

# **EX-POST EVALUATION REPORT**

**ITTO Project PD 46/97 Rev.3 (I)**

**Community Forest Product  
Processing in the Puerto Dias Extractive Reserve  
(Brazil)**

Prepared for the ITTO

by

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## Acronyms

|       |   |
|-------|---|
| ABC   | Brazilian Agency of Cooperation   |
| CTA   | Centro dos Trabalhadores da Amazônia (Amazon's Workers Center)  |
| FSC   | Forest Stewardship Council  |
| GPFC  | Group of Community Forest Producers of Acre   |
| IBAMA | Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis (Brazilian Institute of Environment and Natural Renewable Resources) |
| INCRA | Instituto Nacional de Colonização e Reforma Agrária (National Institute of Colonization and Agrarian Reform)                                  |
| ITTA  | International Tropical Timber Agreement   |
| ITTC  | International Tropical Timber Council   |
| ITTO  | International Tropical Organization   |
| LFM   | Logical Framework Matrix  |
| PAE   | Agroextractivist Settlement Project   |
| TAC   | Technical Advisory Committee  |

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## Executive Summary

At the Thirty-eight Session held in Merida, Yucatan Mexico on 29 May to 2 June 2006, the International Tropical Timber Council endorsed a recommendation by the Committee on Economic Information and Market Intelligence and Committee on Forest Industry (CEIMI-CFI) that an ex-post evaluation of the completed project PD 46/97 Rev.3 (I) "Community Forest Product Processing in the Puerto Dias Extractive Reserve" be carried out to establish how well the project served its purpose and to draw up recommendations for future action. This report has been prepared pursuant of this decision.

A twelve months project PD 46/97 Rev. 3 (I) was approved and financed to implement a forest processing program through the training of communities living in Puerto Dias Extractive Reserve, Brazil in order to ensure the management and implementation of an industrial unit for the production of small objects and pre-fabricated houses on the basis of Multiple Use Management Plan currently in place.

The evaluation was conducted in such way as to answer the questions identified in the ex-post evaluation checklist provided in the ITTO Manual for Project Monitoring, Review and Evaluation, third edition. As part of the evaluation, the consultant Ms. Erika Lopez Rojas, Master in Cooperation and International Economic Relations, visited Rio Branco from March 28 to April 06, 2009. During the visit she met with Mrs. Nívea Silva Marcondes, General Coordinator of CTA and other team members, and representatives from the cooperative and forest industry. For in-depth review the evaluator visited the Community of Puerto Dias, where she had the opportunity to interact with its members and register their views about the projects achievements.

The difference between the pre and post project situation is that currently the community now valorizes the forest products and is considered as an example of community forest management whom have promoted the implementation of decrees and normative statements in the surveillance and licensing institutions.

The project was intended to show that the community management in extractive reserves would give the local communities the possibility to meet their urgent needs for economic, social and environmental sustainability. An initial evaluation identified limitations in critical aspects regarding the feasibility of the project. Therefore activities

were oriented to manage the possible risk found, so training program was extended to include financial and operational instruction, and the inclusion of new extractivist families to increase the productive scale.

At the time when the ex-post evaluation was performed one of the main results, the processing unit for industrialization of small wooden objects was no longer present in the PAE Puerto Dias. However, the community decided a way to disseminate the results obtained through the project within a broader number of stakeholders, through Cooperfloresta.

## **MAIN TEXT**

### **1. INTRODUCTION**

At the Thirty-eight Session held in Merida, Yucatan Mexico on 29 May to 2 June 2006, the International Tropical Timber Council endorsed a recommendation by the Committee on Economic Information and Market Intelligence and Committee on Forest Industry (CEIMI-CFI) that an ex-post evaluation of the completed project PD 46/97 Rev.3 (I) "Community Forest Product Processing in the Puerto Dias Extractive Reserve" be carried out to establish how well the project served its purpose and to draw up recommendations for future action. This report has been prepared pursuant of this decision.

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The project was implemented by the CTA and reported as completed at the Committee on Forest Industry in May 2007. The main component of this project was its social nature, where management based on the training of the local population was the basis of the implementation of activities.

### **2. EVALUATION SCOPE, FOCUS AND APPROACH**

The primary purpose of the evaluation was to provide an in-depth diagnosis of the project so as to point out the successful and unsuccessful outcomes, the reasons for successes and failures, and the contribution of the projects towards the achievement of ITTO's Objective 2000, and to draw lessons that can be used to improve similar projects in the future. The scope of the evaluation includes:

- i. Assess the project design and contribution to the achievement of its respective objectives.
- ii. Assess the achievement of the project's outputs and specific objectives.
- iii. Evaluate the impact and relevance of the project, detailing its impact on development and specific objectives as stated in the project document.

- iv. Determine the effectiveness of technology transfer to target groups if applicable.
- v. Assess the overall post-project situation, including the conditions of its intended direct or indirect beneficiaries.
- vi. Define and assess unexpected effects and impacts, either harmful or beneficial, and present the reasons for their occurrences.
- vii. Analyze and assess implementation efficiency, including the technical, financial and managerial aspects.
- viii. Assess the overall sustainability of the project after completion, and include appropriate recommendations to safeguard the continuing of its positive impacts, and enhance utilization of the technologies (if applicable) and other results developed by the projects.
- ix. Make an overall assessment of the project's relative success or failure, to summarize the key lessons learnt; and identify any issues or problems which should be taken into account in designing and implementing similar projects in future.
- x. Assess the overall cost of the projects with original budget provisions, and their respective linkage with the overall results.
- xi. Prepare the evaluation report in accordance with the references for the Project Evaluation Report, as contained in the ITTO Manual for Project Monitoring, Review and Evaluation.
- xii. Assess the project contribution to the relevant ITTA objectives (1994) and relevant ITTO Action Plan.

The Terms of Reference also requested to make an in-dept analysis of the outputs of the project and its actual intended situation after project completion, with particular emphasis on:

- Real increment in family income as a result of implementation of project activities;
- Implementation of primary and secondary processing timber operations, determining the obstacles that were not overcome in order to arrive to produce components for timber houses;
- Transfer of technology acquired and facilities built with the ITTO funds to the communities (including the communitarian carpentry school-shop, storage hangar, etc.) determining if they are still being properly used by their beneficiaries;
- Improvement in the efficiency of forest harvesting techniques, preservation and drying from the communities; and

- How the impacts and results of the project serve to improve the forest public policy.

The evaluation was conducted in such way as to answer the questions identified in the ex-post evaluation checklist provided in the ITTO Manual for Project Monitoring, Review and Evaluation, third edition. As part of the evaluation, the consultant Ms. Erika López Rojas, Master in Cooperation and International Economic Relations, visited Rio Branco from March 28 to April 06, 2009. During the visit she met with Mrs. Nívea Silva Marcondes, General Coordinator of CTA and other members of the project team, members of the cooperative and representatives from the forest industry. For in-depth review the consultant visited the Community of Puerto Dias, where she had the opportunity to interact with its members and register their views about the projects achievements.

### **3. PROJECT FACTS**

In 1970's, the introduction of extensive cattle-raising and the clearing of forests for pasture lands have led to irrational timber exploitation with removal of a few species of commercial interest and the burning of the remaining trees. After 20 years, this process has resulted in the deforestation of approximately 5 % of the forest cover in the state of Acre. About 30% of the felled timber is waste; these residues are left behind in the forest unutilized.

On November 2001 at the Thirty-first Session of the ITTC Project PD 46/97 Rev.3 (I) was approved with the objective to increase the average family income of the local communities through the utilization of timber resources for which there are existing markets and local value-added processing in units established in the area and managed by the Association of Producers.

The specific objective was to implement a forest product processing program through the training of the community living in Puerto Dias Extractive Reserve in logging techniques, timber preservation/drying, and the establishment of an industrial unit for the production of small wooden objects and prefabricated houses.

The following outputs were expected to be achieved: preparation and implementation of a training program in the fields mentioned above; installation of a forest processing



unit, and the definition of a trademark and marketing program for the forest products from the Puerto Dias Extractive Reserve.

The Amazon's Workers Center (CTA) implemented the project initiating on November 2002, with an expected duration of 12 months. This period was extended to 31 months and reported as completed on May 2007.

The total value was US\$542,090.00. The financing resources came from International Tropical Timber Organization - ITTO (US\$ 462,090.00) and a counterpart from CTA (US\$80,000.00).

The project outputs were selected based on the need of harmonization of economic viability and forest sustainability, the strategy was aimed to carry out secondary processing which would add value to the products and therefore ensure economic viability of management and increase the average family income of the local communities.

The capacity building actions represented an important phase of the project; without trained personnel the community was unable to assume the management of their productive process and valorize the forest resource as an economic development alternative. The community developed abilities in management, operation and control of the productive and processing activities, reducing costs of third party services among others.

The implementation of a carpentry shop-school to use the forest residues which according to a study made by FUNTAC accounted for 48% of the total volume of timber raw used in sawmills (124,515m<sup>3</sup>).

These activities contributed to the longer term vision as a reference in community forest management for being a pioneer experience in the Amazon in the development of public policies for the strengthening forest management.

The first technical and policy level of management included in the Steering Committee had the participation of representative from ABC, IBAMA, IMAC, INCRA, ITTO, CTA and a Consultative Committee made up of representatives from administrative level.

## 4. FINDINGS, LESSONS LEARNED

### 4.1. Findings

#### 4.1.1. Achievements

##### Achievements of Outputs

##### ***Output 1. Preparation and implementation of a training program in the fields of forest logging, timber preservation/drying, and forest product processing techniques for the members of the Rubber Tappers Association in the Puerto Dias Extractive Reserve***

The Final Technical Report indicates the series of training / capacity building activities that were structured and delivered to the responsible of the execution and control of all operational phases of low impact logging. This outcome was evaluated by the Community as extremely important.

The courses were very well implemented. Basic comprehensive training material were developed in Portuguese, and delivered in a practical case study format.

In regard to the installation and operation of the dryer since the focus of production changed specialized on small wooden objects at the Committee meeting of May 2004 the dryer was excluded.

Some of the results indicated as achieved at the end of the project were: 20 families included in the forest production processing; 16 forest agents qualified for forest management operations; forest management operational system carried out by the community; management harvests financed and administered by the community; system for commercialization of timber and small artifacts consolidated; 100% of increment in the family income through the adoption of multiple use forest management practices; 16 direct work positions created from the management activities and processing units; 05 new families included in the forest management project in 2002; 2,390m<sup>3</sup> of logs produced; 140m<sup>3</sup> of timber produced in the local sawmill; 1,500 units of small wood objects manufactured to test the market and commercialization acceptance; social organization of association and local groups strengthen; productive

base strengthen through investment in training and capacity building; 05 local carpenters qualified; FSC green label achieved; Social Fund of Porto Dias Rubber Tapper Association created from the net income generated with the carpentry shop; knowledge generated on the increase of the timber productive chain industrialization.

During the ex-post evaluation visit the consultant was able to observe through discussions with the community how the capacity acquired through the project has matured and has made the community responsible of their resource management and the maintenance of FSC certification.

However, in the case of the commercialization system of small artifacts indicated in the completion report as consolidated, did not survive over the years. The members of the community of Puerto Dias Extractive Reserve decided to give in "comodato" (bailment) the machines of the processing unit to Cooperfloresta. The capacity building delivered to the community was an important asset when analyzing the cost-benefit of maintaining the industrialization unit in operation in Puerto Dias; operational costs and market access, a part form benefiting a larger community was the rationale of this decision.

Some of the community members that were trained during the project now are employed by private companies, and therefore they benefit from a better salary.

***Output 2. Development and installation of a forest product processing industry in the Puerto Dias extractive reserve***

This output had to be adjusted according to the community's productive capacity as foreseen that the main limitations were related to operational aspects (increase of productive scale, training and infrastructure) and their technical capacity.

Therefore, the project in its beginning prioritized the procedures for a processing unit of small wood objects. The decision was also supported with the fact of a considerable volume of residual wood existence (branches and wood tips).

The Final Technical Report points out as results the following: reform of processing structure adapted to the local productive and management capacity, through simplifying the machinery initially planned to a horizontal sawmill; administration of processing and commercialization mechanisms established and executed with the participation of the local community; communitarian carpentry shop-school implemented and in full operations: manufacturing of small articles of certified timber (FSC); obtaining of FSC certification of timber, copaiba oil, chain of custody of sawmill and carpentry shop.

After the completion of the project, the community decided that due to high cost of operations (energy), the machinery would increase its productivity if it was installed in the city of Rio Branco, State of Acre, where commercial electricity is supplied and access to better market distribution is available.

The Puerto Dias Rubber Tappers Association and four other extractive communities are members of Cooperfloresta. The machines were given in "comodato" (bailment) to Cooperfloresta, after the Puerto Dias community evaluated that this movement would benefit approximately 100 families instead of the initial 20 families.

As for the infrastructure constructed during the execution of the project, the consultant visited these facilities. The actual situation for the hangar with office and storage may become a school if the states grants permission and provides teachers. If this project is not achieved then the facility will be transformed into a chestnut deposit.

The facility with bedrooms, refectory and sanitarium, after necessary roofing repairs may be converted into a lodge, since the community is exploring the possibility to engage in ecotourism activities. At the time of the visit the facility was lend to personnel of the Brazilian electric company.

***Output 3. Elaboration and definition of a trademark and a marketing program for the forest products from the Puerto Dias Extractive Reserve***

This output was achieved as planned. At the end of project the report indicated existence of an electronic catalog where the main products commercialized by the

community were divulged. After the change of machinery to Cooperfloresta, the catalog has been disabled since it was no longer necessary.

***Output 4. Records of the Rubber Tapper Associations experience in the Puerto Dias extractive Reserve regarding community management and implementation for possible incorporation into public policies***

The Final Technical Report indicates that the experience as a whole represents today a clear and objective reference for the discussion of public policies at local, state and federal level, which gave a significant contribution to the incorporation of the community forest management as a public policy.

It is also indicated that due to the experience gained through the project the Porto Dias Project Association participated in a Focus Group on Local Development with involvement of local and national governments, which led to the amendment of the normative statement 005 that regulates Community Forest Management in Brazil; reduction of taxes for certified timber from communities; structuring of the Slim standards for FSC forest certification -which proposes the simplifications of the certification procedures for communities-.

**Impacts and Effects**

*Post- project Situation*

In the project proposal document the expected situation after project completion was that "the local community, through their association would be able to produce small wooden objects and prefabricated houses, as well as the entire production process. The municipal prefectures will be in a position to incorporate the community forest management plan into their public policies".

The executing agency identified since the beginning (October 2001) that the community did not have the sufficient capacity nor the infrastructure to engage in a

large productive process, and taking into account the availability of residual wood, the project was focused solely on the production of small wooden objects.

The difference between the pre and post situation is that currently the community valorizes the forest products and is considered as an example of community forest management whom have promoted the implementation of decrees and normative statements in the surveillance and licensing institutions.

Exploring through the remains of the processing unit the consultant was able to verify the small wooden objects that the community produced in the past. When the Cooperfloresta completes its setup in their new facility in Rio Branco and the machines are well arranged, the members of the community that received training from the project will be the trainers of the production process small wooden objects.

#### *Specific Objective and Development Objective*

From the revision of the key outputs from the project completion report, the discussions with the Project Coordinator and meeting with the community members of Puerto Dias Extractive Reserve and the Coordinator of Cooperfloresta, indications are that the project at the moment of its completion have overall achieved the specific objective contributing to the general objective which aimed to demonstrate the economic, social and environmental viability of forest utilization and its significance as part of a suitable development model for the Amazon Region.

Although provisions were taken within the revised workplan as to increase the productive scale and managerial efforts, the processing unit at the end proved to be unsustainable if maintained in Puerto Dias Extractive Reserve.

Three key assumptions identified in the LFM had noteworthy impact on the project:

- *Porto Dias community members are trained in community management and business administration, and are in a position to implement the model on their lands.* At the time of project design assumptions were made, lesson learned after the completion of the project the need for a feasibility study. Nevertheless,

the capacity built in the community is the primary driving force behind a wider dissemination of benefits, through Cooperfloresta partnership.

- *Greater community awareness of the value of previously untapped forest resources.* This was appropriate to assume at the time the project was designed, over the course of the project and particularly after its completion, the community can express through discussions with them that members have engaged in forest management and highly value FSC certification.
- *Specific Credit mechanism for forest management.* At the time of the project design assumption was made towards specific credit mechanism for forest management; after the completion of the project and the awareness built through the Port Dias community management experience as an economic viability strategy, Cooperfloresta was able to access credit.

#### *Unexpected Effects and Impacts*

- Training/Capacity Building

The project in its initial design was to reduce production impact and install a local processing system within community context, but as foreseen by the executing agency a minimum support so that the system could be carried out by the community was lacking. Therefore a training program was designed and delivered to the group with the necessary techniques related to forest harvesting and processing, and actions related to administrative management, emphasizing the actions for the community development:

- i. integrated management of family unit,
- ii. control and management of Association patrimony,
- iii. facilitation of internal processes (meeting, rendering of accounts, composition of costs, etc.), and
- iv. internal and external political articulation.

The processing program gave the community the opportunity to face the challenge of managing this important stage of the productive chain. While the functioning of the sawmill it was possible to process the production inside the community and to qualify residents and producers, in timber classification, awaking their interest for the management activities.

- Road Improvements

An important improvement of cooperation established of partnership with the Forests State Bureau, which among other contributions enabled the improvement of access roads.

- Social Fund

Establishment of a Social Fund created from the net income generated from the carpentry shop for investment in health, education and culture. The fund operated as described hereinafter: local carpenters initially received 8% of the gross income value and instructors received 20% of the gross income. As the industrialization unit is no longer in operation the fund has no income. Timber commercialization has also established a fund from the total gross income of the timber commercialization, by retaining 50% in the Association's bank account to finance the next harvest including working capital and 50% is divided in equal parts among the association's managers.

#### **4.1.2. Sustainability**

Studying the completion report and technical reports presented over the course of the project the need for an exit strategy was not envisioned as the commercialization of small wood object was stated to have a growing demand. The need to keep fulfilling the specifications of the market, regarding quality and periodicity in delivery was recognized by the community as a major challenge.

Now that the machines are in Cooperfloresta, with secure access to raw material and lower operational costs, mainly electricity, the members of the community of Puerto Dias that were trained and built capacities, have expressed their commitment to be trainers once the new Cooperfloresta location is wholly established by the end of 2009.

## **4.2. Process of Project Formulation and Implementation**

### **4.2.1. Stakeholder Involvement**

The executing Agency CTA was successful in enabling community participation in terms of decision making process regarding the execution of project activities. Due to CTA vast experience it was understood that a proposal is hardly consolidated if not built in union with the community, therefore they lessen their interventionist character to



strengthen the construction and administration of participative processes. In this way the project followed the community's rhythm of absorbing the innovations, trying not to undertake a new step when the previous one is not yet consolidated and supported by agreements and collective commitments.

It was affirmed in the completion report that the possibility for the project continuity is quite significant mainly due to the economic results obtained and the network of supporting organizations that was established through the project.

In the sawmill the producers already have autonomy in the production, working with the specific standard measures, making quality control, paying their workers per production, realizing the equipments maintenance, receiving the requests and planning the production. In summary, they have reached the productive autonomy, still having to improve the administrative control, but it can be noticed great advancement in this part.

Good progress was made by the project towards stakeholder involvement, mainly on participatory decision making process, which will improve the prospects for achieving a solid new project with Cooperfloresta.

#### **4.2.2. Appropriateness of the Project Design**

The evaluation identified that the project strategy was not sound, given the information available and circumstances at the time the project was developed: the reasons for the selection of the area was not clearly indicated in the project proposal document in terms of productive scale or operational aspects.

The strategy was thus to implement a program for the processing of forest resources from PAE Puerto Dias, through the installation of an industrialization unit for the production of wood products. However, in October 2005 CTA the implementing agency presented to the ITTC a revised workplan and budget since limitations in critical aspects were found regarding the feasibility of the Puerto Dias Project. The main limitations were related to operational aspects and to the community's preparation to operate and manage the processing plant and to follow and evaluate the production.

Therefore the LFM did not provide a good measure of project accomplishment or means of verification.

### **4.2.3. Efficiency and Operational Aspects**

The project was designed for 12 month duration, technical evaluation of the initial proposal led to adjustments to the original work plan. An amplification of the project's term was proposed in October 2001, in order to optimize the resources already assigned to the project. With the 30 months extension it was foreseen to assure a more efficient operation reducing the limiting factors to the achievement of the defined objectives.

It appears that the project team was very optimistic in planning the project, and overlooked the limitations of the selected area. The changes were facilitated within the existing budget particularly in the components of personnel with a 14.83 % higher, capital goods with 7.64% less and consumption material with 4.52% higher than considered in the initial budget; the changing in the budget components requested the concurrence of the ITTO Council.

Among the changes in the components performed included:

- 1- Project duration from 12 to 30 months.
- 2- Sole focus on small wooden objects production unit rather than components for timber houses.
- 3- Capacity building in management, operational and control of productivity and procession activities.
- 4- Implementation of a carpentry shop-school.
- 5- Exclusion of the Dyer.

With regard to finances, the original budget was re-directed to the Industry Forest Committee on October 2001 for adequacy approval. The project as at 31 December 2005 reported a residual balance of US\$920.41, which was transfer in 2009 to ITTO.

The audit report observed that the audited financial statements fairly presented the financial situation and, that the following procedures were to be adopted in order to improve the levels of internal control: the executing agency of the project was requested to present the value of US\$80,000 referring to its contribution, as stipulated in the article No. 12 of the Project Agreement, and additional taxes incurred.

During the evaluation visit the executing agency presented to the consultant the report of its contribution for cash and in kind.

From experience gained from the project execution by the community and CTA technical recommendations were made towards the end of the project implementation on monitoring and evaluation actions; decision making and activity course orientation should be made in a joint reflection process with the involved stakeholders, monitoring instruments should be adapted to community conditions and periodic evaluation should be carried out. The Completion Report points out that the strategy adopted was to invest in a reflection process.

#### **4.2.4. Effectiveness**

The project was intended to show that the community management in extractive reserves would give the local communities the possibility to meet their urgent need for economic, social and environmental sustainability. An initial evaluation identified limitations in critical aspects regarding the feasibility of the project. Therefore activities were oriented to manage the possible risk found, so training program was extended to include financial and operational instruction, and the inclusion of new extractivist families to increase the productive scale.

Over the course of the project in the Technical Report No. 6 dated on August 2004, it was noticed that the maintenance cost of machines and equipment were elevated and a rigorous control should be implement to define with precision the operational costs of production.

At the time when the ex-post evaluation was performed one of the main results identified, the industrialization processing unit for production of small wooden objects was no longer present in the PAE Puerto Dias. However, the community decided a way to disseminate the knowledge generated in carpentry, technical assistance, recovery of roads, and community management from inventory to commercialization of products within the organization during the project to a broader number of stakeholders, through Cooperfloresta.

The LFM for ITTO projects should provide a baseline for the monitoring and evaluation of the projects achievements, and indicators that measures the expected effects to be achieved by the project providing a good measure of project accomplishment. But the

project set broad verifiable indicators of success and verification means that only reflected operational realization.

### *Project Proposal Appraisal Process*

For future projects consideration should be made as to develop a more appropriate performance framework, cost-benefit and feasibility studies should have been considered, as pre-condition for sustainability, a survey could have been planned to gauge the situation of target beneficiaries in key outcome areas. This could have been used as a success measure for the project as well as to inform project design. Capacity building is still a valid process that can contribute to rise awareness of forest sustainability.

### **4.3. Lessons Learned**

- i) Community started to valorize forest resource as an economic development alternative, also increasing their feeling on the need of a greater environmental control to decrease deforestation and other illegal activities related to the forest.
- ii) CTA adopted a strategy to promote the self management of the project, the strengthening of the social base through a continuous process of formation, community organization and qualification in administration and management.
- iii) Incorporating relevant stakeholders since the project design is a sensible point to manage and to absorb the necessary concepts for the proposal management.
- iv) Baseline information is of the essence for project design, and an important tool for evaluation of results.
- v) Project risks should have been better identified especially the implications for the sustainability of the project, determining feasibility indicators of production particularly after project completion.
- vi) As for the shaping and strengthening of the local communities, the objective of the current proposal is to follow the production and all the processes co-related to the productive chain (productive base, formation, administration, commercialization) that influence directly on the enterprise sustainability, and not simply implant the productive unit.
- vii) The monitoring and evaluation of actions are tools to be used in the joint reflection process regarding the developed work, together with the involved

- stakeholders, to orient the decision making and identify and correct the course of activities.
- viii) It is important to reflect with the community members and managers about the economic sustainability of the enterprise. The control of costs referring to the forest management is essential for establishing product prices and for monitoring of the productive process.
  - ix) The creation and strengthening of institutions that represent the communities is fundamental for the participation and political articulation of the community members, giving them autonomy and willingness to influence in the creation of multiple use forestry policies.
  - x) Marketing strategy of products should also give priority to market site initially and then gradually conquer new markets (national and international).
  - xi) Monitoring and evaluation are important tools in the process of reflection on the development of work and should be done with all stakeholders in order to correct the direction of activities when necessary. These assessment tools should be built together with the community and adapted to their conditions.

## **5. CONCLUSIONS AND RECOMMENDATIONS**

### **5.1. Conclusions**

Project PD 46/97 Rev.3 (I) at the moment of its completion overall achieved the specific objective contributing to the general objective which aimed to demonstrate the economic, social and environmental viability of forest utilization and its significance as part of a suitable development model for the Amazon Region.

Although provisions were taken within the revised work plan as to increase the productive scale and managerial efforts, the processing unit at the end proved to be unsustainable if maintained in Puerto Dias Extractive Reserve.

The community was challenged to decide about the continuity of the project, and found a way to disseminate the results obtained through the project and benefit broader number of stakeholders. The equipment was given to the Cooperative Cooperfloresta, and executes training after the set-up at its new location is completed.

## **5.2. Recommendations**

### **Recommendations for CTA**

- When a project is aiming at the initiation of for-profit venture, it is essential to carry out a serious cost-benefit analysis of the investment as part of its feasibility study during the project design stage. The use of baseline information is of the essence for project design, and an important tool for evaluation of results.

### **Recommendations for ITTO**

- More reliable information should be presented when evaluating project proposals submitted for funding, presenting through clear measurable indicators the results aimed to be achieved.
- ITTO should continue to support projects that increase the technical capacity of communities in assuming the management of their productive process enabling them with a development economic alternative.

## **Appendix I**

### **Terms of Reference for Ex-post Evaluation**

#### **PD 46/97 Rev.3 (I) "Community Forest Products Processing in the Puerto Dias Extractive Reserve"**

##### **I. Background**

The International Tropical Timber Organization (ITTO) is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. Its 60 members represent more than 80% of the world's tropical forests and 90% of the global timber trade.

The Committee on Economic and Market Intelligence and the Committee on Forest Industry (CEIMI-CFI), at their Thirty-eight, Thirty-nine, and Fortieth Sessions in May 2006, November 2006 and June 2007 decided that an ex-post evaluation for PD 94/90 Rev.3 (I), PD 46/97 Rev.3 (I) should be carried out to establish how well the projects served their purposes and to draw up recommendations for future action. The background information on these projects is outlined in the Annex to the terms of reference.

##### **II. Terms of Reference for Ex-post Evaluation**

The primary purpose of the evaluation is to provide an in-depth diagnosis of the project so as to point out the successful and unsuccessful outcomes, the reasons for successes and failures, and the contribution of the project towards the achievement of ITTO's Objective 2000, and to draw lessons that can be used to improve similar projects in the future.

- i. To assess the project design and contribution to the achievement of its respective objectives.
- ii. To assess the achievement of the project's outputs and specific objectives.
- iii. To evaluate the impact and relevance of the project, detailing its impact on development and specific objectives as stated in the project document.
- iv. To determine the effectiveness of technology transfer to target groups if applicable.
- v. To assess the overall post-project situation, including the conditions of its intended direct or indirect beneficiaries.
- vi. To define and assess unexpected effects and impacts, either harmful or beneficial, and present the reasons for their occurrences.
- vii. To analyze and assess implementation efficiency, including the technical, financial and managerial aspects.
- viii. To assess the overall sustainability of the project after completion, and include appropriate recommendations to safeguard the continuing of its positive impacts, and enhance utilization of the technologies (if applicable) and other results developed by the project.
- ix. Taking into account the results of the evaluation, make an overall assessment of the projects' relative success or failure, to summarize the key lessons learnt; and identify any issues or problems which should be taken into account in designing and implementing similar projects in future.

- x. To assess the overall cost of the project with original budget provisions, and its respective linkage with the overall results.
- xi. To prepare the evaluation report in accordance with the references for the Project Evaluation Report, as contained in the ITTO Manual for Project Monitoring, Review and Evaluation.
- xii. To assess the project contribution to the relevant ITTA objectives (1994) and relevant ITTO Action Plan.
- xiii. To prepare one or more articles for each project, for possible publication in the ITTO Tropical Forest Update (TFU), in consultation with the editor, containing an overview of the projects and summarizing the lessons learned from the evaluation work. Appropriate photographs should be provided, if possible.

The evaluation work shall be conducted in such way as to answer the questions identified in the ex-post evaluation checklist provided in the ITTO Manual for Project Monitoring, Review and Evaluation (page 29), including an executive summary, and a power point presentation to members of ITTO at one of the sessions of the International Tropical Timber Council.

In addition to the above, the consultant is requested to make an in-dept analysis of the outputs of the project and its actual intended situation after project completion, with particular emphasis on:

PD 46/97 Rev.3 (I) "Community Forest Products Processing in the Puerto Dias Extractive Reserve" (Brazil):

- Real increment in family income as a result of implementation of project activities;
- Implementation of primary and secondary processing timber operations, determining the obstacles that were not overcome in order to arrive to produce components for timber houses;
- Transfer of technology acquired and facilities built with the ITTO funds to the communities (including the communitarian carpentry school-shop, storage hangar, etc.) determining if they are still being properly used by their beneficiaries;
- Improvement in the efficiency of forest harvesting techniques, preservation and drying from the communities; and
- How the impacts and results of the project serve to improve the forest public policy.



## Appendix II

### Programme for Evaluation Mission

| Activity – Objectives   | Date       | Remarks   |
|---|------------|---|
| Arrival to Rio Branco   | 28/3       |   |
| <b>CTA - Centro de los Trabajadores de la Amazonia</b>  |            |   |
| Institutional presentation of CTA y and review of purpose of the meeting and agenda<br><br>Meeting with the Project team: Presentation of Project activities and results<br><br>Presentation of reports, working plans, and audit report.   | 1/4        | Facilities of CTA<br>8:00 - 12:00 hrs.<br>14:00 - 15:20hrs.                                 |
| <b>Visit to Cooperfloresta;</b><br>Visit to the sawn-mill, the carpentry shcool-shop, and areas FSC certified of 4 communities<br><br>Inspection of the equipment acquired with ITTO funds<br><br>Discussions with the leaders of the Cooperative   | 1/4        | Whole day   |
| <b>Visit to the Community of Porto Dias</b><br><br><b>Stage 1:</b> Meeting with the community. The community will present the activities carried out, the tarined personnel, the results and challenges faced in the community forest Management process.<br><br><b>Stage 2:</b> Visit the timber production area, the copaiba oil production area (both FSC certified)<br><br>Feedback with the forest producers<br><br>Return to Rio Branco | 2/4        | Departure 7:00 hrs.<br><br><br>The community is located 140 km from de Rio Branco (2 hours) |
| <b>Meeting with CTA</b><br><br>Review of the technical documents and financial reports.<br><br>General evaluation and feedback of the visit   | 3 y<br>4/4 |   |

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