



Deutsche Gesellschaft für
Technische Zusammenarbeit (GTZ) GmbH

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Summary of the Evaluation Report
"Combined financial and technical co-operation project for a
National Resource Protection Strategy in Paraguay
(ENAPRENA)"

on behalf of

Federal Ministry for Economic Cooperation and Development

- Evaluationdivision -

This report entirely reflects the observations of the consultants and does not commit any of the institutions involved in the cooperation partnership.

German Development Cooperation with Paraguay

Summary of the Evaluation Report

"Combined financial and technical co-operation project for a National Resource Protection Strategy in Paraguay (ENAPRENA)"

Summary

The degradation of Paraguay's natural resources is proceeding almost unchecked. High levels of forest clearance and unadapted forms of land use are reducing the ecological, social and economic value of these resources. Meanwhile some 80% of smallholders are already living below the poverty line.

There is a lack of a national strategy for resource protection and sustainable use of natural resources. Authoritarian approaches, a tendency to ad-hoc decision-making, the poor level of training and a lack of experience on the part of public employees, plus low levels of funding are the causes of institutional shortcomings. Without a clear direction and without transparent, co-ordinated procedures, the institutions responsible for these areas are wearing themselves out trying to accommodate the conflicting interests of various groups (cattle breeders, farmers, lumber merchants and concession-holders, landless campesinos, indigenous population groups, nature conservationists, speculators, etc.).

"Environmental and resource protection" is a priority area of German development co-operation with Paraguay. The project "Combined financial and technical co-operation project for a National Resource Protection Strategy", which is scheduled to run for a total of 10 years, began in August 1994 and is now in its third phase of implementation. Starting with this third phase it has been made part of the programme "Environmental and Resource Protection" together with two other technical co-operation projects. The project is conceived as a combined project together with the financial co-operation project "Sustainable Natural Resource Management".

Central questions looked at during the evaluation were:

- Evaluation of the level of implementation reached and goals achieved by the project (use by the target groups and political decision-makers of the contributions made under the project and its development impact).
- Effectiveness of the promotional concept and project strategy and the organisation and process for providing the contributions.
- The amalgamation and the process of interaction between several individual projects in one programme (added development value and the transferability of this process, the efficiency, effectiveness, positioning and visibility of German development co-operation).

Findings

Since the fall of the dictator Stroessner in 1989, Paraguay has been experiencing a phase of political instability, the current government in particular is not very popular among the people of Paraguay. This has an impact on all areas of government activity, incl. resource protection and environmental policy. There are no indications that the destructive exploitation of the country's resources could be halted by the implementation of an adequate environmental policy. The country's poor economic situation is cited as a reason for not insisting on strict environmental regulations. Although Paraguay ought not to be an impoverished country, if you consider its natural assets, the proportion of the population living in poverty is growing.

Project planning

Given these facts, it follows that both the partner governments have put a special emphasis in their development co-operation on overcoming the country's environmental problems. However, the main problem is not that there is no **formulated** policy for environmental and resource protection as yet – such a policy exists in the shape of quite exemplary laws and ordinances – the key problem is the high **implementation deficit**. All external development support needs to start from this point. The project being evaluated in this report has been attempting to do this since 1994. The national project executing agency is the State Environmental Secretariat (SEAM), which was only established as an independent authority (having been one of the main departments of the Agriculture and Cattle Breeding Ministry) in 2000. Due to frequent changes in staff and ministers, however, SEAM is far from being able to play a formative role in shaping the country's environmental policy. Given this institutional situation, the impression is that the plans for the project ENAPRENA were far too ambitious. In particular the intention of going beyond capacity building and having an impact on the smallholding level seems so far to be just that rather than an achievable reality.

The re-orientation efforts undertaken during the course of the project so as to concentrate on essentials have not brought about sustainable results. If the project is to end with the ongoing Phase 3, then its impacts will of necessity be scattered and uncoordinated.

Evaluation of implementation and management

The implementation of the project is characterised by a strong lack of progressive continuity, i.e. it is scarcely possible to determine any linear development of capacity (whether in a vertical direction in the political/administrative structure of the country, or in a horizontal one in the association with NGOs and civil society). The project is regarded by SEAM as its exclusive resource, while the plan was for only half of it at most to be controlled by SEAM.

The incorporation of ENAPRENA in a programme for "Sustainable Management of Natural Resources and the Environment" makes sense in strategic terms as a measure to co-ordinate the German projects in the environmental sector. However, this idea has not yet been "taken on board" by the partner. This is due not least to SEAM's less than optimum capabilities for taking action so far. Other – stronger – specialist ministries (e.g. Industry and Agriculture) have so far been reluctant to accept much co-ordinating management from SEAM. The "enrichment" of ENAPRENA through a financial co-operation project (PMRN) merits a more positive evaluation, since this is making it possible to get closer to the target group. However, the positive impact of this integrative approach is lessened by the fact that this project is administered by the Ministry of Agriculture.

The BMZ and GTZ have made repeated meaningful course corrections in their management of the project, but have failed to achieve any progressive continuity all told. This observation applies even more strongly for the partner side. Because of this the reasonable idea of programme formation has not yet found fertile soil there. It also seems strange that the BMZ has not so far attached any value to strengthening the networking between the GTZ and the BGR, the two implementing organisations which it has charged with carrying out the project, both of which are supporting SEAM.

Evaluation of the development impacts

The project has contributed considerably over the years towards shaping new structures in the environmental sector in Paraguay, even though much of what has been achieved appears to be isolated and without great depth. A project of this kind must also be allowed to dare to experiment here and there. In the middle of its third phase, however, it must be stated that the project has at best laid some foundations so that one day in the future a coherent environmental policy might be implemented. However, such a positive outlook is, in the context of this country, fraught with numerous imponderables. Which means that it is not possible to say that the project ENAPRENA has achieved much in terms of sustainability and

broad impact within Paraguay's environmental policy. The duration of the project is far too short compared with the breadth and depth of the problems.

Recommendations

Project-related recommendations:

- The promotion of SEAM should be strategically focused in two directions: continuing with the formulation of a national environmental policy and selective promotion of operative fields of action (e.g. in the management of protection areas).
- Greater emphasis should be placed on the municipal and possibly the regional level as well, through suitable measures to prepare an environmental and resource protection policy (e.g. closely based on the parallel project LRE Caazapá). It is only by doing this that the project will do justice to its own planning. At this level it makes sense to co-ordinate more closely with parts of the second programme "State Modernisation".

Programme-related recommendations:

- The individual projects should be more strongly networked, also in view of the fact that an "après ENAPRENA" is to be prepared as the hub of the co-ordination.
- There should be intensive observation of how the financial co-operation project (PMRN) relates to ENAPRENA (centripetal versus centrifugal forces) and what is to become of the former within the Programme once ENAPRENA has come to an end.
- The implementing organisations, the GTZ and BGR, should make a stronger showing, compared with SEAM, as networked and co-ordinated service providers.
- The project should be extended by 1-2 years to allow for follow-up.

Conclusions

Co-operation management with government and non-governmental institutions

Co-operation involving technical co-operation with government and non-governmental institutions makes good sense in countries with a low level of political stability and good governance, in order to involve civil society in decision-making and development processes. Externally financed projects can form bridges in situations of competition and politically rooted animosity and develop co-operation between government and non-governmental institutions.

The transfer of advisory and moderating tasks to non-governmental institutions should not mean the withdrawal of technical co-operation from these tasks. The "closeness to the target group" which is expected of non-governmental institutions is not always present. Frequently they are just as concentrated on the capital as government institutions. Non-governmental environmental institutions often tend towards fundamentalist protection positions, which make co-operating with the local population on resource management difficult.

Conditions for successful co-operation within the framework of a combined technical and financial co-operation project

Joint milestones, which are binding on all participating partners, must be established during the planning stages in order to manage a combined project. Successful co-operation within the framework of a combined project assumes, in addition, the following conditions:

- Setting joint targets at the level of the overarching goal
- Planning and advisory services and investments being added to in ways that make technical sense

- Flexibility when it comes to adjusting investment funds to current technical planning, for example within the framework of the management plan for a national park
- Clarification of institutional responsibilities and processes before the combined project begins
- Presentation of the combined project to the partner(s) together with the participating institutions
- Appointing a contact person for the entire combined project

Impacts of programme formation

Programmes generally emerge from individual projects that go together more or less well. Programme formation is to be understood as a process of bringing these individual projects closer together and co-ordinating them. During the course of this process closer co-operation and synergy effects can develop. This presupposes, however, the willingness of the participants to strive for the success of the programme and to think beyond the perspective of the project.

Crucial for the amalgamation of projects to form programmes is the planning of follow-up phases for individual projects. This is when a course can be set that

- envisages the joint addressing of different components of the programme,
- clarifies the division of tasks,
- determines regional areas of focus in agreement with other components, and
- enables savings in the areas of logistics and staff.

Programmes are still far too much an invention of the German side. That is why the ownership of programmes by the partner country is limited. Involving the partner institutions more closely in the early phase of programme formation and extending it to include other donors could counteract this tendency. One argument in support of including multilateral projects is that mostly part of the funding is with BMZ funds.

The desired success in terms of visibility first comes about when the programme has been consolidated and presents itself to the partner as a programme. To achieve this joint goals and time periods for promotion would need to be defined – at the level of government negotiations or with the executing agency. Only then is a bilateral programme (as opposed to a "German" programme) actually possible. Successful programme formation also presupposes the development of a clear sector strategy in the partner country.

It is necessary to check to what extent programme formation can promote the development of a sector strategy and improve the co-ordination of various actors. If programme formation is understood in this way, it can contribute substantially to a more sustainable and consistent policy, if the partner institutions are closely involved in this process.

The weak points of many developing countries are still, apart from a sector-based understanding of policy, the concentration of the budget, staff and infrastructure at the central state level. Successful programmes must act at various levels of intervention (national, regional, local), in order to achieve visibility and development policy efficiency. In that way, besides strengthening the links between sectors, the links between various levels can also be strengthened.

A considerable added value from programmes can be found in the area of knowledge management, the preservation and handing-on of experience, technologies and methods from one project to another. This handing-on is certainly possible without a programme if the staff constellations are favourable, but is carried out systematically within the framework of programmes. The instrument of knowledge management is particularly suited to involving institutions and people from outside of the "German" programme and thus making them

beneficiaries of the programme on the one hand, whilst increasing the significance of the programme in terms of development policy and public impact on the other.

Basic data

Project name:	National Resource Protection Strategy in Paraguay (ENAPRENA)
Project start:	8/1994
Project end:	12/2003
Amount allocated:	DM 26,600,000
BMZ division in charge of the project:	Div. 223
Implementing organisation:	GTZ
Time frame of the evaluation:	15 to 28 September 2002