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## EXECUTIVE SUMMARY

### *Background and Overview*

From FY 2005 through FY 2010, the United States invested approximately US \$77 million to fund the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) environmental cooperation, and anticipates additional FY 2011 funding. This funding is helping CAFTA-DR countries advance in the following four programmatic areas: (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 Environmental Cooperation Agreement (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 the ECC 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, which consisted of qualitative findings of accomplishments of the Environmental Cooperation Program (ECP). The OAS-DSD delivered the Second Evaluation Report to the Department of State and Government Points of Contact (POCs) on December 3, 2010, and presented it to the Environmental Affairs Council on January 27, 2011. With this Third Evaluation Report the OAS-DSD is committed to providing a general overview of the ECP that contemplates successes, challenges and recommendations witnessed from the beginning of the implementation of the Program, with a view to improving future environmental cooperation programming.

### *Methodology*

This evaluation was conducted following a specific methodology designed to ensure the validity of findings reported herein. This methodology relied primarily on relevant evaluation questions, indicators, data collection methods and reliable information sources. The OAS-DSD team adapted this tool from the previous evaluations, utilizing fundamental elements of different Results-Based Management (RBM) or Official Development Assistance (ODA) evaluation methodologies to ensure its adequacy in the current evaluation context. It was essential to use the evaluation criteria applied in the previous CAFTA-DR evaluation reports—i.e. relevance, efficiency, effectiveness and sustainability of the ECP—and to reexamine them as the implementation of the ECP continues. Supplementing the document review is a series of interviews led by OAS-DSD representatives with key stakeholders, both in Washington, D.C. and in CAFTA-DR countries. Progress was assessed using the Performance Measurement Framework (PMF) originally developed by the OAS-DSD in 2009—on the basis of individual Road Maps prepared by CAFTA-DR countries—and subsequently updated and refined to produce the Second Evaluation Report, especially with respect to short-term results and outputs achieved. ECP outputs have been gradually added to this tool, leading to



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greater results associated with new environmental practices, behaviors, procedures or systems to protect and preserve the environment at the local, national or regional level.

## ***Finding and Analyses***

### ***Relevance***

Implementing agencies have observed an evolution in how the ECP is being implemented, particularly in the consensus reached by CAFTA-DR countries to move forward in the results achieved under the cooperation and make advances in the framework of the regional agenda. This has allowed them to identify their common interests as a region, such as strengthening institutions for effective compliance and enforcement of environmental legislation, as well as cleaner production. The ECP has allowed stakeholders to gain a regional perspective of environmental challenges and opportunities, and a holistic view of the cooperation, which has allowed implementing agencies to complement their efforts. Results, as well as progress in specific themes that are key for the countries, are now easier to demonstrate.

One of the main achievements of the cooperation is its contribution to the improvement of inter-institutional coordination. The ECP has enabled CAFTA-DR countries to approach other institutions and has created the links and tools necessary to strengthen cooperation between sectors such as environment, finance, health, and energy, among others. Since its inception, the ECP has strengthened inter-institutional relationships, served as a mechanism to identify priority areas at the national and regional levels, and promoted the establishment of solid public-private alliances to address environmental issues. The improved consensus and innovation that has resulted from the ECP makes it a very relevant program in the framework of the ECA.

### ***Efficiency***

In the interview process, POCs expressed that the program's administration in general has been efficient. Progress has been observed since the CAFTA-DR Second Evaluation Report, particularly in inter-agency coordination at the funding and decision-making level. There is high regard for the experts working with the implementing agencies; in particular in the area of environmental legislation, where the expertise made available to the countries has enabled the building of bridges with different sectors that support environmental compliance. However, the selection of implementers does not always respond to a uniform criteria established by the CAFTA-DR parties; and the selection process has not been discussed in an open fashion by the POCs. Also, there are still some communication issues between implementing agencies that require attention.

Within the ECP, POCs have played a key role in efficiency by providing advice and follow up to the cooperation. They have worked together in a regional agenda and have created a model for inter-institutional cooperation at the national level, engendering a 'culture of cooperation' among all stakeholders

### ***Effectiveness and Results Achieved***

Effectiveness is defined as the extent to which a project or program attains its objectives and delivers planned outputs. Effectiveness and progress were assessed using the PMF originally



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developed by the OAS-DSD. This past year, representatives of implementing agencies and CAFTA-DR governments have been working together to develop a set of indicators at the intermediate result level. The OAS-DSD proposed to use these new indicators to concentrate on results achieved at the intermediate level. Since implementers and POCs supplied relevant data to inform these indicators, the OAS-DSD was successful at identifying clear progress towards the achievement of intermediate results of the PMF. Generally speaking, the OAS-DSD found that many of the activities carried out and results achieved are linked to capacity building and training sessions. However, at this point in the life of the program, it is still premature to try to measure with precision or quantify the effects of many activities that have been undertaken within the ECP, due to the nature of the expected results and the scope of their related indicators. In fact, there are still many projects that have not been able to report on all of their expected results, as more time will be needed to assess tangible change. The following is a summary of the major accomplishments under each Goal.

## Goal A

Under Goal A, the OAS-DSD team has perceived major progress although many indicators appeared to be challenging to measure. Capacity building for effective compliance and enforcement of environmental legislation are areas that definitely require time to be measured, and most probably a renewed support will be necessary to maintain and/or deepen the results achieved.

With regards to Environmental Impact Assessments (EIA), implementation capabilities and capacities have been greatly improved in participating countries with the web-accessible tracking of EIA processing and NEPAAssist GIS-based analytical tool. Wastewater management is another area of significant progress, particularly with the creation of a reference laboratory in five of the CAFTA-DR countries, including a regional reference laboratory, and a greater implementation of performance standard methodologies and regulations in wastewater management.

Although solid waste management received less attention, the BORSICCA solid waste exchange mechanism is operational, with over 500 registered users and a few countries implementing the protocol for inspection of sanitary landfills. Management of chemicals and hazardous substances has also started slowly, but it is worth noting that 30 institutions have an increased knowledge of emergency management of spilled harmful substances. It is now possible to assess an air quality management improvement, given CAFTA-DR countries have been provided with a National Emission Inventory that will allow them to create air quality baseline and eventually strategies to impact the air quality. Further noticeable progress can be seen in the capacity to perform real time air quality monitoring.

One can observe greater capacity to manage environmental complaints among the countries that implemented a system of follow-up and control of said complaints. Improvements can also be seen in their capacity to conduct inspections once the complaint has been filed and addressed; although more capacity building will be necessary in order to assess a real increase in the effective attention of complaints, for which criteria will need to be defined and agreed upon by the different countries.

One area that generated a visible change in the compliance capacity of environmental legislation of the CAFTA-DR countries is the accessibility of environmental information to decision makers. In addition, the satellite-based program SERVIR was disseminated in the region, providing very useful data to mitigate natural disasters and threats, improve agricultural practices, and monitor air



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quality. Environmental protection and conservation campaigns have also been deployed in different countries to reach the wide public and increase awareness on specific topics such as the illegal trade or hunting of natural wildlife, and the importance of preserving the unique ecosystems found in CAFTA-DR countries. Although it is still difficult to measure the impact of those campaigns on the environment, it is clear that in the long term they serve to enhance compliance and enforcement of environmental legislation and preservation in the region.

To promote greater public participation, special focus was placed on people usually excluded from the public participation process in environmental decision-making. An initiative has been launched to create spaces of dialogue between the public and local authorities on specific environmental issues and policy decision-making process as defined in Chapter 17. This is a relatively new program in the region that will in the mid and/or long term strengthen the governments' capacity to comply and enforce their environmental legislation, with the help of the public.

### Goal B

To protect wildlife and their habitat for long-term economic and environmental development, the ECP has been implementing projects to improve the implementation and enforcement of the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES), the protection of forests, protected areas and fragile ecosystems management, and the conservation of marine turtles. This goal is achieved with various actions stemming from the improvement in the management of natural resources through the establishment of agro-forestry and silvopasture systems, soil and water conservation works, and the reduction of agrochemical use. Moreover, strengthening the implementation of wildlife and habitat conservation agreements, trainings, tool development, awareness campaigns and many other strategies has also contributed towards the achievement of this goal. CITES is one of the most important Multilateral Environmental Agreements (MEA) supported by the ECP, with projects addressing, for example, capacity building for customs officers, web-based courses for law enforcement representatives involved with CITES, frameworks for wildlife law enforcement at the local level, regional enforcement network, and other initiatives enhancing the enforcement of CITES throughout CAFTA-DR countries.

The protection of wildlife and habitat can only take place if relevant and accurate data on the populations can be analyzed. Implementing agencies have come together to harmonize indicators and facilitate data collection in order to access quality information and allow national and local authorities to make more informed decisions about wildlife protection. In fact, information on that topic has been promoted in various ways to make it more accessible to the public, including through new websites to raise awareness about endangered species and responsible wildlife viewing, such as in the Chacocente Wildlife Reserve in Nicaragua, and through sustainable tourism, such as found at the Wildlife Visitor Center and entrance trail in the Cayos Cochinos Marine Protected Area in Honduras. Information has also been made available to a greater number of people, as was done by U.S. Department of the Interior (DOI) and other implementing agencies by using billboards along highways with messages about the protection and regulation of different endangered species. All things considered, millions of people have been exposed to the different campaigns of awareness, with an important potential to change over time behaviors regarding wildlife conservation. The protection of wildlife is also ensured by the improvement of specialized infrastructures, like the Humane Society International (HSI) initiatives to strengthen partner rescue centers and rehabilitation enclosures in some CAFTA-DR countries.



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The outcomes achieved in terms of changed behaviors and new practices also extend to the management of protected areas. The Maya Biosphere Reserve (MBR) of Guatemala is one protected area that received support through the improvement of its internal management, greater public participation, capacity building for the park guards and enhancement of governance and law enforcement. One of the very important outcomes related to this improvement has to do with the reduction of illegal logging and illegal poaching.

### Goal C

This Goal builds the bridge between the protection of the environment and the sustainability of economic activities. Most of the market-based conservation initiatives were related to production certification, and the application of specific environmental standards to generate benefits both economically and environmentally. This has been achieved through the training of community stakeholders, small farms owners, and also through stakeholders from bigger companies seeking marketing opportunities and to lessen the environmental impact of their production.

One of the great achievements with regards to market-based conservation is the linkage between the suppliers of certified products and the market of buyers. Several alliances were established between food stores or supermarket chains and farmers associations, which allow the promotion of certified products, ensure incomes for farmers and help in the development of environmental standards in various products' supply chain. Alliances meant to improve environmental practices in the production processes can also help enhance food security, mostly in the fruit and vegetable production sector, with the participation of all stakeholders involved in the value chain of these products. Clearly the activities and outcomes achieved under outcome C did support the implementation of a conservation system based on the market, which in turn help maintain the natural resources base and protect the environment to support sustained and sustainable economic growth.

### Goal D

The improved environmental performance of the private sector has been supported through both incentive measures and improved environmental practices. The ECP supported the adoption of several policies and incentive tools by key economic sectors, especially in agribusiness and tourism, as well as the development and dissemination of innovative practices to reduce impact on environment and operation costs. An important achievement of the ECP is its ability to bring the public and private sectors together to address clean production practices and environmental management systems through alliances and inter-sector coordination. Voluntary agreements and initiatives have been implemented throughout the CAFTA-DR region to increase the adoption of cleaner technologies and improve environmental performance. Through simple changes, businesses and enterprises have at times been able to reduce their energy consumption and use of resources. To enhance those results, national and/or regional cleaner production incentive instruments were created or strengthened, both financial and non financial. For example, a new certification process for offices was launched and many mitigation activities were implemented to reduce carbon footprint with the help of the ECP.

Despite the efforts to bring together the private and public sectors, more coordination is necessary between the implementing agencies to achieve greater impact in disseminating cleaner



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production policies and practices. This enhanced coordination should also extend to local and national authorities, as some courses on cleaner production developed by implementing agencies did not receive the full approval of the respective environmental authorities.

Some lessons learned can already be shared, such as the importance in working both at the sector and geographic levels, as witnessed in the successful cleaner production project around Lake Atitlan in Guatemala. With this project, participating hotels were able to save 60 percent in water consumption and between 30 to 40 percent in energy consumption, which significantly reduced their operation costs. That success created a strong will for other municipalities to benefit from the project. Generally speaking, initiatives under Goal D generated very positive results that deserve greater replication and scaling up at the policy level, nationally and regionally.

### **Sustainability**

The sustainability of several of the projects and initiatives being implemented under the ECP is being achieved through solid public-private sector alliances, by guiding these efforts in the framework of the social corporate responsibility of the businesses, and institutionalizing this knowledge in the universities and institutes of higher education. Likewise, inter-institutional alliances are also a good base to provide continuity to initiatives promoted by the ECP. National authorities and implementing agencies are aware of the importance of showing results and transparency in the management of the projects and activities to be able to complement the CAFTA-DR cooperation with funds from other cooperation agencies. A successful initiative among most of the implementing agencies has been the *train the trainers* program.

It is important that all stakeholders involved in the cooperation identify mechanisms that provide sustainability to the activities and projects implemented. In some cases, these are defined, but in the cases which they are not, implementers should keep in mind that some activities are currently in the last phases of implementation and identify some lines of action. Even though some implementing agencies have designed sustainability strategies for some initiatives, it will be interesting to draw a more global strategy at the regional level for the sustainability of the CAFTA-DR Environmental Cooperation Program.

### **Challenges**

The coordination of the ECP has improved substantially. However, there still exist isolated cases that require a greater effort on the part of the stakeholders to ensure that the fruits of the implementation of initiatives are not seen as threatened by administrative problems and lack of coordination. One of the main challenges is that the environmental agenda is not seen as a fundamental pillar of the development agenda. It has also been challenging to carry out an efficient cooperation process with a different political dynamic in each country, as well as improve enforcement of environmental legislation considering the asymmetries in the region. The lack of political will has hindered the achievement of some results since many are linked to legislation or regulations that have not been approved by the national congress. These results directly depend on cooperation at the political level. One important lesson when establishing a cooperation agenda is to define a strategy to overcome these barriers.



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## **Recommendations**

To achieve sustainable and impactful results, the program should be developed under very well conceived processes; not specific activities. The number of programs under the ECP should be reduced to achieve a greater impact. Focus should be on those programs that achieve greater success and are replicable. The excessive fragmentation of activities at the national level has a detrimental influence on the pace of implementation. It is important to ensure the political will of the activities to obtain the greatest likelihood of the sustainability of the outputs of the cooperation.

## **Conclusion**

Generally speaking, the OAS-DSD team found that many of the activities carried out and results achieved are linked to capacity building and training sessions. Measuring capacity is not an easy task, and it takes time to acknowledge changes in terms of practices and behaviors. However, the OAS-DSD team has been able to assess many positive changes related to capacity building, and is confident that the ingredients for achieving results and sustainability of these results are present in most initiatives, based on observations, field visits, interviews, and narrative report reviews. However, as mentioned, at this point in the life of the program, it is still premature to try to measure with precision or quantify the effects of many activities that have been undertaken within the ECP, due to the nature of the expected results and the scope of their related indicators.