

EXECUTIVE SUMMARY

Background and Overview

To date, the United States (U.S.) has invested approximately US\$ 77.04 million to fund environmental cooperation with governments of the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR). This investment is helping CAFTA-DR countries advance in the following four programmatic areas, as defined under the Environmental Cooperation Agreement (ECA): (A) Institutional Strengthening for Effective Implementation and Enforcement of Environmental Laws; (B) Biodiversity and Conservation; (C) Market-based Conservation; and (D) Improved Private Sector Performance.

In support of these areas, the ECA (Article IV) requires that the Environmental Cooperation Commission (ECC) be responsible for examining and evaluating the cooperation activities under the Agreement. The ECA highlights as well that the ECC must also seek and consider input from relevant international organizations and other stakeholders regarding how best to ensure that it is accurately monitoring progress.

The Organization of American States – Department of Sustainable Development (OAS-DSD) is assisting CAFTA-DR countries in evaluating if and how the activities being implemented in the framework of the Environmental Cooperation Program (ECP) are contributing towards the achievement of the priorities established by the parties. In December 2009, the OAS-DSD presented the First Evaluation Report in which qualitative findings of accomplishments of the ECP were reflected. For this Second Evaluation Report, the OAS-DSD has worked with stakeholders in developing an evaluation process based on key performance indicators towards quantitative data analysis and review issues pertaining to the achievement of results.

Methodology

In managing the evaluation of CAFTA-DR activities, the OAS-DSD drafted Performance Measurement Frameworks (PMFs) during the period of October 2009 to July 2010 in an effort to design an adequate monitoring process based on performance indicators. Visits were conducted within this timeframe for consultations with Government Points of Contact (POCs), beneficiaries, implementing agencies, and national institutions, among other stakeholders, to identify relevant information for the report. In October and November of 2010, quarterly narrative reports submitted by implementing agencies, as well as interviews and field observations in the region, were then analyzed to bolster both the quantitative and qualitative data that had been previously obtained. Based on this data, and in conjunction with key elements of different RBM or Official Development Assistance (ODA) evaluation methodologies, the OAS-DSD conducted an analysis to provide a regional snapshot of results achieved since the first evaluation. This report assesses, to the extent possible, the evaluation against criteria of relevance, efficiency, effectiveness and sustainability. The evaluation presents data that are considered reliable. However, caution is warranted for the interpretation of data, as some figures may not be representative of cumulative results.

Findings and Analyses

Relevance

Some adjustments to the priorities selected at the beginning of the cooperation have been made, allowing stakeholders to learn to work together in improving the planning and follow-up processes. Efforts have also been made towards ensuring that the cooperation agenda has clear links between trade and environment, as well as contributions towards strengthening the public sector, institutional capacity, and management of trade-related authorities at the country level.

The activities and outputs of the program have generally been consistent with the intended environmental impacts and effects; however, in certain cases, these impacts have proved difficult to measure or determine—particularly as they relate to legal instruments—, as impacts in this area can be better measured in the long-term.

Consistency and complementarity are areas about which governments should be mindful, given their role in the development planning process and access to cooperation funds from other sources. Added value of the ECP lies in the program's focus on national priorities and on the commitment of the CAFTA-DR country governments. The program, in addition to addressing national issues, has helped to focus existing activities and identify initiatives with potential for greater impact in the region. Both implementing agencies and POCs believe that the familiarity with the CAFTA-DR ECP in local institutions and community-based organizations (CBOs) is developed well and has increased.

Efficiency

Implementing agencies that were interviewed found that the program's administration in general has been efficient, and given the challenges posed by the myriad of stakeholders and interests, there is room for improvement in inter-agency communication at the funding and decision-making level.

Also, implementing agencies have highlighted, on a level of strategic planning, the need to place certain responsibilities on the countries, under which they would help to articulate and define the priority areas within the program that need support and continued funding. This need is reflected in the first evaluation report presented by OAS-DSD and is further emphasized by the fact that funding has decreased from US\$18.5 million in 2006 to US\$10 million in 2010.

In light of this reduced funding, it is also essential to ensure that the functions of monitoring and evaluation are not neglected, given their positive contribution to streamlining the ECP and its effective management. To date, US\$745,328 has been allocated for monitoring the progress of the ECP.

Timeliness has also proved to be a difficult challenge. The yearly appropriations process and timeline does not allow for long-term plans and consequently, it is difficult to think about long-term outcomes. Recommendations from implementing agencies in this regard include the establishment of a clear communication strategy with roles and responsibilities at the beginning of the program.

Demonstrating clear changes in terms of practices, behaviors, or environmental improvements continues to challenge efficiency as well. This is not due the lack of interventions or progress; but rather, is a result of inadequate monitoring systems and standardization of reporting and monitoring tools that would assist implementing agencies.

Effectiveness

Effectiveness is defined as the extent to which a project or program attains its objectives and delivers planned outputs. As a result of the use of national PMFs by implementing agencies, this report has been able to provide more details regarding the level of achievement of these objectives and their associated results at the output level as well. However, the OAS-DSD has encountered several challenges in demonstrating results due to: missing data and data that is at times regional and at times national; lack of standardized reporting from participating countries and implementing agencies; a still strong tendency to focus on activities; and an absence of a coherent IMS to consolidate data from a regional perspective.

Goal A: To strengthen institutions for effective compliance and enforcement of environmental legislation

The ECP has contributed to strengthening the public sector, institutional capacity, and management of trade-related authorities at the country level. Implementing agencies have worked closely to

develop and implement environmental regulations in wastewater management, chemical and hazardous substances, and EIAs, improve the capacity of countries to effectively enforce environmental laws, assist the private sector in complying with environmental obligations, and increase public access to environmental data and information in CAFTA-DR countries, in an effort to strengthen institutions for effective compliance and enforcement of environmental legislation. Considerable progress has been made in all countries in terms of regulations, policy in solid waste management, and solid waste exchange mechanisms.

Goal B: Protection of wildlife and their habitat for long-term economic and environmental development

For the protection of wildlife and their habitat for long-term economic and environmental development, CAFTA-DR countries have made considerable progress. The 1975 Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), in particular, has helped intervene in biodiversity and conservation. The region has been successful in developing plans and strategies for CITES compliance through the development of three major legal documents: CITES Legislative Plan; CITES Implementing Regulations; and CITES Legal Analysis. In conjunction, a Seizure Cooperation Agreement was successfully signed in El Salvador. Work towards strengthening CITES through the development of a regional scientific experts directory that will support CITES Scientific Authorities, the identification of information gaps and needs, along with communications and initial work with conveners of the Cancun International Workshop on CITES Non Detriment Findings, has been completed as well. In terms of environmental management instruments that have been generated, analyzed and improved, a variety of interventions including a regional trade study, biological monitoring workshops, a regional Iguana Status Study, an Economic Evaluation, and an updated regional list of CITES species have been completed. In addition, operational manuals for CITES and identification guides for species are in progress.

Goal C: To implement a conservation system based on the market

Overall there has been good progress in increasing awareness of ecotourism in the region. Strategies to promote eco-tourism and community involvement are also noted as well as improving visitor infrastructure and tourism services. Market-based conservation, for instance, and its focus on sustainable tourism, agriculture and forest products, has made significant advances in the program. Despite these advances, progress in this area is not as clear as others due to inconsistencies in the use of indicators. From data available, there has been an increase of improved natural resource management, including that in areas of biological significance. From baseline data, there has been an estimated 12% increase in hectares which are under improved natural resource management and 18% increase in areas of biological significance.

Goal D: To improve the environmental performance of the private sector

Under the environmental performance of the private sector, progress has occurred through incorporating cleaner production strategies, environmental management systems, voluntary mechanisms and public-private associations. This progress is concentrated most, however, on the development of regional/national policy frameworks on these cleaner production strategies, as well as energy efficiency, in order to support cleaner production regulations and ultimately improve the private sector's environmental performance.

Sustainability

Three main aspects necessary for the sustainability of the program include first, the political buy-in of the ministers. The environmental ministries must have a clear vision of what the program is and need to understand that the program is oriented towards its national priorities. Second, the program must define the role of the POCs. This role must include details regarding coordination and the facilitation of cooperation. Lastly, the program must have a good technical counterpart from both the

government and private sectors in order for the implementing agencies to have continuity and sustained dialogue.

There are many questions that still must be asked to address the program's continuity. For example, now that the beneficiaries have had access to new assets, what is the best strategy to ensure their sustainability? Implementing agencies must ask their project leaders this question for all parties to know how exactly each project can be sustainable.

Lessons Learned

- Results-based reporting with strategic indicators enhances effective monitoring and reporting processes. A clearer focus on intermediate outcome indicators is necessary for CAFTA-DR if the current implementation phase is extended. The current framework is heavily activity and output focused with indicators which attempt to count numbers of participants in training and workshops. While this information may be useful in determining reach in each participating country, it does not allow for the measurement of changes in environmental protection, wastewater management, natural resource management and all other areas under the Environmental Cooperation Agreement.
- An important lesson learned regarding the design and implementation of the ECP is the fact that political will is essential to the implementation of the technical aspects of the program.

Recommendations

- POCs require access to high level authorities and decision makers. This facilitates POCs role in articulating the environmental cooperation agenda. This is key for an adequate follow-up and orientation of the ECP by any government.
- The OAS-DSD should revise the national and regional PMFs and find intermediate level indicators that go beyond process in coordination with POCs and implementing agencies, keeping in mind these indicators should be strategic and realistic to measure. The number of indicators used should be reduced, particularly between the ones that are very similar in nature
- The implementing agencies should provide cumulative data on their progress using the template designed by the OAS-DSD. This would not prevent the implementing agencies from reporting in their original template to DOS/OES and USAID, nor on reporting contextual and qualitative information.
- The OAS-DSD should consider revising data collection tools with implementing agencies for their corresponding indicators, to optimize the data collection process for the CAFTA-DR monitoring template and to ensure all outcome indicators are covered adequately.
- Further efforts should be pursued towards baseline collection and data disaggregation regarding the ECP.
- The ECA provides opportunities to enhance the policy, legal, and regulatory framework for CAFTA-DR countries and thereby create incentives to conduct operations in an environmentally sound manner.

Conclusion

Despite challenges in the planning, implementation, and evaluation of the cooperation, the OAS-DSD believes this report adequately depicts the progress of the region. The cooperation has cultivated

progressive experiences and benefits, reinforcing the processes in place. As well, success stories have helped to highlight this progress, promoting awareness of the ECP throughout the region in addition to improving its overall implementation. CAFTA-DR countries are capable of taking the ECP and its benefits to the next level. In other words, they have at least the basic tools to ensure the continuation of the ECP. However, staff and resources must be properly allocated and sustainability must be prioritized in order to ensure the long-term benefits of the ECP.