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**EXECUTIVE SUMMARY OF THE REPORT ON  
MID-TERM EVALUATION**

**PD 62/99 Rev.3 (F)**

**“Reforestation Pilot Project for the Recovery of Degraded  
Areas in the Medium Doce River Region,  
State of Minas Gerais, Brazil”**

**Prepared for ITTO**

**by**

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## ABBREVIATIONS AND ACRONYMS

	Portuguese	English
<b>ABC</b>	Agência Brasileira de Cooperação (Ministério de Relações Exteriores)	Brazilian Agency for Cooperation (Ministry of Foreign Affairs)
<b>CFR</b>	Comitê de Reflorestamento e Manejo Florestal	Committee on Reforestation and Forest Management
<b>DU</b>	Unidade Demonstrativa	Demonstrative Unit
<b>EA</b>	Agencia Executora	Executing Agency
<b>EMATER</b>	Empresa de Assistência Técnica e Extensão Rural	Enterprise for Technical Assistance and Rural Extension of Minas Gerais
<b>EMBRAPA</b>	Empresa Brasileira de Pesquisa Agropecuária	Brazilian Enterprise for Agricultural and Forestry Research
<b>IEF</b>	Instituto Estadual de Florestas	State Forest Institute of Minas Gerais
<b>ITTO</b>	Organização Internacional de Madeiras Tropicais	International Tropical Timber Organization
<b>SEMAD</b>	Secretaria de Estado de Meio-Ambiente e Desenvolvimento Sustentável	State Secretariat for the Environment and Sustainable Development of Minas Gerais



## **REPORT OF MID-TERM EVALUATION EXECUTIVE SUMMARY**

### **Executive Summary**

This Mid-Term Evaluation report relates to Project PD 62/99 Rev.3 (F) "Reforestation Pilot Project for the Recovery of Degraded Areas in the Medium Rio Doce Region, State of Minas Gerais, Brazil".

The project document was formulated in 1999 and the Council approved it at its Twenty-ninth Session in November 2000 in Yokohama, Japan. The project agreement was signed early 2003 but the project only started in September 2004. The project original duration of 48 months was extended to 102 months after three revisions approved by the CFR. The EA considered the project field activities concluded in March 2011.

The project had an original budget of US\$ 795,543.00 of which ITTO contributed US\$ 543,892.00 and IEF US\$ 251,651.00. The last budgetary revision increased the budget of the Executing Agency to US\$ 1,683,021.67 and therefore the total project budget increased to US\$ 2,226,913.67. With the reimbursement by the EA to ITTO of US\$ 45,668.96 ( unspent funds ), plus the 8<sup>th</sup> installment of US\$ 50,000 which was not transferred to the EA, the final total project budget is US\$ 2,131,244.71.

The ITTO Committee on Reforestation and Forest Management (CFR) at its Forty –seventh Session, held in Libreville, Gabon, in November 2013, recommended an independent mid-term evaluation of the project to assess what had been achieved and further provide unanimous recommendations on actions needed to continue or close the project, in accordance with ITTO's rules of procedure.

Internal changes in the EA and SEMAD in 2010, made it difficult to progress with the project and the EA, ITTO, ABC and SEMAD agreed to conclude the project along with the return of unspent funds considering that the project activities had been already concluded without using ITTO funds given internal bureaucratic obstacles.

ITTO hired a consultant to prepare a mid-term evaluation which was based upon technical reports and documentation provided by ITTO and the EA, reports of the CFR, field visits and interviews with the main beneficiaries and analysis of the files and field documents of the project.

This Mid-Term Evaluation was designed to especially address and assess: The motivation of the rural producers with the project; training and capacity building aspects; dissemination of information; assistance provided by the project; tree forest nurseries; establishment and replication of the Demonstrative Units (DUs); impacts or effects of the project; cost-efficiency and effectiveness; appropriateness and evaluate the attainment of project objectives.

Since March 2011, in view of administrative changes both at IEF and SEMAD and internal administrative legal obstacles for using ITTO funds, in addition to the project expiration date, the EA had to transfer national funds to a national institution –the Institute Terra- to continue and complete the project activities. In March 2013 the project came to a complete halt.

The EA requested the ITTO Secretariat in 2013 to consider the project physically as completed but the completion and audit reports were still missing.

### **Results**

One of the main results of the project was the awareness and motivation of the rural producers of the importance to protect and rehabilitate the degraded forest areas of their properties and the water springs as well. Although faced with some initial obstacles related to climate, poor soil condition and transference of resources to the rural producers, the project was gradually accepted by the communities resulting in its expansion to additional ten municipalities where 196 DUs were implemented in 1033 hectares. Values superior to those originally planned.

The capacity building training programme was undertaken with the support of Institute Terra; fifteen courses were offered to over 300 participants in several disciplines.

Seven micro-basins were selected and a tree forest nursery was established in each of them; the nurseries of IEF and Institute Terra also contributed to the total requested production of 600,000 seedlings.

The project entered into agreement with several institutions such as EMATER, EMBRAPA-Environment, University of Sao Paulo (USP), Institute Terra and Vidas Foundation, to assist in the implementation of the project.

One hundred (100) water springs were protected in each of the seven micro-basins (fencing and planting native forest species). This activity replaced another originally planned for the management of the invasive forest native species of "Aroeira"; however this species is since 2008 considered endangered and not allowed to be managed. This change was submitted to ITTO and approved by the CFR.

## Lessons learned

The main beneficiaries of the project should have been involved since its real beginning to avoid or minimize last minute undesired surprises; In this specific case the project coordinator was changed in 2009 and an updated awareness raising activity had to be redone with the new coordination.

Information, communication, awareness raising and capacity building in addition to commitment of the executing agency were the key elements for the project sustainability.

A large time elapse (gap) should be whenever possible avoided between the formulation, execution and closing of the projects thus avoiding constant budgetary and other changes and governmental transitions which may surely affect the smooth implementation of project activities as in this case, affecting its cost efficiency and effectiveness.

## Conclusions

The objectives of the project were accomplished as 196 DUs were physically established in 1033 hectares; The project approach and integrated methodology for the area of the project were the most feasible and wise way to rehabilitate forest degraded lands which are increasing their productivity, improving their livelihoods and food security;

The commitment and awareness of the rural producers are high because the project was able to motivate and mobilize them on the need and importance to preserve and conserve their environment; community involvement was so far the most successful impact of the project;

The post situation of the project is regarded as optimistic thanks to the internalization by the EA into its forestry extension activities, of the approach developed by the project;

Training in the proper production of tree seedlings and rehabilitation techniques were intensively provided to the rural producers and the DUs were replicated to other producers. A growing sense of ownership and appropriateness now exists in the participating rural communities;

The political and institutional changes in Minas Gerais during the execution of the project unfortunately did not contribute to the efficient execution of the project; for this reason, its cost/efficiency relationship was low as the planned outputs were produced in 102 months instead of 48 months at higher costs; the costs of salaries, prices of inputs and other resources substantially increased in Brazil in that period together with the dollar devaluation. For this reason, the overall cost/effectiveness of the project budget is questionable as after 2011 the project continued using only national funds;

An additional sustainable income of US\$ 5,000 per year was generated for each rural property in each micro-basin during the execution of the project;

High costs are involved for the rural communities in the activities of rehabilitation of forest degraded areas; only if they receive some subsidy or grant from state programmes of technical and financial assistance, will they be able to successfully implement these techniques.

The consultant considers this project as **"technically completed"**.

## **Recommendations**

The consultant recommends the preparation and dissemination by the executive Agency of a success story of the St. Jorge small Farm in the Córrego (creek) Brejaúba micro watershed;

In addition, recommends the Executing Agency the expeditious preparation and submission to the ITTO Secretariat, in accordance with ITTO lines of procedures, of a proper Completion Report, a Final Financial Audit Report, an Official Notification relinquishing the ITTO last disbursement of US\$ 50,000, and finally, reimburse to ITTO the unspent amount of ITTO funds (US\$ 45,668.96 as of May 30, 2014).

The consultant recommends to ITTO to disseminate and make the best use of the successful stories and lessons learned, experiences gained by the project and share the knowledge to promote South-South and Triangular cooperation in rehabilitation of degraded forest areas.

## **ANNEX: TERMS OF REFERENCE**

### **Terms of Reference for the Mid-Term Evaluation of the ITTO Project PD 62/99 Rev.3 (F) "Reforestation Pilot Project for the Recovery of Degraded Areas in the Medium Rio Doce Region, State of Minas Gerais, Brazil"**

#### **I. Background**

Mid-term or on-going evaluations will be carried out in those situations which demand decision taking beyond the authority level of the Project staff, and when guidance is needed and sought from independent experts. These situations may arise either due to problems in Project implementation or because of a previously foreseen need for a wider review before decision taking at a certain point during Project implementation. In both cases, the monitoring of the Project by ITTO's representatives or by the Project Steering Committee will establish whether a mid-term evaluation is needed.

In April 2013, in light of the this project's current dormant situation, the ITTO Secretariat considered an independent mid-term evaluation be carried out to assess the lessons learnt to date from this project and provide recommendations to strengthen the project's activities with a view to successfully achieving its objectives. Moreover, the ITTO Committee on Reforestation and Forest Management at its Forty-seventh Session held in Libreville, Gabon in November 2013, further recommended an independent mid-term evaluation be carried out to assess what has been achieved by this project, and further provide unanimous recommendations on the actions needed in order to either continue or close the project, in accordance with ITTO's rules of procedure, citing the following facts:

- The latest progress report received by the Secretariat for this project only covered the implementation of its activities until March 2013, and further stated that all activities but one had been completed, but the description of these were lacking, and so were the technical reports, workshop aide memoirs and other means of verification, such as manuals, publications, maps, pamphlets, videos, etc. Moreover, the project was slated to have been completed in March 2012 but continued intermittently until March 2013, when it came to a halt, with no further progress reports or a request for an extension in time having been submitted to the Secretariat since then,
- the 2010-2011 audited report was the latest one to have been submitted to the Secretariat, and this report stated that expenditures were only executed up to December 31, 2010, not having incurred in any expenses during the year 2011. Also, the unspent amount of ITTO funds with the EA as at 31 December 2011 was reported as approximately US\$55,000. In addition, ITTO continues to withhold the originally programmed 8<sup>th</sup> disbursement for an additional US\$ 50,000,
- the State Forest Institute of Minas Gerais (IEF/MG) had requested the Secretariat consider this project as completed, but to date no proper completion report, technical report and other means of verification have been submitted, and that
- the final financial audit report was also still pending, and taking into account the financial audit report for 2010-2011, there are still approximately US\$ 55,000 unaccounted for that must be reimbursed to ITTO if the project is deemed as completed. The Executing Agency should also further provide an official notification relinquishing the project's last disbursement from ITTO in the amount of US\$ 50,000, in order for the Secretariat to be able to reimburse all these remaining funds to the original donors, as per ITTO procedures.

#### **II. Purpose and Scope of Evaluation**

##### **A) Purpose**

The Primary purpose of the evaluation is:

- To ensure that the Project conforms to its mandate and priorities and that the Project strategy and design is currently satisfactory to achieve its specific objectives;
- To ensure that the results to date of the Project intervention are clearly established, allowing the study of how well the Project is serving its purpose and what its final impact will be or is, and to



draw intermediate conclusions for the implementation of the remaining activities of the project and/or its' completion; and

- Further provide unanimous recommendations on the corrective actions needed in order to either continue or close the project, both technically and administratively, in accordance with ITTO's rules of procedure.

The evaluation should refer to the appropriate recommendations in the report on the Meta-Evaluation of previously evaluated ITTO projects [ITTC-JC(XLV/2)].

B) Scope of Work

Taking into account the ongoing activities of the project, the Consultant will carry out the following activities:

1. Assess if the rural producers became motivated and implemented forest technologies to recover degraded forest lands, and if they continue to be motivated in rehabilitating degraded lands;
2. Assess if rural producers were trained in the proper production of tree seedlings and rehabilitation of degraded lands and if they are currently continuing to apply their acquired knowledge. Further corroborate the quality and quantity of the training modules imparted by the project to the rural producers and the long-term impacts of these on the rehabilitation of degraded lands;
3. Verify the operational situation of the two forest nurseries established by the project, and if the personnel trained by the project continues maintaining these nurseries. Assess the use given and current situation of the 475,000 seedlings of native tree species that were slated to be produced by the project during its first four years, and further review the current yearly seedling production of these nurseries, the quality of the seedlings produced and the end-use of these;
4. Corroborate the overall assistance provided to the rural producers by the project, both technical and in the timely provision of perishable goods such as pesticides, fertilizers and barbed wire required for the rehabilitation of their degraded lands.
5. Verify the establishment of the 325 ha of land rehabilitation demonstrative units, both qualitatively and quantitatively, and assess the current impact of the rehabilitation techniques on these degraded lands;
6. Assess if these land rehabilitation demonstrative units were replicated by the rural producers and the overall impact it has had on the degraded forest landscape in the project's area of influence;
7. Assess the effectiveness of dissemination of the project's interim results.
8. Assess the importance of the project on local institutional capacity, and on government policy related to the rehabilitation of degraded forest lands in the project's area of influence and in the overall Medium Rio Doce region.
9. Assess the unexpected effects and impacts, either harmful or beneficial and present the reasons for their occurrences.
10. Examine the implementation efficiency, including technical, financial and managerial aspects.
11. Evaluate the overall appropriateness of costs, cost structure and use of resources within the project.
12. Assess the progress towards the attainment of project objectives and the overall effectiveness of the project to date.
13. Taking into account the results of the evaluation, make an overall assessment of the project's relative success or failure to date; summarize the key lessons learnt; and identify any issues or problems that should be taken into account in a potential redesigning of the project.
14. Make detailed recommendations on the actions needed in order to either continue or close the project.

### **III. Consultant's Activities and report**

The work required in this evaluation will consist of:

1. A desk review of project-related documents and materials provided by ITTO.
2. A mission to several localities in the State of Minas Gerais (Potentially Belo Horizonte, Governador Valadares and other municipalities in the State of Minas Gerais). The consultant will visit the project's Executing Agency headquarters for further desk review of project materials and to carry out evaluation work in connection with the Executing Agency. The mission shall also include a field visit to each of the projects' sites to review field implementation and to evaluate the project results and impact, and should include discussions with project stakeholders and target beneficiaries. A minimum of 5 days is required for the field visit. However, it should not exceed 15 days in total.
3. Preparation of a Mid-Term Evaluation Report for the project in either English or Spanish, as outlined in B) Scope of Work and the checklist contained in the ITTO Manual for Project Monitoring, Review and Evaluation. Appropriate high-resolution photographs should be provided.

In writing the Mid-Term Evaluation report, the consultant will have the opportunity to discuss its preliminary findings, conclusions and recommendations with the representatives of the Executing Agency, local communities and ITTO before the final version of the report is made. Responsibility for the final content of the report, however, remains with the consultant.