

# Evaluación de medio término del Programa REM-Colombia

Evaluar los avances realizados en el logro de los objetivos y resultados a medio término, destacar los aprendizajes en vista del abordaje nuevo e innovador del Programa REM Colombia y dar recomendaciones sobre cómo mejorar la acción en el tiempo restante para poder cumplir con los objetivos y resultados previstos.



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**DESCARGO**

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# EXECUTIVE SUMMARY

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This report presents the results of the Mid-Term Evaluation of the REM Visión Amazonia Colombia (REM VA) Programme, in the framework of the Separate Agreement (SA) signed between the Ministry of the Environment and Sustainable Development (MADS), KfW (German Development Bank) and Fondo Patrimonio Natural (FPN) for its implementation.

The REM VA Programme is the result of the recognition by Colombia and the international community of the benefits of forest conservation to the planet and societies, due to the value of forests as carbon reserves and the roles they play in regulating the climate and water, as a source of food and fuel, and as the habitat of much of the world's biodiversity and the indigenous peoples who live there.

For this reason, the governments of Colombia, Germany, Norway and the United Kingdom, signatories to the Joint Declaration of Intent (JDI), decided to cooperate to reduce the greenhouse gas emissions caused by deforestation and forest degradation and promote sustainable development, thus contributing to the objectives of the National Development Plans (Spanish acronym PND) 2014-2018 and 2019-2022 of reducing deforestation, achieving forest restoration targets, and putting an end to the loss of natural forests by 2030. For this purpose, the donor countries committed funding of up to USD 100 million, to be spent between 2016 and 2021 through the REM VA Programme.

The arrangement agreed for disbursements is particularly innovative. It establishes a form of payment by results according to verified emission reductions (ER), based on which Investment Plans by Disbursement (Spanish acronym PID) are developed. In contrast to the arrangement that prevails in traditional development cooperation, whereby disbursements depend on spending, in this case payments respond to the verified level of reduction in emissions due to gross deforestation in the Amazon region over the period 2013-2017, as well as an equal quantity of emissions that are deactivated due to management of the risk of carbon leakage and permanence, even though these are not remunerated. It should be mentioned that due to the lack of ER in 2017, committed funds were reduced to USD 87 million, to which resources generated by exchange rate differences and financial yields should be added.

The overall objective set for the REM VA Programme was to provide REDD bridging finance for forest conservation and climate protection, with the goal of helping to reduce emissions caused by deforestation in the Amazon region, producing benefits for local communities (under a Stock and Flow approach), and seeking to achieve six outcomes by means of five pillars of work: 1- Improving forest governance; 2- Sectoral planning and sustainable development; 3- Agri-environmental activities; 4- Environmental governance with indigenous peoples, and 5- Enabling conditions.



## Summary of main findings and conclusions

In general terms, the Mid-Term Evaluation Mission found that the REM VA Programme has adequately fulfilled the inter-institutional commitments and achieved the objectives set and the targets agreed. It did suffer from delays in the spending of the funds and implementation in the field, due to different circumstances that are analysed in the course of the report. These were addressed by the Colombian government and the Programme Implementation Unit (Spanish acronym UER), who have demonstrated a high capacity to adapt to changing conditions in the political environment and the situation on the ground, as well as in terms of the learning process arising from the implementation of an innovative mechanism like the one agreed between the parties.

As a synthesis of the analysis carried out, the report presents 50 general conclusions related to the management and administration of the Programme and its resources, the targets and outcomes, and the lessons learned. Likewise, to improve the Programme's effectiveness and efficiency, as well as the expected impact and the future sustainability of the work, the Evaluation Mission offers 44 recommendations for consideration by the parties, which are also included in the report.

In keeping with the terms of reference, the Mid-Term Evaluation was based on the analysis of five criteria, following the methodology developed by the Development Assistance Committee (DAC)<sup>1</sup> of the Organisation for Economic Cooperation and Development (OECD), namely: (a) relevance, (b) effectiveness, (c) efficiency, (d) impact and (e) sustainability.

### Relevance

The conclusion reached is that the formulation and conceptual and operational design of the REM VA Programme, as well as the institutional arrangements put in place for its implementation, are very relevant to the general objectives laid out by the parties, as it has contributed in a timely and appropriate way to government efforts to reduce emissions due to deforestation in the Amazon region of Colombia, in conformity with the agreements signed under the Joint Declaration of Intent (JDI) and the international commitments entered into by Colombia.

It was found that the national government sees the Programme as highly important due to the resources involved in its implementation. This ensures that it is given the necessary attention by decision-makers in the different sectors and levels of public administration. However, the ability to reach the cross-sectoral agreements required to make progress on the Programme's objectives, which were given significant legal backing by the Supreme Court's ruling on the rights of the Amazon region, should enable MADS/REM VA to demand greater commitment from other ministries, the Regional Autonomous Corporations (CAR), and departmental and municipal governments, as well as the oversight bodies, to strengthen and give continuity to the actions on the ground.

Furthermore, although new funding has been allocated for the purpose of achieving targets and complying with international agreements on combating deforestation (30% of the carbon tax and

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<sup>1</sup> [https://europa.eu/capacity4dev/evaluation\\_guidelines/minisite/es-evaluaciones-de-proyectoprograma](https://europa.eu/capacity4dev/evaluation_guidelines/minisite/es-evaluaciones-de-proyectoprograma)

4% of royalties), there is a need for additional support, both technical and financial, to deal with the complexity of the problem in a region that covers more than 45% of the country's territory.

From the point of view of the intervention logic, the REM VA Programme reflects an appropriate operational design at the national, regional and local level. Nevertheless, the structure of working by means of independent pillars does not always achieve sufficient coordination on the ground. For this reason, the Forest Development Clusters could be an appropriate response, paying the necessary attention to the selection of implementation areas (avoiding those with very little or no tradition of logging), strengthening the Non-Timber Forest Products (NTFP) and integrated territorial management components, and strengthening the regional and local institutions responsible for monitoring, control and oversight.

## Effectiveness

In terms of effectiveness, most of the targets established in the Logical Framework are being achieved in line with the Programme's level of implementation, and some have already been fully achieved. However, there are delays in some components, as well as in the spending of Programme funds. This will undoubtedly imply the need to make adjustments to the targets and allow additional time to achieve the outcomes established in the Separate Agreement.

These delays are understandable given the complexity of the work, the size of the territory, and the slow learning process implied by the implementation of an initiative that is novel in terms of its conception, operational design and the quantity of resources involved. In addition, the Colombian counterpart has not been sufficiently independent in decision-making about how to use the resources, as the spending of Programme funds requires PID and Acquisition Plans by Disbursement (Spanish acronym PAD) to be presented to KfW for its approval. This imposes complicated and lengthy administrative procedures, in addition to the extensive processes involved in the procurement of goods and services.

The main components experiencing the longest delays are linked to pillars 1, 3 and 4, which involve direct interventions on the ground with rural and indigenous organisations and communities, the preparation process for which took up much of the Programme's first phase of implementation.

For example, of the targets established for an estimated total of USD 123 million, progress on the area under land management for  $\geq 2.25$  million hectares will only begin in 2020 with the formulation of the Forest Management Plans (Spanish acronym POF), the target for the number of rural families benefiting from agri-environmental activities has only been 23% achieved, and implementation of the agri-environmental production interventions stands at 27%.

Considering the progress made on the enabling conditions and institutional strengthening at the central government level (aimed mainly at monitoring and verification, sectoral planning and public policy formulation), increasing investment in work at the local level in a second phase of the Programme, possibly reaching 70%, will help to ensure that the actions are consolidated and eventually scaled up. This would make it easier to address the initial weaknesses in the design and structuring of the projects at the local level and improve institutional support on the processes to change the unsustainable production systems that predominate in the region, although it will not be

possible to measure the impacts of this fully because it involves productive arrangements such as the establishment of agroforestry or silvopasture systems which will only reach maturity in the medium or long term.

With regard to local investment and the differentiated approach which should characterise the Programme as a whole, the Indigenous Peoples' Pillar (PIVA) is innovative in its development work with indigenous communities, as they are the key actors in the Programme's design and implementation. This has had a positive impact on strengthening territorial and environmental governance by these communities, especially in the Eastern region. The exercise of indigenous governance in communities in the Western region, on the other hand, is posing many challenges to the PIVA.

It is clear that "no deforestation" agreements are not sufficient to guarantee ecosystem stability in the areas where the Programme is working, but they do represent significant progress in the right direction. Nevertheless, more in-depth work is needed on cultural variables, as this will aid understanding of ecological dynamics and lead to greater social oversight of the territory.

There are various outputs related to institutional strengthening which are very relevant, provided that these outputs are lasting. Once the Programme's activities come to an end, entities such as the CAR and municipal governments do not currently have the funds needed to keep up investments in the projects implemented and maintain the additional extension workers on the payroll, and neither have they started to make arrangements to ensure such continuity. Nevertheless, the Agricultural Extension Plans (Spanish acronym PDEA) which will be implemented through the Agricultural Extension Service Provider Organisations (Spanish acronym EPSEA), as envisaged in the National Agricultural Innovation System (Spanish acronym SNIA), could mean that the outlook in terms of future work and sustainability is favourable.

## Efficiency

Evaluating the efficiency of an innovative intervention mechanism to reduce deforestation in a context as complex as Colombia's Amazon region is a challenge. In general terms, it was found that during the implementation and learning process the parties have made their best effort to deliver the results agreed in the JDI and the Separate Agreement on time. The conclusion reached is that there is room for improvement in implementation during the time remaining to the Programme, which can serve as learning for a possible new phase.

In this area, the composition of the Directive Board (Spanish acronym CE), and its regulations should be revised to achieve a greater impact in efforts at cross-sectoral coordination to take forward the government's agenda on deforestation control. Furthermore, it is recommended to review if the implementing organisations should be members of the CE.

The Monitoring Committee should be formalised because it provides backing for financial decisions in reporting to KfW, and the participation of the different MADS departments/levels involved should be made permanent, as a way of strengthening the Ministry.

Considering the delays in implementation and the spending of Programme funds at the cut-off date of December 2019, and bearing in mind that approximately 76.1% of the funds (USD 74.6 million of the estimated total budget of USD 100 million) still remain to be spent (taking into account reports and PADs not yet approved: PIR II and PAD IV partially approved and PIR III still without an exact amount), it is necessary to reorganise and strengthen the UER, giving continuity to and firming up decisions taken since 2019. To this end, it would also be useful to have swifter responses from KfW to requests for approval (despite having made the procurement processes more flexible, significantly increasing the amounts that required approval) and speed up the production and approval of audit reports, which also have a significant impact on the flow of funds from FPN and its sustainability as a financing mechanism.

Even so, among the measures that are expected to have a positive impact on the financial management of the REM VA Programme in 2020 and 2021, those that should be highlighted as particularly promising are the planned implementation of Green Finance Instruments with the Banco Agrario, the scaling up of the Amazon Forest Incentive through the CAR, the cofinancing of agri-environmental projects with Colombia Sostenible, the formalisation of land tenure with the National Land Agency (ANT) as part of Pillar 2, and the additional effort to complete the National Forest Inventory in the Amazon region with IDEAM, all of which are essential to promote investment at the local level.

Likewise, planning instruments such as the Program Operation Manual (Spanish acronym MOP), currently under review, need to be able to ensure standardised processes, consultation and the induction of new staff. It might also be advisable to decouple disbursements from Programme implementation, carry out annual planning and include the PAD for the following year in annual reports.

In addition, a truly integrated information system must be created. It should be accessible to all interested parties and store all the financial and technical documentation on the interventions, in order to facilitate decision-making and avoid the splitting up of the information that happens at the moment.

With regard to the system to monitor the work of the implementing organisations, which has undergone improvement during Programme implementation, with an increase in time and costs (due to ongoing training and verification in the field), it is worth reviewing whether the current quantity of reports and documents is necessary or whether reporting can be simplified.

With regard to the costs and remuneration arrangements for the Funding Mechanism, the conclusion reached is that the current agreed commission for the management of the Programme's funds is insufficient to complete the spending of the funds by 30 June 2022 and that their request for an increase is justified.

It was found that the international consultancy plays a key role in Programme implementation. This has led to two amendments being made to the original contract, with the second having been recently approved (April 2020) following the statement of no objection by KfW. Because it is intended to provide strategic rather than operational support, this measure should be accompanied by the strengthening of the UER as a sine qua non condition for addressing the challenges that will arise when the Programme's work comes to an end.



The Programme's implementation costs, which account for 12.6% of the approved budget as of 31 December, are considered low in comparison to traditional KfW programmes. Therefore, a possible extension of the Programme's time frame will have an impact on implementation costs.

## Impact

The Visión Amazonía initiative is the Colombian government's most comprehensive, systematic and well financed effort to combat deforestation and forest degradation in a region that covers more than 45% of the country's territory and contains a large proportion of its natural wealth.

The REM VA Programme therefore represents a unique opportunity to make consistent progress towards achieving public policy objectives in the long term, based on integrated and coordinated work with the different sectors and levels of public administration, other private sector stakeholders and local communities to promote conservation of the Amazon biome.

Indeed, the Programme has contributed to the formulation of the current PND and other policy instruments such as the National Council on Economic and Social Policy (CONPES) documents, providing information, knowledge and the experience gained from its interventions on the ground.

One of the most important impacts is the effort to position a forest economics approach and have it adopted by society in the region by means of instruments based on Sustainable Forest Management, allowing forest resources to be used as an economic alternative that discourages deforestation, together with the development of the "Forest School" environmental education strategy with the support of the Universidad de la Amazonía, and the inclusion of the environmental component in education plans for rural areas, to support changes in the way in which local communities relate to their natural environment.

Although it is too early to identify precisely the specific contributions made by the REM VA Programme to reducing emissions due to deforestation, it can nevertheless be stated that the support for and collaboration with environmental and oversight authorities has helped to increase the impact of measures to contain the loss of forests, forest fires and illegal timber sales.

The recent creation of the Administrative Region for Planning – RAP Amazonía – is the most important institutional development supported by the Programme to bring about changes in the regional scenario, facilitate cross-sectoral agreements between Amazon region departments and enable development alternatives without deforestation.

The sectoral planning and sustainable development component, which was intended to precede and guide the conceptual, methodological and operational design of the REM VA Programme, enabled the formulation of the Territorial Management Model for the Amazon Region (Spanish acronym MOTRA). This has already been incorporated into the PND through the Amazonia Viva Regional Pact, and should be used by the local organisations as a reference document when they update the Territorial Management Plans (Spanish acronym EOT) in the 15 municipalities supported by the Programme, as well as in the formulation of the Departmental and Municipal Development Plans (PDD and PMD). For the REM VA Programme, this implies an additional effort to support the regional administrations who recently took office in January 2020.

Likewise, the progress achieved on Strategic Environmental Assessment and Environmental Zoning has had an impact on sectoral policies, plans, programmes and investment projects and on fulfilment of the commitments arising from the Peace Agreement.

Pillar 3 is structured around five major components: agri-environmental projects (1475 families benefiting from beef and dairy cattle reconversion projects and agroforestry systems (Spanish acronym SAF) including cocoa, rubber, non-timber forest products and nature tourism), rural extension, green finance instruments, capacity building and productive alliances. This pillar has achieved significant progress in its work aimed at transforming the low-sustainability production systems prevalent in the region, based on no-deforestation agreements covering more than 57,000 hectares, with a high level of compliance by the beneficiaries, as demonstrated by the monitoring and verification reports.

The most important achievement in Pillar 4 has been the understanding reached between indigenous peoples and the national government to develop a programme to strengthen environmental governance in indigenous territories, as a result of international negotiations on global policies to tackle climate change. At the regional level, it has made departmental and municipal governments more aware of environmental governance by indigenous peoples as guarantors of the sustainability of the Amazon region, now declared the holder of rights by Supreme Court ruling 4360.

## **Sustainability**

The REM VA Programme has enabled Colombia to achieve progress in fulfilling international commitments on sustainable development and controlling emissions of greenhouse gases due to deforestation and other anthropic factors, as well as the national policies included in successive PNDs. For this purpose, it has an ample environment-related institutional structure created by the 1991 Constitution and an extensive body of law and jurisprudence. Ruling 4360 is now the guarantee that this progress will be maintained and built upon as part of the national policy to control deforestation.

Essential to these achievements has been the institutional strengthening and support of the scientific institutions with responsibilities for Programme implementation, in keeping with their attributes and missions: Instituto SINCHI, Instituto von Humboldt and IDEAM, which are responsible for developing the enabling conditions (pillars 1, 2 and 5) and carrying out the work in the field (pillars 3 and 4).

The territorial management and planning processes supported, as well as environmental education, are the basis for developing a “social pact” for the region to prevent deforestation, forest degradation, and the loss of biodiversity and ecosystem services that underpin the region’s economy. For this reason, the main challenge is to ensure that these instruments and processes set in motion with the intervention of the REM VA Programme are included in local and regional development planning processes and, more broadly, that society in the region takes ownership of them.

Similarly, pillars 3 and 4 have enabled the strengthening and consolidation of community, rural and indigenous organisations, as well as regional and local institutions (mainly the CAR and departmental

and municipal governments), which are involved in deforestation control and the conservation and sustainable use of the territories under their jurisdiction. However, the sustainability of some of the interventions will depend on the commitment of these actors, some of whom argue that they lack the resources to keep the arrangements going after the formal agreements elapse.

For example, the Programme has funded technical support from staff linked to the Agriculture Secretariats and the CAR. In the case of the municipalities, funds are insufficient to mobilise structural changes at the local level when compared with the amounts of investment involved in pillars 3 and 4. The projects in the Indigenous Peoples' Pillar have helped to increase organisational capacities, but management of the administrative mechanisms that will make the actions now under way sustainable and generate new opportunities is still weak, especially if the long-term involvement and participation of young people is not encouraged.

The call for projects with indigenous women, which will soon start to be implemented in partnership with the UNDP, will provide insights on the differential approach for the sustainability of the institutional and organisational strengthening work.



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