

## Executive Summary

1. This report presents the findings, lessons and recommendations of the Terminal Evaluation (TE) of the GEF-UN Environment project that “Sustainable Forest Management in the Transboundary Gran Chaco Americano Ecosystem”. The project was co-implemented by UN Environment and UNDP, and executed by the governments of Argentina, Bolivia and Paraguay with the Organization of American States (OAS) providing a supportive role as regional executing agency for the UN Environment portion of the project. Project performance and impact were assessed according to criteria that included relevance, efficiency, effectiveness, sustainability, preparedness, participation and ownership among others. The evaluation field visits were conducted during October and November 2016, considering the project’s scheduled termination in December; however, the project partners decided to extend the project administratively (and programmatically in the case of Paraguay) until June 2017. Some pilot initiatives were also continuing to develop in Bolivia. As a result, some aspects of the project’s final delivery in 2017, particularly the case of Paraguay, may not be fully captured by the TE.

2. The general findings of the Terminal Evaluation indicate that “Sustainable Forest Management in the Transboundary Gran Chaco Americano Ecosystem” was moderately successful in generating expected results. Likewise, overall project performance was moderately satisfactory in relation to the established evaluation criteria. These are positive ratings considering the scale of activities that were implemented across the tri-national area, the complex institutional arrangements, and the high coordination and administrative support needs that resulted.

3. The project was strategically relevant to global, regional and national environmental objectives. The project goal of reducing land degradation in a transboundary region with high biodiversity supported the implementation of the United Nations Convention to Combat Desertification (UNCCD) and associated National Action Plans (NAPs) to combat desertification. Project design was aligned with UNEP’s 2010-2013 Medium-Term Strategy and crosscutting priorities of Ecosystems Management and Climate Change, Environmental Governance.<sup>2</sup> The project addressed GEF IV’s objective of mainstreaming biodiversity conservation in production landscapes, and supported sub-programs for strengthening protected area networks, land use and sustainable forestry management in order to protect raise CO<sub>2</sub> absorption and lower GHG emissions. The project’s relevance was reinforced by its connection with the Gran Chaco Sub-Regional Action Program (SRAP), a tri-national initiative launched by the governments of Argentina, Bolivia and Paraguay to reduce land degradation and promote the region’s sustainable development. The SRAP was supported by a 2007 Declaration of national UNCCD focal points that establishes the regional cooperation framework for the Gran Chaco managed by a Tri-National Commission and Council.

4. The project was moderately effective in delivering its planned outputs and outcomes. Output delivery was satisfactory: Evaluation findings indicate that practically 90% of the planned outputs have been generated to some extent: 18 (58%) of the project’s 31 outputs were fully delivered, 10 (32%) partially delivered and only 3 (10%) undelivered. Among the project components, the field application of sustainable land and forest management protocols (component 2) was most effective in terms of output achievement with approximately 80% full delivery; followed by the institutional strengthening component that delivered more than half (53%) of its planned outputs. Delivery was lowest for the project exit strategy (component 3) that intended to document and disseminate sustainable land and forest management practices for up

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<sup>2</sup> Defined as “The capacity of countries to develop and enforce laws and strengthen institutions to achieve internationally agreed environmental objectives and goals and comply with related obligations” (MTS 2010-2014)

scaling, replication and mainstreaming at national and regional levels. This was hindered by the late implementation of demonstration projects in pilot areas and the subsequent lack of time to effectively disseminate results or systematize practices for dissemination purposes. Towards its final stages, the project contracted the production of a very good visual documentary that can assist this process, yet needs to be shown to a wider audience.

5. Greater progress was made towards country-based outputs and outcomes than regional deliverables. In particular, the implementation of SLM/SFM demonstration projects and technology validation projects across 11 pilot sites stands out as one of the project's main accomplishments. In-country demonstration projects and technology validations were more tangible for NEAs and tended to receive more attention from the national teams. The absence of an operational tri-national framework or government-driven SRAP outside of the project also slowed the delivery of regional outputs that were essential to several outcomes. Design was a contributing factor as several outputs were excessively ambitious for the allocated timeframes, or were outside the project's influence as analyzed in the section on effectiveness.

6. As a result the project objective was not fully achieved in relation to its stated impact indicators, and most of the expected outcomes were partially achieved. The evaluation findings indicate that two out of six outcomes were fully achieved: A critical core of priority areas for biodiversity was strengthened through SFM/SLM activities. Technical instruments were developed and demonstrated in pilot sites. However, their adoption and replication did not reach the thresholds needed to have measurable impact on land degradation in the Chaco region. The project was unable to build a shared regional vision and development strategy, largely due to the lack of a functional SRAP and tri-national framework to work through, this appeared to be influenced more by varying levels of preparedness and commitment than design. Anticipated carbon sequestration benefits could not be confirmed, despite the design of a methodology for measuring emissions, due to the short time that had passed from the baseline measurements; carbon benefits are likely to manifest in the future to the extent that demonstrated practices are sustained. The partial achievement of most outcomes indicates that the project has not had a significant impact on land degradation in the Gran Chaco outside of the pilot sites, a finding that is corroborated by objective indicators. However, it leaves an important base of demonstrated practice that can be built upon.

7. The project's greatest achievement was the implementation of demonstration projects and technology validations in 11 pilot areas. According to the final project progress report<sup>3</sup> 40 demonstration projects and 16 technology validations were implemented, encompassing 160 sustainable land and forest management practices. Several of these have generated (or are expected to generate) environmental and socio-economic impacts. These practices include the production and mechanized extraction of organic honey, integrated agroforestry-pasture management practices, and water harvesting and management. The project has contributed an important body of natural resource management experiences that support productive sectors and can readily be up scaled if there is political will - and funds - to do so.

8. The evaluation considers that most of the demonstrated SLM and SFM practices have a moderate to high likelihood of sustainability. The production and processing of organic honey, integrated agroforestry-pasture management, rainwater harvesting and other water management techniques (drip irrigation, insulated water catchments) have strong sustainability prospects. Organic honey production in particular is promising because it integrates environmental and socio-economic objectives - reinforcing the

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<sup>3</sup> *Informe Semestral de Actividades* (January 2017).

protection of forests and native flora that offer pollen, providing a source of income, and strengthening the land tenure security of rural families that collect honey from the forest. Conversely, the likelihood of sustainability declines considerably at national and regional levels: The country SRAP office in Bolivia was closed and there may be continuity in Paraguay if a Desertification Office is opened within Paraguay's Secretariat of Environment as planned; of the three countries Argentina has demonstrated the clearest commitment to carry the SRAP forward. There are opportunities for wider replication through parallel programs that include the implementation of national forest legislation in Argentina, Bolivia's national watershed plan, and upcoming green commodities and climate change adaptation fund projects in Paraguay. However, this has not been confirmed at present and the NEAs will need to approach these programs to discuss collaboration opportunities and secure the agreements needed to make this happen.

9. Efficiency was one of the weaker aspects of performance. Overall financial delivery was satisfactory with significant variances between countries and agencies. Country implementation was initially slow and gradually improved in Bolivia and Argentina, whereas the project was stalled in Paraguay until 2014 due to successive government changes and staff turnovers. The project's complex institutional arrangements and coordination needs at different levels had an effect on administrative efficiency, contributing to delayed disbursements and procurements that disrupted the implementation of some demonstration projects. The extended implementation of pilot initiatives with high service demands continued into the project's final stages, absorbing the attention of project staff and reducing the time that was left to disseminate results and transfer SLM/SFM practices to regional and national users. Inefficiency was reinforced at country levels by changes of government, policy shifts and staff turnover (as were the case in Argentina and especially Paraguay), multi-tiered institutional and administrative arrangements and administrative guidelines that did not offer the flexibility or adaptive management support that is needed when implementing dispersed small-scale initiatives with different partners across a tri-national region. Coordination between international agencies was managed by a Directive Committee. Although there was limited coordination of project activities between UNDP Country Offices, the administrative services that were offered benefitted from UNDP's in-country representation and decentralized financial management guidelines.

10. The project's cost-effectiveness is debatable. Project impacts were almost entirely derived from small-scale demonstration and technology validation projects (TVPs) that collectively absorbed approximately half of the total budget. The expected scale of impact in Bolivia and Paraguay was downscaled considerably with the revision of SLM/SFM target indicators; although the revised targets are more realistic they have lowered the benefit-cost ratio. Country-based pilot activities were successfully implemented yet have not coalesced into the regional vision or action program that were expected. Institutional arrangements were difficult to coordinate and top-heavy for the purpose of servicing dispersed pilot initiatives. Several demonstration projects were critically under-budgeted and would have had greater impact with a more realistic allocation. The management of the demonstration component would have benefited from the experience of the GEF Small Grants Program, which operates in the three countries.

11. Other factors affected project performance as well. Preparation and readiness varied considerably between implementing agencies, NEAs and executing partners. Argentina's Soil Conservation Directorate demonstrated high levels of technical and institutional preparedness, whereas the project was inactive for two years in Paraguay due to successive changes of government and staff turnover. The inclusion of two implementing agencies and one regional executing agency with different guidelines and

reporting formats raised the project's administrative workload. Some of the administrative guidelines and procedures appeared to be unsuited for a regional project with dispersed pilot activities. The level of preparation and readiness tended to improve at decentralized levels, where competent community organizations, NGOs and research institutions supervised the implementation of demonstration projects and TVPs.

12. The project implementation approach was well-articulated and promoted sustainable resource management with key productive sectors in a region that is high in both biodiversity and poverty. This enabled the project to engage a wide range of partners that included Chaco farmers and cattle ranchers, producers associations and community-based organizations, local government and universities. The implementation strategy emulated the project's ecosystems approach by integrating vertical and horizontal dynamics and by linking outputs, outcomes and technical components through causal pathways that converged on the higher outcomes that embodied the *intermediate stages* that precede impact. On the other hand, the project's design failed to acknowledge the lack of regional preparedness and absence of a functional tri-national framework: The SRAP was not active at the project's inception, and the Tri-National Commission and Council – the entities responsible for implementation of the SRAP and key project stakeholders according to the project document - did not convene during the project's implementation. This contributed to an important vacuum at the regional level, considering that their main task was "to ensure synergies between the NAPs and the regional framework while at the same time facilitating the implementation of the SRAP putting the priority on a more focused coordination with national and international programs operating in the area and creating the conditions for a better involvement of the local stakeholders and the civil society on the decision making process as well as promoting actions to reduce poverty."

<sup>4</sup> Instead, a Directive Committee with the participation of the three UNCCD focal points, the regional project coordinator and director, and representatives of UNDP, OAS and UN Environment met periodically to review progress and provide oversight and coordination support.

13. The lack of an operational regional context steered the project's role from technical support and facilitation towards direct support and gap filling. The project's country offices effectively became the SRAP; the national teams responded to the national executing agencies yet were often contracted and paid through the project. This lowered country ownership by encouraging the delegation of national executing responsibilities to project units that were external to the government structure. Argentina's Soil Conservation Directorate was the exception with higher levels of commitment and ownership: Project activities were aligned to SCD strategies for the Gran Chaco region, and both the Regional Project Director and National Project Coordinator were senior NEA staff members who were assigned to the project (and paid by the government).

14. The project was detailed in implementation and institutional arrangements. UN Environment was the designated GEF implementing agency, with UNDP supporting as co-implementing agency and the Organization of American States (OAS) assuming the role of regional executing agency in support of UN Environment. Each government designated a national executing agency (NEA). Actual implementation responsibilities were undertaken by a regional Project Coordination Unit (PCU) and country teams that were aligned to the national executing agency. The management performance of the PCU was generally satisfactory - despite occasional coordination difficulties with country project offices or slow processing of requests received from the field - considering the administrative and coordination demands of the project's numerous pilot initiatives and

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<sup>4</sup> Project document, pg. 27.

extensive institutional arrangements. The Project Coordination Unit devoted considerable effort in responding to continuous administrative demands and closely monitored the implementation of field activities in the pilot sites. This contributed to the satisfactory implementation of the pilot demonstration component (as did the efforts of national teams and executing partners), yet carried a high opportunity cost by distracting attention (and time) from the socialization, transfer and up scaling of best practices. There were also delays in activating field activities in the pilot sites (particularly in the case of Paraguay). As a result, the demonstrated practices were not adopted or replicated on the scale foreseen by the project document, although there are still opportunities for this to happen.

15. Stakeholder participation was high. The project's design included consultation workshops during the preparatory phase, and there were high levels of local participation in the approval and implementation of demonstration projects and technology validations. The consistently high level of stakeholder participation across a broad spectrum of pilot initiatives was a credit to the regional Project Coordination Unit, national teams and executing partners that were contracted. Conversely, participation tended to be less inclusive at executive levels: A Steering Committee was envisioned with the participation of the committee and other stakeholders, but was not operationalized. Instead the aforementioned Directive Committee met periodically with the participation of agency representatives, national UNCCD focal points and the PCU. Although the UN Environment Task Manager visited the project on several occasions, coordination was based on the annual meetings of the Directive Committee involving the GEF implementing and executing agencies and national focal points. Although coordination and monitoring mechanisms were implemented as planned, the evaluator considers that more frequent interactions on the ground or the scheduling of e-conferences between Directive Committee meetings would have helped to resolve (or mitigate) some of the administrative/ coordination bottlenecks that affected performance. For example, the joint intervention of the UN Environment Task Manager and UNDP country focal point was instrumental to re-activate the project in Paraguay, at a critical stage when the project's cancellation was being considered.

16. Overall financial delivery was satisfactory. Cumulative expenditures had reached 80% of the budget by June 2016, four months before the project's scheduled completion, and government co-financing targets were reportedly met. The project was executed within the approved GEF budget in spite of various delays and extensions. However, there were marked differences in financial management and delivery among countries and agencies. Country delivery was lowest in Paraguay, where the project was inoperative for an extended period and has required extension. Among the international agencies, UNDP's administrative support benefited from its country representation and comparatively decentralized financial management practices. There were occasional delays in the transfer of funds by UN Environment to OAS-GS as well as delays in disbursements that were influenced by coordination problems and slow administrative processes.<sup>5</sup> The agency focal points were supportive of the project, and the OAS/GS representative advanced funds from the internal budget on three occasions to cover for delayed transfers from Nairobi.

17. The project experience provides an interesting case study from which a number of lessons can be derived: There are inevitable difficulties in aligning implementation processes between countries that have different institutional-policy frameworks and governance cycles. Project performance was influenced by (i) unrealistic timelines for key outputs; (ii) institutional coordination arrangements that were broad and time-consuming; and (iii) administrative guidelines that in some cases were not ideally suited

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<sup>5</sup> These are described in sections 4.5 Efficiency and 4.6.6 "Financial Planning and Management"

to the needs of this project. Alternative project modalities – implementing separate country projects with complementing regional deliverables; or using one or two instead of three international agencies - might have provided more effective options and should have been considered at the design stage.

18. Outputs and outcome indicators were often over-dimensioned in relation to the allocated timeframes or outside the project’s direct influence; this is a recurrent design (and appraisal) oversight that unfairly ‘raises the bar’ for performance and impact assessments. Project design overestimated the regional context and in particular the momentum of the SRAP and supporting tri-national bodies; by failing to recognize the lack of preparation or readiness at the regional level, this oversight indirectly weakened the delivery of regional outputs and outcomes and shifted the project role from facilitation to direct support. Stakeholder appraisals are fundamental for the design of demonstration projects with rural populations that are often indigenous, to ensure a “cultural fit” that is compatible with local values and organizational modes. This would have helped in detecting and possibly avoiding cultural or organizational factors that weakened pilot initiatives with Ayoreo and Guaraní communities of Paraguay’s Chaco, and the isolated rural residents of Chancaní in Cordoba, Argentina.

19. It is essential that NEAs continue to assist the consolidation and dissemination of project results, in order to enable the replication of sustainable land and forest management practices on a wider scale. Recently finished demonstration projects for honey production will require continued technical guidance to fulfill their impact potential. In particular, backstopping is needed to implement marketing strategies that were developed by the project, and to explore the feasibility of organic honey certification to access the international fair trade markets. Although a follow-up project has not been officially requested, further GEF and UN Environment support for the Gran Chaco should be contingent on the demonstration of tangible government policy and budget commitments to the SRAP.

20. This assessment is reflected in the following performance ratings, which are presented with summary assessments under the Conclusions section, in accordance with the evaluation criteria established in the Terms of Reference.

#### Project Performance Ratings

CRITERIA	RATING
A. Strategic Relevance	6 (HS)
B. Achievement of Outputs	Regional outputs: MS Argentina: S Bolivia: S Paraguay: S <sup>6</sup> Rating: 5 (S)
C. Effectiveness: Attainment of Objectives and Results	
1. Achievement of Direct Outcomes	3 (MU)
2. Likelihood of Impact	4 (ML)
3. Achievement of Project Goal and Planned Objective	2 (U)
D. Sustainability and Replication:	General Rating: 3 (MU) <sup>7</sup>
1. Socio-Political	Regional: U Argentina: ML Bolivia: ML Paraguay: ML General Rating: 4 (ML)

<sup>6</sup> Based on progress achieved during the extension of country activities until June 2017

<sup>7</sup> UN Environment evaluation guidelines require that the lowest sustainability rating be used as the general rating for this criteria.

2. Financial	Regional: U Argentina: ML Bolivia: ML Paraguay: ML General Rating: 4 (ML)
3. Institutional Framework	Regional: U <sup>8</sup> Argentina: HL Bolivia: MU Paraguay: MU General Rating: 3 (MU)
4. Environmental	6 (HL)
5. Catalytic Role & Replication	Argentina: MS Bolivia: MU Paraguay: MU General Rating: 3 (MU)
E. Efficiency	3 (MU)
F. Factors Affecting Performance:	
1. Preparation & Readiness	Regional: U <sup>9</sup> Argentina: S Bolivia: MS Paraguay: U General Rating: 3 (MU)
2. Project Implementation & Management	5 (S) <sup>10</sup>
3. Stakeholder Participation, Participation & Partnership	Argentina: S Bolivia: S Paraguay: S General Rating: 5 (S)
4. Communications & Public Awareness	4 (MS)
5. Country Ownership & Driven-ness	Argentina: HS Bolivia:MS Paraguay: MU General Rating: 4 (MS)
6. Financial Planning & Management	3 (MU)
7. UN Environment Supervision & Backstopping	4 (MS)
8. Monitoring and Evaluation	
a. M&E Design	6 (HS)
b. Budgeting	5 (S)
c. M&E Plan Implementation	5 (S)
AVERAGE SCORE AND GENERAL PROJECT RATING:	4.1 MODERATELY SATISFACTORY

**Rating Scale:** 6: Highly satisfactory, 5: Satisfactory, 4: Moderately Satisfactory, 3: Moderately Unsatisfactory, 2: Unsatisfactory, 1: Highly Unsatisfactory. The ratings used for the assessment of sustainability and likelihood of impact are: 6: Highly Likely, 5: Likely, 4: Moderately Likely, 3: Moderately Unlikely, 2: Unlikely, 1: Highly Unlikely. The ratings were conducted according to instructions contained in the ToRs.

<sup>8</sup> This refers to the regional inter-governmental entities that were created to promote the Gran Chaco SRAP, ie. Tri-National Commission and Council

<sup>9</sup> Idem.

<sup>10</sup> In relation to the performance of the regional Project Coordination Unit (PCU).