*	*27,5*	

Source: Audited Accounts

The cash transfers to the implementation agency have likely been based on budget estimates and have resulted in accumulation of excess funds as illustrated in table 2.2.4. The interests generated a deposited in a separate account and are presently amounting to USD 1 852.

Table 2.2.4; IUCN-Norad Project – Cash Transfers (1000 USD)

Project Cash Advances (1000 USD)	***2004 14m***	***2005 11m***
Cash Transfers (1000 USD)	570,006	849,061
Implementation cost	499,625	691,742
Surplus	*70,381*	*157,319*
Accumulated surplus		**227,700**
Interests generated	**1,222**	**0,630**

The project is audited by Deloitte and reports for a fourteen month period ending February 28th 2005 for 2004 and an eleven month period ending 31st January 2006 for the year 2005

have been reviewed. For the period under review the auditors have prepared an audit statement without reservations. The auditors have not detected any weakness in the internal control and found full compliance with the project conditions.

2.2.4 National and Regional Relevance

The main objective of the overall development cooperation between Norway and Central America is to contribute to poverty alleviation, with a priority in good governance and securing human rights. Main efforts are foreseen in the following areas to:

a) contribute to good governance, including development of democracy
b) contribute to the securing of human rights
c) contribute to sustainable use of natural resources

The *Alianzas* Programme can be seen to contribute to all three objectives above. One aspect of *Alianzas* is that it operates at the local level, where challenges related to natural resource management are discussed and actions to meet these challenges are planned and tried resolved in the specific territory. The challenges are also articulated to the various levels of decision making that have influences in their territory. *Alianzas* concentrates on improving the activities that occur together with the actors in their territories, including making operational the legal, political, and institutional frameworks in order to improve those processes; thus contributing to good governance.

According to *Alianzas* the present approach is based on various mechanisms, which have developed during the 1980s and -90s:

- One challenge has been to secure that the governmental organisations can help the local actors. This has in general failed as a result of rotation in the governmental organisations, e.g. high turnover of the personnel and cease of activities at the end of the projects.
- Another challenge has been the capacity building of local actors by the non-governmental organisations (NGOs) due to the following: no interest within the NGOs to move to remote areas. If they did, it was with the objective of increasing their income, and again this lead to non-sustainability, as the activities stopped when the project was over.
- A third challenge has been to strengthen the local organisations in order for them to provide the help needed. This partially failed at first because it was concentrated around individual organisations. Focussing on only one organisation was vulnerable, there could be problems of leadership, internal conflicts etc.

This accumulated experience has led to the recognition that it is a key issue to strengthen the authenticity of the local organisations and to work with the various elements of their structures in one organisation, a “consortium”, which is a union of organisations based on equal conditions.

The analysis of the experiences of working with local organisations which were summarised during the Base Line Study preceding this project showed that in most cases the local organisations were mostly subcontractors of major organisations, and these organisations were the ones that were administrating the funds. And when the decisions were taken externally, the local groups did not get any capacity building related to the most crucial areas, like how to act in negotiation and participation, how to analyse the situation, arrive at decisions concerning solutions, decisions and implementation, and in this way leading to the empowerment of the local communities.

The self evaluation of *Alianzas* concludes that the *Alianzas* way of working is of the highest relevance. There is no other project or organisation which has had an impact like this neither with respect to impact in the various geographical zones, nor with respect to the limited resources that *Alianzas* have at their disposal. A better way of expressing this impact is not speaking of *Alianzas* alone, but of the efforts made by the consortia and the local actors (municipalities, institutions, local groups etc).

IUCN has received comments that the impacts of the programme *Alianzas* can be attributed to it receiving a lot of funds. In the light of this it is interesting to note that the Small Grants Fund under GEF has donated USD 50 000 for one local organisation, the equivalent of what consortia in the Alianzas programme use for 10-20 organisations.

According to the book *Municipal Forest Management in Latin America* (Ferroukhi, 2003) municipal interest in having a role in natural resource and/or forest management arises only when certain factors stimulate or foster it or even oblige the municipalities to play a more active role. The following factors were listed as important in the case of Costa Rica:

- The presence of international cooperation projects that technically and financially promote municipal involvement in environmental issues
- A good relationship with the officials of the Conservation Area to which the municipality belongs
- Legal changes, such as the transfer of direct competencies
- Forest conservation to protect the watershed areas and aquifer recharge areas
- The presence of local stakeholders who urge the municipal government to take a more active role. This is most common when there are conflicts linked to natural resource management and those involved want the municipal government to defend their interests.
- A politically stable municipal government and a Municipal Council with environmental consciousness
- The existence of civic participation mechanisms that channel petitions from local organizations
- The creation of environmental offices within the municipal government.

Although conditions vary among the various Central American countries where the programme has its activities, it must be assumed that the above factors are generally important in all countries. The important aspect related to the programme Alianzas is that these are the very same factors that are at the basis of Alianzas consortia advocacy and implementation. In the last annual report, IUCN highlighted the *Alianzas* relevance with respect to larger processes in the region, i.e. trade liberalization policies and the Plan Puebla-Panama, as well as with major environmental agendas, e.g. the CBD, the Ramsar and the CITES convention.

In the case of Costa Rica, the new elected president has already made clear his intention of ratifying the CAFTA. The implication of this treaty should be considered to be discussed in the consortia, as well as other trade liberalization polices and other initiatives in the region such as bio-trade –which has to do with the commercialization of biodiversity.

This current context in Central America is putting a lot of pressure to open up markets for foreign goods as well as foreign investment. This presents the opportunity for integrating the region in the process of globalization, giving priority to economic issues over the political.

The UICN report says that there might be economic advantages for the region with these initiatives, but also risks, such as negative effects on the quality of the environment and on the populations and ecosystems of the GAC, as well as on the performance of *Alianzas*.

However, in this context the Programme can give a significant support to the process of strengthening a more democratic, participatory and decentralised environmental management promoted by PARCA (Plan Ambiental de la Región Centroamericana) as part of the SICA (Sistema para la Integración Centroamericana)/CCAD system.

2.2.5 Sustainability

Environmental aspects

All the consortia play an important role in the way they have organised to include a number of local conservation organisations, and their principles and statutes with respect to working with environmental priorities. Inclusion of the environmental aspects has thus become a cross cutting issue/theme in the local governments, which in some cases have lead to the formation of an environmental unit within the municipality organisation.

All the countries participating in this project have ratified the Convention on Biological Diversity (CBD), which uses an ecosystem approach with respect to conservation and sustainable use of resources. In their second annual report the IUCN recognizes that a fundamental issue in the continuation of the *Alianzas* programme is the implementation of the CBD, including the promotion and application of the 12 principles (see footnote 5) which is the focus of the ecosystem approach. This is considered as a basis for the construction of a new model for environmental and institutional management. Recognizing that environmental education and awareness is at the core obtaining sustainable results for the environment, the *Alianzas* programme has made a very educational calendar for 2006, in which each principle of the ecosystem approach, one for each month, is explained to the readers. The elements of the Programme are compatible with the principles of the ecosystem approach, which might lead to a recognition and appreciation on the part of the receiver, that the activities in which they are participating, not only might make a difference at the local level, but also at the national and international levels.

In conclusion, the mission noticed that the environmental problems are well addressed within the consortia. In terms of sustainability starting off with land planning initiatives is seen as a good step towards a sustainable use and conservation of key ecosystems within the GACs. IUCN should make sure that these territorial plans have a solid scientific background to support them, and, if appropriate, drawing on PRISMA experiences in the field.

Institutional aspects
In relation to the institutional aspects, IUCN maintains that a major guarantee for sustainability is that the consortia were formed by local organisations and people living in the respective geographical region and interested in the same issues. It is a known fact that the organisations comprising these consortia have been integrated for at least a decade in the regions. Consequently, it is quite likely that these organisations will survive also after the end of the project. They will also bring with them the experiences of the consortia, the strength of combining forces towards common goals, and seeing the effects that this brings. (The capacities and synergies that characterize these groups will have been put in place like reference points necessary for other initiatives and institutions to utilize in order to make viable new efforts in the Geographical Areas of Concentration). In addition, at least two of the consortia have expressed their firm belief that the consortia will survive after the project period is over. Yet another indication of ownership and appreciation lies in the fact that none of these organisations receive direct payment for participating in the meetings of the consortia. (The funds received by the consortia are used directly for project activities determined by the consortia, and approximately 10% for administrative costs.)

Another example of institutional sustainability is a declaration of the consortia of Monterrico, in Guatemala, and that of Barra de Santiago, in El Salvador, to promote and follow-up the initiative of establishing a bi-national coastal and marine biological corridor between the protected areas of Monterrico and Barra de Santiago (a proposed Ramsar sites) and adjacent zones. The rapid establishment of this agreement has among others been largely attributed to the participation of three municipalities in the consortia (San Pedro Puxtla and Moyota, in Guatemala and San Francisco Menendez, in El Salvador).

Finally, IUCN-ORMA has very recently developed terms of reference for an evaluation of the functioning of the consortia and the institutional strengthening included in the *Alianzas* Programme. This evaluation will be carried out in 2006 and will provide information as to how the consortia will operate after the project is finished.

2.2.6 Particular concerns

Gender Issues
Both the consortia of Talamanca and Boca del Toro that the mission visited had a strong participation from women organisations. In addition, women were participating actively in the discussions of the meetings with the mission. The Boca del Toro consortium has developed internal regulations where the gender issue is an integral part.

Human Rights Issues
The human rights issue of the *Alianzas* programme is not explicitly mentioned as a part of the objectives of the programme, but sometimes implicit in the issues taken up by the programme. Upon questions to the Boca del Toro consortium on whether human rights had been violated in the area, the participants confirmed that this was the case. Among other things there was no complaint's office, there were violations of indigenous peoples' rights and there were unresolved legal questions as well. One of the examples quoted was the Government endorsement of plans for the construction of a large hydro-electrical plant in one of the indigenous peoples' areas, displacing some of the people living there. Another example was that local peoples' practices of "nomadic" husbandry in communal lands could not be maintained due to privatization of land. In conclusion, the representative of the environmental section in the municipality of Changuinola noted that there were a number of

human rights organisations working in the region, and suggested that the consortium consider inviting one of these organisations to participate in the consortium.

Therefore, the inclusion and equal treatment of indigenous communities within the consortia should be taken into consideration. Issues related to land rights, indigenous legislation, capacity building and promotion of indigenous agro-forestry systems should be considered to be included in the agenda of the consortia.

Environmental rights were also brought up in relation to this topic. One representative pointed to the implementation of the international conventions that had been ratified by the countries in the region is a task that has to be improved. With the assistance from the Programme for the Global Environmental Rights and the regional office of IUCN, the region has started a number of studies, like legal manuals in different topics, among other the transnational watercourses and environmental impact assessments. Capacity building has been carried out in decision making and civil society aspects in themes of interest, in order to strengthen local societies for the adequate development and implementation of environmental rights.

Project Risks

According to IUCN the Alianzas programme is a low internal risk project because it has a bottom-up approach, through the people living in the area and through their organisations. However, according to IUCN the major external risks of *Alianzas* arise from organisations and projects that intend to continue using obsolete schemes of working. This type of working could increase the dependency and will exclude participation of local actors. Furthermore these organisations feel threatened by the increased use of a new approach (the Alianzas approach) which alters the status quo at the different levels.The activities of the *Alianzas* programme take place in remote, often marginal zones, which often exhaust their resources in order to develop. The reason for exploitation of resources is that the demands often come from processes outside their territories, which strengthens an unequal development in the territories.

According to IUCN, in no other place but the frontiers has it been shown better that the state can not be the motor to remove the deficiencies of the economy, and neither can public investment on their own appear as the trigger of the required development in these areas. At the same time there are strong pressures that the Central American countries open up their markets as opportunities for entering the global markets. This corresponds to a regional agenda of integration which has been the predominantly discussed in the political and economic setting, as a theme for eradication of poverty. As it was mentioned before, the free trade agreement (CAFTA) with the USA and the Plan Puebla Panama are initiatives in the region which exemplify these tendencies.

At the same time, in the majority of countries environmental management is not in a position to face up to the possible impacts caused by the projects. In addition, there is not much public participation in the decision making processes, something that could accelerate the access to information on the part of the responsible authorities.

The *Alianzas* programme has been developed in order to strengthen local coalitions, which can exert a strong influence jointly and which strengthen the organisations that participate. These alliances have an influence in the creation of new forms of institutional and environmental management, which is much more inclusive and democratic.

Poverty reduction issues
Poverty is seen by the consortium of Boca del Toro as the loss of quality of life. Pollution, inappropriate disposal of solid waste and ecosystem degradation increases poverty because there is a deterioration of people's environment which in turn can affect health, productivity, etc.

Under this new concept, poverty should not only be reduced to economic issues, but include social, environmental as well institutional aspects. Thus the *Alianzas* programme has certainly had an impact on all these dimensions that can be linked to the concept of sustainable development. Also the issue of culture has been linked to poverty by the indigenous peoples of Talamanca. For them, "the worst case of poverty is the loss of traditional values", which in turn has a direct impact on the management of natural resources.

Therefore, the empowerment of marginalised groups, the strengthening of governmental as well as non-governmental organizations, the attention to environmental problems, and the support to income-generating activities are linked to poverty alleviation and are areas where *Alianzas* is contributing, all of this through consensus.

Duplication of other initiatives
According to IUCN there are no other projects that duplicate the Alianzas project in the region. There are, however, other projects organised by other organisations in the same areas which complement the activities of Alianzas. For example IUCN works with the Alliance for Communication, and joint forces with them as necessary. Also in the Zona Norte the IICA (Inter-American Institute for Cooperation in Agriculture) has similar projects, but IUCN is on their Steering Committee and can thus prevent overlap. There is also an initiative by the German development cooperation agency in Honduras which is similar to the Alianzas programme, but Honduras in not part of the Alianzas programme.

It is important to note that a proposal has been submitted to the Embassy by CATIE for a Cocoa project in the Talamanca area where one of the consortia is working. It would be advisable that CATIE and IUCN coordinate efforts to complement these two initiatives especially when one is dealing with the promotion of Indigenous agroforestry systems, which has been highlighted as a major issue by indigenous organizations participating in this consortium.

Focus on transnationality
The focus of transnational cooperation is a theme that has been strongly recommended by Norway, but also one which had strong focus in the baseline study that led to the design of the programme, on three transnational areas with similar and shared ecosystems.

According to IUCN the principle that nature knows no borders is true, but the application depends on the level of development and maturity which is developed in the local groups. IUCN also believes that a local consortium must first be able to make an impact in the place where it works before it can participate in activities in other countries.

Consequently, the transnational cooperation must develop gradually as the capacity of the consortia develop and mature. Eventually this cooperation is expected to lead to the formation of Transnational Commissions, as mechanisms for coordination as a result of the decisions and initiatives of the consortia, and not from pressures from the central project administration. In this respect it is encouraging to notice that the transnational commission

for Monterrico/Barra de Santiago between Guatemala and El Salvador has already been established and that the Rio San Juan and the Talamanca/Boca del Toro consortia are expected to follow. The views expressed by the Boca del Toro consortium with respect to transnational cooperation was that cooperation should arise naturally as a result of planned activities of the consortia related to ecosystem themes or other issues.

As an example of this, an activity is initiated of co-management of a protected area with indigenous peoples on both sides of the Costa Rican-Panamanian border. This would be, on the side of Costa Rica, the first experience of management of protected areas with the participation of indigenous peoples. Ecotourism is also a transnational issue. An example of this was an exchange of experience from handicraft making promoted by the consortium of Talamanca/Boca del Toro in 2005.

2.2.7 Conclusions and Recommendations

In conclusion, the mission noticed that the environmental problems are well addressed by the consortia. In terms of sustainability, starting off with land planning initiatives is seen as a good step towards a sustainable use and conservation of key ecosystems within the GACs. IUCN should make sure that these land plans have a solid scientific background to support them.

Also, the inclusion of the indigenous people agenda should be taken into consideration by consortia in issues related to land rights, indigenous legislation, capacity building and promotion of indigenous agro-forestry systems.

Recommendations

- The mission recommends that all the consortia should have a strategic plan as well as an effective follow-up system (see output 8 and comments) and LFA that link clearly activities, outputs, effects and impacts. Also, effects and impacts should be part of the permanent internal discussion and debate when it comes to the day-to-day activities that have been planned. With respect to the effectiveness of the project activities, the mission recommends that these activities need to be relevant to the objectives of the Programme, in terms of their pertinence to the major issues considered within the framework of the Norwegian cooperation, such as poverty alleviation, gender equality and the environment. The indicators stated by the Programme should be revised in terms of these cross-cutting issues. Especially in the case of poverty alleviation where this should not be seen only as income generated by the beneficiaries, but more generally, as one participant at the meetings put it, in terms of "the loss of quality of life"; and this includes economic issues as well as social and environmental issues.

- The mission proposed that the consortia should carry out a deep reflection on how these three dimensions of sustainable development together with institutional strengthening are linked to poverty alleviation and incorporate it into the Programme discourse.

- Finally, as it was already mentioned, it is important to note that a proposal has been submitted to the Embassy by CATIE for a Cocoa project in the Talamanca area where one of the consortia is working. It would be advisable that CATIE and IUCN coordinate efforts to complement these two initiatives especially when one is dealing with the promotion of Indigenous agro-forestry systems, which has been highlighted as a major issue by indigenous organization participating in this consortium.

- The mission was impressed with the tremendous amount of activities carried out by the *Alianzas* Programme, together with the consortia. It is important to reflect upon the goals that the programme wants to be achieved. Also this rich experience should be communicated with relevant audiences around the region and the world at large, whenever possible.

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2.3 CATIE CORE CAM-2243, CAM-2/214

"Institutional support to CATIE's core budget"

As with most institutions of higher learning in Central America, CATIE must struggle with balancing the need for money with the need to stay at the leading edge of scientific research. It is scientific accomplishment through research that provides added value to the teaching and outreach functions of an institution such as CATIE. While foreign assistance cannot be expected to support indefinitely that which Latin American countries should be supporting, development donors need to take this balancing act into consideration.
Despite admirable progress, CATIE still faces great challenges in trying to sustain itself, the quality of its work and its geographic mandate. A combination of successful fundraising, increased project acquisition and hard, operational cost-cutting decisions will be needed. Norway should maintain its commitment to support CATIE through a long and difficult transition to institutional sustainability.

2.3.1 Project Description, Objective and Budget

Project Description
Since its establishment in 1973 as a regional centre for agricultural and natural resources research and education, the owners never defined a long-term structure for financing the institution. The principal driving forces behind establishing CATIE were IICA (Inter-American Institute for Cooperation in Agriculture) and the Government of Costa Rica. Now 13 Governments in the region are members with the Minister of Agriculture or Environment participating in the Council of Ministers directing the Institution. However, the contribution from these owners represents only 2% of CATIE's budget. The agricultural and environmental ministries in the region have severe difficulties in providing financing for their own institutions. Therefore, contributions from members are often in arrear, and often paid for in kind.

USA and European donors have represented an important source of financing, but their contribution has gradually been reduced with the effect that the core budget has fallen from USD 6.2 Mio in 2001 to USD 4.0 in 2005. This has put a lot of strain on the organisation.

Norway and Sweden contribute annually to the core activities budget of CATIE. Norway has a 5-year agreement from 2003 to 2007 with a financial frame of NOK 3.2 Mio that was estimated at to USD 400 000, but has resulted in somewhat higher amounts due to favourable NOK/USD exchange rates. Sweden contributed USD 1.3 Mio in 2003, 1.1 Mio in 2004 and .79 Mio in 2005. The gradual reduction in the Swedish contribution has resulted in a relative increase in the Norwegian contribution as shown in table 2.3.1, below.

Objective
The grant from Norway shall be used exclusively for CATIE's core functions in the Central American Region and The Caribbean, over the period 1 January 2003 to 31 December 2007. The annual allocation will be NOK 3.2 Mio.

2.3.2 Impact & Effectiveness

Catie's potential impact on poverty reduction lies in a greater understanding of poverty in tropical America, an increasing emphasis on combining sustainable resource use, rural enterprise development and innovation, the interdisciplinary use of its thematic groups as well as its regional promotion of environmental economics.

Poverty is a cross-cutting issue with CATIE and its thematic groups: Socio-economics of environmental goods and services; Competitiveness of Eco-Enterprises; Modernization and Competitiveness of Cacao; Coffee Quality, Profitability and Diversification; Livestock and Environmental Management, and Agro-Ecological Production of Annual Crops. To strengthen CATIE's impact on poverty, it has this year hired a Gender and Poverty Specialist and developed a draft strategy on tackling poverty, called "CATIE's Approach to Poverty Reduction"

2.3.3 Financial Aspects & Efficiency

Table 2.3.1 MFA's contribution relative to the Core Activity Budget (1000NOK& USD)

	2003		***2004***		***2005***
Agreement Budget NOK 1000	3 200		3 200		3 200
Effective Exch. Rate NOK/USD	*6,43*		*6,89*		*6,42*
MFA Core contribution in USD	498 013		464 214		498 219
Total specific contributions	1 813 681		1 544 191		1 288 412
MFA share %	*27,5*		*30,1*		*38,7*
Total Core Activity Budget	**4 418 923**		**4 165 766**		**4 004 159**
Share MFA funds	*11,3*		*11,1*		*12,4*

The funds are untied and support general functions of the institution. Additionally, there are budgets for the educational program (Masters and Doctoral studies) as well as for research and project implementation. These funds were also reduced during the recent years and fell from USD 20 Mio in 2001 to USD 16 Mio in 2004. In 2005 there was an increase to USD 18 Mio and the increasing trend is seen to continue slowly. CATIE has developed different scenarios of how to improve the tight financial situation and is primarily seeking a long-term solution instead of having constantly to resolve annual and short-term difficulties.

The use of the core budget is presented in Table 2.3.2, below:

Table 2.3.2; Uses of the Core Activity Budget 2003-2005

Core fund use	***2003***	***%***	***2004***	***%***	***2005***	***%***
Personnel	2 792 629	*63,2*	2 966 076	*71,2*	2 805 686	*70,1*
Travel & per diem	215 684	*4,9*	197 916	*4,8*	205 272	*5,1*
Communication	216 623	*4,9*	167 144	*4,0*	154 855	*3,9*
Maintenance	189 305	*4,3*	137 682	*3,3*	227 147	*5,7*
General Expenses	421 862	*9,5*	399 541	*9,6*	420 904	*10,5*
Training	165 152	*3,7*	17 511	*0,4*	9 217	*0,2*
New assets	90 777	*2,1*	172 797	*4,1*	39 583	*1,0*
Supplies	59 190	*1,3*	49 515	*1,2*	53 839	*1,3*
Doubtful accounts	179 457	*4,1*	186 860	*4,5*	78 316	*2,0*
TOTAL EXPENSES	**4 330 679**	*98,0*	**4 295 042**	*103,1*	**3 994 819**	*99,8*
Balance	88 244	*2,0*	-129 276	*-3,1*	9 340	*0,2*

The cost of the staff is by far the highest budget line, indicating that the overhead of the teaching, the research and the projects are insufficient to cover operation of the institution

and its large but costly installations and facilities. The item *General Expenses* includes insurance, electricity rates, etc. while *Doubtful accounts* is writing off highly uncertain claims from earlier terminated projects. Gradually this has cleaned the balance to a more realistic valuation of outstanding claims.

Several measures have recently been introduced to achieve higher cost effectiveness and income-generating focus:

A) The budgeting process is now based on cost recovery principles and in compliance with provision of services to the funding sources.

B) Renovation of equipment beyond its useful service life is done on a cost recovery basis where institutional funds function as loans to the different cost centres for financing necessary investments or replacement.

C) The distribution of costs has led to better control of expenses.

However, there still remain some challenging decisions for activities that still do not contribute to the overhead. Some of these involve very strategically important decisions that appear to need more time to mature. The positive aspect is that the cost-effective perspective is much more visible now than only a few years back.

Audit
Deloitte has elaborated a complete audit report with statements. Except for failing to make provisions for the outstanding payments from the non-paying member states the auditors declare the rest of the accounts correct. CATIE argues that the member countries do pay and as states do not disappear, but at times the pay with significant delays. CATIE has therefore decided not to any make provisions for loss associated with non-payment of fees. The audited report for 2005 was signed February 24th and indicates that the accounts were easily reconcilable and verifiable in a timely manner. Checks of project cost centre accounts are easily accessible and well presented in a comprehendible manner.

Anti-corruption measures
Costa Rica ranks best of all Central American countries in Transparency International's ranking for 2005. Nevertheless, being number 57 of 158 countries worldwide shows that there is room for improvement. At CATIE's level, its improved financial management and the annual independent audit should provide the institution and donors with reasonable safeguards.

2.3.4 National and Regional Relevance

CATIE has a mandate for providing excellence in agricultural and environmental post-graduate education, applied research, training and technical assistance to tropical America. Its regular members include IICA (InterAmerican Institute for Cooperation in Agriculture), Belize, Bolivia, Colombia, Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, The Dominican Republic and Venezuela.

Since the goals and objectives of Norwegian development cooperation with Central America are related to CATIE's mandate, above, and since the CATIE Core budget is essential for CATIE to carry out this mandate, and since we haven't found any substantial faults in CATIE's work, it makes good sense for Norway to continue supporting the CATIE core budget.

2.3.5 Sustainability

Environmental aspects

CATIE's research, education, technical assistance and training activities emphasise the appropriate management based on conservation and sustainable use of tropical Central America's natural resources. It promotes this emphasis through its post-grad education program, its development partnership projects in the field such as its earlier IPM project, its present Degraded Pastures project and the proposed Cacao project. As well, it is in regular contact, consultation and dialogue with national and regional agriculture and environment authorities and development agencies.

Institutional aspects

Despite admirable progress, CATIE still faces great challenges in trying to sustain itself, the quality of its work and its geographic mandate. A combination of successful fundraising, increased project acquisition and hard, operational cost-cutting decisions will be needed. For more information, please see *Project specific terms of reference, 1 and 2 below.*

2.3.6 Particular concerns

CATIE is aware of gender concerns, dealing with them on a regular basis in its project work. We did not discuss this or human rights in reviewing CATIE's core budget. With respect to its core budget, CATIE has been taking steps to reduce risks through effective management, cost-cutting, fundraising and project acquisition. Success with these steps will reduce the risk of institutional erosion and promote institutional sustainability.

Project specific terms of reference:

1. Analysis of CATIE's current financial situation and strategy to secure long-term sustainable financing of core budget

In 2000-2001, CATIE's core budget was USD 6 million. Today it is USD 4 million. Despite this 33% reduction in the core budget, CATIE has recouped lost income and increased its project portfolio by 25% to USD 20 million from a low of about USD 16 million in 2004. It has done more with less, a definition of efficiency and productivity.

This is not so much due to a single strategy as rather to several strategies or activities deriving from a more business-like approach from CATIE's leadership and staff in recent years. Some activities are already in operation while others are just being started.

For example, graduate students are now self-financing USD 8-10 thousand of their own education through a nine-year loan program (first year is a grace period). CATIE has outsourced its souvenir shop, its printing tasks, its cafeteria and partially its annual international fair. The Botanical Garden charges entrance fees. Campus residences are being rented out. Perhaps the CATIE Club should be considered for outsourcing. Under new management, the commercial farm now sells coffee, sugarcane, cacao, milk, beef and timber at a profit. The Forest Seed Bank sells USD 400.000 worth of certified seeds annually. Management of the *Tropics Foundation* has been tightened while its board of directors has been strengthened with influential, wealthy members. A professional fundraiser now leads the *Friends of CATIE*, a fundraising association targeting big US donors. She has 70 volunteers working to raise awareness and funds for CATIE. Finally, financial and accounting management at CATIE appears to be in the hands of an able and dedicated person.

2. Analysis of experiences so far of CATIE's reorganisation into two technical-scientific departments and the establishment of interdisciplinary thematic groups

The reorganisation into two departments, *Natural Resources and the Environment* and *Agriculture and Agroforestry* has led to downsizing of departmental staff from 9 to 5 persons. At the same time, CATIE's 10 thematic groups have increased their self-financing through project acquisition. For example, the *Livestock and Environment* thematic group funds 95% of its own activities through projects financed by the World Bank, GEF, EU and Norway, etc. Its draw on CATIE's core budget is only 5%. The thematic group on *Eco-Enterprises* gets 50% of its financial needs from projects, 40% from consultancies and the remaining 10% from CATIE's core budget.

Additionally, a ten-year agreement is being signed with CIRAD, CABI and INCAE seconding people at their expense to CATIE. Four contracts with the World Bank have recently been signed. Some of CATIE's field operations have been decentralized. Spain has become an affiliated, dues-paying member and a significant supporter of projects. CATIE is establishing income-earning ties to private commercial agriculture and has gotten financing for work on ornamental plants[12].

2.3.7 Conclusions and Recommendations

CATIE continues to face its financial challenges with a business-like approach. A combination of cost-cutting measures and income generating activities has already led to positive results and may reap more benefits in the medium and long-term. As with most institutions of higher learning, it must struggle with balancing the need for money with the need to stay at the leading edge of scientific research. It is scientific accomplishment through research that provides added value to the teaching and outreach functions of an institution such as CATIE. While foreign assistance cannot be expected to support indefinitely that which Latin American countries should be supporting, development donors need to take this balancing act into consideration.

To quote Borel and Iversen (2005), *"We consider that the Norwegian and Swedish core support have for many years been very well invested as a tool of regional development. When contrasted to the material difficulty for the CATIE members to sustain the core infrastructure, the CATIE contribution to regional development is, in our opinion, the principal argument for continuing the Nordic core support to CATIE. However, since the Nordic core support is bound to cease at some point or another, we recommend that the decrease in the core support be made gradually, and at such a rate that is allows CATIE to adjust to the change."*

The review team agrees with this recommendation and adds its own conclusion: As with most institutions of higher learning in Central America and the rest of the world, CATIE must struggle with balancing the need for money with the need to stay at the leading edge of scientific research. It is scientific accomplishment through research that provides added value to the teaching and outreach functions of an institution such as CATIE. While foreign assistance cannot be expected to support indefinitely that which Latin American countries should be supporting, development donors need to take this balancing act into consideration.

Despite admirable progress, CATIE still faces great challenges in trying to sustain itself, the

[12] From an environmental point of view; the ornamental plant industry may be contributing to environmental degradation and health problems through excessive use of pesticides or even genetically modified plant material. CATIE and the MFA should be informed of this issue.

quality of its work and its geographic mandate. A combination of successful fundraising, increased project acquisition and hard, operational cost-cutting decisions will be needed. Norway should maintain its commitment to support CATIE through a long and difficult transition to institutional sustainability because of its excellent research, post-graduate teaching, and technical outreach; its thorough understanding of tropical agro-environmental issues, including the nexus with poverty; its pioneering effort with environmental economics in the region and its official regional mandate. Not least, it is an important vehicle for accomplishing the poverty-reduction and environmental goals and objectives of Norway's development program in the region.

2.4 CATIE Degraded Pastures CAM-2242, CAM-00/113

"Multi-stakeholder participatory development of sustainable land use alternatives for degraded pasture lands in Central-America".

"We are not poor. We have our brains, our hands and our natural resources."
Farmer in La Sardina, Guatemala, April, 2004

2.4.1 Project Description, Objectives and Budget

Cattle-raising has a tremendous impact on the environment, causing more biodiversity degradation and employing more land worldwide than any other single commodity.[13] During the last few decades, increases in livestock production resulted from extensive expansion rather than through gains in productivity. According to CATIE, in 2004 50% of the pastures of Central America, or 9 million hectares were classified as degraded.

Together with farm families, extension agents, local and national officials and specialists, this project identifies and adapts sustainable land uses for the recovery of degraded pasture lands, promotes diversified livelihood and commercial production as well as conserving natural resources in three pilot areas of Central America: El Chal, Guatemala; Muy Muy, Nicaragua and Olanchito in Honduras.

Participatory group learning and experimentation methods as well as enhancement of policy-making skills form important activities in the project. The most recent count of project beneficiaries follows:

Table 2.4.1 Project Beneficiaries CATIE/NORWAY- Degraded Pastures

Pilot Zones	Direct Beneficiaries		Indirect Beneficiaries	
	Producers	Technicians	Producers[3]	Technicians
El Chal, Guate	68 (25)*	12	150	51
Muy Muy, Nic	55 (16)	13	110	69
Olanchito, Hon	77 (28)	54	150	80
Total	**200 (69)**	**79**	**410**	**200**

(*) Figures in parentheses refer to the number of female beneficiaries.

It is important to note, however, that the impact of this project does not lie in its own or CATIE's beneficiary count, but rather in its ability to create appropriate and sustainable innovations and practices that will be scaled up and spread by local partners.

Overall Goal
Livestock farm families and communities in areas of degraded pastures of Central America are managing more sustainable and diversified, land use systems that generate social, economic and environmental benefits.

[13] Clay, J. 2004.

Objectives

c. Farm families, local leaders and key institutions have designed and tested alternative ecological, social, economic and political approaches for improved land use of degraded pastures in three pilot zones.

d. Teaching, training and development programs targeted on the livestock areas of Central America are strengthened.

Budget

The project was initially approved for a five-year implementation period with a budget not exceeding NOK 45 Mio or USD 5.76 Mio at the time of signing the contract.

2.4.2 Impact & Effectiveness

Rehabilitated, sustainable-use pastures are already providing higher milk yields and more income to small and medium producers in Peten, Guatemala and Muy Muy., Nicaragua. A private investor attracted by hearing about to the project financed 4 cooling tanks and other equipment totalling USD 14,000. He is eager to work more closely with the project to assure hygiene, quality and more production. He lost one load of 8000 ltr due to mixing sour milk from some farmers. The plant is now working at maximum allowable acidity level and a cooling malfunction can make the milk unacceptable. Milk collectors are now testing at the farm. A meeting 15-20 May will systematize technical options. The PETENLAC Cooperative's milk plant is fully operational, from start 1 March receiving ca. 1000 ltrs/day now at 5-6000 ltrs/day. An important market for PETENLAC is Guatemala's "Glass of Milk" school program, which opens great potential for farmers as producers and as commercial actors.

The project has already contributed in a small, but promising way, to poverty reduction through increased production and incomes: Farmers have increased milk yields and sales in both Guatemala and Nicaragua. A group of women participants in the project reported that instead of buying eggs and vegetables they are producing healthier products themselves.

On training activities, if we take as a reference the amounts budgeted and expended for training, we might assume that not much was done, but if we consider the numbers of people trained (see annex 2) the degraded pastures team has been effective in sharing concepts, methodologies, approaches and technologies. This has increased with time, as can be seen in the project reports for 2003 up to 2005.

2.4.3 Financial Aspects & Efficiency

Expenditures are only 35% of budget with only the rest of 2006 and 2007 remaining. Even more problematic, only 16% of the training budget has been spent. A revised budget for 2006-7 will be submitted in June including the costs for scaling up and institutional anchoring. Staff salary explanation was submitted January 2006 and "agreed to" in the annual meeting April 2006.

Norway signed on December 10th 2002 an agreement with CATIE to finance the project for a five year period with a donation not exceeding NOK 45 Mio. At the time of signing the equivalent value in USD was 5.765 Mio. The final report for the project was to be presented no later than 30th June 2008.

During the period of execution from January 2003 the financial year has changed. The tables therefore represent different time-periods. 2003 contains 12 months, 2004; 13 months and 2005; 12 Months again. The summary of audited expenses from execution of the project is presented below in table 2.4.1

Table 2.4.1; Implementation of Degraded Pastures Project 2003-05 (1000 USD)

		Project Budget	***%***	***2003****	***2004****	***2005*****	***Accum Expend***	***%***	***% Exec.***
1	Staff	2 271,9	*39,4*	204,7	464,3	448,8	1 117,8	*55,4*	***49,2***
2	Expenditure & Infrastructure	310,6	*5,4*	50,8	91,1	40,9	182,7	*9,1*	***58,8***
3	Materials & Special services	596,0	*10,3*	32,9	41,1	19,3	93,3	*4,6*	***15,7***
4	Training	1 478,6	*25,6*	6,0	98,0	133,8	237,8	*11,8*	***16,1***
5	Communication & Printing	245,5	*4,3*	0,0	27,2	23,4	50,6	*2,5*	***20,6***
6	Maintenance (Equip & Infrastr)	105,0	*1,8*	1,9	25,0	23,1	50,1	*2,5*	***47,7***
7	Travel & Per Diem	249,0	*4,3*	34,0	58,7	77,8	170,5	*8,5*	***68,5***
8	General Expenses	509,0	*9*	14,7	32,2	67,3	114,2	*5,7*	***22,4***
	Total	**5 765,6**	*100*	**345,1**	**837,6**	**834,3**	**2 017,0**	*100*	***35,0***

*1.1.03 - 31.12.03 (12 months), **1.1.04 - 31.1.05 (13 months), ***1.2.05 - 31.1.06 (12 months)

While over 60% into the project period, the total fund use was at 35%. Only the budget line Travels & per diem exceeds the proportionate use with 68.5% of the budget spent while Expenditures & Infrastructure is at par. Staff salaries, representing the biggest allocation, are at 50%. Training, representing the second biggest budget allocation is at 16.1% executed. Implementation of Special services and provision of materials is also low at 15.7% along with general expenses at 22.4%. The fund transfers to the project have provided CATIE with significant surplus cash during the whole period of implementation as demonstrated in Table 2.4.2, below. At 31.1.06, MFA had transferred 44.7% of the project budget. Only 35.0 % had been executed at the same date, leaving a cash balance of USD 560 000.

Table 2.4.2: Implementation & Advances to Degraded Pastures Project 03-05 (1000 USD)

	1000 USD	***Project Budget***	***%***	***2003****	***%***	***2004****	***%***	***2005*****	***%***
1	Staff	2 271,9	*39,4*	204,7	*59,3*	464,3	*55,4*	448,8	*53,8*
2	Expenditure & Infrastructure	310,6	*5,4*	50,8	*14,7*	91,1	*10,9*	40,9	*4,9*
3	Materials & Special services	596,0	*10,3*	32,9	*9,5*	41,1	*4,9*	19,3	*2,3*
4	Training	1 478,6	*25,6*	6,0	*1,7*	98,0	*11,7*	133,8	*16,0*
5	Communication & Printing	245,5	*4,3*	0,0	*0,0*	27,2	*3,2*	23,4	*2,8*
6	Maintenance (Equip & Infrastructure)	105,0	*1,8*	1,9	*0,6*	25,0	*3,0*	23,1	*2,8*
7	Travel & Per Diem	249,0	*4,3*	34,0	*9,8*	58,7	*7,0*	77,8	*9,3*
8	General Expenses	509,0	*9*	14,7	*4,3*	32,2	*3,8*	67,3	*8,1*
	Total	**5 765,6**	*100*	**345,1**	*100*	**837,6**	*100*	**834,3**	*100*
					DATE		DATE		DATE
	Transferred from MFA	*2 576,2*	*44,7*	*877,5*	07.01.03	*638,7*	25.08.04	*745,0*	07.07.05
								315,0	28.11.05
	Unexecuted Balance USD	**3 189,4**	*55,3*	**532,4**	*154,3*	**333,6**	*39,8*	**559,2**	*67,0*

The project management concurs that varying reporting periods was a mistake and will bring the periods back to the calendar year. Training and dissemination of results will be speeded up during the remaining periods.

Audit
There has been a change of auditing company during the period of execution. Deloitte elaborated the first complete audit report with statements. Except for failure to separate interest earned in a separate account the auditors declared the accounts being correct. The separation is now in vigour while complete transfer to the account from earlier years is pending. For the year 2004 KPMG has undertaken the audit of the project. The audited report for 2004 made reservation for an amount of USD 7 401 that was purchased without compliance to CATIE's own procedures, but found the rest of the accounts in satisfactory order. This was due to supporting documents missing during the audit. The offers and vouchers have since been found and a note will be entered in the next audit report. The external audit for 2005 was not available at the time of elaborating this report, but the numbers are verified by the internal auditor.

In the next audit, special attention needs to be paid to under-spending and under-achievement of activity targets.

Anti-corruption
The project does not promote a give-away mentality. This caused some difficulties in Honduras due to the "post-Mitch syndrome" of expecting everything free from outside agencies. Guatemala, Honduras and Nicaragua rank 117, 107 and 107 respectively in Transparency International's survey for 2005 of 158 countries. Obviously, there is a need to be vigilant.

2.4.4 National and Regional Relevance

For degraded and mountainous areas, the project offers a way for local producers to contribute to economic growth in environmentally sustainable ways. The Peten in Guatemala is looked upon by its government to satisfy national demand for milk and meat products. The Muy Muy area of Nicaragua is expected to do the same. In fact, both countries have export ambitions that cannot be realized unless their resource base is sustainably improved and their producers more technically able to implement more productive practices.

In Guatemala and Nicaragua, the project has achieved recognition for its extension methodologies. This has resulted in increases to milk production, such that some government institutions consider it a program for dairy cattle promotion. However, this is not the case for the grassroots participants, who while appreciating higher productivity and income, understand the sustainable-use and alternative-use concepts that the project is promoting.

2.4.5 Sustainability

This it is a project of validation of methodologies and not a production project. However, it is providing clear examples of environmental benefits for long-term productive use of the natural resource base. From a long list of benefits that can be mentioned are: reduction in soil erosion and increased fertility, better water infiltration and conservation, planting of shade and leguminous trees, live-fences, improved pasture grasses and legumes. Diversification of production is going well, judging from the remarks of male and female farmers. Chemical herbicides, nothing new to the grassroots producer, are applied for the purpose of quickly establishing improved pastures. This may mark an environmental contradiction in the project

as it can be argued that it foments continuing dependency on technologies not easily accessible to the poor of Central America. However, as opposed to traditional methods of herbicide application the project demonstrates safer and targeted use.

The project has signed letters of intent with the *Mancomunidad* of the municipalities of San Luis, Poptun and Dolores in Southern Peten (MANMUNISURP), for participation in the project. A *mancomunidad* is a legal association of two or more municipalities that join together to tackle development problems or projects that each on its own would not be able to resolve or implement. As the municipalities in the Peten have an agreement with the Ministry of Agriculture and Livestock's (MAGA) Section for Agriculture and Natural Resources (SARN) for extensionists, they offer some hope for institutional sustainability. At present, the project in Peten enjoys the services of 6 extensionists, 2 from each of the municipalities mentioned.

Environmental aspects
Both FAO and IFPRI predict more than a 33% increase in meat consumption in Latin America between 1990 and 2020. How to meet this significant rise in consumer demand with technologies and management regimes that sustain a healthy and productive natural resource base is the present and future challenge. The pressure on pastures and their immediate eco-systems is heavy now and will likely increase. Crop agriculture and livestock production already contribute to the degradation and erosion of these resources. It is generally agreed that livestock production as it is practiced today furthers land degradation, water loss and pollution, greenhouse gas emission and biodiversity loss.

However, with appropriate, sustainable-use management practices, innovative production alternatives and good policy, livestock production can contribute positively to the natural resource base by enhancing soil quality, increasing plant and animal biodiversity and substituting for scarce, non-renewable resources such as fossil fuels.[14]
While the debate about such issues goes on in various fora (much like the debate on climate change) action is required to restore pastures to sustainable and/or alternative, eco-friendly productivity for the people who depend on them for their livelihoods.

2.4.6 Particular concerns

Project specific terms of reference:

An analysis of the local anchoring of the programme based on the special report on this.
The project's major challenge is anchoring its activities in national and regional institutions with mandates for developing the areas where the project carries out its activities. Alliances are developing as evidenced by our meetings with partners and a number of signed agreements for technical cooperation.

CATIE's anchoring strategy for institutional sustainability identifies partners for extension and for research. In the Peten, it's the participating municipalities and the Ministry of Agriculture and Livestock that will have responsibility for extension. For participatory research it is the Peten branch of the University of San Carlos.

[14] FAO and IFPRI, 1995

In Nicaragua it's NITLAPAN and FONDEAGRO for extension and UNA, UNAN and UCA and INTA for participatory research. Agreements are signed with all the Nicaraguan partners, except FONDEAGRO for which the agreement is in process with it and its partners ORGUT and Techno-Serve. The municipality of Muy Muy is signed on and active. The neighbouring municipality of Matiguas is expected to join the project.

In Honduras, the INFOP (National Institute for Professional Training) will do training of project participants in agro-sector activities but the municipality of Olanchito has so far not joined the project. This may have been due to the "Post-Mitch Syndrome" whereby people and local governments expect free inputs from outside agencies. Presently, project staff is working to convince a newly elected municipal administration in Olanchito of the benefits of the project. A major question arises: why is institutional cooperation not secured in the baseline survey or at least early in the project's implementation stages?

Assessment of the CATIE technical services provision in the region with emphasis on its importance as a source of income for CATIE as well as relevance in terms of knowledge building and feedback into the institution, opportunities for applied research, etc.
Fee-based technical and extension services providing relevant assistance in demand by producers is being tried in Chile, China, Costa Rica, Ecuador, India, and Africa. Some of these are voucher systems backed by governments and run by private firms or institutions while others are share-cropping systems, with the service provider getting an agreed part of successful harvests. Although optimism regarding fee-based services for small and medium-scale producers is present, it appears too early to make any conclusions[15]. It would be easy for CATIE to check on the present status of the extension-voucher system in Costa Rica. CATIE in Muy Muy was solicited for its technical services by a group of Spanish (?) investors in the process of establishing a large cattle operation in the area. CATIE Muy Muy felt that while the offer was technically and financially attractive, such private consulting was not within its mandate. Perhaps CATIE should consider such opportunities. Perhaps CATIE should consider such opportunities as long as CATIE's eco-friendly advice and recommendations would be followed.

The field experiences of CATIE staff as well as of the students employed in the project are being fed into the GAMMA thematic group and publicized through various media, workshops, meetings and training sessions with project partners at different levels.

Gender
Women in La Sardina and El Bosque were quite satisfied with the project. Former program student Sra. Dilma Berganza is employed as milk plant manager by the private investor Sr. Paz, while Sra. Luz Salazar receives and controls the deliveries of milk from rural collectors.

At this stage, gender activities are directed mainly to women. This is natural enough, but progress in gender issues requires men's awareness as well. While there are a few women cattle owners already participating, we were told that there are others who might like to participate. The project will be making efforts to attract them. The remaining time of the project is important to work so that the activities of gender are directed to men and women.

[15] EIAEM, World Bank, FAO

Alternative production activities to strengthen the family economy and the diet of the families involved in the project are appreciated by the women we met. These include vegetable growing and poultry production.

One of the main actions that the project should do relatively quickly is to re-inform the partners and beneficiaries of the main goal of the project: managing more sustainable and diversified land use systems that generate social, economic and environmental benefits.

Project risks

The major risk for the program is the absence of local institutional ownership in Honduras, its weakness in Peten and its ambiguity in Nicaragua. Without resolution of the institutional ownership question there will be no one but the farmers themselves who can carry on the work at the end of donor support. This challenge, nothing new to development projects, can only be resolved by attitudinal changes and more resources in the budgets of local institutions. The first may be surmounted by the project, the second is largely out of its control.

For example, the Vice Minister of Agriculture and Livestock for Peten, while very positive to the project, referred repeatedly to “your project” in our meeting with him. When asked about when and how he might begin to call it his project, he explained that his own Ministry has only 800 employees nationwide, down from 20,000 some years ago, and almost all of these 800 are on annual work contracts. The mayor of Muy Muy is truly enamoured of the project but wants CATIE to spread “its” work. NITLAPAN responded to the ownership question by saying it is totally dependent on outside financing and if this was in order it could continue the work.

While the farmers themselves are an important means of carrying on the work, the nature of agricultural and livestock development demands policy, economic and technical guidance from experts to meet the ever evolving challenges that nature and economic growth keep throwing at farmers. Of course, if the project’s introduction of productive alternatives is successful and project countries sharpen their tax regimes, both poorer farmers and the wealthier sectors of society may be able to support their own development institutions.

In Guatemala, there is at least a theoretical risk to some of the participants in the project who don't own lands. These people have to lease the lands from the municipality. While they feel secure in their usufruct rights, in fact secure enough to implement long-term improvements to their rented land, there is no guarantee that future governments cannot change rental conditions and land policy.

Another kind of risk is crime. In the Peten, crime is pervasive and growing. The Peten lay along the corridor for drugs and illegal immigrants to the north. Guatemala, which is about 1/3 larger in population than Norway, suffers 100 times the annual number of murders (50 in Norway vs. 5000 in Guatemala). One of the participants in the El Chal area lost his son, his daughter-in-law and their children because of a break-in robbery in their home.

2.4.7 Conclusions and Recommendations

Conclusions

a. Expenditures are only 35% of budget. How can the project compensate for this?
b. Some government institutions consider the program as dairy cattle promotion. How will the project convince them that the emphasis is on diversified land use systems that generate social, economic and environmental benefits?
c. The project should start now to analyse the financial situation that will be required by identified partners to take over, scale up and spread extension and research services for small and medium-scale producers.
d. The project has already contributed in a small but promising ways to poverty reduction. We recommend following such development closely, perhaps via a student thesis with agro-economic guidance from San Carlos University.
e. Provide a statement on the project's use of chemical herbicides.
f. Provide quickly a short-term prognosis of the project and partnership status in Honduras.
g. Provide a long-term prognosis for what will happen for participants who lease their lands.
h. Could some institutional problems have been exposed earlier if a better baseline study had been carried out?

The project satisfies sustainable-use, commercial and income needs of importance to beef and dairy producers in poorer communities. It needs to solidify institutional sustainability and intensify field activities. With satisfactory responses to issues raised in this review, Norway should continue supporting the project while keeping a close watch on such issues as well as on the project budget.

Annex 1. List of institutional agreements signed with the project

CONVENIOS FIRMADOS PARA OPERACIÓN DEL PROYECTO CATIE/ NORUEGA – PD

Guatemala

- Ministerio de Agricultura y Ganadería (MAGA)
- Mancomunidad de Municipalidades del Sur de Petén (MANMUNISURP)
- Instituto Nacional de Bosques (INAB)
- Consejo Nacional de Areas Protegidas (CONAP)
- Centro Universitario del Petén – USAC (CUDEP)
- Centro Universitario Regional del Nor-Oriente – USAC (CUNORI)
- Instituto de Ciencias Agroforestales y Vida Silvestre (ICAVIS)
- Fundación Pro-Petén
- Asociación Centro Maya

Honduras

- Instituto Nacional de Formación Profesional (INFOP)
- Secretaría de Agricultura y Ganadería – Dirección de Ciencia y Tecnología Agropecuaria (SAG-DICTA)
- Centro Universitario Regional del Litoral Atlántico (CURLA)
- Centro Universitario Regional del Valle del Aguán (CURVA)
- Fundación Pico Bonito
- Universidad Nacional Agraria – Catacamas (UNA)
- Corporación Hondureña de Desarrollo Forestal (COHDEFOR)
- Asociación Cristiana para la Promoción y el Desarrollo Humano (CAPROH)

Nicaragua

- Universidad Nacional Agraria (UNA)
- Centro de Educación Técnica Agrícola de Muy Muy (CETA-Muy Muy)
- Instituto Nacional Forestal (INAFOR)
- Instituto Nacional de Tecnología Agropecuaria (INTA-Dirección Regional Matagalpa, Jinotega)
- Municipalidad de Muy Muy
- Asociación para la Diversificación y el Desarrollo Agrícola y Comunal (ADDAC)
- Organización para el Desarrollo Municipal (ODESAR)
- Instituto de Investigación y Desarrollo de la Universidad Centroamericana (NITLAPAN-UCA).

Annex 2: Technicians trained by the Project

2003

- 8 extensionists from local institutions in Guatemala and Nicaragua trained in application of RAAKS for analysis of institutional knowledge system
- 5 extensionist participated in a strategic course offered on livestock and environment at CATIE

2004

Thirty-two technicians of government institutions and NGOs from El Petén (Guatemala) participated in a training course on Silvopastoral Systems and Environmental Services offered by project staff, under the auspices of CATIE/PDS project.
Three specialists from partner institutions (one for each participating country) were supported to attend the CATIE/GAMMA strategic course entitled "The use of informatics and GIS in silvo-pastoral systems".
Four (4) technicians of partner institutions in Guatemala attended a course on the use of a database management package (MIRASILV) to monitor tree plantations.
Ten (10) technicians of partner institutions in Honduras attended a practical course on the use of GIS for farm mapping, and four (4) received in-service training.
Twenty-seven (25) staff of partner institutions in the pilot area, two (2) from NITLAPAN and six (6) funded by ILRI-CFC attended a training course on "Silvopastoral Systems as an Strategy for the Rehabilitation of Degraded Pasture lands".

2005

Fifty (50) professionals of partner institutions in participating countries and Costa Rica trained in two strategic training workshops on Curricula Development for and Facilitation of Livestock Farmers Field Schools.
Two institutions (ILRI and NITLAPAN) and other two CATIE projects joined the NORWAY-DP project investing on the Training Workshop for Facilitators of Livestock Farmers' Field Schools.
One hundred ninety seven (197) professionals and technicians attended eleven (11) training events offered by the NORWAY-DP project at local level.
The project was approached by researchers and extensionist from Chiapas (Mexico) to offer training on participatory research and learning methodologies, and by the CATIE/GEF Silvopastoral project to train staff of the project and the Costa Rican Ministry of Agriculture and Livestock on the Evaluation of Degraded Pastures.
More than 250 university lecturers and students, extension staff and farmers who are not project partners visited project activities in the three pilot zones.

2.5 INBio CAM-0025, CAM-02/216

"Building Capacity and Sharing Technology for Biodiversity Management in Central America"

2.5.1 Project Description, Objectives and Budget

INBio has received support from NORAD for around 15 years. In recent years, this support has been aimed at applying INBio's Costa Rica experience to benefit other countries in the region as well as their regional institutions. This project is a continuation of these efforts.

This project is aimed at seven national herbaria, i.e. in Panama, Costa Rica, Nicaragua, El Salvador, Honduras, Belize and Guatemala, with the purpose of strengthening the leadership and developing the region's capacities for sustainable management of the region's biodiversity. More specifically the project focuses on two specific areas:

a) building capacity to generate and manage botanical information that might be integrated into socio-productive processes, and
b) to support the creation of a regional agenda on conservation and development.

The project outlines how the transfer of technology and capacity building will be done by introducing know-how and equipment, on the one hand, and train personnel through courses, staff exchanges, workshops etc. on the other. The dissemination of knowledge to all segments of the population through publications, and the creation of awareness among decision makers through a series of workshops is also part of the project.

The development objective of the project is *sustainable development and poverty alleviation.*

The purpose of the project is to *create awareness and understanding as to the vital part biodiversity plays on sustainable development, and to contribute to improving management of biodiversity in the region and thus fulfilling the intentions of the Convention on Biological diversity (CBD).*

The total budget for the five-year period from 2003 to 2008 was USD 3.7 Mio, summarised annually in the following table. Around 10% of the total budget is intended for regional workshops. The main part of the project comprises the acquisition of computers, software and climate technology, and related training, local workshops and publications.

Table 2.5.1; INBio-NORAD Project – summary of the budget (USD 1000)

Year	***1***	***2***	***3***	***4***	***5***	***TOTAL***
Budget per Year	753	578	963	939	503	**3,736**

2.5.2 Impact & Effectiveness

The project is intended to contribute to capacity building (institutional development) and awareness-rising regarding innovative mechanisms for management and sustainable use of biodiversity, in line with CBD implementation; especially articles 16-18 on transfer of technology and capacity building. The outputs of the project are

1) Convert six or seven national herbaria into true botanical resource-centres through training of personnel and introduction of necessary modern technology, while at the same

time identifying sustainable ways of using botanical resources and disseminating information/knowledge about the flora of the region.

2) Arrange a series of workshops for decision makers, leaders, scientists and managers

According to the agreement between Norway and INBio, the following results are expected at project completion. The region will:

- have enhanced access to technology
- have generated more information and knowledge
- make better use of existing capacities
- contribute more effectively to decision-making on conservation and sustainable use of biodiversity in the region
- better understand the botanical wealth of the region and sense the opportunities that lie in these resources
- be able to gradually and subsequently integrate the efforts in other units devoted to generating, processing and transferring information on other taxonomic groups such as arthropods, fungi, vertebrates, or others chosen by the countries based on their particular interests and priorities

Some of the achievements have been reported, and shows that the progress in project implementation is well underway; especially for the first three expected results, where it was not hard for the mission to corroborate the advance in these three related areas. The impact of the programme's input is easily seen as more knowledge is created of the biodiversity of the region.

At the outset of the project it was realised that the various countries had different points of departure with respect to capacity and technology in the various existing herbaria. Reaching planned capacity and technology consequently also has progressed differently in the various countries during the first phase of the project.

Agreements with herbaria in all the seven countries have been signed. Selection of cooperating institutions in the countries has been a challenge, but has materialised well, according to criteria related to relevance of collections and dynamism of the leaders in charge. The following institutions participate: University of Panama, National Museum of Costa Rica, National Autonomous University of Nicaragua (León Campus), El Salvador's Museum of Natural History, Pan-American Agricultural School (Zamorano) in Honduras, Belize Ministry of Natural Resources, and San Carlos University in Guatemala, Centre of Conservation Studies (CECON). Other institutions in Honduras, Costa Rica and El Salvador were incorporated in 2005, and still other institutions have been included in the training components.

Expected outcome 1*: Selected herbaria with greater institutional and individual capacity to manage their collections Activity: Building individual and institutional capacities for Herbarium management:*

Results so far for expected outcome 1:

- A baseline study on the herbariums was finalised and reported in the annual report of 2004.
- The purchasing is being implemented according to plan. Some administrative problems arose in El Salvador, but have been resolved. Likewise, in Guatemala progress in project implementation is delayed (a. o. herbarium needed a new roof) due to discussions concerning plans for building a cultural heritage area.

- A protocol on plant material transfer has been developed, and will be placed on the website in the first half of 2006. This deviates from the original, but very closely related activity of designing a course for herbarium management.
- The project's training plan for specialised education of botanical taxonomists (specifically designed for each country), has been implemented as planned.

Expected outcome 2*: Region's herbaria provided with better technological tools to facilitate management of and access to botanical information on their countries, the region, and specialised centres outside the region. Activity 2: Developing technological tools to facilitate access to and management of information*

Results so far for expected outcome 2:

- Purchasing, upgrading and developing software for integrated database management according to plan. User's manual completed and distributed. Nicaragua staff trained (in León and at Ministry of the Environment (MARENA)). Software expected to be in operation in El Salvador, Panama and Honduras utilising existing software.
- A repatriation protocol was envisaged, but not found necessary. Information has instead started to be recovered from various sources outside the region, including from Missouri Botanical Garden through a GBIF (Global Biodiversity Information Centre) project. Impressive amounts of information entered.
- Process of digitalisation of the biological material collected and identified has continued in Panama and Honduras, and is well underway in Nicaragua, Guatemala, Costa Rica and El Salvador. Data on more than 30 000 specimens entered in 2005. Process ahead of schedule, partly due to input from other projects.
- The project's web site has been designed. According to plan this was expected to be finalised in 2006. Web sites for each national herbarium will progress by means of local companies.

Expected outcome 3*: An enhanced identification and quality of information associated with collected specimens at selected herbaria throughout the region. Activity 3 Improving the quality and level of identification of specimens at herbaria*

Results so for expected outcome 3:

- Quality control of the collections has started. Guidelines have been defined, curation plan for each country in place. More than 100 000 samples have been reviewed, and of these approximately 24 000 labelled. More than 3 500 bibliographical quotations on flora entered. Processes ongoing in El Salvador, Guatemala and Costa Rica.
- Criteria for site selection for joint field work were defined and sites for joint collection and identification proposed (San Juan, Pico Bonito and Cuchumatanes).

Expected outcome 4*: Technical experts from herbaria involved have a broader view of the opportunities to apply botanical information in order to support direct conservation and sustainable use of biodiversity actions throughout the region. Activity 4 Identifying opportunities to apply botanical information, aimed at technical staff at herbaria in order to support actions on direct conservation and sustainable use of biodiversity*

Results so far for expected outcome 4:

- Workshops carried out by the end of 2005 in all countries involved, except for Belize and Honduras, where change in personnel has been an obstacle to carrying out the workshops. Information from workshops on the various uses gathered into a regional synthesis document
- Regional workshop with experts carried out in November 2005 (as part of a project meeting) in order to look at supply in relation to demand (see activity above).
- An analysis of the state of the region's conservation of plants and identifying conservation measures is planned for the end of the 4th year. Not implemented yet.

Comments from the mission:
The achievements for expected result 4 of the agreement were not easily seen because expected outcome 4 here does not correspond to expected result in the agreement. Most activities connected to expected result in the agreement are foreseen this year. However, it is worthwhile mentioning that having accomplished the first three results gives the basis to begin working on result 4. Nevertheless, it was not clear for the mission the strategy that INBio and the Herbaria will follow to accomplish this expected result. There is reference to this confusion between expected results of the agreement and the expected outcome in the minutes from the last annual meeting (see footnote)[16]. Similar confusion exists with respect to outcome 6 relative to expected result 4 of the agreement. The mission believes that some of the activities under outcome 6 should have been recorded under result 4.

Expected outcome 5*: Information and knowledge acquired on Central American flora accessible to various users, thereby strengthening Central American's sense of ownership of their flora Activity 5 Botanical information accessible to different users*

Results so far for expected outcome 5:

- Results from the regional workshop of November 2005 provided input to prioritise and schedule the production of materials. Listed as priority publications for 2006. Not fully implemented yet, but some posters have been produced as a result of the project.
- Publication of materials for dissemination. Priorities defined. Not fully implemented yet.
- Information products to meet users' demand. Will put emphasis on food safety and products for tourism industry, but not fully implemented yet. Mentions possible cooperation with ACICAFOC.
- Botanical information maps to support regional and national conservation measures have been planned for the 3rd year. Not fully implemented yet.

The mission feels that expected result 5 is a key issue to measure the success or failure of this programme, in terms of the real impact that it would have in the general public and communities living in and around areas where the biodiversity wealth is found. The meetings promoted by the programme with potential users of the botanical resources were seen by the mission as a very positive step, as well as the publications being planned on edible plants found in natural ecosystems of the region. Also promotion of the herbaria through newspaper articles, as well as postal stamps (El Salvador), are seen as a very positive step to reach the population and create awareness of the importance of the biological diversity found in the countries of the region. This is one important area that the Norwegian cooperation should follow closely to look for more direct impacts as the programme continues its execution, since all the cross-cutting issues such as poverty alleviation, social and gender equity, and sustainable management are related to the success of achieving this result.

Expected outcome 6: *Decision makers from the Central American region unify their standings and work strategies regarding a sustainable management of biodiversity.*
Activity: Unifying positions among the region's decision makers concerning the sustainable management of biodiversity.

Results so far for expected outcome 6:

[16] The Norwegian delegation requests that in future reports the relationship between the outputs and expected results is acknowledged in a more clear way. In both plans, report and budget expected results are used, but in annex I to the agreement, just outputs. The report should establish a clear relation between the two.

- Updated information on the state of knowledge about biodiversity in the region is available. Activity finalised so far for Belize, Guatemala and El Salvador; collection of information for the other countries is scheduled for 2006.
- Organising and carrying out an international forum on innovative institutional arrangements on conservation and development. Training course on conflict management carried out. Non-scheduled activity accepted by the Embassy, important as part of coordination efforts with CCAD. Planned activity – the forum – will take place in 2007.
- Organising and carrying out regional forums on ecotourism. One forum held in 2004, another one planned for 2006 (in cooperation with the Spanish Cooperation Agency)
- Organising and carrying out regional forums on economic assessment of biodiversity-related services. One forum held in 2004, another one planned for 2007.
- Organising and carrying out national forums on the state of conservation of vertebrates in each region. Workshops held in El Salvador, Guatemala and Belize in 2005, workshops for other countries will take place in 2006.
- Organising and carrying out a regional forum on the state of conservation of vertebrates in the region planned for 2007.
- Organising and carrying out a regional forum on conservation priorities in the region planned for 2007. A workshop related to CITES implementation was carried out in 2005.
- Organising and carrying out a forum on nature, people and welfare planned for 2007.
- Organising and carrying out forums to discuss the region's standing in meetings of the Parties to the Convention on Biological Diversity. One meeting in 2005 (forestry committee and protected areas committee of the CCAD). Activities influenced by the closing of the project on CBM.

Comments from the mission:

The last result in the agreement is in a way a repetition of result 4 and 5, but with other taxonomic groups (fungi, arthropods etc), so the same comments for results 4 and 5 apply to this particular result. Activities connected to it are expected to take place in 2006 and 2007. See also comments to expected outcome 4. The mission asked whether any coordinating meeting had been taking place in the region for unifying positions before the Conference of the Parties of CBD in March. INBio informed us that CCAD had asked for and received financial means for a meeting; the meeting had taken place, but INBio was not invited. The mission questions whether this was in line with the donor intentions. Regional forums to discuss issues relevant to the agenda of the Conferences of the Parties are normally taking place with participation from both the management level and the scientific level.

Expected outcome 7*: Project implemented efficiency in keeping with the terms agreed with the donor. Activity 7.The project is efficiently implemented by the Project Coordinating Unit*

Results so far for outcome 7:

- Two annual meetings held, reports have been submitted. Indirect result – INBio works more closely with CONCULTURA in El Salvador, and MARENA in Nicaragua.
- Administrative work, coordination etc carried out as planned. Contract of indirect admin. Services signed with Guatemala's ONCA Foundation for transfer of funds to CECON etc.

General comment from the mission:

The results reported by INBio clearly show that the project is advancing in the right direction; with some impacts easily seen. However, the mission recommends revising the project documents and reports, at least for the next annual report, since it was encountered that there are inconsistencies between expected results in the agreement versus outputs and expected outcomes, activities, and sub-activities in the annual report. All of this leads to confusion and there is a need to standardize these concepts as well as the LFA.

2.5.3 Financial Aspects & Efficiency

An agreement was signed the 21st August 2003 for financing this project having a focus of developing capacities and sharing technology for the management of biodiversity in Central America.

Table 2.5.1 Budget for the INBio Herbaria project (1000 USD)

	Year	***04***	***05***	***06***	***07***	***08***	***Total Act***
#	***Activities***						
1	Institutional capacity for herbarium mgt.	452,2	134,1	167,3	181,5	73,0	1 008,1
2	Dev. Of tools for access/adm. Of bot. info.	57,3	70,6	164,5	98,4	70,6	461,4
3	Identification of specimens	0,0	112,5	112,5	112,5	82,5	420,0
4	Opportunities of application of botanical info	42,0	9,0	39,5	38,5	0,0	129,0
5	Botanical info accessible for different users	0,0	0,0	134,8	225,8	81,4	442,0
6	Unification of positions of decision-makers	12,5	81,1	131,1	79,5	24,5	328,7
7	Project Coordination Unit	114,5	113,5	117,5	109,5	121,5	576,5
	Total	***678,5***	***520,8***	***867,2***	***845,7***	***453,5***	***3 365,6***
	Administrative Costs (5%)	33,9	26,0	43,4	42,3	22,7	168,3
	Unforeseen (6%)	40,7	31,3	52,0	50,7	27,2	201,9
	Total per year (USD)	**753,1**	**578,1**	**962,6**	**938,7**	**503,4**	**3 735,9**
	General Total (1000 NOK)	*6 025*	*4 625*	*7 701*	*7 509*	*4 027*	*29 887*

The project period is five years from 21.8.2003 up to 21.8.2008. The financial frame for the project is NOK 30 Mio equivalent to USD 3.7 Mio at the time of signing the agreement. The budget for the project is as presented in table 2.5.1 with the period in the budgets from mid August to mid August the following year while the reporting is based on the calendar year. The first financial reporting period was 15 months.

The main cost element is development of institutional and individual capacity to manage and develop the tasks. This is also where the main focus has been during the execution of the project achieving 47% implementation of the project. However, difficulties getting started were significant, and only 30% has been implemented after half time as presented in table 2.5.2. Some of the savings have been due to replacement of resources seconded by universities and other institutions. In order to arrive at planned targets, it has already been agreed to extend the project period for another year without any increase in the budget total.

Table 2.5.2 Execution costs of the INBio Herbaria project (1000 USD)

	Year	***Budget***	***%***	***03&4***	***05***	***Exec***	***%***
#	***Activities***						
1	Inst. & ind. capacity for herbarium mgt.	**1 008,1**	*27,0*	187,2	292,0	**479,2**	*47,5*
2	Dev. of tech. Tools for access/adm of bot. info	**461,4**	*12,3*	43,5	92,6	**136,1**	*29,5*
3	Identification of specimens	**420,0**	*11,2*		6,9	**6,9**	*1,6*
4	Opportunities of application of botanical info	**129,0**	*3,5*	16,7	23,7	**40,4**	*31,3*
5	Botanical info accessible for different users	**442,0**	*11,8*			**0,0**	*0,0*
6	Unification of positions of decision-makers	**328,7**	*8,8*	46,5	75,9	**122,5**	*37,3*
7	Project Coordination Unit & Admin	**946,7**	*25,3*	188,4	180,9	**369,4**	*39,0*
	Total	***3 735,9***	*100*	***482,4***	***672,2***	**1 154,6**	*30,9*

The project management and administration represents 25% of the total budget and is assessed to be on the costly side. A more analytical assessment of the costs involved before the project was approved could have been constructive in improving the efficiency of the project. Some local counterparts do provide counterpart funding, but this might also have been explored in the preparatory phase in order to improve the long term ownership and relevance of the project results. Identification of specimens and accessibility to the botanical information is least advanced, in terms of budget execution. The mission learned that transfer of information from other sources offered to INBio was prioritized first. Efforts are now being made to carry out the rest of the identification activities as well as the activities related to dissemination of information.

The administration is micro-managed by the implementing agency. This assures transparency and full control with expenses, and explains to some extent the high costs. Reporting is found very satisfactory and reports are easily comprehendible.

Deloitte is undertaking the auditing of the project and the first audit covers a period up to 31.12.2004 or 15 months. The second audit follows the calendar year. For both years the auditors found the accounts in full compliance with legal and contractual conditions. They did not detect any lapses of the internal controls and presented both audits without any reservations.

2.5.4 Project Relevance to Policies

The issue of building capacity to generate and manage environmental information for sustainable management of the region's biodiversity is highly relevant both for and in relation to regional plans (CBM (Meso American Biological Corridor) and PARCA-II of CCAD (The Central American Commission for Environment and Sustainable Development).

The project is also highly relevant in relation to the guidelines for Central-America, element iii) on contributions for sustainable use of natural resources, where it states that *"contributions to research and education in relation the various ecosystems of the region can be supported"*

2.5.5 Sustainability

Environmental aspects

INBio has been very successful in making the link between economic activities and the conservation of the biodiversity. This is a very important issue when it comes to sustainability of the activities carried out by the project. The challenge of the project is to make the other herbaria of the region achieve some positive steps in this direction. Another issue to consider is the joint project proposal being presented to the Norwegian cooperation by INBio and IUCN, and yet another proposal of INBio that is connected to this area.

It is important to mention that until the governments of the region get involved in seeing the connection between the work of the herbaria and the need to conserve natural areas for improving the quality of life of the inhabitants of their country, the work of the herbaria would always be under adverse conditions.

Institutional aspects
The institutional aspects of sustainability are of concern for the mission. Especially the case of Belize where there is only one person who works part-time at the herbarium. The rest of the countries have more personnel, but in some cases still not enough to solidify the work of the herbaria. One very positive example is the case of Panama, where the director of the herbarium has direct access to the Minister of the Environment having a positive impact on the project support from the government. The case of Nicaragua is also important to bring up since the herbarium here has shown the highest qualitative advances in terms of goals pertained to the project.

One important aspect related to institutional sustainability is the capacitating of the "weaker" herbaria in plant taxonomy, having as a useful indicator the frequency of plant identification without international help.

2.5.6 Particular concerns

Gender Issues
Table 7 in the project annual report shows participation in project activities according to gender. In terms of total numbers, there is a relatively good gender balance. Some of the activities, however, have a high proportion of men relative to women. Example: Overweight of men in the Latin course for botanists. This might be an indication that professional staff is mostly men, whereas women more constitute the technical staff.

Human Rights Issues
The area of bio-prospecting and bio-trade needs to be discussed openly with the herbaria and the national governments of the region so as to be clear not only of the implications of this with the indigenous people rights to their traditional knowledge in use of native plants, but also for the potential for the development of the indigenous populations that have that knowledge.

Poverty reduction issues
The project does not show a clear link between its activities and national poverty reduction strategies, even though the publications of books such as the one on edible plants will indirectly influence the efforts of NORAD to address this issue. In the case of indigenous communities, poverty alleviation could be connected to the preservation of their traditional lands and the natural resources found in them, using the knowledge on biodiversity for this purpose.

2.5.7 Conclusions and Recommendations

- The mission concludes that revising the project documents and reports should be done, at least for the next annual report, since it was encountered that there are inconsistencies between the outputs of the agreement and expected outcomes, activities, and sub-activities of the annual reports. Also in the presentation seen in El Salvador other objectives were mentioned than the ones in the project documents and activities were grouped by components (something not seen in the documentation). All of this leads to confusion and there is a need to standardise these concepts as well as the LFA.

- It is the team's assessment that the project is developing very well, according to original plans. In some respects, there is "over-achievement" of plans, e.g. processes on digitalization and on designing the web site for the project. With regards to the former,

quality control is very important, as well as securing permanent running and actualization of the database.

- The internal evaluation of project implementation should be commended. Positive aspects as well as aspects to be improved are pointed out at the organisational, operational and strategic level. The most relevant aspects about the Project Coordinating Unit have been identified, as well as experiences and some of the lessons learnt.

2.6 Trifinio Plan Commission CAM-2007, CAM-01/005

"Tri-national System of the Sustainable Development Program for River Lempa's Upper Basin"

2.6.1 Project Description, Objectives and Budget

The sources of the Rio Lempa River are in Guatemala and Honduras. From there, the river enters northern El Salvador running south and west through the country before spilling into the Pacific Ocean. The Rio Lempa is El Salvador's largest, most voluminous river and therefore plays a central role in supplying the country with water and energy as well as contributing to its economy. However, the upper basin of the river constitutes some of the least developed areas of the three countries, with very high poverty, unemployment and underemployment. Of the 300,000 people who live in the upper basin, almost 80,000 populate the target area of the Trifinio program.

The program's **overall goal** is to contribute to combating poverty and reducing environmental degradation in the Upper Rio Lempa river basin through coordinated, tri-national action.

Four program components encompass 8 strategic interventions, illustrated as follows:

Component	**Interventions**		
I. Mgt. of natural resources	1. Competitive production of livestock and forest products	2. Integrated management of water resources, sanitary and basic infrastructure	3. Production and valuation of environmental services
II. Prevention and mitigation of disasters	4. Development of risk management systems		
III. Competitive economic diversification	5. Development of commercial tourism	6. Commercial development for local arts and crafts	7. Development and diversification of commercial livestock and forest products
IV. Institutional capacity building	8. Capacity building for integrated management of the development of the Upper Rio Lempa river basin		

2.6.2 Impact & Effectiveness

Impact on poverty reduction

It is too early to assess impact on poverty, but the above components and interventions as well as the program's methods and resources are all aimed at achieving that goal through environment-friendly and market-oriented approaches. While the latest revised logical framework for the program has not yet incorporated quantified targets, its indicators and outputs are valid and clearly designed to be measured when the target numbers are put in. For example, if we look at the program's:

Component 1, Expected Result 2: Small and medium-scale livestock producers will convert their production systems to sustainable ones.
Target: X nr. producers with X nr. hectares have diversified and or protected their farms

with sustainable practices by the end of 2008.
Indicators: the number of male and the number of female producer with the number of hectares diversified and/or protected.
Outputs: is a long list of quantifiable practices, changes, innovations etc.

A weakness found is that of 23 indicators on 23 pages, not one measures income changes. They are all connected to physical and capability changes, which fair enough should lead to income and living standard improvements, but why not measure the ultimate gauge of poverty; – income?

In fact, one of the program's two indicators for its overall goal is the generation of local income comparable to the rural average for the country. However, neither the rural average nor a base average for the program area is given. Why not?

What the project has achieved so far
At this stage in the program's development, the field accomplishments are quite modest. However, we did see a few impressive flood diversion sites and a large area of degraded farmland restored to productivity through soil conservation techniques (terraces, contour catchment's ditches, veveter grass borders, etc.). Nevertheless, the community groups and municipal leaders we met were enthusiastic about what has been accomplished so far and field staffs are eager to implement more.

Effectiveness
Staff appears to be professional, experienced, enthusiastic and well versed in development concepts and practices. Much good effort has been expended on streamlining program structure but now it is time to focus program resources on activities of direct benefit to community level participants.

The program has recently introduced a planning, monitoring and evaluation system called PSE&S, which stands for *Planificacion, Seguimiento, Evaluacion y Sistemizacion* (or planning, monitoring, evaluation and systemization), which is based on a system developed by IFAD, FAO and other international and national agencies working in Latin America. It was demonstrated to us and it should help the program to effectively carry out its mission.

2.6.3 Financial Aspects & Efficiency

The project was initially planned to be financed predominantly by IDB with loans to each of the participating countries. Norad sanctioned its financial support of USD 1.2 Mio based on the original budget presented in table 2.6.1

Table 2.6.1 The Trifinio Project – Original Budget 2002-05 (1000 USD)

	National Funds	***IDB Loan***	***NDF Loan***	***GTZ Grant***	***NORAD Grant***	***Country Total***
Guatemala	2 000	4 500		500	335	7 335
Honduras	495	3 300	3 000		335	7 130
El Salvador	2 750	14 000		750	530	18 030
Source Total	**5 245**	**21 800**	**3 000**	**1 250**	**1 200**	**32 495**

Guatemala and Honduras signed loan agreements of respectively USD 4.5 Mio and 3.3 Mio. Their own funds for the project were initially USD 2Mio and USD 0.45 respectively. NDF

granted a soft term loan of USD 3 Mio to Honduras while GTZ provided a grant of USD 0.5 Mio to Guatemala and USD 0.75 to El Salvador. The total budgets amount therefore to USD 7.0 Mio and 6.795 Mio for Guatemala and Honduras respectively. Norad sanctioned its support to the project of USD 1.2 Mio with equal amounts to Guatemala and Honduras of USD 0.335 since these countries initially had the smaller components. El Salvador was granted USD 0.53 Mio. After failed loan negotiations, El Salvador (ES) did not sign the loan agreement of USD 14 Mio with IDB for its segment due to having suffered two consecutive earthquakes with severe damages. The total project budget for El Salvador with 18.0 Mio represented a major share and its reduction to USD 3.1 Mio represented a major decimation of the project. Provision of own funds was also reduced compared to the loan agreement with IDB as well as the loan to Guatemala. The resulting budget is presented in table 2.6.2

Table 2.6.2 Trifinio Project – Actual Budget 2002-08 (1000 USD)

	National Funds	***IDB Loan***	***NDF Loan***	***GTZ Grant***	***NORAD Grant***	***Country Total***
Guatemala	1 665	4 000		500	335	**6 500**
Honduras	495	3 300	3000		335	**7 130**
El Salvador	2 177	3 137		750	530	**6 594**
Source Total	**4 337**	**10 437**	**3000**	**1250**	**1200**	**20 224**

Partial compensation for the dropout of the planned IDB loan to El Salvador was achieved by a Government of ES decision to transfer unused IDB loans and funds from other similar programs. As example PAES, the environment programme for ES financed by IDB transferred an unused amount of USD 3.1 Mio. Other existing projects amounting to around USD 1.1 Mio were also transferred. The Government of El Salvador approved a direct financing of USD 1 Mio to the project. Currently, national secured funds amount to USD 2.2 Mio but the drive for further financing is still strong. The result presently is that the total project financial frame dropped from USD 31.3 Mio to 20.2 Mio.

Arrangements of procedures and contracting did take much more time than programmed. The project was in practical terms only operational by the end of 2004 and the application of project funds is presented in table x.3. This fact caused considerable strain since the funds from Norad for the administrative set-up were being used more or less as initially planned while the project activities were minimal. Projects efforts successfully identified and implemented simplified operational procedures to manage the top-heavy project management structure involving the three Vice Presidents and their entourage. This has recently benefited the current operations significantly. Due to the late start-up, the project has proposed a project period extension up to and including 2009.

Table 2.6.3 Trifinio Project – Executed 2003-05 and Budgets 2006-09 (1000 USD)

	Implem 2003-04	***Implem 2005***	***Implem %***	***Budget 2006***	***Budget 2007***	***Budget 2008-09***	***Total***
Guatemala	478	938	*31,5*	1 410	1 674		**4 500**
Honduras	613	927	*22,7*	2 877	1 297	1 081	**6 795**
El Salvador	505	1 632	*26,7*	3 879	1 000	1 000	**8 016**
Unallocated							**913**
Total	**1 596**	**3 497**	*26,4*	**8 166**	**3 971**	**2 081**	**20 224**

The total project had at the end of 2005, which was the fourth in the initial five-year period and on linear average representing 80 % of the time, only implemented 26 % of the reduced budget or 16 % of the original budget that Norad/MFA provided financing for, as presented in Table 2.6.3.

NORAD/MFA financed component

As part of the original IDB project, NORAD was requested to participate in the whole project but particularly finance the development of the monitoring and evaluation system and the operational costs of the tri-national and national services and offices. The initial budget has remained much the same in spite of the total project reduction as presented in Table 2.6.4, below.

Table 2.6.4 Original Norad Component Budget (1000 USD)

Year	***1***	***2***	***3***	***4***	***5***	***Total***
Mon System						
SES	165	95	70	45	25	**400**
National						
Offices	60	45	45	**40**	**40**	**230**
UTT & UAT	100	90	60	60	60	**370**
Operations	70	55	30	**25**	**20**	**200**
Project Total	**395**	**285**	**205**	**170**	**145**	**1 200**

The fact that the execution of the whole project has been slow, has affected the [more normally running] administrative component in a disproportional way. The administrative costs did accrue in spite of low implementation levels. The actual project period was 2002-2006 but virtually no activities were recorded in 2002. Table 2.6.5 presents the cost of the activities implemented in the three countries and presents proposed budgets for the remaining project period. The opportunity was not used to design and test out a monitoring and evaluation system as planned in the first phase, although some attempts were made according to statements, but without success. This fact limits the scope for the team in assessing output effectiveness and efficiency.

Table 3.6.5 Actual Norad component execution 2003 – 05 and budget 2006-07 (USD)

Year	***2003***	***2004***	***2005***	***Acc.***	***2006***	***2007***	***Total***
Guatemala	7,484	8,734	36,717	**52,936**	34,588	30,000	**117,523**
Honduras	8,816	22,297	39,736	**70,848**	20,244	30,000	**121,092**
El Salvador	2,508	2,753	37,620	**42,881**	36,920	30,000	**109,801**
National Level	**18,808**	**33,784**	**114,073**	**166,664**	**91,752**	**90,000**	**348,416**
UTT	29,020	64,539	93,283	**186,841**	234,968	198,468	**620,278**
UAT	79,773	119,737	124,053	**323,562**	123,280	123,280	**570,122**
Tri-national	**108,792**	**184,275**	**217,336**	**510,404**	**358,248**	**321,748**	**1190,400**
Project Total	**127,600**	**218,059**	**331,409**	**677,068**	**450,000**	**411,748**	**1538,816**

The project is now proposing to extend the operations of the Norad component to the end of 2007.

Based on the initially approved NOK allocation of NOK 11 Mio, the project proposes increasing the total budget to USD 1.539 Mio or increased by 28% in USD terms due to depreciation of the USD versus NOK. The current state of the component's development is presented in table 2.6.6. From the original budget there have been approved reallocations with a reduction of the funds for the M&E that are still not operational with USD 104 000. The direct costs have been reduced by USD 157 000 in order to strengthen the funds for the operations of the services.

Table 2.6.6 NORAD Financed Component execution 03-5 and budget 06-7 (1000 USD)

	Original Budget	*Adjust-ment*	*Revised Bud*	*2003*	*2004*	*2005*	*Exe-cuted*	*%*	*Bud 06*	*Bud 07*	*New Total*
ADMIN & SUPERVIS	**1 000**	**+157**	**1 157**	**128**	**201**	**321**	**650**	*96,0*	**436**	**412**	**1 498**
M&E System	400	-104	296	0	12	27	40		139	117	**296**
Org Dev	600	+261	861	128	189	294	610		297	295	**1 202**
DIRECT COSTS	**200**	**-157**	**43**	**0**	**17**	**10**	**27**	*4,0*	**14**	**0**	**41**
Total	**1 200**	**0**	**1 200**	**128**	**218**	**331**	**677**	*100*	**450**	**412**	**1 539**
% Executed			*100*	*10,7*	*18,2*	*27,6*	*56,4*		*37,5*	*34,3*	*128,3*

Cost effectiveness, output, efficiency

The accounting of the project activities is based on cash movements and will therefore vary somewhat from the audited figures. Other and more serious variation was the fact that changes to the monitoring system are still under development. It was recommended that the administration should bring this into operation without delay. The consequence is that the analysis and assessment of efficiency and effectiveness becomes close to impossible and far outside the available capacity of this assignment.

During the execution there have, according to statements, been various budget adjustments but these were not available to the team at the time of the visit. This limits the possibility of assessing activity performance. Additionally, only audited reports for 2004 were available for the work of the mission. The project is audited by Deloitte and Touche. The auditors report that reconciliation of the bank accounts was not duly signed by the assigned official of the project and it was observed that some of the accounting was not documented by original vouchers.

The major investment to date has been in the establishment of central control mechanisms and in establishing administrative and decision-making procedures. Although this has taken time, it appears well done. However, there is significant under-achievement in fieldwork and consequently total program budget is under-spent by 75% at year 5 of a six-year project.

The program has suffered delays for several reasons:

- Elaboration of terms of reference for contracting services for the execution of the four program components has been complicated by various donor requirements.
- Agreement between the three countries on the strategic plan and how to organize and execute the plan took more time than expected.
- Compliance with Article V, point 2 of the contract with Norway, referring to Norwegian suppliers has taken more time than expected
- Delays in disbursements from the IDB to the program.
- The aforementioned establishment of central control mechanisms as well as administrative and decision-making procedures took more time than planned.

Audit

The next independent audit should specifically review and explain why the total program budget is under-spent by 75% at year 5 of a six-year program. At the same time, the independent audit should give an opinion on under-achievement of field activities.

Anti-corruption measures
In Transparency International's 2005 ranking, El Salvador is 51, Honduras 107 and Guatemala 117 of 158 countries ranked in ascending order of corruption[17]. Corruption is something that program managers, institutional partners, local group leaders and donors alike should be aware of and take precautions to control and avoid. For Norway, the annual audit is a key exercise for monitoring and controlling financial support.

2.6.4 National and Regional Relevance

The plans and activities are highly relevant and grounded in each of the three countries' official Plans of Action (POA) and the jointly planned and agreed Tri-National Strategic Plan (PET). The Trifinio area falls within the Meso American Biological Corridor (Think so, but am not sure, should be checked). By increasing its attention on the serious situation for the youth of the area, the program would enhance its relevance.

2.6.5 Sustainability

Environmental aspects
The Trifinio/Rio Lempa area is the most intensively affected international area in Central America. It is the most densely populated, the most intensively exploited, shared by most countries and the most environmentally degraded.

The Tri-National Program for Sustainable Development of the Upper Basin of the Rio Lempa is a concerted effort to ameliorate the worst of the area's environmental problems:

Extractive cropping, forestry and livestock production, sedimentation and pollution of its waterways and bodies, drought, flooding, soil fertility loss and erosion, uncontrolled burning for agriculture and grazing. At this stage in the program's development, the field accomplishments are quite modest. However, we did see a few impressive flood diversion sites and a large area of degraded farmland restored to productivity through soil conservation techniques (terraces, contour catchments ditches, veveter grass borders, etc.

Institutional aspect
The program is institutionally grounded in the Vice-Presidential offices of Guatemala, Honduras and El Salvador, in the municipal governments of the tri-national area as well as in the development associations of the participating communities.

2.6.6 Particular concerns

Ownership and participation
This is a government-owned and expert-driven program that is promoting two-way communication with all levels. Needs assessments, baseline studies and market studies are tools used to respond to and structure the participation of producer groups, women's groups and Community Development Associations.

Poverty reduction in economic, social and environmental terms
It is too early to tell, but all economic activities promoted are based on market studies, including market depth analysis; social cohesion and development are promoted by the target group approach with training in organizational, leadership and membership responsibility.

[17] Iceland is number 1, Norway 8, with Bangladesh and Chad sharing last place at 158.

Over 50% of the area's inhabitants live in extreme poverty. And we don't know if the project makes a difference yet. (See chapter 2.6.2).

Gender

We met active and professional female leadership at the central headquarters as well as enthusiastic female leadership and participation at local group level. The program has target indicators for women's participation and achievement.

Risk management

The program area is prone to natural disasters. There was even a small quake while the review team was there. Diversified production and employment, water supply, prevention of landslides, flood control and farm fire control are important risk management activities. Crime is a serious problem that the program's efforts can only affect in the medium to long term.

Project specific terms of reference:

Special focus on the fact that El Salvador has not signed the loan agreement with IDB

El Salvador does not intend to borrow from IDB for this program. It has developed its own strategy, *Estrategia de Financimiento Programa Trinacional de Desarrollo Sostenible de la Cuenca Alta del Rio Lempa-PTCARL El Salvador,* dated August 2005, for financing its participation in the program, It has already re-allocated environmental funds from its own Ministries of Agriculture (and Livestock), and Finances. It appears committed to its own long-term funding and is counting on Norway, Germany, its municipal governments and other local entities to finance present and future commitments to the program. For example, the Plan Trifinio and the Commission for Hydro Electricity for Rio Lempa have agreed to mutually implement and finance certain program activities.

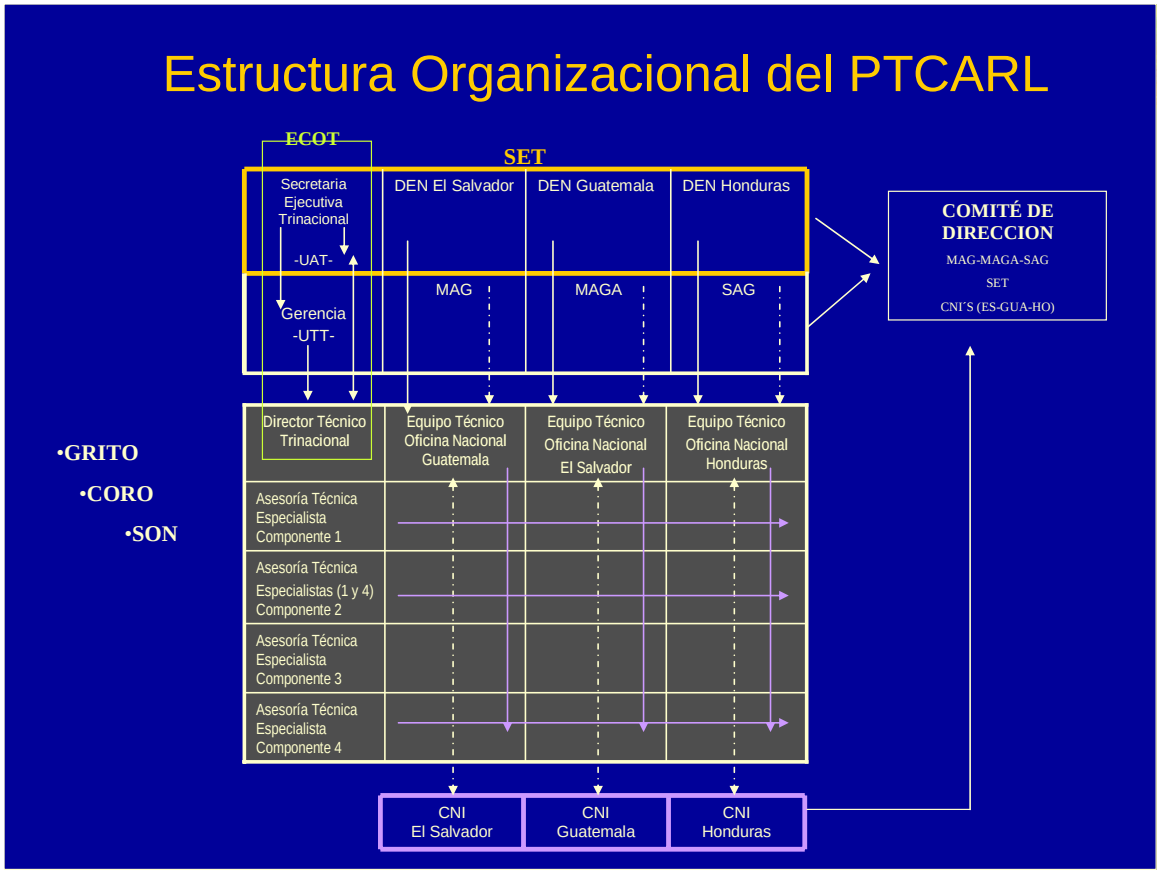
Assessment of the relevance and coherence of the PET (Plan Estrategico Trinacional)

The PET strategy is a relevant and cohesive approach to the social, economic and environmental challenges facing the Upper Rio Lempa watershed. A weakness is the lack of discussion on the youth of the area. As much as 40% of the area's households have members legally or illegally emigrated seeking work elsewhere. We can assume that these are among the younger part of the potential work force. Extreme poverty and unemployment in the watershed are both said to be about 50% contributing to emigration from and crime in the area. Specifically targeting youth appears necessary for securing the wo/manpower, brainpower and security that is required for development of the watershed. The word "jovenes" is mentioned just once in the PET document, toward the end.

An analysis of the structure of the deciding hierarchy of the PTCARL.

The program has institutionalised decision-making at various levels: The Tri-National Commission of the Plan Trifinio, the Executive Secretary, the tri-national operative coordination team. The National Committees of Participants (CNI) are vehicles for civil society participation in the decision-making process of the program. At the local level, Community Development Associations feed into the decision-making process. These grassroots associations are strongly interested in the program and appreciate its organizational training and capacity building.

The Structural Organization of the Trifinio Program



2.6.7 Conclusions and Recommendations

Institutional sustainability is firmly anchored in the structures of the three participating Governments. Financial sustainability is currently anchored in government budgets, which of course could change, but in the case of Guatemala and Honduras their funds are coming from a committed IADB loan; and El Salvador is committed to its own financial strategy for funding its part of the program and discuss actively prolongation. If the implementing parties will succeed in providing continued finance for the activities is still to early to assess.

More effort needs to be focused on promoting and sustaining field activities since these were started late and have advance at a rate that does not catch up with earlier plans.. Successfully targeting youth will assure the long-term overall success of some important parts of the program. Questions this review recommends responses to include but are not limited too:

1. Of 23 indicators, not one measures income changes. They are all connected to physical and capability changes may lead to income and living standard improvements, but why not measure the ultimate gauge of poverty: income? We recommend the programme to do so.

2. One of the two indicators for the program's overall goal is the generation of local income comparable to the rural average for the country. However, neither the rural average nor a base average for the program area is provided. Why not?

3. When will quantified indicator targets be available and included in the program's logical framework?

4. Does the substantial under-spending of the budget and under-achievement of fieldwork imply that the program does not need the full budget?

5. Specifically targeting youth appears necessary for securing the wo/manpower, brainpower and security that is required for development of the watershed. What is the opinion of the program as to putting more emphasis on training and employment of youth?

6. Different timeframes have been aired for extending the program. What is the exact timeframe proposed by the program?

7. Does the long time spent on central functions and delayed field efforts indicate "top-heaviness"?

Summarising; this is a risk project that in spite of the current careful project implementation. Achieving even its adjusted goals seems unlikely, but some processes could be of sufficient value to justify continuation. Activities in this respect are most visible for El Salvador which has achieved the biggest involvement considering participation.

3 APPRAISAL OF NEW PROJECTS

3.1 INBio CAM-0025, CAM-05/007

"Opportunities offered by the flora of Central America for the productive development of the region"

3.1.1 Project Description, Objectives and Budget

The project proposal, - first referred to in Technical and Budgetary Implementation Report October 2003 to December 2004 as a result of activity 1.4 in the ongoing project, *Building Capacity and Sharing Technology for Biodiversity Management in Central America*, - focuses on three areas that are complementary to the ongoing project. These are:

1. Generation on new scientific knowledge linked to the sustainable activities of local communities
2. Capacity building of more herbaria in the region, other than the 7 in the ongoing project
3. Use of the results from the ongoing project for involvement of other social stakeholders (local authorities, communities, and companies)

Overall project objective is: "There is greater optimal[18] use of the opportunities offered by the flora of Central America for productive purposes".

Expected results of the project are as follows:

- the herbaria lead in endeavours related to the use and management of natural resources
- the herbaria have been incorporated into the regional development models
- the importance of the information provided by the herbaria as a means for the conservation and sustainable use of natural resources is widely known
- the herbaria can count on sufficient resources
- the network of herbaria is strengthened , carrying out joint projects and endeavours, and exchanging information and knowledge

The total budget for five years is estimated at USD 5.972 Mio. The activities have been broken down to a five year cycle, but the budget only shows the total for the five years.

The geographical coverage of the project proposal is Central America, including Panama and Belize.

[18] Optimal is defined as: sustainable, aimed at conservation purposes, and with the incorporation of traditional uses.

3.1.2 Assessment of the Programme Design

The logical framework for the project includes stated goals, purpose, outputs and inputs.

The development objectives are defined as:
- *There is greater conservation and appreciation for our flora*
- *The national and international outreach of the herbaria increases*

Overall project objective:
- *There is greater optimal use of the opportunities offered by the flora of Central America for productive purposes.*

Expected results of the project are as follows:

Expected result 1: The herbaria lead in endeavours related to the use and management of natural resources ***Proposed budget: 1 966 460 USD***
Activity 1.1: Carrying out consultations and diagnosis on the use of natural resources Proposed budget: 72 324 USD
Activity 1.2: Re-orientating the research in accordance with the results of consultation and diagnosis Proposed budget: 1 318 136 USD
Activity 1.3: Establishing permanent training programmes for conservation managers and leaders Proposed budget: 445 000 USD
Activity 1.4: Preparing the herbaria through training for participation in decision-making Proposed budget: 131 000 USD

Expected result 2: The herbaria have been incorporated into the regional development models ***Proposed budget: 156 650 USD***
Activity 2.1: Integrating the herbaria locally, i.e. in each country (meetings with government staff) Proposed budget: 101 650 USD
Activity 2.2: Strengthening the network of herbaria so that their contribution is greater to regional programmes (meetings). Proposed budget: 55 000 USD

Expected result 3: There is awareness of the importance of the information provided by the herbaria as a means for the conservation and sustainable use of natural resources is widely known ***Proposed budget: 1 017 312 USD***
Activity 3.1: Incorporating the role of the herbaria in the educational curriculum Proposed budget: 203 560 USD
Activity 3.2: Making information on the use of species accessible to society Proposed budget: 475 800 USD
Activity 3.3: Ensure access and exchange of the scientific information contained in the herbaria Proposed budget: 205 000 USD
Activity 3.4: Using the information of the herbaria in the design and execution of conservation strategies Proposed budget: 113 000 USD
Activity 3.5: Developing a marketing programme for the herbaria in the region. Proposed budget: 19 000 USD

Expected result 4: The herbaria can count on sufficient resources ***Proposed budget: 721 400 USD***
Activity 4.1: Building administrative capacity Proposed budget: 60 060 USD
Activity 4.2 Establishing strategic alliances with key stakeholders Proposed budget: 127 620 USD

Activity 4.3 Building management capacity Proposed budget: 121 000 USD
Activity 4.4 Defining a programme of infrastructure and equipment acquisition, prioritizing the herbaria not included in the project currently underway Proposed budget: 293 160 USD
Activity 4.5 Defining training programme Proposed budget: 119 560 USD (lacks details in the budget)

Expected result 5: The network of herbaria is strengthened , carrying out joint projects and endeavours, and exchanging information and knowledge ***Proposed budget: 883 025 USD***
Activity 5.1: Unifying the vision and mission of the herbaria Proposed budget: 83 960 USD
Activity 5.2: Maintaining uniform policies for the administration of the herbaria Proposed budget: 82 500 USD
Activity 5.3: Producing information products for priority users Proposed budget: 453 800 USD
Activity 5.4.Exchanging information in a regular manner. Proposed budget: 262 765 USD

Over all, the elements of the design are coherent and well put. However some concerns may exist in terms of local knowledge rights and bio-trade: how to produce-how to commercialize biodiversity (see 3.1.3 Technical and technological aspects). Some activities in the budget need more refining and clarification.

Consistency and realism

In terms of consistency and realism, the three focal areas of the project are

a) to generate new knowledge to complement existing knowledge,
b) capacity building of new herbaria, and
c) use of results from ongoing herbaria to involve other social stakeholders (local authorities, communities and companies);

However, it is not obvious from this proposal how the input will be distributed to meet with these needs.

There is a strong focus in the project on scientific research, e.g. activity 1.2: *Reorienting the research in accordance with the results of the consultation and diagnosis*, which is estimated at USD 1 318 136. The activities under expected result 1 would meet with the first focal area, i.e to generate more knowledge. The mission believes that the costs of obtaining this new knowledge are high and would consequently encourage use of local resources in order to reduce costs. Previously INBio is well acquainted with using, for example, parataxonomists for this purpose.

Furthermore, the relationships are well established between the second focal area, which is capacity building of the herbaria, and the activities of result 4: *Sufficient resources are available for the operation of the herbaria*, and result 5: *The network of herbaria is strengthened by carrying out joint projects and endeavours, exchanging information and knowledge.* The total estimated amount for activities under results 4 and 5 are approximately USD 1.6 million.

There seems to be a relatively weak focus on the involvement of local authorities and communities, e.g. activity 2.1.1 Carrying out diagnostic meetings at the local level between

the herbaria and public and private stakeholders (USD 35650). This has led us to believe that there is much less attention to focal area 3: *Use of the results from the ongoing project for involvement of other social stakeholders (local authorities, communities, and companies)* than the others. It could have been qualified in the paper why this focal area is less developed.

Finally, the overall objective of the project is: *There is greater optimal use of the opportunities offered by the flora of the Central America for productive purposes*. This is the goal against which the results of the project will be measured in the end, and the part which links the project to poverty alleviation, which is the overall goal of Norwegian development cooperation. The mission recommends that the relationship between the end result of the project and that of poverty alleviation is established better in a revised project document.

Quality of the Indicators and Means of Verification at all levels of the design elements.
Indicators have been identified for the development objectives, the overall project objective, and for the expected results, and sources of identification have been identified.

There is a good relationship between the indicators and the means of verification. However, some of the indicators and their means of verification depend on favourable external factors. For example, one of the indicators under expected result 3: *The importance of the information contained in the herbaria as a means for the conservation and sustainable use of natural resources* is that: within 3 years 50% of the schools include information on the herbaria in their curriculum. This indicator depends on the assumption that the Ministries of Education are willing to introduce the subject of the herbaria in their curricula. Another indicator under the same expected result 3, *e.g. At least 300 visits by the public a month in the region* must be measured against a baseline.

One of the indicators for result 5: *The network of herbaria is strengthened, carrying out joint projects and endeavours, and exchanging information and knowledge* is: At least two joint research projects in each country. The reason why this is relevant to obtaining project objectives could be explained.

Finally, the mission believes that the indicators to measure outcome are well established, but impact indicators are generally lacking.

Quality, simplicity and user friendliness of the recipient's monitoring system
Monitoring of the administrative relationships (financial monitoring etc) and the execution of the activities under the various expected results according to annual plans will constitute the monitoring programme of the project. The mission feels that the monitoring system should include, besides what has been said above, a link between financial and activities execution, with the effects and impact obtained with the activities carried out by the project. In this sense the indicators should be carefully revised to make this link possible.

Available relevant and reliable baseline data
Norway has welcomed the ongoing project with respect to viewing INBio competence and experience of importance to the whole region, and as well using the herbaria as providers of systematized and quality assured information as basis for decision-making processes related to conservation and sustainable use of natural resources. Furthermore, Norway has also viewed the ongoing project with the herbaria as important with respect to the follow-up of the

Convention on Biological Diversity. It is our understanding that the ongoing project is well underway and successful in its implementation.

We are aware of the fact that the various herbaria of the Central American region at present have different levels of skills, and we expect that the development level achieved at the end of the project period will not be the same for all the countries. However, we believe that the results, especially from expected results 4, 5, and 6, e.g. activity 4.2[19], activity 4.3[20], and activity 5.3[21], would help to arrive at a status from which gaps might be identified, and as such could be the basis for further prioritized and focused action.

It is the assumption of the mission that some of the expected results from the ongoing project will impact on the way the proposed project might be carried forward. For example, some of the activities of expected results[22] 4, 5 and 6 (see box and footnotes) of the ongoing project have been scheduled for the third and fourth year of the project. This corresponds to activities that will be carried out in 2006 and 2007.

Since we are of the opinion that some of the results from the ongoing project would contribute to shed light on what is called the fundamental problems the project proposal sets out to help resolve (cf. chapter 2.3, page 11), and since some of these results still have not been obtained, we tend to think that the present project proposal has been presented somewhat prematurely.

Expected results of INBio action plans for 2005 and 2006 for the ongoing project: *Building Capacity and Sharing Technology for Biodiversity Management in Central America*

Expected result 1: *Selected herbaria with greater institutional and individual capacity to manage their collections.*
Expected result 2: *Region's herbaria provided with better technological tools to facilitate management of and access to botanical information on their countries, and specialised centres outside the region.*
Expected result 3: *An enhanced identification and quality of information associated with collected specimens at selected herbaria throughout the region.*
Expected result 4: *Technical staff from herbariums involved has a wider outlook regarding the opportunities for application of botanical information to support direct action in conservation and sustainable use of biodiversity in the region.*
Expected result 5: *The information and knowledge acquired on the Central American flora is available to different users, which strengthens the sense of belonging of Central Americans regarding their flora.*
Expected result 6: *Decision makers in the Central American region unify their positions and work strategies with regard to the sustainable management of biodiversity.*

The results from some of the activities of the ongoing project will be of special relevance as basis for management decisions concerning conservation and sustainable use of biodiversity in the region, e.g. activity 5.4: *Botanical information maps to support regional and national*

[19] Activity 4.2: Regional workshop with specialists to define the possible offer in relation to the demand established

[20] Activity 4.3: Analysis of the conservation status and identification of conservation measures

[21] Activity 5.3: Information products to address the demand of users

[22] The language of expected results in the action plans for 2005 and 2006 are not in complete agreement with those of expected outcomes of the INBio/Norad agreement. In particular, there is confusion connected with expected result 4 and 6 relative to the agreement.

conservation measures and activity 6.1: *Printed and electronic publication regarding the knowledge situation of biodiversity in the region.* Activity 3.4.1 in the new proposal, i.e. *Establishing, based on the information contained in the herbaria, the priority conservation areas of each country (endemism, distribution, plants with industrial uses, flagship species)* would greatly benefit from having the information pertaining to these previous activities before it is started.

Relevant risk-factors and mitigating actions integrated in the programme design
The project does not list any concrete risk factors, but lists certain prerequisites for conservation and sustainable use of biodiversity. These prerequisites are related to the citizens' acknowledgement of the importance of biodiversity and its conservation. The relationship between the herbaria and the various stakeholders therefore becomes very important (among others through dialogue and information).

The proposal's relevance to combat poverty
The linkages between the project proposal and the poverty alleviation are not well established, and were a main focus of discussion between INBio and the mission team. However, the explanations related to the linkages were well received, but should be better focused in a revised project document, including the relationships with the municipalities and local communities.

Stakeholders of the programme
The project proposal gives a good overview of the roles and the interests of the different stakeholders. The civil society, the scientific sector and the productive sector are seen as having the primary role in being directly affected by the project in a positive or negative way. These have consequently been defined as the main target groups of the project. According to INBio's presentation of the project, the mission learned that the teachers would be a special target group, as the project especially focuses on increased information to the public.

The project proposal lists the scientific sector, the cooperation agencies, including financial organizations and banks, and the government sector to have high influence. Degree of influence is defined as the power enjoyed by the actor for influencing the decisions that affect the outcome of the project. When discussing the target groups, the reference to central government/local authorities is absent. The mission thinks this issue should be revisited.

3.1.3 Assessment of Sustainability and Risk

Policy and framework conditions
We have noted with interest the activities under result 1.3 Establishing permanent training programs for conservation managers and leaders, and would have been interested in seeing links between the goals of the project and those of specific regional and national (development) strategies pertaining to sustainable use of natural resources.

Economic and financial aspects
The total budget for five years is estimated at USD 5.972 Mio. In our opinion, the sustainability of the project, and the institutions in question, will depend on recognition of the project by the respective Governments and management authorities, and an ability and willingness to provide the necessary financial resources or in kind contributions, e.g. counterpart funds for the project or increased core budgets in order to secure permanent personnel. It is not clear from the proposal that this is the case.

In accordance with what is written above, there seems to be contradictions in the project document related to the expectations of the herbaria. On page 12 it says that it should be made clear that the herbaria participating in the present project will contribute a considerable counterpart of the funding. On page 13 it says that lack of awareness and limited vision of the potential offered by the flora calls for an intensive public relations strategy, which in turn requires a significant expenditure of resources that are at present beyond the reach of the herbaria, and that several of the institutions (herbaria) can barely pay the scientists' salaries to maintain the collections. The mission does not question the need for an intensive public relations strategy (part of which is a result of the ongoing project, see expected result 5), but sees a need for clarifying the expectations of the herbaria, and this should be included in a revised document.

Institutional and organisational aspects
The organizational, institutional and administrative capabilities of the various herbaria involved in the existing project vary, and are also expected to vary at the end of the project. The new project proposal seeks to leverage some of these differences by further equipment acquisition and capacity building efforts, i.e. through training programmes and exchange programmes. The new project also has a part related to obtaining financial resources, which could be an element in a long term strategy for obtaining sustainability of the institutions. The organisational structure of the project will be the same as, and draw on, the experiences from the existing project.

Environmental aspects
It is expected that the actions contemplated by the project would have a directly favourable impact of the environment, as it is foreseen that a greater understanding of natural resources, and greater appreciation of them, would lead to better sustainable use of these resources.

A challenge for the project would be to ensure that the income generating activities that are foreseen as a result of the project do not impact negatively on ecosystems, and will not work contrary to individual country's policy as well as their commitments relative to international environmental agreements.

Technical/technological aspects
As it is known, INBIo is a world class, top-of the-art institution that deals with biodiversity knowledge and how to use it sustainably. The high advance of INBio would not be possible if they did not have the human resources and the technology to carry out all the research they do. This technology and know-how is expected to be transferred to the herbaria participating in the project. However, some concern might exist in terms of the agreements between the various herbaria on use and exchange of materials and information[23], as well as the use of information related to traditional knowledge and indigenous peoples' rights. The proposal

[23] According to INBio the information they received from Missouri Botanical Gardens as a means of repatriation of information, was curated by using CONABIO´s methodology and the main idea is to pass it on to each herbarium. Missouri agreed to have INBio as distributor of the information to the other countries. At present, the herbarium of Nicaragua is ready to have its information on the Internet. INBio has not yet decided to use their web site to have the information of the Central American countries available on the Internet, because INBio only provides biodiversity information of Costa Rica. The information of the other countries would be accessible on the web site that will be developed to integrate information of each herbarium using GBIF´s methodology. The herbarium in each country would be managing its information, and each country has its own norms for regulating the access issues.

should leave very clearly what is the position of INBio in these issues and the steps to be taken to ensure a good use of the information generated by the project.

3.1.4 The Partner's Planning Process

Assessment of the Partners' planning process
The planning process of the Programme and the way it is intended to be executed is well defined, besides the observations presented by the mission in previous pages. The participation of the stakeholders is also clear in terms of the benefit they will obtain from the project and the expected impact of their participation. Also the relevance of the project in terms of the problems it addresses is in concordance with the Norwegian principles for the cooperation in the region.

Finally, the lessons learned from the previous and on-going programme should be stated more clearly so as to see this project proposal as a complement to the previous one. Also, since INBio has another proposal together with IUCN presented to the Norwegian development cooperation, there should be comments in the proposal of how this other project proposal relates to the present one.

3.1.5 Donor Coordination

The project proposal had been presented to Sweden for financing, but they have declined because the project area is not in their development cooperation priorities for the region. Norway is the only donor approached at this time for financing of the project.

3.1.6 Particular concerns

Cultural and gender aspects
Gender aspects have not been dealt with in the present proposal. In line with priorities for Norwegian development cooperation, as well as previous INBio/Norad cooperation projects, it is expected that gender indicators are incorporated in a revised project proposal.

Poverty alleviation
How the project is intended to have and effect on poverty alleviation is not well established in the proposal. The aim of the project is to form the knowledge basis that is necessary for management decisions and to inform the public of uses or products for productive uses. This could indirectly and directly influence poverty reduction, but this needs to be stated in the document.

3.1.7 Conclusions and Recommendations

The conclusions and recommendations of the mission are presented as follows. A common understanding with INBio discussed during the visit, on the 28 of April 2006, was that the appropriate time for the eventual start of the new project would be in a year or year and a half from now, as a second phase of the present project. As a consequence, the LFA structure should be aligned with that in the present agreement text.

With regards to specific issues important for the Norwegian cooperation, the mission has the following comments and recommendations.

Justification with regard to the guidelines for Norwegian development cooperation
One of the general objectives for the Norwegian guidelines for development cooperation with Central America is to contribute to sustainable use of natural resources. This could include support to initiatives focusing on research and education. The strengthening of the herbaria and increased knowledge of the potential of Central America's flora, which are the main outcomes of the project, can arguably be seen to fall within this objective for Norwegian support.

Links to national poverty reduction strategies and/or poverty reduction in general
The links to national poverty reduction strategies are not well established in the project proposal. As it has been said, the aim of the project is to form the knowledge basis that is necessary for management decisions and to inform the public of uses or products for productive uses. This could indirectly and directly influence poverty reduction. It is recommended that this relationship is explained better in the project proposal.

Regional and national strategies for conservation and sustainable use

- The project proposal indicates that in terms of policy development and regional actions components, the project needs to secure the support of CCAD and national authorities, particularly the Ministries of the Environment. From the presentation at INBiO the review team was informed that the relationship with CCAD should be based on process rather than on activities, and that the main focus should be:
    1. The implementation of the regional the Bio-Trade Strategy
    2. The implementation of the Global/regional plant conservation strategy under the CBD

- The review team is supportive of working with CCAD in terms of processes rather than projects since this is in line with CCAD priorities. The review team however thinks that the project proposal could better explain the contents of the Bio-Trade and plant conservation strategy in order to establish better links with these strategies and the project proposal. Additionally, the project proposal should also indicate the relationship between national and regional priorities with respect to these two strategies.

Stakeholder analysis and role of the government sector
The project proposal gives a good overview of the roles and the interests of the different stakeholders. The project proposal lists the scientific sector, the cooperation agencies, including financial organizations and banks, and the government sector to have high influence. Degree of influence is defined as the power enjoyed by the actor for influencing the decisions that affect the outcome of the project. When discussing the target groups, the reference to central government/local authorities is absent. The mission thinks this issue should be revisited.

Contributions to reducing costs
INBio should try to cooperate with local authorities/local organizations in the generation of new knowledge, with the purpose of reducing costs.

Sustainability
The sustainability of the project, and the institutions in question, will depend on recognition of the project by the respective Governments and management authorities, and an ability and willingness to provide the necessary financial resources or in kind contributions, e.g. counterpart funds for the project or increased core budgets for the institutions in order to secure permanent personnel. The proposed project could be seen as the second phase of the existing project *Building Capacity and Sharing Technologies for Biodiversity Management in Central America.* The review team believes that the sustainability of the projects lies with the governments' or authorities' interest and appreciation in continuing the activities. Consequently, the review team believes that efforts should be made to obtain counterpart funding from the governments or relevant ministries.

Complementarities of the project proposal with the existing project – and start of the new project or "second phase" of the existing project

- The technical and social capacity established by the present project is an attribute to the proposal. This capacity installed would enable more efficiency in the inclusion of other herbaria in the capacity building programme for the region. The reasoning for the inclusion of further herbaria in the programme relative to the objectives was explained to the review team. However, for historical records, this explanation should be included in the project proposal.

- In order to better view the emerging results from the existing project in relation to the proposed project, an appendix could have attached to the new proposal in order to give an overview of the information products made. Especially relevant information here would be annex 8 and 9 of the annual report for 2006 of the present project. These annexes contain information on different uses of plants and a guide to gather information on edible plants. Based on this information priorities in the new project proposal could be established, and thus better show the relationship between the existing and the new project.

- The review team tends to think that the new project proposal was presented somewhat prematurely, but believes that it could greatly benefit from establishing better the links to the existing project in the project proposal. New information products will emerge in 2006 that also might establish better links.

3.2 IUCN and INBio CAM-2241, CAM-05/013

"Social Equity through knowledge; Biodiversity and Community"

3.2.1 Project Description, Objectives and Budget

The IUCN-The World Conservation Union through its Regional Office for Mesoamerica (ORMA), in coordination with the National Biodiversity Institute (INBio), have developed this project proposal in a joint effort .

The Project is designed to act in response to an apparent necessity of the rural communities to use their natural wealth more efficiently to improve their life standards. According to the proposal, this dilemma "has inspired IUCN and INBio to combine their strengths, knowledge and installed capacity for the development of a methodology, which promotes local environmental leadership by gaining a better understanding of the environment and the biodiversity resources".

The proposal acknowledges that alleviating poverty, institutional weakness and unsustainable economy are real challenges facing the conservation in the region and, therefore these must be addressed from different angles of work. At the local level, there are other problems that require special attention: lack of leadership and organizational capacity for the sustainable management of biodiversity.

These problems are associated with several causes, among which are:

- Limited local capacity to use and direct the uses of biodiversity
- Insufficient access to information about the potential derived from biodiversity resources for the management of local development
- Lack of information to influence and promote decision making.
- Insufficient coordination between local organizations
- Biodiversity knowledge is not accessible (language) to local groups.

With this joint initiative the two institutions aim at improving the local capacity for sustainable use of biodiversity. This will be done with the active participation of social actors. Furthermore, it will support the efforts of local organizations in identifying alternatives for the use of resources in such a way that it would contribute to improving the livelihoods of the local populations.

In order to accomplish this task, activities will be carried out in six rural communities from Central America in three different countries; this will allow generating a comparative analysis of ecosystems and social and institutional processes. Communities will be selected based on the following: - biologically important areas, - identified economical activities associated with biological recourses, - socio-environmental vulnerability, - poverty indicators, - access and transportation systems, - presence of active organized groups in the area, - and buffer zone to protected areas, e.g. the Meso-American Biological Corridor.

According to the project document "during its execution, the project seeks to apply cross-cutting concepts such as environmental governance, empowerment of rural communities, civil rights and social equity and gender equality, with it being understood that these principles must be applied in order to obtain sustainable development in all of its dimensions". The total budget for five years is estimated at USD 3.95 Mio. The activities have been broken down per year, and grouped by expected results as presented in 3.2.2.

3.2.2 Assessment of the Programme Design

As in any other project, the logical framework for the proposal includes a stated goal, a purpose, outputs, activities and inputs.

The overall Goal of the project is that "it contributes to improve life standards not only of the rural populations involved in the Project, but also of third parties". And the purpose is that of "by combining leadership and organizational capacities from selected rural communities of the three countries of the Central American region, there is a greater capacity to promote the sustainable management of biodiversity and improving their life quality".

The outputs of the project are:

Women and men of the selected rural communities leading and influencing the processes of decision making in environmental issues of their municipalities and governmental institutions. ***Proposed budget:*** ***USD* 762,570**
Activity 1.1: Identify interested social actors *Proposed budget: USD 9,340*
Activity 1.2: Initial diagnosis and map of actors and resources by site *Proposed budget: USD 4,800*
Activity 1.4: Facilitation of local participating diagnostic processes *Proposed budget: USD 19,200*
Activity 1.5: Identification of local biodiversity, considering local knowledge and existing investigations *Proposed budget: USD 242,960*
Activity 1.6: Capacity building in reference groups (elaboration of local agenda, strategic planning, political incidence) *Proposed budget: USD 411,120*
Activity 1.7: Construction of graphic material to strengthen local knowledge about biodiversity and sustainable use alternatives *Proposed budget: USD 60,750*
Activity 1.9: Support of activities of communitarian outreach in the municipality, with schools, governmental programs and the private) *Proposed budget: USD 14,400*

Settlers (men and women) of the selected communities have access to information and participate in the identification of productive opportunities derived from the existing biodiversity in their communities, and also lead processes of selection and implementation. ***Proposed budget*:** ***USD* 960,700**
Activity 2.1: Facilitate exchanges of successful experiences in the region (familiarization trips involving interested groups of producers) *Proposed budget: USD 332,640*
Activity 2.3: Support processes of identification and opportunity analysis, based on participative diagnoses carried out. *Proposed budget: USD 20,000*
Activity 2.5: Support the beginning of productive projects *Proposed budget: USD 217,000*
Activity 2.6: Installation and maintenance of the Web site *Proposed budget: USD 102,100*
Activity 2.7: Program of technical support of productive projects with assistance of partners *Proposed budget: USD 288,960*

Availability of a participative methodology with replicating power, which induces to recognition of the biodiversity potential for the local development. ***Proposed budget: USD 32,150***
Activity 3.1: Revision of literature *Proposed budget: USD 150*
Activity 3.8: Publication and dissemination of methodology through national workshops *Proposed budget: USD 32,000*

The elements of the design seem to be quite coherent. Nevertheless it was noticed that some activities do not show in the budget, e.g. activities 3.2 to 3.7. Others are too general and need some clarification, especially those that have considerable amounts of money in the budget (see above). Also it should be mentioned that there are other expenses related to administrative costs that are not necessarily related to the three expected outputs.

Consistency and realism
In terms of consistency and realism, for output 1, activity 1.5 seems to be more related to output 2. The question is to what level the project wants to carry out this activity; only to undertake identification of plants and/or animals? Or would it also include research about their potential use? If the latter is part of the activity, it is necessary to know how this process would take place and how local knowledge would be protected.

Output 2 seems to be aimed correctly, but it terms of the budget it would be important to clarify why the money for travelling to exchange experiences (USD 332,640) is more than the support for productive projects (USD 217,000) by more than USD 100,000, considering that the latter is one of the main focuses of the project. The mission has no comment to output 3.

Quality of the Indicators and Means of Verification at all levels of the design elements.
The Project Documents show indicators for the overall objective that are not difficult to verify, if/when the project would accomplish them, e.g. the following:

- When finalizing the project, 50 % of the leaders involved (men and women), both of the public sector and of the civil society, can identify opportunities and know how to use and preserve the principal resources of the existing biodiversity in their communities.
- When finalizing the project, at least, two projects of conservation and sustainable use by each selected community have been formulated and are being managed by organizations as part of a strategy of local development.
- When finalizing the Project, at least four alliances have been consolidated (private sector, public sector and civil society) for each selected community for the sustainable management of biodiversity.
- When finalizing the Project, there is a participative methodology properly validated which has replicating power in other communities of the Central American Region.

However, for the outputs, some of the indicators seem a bit diffuse and not so easy to verify the effects or impacts in terms of the accomplishment of the objectives, e.g the following:

- Groups of producers-manufacturers (men and women) of the selected communities count on information about the opportunities offered by biodiversity of the development of the community.
- When finalizing the project, productive groups of the selected communities have consolidated at least four alliances with key institutions and organizations for the local support, in sustainable productive activities derived from biodiversity resources.

For example, with the above indicators it is hard to know what the effect would be of having the information available unless we give follow-up to it and record the results of having the information available. By the same token, for the second indicator: how to measure “consolidation”? And what would the effect of that consolidation be?

Quality, simplicity and user friendliness of the recipient’s monitoring system
A well defined monitoring system should be part of this programme, so clear links could be seen between the financial and physical execution of the project, with the effects and impact

recorded for the aggregated activities carried out with the project. In this sense the indicators should be carefully revised to make this link possible (see examples above).

The stakeholders of the programme
The project proposal gives a description of all the actors that in different ways are going to be involved in the project. The local organizations, municipal governments, NGOs and private enterprises are identified as the main actors in the project. These have consequently been defined as the main target groups, and therefore their interaction within the framework of the project should be very clear so as to avoid any possible frictions that could affect the impacts expected by the project.

3.2.3 Assessment of Sustainability and Risk

Relevant risk-factors and mitigating actions integrated in the programme design
According to the project document, there are some elements which must be addressed since they may be considered as risks or success factors depending on how they are approached, e.g.:

- The existence, knowledge and launching of new sustainable markets which make feasible that opportunities and alternatives identified and undertaken reach the desired success. Within this context, the project encompasses the support of marketing studies which will identify productive sequences, partners and establishment of alliances, equally the support of seed funds and technical support.

- A probable incomprehension of the participating communities, due to the difficulty of grasping biodiversity knowledge and inclusive the difficulty to share proposals. In this sense, the project strategy pursues a capacity building process on the three levels: individual, institutional and systematic which will foster empowering in the communities, using knowledge for environmental decision making.

- The presence of a potential struggle for interests and objectives among governmental institutions, development projects, credit and technology generating institutions which may hinder their openness to share and integrate. The project encompasses the opening of spaces for dialogue panel discussions and mutual consent which may facilitate the definition of shared visions to support the communitarian management.

- The pressure to discover visible results in a short-term period which will support enhancing life standards of the involved communities. In this strategic proposal of the project is clearly stated that improving the quality of life is a process which implies covering a number of dimensions: personal, aptitudes, organizational, institutional and thus, it requires time for its achievement. Consequently, several communities will be selected to allow comparing their local processes and respecting their pace, without jeopardizing the purpose of the project.

The mission agrees with the risk analysis presented in the project document and definitely feels that these are aspects to be considered. These four elements mentioned above should be monitored so as to anticipate, and correct when necessary, any possible problems in these areas that could jeopardize the project.

Environmental aspects
It is expected that the actions contemplated by the project would have a direct favourable impact on the natural resource management and conservation of biodiversity, by using sustainably the products intended to be obtained from natural ecosystems.

A challenge for INBIO/IUCN would be to ensure that there is not going to be an incentive with the project to over-exploit resources or new products obtained as a result of the project.

3.2.4 The Partner's Planning Process

The mission believes that IUCN and INBio have done a good job in combining their comparative strengths in the planning of this project. It seems that part of the methodology intended for use is very similar to that used in the ongoing IUCN Alianzas programme. Furthermore, INBio has experiences, e.g. from the existing herbaria programme and from reports on contribution to local economy from protected areas. Although the mission does not question that both IUCN and INBio draw on these experiences, a better relationship to these experiences could have been established in the project document.

Even though the project proposal deals primarily with use of biodiversity as a strategy for more income generating in the local communities, the mission believes there might be added value in considering more general methodologies already established to work with rural life strategies, e.g. methodologies established by PRISMA. IUCN/INBio might consider collaborating with PRISMA in arriving at the more exact methodologies for selecting and working in the various communities.

3.2.5 Donor Coordination

Donor coordination is not relevant here. When asked, IUCN commented that it was not IUCN policy to present a project proposal to several donors.

3.2.6 Particular concerns

Cultural and gender aspects
Gender and native peoples' rights need to be analysed more thoroughly in the proposal. These issues are expected to have indicators in the revised proposal so as to include them as cross-cutting issues, considering, as the proposal says, "the search for ***social equity*** and *gender equality* essential during the entire process."

Poverty alleviation
The PD addresses an important question "Is it possible that proper access and use of the natural resources plus an equitable management may contribute to reduce poverty in this region?"

To answer this question it is important to look at poverty not only in terms of income generation but also in terms of quality of the natural and social environment, e.g. availability of natural resources for food security, sanitary and health conditions and vulnerability to natural disasters, soil degradation for agricultural purposes and intensive use of natural resource linked to external markets.

The project intends to connect biodiversity's potential to poverty conditions, with the intention of contributing to one of the Millennium Development Goals of "reducing poverty by half and eradicating hunger for the year 2015, promoting the access, use and management of natural resources as the livelihood of the low income communities of the rural zones of the

Central American Region".

The mission feels that the question posted above is going to be put to test with the project. Nevertheless, there is the need to make a benefit/cost analysis when it comes to the amount of money that might be allocated for this project and the issue of poverty alleviation.

3.2.7 Conclusions and Recommendations

The conclusions and recommendations of the mission are presented as follows on the following topics:

Recommendations for IUCN/INBio

- IUCN/INBio should specify in the project document which communities they plan to work with using the criteria set out by the project document.

- Relationships with and experiences from recent relevant projects could have acknowledged (IUCN Alianzas programme methodology, INBio herbaria capacity building experiences, study on the contribution of protected areas to economic development etc). These projects' contribution to methodology in the existing project proposal should be assessed. IUCN/INBio might also consider cooperating with PRISMA when deciding the more detailed modes of operation in the various local communities.

- IUCN/INBio should consider that indicators and monitoring activities could be developed at two level; one at the project level which measures how objectives are achieved, including those that measure impact on poverty alleviation. These could be fully developed in the revised project document. The other set of indicators could be developed in a participatory process with the communities as suggested in the project proposal.

- IUCN/INBio should analyse the cost-benefit relationships between IUCN/INBio, their partner organisations and the communities in order to strike a better balance between the benefits obtained at the project level compared with those at the community level, bearing in mind that the project will be measured not only against the achievements with respect to sustainable management, but also with those of poverty alleviation in the specified communities.

- IUCN/INBio should explain better the various elements of the budget, including finding ways of reducing costs (consider using local organizations or individuals for technical support if possible etc).

- Implementation of the CBD and the MDGs are well received. The approach to working with traditional knowledge and access and benefit sharing issues could have been elaborated on since they are very sensitive issues.

- Inconsistencies between the Spanish and English version of the document exist.

Recommendations for the Ministry of Foreign Affairs (MFA)

- The project is in compliance with Development cooperation guidelines for Central America and should be supported starting in 2007. The present project proposal should be revised according to the elements listed above.

- The possibility of having a pilot phase was discussed with IUCN/INBio, but was not well received since a pilot phase would create expectations in the communities that could jeopardize further cooperation with IUCN/INBio if the project did not materialize. The MFA should therefore consider ways of creating a form for conditionality between the various stages of the programme (e.g. desk appraisal related to annual meetings).

- Strategically this project should be viewed in relation to DANIDA support to IUCN (fund established to support NGOs for research and civil society aspects) and their support to CCAD.

3.3 CATIE - Cacao CAM-2647, CAM-03/216

"Modernisation and integration of the cacao value-chain among six organisations of poor indigenous and other small farmers in Central America"

"The cacao tree is a sacred woman with many children." Indian woman, 29.04.06

3.3.1 Project Description, Objectives, Activities and Budget

Description
Six Central American cacao cooperatives or associations (CoA) in Belize, Guatemala, Honduras, Nicaragua, Costa Rica and Panama are experiencing

Problems and deficiencies
Problems and deficiencies are found in productivity, social organisation, business development, inter-group cooperation and weak national and international links.

Regarding productivity, cacao yields are low owing to diseases, sub-optimal genetic material and lax farm management. Relatedly, cacao trees are not producing optimal goods and services because of poorly designed and managed shade regimes.

In organisational and business matters, all the boards of directors (Juntas Directivas or JD) have serious internal communication problems, loss of confidence from their producer-members who, in turn, do not feel like owners of their own organisation and enterprise due to a lack of empowerment. The organisations' management teams (Equipo Gerencial or EG) suffer significant weaknesses in administration and commercialisation. The organisations collect small volumes of cacao beans leading to low operational output and high unit costs. As well, but with the exception of APPTA in Costa Rica and COCABO in Panama, there exist no established initiatives for cooperation with similar organisations in neighbouring countries nor have effective links been developed nationally or internationally.

Overall goal
The overall goal of the proposed project is that indigenous and *mestizo*[24] families as well as their organisations in remote cacao producing zones of Central America generate new models for integrated and sustainable management of their farms and realize innovations that promote successful, competitive and environment-friendly producer organisations for improving quality of life while maintaining and strengthening their cultures.

The project proposes to strengthen social cohesion and business management in the CoA, improve production of cacao on at least 1000 family farms in the pilot countries of Honduras and Nicaragua, facilitate regional commercial integration for the six organisations and improve the linkages between these groups and national and international assistance agencies. The project proposes a 5-year timeframe and will have activities in 6 countries.

The following activities will be implemented only in the two pilot countries Honduras and Nicaragua: genetic improvement, agroforestry with wood and fruit trees, improved bean

[24] Mestizo is a person of white and Indian parentage. Along with indigenous Indians, mestizos are targeted participants in the proposed project.

quality, intra-national group cooperation, capacity building in homes, schools and colleges, training of young organisation members in administration and accounting. Activities in all six countries will be organisational strengthening and improved social cohesion, improved management and business development, regional commercial integration of the six producer organisations, linkages to national and international partners, participatory research and training with mass spread of results and gained knowledge.

The proposed project will utilize a participatory management model that is based on experience from implementing three similar projects for indigenous and other small farmers in Bolivia, Costa Rica and Panama. The six organisations and three technical co-implementers with backup from CATIE will execute the project over a 5-year period and a budget of USD 5 Million.

Objectives:
The main objective of the proposed project is that after 5 years, six cacao organisations and at least 5000 of their poor producer-member families of indigenous and *mestizo* backgrounds have improved their competitiveness and regional integration.

Table 3.3.1 ***Cacao Project Budget*** *per Component and Country, 5 years (1000 USD)*

Components (1000 USD)	***Belize***	***Costa Rica***	***Guate-mala***	***Hon-duras***	***Nica-ragua***	***Pana-ma***	***Total Act***
1							
Strengthening of org.	**249**	**249**	**249**	**249**	**249**	**249**	**1 605**
Social Cohesion Dev	106	106	106	106	106	106	701
Management Groups Dev	83	83	83	83	83	83	569
International Cooperation	10	10	10	10	10	10	60
Commer. Regional Integrat.	50	50	50	50	50	50	275
2							
Cooperation	**34**	**34**	**34**	**54**	**54**	**34**	**240**
Support to Nat'l. Clusters	12	12	12	12	12	12	70
Include CATIE partners	4	4	4	4	4	4	20
International alliances	2	2	2	2	2	2	10
Co-investment fund Companies	17	17	17	17	17	17	100
Co-investment fund Families				20	20		40
3							
Quality Fam. Cacao prod.	**0**	**0**	**0**	**667**	**667**	**0**	**1 333**
Genetic improvement				579	579		1 158
Agroforestry - fruit and timber				70	70		140
Cacao quality				18	18		36
4							
Educ, training, research	**63**	**63**	**63**	**63**	**63**	**63**	**381**
College and group training	25	25	25	25	25	25	149
Educational applied research	10	10	10	10	10	10	60
Massive promulgation	29	29	29	29	29	29	172
5							
Project Management							**1 459**
COUNTRY TOTAL	**346**	**346**	**346**	**1 033**	**1 033**	**346**	**5 017**

The specific objectives of the proposed project are:

1. The boards of directors (JD) and the management (EG) of the six organisations successfully generate and implement participatory management models as competitive enterprises.
2. The boards of directors and the management of the six organisations participate actively in national and regional cacao fora.
3. A total of 1000 producer families from the two pilot countries of Honduras and Nicaragua innovate their production systems with diversified, sustainable and profitable management options.
4. Families, communities, local teams, schools and universities in the vicinity of the project and the scientific community in general rely on relevant, updated information on the value chain of cacao in Central America for taking decisions.

The project is appropriately and participatively managed.

Table 3.3.2 Cacao Project Budget per Component and Category - 5 years (1000 USD)

Components (1000 USD)	***1***	***2***	***3***	***4***	***5***	
Category						
Professional Services	754	90	964	217	1 214	**3 238,6**
Equipment- Facilities	51		68	164	13	**295,5**
Training	728	10	184			**921,5**
Operational Costs	72		118		232	**421,6**
Co-investment Fund		140				**140,0**
Component TOTAL	**1 605**	**240**	**1 333**	**381**	**1 459**	**5 017,2**

Comment: Norway may consider the total budget too large. CATIE should consider ways to reduce it, such as geographic concentration.

3.3.2 Programme Design

The project design is relevant to combating poverty as it has included low-income people in the planning process and intends to do so in actual implementation. The project aims at developing and introducing methodologies for increased productivity, increased income, new knowledge, new marketing possibilities and sustaining an improved natural resource production base for poor people.

The main stakeholders of the project are six producer organisations and 6000 of their members and families in 6 countries of Central America. The goal, objectives and activities of the proposed project seem rational if somewhat ambitious given the problems and deficiencies described in 3.3.1 and the geographic spread.

Specific objective 1, above, must balance a democratic process with the need to make hard business decisions. Failure to balance in favour of the business aspect of cooperative organisations has led to financial instability and membership loss in such organisations.

All indicators and means of verification (data sets) are not yet developed in the project document and almost none have quantitative targets to measure at this point. These will be provided through further work after the proposal is approved. Relevant and reliable baseline data is not yet completely available but planned through “diagnosticos” if and when the proposal is approved.

The quality, simplicity and user friendliness of CATIE’s monitoring system seems

appropriate, although lacking in the data mentioned above. The target groups' ability to monitor their own progress after project termination will depend on the quality and success of the project's training activities and the participants' willingness to carry forward the practices they have learned.

3.3.3 Sustainability and Risk

Agricultural commodities react to market forces. When supply outstrips demand prices fall and when demand is greater than supply prices rise. This has been and will continue to be the situation for cacao. Presently, there exists a growing demand for cacao and chocolate that present and future supply cannot satisfy unless production, productivity, quality and marketing are improved and increased.[25]

It would be risky for Central America's cacao producers to continue cultivating and marketing as they presently do because:

1. Their cacao trees are degrading genetically.
2. Their cacao crop is prone to the fungal diseases Monilia and Black Pod.
3. Their shade management practices and regimes are deficient
4. Their production, productivity and product quality are low.
5. The business and marketing practices and performance of their organisations and associations are deficient.
6. Other regions of the world are gearing up to meet market demands for production and quality.[26]

All this and more add up to the major risk for regional producers of losing their production base, losing what market share they have, and being forced to look for other means of survival. Add CAFTA (Central America Free Trade Agreement) to the equation and life becomes even more difficult than it already is for Central America's small and medium farmers. Projects similar to this one provide hope if they are well planned, implemented and scaled-up rather quickly.

Regarding cultural and gender aspects, the local people consider Cacao trees feminine and sacred. Special considerations to indigenous culture and gender issues are stated in the project document but no gender strategy is mentioned. Consultations are now proceeding with a small but influential indigenous group that has complained of planning shortcomings.

Strengthening institutional and organisational cooperation is a central concern of the proposed project, the success of which will improve cooperation, promote institutional sustainability and lessen risks to all participants.

With traditional cacao cultivation practices, when plantation soils degrade and production falls it is common to expand into forested areas for their more fertile soils. The sustainable-use practices to be promoted in this project, such as agroforestry, will reduce risks of forest and biodiversity depletion.

[25] Green and Black's 2006, Clay, J. 2004
[26] For example, Indonesia in Asia; Nigeria and Ghana in Africa.

Environmental and human health risks will be reduced through the promotion of environment-friendly, sustainable-use production and marketing concepts, thereby lessening risks to the agro-environment, its surroundings, the producers themselves and eventually consumers.

Regarding the risk of corruption, all the project countries suffer from extensive corruption. Purchasing and marketing as well as organisational and project accounting are vulnerable areas where vigilance must be practiced by project leadership and organisational management.

3.3.4 The Partner's Planning Process

This specific proposal originates from a brief concept presented by CATIE to the MFA in Oslo in September 2004. In 2005, a first draft elaborated by CATIE was circulated, presented orally, discussed in person and via e-mail with the management, board members and producer-members of the principal cacao cooperatives or associations (CoA), government representatives, principal national technical assistance organisations as well as with other relevant actors organised in national cacao clusters in Belize, Costa Rica, Guatemala, Honduras, Nicaragua and Panama.

With the contributions and feedback received from the first draft, a second draft was elaborated, re-circulated to the above collaborators, and formally presented to the Embassy of Norway in Guatemala on 2 March 2006.

The quality of the underlying analysis and planning process of the programme, including participation of relevant stakeholders in the process, appear to be good. This is due to the process described in the preceding paragraph as well as CATIE's own and independent analyses of a promising international cacao market[27], the serious environmental degradation taking place in the region, the low productivity and poverty levels of proposed indigenous and *mestizo* participants, the social disruption taking place in Central American families, communities and countries, as well as the management, productivity and membership weaknesses common to rural organisations and cooperatives in the region. However, it should be noted that an ancillary, indigenous group has very recently raised issues related to planning deficiencies. Consultations between the indigenous group, CATIE and APPTA are presently trying to resolve these issues.

The project aims at the participatory development and testing, training and implementation of methodologies that target the very issues mentioned above and that, if successful, can be spread throughout the region for further impact. Therefore, the proposed project is deemed relevant to solving the environmental, economic, social and organizational problems facing the involved stakeholders.

Lessons learned from earlier experience with similar programmes in Bolivia, Costa Rica and Panama as well as CATIE's previous Integrated Plant Management and Agroforestry project financed by Norway will be used in the project. Other programmes that may influence the implementation or the effects of the planned programme are:

[27] Ibid.

1) Green and Black's, a British company claiming to be the world's largest purchaser of cacao and working closely with the Belizean cacao producers' organisation TCGA (one of the producer organisations in this project) has ambitious plans to fill more of the large and rising world market demand for cacao. G&B has clearly stated its interest in assisting the proposed project with its value-chain, business administration and marketing expertise.

2) IUCN's *Alianza* project for developing an environmental consortium that includes partners in Talamanca wishing to work with agroforestry could create synergies or problems, depending on the approach taken by CATIE and IUCN. Early consultations between the two organisations are recommended.

3.3.5 Donor Coordination

The CATIE Cacao project is not intended to be co-financed with other donors. However, it is important to note that a consortium from Talamanca that is participating in the NORAD-financed, IUCN *Alianzas* programme has promoted sustainable, indigenous agro-forestry as a major issue. It is therefore recommended that CATIE and IUCN coordinate with each other in order to avoid duplicating efforts.

However, it is important to note that several members in IUCN's *Allianza* project for developing an environmental consortium have promoted indigenous agroforestry in the Talamanca area as a major issue. It is therefore recommended that CATIE and IUCN quickly coordinate efforts to complement their two initiatives and not confuse their respective participants.

3.3.6 Particular concerns

Gender

Gender is explained in the proposal as a crosscutting issue of importance but no mention is made of a special strategy or approach to women's participation or the gender experience of the stakeholder organisations from which lessons learned may be derived. A strategy for identifying and resolving gender issues should be stated in the proposal.

Poverty Reduction

Poverty reduction is a tenet of the project but needs more conceptualisation, data and measurable indicators. See 3.3.7, below

Human Rights and corruption

These are issues in all the project countries that should be monitored regularly. The project itself is promoting better business practices and democratic, participatory management.

3.3.7 Conclusions and Recommendations

- Poverty reduction is the ultimate, all-encompassing and long-term goal of Norwegian development assistance. The proposal should conceptualise the project's approach to poverty reduction (e.g. see the UN Millennium goals 1-8), provide baseline poverty levels of participant categories (e.g. indigenous, mestizo, family) and discuss possible short and medium term methods and indicators for measuring changes in poverty levels.
- The proposal should explain how it relates to national development and poverty reduction strategies for the participant countries (e.g. PRSPs for Honduras and Nicaragua).
- Concepts such as organic, environment-friendly and traditional production of cacao, and fair trade should be explained as well as the project's approach to use of chemical inputs.

- Honduras and Nicaragua will be the main pilot countries in the proposed project, yet there is no description in Annex 2 of the principal partner in Honduras, APROCACAHO. A description of APROCACAHO and other missing organisations should be included in Annex 2. TCGA should be spelled out.
- Given project ambitions, reduced geographic coverage should be considered.
- The proposal should clarify the roles of this project and IUCN's project in Talamanca.
- Figure 1 on page 20 of the proposal and text elsewhere in the document portray various co-implementers and partners in the project but there is no clear and unified explanation of how decisions will be made and executed.
- Project planners are dealing with possible differences of interest between two organisations in Talamanca: one is a large, well-established, experienced organisation, the other is small, fairly new but influential. Planners should continue as they are, with understanding and diplomacy, to find a solution that will prevent an unnecessarily disruptive conflict.
- The proposal should describe more fully the role played by the producer-membership of the six partner organisations in the formulation of the proposal.
- The proposal should explain possible advantages and disadvantages to biodiversity of cacao production, including possible indicators.
- The proposal should provide a profile of Green and Black's, a large international purchaser of cacao, and explain its role in the project.
- Is it possible to consider a mix of eco- and ethno-tourism as an income generator for cacao areas and communities?
- In the proposal's discussion on education, training and research, and concepts such as the value-chain, business administration and environmental economics are either vague or absent.

Recommendation

The proposed project offers a combined approach to sustainable agriculture and natural resource management, organisation and commercial development and poverty-reducing income generation that is sorely needed by the small-scale producers and organisations of the region. With such improvements to the project document as requested and listed above, we feel that the potential for quality results and impact with this challenging project makes it well worth Norwegian financial support.

3.4 CCAD CAM-2649, CAM-05/009

"Institutional Support to the Central American Commission for Environment and Development, CCAD"

3.4.1 Background, Objectives and Budget

The Central American Commission for Environment and Sustainable Development (CCAD) was created in 1989, as part of a political initiative for regional cooperation and integration. In 1991 CCAD was incorporated into the Central American Integration System (SICA), as its environmental element. The first step in establishing common regional policy goals, including environmental policy took place in 1994 with the signing of the Central American Alliance for Sustainable Development (ALIDES). The first Central American Environmental Plan (PARCA I) was adopted in 1999, intended as a tool for fulfilling the ALIDES environmental objectives and regional environmental agreements.

In 2004 the Ministerial Council of CCAD asked for a revision of the PARCA, resulting in the new PARCA II draft, covering the years 2005-2010. The Council of Ministers has approved the focal areas (las líneas estratégicas) of PARCA II. These focal areas are: a) prevention and control of contaminants, b) conservation and sustainable use of the natural heritage, and c) institutional strengthening of CCAD.

During 2005 assessments of Nordic support to CCAD, based on the May 2005 revised PARCA draft, have been carried out by CABAL, Nicaragua and the Directorate for Nature management, Norway. Furthermore, CCAD presented its Program for Institutional Development (PDI), based on a logical framework structure. The PDI responds to the challenges of improving strategic management capacity in CCAD, by developing the organization into a permanently staffed institution with improved capacity at all levels. The economic viability of the Institutional Development Program presented in 2005 is based on an application of technical support for a total of USD 6 millions over a 5-year period, to be donated from the Nordic development agencies (NORAD/MFA, DANIDA, and SIDA).

CCAD currently receives bridge support for 2006 from DANIDA, SIDA and NORAD/MFA, with SIDA as lead agency, in order to finalize a strategic plan for the execution of the Secretariat of CCAD. Norad has sanctioned USD 173 000.

The objective of this appraisal is to look at the relevance of supporting CCAD based on the bridge support, the PD long-term and the appraisals of that PD.

3.4.2 Programme Design

The quality of the design elements

The PARCA II strategic environmental plan contains 3 overall objectives or focus areas, each with three development objectives. Overall objectives and their associated development objectives are:

1. Prevention and control of contaminants
    - 1.1. Promotion of cleaner production
    - 1.2. Work on soil, water and air quality
    - 1.3. Prevention and control of environmental impacts of economic activities
2. Conservation and sustainable use of the natural heritage
    - 2.1. Sustainable use of ecosystems important for the region

2.2. Conservation and sustainable use of prioritized species and genetic resources
2.3. Internalization of environmental costs and benefits

3. Institutional strengthening of the CCAD
3.1. Strengthening of the Council of Ministers
3.2. Increased participation of the countries in regional processes
3.3. Strengthening of the Executive Secretariat of the CCAD

The PARCA II seems to be clearly focused (using a logical framework approach), structured according to overall, strategic and specific objectives, expected results, and indicators that can be verified, making it a tool for strategic management of all CCAD activities. However, the indicators for verification are quite general and it might be difficult to measure impact of activities. For example, verification indicator 2.1.2 is: By 2010, a system for management of ecosystems has been designed at the regional level, supported by instruments that have been developed and are applied. The means of verification are national reports. Consequently it is possible to find out that the activities have been done, but we do not necessarily learn anything about the impacts of the activities.

Progress made in 2005/2006

In November 2005 CCAD presented a project proposal to SIDA (and other Nordic donors) with the objective of making an action plan of action for carrying out PARCA. Based on earlier documents and appraisals, Norway, Sweden and Denmark has decided to co-finance, with SIDA as lead agency, a bridge phase in 2006 for CCAD to carry out the activities suggested in the project proposal.

The objectives of the bridge phase are to:

- undertake a prioritization of the objectives and activities of the updated PARCA
- elaborate a Strategic Plan for the Executive Secretariat of CCAD for the period 2006-10
- identify the resources needed by SE-CCAD to execute the aforementioned Action Plan

According to the contract CCAD will deliver a draft version of the Action Plan to SIDA, and other Nordic partners for comments at the end of May this year, and the final draft version will be completed at the end of September this year.

The mission had the opportunity to meet with the regional coordinator for legislation and environmental policies on 8 May, and discuss with him the advances made towards the finalization of the first draft. The process was evidently well underway and the mission received copies of the activities related to the “green” and the “brown” sector, which included the appropriate and relevant activities to be followed up the CCAD Secretariat for the same activities. The CCAD representative informed us that the next step for them was to estimate the costs to the Secretariat of the various activities foreseen. The representative of CCAD also informed the mission that work with the plan was on time, and that they would deliver according to time schedule.

We have not had much time to look at the preliminary papers presented to the mission, but if understood correctly, the various focal areas (described above), for example nr 2 on conservation and sustainable use of the natural heritage seems to be further broken down to more layers of results, verification indicators, lines of action and activities. The activities are divided into high importance, medium importance, continued processes and no activity. Activities are divided into degree of importance according to a time line, e.g. some activities show high importance in 2007 and 2008, but not in 2006 and 2009. Furthermore, in the

preliminary papers, responsible units in CCAD for the various activities are assigned, key actors are identified, and responsibilities for CCAD are identified. The mission thinks that the LFA seems complicated and there might be added value to examining the consistency and coherence of the whole LFA, as well as eventual impact indicators either during discussions with CCAD during preparation or at completion of the action plan.

Several of the institutions visited indicated that their activities would be carried out in follow-up to CCAD priorities, e.g. the implementation of the BioTrade initiative, and the follow-up of the plant conservation strategy under CBD. When asked about these initiatives, the CCAD representative informed the mission about publications that were more detailed on the subject. The mission has not had time to view this new information. Given that a final draft of the Action plan has not been submitted yet, mission comments would only be preliminary, but we tend to think that the overall activities of the CCAD might be overambitious and consequently needs stronger prioritisation. One also has to bear in mind that CCAD's objectives and priorities also need to find their expression at the national level in Central American countries.

Risk-factors and mitigating actions integrated in the programme design
In the preliminary papers received, risks have been identified, and more generally these risk factors are concentrated around available resources and countries have the political will and ability to support the activities. The latter is interesting given that PARCA has been endorsed by the Council of Ministers.

The proposal's relevance in combating poverty
Having the appropriate environmental standards, regulations and frameworks in place for sustainable use of natural resources is important for all parts of society, including the poor. For example, poor knowledge of and inappropriate handling of contaminants, e.g. pesticides and herbicides, often lead to health problems in rural areas where the poor populations primarily live.

When asked about the poverty profile of PARCA, the CCAD representative replied that their work was not directly linked to poverty, but they engaged in activities that relate to poverty, e.g. their work with economical instruments, interventions in fragile ecosystems in collaboration with CEPREDENAC. Additionally CCAD worked with PRISMA in constructing an agro-environmental agenda and a territorial approach, something that also was related to poverty.

The stakeholders of the programme
The stakeholders of the PARCA are diverse, but the various countries of the Central American countries could be seen as the primary target groups. These would be encouraged to harmonize various types of legislation, including regulation with respect to environmental impact assessment etc. Research institutions and NGOs would be key actors in implementing activities associated with the programme.

3.4.3 Sustainability and Risk

Policy and framework conditions
In line with appraisals the mission considers the CCAD main objectives to be: i) Catalyst for improvement of environmental policies and practices in the participating states, ii) Point of synergy between the national environmental ministries, who by themselves are poorly financed, iii) Coordinator of actions for development of common environmental policies and

practices, iv) Coordinator of actions for common activities in research and development, v) Catalyst for integration of environmental consciousness in other sectors, vi) Coordinator for reaching common positions in the international environmental agenda, vii) Platform for strengthening of environmental authorities and institutions in the participating states.

The CCAD representative confirmed that these types of functions were the ones that CCAD would take, for example shaping and reinforcing the political agenda, being promoter, facilitator, and coordinator. Main challenges, however, were to develop the new agenda, while dealing with the ongoing agenda, a large part of which is project management.
The impact of CCAD depends completely on their capacity to successfully encourage member states to adopt the policies and practices developed through regional CCAD initiatives. The CABAL evaluation points out that a major challenge is still that membership countries seem to lack the compromise to apply the policies developed in the CCAD context.

Economic and financial aspects
A major challenge for CCAD is to obtain sustainable financing for the policy work they are committed to do, and not revert to micromanagement of projects as a life strategy. The mission was told by the CCAD representative that as CCAD was part of SICA, they saw SICA input to be significant. He expected sustainable resources to come from:
- 1. Quotas from the member countries. This amounts to USD 20 000 a year for 8 countries.
- 2. Overhead from projects; e.g. UNEP/GEF contributes substantially at present, and
- 3. SICA contributions.

At present, CCAD works with SICA to establish funding mechanisms that would assure funding. They are negotiating with the countries to increase the quotas and to clear arrears, and as well with BCIE to establish a loan for the various countries from which the quotas for CCAD could be obtained. The Secretary General of CCAD is employed and paid by SICA.

Mission's comments:
There is a need to establish a plan/strategy for long term sustainable financing as soon as possible. CCAD's present efforts in this direction are commendable, but probably not sufficient. Resources needed also must be seen in relation to the outcome of the present bridge funding agreement, CCAD priorities, as well as recommendations of earlier appraisals, e.g. to carefully prioritize among activities and products needed, as well salaries and operational costs.

It is our understanding that for the short term CCAD will be dependant upon donor contributions to assume their appropriate role. In this context we understand that DANIDA, through their programme support for Central America already have committed support for the next five years.

Institutional and organisational aspects
Development of the strategic plan for the Secretariat, as called for in the bridge phase and calibrating the activities of the Secretariat, as well as the size of the Secretariat to highly prioritized tasks in the region is a challenge. Establishing the appropriate relationship between the CCAD and the national authorities is another challenge, and a third is the relationship between CCAD/SICA and SIECA. This was also reflected upon in the CABAL report, and should be dealt with in the strategic report.

Another issue, which also have been brought up in earlier appraisals is the function and size of the SIAM (sistema de informacíon en el web). The representative of the CCAD informed the mission that the SIAM was foreseen as a metadatabase, linking up to other thematic databases in the various countries (Honduras – biodiversity (Zamorano), Panama – geographical information systems, Guatemala – water issues, Nicaragua – cleaner production and Costa Rica – environmental impact assessments (IUCN)).

Environmental aspects
The whole programme is aimed at improved conservation and sustainable use of biological diversity. The approach in the new PARCA II to also work with other sectors (tourism, agriculture etc.) in addition to the environmental sector is extremely important. CCAD cooperation and influence with respect to the environmental unit of SIECA, a unit set up to oversee and respond to any adverse environmental effects of the CAFTA agreement, will also put CCAD to test. The representative of CCAD informed the mission that relations with SIECA were good, that SIECA/CCAD cooperation so far mostly had been in environmental inspection and enforcement, but also attached much importance to an ongoing project to reinforce the public access to information.

Like all other institutions/organisations the mission had contact with in the region, CCAD also pointed to the fact that the CAFTA agreement had been negotiated without public participation. USA did not allow negotiations with regional representation, only bilateral negotiations, and with participation from the Ministries of Finance. The Ministries of the Environment did not participate even though USA both had the Ministry of Finance as well as the EPA (Environmental Protection Agency). The awareness of the environmental issues in the negotiation process was not high. Since the agreement now was in place, the CCAD representative saw a number of challenges and opportunities in relation to its implementation. The experience of Costa Rica, not having signed the agreement yet, would give interesting input to further work.

3.4.4 The Partner's Planning Process

The quality of the underlying analysis and planning process of the programme, including participation of relevant stakeholders in the process
The processes to change CCAD into a true policy organisation has been and will be difficult and take time, especially since at present the dependency between its functions and financial sustainability/donor support is so strong.

The relevance of the programme and the interests of the involved stakeholders
Further efforts to install CCAD as a permanent environmental policy institution in the region are highly relevant, not only in relation to their function with respect to the national environmental authorities, but also in the light of its function relative to SIECA and the effects of the CAFTA agreement, as well as to reinforce environmental policy in general.

In a longer term perspective it is also of utmost importance to look for follow-up of the policies in the various countries, whether they have the administration, capacity and influence within their own governments to implement conservation and sustainable use strategies as well as implement laws and regulations.

The use of lessons learned
The understandings that the role of CCAD is in policy development and not in implementation of project activities seem to be clear both in CCAD. This role was also clearly expressed by the institutions the mission visited in the region.

The mission is not aware of existing or planned programmes that may influence the implementation or the effects of the programme, however, there is a general need to watch out for large donor supported projects that might divert CCCAD from its policy role and back to the project implementation role.

3.4.5 Donor Coordination

The donor cooperation that exists in relation with the existing bridge support project seems to be an excellent arrangement. Donor coordination efforts should also be considered in relation to an eventual future support to CCAD, as this would be in conformity with the Paris declaration on aid effectiveness. Donor coordination, however, also requires routines, agreements and transparency that incorporate the policies for the region of the individual donor countries.

3.4.6 Particular concerns

One of the areas that should be further discussed with CCAD is the role it is expected to assume versus the various member countries. Are we looking for an organisation to assume a role like that of the European Union, with full coordination and harmonization of legislation in the environmental sector, as well as power to enforce the legislation, or are we looking for an organisation similar to that of the Nordic Council of Ministers, an organisation with modes of cooperation similar to that of soft law, or policy guidelines?

The financial situation of CCAD
CCAD expects that an approved new strategic plan will ease the presently strained economic situation. To finance its operations and pay the salaries of all staff except for the General Secretary, CCAD has had to implement projects in the region where some have partial relevance with the focus areas of CCAD and make a survival of the overhead. With the new strategic plan approved, CCAD expects member countries to also approve a loan from the Central American Bank for Economic Integration CABEI / BCIE where CCAD will receive significant funds and the member countries pay for the maintenance of the credit as well as their membership fee, but this issue is still only in the planning stage.

3.4.7 Conclusions and Recommendations

When the Strategic plan is presented, the Ministry of Foreign Affairs should assess the viability of the plan carefully. The plan could have the potential of providing needed coordination of important activities in the environmental sector, but much will depend on the realism of the plan, financial support and the member countries adoption of proposed policies as well as participation in the implementation of the proposed local activities.

However, before the strategic plan is completed and its content assessed as well as the reactions of the member countries registered, assessments of the mission will be hypothetical issues that need to be verified at a later point in time.

3.5 CATIE – LACEEP CAM-2653, CAM-05/011

"Financial support for the Latin American and Caribbean Environmental Economics Program (LACEEP)"

The project has the potential to fill an important void in the economics of sustainable development at relatively small cost and significant impact. If deficiencies in the project document concerning institutional, gender, geographic and poverty issues can be addressed satisfactorily by LACEEP, Norway should:

1. Support LACEEP for the duration of its first three years, meaning until June 2008. With IDRC and SIDA already on board, and the project already into its 2nd year, the Norwegian share would be about USD 370,000.

2. Assign Norway's seat on the LACEEP Sponsors' Committee to a Norwegian woman with competence in development economics, environmental issues and Norwegian foreign assistance.

3.5.1 Project Description, Objectives and Budget

After several years of consulting with Latin American and international economists, The Latin American and Caribbean Environmental Economics Program – LACEEP - was inaugurated during the Second Congress of the Latin American and Caribbean Association of Environmental and Resource Economists (ALEAR), in March 2005 in Oaxaca, Mexico

LACEEP's purpose is to improve the management of natural resources at all governmental levels, in nongovernmental and private organizations, as well as to contribute to better understanding of the causes and effects of environmental degradation.

Overall Goal: Introduce a new paradigm for planning economic development that acknowledges limited natural resources, values and uses those resources efficient in ways, sustains them long into the future, acknowledges the importance of providing and protecting public environmental goods, and realizes the link between natural resource degradation and poverty.

Objectives:

1. Create capacity in the field of environmental economics among Latin American and Caribbean academic and non-academic research and policy-making institutions, with particular emphasis on those countries identified as critical cases.

2. Create a network in which Latin America and Caribbean countries share experiences, learn about practices outside the region, and explore opportunities for regional cooperation in areas that are critical for an increasingly globalised economy.

Activities and outputs:

1. Two annual workshops on major themes with short capacity building courses with experts, professionals and local researchers. One workshop with short-courses was held in February 2006 and attended by 23 participants. The next will be held in the fall of 2006.

2. Every year provide up to seven research grants of US$15.000 each through competitive selection to young researchers. The most recent grants went 6 young researchers, among them one woman and one Guatemalan, for the following studies:

   - Environmental policy and the timing of technological adoption
   - The role of economic instruments for environmental management: water charges in the Paraiba do Sul river basin
   - Explaining a-forestation: an econometric model of land use change in southern Chile
   - Estimation of the sustainable income generated by a multiple-use ecosystem: the case of a coastal ecosystem located in the northern coast of Nayarit, Mexico
   - Decentralization and environmentally sound decision making: policy implications
   - Green national accounting: the Peruvian mining case 1992-2004

3. Produce and distribute working papers based on workshop and research themes.
4. A website is established at www.laceep.org . An electronic library is planned

Table 3.5.1 itemized budget LACEEP June 2005 to June 2008 (USD)

Item Year	**June 05 - 06**	**June 06 - 07**	**June 07 - 08**
Grants, publi, com.	221,500	221,500	221,500
Workshops	164,000	208,800	147,200
Short courses	20,000	21,600	19,400
Scientific coordination	67,000	64,000	64,000
Administration	62,800	62,800	62,800
Total per year in USD	**535,300**	**578,700**	**514.900**
Total budget USD 1.628.900			

Percentage total administrative costs over total costs = 11.6%

3.5.2 Programme Design

LACEEP uses internationally recognized researchers and professors to raise and expand the skills of existing researchers, teachers and policy-makers in the Latin American and Caribbean region through a series of capacity-building short courses and in-depth supervision of research projects.

LACEEP's present **Advisory Committee** has the task of guiding it through its first 3-year period and is composed of 5 experts from the L and C region, 2 of whom are women and none of whom are from any of the countries of major interest to Norway: Guatemala, Honduras and Nicaragua.

Membership in its **Sponsors' Committee** is reserved for donors who support LACEEP with more than USD 100,000 and is presently composed of representatives from IDRC and SIDA who have knowledge of environmental economics and donor interest.

In addition, and ad-hoc **Scientific Committee** is appointed to help with planning and implementing each bi-annual workshop.

The stakeholders of the LACEEP program are students, experts, researchers and policy-makers within and without government and non-government institutions in the region.

According to CATIE, LACEEP has been created as an independent program of ALEAR, the *Latin American and Caribbean Association of Environmental and Resource Economists*, from which it receives support. Also according to CATIE, and confirmed by SIDA in Managua, the process of conceptualising and establishing LACEEP started some years ago and included much consultation and contact. SIDA also praised CATIE for bolstering its expertise in the theme of environmental economics topic and introducing it to its audience at an early stage.

Other planned or on-going programs that may influence the implementation or the effects of the LACEEP program include:

- **IADB**'s Regional Policy Dialogue, which appears to promote a market-oriented approach to environmental problems and economics and restricted to high level government officials
- The Peruvian consortium **CIES** (*Consorcio de Investigacion Economica y Social*), which also manages an Andean capacity-building, program in environmental and resource economics that apparently focuses on forestry.
- The UN commission **ECLAC** (Economic Commission for Latin America and the Caribbean), whose Division for Latin American Economic and Social Planning (**ILPES**) promotes a one-year university course in environmental economics and resource valuation.
- **ALEAR** itself, of which LACEEP is a member (?), and whose objectives include developing knowledge of environmental economics and diffusing it the region.

In addition, Norway is supporting, or is considering support to **PRISMA** and **CCAD**.
A statement from LACEEP on how it might coordinate with and complement these efforts while avoiding overlap would be helpful.

3.5.3 Sustainability and Risk

Policy and framework conditions for environmental economics are at an early stage in the countries of Latin America. It would probably be more accurate to say that neo-liberal economics have been the trend in the region. However, recent changes of government in Argentina, Bolivia and elsewhere, coupled with the emerging policies of President Chavez in Venezuela signal movement back to more government control. It remains to be seen what this means for the environment, and it doesn't necessarily follow right-left perspectives. One sees the Lula-left government of Brazil promoting agricultural expansion into forest areas while the rightist government of El Salvador is doing what it can to self-finance the Trifinio Program and avoid debt to the IADB.

LACEEP is a forum for policy thinkers, makers and doers but lacks a strategy for financial sustainability beyond the initial 3-year project period, June 2005 – June 2008.

How the LACEEP program is relevant to sustainably reducing poverty through what it calls "the pervasive link between natural resource degradation and poverty" is not further explained in its proposal.

3.5.4 The Partner's Planning Process

The quality of the underlying analysis and planning process of the program, including participation of relevant stakeholders appears good. The claim that ALEAR endorses and

supports the program says much, but it would be interesting to know what experts from Guatemala, Honduras and Nicaragua, the 3 regional countries of primary importance to Norway can say about LACEEP's relevance for their countries.

As for our own opinion as to the relevance of the program with regards to solving problems that we perceive are in the interests of regional stakeholders, LACEEP focuses on applied, policy-relevant research of interest to Latin America in its quest to reduce significant pollution and resource degradation problems. For example, a central question it has highlighted in its own literature is: Does full-cost pricing for environmental damage have negative effects on the poor and on economic growth, and how might these be mitigated?

Some relevant topics can be mentioned from LACEEP's first bi-annual workshop:

- Environmental economics in Latin American countries: Is our well-being growing or declining – the role of natural capital.
- Tree Cover Loss in El Salvador's Coffee Forests
- Political economics and choice of policy
- Making environmental policy under risk
- Innovation and environmental policy
- Managing environmental health risks
- Pesticides and chemicals
- Stock pollution problems
- The environment as a public good
- Payment for environmental services
- Environmental justice
- Water quantity, water quality and water reform
- Sustainability and governance

LACEEP intends to collect, create and spread the best knowledge available, but the question remains as to how relevant studies and competence-building can be translated to implemented policy.

3.5.5 Donor Coordination

Assessment of donor co-ordination in co-financing programs: The International Development Research Centre (IDRC) of Canada and the Swedish International Development Agency (SIDA) have already supported the first year of the program and committed themselves to 1/3 funding each of the entire three-year program period. According to CATIE, they both have suggested approaching Norway for the remaining funding. Should Norway agree to support the program, it would have a seat on the program's *Sponsors' Committee* along with IDRC and SIDA, thus providing a structure and mechanism for donor coordination. As coordination between Norway and SIDA already exists with respect to CATIE, one might consider scheduling a Sponsors' Committee meeting to coincide with CATIE's annual donor meeting.

3.5.6 Particular concerns

Institutional sustainability:

LACEEP is a forum for policy thinkers, makers and doers from government, research and NGO institutions, but it lacks its own strategy for financial sustainability beyond the initial 3-year project period, June 2005 – June 2008.

Gender:
A look at the participant list from LACEEP's first bi-annual workshop, held February 2006, shows 4 female names out of 23 participants. This ratio could probably be improved, but no simple solution can be suggested.

Poverty Reduction:
LACEEP needs to explain what it calls "the pervasive link between natural resource degradation and poverty" and how LACEEP is relevant to combating poverty.

Corruption
Guatemala, Honduras and Nicaragua rank 117, 107 and 107 respectively in Transparency International's survey for 2005 of 158 countries. Obviously, there is a need to be vigilant. These countries are highly dependent on their natural resource base for survival and development. It is unclear if corruption play a role in environmental economics.

3.5.7 Conclusions and Recommendations

The LACEEP project's strengths include the following:

- LACEEP intends to fill an important void in the economics of sustainable development by refining, promoting and spreading environmental economics throughout Latin America and the Caribbean.
- A relatively small budget can have a paradigmatic impact for this large and environmentally vulnerable part of the developing world
- LACEEP's advisory board members are experts that can influence policy directly and indirectly throughout Latin America and the Caribbean.
- The young researchers who win LACEEP study grants and gain from capacity-building courses are expected to influence national and regional policy in the future

Deficiencies in the proposal as perceived by this appraisal include the following:

- LACEEP lacks a strategy for long-term self-financing and sustainability.
- LACEEP lacks a convincing explanation linking activities and outputs to policy-making.
- The first bi-annual workshop shows a low rate of women's participation. How might this be improved?
- The first biannual workshop shows that of Norway's three main partner countries in Central America, only Guatemala was represented. Why? And how might this be improved?
- How is it explained that ALEAR, that it is claimed endorses LACEEP, does not mention LACEEP at all on its website?
- Many of the themes at workshops and the research topics winning grants, are targeted geographically. While these can provide indirect lessons for all, why are there not more geographically and thematically relevant studies for Guatemala, Honduras and Nicaragua?
- A statement from LACEEP on how it might coordinate with and complement the efforts of IADB, CIES, ECLAC/ILPES, PRISMA, CCAD and ALEAR while avoiding overlap would be helpful.
- Finally and most importantly for Norway, LACEEP needs to explain "the pervasive link between natural resource degradation and poverty" and how it is relevant to combating poverty.

If the deficiencies mentioned above can be addressed satisfactorily by LACEEP, Norway should support the shortfall in LACEEP's budget for the remainder of the project period, i.e. until June 2008. Given that IDRC an SIDA already support LACEEP and the project is into its second year, the Norwegian grant would amount to about USD 370,000. Norway should also assign a Norwegian woman competent in development economics, environmental issues and Norwegian development assistance to the LACEEP Sponsors' Committee.

3.6 PRISMA CAM-2655, CAM-05/015

Appraisal of the project proposal; "Financial support to the Environmental research institution PRISMA"

3.6.1 Project Description, Objectives and Budget

PRISMA (Salvadorean Research Program on Development and Environment) is a non-governmental organisation situated in El Salvador, focusing on the relationship between sustainable management of natural resources and rural poverty reduction in a regional perspective. Since its origin in 1993, the central focus of the organisation has been to improve natural resource management in relation to development. PRISMA has carried out investigations with the objective of understanding:

- the dynamics of the rural poverty, in the light of changes in the macroeconomic situation
- the evolution of life strategies for rural families and their expression in the territories, and
- the possibilities of strengthening the rural life strategies of families from a management point of view, - which include natural resources and – which benefit from efforts in territorial management.

Since 1999 PRISMA has worked at the local level in the municipalities of La Montañona, close to the Honduran border. In 1999 they also started their work with compensation for environmental services, and have in this respect worked with teams from Mexico, Costa Rica, Brazil, El Salvador and USA. From around 2000 they have also worked closely with ACICAFOC (Asociación coordinadora indígena y campesina de agroforestería comunitaria Centroamericana). With this organisation they have accumulated local and territorial management experiences which could substantiate the regional discussion on the relationships between poverty and the environment.

According to the Strategic Plan (2006-2010) PRISMA has three focal research areas:

- analysis of macro/micro relationships, e.g. macro dynamics through territorial differences and their expressions at the local level.The objective is to understand the dynamics of poverty, to understand the life strategies of families, and the processes of territorial management at distinct scales and their relation to use of natural resources
- rural territorial management in relation to social capital, how common and individual rights to natural resources intervene in the efforts of territorial management at different scales
- framework for compensation of environmental services. This requires that the rural communities recognise the principles of multiple use, i.e. nature's self generation abilities, the context of income generation, and that the rural communities are aware of the requirements of such, e.g. those of provisioning of hydrological services, maintenance of biological diversity, and carbon fixation.

A SIDA evaluation of PRISMA has recommended that rural territorial management should be the basic concept for all of the work of PRISMA. The work plan for the period 2006-2008 has taken this into account when setting out their activities/priorities, as follows:

- extension and consolidation of the framework for rural territorial planning
- compensation for environmental services as a strategy for rural territorial planning
- analyses of the territorial/regional dynamics in Central America
- communication strategy for mobilization/utilisation of knowledge

According to the work plan for 2006 to 2008 PRISMA proposes to facilitate the development of three communities which correspond to the three thematic areas of work. This work plan, which is based on their strategic plan for 2006-2010, is the basis for which PRISMA requests financial support from Norway. The total budget for the triennium (2006-2008) is estimated at USD 2,100,000. Requests from different donors, as follows in table 3.6.1

Table 3.6.1 Budget PRISMA for 3 years (USD)

	Annual	Total for 3 years
NORAD	225 000	675 000
SIDA	225 000	675 000
Ford Foundation	150 000	450 000
Other sources	100 000	300 000
Total	**700 000**	**2 100 000**

In other words, NORAD/MFA and SIDA are requested to finance approximately 2/3 of the costs for the programme of work for the triennium.

3.6.2 Programme Design

The 2006-2010 strategic plan of PRISMA has two strategic objectives:

- to mobilize knowledge relevant for actions and initiatives which contribute to strengthening the means by which the rural population can improve their life situation while at the same time improving work with natural resources.
- to consolidate the transformation of the institution towards a regional centre which has its value in the mobilization, dissemination and use of knowledge

PRISMA has a clear understanding of why the efforts of their institution are important contributions at the international, regional, national and local level. At the regional level they see themselves as instrumental in creating dialogues and linkages between institutions/ organisations in order to influence policies on poverty and the environment. PRISMA sees regionalisation of the institution as a long term adventure. PRISMA's other main function is to cooperate with others for the purpose of systematisation of experiences, including on territorial processes, in order to improve life strategies for rural people and the sustainable management of natural resources.

In the work plan for 2006-2008 PRISMA expects to achieve seven basic results:

- extended framework for rural territorial management, applied according to experiences and information, including dialogue, from Central America
- development of criteria and tools which accompany community strategies for rural territorial management
- framework for compensation of environmental services extended, applied according to experiences and information, including dialogue, from Central America
- community proposal for compensation for environmental services as part of a strategy for territorial management of the territories of Las Vueltas, El Salvador
- formulation of a collaborative project on territorial dynamics of Central America
- Case study: Dynamics of the trans-frontier territories of Zona Norte El Salvador/Zona Sur Honduras
- Increased room for dialogues/alliances in order to extend the range of communication products

The quality of the design elements
PRISMA has asked for donor support for a general research programme, and not specific projects related to that programme. The design of the programme consists of two strategic objectives, one related to the mobilisation of knowledge, and the other one related to the further transformation of the institution into a regional centre of excellence. The programme has set out activities according to the four focus areas of the programme, namely those of territorial management, compensation for ecosystem services, analyses of territorial dynamics, and activities to support their communication strategy in the various lines of work. Time frames have been set out for the various activities, but they are generally broad, often taking place throughout the whole three year period, and as often is the case in programmatic approach.

The advantage for PRISMA in a programmatic approach would be that they can strategically direct their activities, in time and space to the most relevant activities for programme achievement. A disadvantage to the donor is that it is not possible to separate the specific impact of the funds. This is also taken up by the SIDA evaluation on its support to PRISMA. Products from the various activities would be easily identifiable, but the impact of these products, at the local level and in the local populations, is not easily measured. This is also a result of how PRISMA strategically has chosen to work: interdisciplinary in collaboration with others to define methodologies rural life strategies. Nevertheless, the mission would like to recommend that PRISMA consider in the future defining indicators that would measure quantifiable impacts of its work, whether it is a result of its own or collaborative work.

Consistency and realism
Expected results in the previous period (2003-2005) with SIDA were as follows:

- Elaboration of a conceptual framework for analyzing experiences in the region that relate sustainable natural resource management objectives with those of rural poverty reduction
- Establishment of the state of the art capacity in the region as regards to the analysis of rural poverty and natural resource management.
- Systematization of selected experiences of natural resource management in four countries of the region (Guatemala, Honduras, Nicaragua, and El Salvador) that simultaneously hold the potential to reduce rural poverty.
- Elaboration of a regional synthesis centred on lessons learned and recommendations for support to local initiatives, the elaboration of policies and donor strategies in the region.
- Communication activities: publications, presentation of results in national and regional workshops and meetings.
- To contribute to the regional dialogue in Central America on rural poverty and sustainable management of natural resources.

The achievements of the expected results have been high (SIDA report, January 2006, p 3), something that shows that the institution is able to deliver according to expected results; also it is moving strategically and systematically in the direction of becoming an institution with regional impact. This is achieved by mobilising knowledge, either as a result of their own activities or in strategic relationships with other organisations, e.g. with ACOFOC, an organisation that successfully manage large areas of community forests in Petén, Guatemala.

Relevant and reliable baseline data
Baselines are formed as a result of the PRISMA utilising own scientific skills, combined with knowledge and skills of strategically selected partners, e.g. in the case of ACICAFOC. Forming the baselines in the various geographic contexts and defining the methodologies for work is part of the programme approach.

In other cases PRISMA collects case stories of best practices, and present for the rural communities and others, in order for the approach to have multiplier effects. In this respect the systematization of experiences might be considered the baseline.

Stakeholders of the programme
PRISMA prime interest lies for the concern for rural areas, and what will happen to the rural populations as a result of various policies affecting these populations and communities. The main stakeholders of the programme would consequently be the rural communities, indigenous and local groups.

Other stakeholder would be the cooperating organizations and institutions to PRISMA. These organisations and institutions complement PRISMA in defining methodologies and strategies for local populations and for territorial planning. Finally, the authorities would be stakeholders since they are influential and instrumental in policy development and execution. PRISMA do not see themselves as directly influencing policy at this point, but will rather provide the independent, analytical framework for other actors to use in influencing policy. The mission challenged this view, and rather thought that the independent, analytical framework could be the tool to influence policy. This would for example be relevant in PRISMA interactions with CCAD to influence them to take a territorial approach instead of or in combination with a sector approach.

3.6.3 Sustainability and Risk

Policy and framework conditions
PRISMA is an organisation that received support from NORAD at the time Norway had bilateral collaboration with El Salvador. Since then PRISMA has broadened its mandate from a pure Salvadoran institution, and found a new way of working where the local, national, and regional approaches they use in research and outreach complement each other in a fruitful way. With PRISMA now starting to engage in activities in a regional context, there are grounds for the Norwegian/PRISMA cooperation to be revitalized. Their engagement in activities related to poverty reduction and natural resource management directly corresponds to Norwegian Development Cooperation Guidelines for Central America, and would therefore be eligible for support.

While there is no doubt that the programme directly relate to various aspects of the international environmental agenda, and also of the regional agenda of CCAD, it is not clear whether the relationship between poverty alleviation and sustainable natural resource management is explicitly mentioned in the PRSPs of the various countries of the region.

Economic and financial aspects
SIDA's contribution is increased with approximately 37-38% for 2006 in anticipation of NORAD support starting from 2007 (SIDA information). This was also acknowledged by PRISMA in a meeting with the mission, also the understanding that SIDA would contribute a smaller amount than the 2006 contribution for the years 2007 and 2008. Norwegian and Swedish support would constitute 2/3 of the programme expenses. The rest of the financing would come from other donors, mainly the Ford Foundation and others, like DFiD. PRISMA is a non-governmental organisation and does not get any support from national sources, governmental or others. Even though financing for the programme for the next three year period seem to be in place, granted Norwegian support, PRISMA's sustainability in the long term can not depend on donor support. PRISMA will eventually have to start a process of finding sustainable financing, whether it would take the form of project support or by other means.

At present, however, PRISMA prefers to have a programmatic approach and a work strategy that prevents them from being project driven. They also prefer not to be consultants for other projects or institutions as they feel this could jeopardize their independent analytical role, something that the mission found to be a valid point.

Institutional and organisational aspects
The SIDA evaluation report indicates that there are main strengths in its quality and academic accuracy, the relevance of the areas of work and the methodological approach. Weaknesses have been expressed in the ability to communicate results, although improved during the last year. Collaboration with research centres could be improved. Several of the weaknesses have already been addressed in the 2006-2010 Strategic Plan, through the institution's objectives, main areas for the work, and methodologies for the period. The Strategic plan also includes a communications strategy. The SIDA appraisal notes that it remains to be seen whether further work towards regionalization implies a need for increasing PRISMA's human and operative resources in the future.

Environmental aspects
The Poverty and Environment issues are an emerging agenda in the international scene, globally through environment and development agreements, like the Convention on Biological Diversity (CBD) and the Convention to Combat Desertification (UNCCD), as well as global initiatives like the global initiative on Poverty and Environment under the auspices of IUCN. Innovative initiatives like the ecosystem approach and its ecosystem principles[28]

[28] 1. The objectives of management of land, water and living resources are a matter of societal choice. 2. Management is decentralised to the lowest appropriate level. 3. Ecosystem managers consider the effects of their activities on adjacent and other ecosystems. 4. Recognition of potential gains from management through: (a) reduced market distortions, (b) aligning incentives, (c) internalising costs and benefits. 5. Conservation of ecosystem structure and functioning. 6. Ecosystems managed within the limits of their functioning. 7. Undertake work at the appropriate spatial and temporal scales. 8. Recognize the varying temporal scales and lag-effects that characterise ecosystem processes, and set objectives for ecosystem management for the long term. 9. Management must recognize that change in inevitable. 10. Seek the appropriate balance between, and integration of, conservation and use of biological diversity. 11. Consider all forms of information including scientific, indigenous, and local knowledge innovations and practices. 12. The ecosystem principal of most relevance to the issue of mainstreaming is the recognition of the need to involve all relevant sectors of society and scientific disciplines.

developed under the CBD, point to linkages between people and management of ecosystems at the lowest appropriate level, something that also is evident in PRISMA strategies. Furthermore, there is a need for learning at the local level from the findings of the Millennium Ecosystem Assessment, including those that point to impact on ecosystem goods and services as a result of mismanagement. PRISMA could be instrumental in making this happen, for example in collaboration with the IUCN Alianzas programme. Finally, PRISMA's work on compensation for ecosystem services is a contribution in the same direction.

3.6.4 The Partner's Planning Process

The quality of the underlying analysis and planning process of the programme, including participation of relevant stakeholders in the process

The strategic plan and programme approach may be seen as a continuation of the earlier three year programme PRISMA had with SIDA, in that it continues to work on territorial strategies, compensation for environmental services, and rural life strategies. PRISMA increases its communication efforts through a new communication strategy, likewise dialogue with strategically selected partners will continue, e.g. FUNDE, SACDEL, UNEP, CND-El Salvador, Proyecto binacional-UE, IDRC-Honduras, Zamorano University, and IUCN-Alianzas.

Relevance with regards to the problems to be solved and interests of the stakeholders

The programme is highly relevant to poverty reduction and natural resource management in rural communities. Poverty is often associated with rural areas in the Central America, and this is also where the most vulnerable ecosystems are found, e.g. in terms of erosion, land slides and so on. Territorial planning efforts to reduce vulnerability of local populations, combined with capacity building on issues related to sustainable natural resource management in combination with income generating activities, would create win-win situations for the rural poor populations as well as for society. However, very good arguments should be found to link research on these issues with the actual effect on poverty alleviation and sustainable natural resource management.

The use of lessons learned from earlier experience

PRISMA booklets and brochures have a very enticing format and design, and would be very important in multiplying the experiences and lessons learnt. The mission had the opportunity to view products like: Capital social, estrategias de vida y gestión ambiental en El Salvador, De la concervación de suelos y agroforestal al fortalecimiento de medios de vida rurales: Lecciones del Program Ambiental de El Salvador, Globalization, Forest Resurgence and Environmental Politics in El Salvador, Manejo communitario, fortalecimiento de medios de vida y concervación: Lecciones de las Communidades Forestales de Petén, Guatemala, Transformando estrategias campsinas para el manejo sostenible de recursos naturales: Lecciones del PCaC de Siuna, Nicaragua, Rural poverty and the Environement in El Salvador: Lessons for sustainable livelihoods, Compensation for environmental services and rural communities: Lessons form the Americas, La flora del Bosque La Montañona, Chalatenango, El Salvador, and Asociacíon de Comunidades Forestales de Petén, Guatemala. These publications are found on the PRISMA web site (www.prisma.org.sv). The mission is of the impression that this information constitutes the basis for further work, but did not have time to assess their distribution nor their impact.

Other planned or on-going programmes that may influence the implementation or the effects of the planned programme

The mission believes that collaborate activities with PRISMA would be of particular value in relation to work with consortia of the ongoing IUCN Alianzas programme. Likewise, their possible contribution could also be considered in the new IUCN/INBio project: “Social Equity through knowledge: Biodiversity and Community”.

The mission further recommends that PRISMA and CATIE could cooperate with the LACEEP programme, where PRISMA contribution could be to participate in workshops or contribute to papers. The mission particularly recognises PRISMA contribution to a broadening the concept of payment for services developed into compensation schemes for ecosystem services, more in line with results described in the Millennium Ecosystem Assessment report.

Furthermore the mission supports PRISMA efforts to influence CCAD include a terrestrial planning approach in their strategies. Also Cooperation between PRISMA and CEPREDENAC should be recommended.

3.6.5 Donor Coordination

According to the PRISMA they have cooperation with COSUDE (Switzerland), NOVIB (the Netherlands), SIDA (Sweden), the Ford Foundation (USA), WWF and the Mac Arthur Foundation (USA). They also have minor projects with other donors, e.g. DFiD (Great Britain).

SIDA has supported PRISMA during the last 3 years in order to strengthen its analytical and dissemination work at the regional level, and has already, as mentioned above, signed up for another 3 year contract with PRISMA. Since Norway and Sweden have been asked to provide two thirds of the programme support to PRISMA, and they have very similar development cooperation priorities for the region, it would be feasible for the two donors to establish similar project administrative routines and reporting systems, preferably through one of the countries taking a lead partner role. PRISMA is a small organisation, which would greatly benefit from more effective donor coordination. This was also expressed during the meeting with the mission. Finally, donor cooperation is in agreement with the Paris declaration on aid effectiveness.

3.6.6 Particular concerns

Gender

PRISMA has a higher than 50% ratio of female to male in their professional as well as administrative staff. PRISMA earlier had a specific gender policy, but tend not to integrate gender policy in their various fields of work. This would directly be implicit in their work with rural family life strategies. Additionally, women are also especially focussed in their work with young people at the local level.

Human Rights

The mission was informed that PRISMA thematically works with the issues of rights, social capital, common land and anthropological landscapes. Human rights, and especially indigenous rights, would be addressed in relation to PRISMA work on territorial rights and territorial planning. They also work in strategic alliance with ACICAFOC, a regional organisation working with local and indigenous people.

Poverty Reduction

Poverty is most often found in rural populations in Central America. PRISMA’s strategy is

based on their work with rural people life strategies, of income generating activities and natural resource management. PRISMA's work could consequently be directly related with poverty reduction. PRISMA has produced input to the last Human Development Report on migration as a livelihood strategy in response to economic policy expressions at the local level in El Salvador. Their concern is that it is difficult to address and find solutions to the people that are in extreme poverty, namely those that are not able to migrate and do not have land titles.

PRISMA's response in relation to the mission's question on how their activities had an impact on poverty alleviation was:

- poverty reduction will not be achieved through small projects alone, but also by the policies defined by the actors in the parishes
- poverty reduction also will have to be viewed in relation to political economy of Central America and how it is determined, e.g. the people were not consulted in relation with the negotiations of the CAFTA agreement.
- Influencing policy is a long term process, where cooperation between the various partners is important
- PRISMA representatives do not see themselves as directly influencing policy at this point, but rather they work in collaboration with other actors at the local, regional and international level to provide the analytical framework for life strategies and nature resource management. In the local agricultural setting, the rural life strategies would for example be based on information about diversification activities, information about how to enter markets etc.

3.6.7 Conclusions and Recommendations

The conclusions and recommendations of the mission are presented as follows, including specific issues of importance for the Norwegian cooperation.

- The mission recommends that the PRISMA strategic programme is given support from Norwegian development cooperation, in agreement with Norwegian development cooperation for the region, and a project that clearly links poverty issues to environment and sustainable use of resources.

- A recommendation on SIDA and MFA cooperation with respect to administrative routines and reporting systems, preferably by one of the countries taking a lead partner role.

- Linkages with the other projects Norwegian development cooperation has in the region. An independent local perspective of the projects.

- The mission believes that collaborate activities with PRISMA would be of particular value in relation to work with consortia of the ongoing IUCN Alianzas programme. Likewise, their possible contribution could also be considered in the new IUCN/INBio project: "Social Equity through knowledge: Biodiversity and Community".

- The mission further recommends that PRISMA and CATIE could cooperate in the achievement of the LACEEP programme, where PRISMA contribution could be to participate in workshops or contribute to papers. The mission particularly recognises PRISMA contribution to a broadening the concept of payment for services concept

into compensation schemes for ecosystem services, more in line with results described in the Millennium Ecosystem Assessment report.

- Furthermore the mission supports PRISMA efforts to influence CCAD include a terrestrial planning approach in their strategies.

- PRISMA and CEPREDENAC cooperation should also be recommended

- Finally, the mission supports recommendations to PRISMA arising from the SIDA evaluation:
  - to establish broader alliances in the academic sector aiming at joint ventures for specific research themes
  - to invest in communication is crucial
  - to open up for dialogue to other than likeminded
  - to explore ways of enriching existing Compensation for Environmental Services concepts and arrangements
  - to explore ways of broadening its financial base, perhaps by supplementing the existing programmatic approach with specific research projects

4 GENERAL PORTFOLIO ASSESSMENT

With the task of visiting and analysing 12 projects in two weeks, not much capacity was available for a thorough analysis of overlapping of project activities or complementarity, particularly with respect to analysis of other donors' project portfolio. Nevertheless, here is our best effort:

None of the projects evaluated or appraised by the mission was found to overlap or duplicate activities. Some successions are evident in projects such as INBio Herbaria and IUCN/INBio projects. Neither in the dialogue with project partners nor with other donors was duplication evidenced.

Several examples of strengthening complementarity are identified. Mobilisation of communal groups by Alianza will, with their cooperation, be able to draw more knowledge-based information from INBio. Prisma would also be able to provide input to the processes there and with LACEEP. Cross fertilisation could induce EARTH and CATIE to further develop academic cooperation and proliferation.

No other regional Norwegian financed effort in the sector, such as financing local or international NGOs, has been identified as overlapping. The mission sees an unutilised opportunity to secure more complementarity by facilitating common platforms for information exchange among institutions working in related areas and financed by the same donor or group of donors.

No specific case of Norwegian financed support to the productive sector in Nicaragua has been identified as overlapping, or securing complementarity (cf. FADCANIC and ADDAC experiences. However, Norwegian cooperation with a regional development bank could potentially benefit the use of a common evaluation and monitoring system. The Trifinio programme is in the process of developing its evaluation and monitoring system. Such a system has already been developed in an IDB financed project in Nicaragua (POSAF) where it has been tested and put in operation. Access by Trifinio could reduce the cost of "reinventing the wheel".

Central American nations established under SICA a subsidiary agency CCAD in order to coordinate efforts in the environmental sector. However, due to lack of funds this agency has had to implement projects in order to survive and has not been able to play the required role that it was set up to perform. CCAD could still play an important role in securing resources applied to critical issues. A strategic plan is under development and soon to be released. From that platform political will is required in order to make the institution effective in execution of its coordinating role. Donors have an importing role to play in that the institution should be incorporated into the public system and form a part of the national regimes on sustaining regional ecosystems. On the higher policy level, the lack of a coordinating body like CCAD has negatively affected policy formulation among the governments in the region.

One of the projects evaluated works directly with empowerment and policy (Alianzas), but the effects of Degraded Pastures, the proposed Cacao project and the Trifinio programme also contribute to creating stronger institutions, local empowerment and impact on policies.

All the projects visited during the mission are seen to build capacity locally, nationally and regionally. In some cases, capacity building activities create fear of excessive insight into partner resources and this is limiting cooperation. One invited partner in Nicaragua declined an invitation in the Herbaria projects because it feared giving more than what it would get from participation. It is the mission's opinion that such issues could have been tackled by mutually acceptable agreements.

All countries in the region have signed major international agreements, like the Convention on Biological diversity (CBD), the convention on Climate Change (UNFCCC), the Convention to combat desertification (including land degradation) (UNCCD), the Ramsar Convention, the CITES convention, the Cartagena protocol, etc. It is encouraging to see that institutions and organisations with which Norway is cooperating in the region actively promote and try to implement these conventions in their projects, e.g. follow-up of the Millennium Ecosystem Assessment by PRISMA, follow-up of the 12 principles of the ecosystem approach of CBD and Ramsar follow-up by the Alianzas programme, follow-up of transfer of technology of CBD and capacity building for law enforcement to follow-up CITES by INBio, sector integration by CCAD to name but a few. Least mention and work is with the Cartagena protocol and preventing introduction of exotic species (CBD), which is surprising, especially the low prioritisation likely to occur from CCAD, given that these might be the areas strongly affected by the CAFTA agreement. Along the same line, there seems to be high expectations of the Clean Development Mechanism under the UNFCCC. The mission would have liked to, but did not have the time to review second-generation reports to the various conventions and all the PRSPs for the various countries, which is unfortunate, given that these provide national policy priorities to the thematic issues at hand.

In terms of involving different sectors within the execution of the different programmes of the portfolio, there are cases like IUCN-Alianzas, INBio-Herbaria, CATIE- Degraded Pasture, Trifinio, etc. where besides the involvement of civil society and local communities, that has become "main stream" in these types of projects, local governments (municipalities and Mancomunidades) are playing more and more a very active role in the execution of these programmes. There are also cases of private enterprise participating, such as in Degraded Pastures. The involvement of local authorities will certainly have a significant impact on policies and decision-making in the region. This should be closely monitored by MFA so as to measure, and make more visible, the impact of the Norwegian cooperation in strengthening local governance, with a clear social equity approach.

With regards to the involvement of the private sector, EARTH has shown an innovative approach to insert graduates into the labour market that are of strategic importance to promote a change in society as a whole and in the approach of involving the private sector to deal with environmental issues. For example, a US based supermarket chain has shown interest and signed an agreement with the University to have students do their internships in their company. The company has also committed USD 200,000 annually to support agri-business ideas from recent graduates who show high potential and link the development of new environmentally sound agri-products with the international market.

The New INBio/IUCN and CATIE-cacao proposals have also a similar approach in involving private enterprises at the commercialisation end of the productive chain that would increase the benefit of local populations by having a market outlet and at the same time promoting environmentally-friendly productive systems and goods.

With regard to mainstreaming the rights of children, women and indigenous, all the countries of the region have signed UN Human Rights Declaration. This, of course, does not guarantee that those rights are protected or adhered to. The Inter-American Institute of Human Rights (IIHR), which is financed by the Norwegian Ministry of Foreign Affairs, SIDA and USAID, had this to say in its report for 2003:

> *"Forced disappearances, systematic torture and the suspension of civil and political rights have become rare. However, fundamental human rights continue to be violated and impunity remains. Violence and crime have increased along with citizen insecurity. Popular discontent with the functioning of democratically elected governments is on the rise. Discrimination continues to be a troubling hallmark of our societies, and poverty and inequality are growing. Societies no longer practice solidarity and tolerance, and education does very little to change this."*

On the bright side, the IIHR reports that there are a myriad of civil society organisations working with governments to change the situation and the media, including the advent of personal electronic means, is helping to put attention on the various HR problems. From our recent visits to and interviews in Guatemala, Costa Rica, Nicaragua and El Salvador, and while the problems and degree vary in each country; the above description seems equally valid for 2006.

In terms of how the programme in total contributes to combat poverty in the region, Norwegian cooperation in the Central American region has supported environmental management, education and research activities where the results are to be seen in the short and mid term. As such, the actions that Norway supports are related directly or indirectly to reducing poverty. Norwegian cooperation in poverty reduction is evident in the case of support for poor students so that they can acquire a technical and professional education (scholarship at EARTH); by supporting initiatives that promote a better understanding of the environment and encourage alternatives for sustainable development in marginalized areas, e.g. the work of the degraded pasture project.

Poverty alleviation is mentioned by all projects as part of the justification, but the real effect or impact assessment as well as measurable indicators that can be used to gauge progress against baselines are rarely found. Not having been developed and assessed initially, it will be almost impossible at later stages to assess if the projects have had any effect at all in this regard. In general, the new proposals focus more specifically on ecology and social equity, including empowerment processes at the local level. According to the article: *Poverty and Environment in Latin America: Concepts, Evidence and Policy Implications* (Swinton, Escobar and Reardon, 2003 in World Development) the right incentives are too often missing to induce good natural stewardship. When proper incentives are lacking, the capacity for responsible natural resource management becomes irrelevant.

The mission believes that local empowerment and capacity building are important elements of poverty alleviation, but these local policies and initiatives have to be met by appropriate incentives and policies from the national and regional level. It remains to be seen whether the new projects and ways of working will bring more direct focus on and real efforts in finding solutions to the poverty issue at all level of society. However, the strength of these programs is that they have highly professional counterparts with a deep understanding of the agro-socio-environmental problems of the region. New tools such as land-use planning, payment for ecosystem services (PES), and environmental economics may permit an even greater contribution to poverty reduction.

NORAD CA Environment and Agricultural Portfolio (Indicative)

		MTE	2006	2007	2008	2009	2010			
2.1	GP	• EARTH University	596	598	407	208		1 809		15
		Addendum 7		*132*	*271*	*417*	*428*	*1 248*		*10*
2.2	GP	• IUCN, Alianzas	998	952	963			2 913		
2.3	MA	• CATIE, Core	500	500				1 000		
		Catie core			*500*	*500*	*500*	*1 500*		
2.4	MA	• CATIE, Pastures	1 250	1 250	*1 250*			3 749		
2.5	GP	• INBio, Herbaria	724	724	724			2 172		
2.6	MA	• Trifinio	450	*412*				862		
		Current Contracts	**4 518**	**4 436**	**3 344**	**208**		**12 505**		
		& Extension Existing Projects	***4 518***	***4 567***	***4 115***	***1 125***	***928***	***15 253***		
		NEW							**Adj** USD Mio	**Org** USD Mio	Years
3.1	GP	• INBio, Herb II			900	900	900		4500	6000	5
3.2	GP	• IUCN and INBio		700	700	700	700		3500	4000	5
3.3	MA	• CATIE, Cacao		900	900	900	900		4 500	5042	5
3.4	GP	• CCAD, core	173						173	173	1
3.5	MA	• CATIE, Laceep		185	185				370	533	2
3.6	GP	• PRISMA		223	223	223			670	670	3
		New Project	**173**	**2 008**	**2 866**	**2 643**	**2 643**		**13 713**	**16 418**	
		Grand Total	*4 691*	*6 575*	*6 981*	*3 768*	*3 571*				