

***Internal Review of the North American
Fund for Environmental Cooperation
(NAFEC)***

June 2000

Executive Summary

Background

The North American Fund for Environmental Cooperation (NAFEC) began operation in May 1996. It was created by the Commission for Environmental Cooperation (CEC) as a means to fund community-based projects in Canada, Mexico and the United States that promote the goals and objectives of the CEC. NAFEC is not a mandated activity of the CEC, but is seen as an important complement to mandated CEC work.

NAFEC receives its funding through an allocation from the overall CEC Program budget. To date, NAFEC has received 2,014 proposals and awarded 142 grants, totaling US\$5.4 million. Eighty-six projects have been completed and 56 remain active. Almost half of the grants awarded were between US\$46,000 and \$66,000, and were made to NGOs with organizational budgets of between US\$66,000 and \$330,000.

As the Commission and its programs have evolved, demands for funds have increased from all CEC program areas. On the other hand, the CEC's overall budget has remained relatively unchanged. In this context of increasing demands and a steady overall budget, NAFEC's budget has declined from US\$1.5 million in 1996 to US\$400,000 in 2000. The decline in the NAFEC budget, and the increasing demand by mandated programs for more resources, puts the survival of NAFEC into question.

Purpose of the Evaluation

The Secretariat mandated an evaluation of the effectiveness and impacts of the NAFEC program to be presented at the Regular Session of the CEC Council in June 2000. The purpose of this evaluation is to provide Council with information and recommendations to aid it in making decisions about future directions for the NAFEC program.

Major Conclusions of the Evaluation

Using a variety of data-gathering techniques, the evaluation surveyed 110 grantees (55 responded), interviewed over 20 CEC program staff, stakeholders and unsuccessful applicants, analyzed relevant files and reports, and conducted three focus groups of different stakeholder groups. Based on these data, the following conclusions were reached:

1) ***NAFEC has made a significant contribution to achieving the CEC's goals and objectives.***

Stakeholder groups agree that NAFEC has made a significant contribution to achieving the goals and objectives of the CEC and its programs. The data in the report indicate that: 1) NAFEC generally supports capacity building among community groups; 2) NAFEC provides the CEC with a public constituency that informs policy-level programming at the CEC; 3) NAFEC promotes direct and indirect public participation within the CEC by encouraging grantees to take an active role in JPAC and other CEC processes; and 4) NAFEC creates a natural information clearing house to fill a North American-focused information-distribution gap.

As one program manager put it:

“The CEC was set up as the ‘environmental watchdog’ for the North American public. NAFEC plays a key role in keeping this NAFTA promise.”

Or as expressed by a grantee:

“We’re working on the ground getting things done, somewhat in contrast with the political discussions that have gone on around salmon in the Northwest.”

- 2) ***Specific and substantial results and impacts can be traced to NAFEC's work.*** Grantees reported a wide variety of effects and impacts related to NAFEC funding. These include changes to policies, network formation, protection of endangered species and so forth. In our data set, most of the effects reported (70 percent) are found in the program areas concerning Environment, Economy and Trade (specifically in Green Goods and Services) and the Conservation of Biodiversity. Results range from organic certification for Mexican coffee growers to new conservation legislation on Important Bird Areas. NAFEC has also made a major contribution to the development of transboundary networks. Thirty NAFEC-funded projects explicitly involved the development of networks: six between Canada and Mexico; six between Canada and the United States; eight between Mexico and the United States; and ten among Canada, Mexico and the United States.

As a CEC manager indicated:

“NAFEC has created important North American networks that have affected environmental issues and allowed the public access to the work of the CEC.”

While we present results and impacts in this report, quantifying these benefits is sometimes difficult at this stage of the program. Of relevance, though, is that over 50 percent of grantees report that they have successfully used NAFEC funds to leverage additional monies in order to sustain their NAFEC work. Quantification of the results and impacts of NAFEC should continue to be a priority in the future.

- 3) ***NAFEC niche is unique.*** The data from respondents indicate that NAFEC has a particular niche as a trinational, transboundary grantmaker. Both CEC stakeholders and key environmental foundations indicate that NAFEC's support of transboundary environmental work is not currently funded by other groups. NAFEC's niche allows it to support NGOs to work across borders on shared environmental issues and reinforce CEC objectives. A representative of *Équiterre* expressed it this way:

“We have the possibility to work with partners from outside the country and to create a tool adapted to North America. There is also, though, the possibility to create a more international tool.”

- 4) ***External and internal communication of NAFEC results needs improvement.*** Evaluation data suggest that the CEC needs to improve the way it reports on and disseminates (both externally and internally) the results of NAFEC work. The effects and lessons learned from NAFEC projects must be more fully documented to the Parties by an adequate mechanism. These include officials in the governments of the NAFTA Parties, as well as stakeholders more generally in the three countries. The CEC also must continue its efforts to fully integrate project information back into CEC programs.

- 5) ***There is a general consensus among stakeholders that NAFEC should be continued with a minimum funding base of one million US dollars.*** The data from the evaluation and also from internal and external stakeholder groups, indicate strong support for CEC to continue to fund the NAFEC program in its current form, with an increase in the level of funding. As one member put it at the recent stakeholders' meeting:

“The tinkering to make NAFEC work has already been done, what is needed now is adequate funding.”

Stakeholders are concerned that the present administrative apparatus is necessary for a grassroots participatory program, but is too costly for the present level of grantmaking. They are concerned that CEC might try to make administrative modifications without considering the effect of these modifications on the “NAFEC culture.” As a stakeholder indicated:

“You can modify NAFEC to meet present funding levels, but in doing so, you will lose the grassroots approach that made NAFEC worthwhile!”

While most stakeholders think that CEC must find a way to support NAFEC as currently structured, some other stakeholders put forward some ideas about changes to the structure and funding of NAFEC. These ideas, as options for the CEC Council, are explored in the text of the report.

Finally, the evaluation was required to cover lessons learned from the NAFEC program. These, together with specific details related to the effectiveness, impact and rationale of NAFEC, follow this summary in the report.

Acronyms

ACRONYM	DEFINITION
CEC	Commission for Environmental Cooperation
FSC	Forest Stewardship Council
JPAC	Joint Public Advisory Committee
NAAEC	North American Agreement on Environmental Cooperation
NAFEC	North American Fund for Environmental Cooperation
NGO	nongovernmental organization
PRTR	Pollutant Release and Transfer Register
NAFTA	North American Free Trade Agreement
SMOC	Sound Management of Chemicals
WWF	World Wildlife Fund

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1. Introduction

1.1 Background

The North American Fund for Environmental Cooperation (NAFEC) was established in 1995, and started operating in May 1996. It was created by the Commission for Environmental Cooperation (CEC) as a means to fund community-based projects in Canada, Mexico and the United States that promote the goals and objectives of the CEC. The CEC was created by the North American Agreement on Environmental Cooperation to enhance regional cooperation, prevent potential environmental and trade disputes, and promote the effective enforcement of environmental law. The Agreement, signed by Canada, Mexico and the United States, complements the environmental provisions established in the North American Free Trade Agreement (NAFTA).

NAFEC is currently in its fifth year of grantmaking, having received 2,014 proposals and awarded 142 grants, totaling US\$5.4 million. To date, 86 projects have been completed and 56 remain active. In December 1997, an interim evaluation of NAFEC was prepared by SAL Consulting to review the administrative/process-related strengths and weaknesses of the program. In June 2000, the CEC Council will review the future of NAFEC. This study was prepared to support the CEC Council in its decision-making about the future of NAFEC.

1.2 Objectives

The overall objectives of this review were to:

- document and synthesize the key results and impacts of NAFEC;
- assess the degree to which NAFEC contributes to the CEC's mission and goals;
- determine the value added or niche that NAFEC offers to the North American environmental community;
- compile lessons learned from NAFEC to date; and
- propose recommendations for the future of NAFEC within CEC.

1.3 Methodology

1.3.1 Introduction

Our approach to generating information for this evaluation was to establish a representative Evaluation Stakeholder Group that would engage in a participatory process to prepare the evaluation framework matrix, identify data sources, define questions, develop indicators, and determine instrumentation and methods of analysis. This section presents these major methodological components.

1.3.2 NAFEC Evaluation Team

To provide support to the NAFEC Coordinator and the NAFEC Evaluation Stakeholder Group, a Montreal-based consulting firm, Universal Management Group, was contracted to assist in collecting final data, analyzing data, and writing of the report. Universal Management Group helped facilitate the final meetings with the NAFEC Evaluation Stakeholder Group, where a collective analysis of the data presented took place.

1.3.3 Evaluation Stakeholder Group

A group of representative NAFEC stakeholders took part in a one-day session on 25 March to outline the scope and framework for the evaluation. These stakeholders included past NAFEC grantees, members of

the NAFEC Selection Committee, CEC staff, and other relevant NGO and government representatives from Canada, Mexico and the United States. A second group of representative stakeholders met on 31 May to review the initial findings of the evaluation, and to carry out further collective analysis of the data. Appendix I contains a list of the members of both stakeholder groups.

1.3.4 Evaluation Framework Matrix

The evaluation framework matrix is found in Appendix II. It includes specific questions associated with each major evaluation issue, identifies data sources, defines questions, provides indicators and determines instrumentation and methods of analysis.

1.3.5 Sources of Data

This evaluation employed several different research methods and collected data from a range of sources in an effort to enhance the validity of the findings. A summary of the data collection and methods is presented in Exhibit 1.1. A complete list of interviewees and the documents reviewed is presented in Appendix III.

Exhibit 1.1 Summary of Data Collection Methods and Sources

DATA COLLECTION METHOD	DATA SOURCES
Questionnaire	55 of 110 NAFEC grantees from 1995–1999
Telephone Interviews	geographic/sectorally representative sample of 12 unsuccessful NAFEC applicants; 1 US foundation representative; 1 Canadian foundation representative
Face-to-face Interviews	NAFEC Coordinator, JPAC Coordinator, Director of Communications, Director of Programs
Document/File Review	77 closed NAFEC grant files CEC Annual Reports CEC <i>North American Agenda for Action 2000–2002</i>
Focus Groups	CEC Program Managers NAFEC Evaluation Stakeholder Group

1.3.6 Data Analysis and Reporting

The evaluation team carried out a full range of analysis of both the qualitative and quantitative data collected. Analyses incorporated varied approaches suited to the components of the study design, including descriptive analysis, content analysis, and comparative analysis. Validity was ensured through data triangulation, using convergence of multiple data sources and compliance with standard review practices.

Preliminary findings were shared with the NAFEC Evaluation Stakeholder Group and the NAFEC Selection Committee during the week of 29 May 2000. This was an opportunity for joint analysis and final reporting to take place.

1.3.7 Limitations

The NAFEC evaluation had several limitations, as summarized below:

- **Limited survey data:** Given the challenges of contacting and requesting time from NAFEC grantees/small community-based groups, the response rate to the survey questionnaire was approximately 50 percent. The 1998 and 1999 grantees comprised the majority of respondents. We were, however, able to glean significant information about the results of the NAFEC projects through a review of the closed 1996–97 project files. This balanced out the somewhat limited data collected through the survey questionnaire.
- **Challenging time frame and resources:** The time allotted to compile this evaluation to present to the CEC Council was challenging. A more significant investment in time and resources would broaden the scope of the data collection to include, for example, telephone interviews with a sample of NAFEC grantees, or one-on-one interviews with CEC Program Managers. This type of in-depth data collection would further support evidence of concrete results achieved through NAFEC.

2. NAFEC Profile

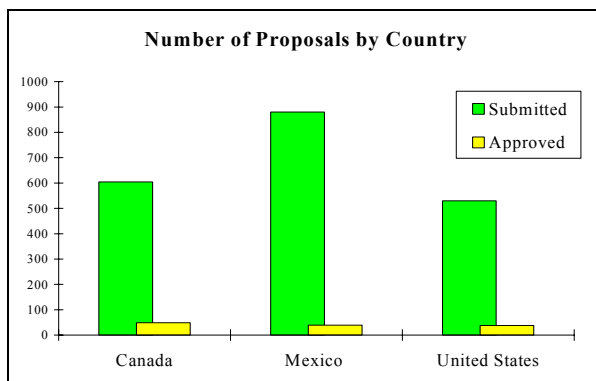
2.1 Introduction

This section provides an overview of the grants made between 1996 and 1999; including the number of grants, the average amount of each grant, the environmental issues supported through the grants, and the level of linkages and networking between NAFEC grantees and CEC Programs.

2.1.1 Overview of NAFEC Grantmaking

Regional distribution

Exhibit 2.1 Proposals by Country



NAFEC receives most of its proposals from Mexico (Exhibit 2.1). This reflects the fact that information about NAFEC is reaching Mexican NGOs, contrary to the concerns raised by some stakeholders that Mexico is at a disadvantage because of its less developed communication infrastructure. It also suggests that NAFEC is a more important source of funding in Mexico than in Canada and the United States, where there are many other grantmaking organizations. Although fewer proposals were received from the United States, they were generally for larger amounts than the proposals received from Mexico and Canada.

Exhibit 2.2 Funding by Country

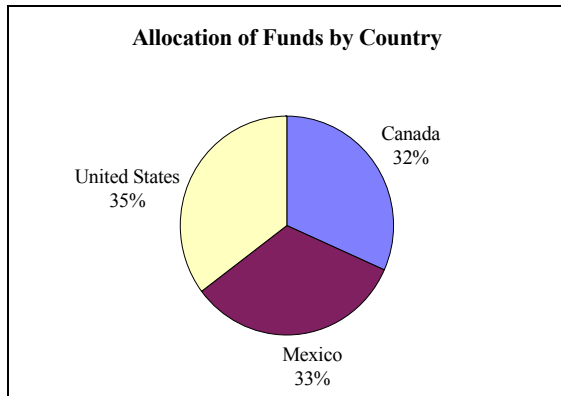
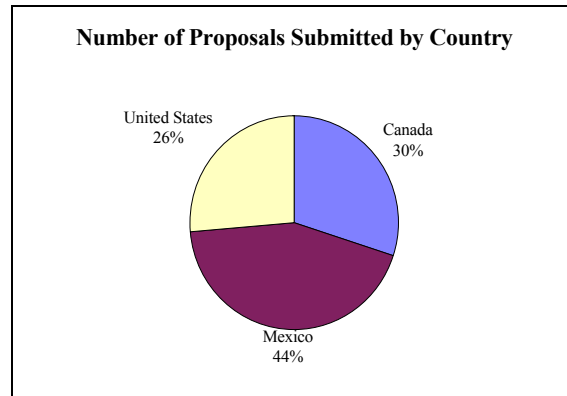


Exhibit 2.3 Proposals by Country



The grants were fairly evenly distributed among the three countries. Although the United States had the fewest projects approved, its projects did receive the most funds. The opposite was true for Canada—it obtained the most grants, but received fewer funds than the United States and Mexico. It is worth noting these figures are somewhat deceptive, since some projects are carried out in partnership with an NGO from one of the other countries. Mexico, for example, benefits from many grants awarded to US grantees because they are for cross-border initiatives.

Sectoral distribution

Exhibit 2.4 Grants by Program Area

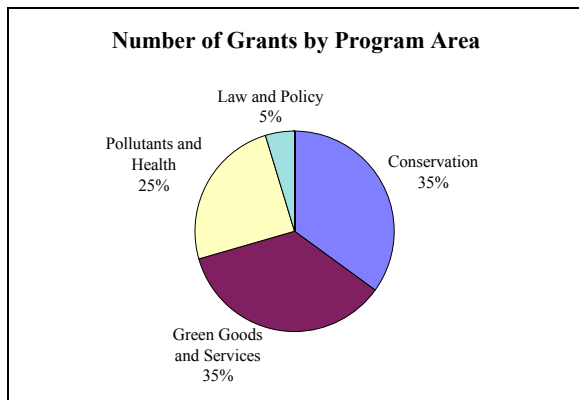


Exhibit 2.5 Funds by Program Area

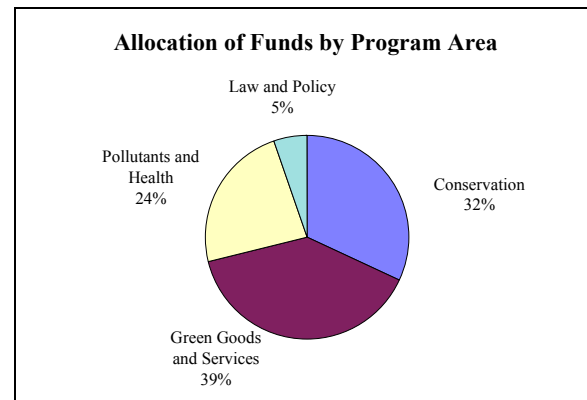


Exhibit 2.4 gives a sense of how NAFEC projects fit into the broader CEC program areas for 2000. The CEC program areas evolved from year to year, and the classification of projects was updated to reflect those changes, i.e. projects in 1996 that fell into the program of “Environmental Protection” might now be counted as a “Conservation of Biodiversity” or a “Pollutants and Health” project. Projects seem to be equally distributed between the Conservation of Biodiversity Program Area and the Green Goods and Services Program within the Environment, Economy and Trade Program Area, with a slightly smaller number of projects in Pollutants and Health. By far, the least number of projects is in Law and Policy. This can partially be explained by the fact that there are few community groups that deal primarily with Law and Policy. It should be mentioned, however, that law and policy are often components of projects

falling under other categories. Indeed, a particular characteristic of NAFEC projects is their cross-cutting nature; they tend to combine elements of more than one CEC program area.

Exhibit 2.6 Grants by Size of Organization

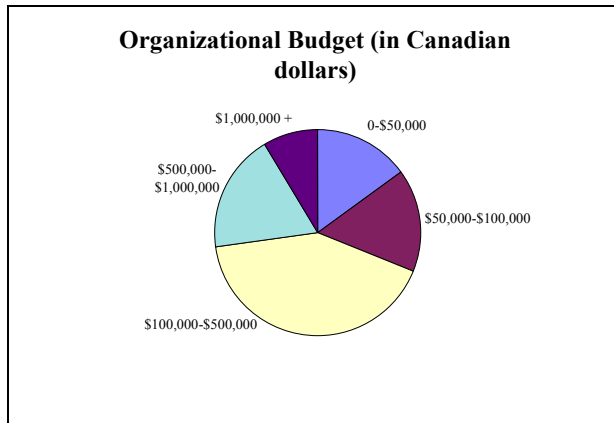
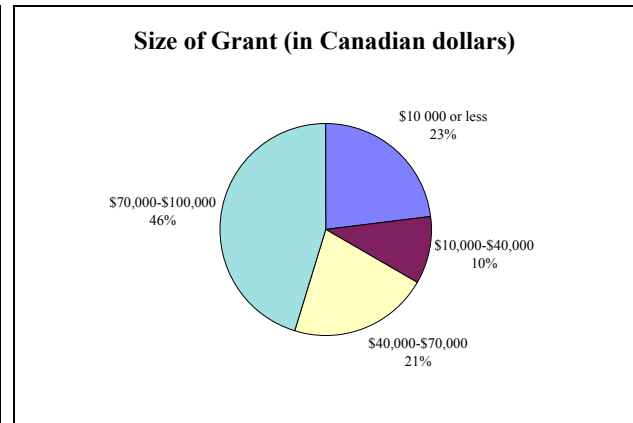


Exhibit 2.7 Grants by Size



Larger grants predominate: grants for C\$70,000–100,000 account for almost half of NAFEC’s grants. A quarter of grants were for small amounts (under C\$10,000).

A reasonable mix of large and small organizations receives NAFEC funding. Projects in rural areas receive twice as many grants as projects in urban areas, and 10 percent of the approved projects focused on indigenous people. Recipients had mixed success in raising funds from other sources; NAFEC funding accounted for between 20 and 90 percent of project funding, and on average, 45 percent of funding.

3. NAFEC Performance

3.1 Introduction

This section of the evaluation is organized into three major categories of findings: 1) NAFEC Effectiveness; 2) NAFEC Effects and Impacts; and 3) NAFEC Relevance and Rationale. The NAFEC Stakeholder Group also identified key performance areas to report on in this evaluation. They are integrated throughout the findings of the report and include: 1) NAFEC Linkages to CEC Overall Goals; 2) NAFEC Linkages to CEC Programs; and 3) NAFEC Linkages to Communities.

3.1.1 NAFEC Effectiveness

Finding 1: It is challenging to evaluate the NAFEC program, given the evolutionary nature of its goals and objectives.

Effectiveness relates to a program's ability to meet its stated goals and objectives. The objectives of the NAFEC program have evolved since its inception in 1996. Similarly, the CEC's program goals and objectives have been somewhat like a "moving target" and have evolved over the past five years to a point where they are currently more focused. This evolution took place partially because the CEC is a relatively new agency, but also because of the responsive nature of CEC's mandate to promote cooperation and public participation in conserving and protecting the North American environment.

The initial guidelines for NAFEC, prepared by the Joint Public Advisory Committee (JPAC), were very broad. Over the past four years, NAFEC has shifted the focus of its grantmaking to reflect the changing priorities of the CEC, and to ensure that NAFEC objectives are clearly targeted and strategically aligned with the key CEC program areas. The challenge, thus, becomes how to appropriately evaluate the effectiveness of NAFEC, given the evolutionary nature of the goals of both NAFEC itself and the CEC.

Exhibit 3.1 outlines the stated objectives of NAAEC, CEC, and NAFEC, to demonstrate some of the limited congruence between each level of goals and objectives. Given these discrepancies, we proposed a list of formal and informal NAFEC objectives to guide this evaluation. They are also included in Exhibit 3.1.

Exhibit 3.1 Objectives of NAAEC, CEC, and NAFEC

LEVEL	OBJECTIVES
NAAEC Goals	<ul style="list-style-type: none"> • foster the protection and improvement of the environment • promote sustainable development based on cooperative and mutually supportive environmental and economic policies • increase cooperation between the Parties to better conserve, protect, and enhance the environment, including wild flora and fauna • support the environmental goals and objectives of NAFTA • avoid creating trade distortions or new trade barriers • strengthen cooperation on the development and improvement of environmental laws, regulations, procedures, policies and practices • enhance compliance with, and enforcement of, environmental laws, regulations and policies • promote economically efficient and effective environmental measures • promote pollution prevention policies and practices

LEVEL	OBJECTIVES
CEC Secretariat Strategic Goals ¹	<ul style="list-style-type: none"> • solidify its role as an information hub and policy analysis center for key North American environmental issues • continue demonstrating North American leadership in accelerating the implementation of regional and global initiatives • further the establishment of a North American network of professionals, academics, NGOs and businesses on selected issues of regional environmental importance • enhance its value as a forum for avoiding environment-related trade disputes • augment its already significant contribution to the reduction and elimination of pollutants in North America • enhance the protection of North American ecosystems and biodiversity
NAFEC ² Goals	<ul style="list-style-type: none"> • support community-based projects • emphasize aspects of capacity building and the development of partnership across border and sectors • focus grant awards on projects that support the CEC's three-year program plan and link the results of those projects to other components of CEC's work program • emphasize public participation within CEC processes and within other processes of regional relevance
NAFEC objectives established for purpose of evaluation	<p>Formal objectives:</p> <ul style="list-style-type: none"> • support projects that are community-based, respond to a specific issue or problem and lead to concrete results • meet the objectives of the CEC and the NAAEC • strengthen and build the capacities of local people, organizations and institutions • support cooperative partnerships and regional networking that address issues of North American relevance • share environmental information at the North American level • support projects that leverage additional support and promote innovative and replicable ideas • support public participation <p>Informal objectives:</p> <ul style="list-style-type: none"> • emphasize projects that link trade and the environment • promote holistic models for environmental problem-solving, moving away from categorical, "silo" approach • inform the CEC from the grassroots level

¹ Referenced from the CEC's *North American Agenda for Action: 2000–2002*

² As outlined in the 1999/2000 Program Plan

Finding 2: As NAFEC's goals and objectives become more aligned with those of the CEC, the program becomes more effective at supporting the CEC.

At present, the basic NAFEC program criteria include the following:

NAFEC SEEKS TO SUPPORT ACTIVITIES THAT ARE:	NAFEC ALSO SUPPORTS PROJECTS THAT:
Community-based	Enhance the objectives of the CEC as presented in its workplan
Small and project-based	Leverage additional support from other sources
Cooperative partnerships	Strengthen and build the capacities of local people and institutions

As described in Finding 1, NAFEC has evolved over its four years of activity from supporting a wide range of community-based environmental initiatives (as required in the original guidelines), to placing emphasis on projects linked to the CEC program. Other aspects of the program have also been adjusted. The evolution of NAFEC can be summarized as follows³:

- The type of projects sought by NAFEC has evolved in tandem with CEC's work program. In response to the directives from the CEC Council, NAFEC-supported projects are now more closely linked to the CEC work program.
- The North American context of NAFEC is increasingly emphasized. Projects receiving NAFEC funding should be both community-based and have North American relevance (through bi- and trilateral partnerships, response to issues of North American significance, broad replicability, etc.).
- NAFEC's roles in facilitating exchange among grantees, and networking among North American NGOs, in general, has grown.
- NAFEC is increasingly perceived as having a role in facilitating public participation in CEC processes.
- Due to a decrease in NAFEC funding for 2000, the grant ceiling was lowered and the pre-proposal stage eliminated.

The advantage of an increasing alignment between NAFEC's goals and the CEC program is that it permits the development of links among NAFEC projects and between NAFEC projects and CEC programs. These connections add value in a variety of ways and build bridges between community action and regional (North American) concerns—NAFEC's particular niche. There are examples of how this interaction led to innovative collaboration between NGOs and the CEC as described in Case Study 1.

Some stakeholders believe that NAFEC must also be open enough to consider innovative projects that might not be as closely aligned to the CEC program areas. Providing space for some level of programming creativity ensures that community-based organizations are supported in their capacity to generate unique solutions to environmental challenges.

³ Appendix IV provides a detailed description of the evolution of the NAFEC grant priority areas from 1996 to 2000.

Case Study 1: Following the Grassroots' Lead—Green Goods and Services at the Community Level

NAFEC's increased focus comes both from a deliberate effort to bring NAFEC projects into line with CEC programs, which have developed a clearer focus over the last four years, and from NAFEC's responsiveness to the needs expressed by the North American NGO community. These needs are conveyed through proposals and reports, as well as through NAFEC and CEC-sponsored activities.

From the beginning, it became very clear that the potential for green goods and services was something that many NGOs and communities wanted to explore, and that they considered NAFEC an appropriate source of funding for these activities. In 1996, NAFEC funded a number of projects focused on 'sustainable production'. The goals of these projects ranged from identifying potential green products and services; through developing natural resource management plans and sustainable approaches to agriculture and tourism; to environmentally sound design (of furniture, buildings, etc.).

Organizations working in these areas identified a number of opportunities (such as development of non-timber forest products) and challenges (difficulties in marketing products, including access to certification). In 1997, NAFEC funded a number of projects that focused on building capacity in these areas through grants to *Unión Nacional de Organizaciones de Forestería Comunal, Invertir, Rainforest Alliance*; National Farmers Union/*Unión Nacional de Organizaciones Regionales Campesinas Autónomas* and *Ecología y Desarrollo de Tlaxcala y Puebla*.

When it became clear that one of the factors restricting small producers' access to certification was the lack of a domestic certification system (particularly in Mexico), NAFEC turned its attention to this issue. A grant was made to the Forest Stewardship Council (FSC) to develop regional standards in Canada – and more recently, to build bridges between the FSC and indigenous peoples' approaches to sustainable forestry (through a grant to the National Aboriginal Forestry Association). Grants were also made to strengthen the budding Mexican certification initiative, *Certimex*, and to train much needed inspectors through a grant to the *Asociación Mexicana de Inspectores Orgánicos* (Mexican Association of Organic Inspectors). Another identified challenge was conflicts (and potential for confusion) among different labeling schemes (e.g., organic, fair trade, FSC). NAFEC funded efforts (by Falls Brook Centre and the Institute for Agriculture and Trade Policy) to promote dialogue among the certifiers/standard-setting organizations, and to pilot joint inspections.

Having developed a critical mass of projects related to green goods and services, NAFEC hosted a meeting of grantees and other interested NGOs in Oaxtepec, Morelos, in March 1999. The 70 participants came up with a number of recommendations regarding CEC's involvement in promoting green goods and services, and two representatives carried these to the JPAC meeting that took place immediately afterwards in Mexico City. A number of the participants in the meeting went on to develop collaborative initiatives, and to further participate in CEC projects.



Finding 3: A significant number of NAFEC-funded projects directly support CEC's goals and objectives.

The CEC's four core program areas include Environment, Economy and Trade; Conservation of Biodiversity; Pollutants and Health; and Law and Policy. Many NAFEC projects have clear links to CEC programs. For example, NAFEC supported a number of projects related to:

- citizen monitoring and increasing public access to environmental information (linked to both the Pollutants and Health program, including the Pollutant Release and Transfer Register (PRTR) initiative, and to enforcement initiatives within the Law and Policy program);
- migratory species and habitat conservation (with a specific focus on species of interest to CEC, such as migratory birds, and on regions like San Pedro where CEC is particularly involved);
- cross-border management of shared ecosystems (including CEC priority areas such as the Gulf of Maine and the Bight of the Californias, and testing approaches, such as Marine Protected Areas, which are of interest to CEC); and
- linking biodiversity conservation and green goods and services (with an emphasis on areas of interest to CEC, such as shade coffee and sustainable tourism).

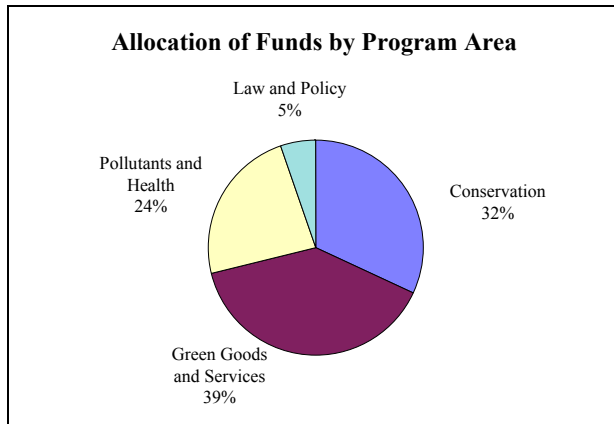
Approximately 70 percent of NAFEC grants were awarded in the Green Goods and Services (Environment, Economy and Trade Program Area) and Biodiversity Conservation program themes, with 25 percent awarded to Pollutants and Health and only five percent to Law and Policy. Although this demonstrates uneven granting across program priorities, grants awarded are in areas where community-based work is more appropriate. It should also be noted that many NAFEC grants incorporate elements of various CEC program areas.

The Sound Management of Chemicals (SMOC) program was a clear beneficiary of the NAFEC program. Some projects such as the WWF project on [alternatives to DDT for] malaria control have direct linkages, while others are less direct but may be just as important.

CEC Program Manager

NAFEC supported projects in areas where CEC later became increasingly involved (e.g., Eco-labeling, Shade Coffee, Non-Timber Forest Products, and Sustainable Tourism). This created a ready base of case studies from which CEC projects could build, and provided links to relevant actors and networks from which CEC programs drew expertise and increased participation in their processes. NAFEC grantees participated in a number of CEC meetings, including those related to Shade Coffee, Sustainable Tourism, Migratory Birds, Sound Management of Chemicals and the Pollutant Release and Transfer Register. NAFEC also offers NGOs, whose initial contact with the CEC is through participation in CEC programs, an opportunity to carry out concrete projects on the ground that complement CEC efforts.

Exhibit 3.2 Allocation of NAFEC Grants by Program Area



The majority of (grantee) respondents consulted feel strongly that their NAFEC-supported projects directly contribute to the CEC’s program goals and objectives. Most CEC programs are policy-focused at the macro level (e.g., Law and Policy: Developing Provincial Hazardous Waste Policy), in contrast to the bottom-up approach that NAFEC projects adopt. CEC Program Managers believe that NAFEC projects play a key role in informing their programs about the realities of carrying out environmental work at the community level. CEC Program Managers learn from the grass root experience of the NAFEC grantees, and then incorporate this learning to improve their own programs.

NAFEC grantees support CEC’s mission and believe it is promoting important environmental objectives closely aligned to the environmental work in which they are involved. Most NAFEC grantees applied for funding to support projects they were already involved in, or had previously developed. This demonstrates congruence between local environmental priorities and the higher level goals of the CEC.

The CEC was set up as the ‘environmental watchdog’ for the North American public. NAFEC plays a key role in keeping this NAFTA promise.
CEC Program Manager

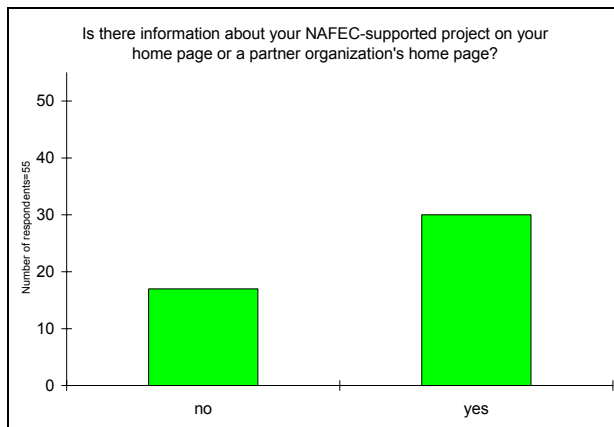
Finding 4: NAFEC is an important mechanism within the CEC in the way it contributes to the development of a grassroots public constituency.

Although some CEC programs have closer links to the public than others, NAFEC is one mechanism within the CEC that works directly with the public at the grassroots level. NGOs and community-based organizations supported by NAFEC add value to CEC program goals by providing a grassroots component to CEC work. More importantly, they provide a constituency for the CEC and help demonstrate how to implement environmental policy and innovations on the ground.

Most CEC Programs are policy-focused and top-down. We often need a ‘reality check’ from the grass roots up to bring day-to-day reality to our policy work.
CEC Program Manager

NAFEC raises CEC’s profile in the environmental community by transmitting information about CEC to the NGOs with which it interacts. Over half of the respondents report they have either received information about the CEC from NAFEC staff, or they have accessed this information through the web site on their own. Similarly, the majority of respondents have their own home pages, and over half present information about their NAFEC supported project on their site. Approximately 25 percent of grantees secured media coverage about their NAFEC grant at both the local and national level. At least 75 percent of the grantees publish their own magazines, newsletters, annual reports or research reports that are sent to their constituencies. This reach helps to multiply the efforts of NAFEC/CEC to an even broader audience. Also, the vast majority of products produced as a result of the NAFEC grant reference NAFEC support, and a number of them carry the CEC logo.

Exhibit 3.3 Promotion of NAFEC/CEC on Grantees' Home Pages



environmental community that NAFEC allows broad public access and produces results on the ground.

At least one third of the NAFEC grantees contacted the NAFEC/CEC staff to get in touch with other grantees or to seek contacts involved in related work within CEC. During the last six months alone (October 1999 – March 2000), NAFEC staff received over 300 requests for information. The requests were made primarily by e-mail and related to questions about NAFEC itself, CEC, the NAFEC Call for Proposals, and other North American environmental initiatives. This suggests that the public view NAFEC/CEC as an important source of information for their environmental work.

NAFEC also helps promote the credibility of the CEC within the environmental community. This credibility hinges on the view within the

Finding 5: NAFEC plays a role in facilitating community level public participation in CEC; however, NAFEC's ability to further involve grantees in CEC processes could be more fully utilized.

NAAEC expresses the commitment and belief that environmental protection and conservation efforts are enhanced and multiplied through strong mechanisms for public participation. To the greatest extent possible, CEC aims to incorporate effective and timely means of participating in CEC activities into specific programs and projects.

There is a general consensus that NAFEC is a powerful vehicle for reaching the public and encouraging participation around important environmental issues. NAFEC can be perceived as both a form of public participation, and a mechanism for promoting public participation in the CEC. JPAC is the CEC mechanism that creates a forum for the public to bring forward environmental concerns, while NAFEC supports communities in taking concrete actions toward meeting their environmental objectives. The secondary outcome of many NAFEC projects, however, is public participation.

Most grantees surveyed reported that they heard about CEC through various sources where they also heard of NAFEC. Almost half of the grantees surveyed participated in a NAFEC hosted meeting and some participated in CEC meetings or activities, primarily after they applied for their NAFEC grant. There is a general consensus that CEC could raise the profile of the outcomes achieved by NAFEC. This is challenging, given the limited communication mechanisms within the CEC to facilitate sharing and learning about the NAFEC grant program. Most CEC Program Managers suggest that communication and reporting mechanisms between the CEC and NAFEC should be strengthened.

Exhibit 3.4 Grantee Participation in NAFEC Meeting

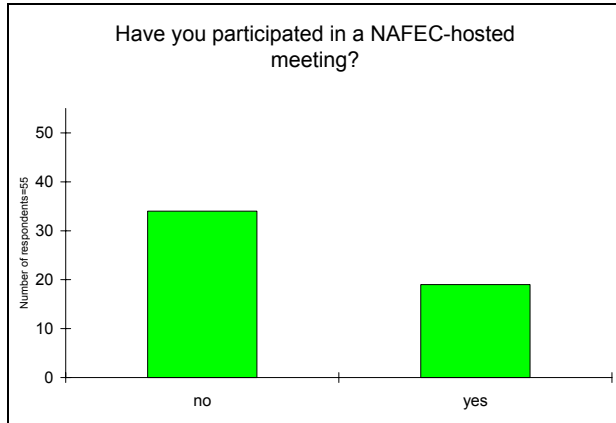
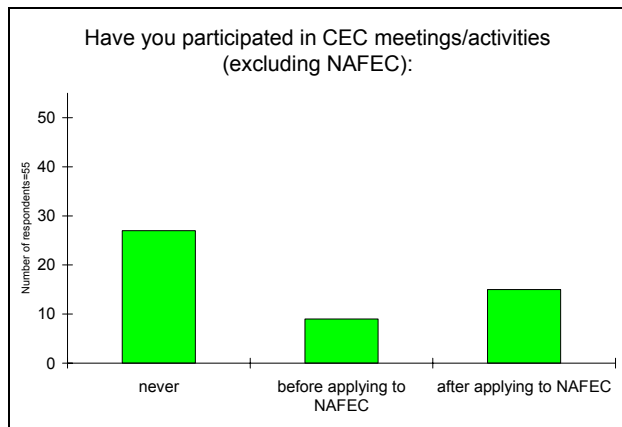


Exhibit 3.5 Grantee Participation in CEC-hosted Meeting/Activity (excluding NAFEC)



The nature of the participation generated by NAFEC grantees differs from that of JPAC in that it comes exclusively from groups involved in environmental protection at the implementation level. The grantees may play a role in supporting the direct public participation objectives of JPAC by becoming more involved in CEC activities, but their indirect participation may be just as important. Because grantees actually implement innovative environmental projects, they are uniquely placed to appreciate changes and new developments in the environmental sphere. By informing the CEC and its stakeholders of these trends, grantees are able to participate in the CEC process without necessarily being in direct contact with it. The Shade Coffee Case (Case Study 2) demonstrates the benefits of involving NAFEC grantees in wider CEC processes.

Our staff are thinking about local conservation projects in a more global context. In the past, biodiversity conservation projects were planned and implemented locally, with modest help from scientists outside the Mono Basin. Now, proposals are reflecting the staff's improved understanding of how Mono Basin research fits in a larger global picture.

Representative of the Mono Lake Committee, CA

Case Study 2: Building Environmental Cooperation from the Grassroots: The Case of Coffee

In 1996, when Équiterre launched its “A Just Coffee” campaign, consumers who were asked what they knew about fair-trade or environmentally friendly coffee were most likely to respond with a look of incomprehension. It may be true that the majority of North Americans drink coffee every day, but few of them understand the linkages between their morning elixir, the state of the environment and the living conditions of coffee producers.

This situation is now changing. Thanks to a handful of organizations in Canada, Mexico and the United States, several new projects have been put forward with the aim of making coffee an instrument of change. The example of coffee nicely illustrates how our daily consumer choices have environmental and social impacts throughout North America. By choosing “sustainable coffee,” whether it is fair trade, organic or shade-grown, consumers are helping to preserve ecological diversity and promote social justice. Coffee builds bridges between producers and consumers and creates opportunities for fairer, more environmentally friendly trade among the signatory countries of the North American Free Trade Agreement (NAFTA).

The North American Fund for Environmental Cooperation (NAFEC) has played a significant role in the development of sustainable coffee trade. The community-based coffee projects it has funded are now having impacts all along the coffee supply chain. On the plantations in Mexico, small producers are starting to appreciate the advantages of sustainable agriculture, while in Canada and the United States, consumer demand for environmentally friendly and fair-trade coffee is distinctly on the rise.

The overarching vision of NAFEC enables it to channel forces that might otherwise remain dispersed. Its activities and involvements help to promote information sharing and cooperation among grassroots organizations, resulting in new forms of networking and shared strategies for North America. For example, the meeting organized by NAFEC in Oaxtepec in March 1999 brought together more than 30 organizations from Canada, Mexico and the United States for the first time to discuss issues revolving around the theme of sustainable trade.

NAFEC also helps to consolidate links between CEC projects and the public via the work of community groups. Organizations such as Certimex, Asociación Mexicana de Inspectores Orgánicos, Conservation International, Équiterre, the Falls Brook Centre and the Institute for Agricultural and Trade Policy have all benefited from NAFEC support and are continuing to collaborate with the CEC. All of them are working on the development of sustainable trade and were active participants in the Oaxaca meeting (March 29–30, 2000) on shade-grown coffee. This conference concluded with a recommendation for the Commission to assume a leadership role in the development of a cooperative North American structure to facilitate the growth of the sustainable coffee market in North America.

Although, as its name indicates, the CEC has a mandate to promote environmental cooperation among the three NAFTA countries, this cooperation cannot be sustained without the participation of grassroots groups. NAFEC has proven itself to be an effective mechanism for forging significant ties between community groups and governments in North America.



Finding 6: NAFEC supports CEC’s efforts to promote trilateral processes that encourage innovative, joint problem-solving of environmental challenges.

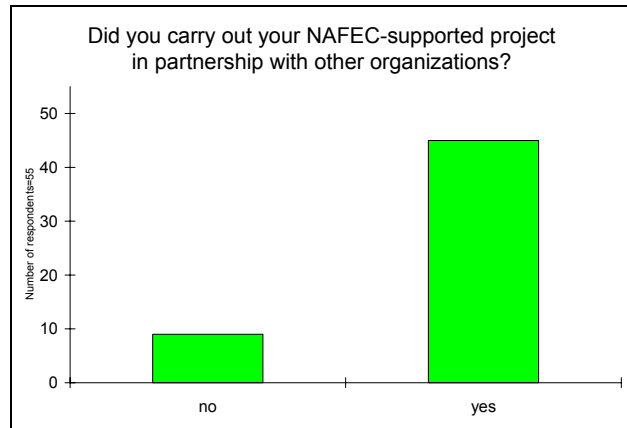
The scale and scope of emerging environmental issues of regional concern call for an unprecedented degree of cooperation between and among Canada, Mexico and the United States. Most NAFEC supported projects are highly innovative,⁴ encourage strong local community collaboration, and promote a national or regional (North American) reach to their activities. Through NAFEC grants, organizations increased their capacity to coordinate regional processes and collaborative approaches to solving environmental problems. NAFEC has contributed to the creation of a North American community working on a shared environmental agenda.

NAFEC places a strong emphasis on networking and cross sector cooperation in its grantmaking.

The vast majority of grantees use partnerships in their NAFEC projects (Exhibit 3.6). Many of these NAFEC grantees were already working in collaboration with other groups prior to their NAFEC grant.

What seems most impressive is the tremendous variety of relationships nurtured by NAFEC projects. They transcend borders, sectors, and program areas. There are two components to this cooperation: 1) projects are often carried out by more than one organization, and 2) those organizations implementing

Exhibit 3.6 Partnership in NAFEC Projects



projects on their own solicit the input of other organizations in the field and network with other groups to exchange ideas.

We have the possibility to work with partners from outside the country and to create a tool adapted to North America. There is also, though, the possibility to create a more international tool.

Équiterre representative, Montreal, Canada

Approximately 25 percent of the NAFEC grantees surveyed reported adopting a North American perspective in their environmental projects as a result of their interaction with NAFEC.

Bilateral and Trilateral Networks.

- United States–Canada: 6
 - United States–Mexico: 8
 - Canada–Mexico: 6
 - United States–Canada–Mexico: 10
- (out of the 30 projects that explicitly involved networks)

⁴ “Innovative” refers to those projects that are finding new ways to approach existing environmental problems, projects that create new environmental models that can be multiplied.

Case Study 3: Partnerships across Regions, Borders and Ecosystems

NAFEC supports many trinational partnerships, and it also promotes processes within subregions of North America such as transborder ecosystems, migration routes, or areas where two countries share resources and/or problems.

The Transboundary Flathead
JEWEL IN THE CROWN OF THE CONTINENT

Quote 1: "The idea of taking an old concept—its transnational character—was revived and reworked, and the idea is now being expanded to encompass a high quality trail system that will be the Flathead. Without this national commitment and support of public officials, the Flathead trail can't be a reality in our lifetime and the public being accused for it."
— Dave Clater, Friends of the Flathead Park, British Columbia

Quote 2: "The Flathead is the only landscape that has entered a new era of conservation. Consider the fact that the area contains a concentration of three of our most important natural resources: the Flathead National Park, the Flathead National Forest, and the Flathead National Monument."
— Bruce Melcher, Bear & Elkologist, Friends of the Flathead

Quote 3: "The Flathead is a special place in the heart of Canada and the US. It is a place where people can enjoy the best of both worlds. The Flathead is a place where people can enjoy the best of both worlds. The Flathead is a place where people can enjoy the best of both worlds."
— Diana & Jeff, US Wild Bird Club

Quote 4: "We have people coming out of the Flathead to see the bears. They are coming out of the Flathead to see the bears. They are coming out of the Flathead to see the bears."
— Linda Hollings, Bear & Elkologist

MAP LEGEND:
 - Alberta-Kootenay Provincial Park
 - British Columbia Crown Lands
 - Special Use Land (e.g. National Park, Provincial Park)
 - Private Land
 - Montana State Lands
 - Flathead National Forest
 - National Boundary

NAFEC made two grants to the **Canadian Parks and Wilderness Society for the Yellowstone-to-Yukon Conservation Initiative (Y2Y)**. Y2Y strives to conserve and restore landscape connectivity so that large carnivores such as the grizzly bear can maintain the range necessary for their survival; safeguarding the grizzly's range is also a way of maintaining the integrity of the whole ecosystem. Within the area targeted by Y2Y, NAFEC also supported **binational cooperation between the East Kootenay Environmental Society and the Montana Wilderness Association to implement conservation measures in the Flathead River area**. This effort included reviving and promoting commitments by governments on both sides of the border to move toward transboundary management. A grant to the **Alberta Wilderness Society** supported work with ranchers and ecotourism operators in another part of the Y2Y area, while funds allocated to the **Friends of Kananaskis Country** created a tool to support work throughout Y2Y. This tool, a video presenting the key concepts of conservation biology (on which Y2Y is based), will also be of use to similar initiatives throughout North America.

NAFEC supported binational efforts on both the **Atlantic and Pacific Coasts** to restore habitat that will protect fish stocks, involve fishermen in the development and ratification of a management plan based on ecological principles, and pilot binational Marine Protected Areas (MPAs). Grants were also made to a series of projects on the **Mexico-US border** that contributed to strengthening the cross-border environmental community that is forming in response to the many shared concerns, including those related to NAFTA. Within an individual county, but involving trinational partnerships and targeting CEC objectives, NAFEC grants to a number of distinct but related projects in southern Mexico made a significant contribution to efforts in that region to link green goods and biodiversity conservation.

Finding 7: NAFEC contributes to CEC's efforts to collect, disseminate and use environmental information at the North American level.

NAFEC has created a natural network and information clearinghouse by virtue of the fact that it receives over 400 proposals each year and a wealth of information about environmental work in North America. Many respondents suggest that NAFEC filled an information-distribution gap at the continental level and that efforts should be made to continue to expand this function. Grantees also comment that they have adopted a new scope to the information they are collecting – one that is more focused on the North American level.

We realize there is a greater need for information about public participation under Mexico's environmental laws than we ever imagined. Many people learn about our work from the CEC web site and request our Guide to Public Participation.

US Office of Environmental Law Alliance Worldwide (ELAW)

NAFEC has increasingly facilitated exchange among project holders in a more formal manner. In 1998, NAFEC started hosting thematic meetings that provided a forum for exchange and peer review of projects. These meetings resulted in collaborative initiatives among grantees.

In 2000, in addition to receiving funding for their community-based projects, grantees will be invited to participate in a collective effort to identify common problems and solutions, best practices and supportive policies. At the outset of their projects, grantees will meet with representatives from similar community-based projects and from CEC to define issues that they will examine in the course of their projects.

We were asked to share information about our project with groups around the country and testified before a congressional oversight hearing about Stewardship contracting.

Flathead Economic Policy Center, United States

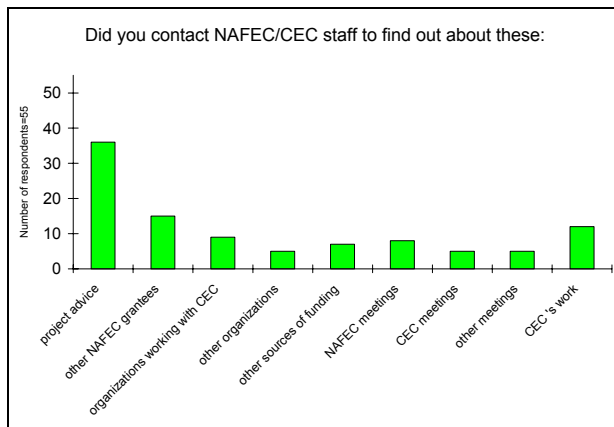
CEC stakeholders comment on the need for improved information collecting and sharing mechanisms between CEC and NAFEC, and between NAFEC and members of the environmental community at large. NAFEC is clearly producing significant results and has important lessons and best practices to share; however, there is no formal mechanism to integrate this information throughout the CEC's programs. This has often resulted in missed opportunities for collaboration and learning. Similarly, NAFEC grantees need further support with reporting techniques to ensure they are adequately capturing results achieved and not simply reporting on a series of activities. NAFEC staff commented that allocating a larger percentage of their time to facilitating the reporting process would improve the diffusion of this information through wider CEC channels.

This project greatly increased our local visibility and made it much easier to get involved with other organizations and projects. We were invited to join in with other projects and expanded our own focus in Mexico. We facilitated productive new relationships among Canadian, Mexican and US partners, leading to concrete benefits.

Manomet Center for Conservation Sciences, MA

NAFEC staff have been very successful in sharing information with grantees and helping link certain organizations. The majority of respondents comment that NAFEC funding helped their organization raise the profile of the issues they were responding to, and helped spread information/stimulate debate about information across regions.

Exhibit 3.7 Nature of Contact Made by NAFEC/CEC Staff



Finding 8: Through linkages and networking, a significant number of NAFEC projects resulted in successful capacity building.

Lasting environmental protection and conservation strategies can only be sustained by building local and national capacities to design, implement, and maintain environmental policies and initiatives over the long term. For the purpose of the NAFEC evaluation, we have defined capacity building as the enhanced development of networks, linkages and partnerships to improve the capacity of organizations to perform their environmental activities.

NAFEC looks for those organizations that are building cross-border, regional networks to strengthen the community-base for their work, as well as exhibit the ability to have North American impact. Almost half of the projects funded through NAFEC used networking and linkages with other organizations to further build their capacity to carry out environmental activities. These linkages brought together communities across borders, shared ecosystems and between countries to discuss how their environmental issues affect each other, and to build joint strategies for change. Supporting networking to help communities make these connections provides them with exposure to shared environmental issues in all three countries. It also starts to build a synergy to implement strategies with North American scope. (See Case Study 4.)

NAFEC also works extensively with NGOs, assisting them in developing their proposals, managing their projects, and reporting on their results. Even unsuccessful NAFEC applicants commented on how positive their experience was in working with the NAFEC staff, who provided unlimited support thinking through and finalizing their proposals.

Case Study 4: Linking Communities, Wetlands and Migratory Birds

Linking Communities, Wetlands and Migratory Birds Project received a 1997 NAFEC grant and is an excellent example of an initiative that extended well beyond its original mandate to provide a foundation for ongoing, community-driven environmental actions that link three nations. The goal of the project was to encourage long-term conservation of migratory shorebird habitat through the sharing of information and techniques among three sites that host the same shorebird species during annual migration. These three Western Hemisphere Shorebird Reserve Network (WHSRN) sites, recognized as vital for shorebird migration, include Marismas Nacionales in Nayarit, Mexico, Great Salt Lake in Utah, United States, and Chaplin Lake in Saskatchewan, Canada.



Since the first workshop and tour in May 1998 in Saskatchewan, and subsequent to assessments that highlighted the strengths, weaknesses and opportunities of each site, the synergy of this tripartite linkage sparked the following:

- An expanded project that included subsequent workshops and tours in Nayarit and in Utah.
- An additional tour that helped enhance ecotourism delivery in Marismas Nacionales involving international visitors, government officials, private tour operators and area residents.
- Support and encouragement for local shorebird festivals in Saskatchewan and Utah that promote community involvement in tours, photo contests, school art exhibits and bird carvings, and highlight international visitors.
- Broadened partnerships that included regional and national governments, not-for-profit conservation agencies and groups, universities, ecotourism associations and schools at each site.
- The expansion of the Linking Communities concept to involve several hundred individuals in workshop/tour planning, marketing, and communications and education with considerable outreach.
- Extensive sharing of information about shorebirds in English and Spanish through distribution of an international award-winning shorebird book and poster.
- Linkages of schools in Nayarit with those in Great Salt Lake, Utah and Saskatchewan.
- Broader public awareness through a Linking Communities web site (in progress).
- Development of a steering committee with representation from each country to oversee future Linking Communities activities, and other committees to plan ecotourism initiatives, community awareness and educational linking initiatives.
- Initiatives that extend beyond the production and trade of green goods and conservation actions and involve people from many sectors getting involved in community activities.

- Other linkages borne of the program, such as the proposed exchange of eco-tour guides among several North American sites to enhance delivery and encourage broad-scope guide training in their respective areas, and the exchange of a staff person from the *Secretaría de Turismo* in Nayarit and the Saskatchewan Wetland Conservation Corporation in Canada to experience local community development initiatives, customs and improve language skills.
- Overall support and expanded networking for delivery of the TransAmerica Migratory Bird *Fund*, an international neo-tropical migratory bird program designed to provide social, economic and environmental benefits to communities in bird-wintering areas in Latin America.
- New program funders/potential funders for future Linking Communities activities.
- International profile that attracts considerable media attention (more than 45 published articles to date) and portrays conservation action as a shared individual and societal responsibility of all three nations.

“Internationally, as we sit here (in an estuary in Marismas Nacionales, Mexico), all together from three different nations, we share these waterbirds...and they are each important to us in our individual places, and because they are important to us in the Great Salt Lake, we’re concerned about what is happening in Mexico. You (in Mexico) are probably concerned with what is happening to them when they leave and raise their young in the Prairie Potholes and salt flats of Canada.”

Don Paul, Wildlife Biologist, Utah Division of Wildlife Resources, Utah, US



3.2 Effects and Impacts

3.2.1 Introduction

This section of the report presents an overview of the major effects and impacts that have emerged from NAFEC grants.

3.2.2 Findings

Finding 9: A considerable number of NAFEC projects demonstrate concrete individual, organizational and environmental results. These results are, however, difficult to measure.

The scale and the diversity of tangible results achieved by grantees is one of the most impressive aspects of the NAFEC program. Even though information collection and dissemination play an important role in many NAFEC-supported projects, the work is not limited to studies. Grantees produce concrete results in all four CEC program areas. Particular examples of how CEC's mandate is operationally served through NAFEC include:

Policy: The National Audubon Society used a grant to start an Important Bird Areas project that led directly to new conservation legislation in New York State.

Pollution: A NAFEC grant to New Mexico State University was used to restore the solar- and wind-powered electrical grid in Xcalak, Quintana Roo, and to train local community members to manage it; thus permitting the shutting down of the diesel generator used previously. Changes in farming practices by members of the *Corporation du Bassin versant Ruisseau St-Esprit* led to measurable improvements in water quality in their watershed.

Trade: Mexican coffee growers obtained organic certification as a result of grants to the *Unión de Organizaciones de la Sierra Juárez de Oaxaca*, *Certimex* and the *Asociación Mexicana de Inspectores Orgánicos*. Similarly, a grant to the *Unión Nacional de Organizaciones de Forestería Comunal* allowed forest communities in different regions of Mexico to obtain certification by FSC-accredited certifiers, such as Smartwood.

Biodiversity The Nooksack Salmon Enhancement Association used their NAFEC grant to plant 500 trees and stabilize almost a kilometer of riverbank to create a new spawning ground for the chinook salmon of Bertrand Creek.

Some NAFEC-supported projects produce results that correspond to work in a number of CEC program areas, such as the effort to sustainably manage a palm species in Guerrero (see Case Study 5). NAFEC projects are also varied in scope. Some are very small local conservation efforts, and others are very large projects that adopt a North American perspective.

Small scope: The Environmental Center for New Canadians recruited 25 volunteers to clean up the Chester Springs marsh of the Don Valley.

Large scope: The Environmental Law Alliance Worldwide (ELAW) brought together NGOs from Canada, Mexico and the United States to share best practices with respect to public participation in environmental decision-making. This led to development of a strategy to increase effective public participation piloted in several regions of Mexico, which in turn led to at least one group of local citizens affecting the outcomes of a municipal planning process.

There are also different levels of project impact. NAFEC projects act not only on organizations, but also on individuals and the environment itself.

Individual impact: The Rural Coalition trained 2000 Mexican farmworkers in the responsible use and monitoring of pesticides.

Organizational impact: NAFEC has strengthened many of the organizations it has funded. The Mixedwood Forest Research and Advisory Committee attributes its existence to the funding it received from NAFEC. The grant (made to the Manitoba Naturalists Society) allowed it to get its organization off the ground.

Environmental impact: The Latin American Environmental Working Group (LAEWG) carried out a project that included 5 sessions of mulching, planting of native wildflowers, replacing nonsurviving trees and assisting in landscape restoration.

Case Study 5: From Campesino Experiments to Regulatory Frameworks

It is a challenge to design a project that is both truly rooted in the community and of relevance to the continent. The work of *Grupo de Estudios Ambientales (GEA)*, *Sanzekan Tinemi* and their partner communities in the state of Guerrero is an excellent demonstration of integrating efforts at a variety of levels. The project, carried out with a 1996 NAFEC grant, focused on designing a management plan for the palm *Brachea dulcis*. Communities in Guerrero rely on this palm for their own subsistence needs and for producing handicrafts for sale. Reduced availability and quality of the palm put already impoverished communities under greater economic strain.

The communities had an interest in seeking a solution and also had generations of knowledge about the palm. Combined with the scientific and methodological capacity that the NGO contributed, they were able to assess the situation and find ways to deal with it. Bringing people together to develop a shared understanding and collective commitment to solving the problem is always part of the solution.

Technical capacity strengthening also played a role as community members worked together to map distribution of the palm and record information about its growth. This knowledge was broadly shared through workshops, manuals and an exhibit in a community center. Some of the solutions were also developed through the mechanism of campesino experimentation; a local Call for Proposals was released and approximately 80 proposals were received, many in the form of drawings. Community members received funding and technical support to rigorously carry out their experiments and share the results with their own and other communities.

Armed with a solid, collectively developed management plan, the partners began to explore the possibilities of having their palm handicrafts certified as green goods. To obtain certification, the management plan had to be legalized. Unfortunately, the official regulatory frameworks did not allow for the legalization of the plan (in part because it incorporated a non-timber forest product). NAFEC thus provided an additional grant in 1999 to open a dialogue between the community and government officials to explore ways to make community norms and government regulations complementary instead of conflicting.



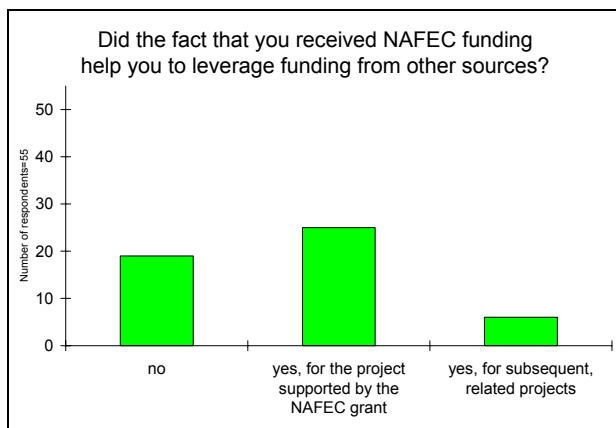
At the other side of the country, communities in Chihuahua found that state forest policy was creating obstacles to their efforts to conserve forests of the Sierra Madre. A local NGO, *Comisión de Solidaridad y Defensa de los Derechos Humanos, A.C.*, worked with local communities to strengthen technical capacity and build institutions to sustainably manage their forest, and teamed up with the Texas Center for Policy Studies to examine Mexican Forest Policy and recommend potential improvements. These partners were recently invited to participate in CEC's First North American Symposium on Understanding the Linkages between Trade and the Environment, to be held in October 2000.

Finding 10: As a result of the NAFEC grant, many NGOs leveraged additional funding, resources and new partnerships that led to a certain measure of sustainability.

Although NAFEC hopes that its grantees will sustain their environmental activities, it does not have the resources to fund all projects on a multi-year basis. NAFEC therefore supports projects that are innovative, well-designed, and managed by organizations having adequate levels of capacity and resources. NAFEC also favors projects that clearly demonstrate how they will move toward social, economic and environmental sustainability over the long term.

That said, the issue of sustainability is not entirely relevant for some NAFEC projects because they have a discreet goal to complete within the duration of the project. These projects are not less successful because they do not produce sustainable results—it is simply not a part of the nature of the project to extend it beyond a set amount of time.

Exhibit 3.8 Leveraging of Additional Funds by NAFEC Grantees



The means by which most NAFEC grantees achieve sustainability is to use the initial grant to leverage a source of ongoing funding from other donors. Recipients of small grants were able to leverage funds through their initial grant from NAFEC. For example, the Manitoba Eco-Network used a part of its grant to begin planning a conference on forest conservation in North America that attracted other donors.

The GreenHOME organization in the United States used its grant to develop and build a low-cost and environmentally friendly model home. Based on the success of its NAFEC-supported initiative, they leveraged other funding. More importantly, it

created a model that Habitat for Humanity, one of the project partners, agreed to incorporate into other home-building projects.

Another important type of leverage is the contribution of volunteer time and other local resources (such as office space, land, materials and equipment). Communities are willing to commit significant resources to projects for which they feel ownership and that meet their needs. This not only gets the job done economically it also contributes to sustainability of the project by raising awareness and increasing commitment in the local community.

We've got about 10,000 volunteers and collectively, they do untold amounts of enhancement work, plus release 18 million fish per year into small streams in their neighborhood.

Joe Kambeitz, Community Advisor, Department of Fisheries and Oceans, referring to 1997 NAFEC grant for Stream Restoration projects in Bertrand and Fishtrap Creeks

Through each of these young people that we're training, we reach out to a whole new group of people—their friends, their family, their teachers, their schoolmates—and help people to learn about the river because you have to really know the river in order to care about it.

Kathy Hudzik, Friends of the Chicago River

3.3 Relevance of NAFEC

3.3.1 Introduction

This section of the report discusses whether or not NAFEC makes sense in terms of the conditions, needs or problems to which it is intended to respond. It will look at whether or not NAFEC has a particular funding niche in the environmental community and whether or not the program has a strong internal and external rationale for being continued.

3.3.2 Findings

Finding 11: There is high demand from constituents, and a strong rationale within the CEC, to operate a grant program that supports community-based, environmental initiatives in Canada, Mexico and the United States.

The more than two thousand proposals received during the first four years of NAFEC's operation clearly demonstrate the demand for this granting mechanism and the need for support of community-based projects in North America. Although there are many other funds that support community-based environmental activities in Canada, Mexico and the United States, a fund operating at the North American level has some unique advantages.

NAFEC-supported projects are somewhat distinct from environmental projects funded by other foundations and governments. These projects link the local community to the continent.

NAFEC Coordinator

The NAFEC Selection Committee is one aspect of the program that makes it unique. With members from each of the three countries, this Committee has developed a vision of how a trilateral community can contribute to protecting and enhancing the North American environment. They are then able to choose community-based projects that support this framework.

Applicants comment that NAFEC provides support for aspects of their work that are sometimes difficult to fund from other sources, particularly transboundary collaboration and projects combining environmental and economic objectives. The latter is particularly true in Canada and the United States, where funding for environmental work and for community economic development tends to be separate. It is less the case in Mexico, where there is often an emphasis on sustainable development. NAFEC's niche is its ability to fill these gaps and to develop a grantmaking framework that combines approaches and offers innovative ways to look at both environmental and economic objectives.

Another key component of the NAFEC program is its support of community-based initiatives that draw on their local knowledge and techniques to solve environmental

challenges. As outlined in Case Study 6, many NAFEC grantees demonstrate that grounding their work in local realities and values is the root of their success. Taking what they already know and multiplying this knowledge with other resources instills great community confidence for solving environmental challenges locally.

These grassroots [NAFEC] projects are crucial. They do real things on the ground that bring local people into the discussion. We've got to be able to make these links between policy and the people affected. That's how you do sustainability.

CEC Executive Director, from press release on Shade Coffee, 14 October 1999

There is also a rationale for NAFEC within the CEC. All CEC program managers and staff consulted strongly support NAFEC's role within the Commission. NAFEC project activities regularly inform the policy work of the CEC, and provide a testing ground in each of the three countries for translating policy into action. NAFEC is also a window for the CEC to understand the public's perception of NAFTA and

North American environmental issues. NAFEC helps build a constituency for the CEC's policy work, which lends CEC credibility.

That said, many CEC staff believe the CEC is not promoting the achievements of NAFEC as widely as it should. NAFEC staff promote the work of the CEC to grantees, encouraging them to become involved in meetings, consultations, etc. The CEC, however, is slow to integrate best practices and ideas generated by NAFEC grantees. This is a function of the limited mechanisms within the CEC for communicating and sharing these results. A more systematic approach is required for sharing the learning that emerges from NAFEC with the wider CEC community. CEC could also place more emphasis on promoting the success stories of NAFEC as part of its wider communication/public relations strategy.

Case Study 6: Community-based initiatives—Making an Important Contribution to Achieving Environmental Goals

The intent of most environmental initiatives is to make human behavior more compatible with environmental health. Analysis of successful efforts often focuses on what brings about behavioral change. Many NAFEC grantees indicate that grounding their work in local realities and values is the root of their success. The farmers of Ruisseau St-Esprit, Québec, report that 'environment' used to have very negative connotations for them; they saw it as a source of criticism of their practices and a justification for imposing regulations that were ill-adapted to their situation.

However, when the farmers realized that decreasing chemical inputs could save them money without reducing their yields and improve their chances of passing on productive farmland to their children, they were willing to get involved in an environmental project. When concrete results in terms of improved water quality became apparent (documented as a result of their partnership with a local university), and the people who used to tell them what to do (and what not to do) began to show a very positive interest in what *they were doing*, they began to view their environmental work with pride.

"If there were the same atmosphere and energy—synergy—among all agricultural groups that we have around here, there would be nothing to stop us, nothing at all: nothing, nothing, there would not be big enough mountains to stop us."

Pierre-Paul Ricard, farmer and president of the *Corporation du Bassin versant Ruisseau St-Esprit*

The case of the Ruisseau St-Esprit watershed is an example of a situation repeated throughout North America. Providing the political space, resources, and technical assistance for communities to propose their own solutions is usually the best way to ensure the project will be effective. It is also often the most cost-efficient approach and one that is most likely to have a longer term and a broader impact.



Finding 12: NAFEC’s niche in environmental grantmaking is its trinational scope and the support it provides to projects of North American significance.

Other environmental foundations consulted commented that given NAFEC’s trinational scope, the CEC becomes a unique player in the field of environmental grantmaking. NAFEC supports cross-border initiatives that adopt a consultative and participatory approach to environmental problem-solving, unlike many foundations that only fund at the national or regional level. For example, some large US foundations may have regional offices in countries like Mexico, yet the projects they support there are primarily in-country. One foundation representative commented that unlike some large foundations, NAFEC took the time to develop its grantmaking agenda using a bottom-up, consensus-building approach. This lends the NAFEC program significant credibility.

Foundation representatives also highlight that it is essential to have a granting program that has the ability to get other environmental foundations interested in cooperative approaches. NAFEC is in a position to pilot initiatives using a trinational approach, which in turn leads to greater learning for the wider grantmaking and environmental communities.

Finding 13: NAFEC is a granting program that addresses countries with different realities and needs. This must be reflected in the way the grant application process is managed at the local level.

NAFEC serves countries with different situations and different needs. On one hand, there are two northern countries (Canada and the United States) with advanced economies and relatively cheap and easy access to information technology. On the other hand, there is Mexico, a southern economy, where access to communication tools such as fax and e-mail is expensive and sometimes not accessible. These dual realities are not always reflected in the way the grant application system is managed at the local level in the three countries.

In Mexico, for example, poor access to information and low technology levels are factors that make it difficult for communities to participate in the NAFEC program. Although some NGOs and communities have access to communication tools, such as the Internet and fax, these are costly and often represent a significant portion of their operating budgets. This is a salient issue for submitting NAFEC applications.

Not surprisingly, NAFEC applicants in Canada and the United States did not mention these issues as obstacles in their interaction with NAFEC or the commission.

As a group, we invested so much time, energy, and money to write the proposal. But our proposal was finally turned down. This really hurt. We invested as much as USD \$200 in phone calls, faxes, and so on. This represents a big sum of money in Mexico when you think that the average University professor earns USD\$300 a month.

Unsuccessful NAFEC applicant

The challenge for NAFEC is how to reconcile a granting system that aims to reach NGOs and local communities in three countries that experience different economic, social and political realities.

Finding 14: In general, NAFEC grant applicants, including unsuccessful applicants, are very positive about how the program is managed within the Commission.

The social awareness, positive attitudes, respect and dedication that NAFEC staff took in reviewing and managing their grants were appreciated by all grantees.

Even unsuccessful applicants were very positive about the way they were treated by NAFEC staff. One applicant, for example, stressed that her colleagues’ apprehensions about NAFEC—and CEC in general—were diminished as a result of their positive interactions with NAFEC staff. Several

We are happy to collaborate with them [NAFEC staff], whether or not we get the funding.

Unsuccessful NAFEC applicant

unsuccessful applicants stressed the quality of the information received through NAFEC, and the added value they received from NAFEC's networking processes and contacts.

Finding 15: Although there is high demand for NAFEC, some question the efficiency of the model at its present granting level.

Contributions by the three governments to the NAFEC budget have declined since 1996. The original program value was established in 1996 at US\$1.5 million. In 2000, the operating budget is US\$400,000. As demonstrated in Exhibit 3.9, while the budget declines, the cost to administer the program has remained constant, at approximately US\$100,000 (resulting in an increase in the percentage of funding devoted to administration). Healthy program administration costs should be between 10 and 15 percent of the total operating budget. This suggests that NAFEC's minimum budget requirement should be US\$1,000,000–\$1,500,000 in order to rationalize its administrative costs in comparison to the amount of funds it is granting. If the budget is below this range, the ratio between program infrastructure and the funds granted to projects becomes disproportionate.

It is clear that governments, whether in Canada or in the two other countries, do not always take the work of grassroots environmental groups seriously. The amount granted under NAFEC is ridiculously small compared with the benefits derived from these projects.

NAFEC beneficiary, Canada

Exhibit 3.9 Change in Administrative Cost Structure in US Dollars

YEAR	BUDGET ALLOCATION (US\$) (FUND + ADMINISTRATION)	% OF BUDGET ALLOCATED TO ADMINISTRATION
1996	\$1.6 million	6.25
1997	\$1.6 million	6.25
1998	\$950,000	10.5
1999	\$1.1 million	9
2000	\$500,000	20

Note that administration costs include salaries, travel and accommodation expenses (for NAFEC staff and Selection Committee), conference calls, messenger services, translation, printing and publications; they also include meetings and other activities to promote exchange among NGOs. They do not include office rental, telephone and postal costs and general support services provided by non-NAFEC CEC staff.

4. **Conclusions and Future Directions**

All stakeholders concur that NAFEC is a unique model for supporting North American environmental sustainability. It is a program that supports the grassroots networking required to build a community that can act directly on North America's shared environmental concerns. Both external and internal stakeholders believe there is a sound rationale for the CEC Council to continue supporting the NAFEC program. There is a very high demand from constituents, and a strong rationale within the CEC to operate a grant program that builds links among environmental issues in Canada, Mexico and the United States.

NAFEC is one of the only (if not the only) programs that takes a trinational approach to its grantmaking and that provides a concrete link between community-based efforts and environmental policymaking. Within the CEC, there is strong support continuing the NAFEC program, as it provides a certain measure of credibility in the eyes of the public and involves community-level groups in environmental problem solving and protection. Therefore, from these perspectives, it makes sense for the Council to continue to invest in the NAFEC program.

On the other hand, at its present level of funding, NAFEC is not an efficient grantmaking model. Since 1996, the NAFEC budget decreased while the administration costs of the program remained constant. It does not make sense to disburse an increasingly smaller amount of grants for the same administration costs, particularly when the current administration load made it challenging to adequately report NAFEC results throughout the CEC and at the government level. Nearly all stakeholders consulted feel that at the current budget level, the administration costs do not justify the number and amount of the grants disbursed, particularly when dealing with a fund that supports a trinational approach to solving environmental challenges.

There is a general consensus that NAFEC should be continued at a budget of approximately US\$1 million. However, our terms of reference suggest we provide some alternatives for CEC. Each option presented has a series of strengths and challenges; however, consensus was not reached on the most appropriate option to propose. The present evaluation did not have adequate time to explore each of these suggestions. If the CEC Council decides to go in one or more of these directions, some further study might be required.

The following is our analysis of the three major options, and their strengths and weaknesses.

Option 1: Restore NAFEC funding to an adequate level (approximately one million dollars US) to maintain the integrity and efficiency of the fund

Restoring NAFEC funding to an adequate level was the option most supported by stakeholders. A minimum budget of US\$1,000,000–\$1,500,000 million was stated as the amount required to maintain the efficiency of the fund. Many stakeholders also indicated that any deviation from the current NAFEC program structure and processes would greatly compromise the objectives that the program was originally intended to address. Suggestions for to restore NAFEC funding follow below.

Suggestions for restoring NAFEC funding

- Increase CEC allocation by one or all Parties
- Solicit one-time contribution from all Parties to establish a NAFEC Endowment, and then seek support from other sources to enlarge the endowment (e.g., private foundations, private corporations)
- Look for corporate sponsors

Strengths

- NAFEC continues to meet high demand for funding from community-based groups
- CEC programs continue to benefit from grassroots experience and innovation of NAFEC grantees

- CEC keeps important internal capacity
- CEC shows commitment to grassroots

Challenges

- Need to balance being strategic and being responsive to NGOs and grassroots
- Must allow for some flexibility and innovation on the part of applicants, while maintaining a targeted RFP process that is strategically linked to CEC program goals
- Risk that NAFEC funding will always be in jeopardy and in competition with CEC program funds
- Potential private funding partners may feel some reluctance to support a NAFEC Endowment, given governments' reluctance to fund it in its entirety
- Potential private funding partners may not have an interest in negotiating a matching fund arrangement with three governments; there could also be legal concerns about the same issue
- CEC could lose control of NAFEC

Option 2: Discontinue the NAFEC program if adequate level of funding is not restored

If adequate funding for the NAFEC program cannot be restored, there is a strong sentiment from some stakeholders to discontinue the program altogether. Stakeholders believe it would be better to discontinue the NAFEC program than to change its parameters at the expense of its original commitment to community-based groups.

Strengths

- CEC would show it is making difficult choices in a tight budget situation.
- CEC would discontinue a program that was simply not cost-effective for both the CEC and communities

Challenges

- Loss of contacts for public participation needs of CEC
- Loss of credibility within NGO and grassroots communities
- Loss of community contacts for programs
- Loss of internal capacity to do grassroots work within the CEC
- Loss of needed support by some grassroots organizations

Option 3: Replace NAFEC with a different program that is more strategic for CEC, but continues to be targeted at the community level

If NAFEC's funding remains at its current level, stakeholders advocate replacing NAFEC with a new program altogether. They believe that if the fund is changed, it risks losing its original program characteristics and, therefore, it makes more sense to replace it with an entirely new program design. A series of suggestions were provided for what a new program targeted at the community level would look like.

Suggestions for a new program

- Develop a specific, targeted Request for Proposals (RFP) linked directly to the CEC Program and managed by the designated CEC Program Manager (e.g., send out only one RFP directed to community-groups working on Important Bird Area issues)
- Discontinue the reactive RFP process, and initiate a proactive proposal solicitation process from NGOs that the CEC believes have the potential to implement projects suitable for dissemination on a North American scale; in this model, ensure that NAFEC budget is separated from the overall CEC program budget to deter future risk of reductions
- Create a program that specifically provides support for the networking/linkage activities of community-based environmental organizations across North America

Strengths

- Might be more strategic for CEC programs
- Will help keep some capacity to work with grassroots and NGOs

Challenges

- Community groups might feel relationship with CEC is one-way—that CEC Program managers are using them as “consultants” to inform their programs
- NAFEC would lose its community-based approach if all projects were directed from the top down.
- With a proactive RFP process, selective proposal solicitation by CEC staff may occur. This model would limit community access and independence in setting environmental priorities and agendas.
- Managing the process within each CEC program would create a heavy burden on CEC Program Managers

Appendix I List of Participants in Stakeholder Groups

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Appendix II Evaluation Framework Matrix

MAJOR ISSUE	KEY QUESTION	SUBQUESTION	INDICATORS	SOURCES OF DATA	DATA-COLLECTION METHOD
NAFEC Linkages to communities	Does NAFEC fill a particular funding niche?	<ul style="list-style-type: none"> How do applicants perceive NAFEC's funding focus? Are similar sources of funding available? 	<p>Identification by grantees of similar funding sources</p>	grantees	questionnaire
		<p>Would projects be carried out in the same way without NAFEC funding?</p>	<p>Identification by NAFEC staff of similar funding sources</p>	<p>other funders foundation documents NAFEC documents</p>	<p>interviews document review</p>
		<p>Do NAFEC-supported projects receive funding from other sources?</p>	<p>Grantees' assessments of possibilities Non-grantees' ability to carry out their projects</p>	<p>grantees applicants asked to submit full proposals but not funded</p>	<p>questionnaire telephone survey</p>
Does NAFEC encourage networking?	Does NAFEC encourage networking?	<p>Do grantees expand their networks (a) sectorally and (b) geographically?</p>	<p>percent of funding from NAFEC and other sources</p>	<p>grantees project reports</p>	<p>questionnaire document review</p>
		<p>Do applicants that have not received grants benefit from NAFEC's networking potential?</p>	<p>Grantees communicate with a wider range of organizations than they did prior to receiving NAFEC grant Non-grantees communicate with a wider range of organizations as a result of their interaction with NAFEC</p>	<p>grantees applicants who did not receive grants (particularly those from whom full proposals were requested)</p>	<p>questionnaire telephone survey</p>

MAJOR ISSUE	KEY QUESTION	SUBQUESTION	INDICATORS	SOURCES OF DATA	DATA-COLLECTION METHOD
	Does NAFEC promote partnerships?	Do grantees expand their partnerships (a) sectorally and (b) geographically?	Grantees work with a wider range of organizations than they did prior to receiving NAFEC grant; partnerships are effective and sustained if necessary	grantees	questionnaire
	Does NAFEC promote innovative solutions (at the level of both individual projects and clusters of projects)?	Does NAFEC support new approaches to problems or responses to a changing context?	Grantees report using different approaches from in previous projects, concrete outcomes at a local level Observers familiar with North American context identify examples of innovative work funded by NAFEC	grantees project reports	questionnaire interviews document review case studies interviews case studies
		Are projects replicated or built on by others?	Examples of cases in which this has occurred	grantees NAFEC staff	
	Does NAFEC raise the profile of issues/projects?	Does funding from NAFEC attract attention from media, government, local stakeholders, North American public?	Grantees provide examples of ways in which receiving NAFEC funding helped to attract attention; requests for information received by grantees Media coverage of NAFEC/CEC which makes reference to projects Visits to NAFEC; project lists on CEC web site	grantees CEC documents project reports CEC documents (media clippings) record of web sit visits	questionnaire interviews document review case studies document review document review
			Requests for information about projects received by NAFEC	CEC documents NAFEC staff	document review interviews case studies

MAJOR ISSUE	KEY QUESTION	SUBQUESTION	INDICATORS	SOURCES OF DATA	DATA-COLLECTION METHOD
Linkages to CEC Overall Goals	Does NAFEC contribute to creating a North America community?	Does NAFEC support networking and partnership (see indicators, etc. above)?	Grantees report adopting a North American perspective as a result of interaction with NAFEC	grantees	questionnaire
		Does NAFEC encourage grantees to think of their work in a North American context?	Grantees report initial interaction with either NAFEC or CEC	grantees	questionnaire
	Does NAFEC contribute to creating a constituency for CEC?	Do applicants/grantees become aware of the existence of CEC through contact with NAFEC?	Grantees report having received information about CEC from NAFEC	grantees	questionnaire
		Does NAFEC disseminate information about CEC?	NAFEC/CEC staff provide examples of information dissemination	NAFEC/CEC staff NAFEC documents	interviews document review
		Do NAFEC grantees raise the profile of CEC?	NAFEC grantees include CEC logo on their products and make reference to CEC	project reports and products press releases & clippings grantee web sites	document review
	Does NAFEC facilitate public participation in CEC?	Do NAFEC grantees participate in other CEC processes?	Grantees report participation Listed as participants in CEC meetings, etc.	grantees lists of participants	questionnaire document review
		Does NAFEC encourage participation by different sectors of the public than other CEC initiatives (e.g., smaller NGOs)?	Examples of how NAFEC itself and NAFEC integrated with other CEC activities represent a different form of participation	grantees NAFEC/CEC staff project reports CEC documents	questionnaire interviews case studies
		Does NAFEC facilitate a different type/quality of participation?			

MAJOR ISSUE	KEY QUESTION	SUBQUESTION	INDICATORS	SOURCES OF DATA	DATA-COLLECTION METHOD
		Do NAFEC grantees/projects have an impact on other work within CEC?	Grantees/CEC staff provide examples	grantees CEC staff	questionnaire interviews case study
Does NAFEC facilitate participation in regional processes outside CEC?		Do NAFEC-supported projects include such activities?	Percent and examples of NAFEC-supported projects	grantees project reports	questionnaire interviews
Does NAFEC contribute to CEC's effort to highlight trade and environment issues (dealing with both the impact and the opportunities of NAFTA)?		Does NAFEC support the testing of approaches to trade and environment issues?	Percent and examples of NAFEC-supported projects that focus on these issues	data base project reports grantees	document review case study questionnaire
Does NAFEC contribute to CEC's effort to collect and disseminate North American information?		Do grantees collect information within a North American framework?	Percent and examples of projects	data base project reports	document review
Linkages to CEC programs		Do they disseminate it at a North American scale?	See dissemination above		
Does NAFEC encourage NGOs to undertake work related to CEC programs?		Do grantees choose or modify proposed projects in response to information contained in NAFEC Call for Proposals or advice from NAFEC staff?	Percent and examples of projects	grantees	questionnaire
Is there balance across CEC programs?		Does NAFEC fund a similar number of projects in each CEC program area? Why or why not?	Number of applications and grants in each program area	NAFEC data base	document review
		Do NAFEC projects combine elements of different program areas?	Percentage distribution of funds by program area Number of program areas touched by specific NAFEC projects	data base	document review

MAJOR ISSUE	KEY QUESTION	SUBQUESTION	INDICATORS	SOURCES OF DATA	DATA-COLLECTION METHOD
	Does NAFEC add value to programs?	Do NAFEC projects produce concrete results that meet CEC program objectives?	Examples of results of NAFEC project (including longer-term)	grantees project reports	questionnaire document review
		Do they produce such results economically?	Percent contribution of volunteer work and in-kind contributions/leverage from other sources		
			Examples of project costs		
		Do NAFEC grantees participate directly in CEC programs?	Percent of grantees reporting participation in CEC programs	grantees CEC staff	questionnaire interviews
			Grantees/CEC staff provide examples		
		Is there a mechanism for communicating the results of NAFEC projects to CEC programs? Is there potential for creating/strengthening such mechanisms?	NAFEC/CEC staff provide examples	NAFEC/CEC staff	interviews

Appendix III List of Interviewees and Documents Reviewed

NAME	ORGANIZATION	COUNTRY
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Israel Nuñez	Director for the CEC and Canada: Semarnap—Mexican Environmental Agency	Canada
Luis Toral Campoverde	<i>Comunidad indigena del Nuevo San Juan de Parangaricutiro</i>	Mexico
Margareth Wooster	Great Lakes United	Canada
Margarita Hurtado	GEMA A.C.	Mexico
Maite Cortez	<i>Colectivo Ecologista Jalisco</i>	Mexico
Michael Lowry	Enterprise Washington	USA
Normand Parisien	Transport 2000	Canada
Ramona Faust	Harrop-Procter	Canada
Rita Cerutti	Canadian representative to the General Standing Committee, North American and Global Strategies, Environment Canada	Canada
Sarah Winterton	Federation of Ontario Naturalists	Canada
Silvia Matallana Villegas	<i>Universidad Autónoma de Querétaro</i>	Mexico
Robert Alain	Executive Director, Fondation EJLB	Canada
Ed Miller	Director of International Programs, Mott Foundation	USA

Documents Reviewed

- 77 closed NAFEC grantee file reports
- CEC Annual Reports for 1997, 1998
- CEC *North American Agenda for Action 2000–2002*
- NAFEC Evaluation Stakeholder Group Documents
- Internal NAFEC Evaluation, SAL Consulting, 1997
- NAFEC documentation (RFPs, Guidelines, project summaries, etc.)

Appendix IV NAFEC Grant Priority Area

NAFEC Grant Priority Areas by Year

YEAR	PRIORITY AREA
1996	Environmental Conservation
	Environmental Protection
	Environment, Trade and Economy
	Enforcement Cooperation and Law
	Information and Public Outreach
1997	Environmental Protection
	Promotion of Sustainable Development
	Environmental Cooperation
	Enforcement, Cooperation and Law
	Promotion of Economically Efficient and Effective Environmental Measures
1998	Pollution Prevention
	Same as 1997
1999	Environment, Economy and Trade
	Conservation of Biodiversity
	Pollutants and Health
	Law and Policy
2000	Environment, Economy and Trade— Green Goods and Services
	Conservation of Biodiversity
	Pollutants and Health—Public Access to Information, Decision-making and Environmental Justice

Appendix V List of Findings

- Finding 1: It is challenging to evaluate the NAFEC program, given the evolutionary nature of its goals and objectives.
- Finding 2: As NAFEC's goals and objectives become more aligned with those of the CEC, the program becomes more effective at supporting the CEC.
- Finding 3: A significant number of NAFEC-funded projects directly support CEC's goals and objectives.
- Finding 4: NAFEC is an important mechanism within the CEC in the way it contributes to the development of a grassroots public constituency.
- Finding 5: NAFEC plays a role in facilitating community level public participation in CEC; however, NAFEC's ability to further involve grantees in CEC processes could be more fully utilized.
- Finding 6: NAFEC supports CEC's efforts to promote trilateral processes that encourage innovative, joint problem-solving of environmental challenges.
- Finding 7: NAFEC contributes to CEC's efforts to collect, disseminate and use environmental information at the North American level.
- Finding 8: Through linkages and networking, a significant number of NAFEC projects resulted in successful capacity building.
- Finding 9: A considerable number of NAFEC projects demonstrate concrete individual, organizational and environmental results. These results are, however, difficult to measure.
- Finding 10: As a result of the NAFEC grant, many NGOs leveraged additional funding, resources and new partnerships that led to a certain measure of sustainability.
- Finding 11: There is high demand from constituents, and a strong rationale within the CEC, to operate a grant program that supports community-based, environmental initiatives in Canada, Mexico and the United States.
- Finding 12: NAFEC's niche in environmental grantmaking is its trilateral scope and the support it provides to projects of North American significance.
- Finding 13: NAFEC is a granting program that addresses countries with different realities and needs. This must be reflected in the way the grant application process is managed at the local level.
- Finding 14: In general, NAFEC grant applicants, including unsuccessful applicants, are very positive about how the program is managed within the Commission.
- Finding 15: Although there is high demand for NAFEC, some question the efficiency of the model at its present granting level.