



## **United Nations Environment Programme**

### **Terminal Evaluation of the UNEP GEF Project “Facilitation on Financing for Biodiversity - Based Business and Support of Market Development Activities in the Andean Region”**

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Evaluation Office

May 2015

The views expressed in this report are those of the evaluator alone and do not necessarily reflect the views or policies of UNEP, or of any individual or organization consulted.

Project Number: GFL/2328/2714/4A92

Geographical Scope: Regional Multi - Country

Start Date: March 2010

Completion Date: April 2014

Executing Agency:

- Andean Development Corporation - CAS

National Executing Agencies:

- Fondo Biocomercio Colombia;
- Ministry of Environment (MAE) and CORPEI (Ecuador);
- Peru Export and Tourism Board (PROMPERU)

## Table of contents

Acronyms and Abbreviations .....	4
Project Identification Table .....	5
Executive Summary .....	6
I. Introduction .....	11
II. The Evaluation.....	12
III. The Project .....	13
A. Context.....	13
B. Objectives and components .....	16
C. Target areas/groups .....	18
D. Milestones/key dates in project design and implementation.....	19
E. Implementation arrangements .....	20
F. Project financing: Estimated costs and funding sources .....	21
G. Project partners.....	23
H. Changes in design during implementation.....	24
I. Reconstructed Theory of Change of the project .....	25
IV. Evaluation Findings .....	24
A. Strategic relevance .....	24
B. Achievement of Outputs.....	26
C. Effectiveness: Attainment of Objectives and Planned Results .....	39
D. <i>Sustainability and replication</i> .....	53
E. <i>Efficiency</i> .....	57
F. <i>Factors and processes affecting project performance</i> .....	58
G. <i>Complementarities with UNEP strategies and programmes</i> .....	70
V. Conclusions and Recommendations.....	71
A. <i>Conclusions</i> .....	71
B. <i>Lessons Learned</i> .....	79
C. <i>Recommendations</i> .....	81
D. <i>ANNEXES</i> .....	82
Annex 1. Response to stakeholder comments received but not (fully) accepted by the evaluators .....	82
Annex 2. Evaluation Terms of Reference.....	82

Annex 3. Evaluation program, containing the names of locations visited and the names (or functions) and contacts (Email) of people met.....	115
Annex 4. Persons interviewed during country visits .....	117
Annex 5. Bibliography.....	119
Annex 6. Summary of co-finance information and Statement of project expenditure by category.....	122
Annex 7. Resume Carmen Maria Lopez .....	123
Annex 8. Quality Assessment .....	126

## Acronyms and Abbreviations

AvHI	Alexander von Humboldt Institute
CORPEI	Corporacion de Promocion de Exportaciones e Inversiones de Ecuador (Export and Investment Promotion Corporation of Ecuador)
CAF	Banco de Desarrollo de America Latina (Andean Development Corporation)
CBD	Convention on Biodiversity
CIRNMA	Centro de Investigacion en Recursos Naturales y Medio Ambiente (Natural Resources and Environment Research Center)
DTIE	Division of Technology, Industry and Economics
DGEF	Division of GEF
ETB	Economics and Trade Branch
FB	Fondo Biocomercio (Biotrade Fund)
GEF	Global Environmental Fund
GIZ	German International Technical Cooperation
IFAD	International Fund for Agricultural Development
M&E	Monitoring and Evaluation
MAE	Ministerio del Ambiente del Ecuador (Ministry of the Environment Ecuador)
MINAM	Ministerio del Ambiente Peru (Ministry of the Environment Peru)
MoU	Memorandum of Understanding
NEA	National Executive Agency
PROMPERU	Comision de Promocion del Peru para la Exportacion y el Turismo (Peru Export and Tourism Board)
PPP	Private Public Partnership
SME	Small and Medium Enterprise
NTFP	Non Timber Forest Products
ToC	Theory of Change
UCADE	Union Catolica de Apoyo al Desarrollo Comunitario (Catholic Union for Support to the Community Development)
UNCTAD	United Nations Conference on Trade and Development
UNEP	United Nations Environmental Programme

## Project Identification Table

<b>GEF project ID:</b>	2391	<b>IMIS number:</b>	GFL-2328-2714-4A92
<b>Focal Area(s):</b>	Biodiversity	<b>GEF OP #:</b>	BD2
<b>GEF Strategic Priority/Objective:</b>	SP4 SPE5	<b>GEF approval date:</b>	17 August 2009
<b>UNEP approval date:</b>		<b>Date of first disbursement:</b>	28 December 2010
<b>Actual start date:</b>	March 2010	<b>Planned duration:</b>	60 months
<b>Intended completion date*:</b>	April 2014	<b>Actual or Expected completion date:</b>	December 2014
<b>Project Type:</b>	FSP	<b>GEF Allocation:</b>	US\$6,414,021
<b>PPG GEF cost:</b>	US\$350,000	<b>PPG co-financing:</b>	US\$400,000
<b>Expected MSP/FSP Co-financing:</b>	US\$7,965,439	<b>Total Cost:</b>	US\$15,129,459
<b>Mid-term review. (planned date):</b>	May 2012	<b>Terminal Evaluation (actual date):</b>	September 2014
<b>Mid-term review. (actual date):</b>	May 2013	<b>No. of revisions:</b>	1
<b>Date of last Steering Committee meeting:</b>	September 2012	<b>Date of last Revision:</b>	23 October 2012
<b>Disbursement as of 30 June 2014:</b>	US\$ 5,932,261.58	<b>Date of financial closure:</b>	N/A
<b>Date of Completion:</b>	March 2011	<b>Actual expenditures reported as of 30 June 2014:</b>	US\$ 5,417,902.97
<b>Total co-financing realized as of 30 June 2014:</b>	US\$ 11,801,778	<b>Actual expenditures entered in IMIS as of 30 June 2014:</b>	US\$ 4,519,181.31
<b>Leveraged financing:</b>	US\$ 11,801,778		

Source: Project Document, Terminal Evaluation Terms of Reference, PIR 2014.

## Executive Summary

1. **The Project:** The objective of the Project “*Facilitation on financing for Biodiversity based-business and support of market development activities in the Andean Region*” aimed to contribute to the conservation and sustainable use of biodiversity in the Andean Region through the provision of alternative livelihoods from Biotrade opportunities for local and marginalized communities. The project aimed to support the participating countries (Colombia, Ecuador and Peru) to overcome the main barriers to Biotrade, attaining environmental externalities on a par with trade benefits.
2. From the inception of the project to the time it was implemented in 2010, the participating countries faced institutional changes of the NEA’s and administrative issues that affected the project start up. Although the 5-year framework for the project was realistic, a delay of almost two and a half years in full implementation reduced the effective implementation time by almost half. However countries were able to overcome these challenges through establishing alliances with key partners and implementing an adaptive management approach. Despite these challenges the project was able to make substantial progress in delivering expected outputs. Most of the expected outputs have been completed and others are in the process. The project established the basis for the Biotrade sector, by improving enabling conditions, developing tools for biodiversity based businesses, carrying out market studies, building and strengthening the capacity of public and private stakeholders and implementing pilot project as demonstrative models. However additional time would have been required to consolidate some initiatives supported at the end of the project and for significant replication and scaling up.
3. **The Evaluation:** This report corresponds to an independent Terminal Evaluation of the project, carried out from August to October of 2014, to assess project performance and determine outcomes and impacts stemming from the project, including their sustainability. The evaluation addressed the following key questions:
  - To what extent was the project able to facilitate the development and rationalization of policies favourable to Biotrade in the Andean region?
  - To what extent was the project able to increase the access of products proceeding from biodiversity to markets that reward sustainable extraction and production?
  - To what extent was the project able to strengthen business capabilities within the scope of value chains of products based on biodiversity, and promote an understanding of Biotrade?
  - To what extent was the project able to improve the acquisition of and access to information on key products and markets?
  - To what extent was the project able to leverage and direct financial resources into Biotrade initiatives?
  - To what extent was the project able to support pilot Biotrade projects for biodiversity conservation
  - To what extent was the project able to develop replication strategies for the project at the national and regional Andean level, including mechanisms for its implementation?
4. An in - depth terminal evaluation was carried out using a participatory approach whereby key stakeholders were kept informed and consulted throughout the evaluation process. Efforts were made to adopt both quantitative and qualitative evaluation methods to determine project achievements against the project outputs, outcomes and impacts. The findings of the evaluation are based on a desk review of project documents, complemented by visits to each country where meetings and interviews with a wide spectrum of stakeholders, including project staff, executing partners, representatives of government agencies, contractors and beneficiaries (private enterprises and local communities) were conducted. Specific questions were asked to different categories of stakeholders for crosschecking and validation purposes.
5. **Main findings:** Overall project performance of the project was satisfactory. The project had a pivotal role in establishing and creating linkages between public actors, the private sector and communities following Biotrade principles and criteria in order to access the national and

international market with a growing demand for Andean native products. It positively contributed to the establishment of the basis for the development of the Biotrade sector by improving the enabling conditions to support the Biotrade sector and export promotion, building capacity of public and private stakeholders in Biotrade, developing tools for biodiversity based businesses, carrying out market studies, and improving access to the market. The project made an important contribution in demonstrating explicit linkages between economic and conservation benefits and contributed to raising awareness on the importance and economic potential of following Biotrade principles and criteria. Supported entrepreneurs and communities are now aware of the value of biodiversity and the economic potential in following Biotrade principles and criteria, particularly in those special market niches that provide a premium for products that follow social and environmental safeguards.

6. *Strategic relevance:* The project was in line with GEF and UNEP priorities at the time of inception and had a high strategic relevance in the three countries and at the regional level. Activities were based on an assessment of barriers of Biotrade in the countries, partners' needs and was in line with regional and national priorities. The overall objectives of the project were realistic.
7. *Achievement of outputs:* The project fulfilled its commitment in terms of outputs and activities, with some delays, due to administrative issues and the slow implementation pace. However, on time intervention allowed the project to achieve the expected outputs.
8. *Effectiveness:* The project's intended outcomes were delivered, capacity building amongst government officials, the financial sector, entrepreneurs and communities was strengthened, access to market was improved and the adoption of Biotrade P&C in the field led to an increase in sales for enterprises and communities. The project made modest efforts in improving legal gaps. Orientating credit lines for the Biotrade sector and leveraging funding from the financial sector, was successful in Ecuador. In Peru the project was able to create a positive environment which is influencing the financial sector and should lead to a similar scenario as in Ecuador. In Colombia, however, the creation of a credit line for Biotrade is looking less successful. In the three countries entrepreneurs and communities supported by the project gained improved access to the national and international markets, resulting in a sales increase. As a result entrepreneurs and communities, particularly in Peru and Ecuador are aware of the economic potential of Biotrade products, leading to behavioral changes, that will result in reducing threats to biodiversity and reaching the expected project's objectives. In addition, the project benefitted from a growing demand for Andean bio-products.
9. *Sustainability and replication:* The project was successful in addressing the linkages between sustainable use of biodiversity and the economic value of developing strategies to improve access to market. The three countries can each offer, to varying degrees, successful examples of Biotrade initiatives creating the basis for sustainability and replication. There is a commitment by the National Biotrade Programs in Peru and Colombia to continue supporting the topic. In addition the creation of credit lines to support investment in Biotrade in Ecuador will provide sustainability beyond the project. The project supported activities to raise awareness within public and private actors and build capacities of enterprises and communities thereby contributing to socio political sustainability.
10. *Catalytic role and replication:* The Biotrade P&C approach helped enterprises/ producers to access markets demanding certified products and thereby increased their sales, resulting in an incentive for behavioral changes. The Biotrade P&C verification matrix developed by the project to assess compliance with these principles is being adopted by some countries. The capacity building of service providers (i.e. commerce, export chambers) in Biotrade as well as the creation of a master degree in Biotrade in Peru will lead to replication. The project created websites containing strategic information and successful experiences in the three countries in order to disseminate the information and create awareness. Final events were held in each country to present results, success stories, and disseminate information for replication.



11. *Efficiency*: The project relied on the use of existing institutional structures, instead of creating new ones, resulting in important savings for the project. Strategic alliances were established in the three countries to complement actions and build synergies. Most outputs of the project were achieved in spite of considerable time administrative delays in the first 3 years. However, due to these delays in execution, the project administration and management cost – although covered entirely by CAF - was high.
12. *Stakeholder participation and public awareness*: There was extensive participation of stakeholders from government, communities, the private sector and the academia during project design and implementation. However, important stakeholders, such as the Ministry of Agriculture and Planning did not participate. The project carried out activities to raise public awareness throughout the project implementation. Participation of stakeholders in decision making was limited to the public sector..
13. *Country ownership and driven-ness*: National partners were committed to the project and assumed responsibility, providing support to project execution and co-finances. The ministries of the Environment were also involved and provided support and co – financing during project implementation.
14. *Financial planning and management*: The budget was revised twice given the delays and slow implementation pace and the countries were free to follow their own financial planning and management procedures. The financial execution was minimal in the first years, but improved towards the end.
15. *UNEP supervision and role*: UNEP played a supervisory role in the project overall management and implementation. It ensured that the project implemented activities along their own priorities, took corrective actions based on the Mid Term Review recommendations, and ensured compliance with GEF procedures.
16. *Monitoring and Evaluation*: The project logical framework was consistent with the project’s purpose and goal, with objectives, outcomes, outputs, indicators, baseline, targets, verification methods and assumptions and contained time – bound targets. There are weaknesses in some indicator measures, with an emphasis on activities rather than results. The project design included funding for M&E activities up until the end of the project. The system for performing M&E was designed for the regional level and was implemented at the final stage of the project.

<b>Criterion</b>	<b>Rating</b>
<b>A. Strategic relevance</b>	Satisfactory
<b>B. Achievement of outputs</b>	Satisfactory
<b>C. Effectiveness: Attainment of project objectives and results</b>	Satisfactory
1. Achievement of direct outcomes	Satisfactory
2. Likelihood of impact	Moderately Satisfactory
3. Achievement of project goal and planned objectives	Satisfactory
<b>D. Sustainability and replication</b>	Likely

1. Financial	Likely
2. Socio--political	Likely
3. Institutional framework	Likely
4. Environmental	Likely
5. Catalytic role and replication	Likely
<b>E. Efficiency</b>	Moderately Unsatisfactory
<b>F. Factors affecting project performance</b>	Moderately Satisfactory
1. Preparation and readiness	Moderately Satisfactory
2. Project implementation and management	Moderately Satisfactory
3. Stakeholders participation and public awareness	Satisfactory
4. Country ownership and driven--- ness	Satisfactory
5. Financial planning and management	Moderately Satisfactory
6. UNEP supervision and backstopping	Highly Satisfactory
7. Monitoring and evaluation	Satisfactory
a. M&E Design	Moderately Satisfactory
b. Budgeting and funding for M&E activities	Highly Satisfactory
c. M&E Plan Implementation	Moderately Unsatisfactory
<b>Overall project rating</b>	Satisfactory

17. **Conclusions:** The project had a pivotal role in establishing and creating linkages between public actors, the private sector and communities following Biotrade Principles and Criteria (P&C) in order to access the market. An important external factor that set the pace for the development of the Biotrade sector was the growing demand for Andean native products in the national and international market. The demand can be created not only through awareness raising for Biotrade products, but also through value adding innovations and adequate marketing strategies. The demand for Biotrade products has become an incentive to entrepreneurs and communities to follow Biotrade P&C, while conserving and managing the Andean biodiversity in a sustainable manner.

18. The project made an important contribution to raising awareness among entrepreneurs about Biotrade P&C and balancing the conservation of the native biodiversity with the growing international demand. Application of the criteria was complicated but enterprises are now aware of the potential of Biotrade products in the international market, especially the organic and fair trade market, demanding compliance with social and environmental safeguards. In Colombia, the project contributed to raising awareness on the conservation of native biodiversity, by improving the access of these products to the national and local markets, in communities in remote and marginalized areas. Improved access to the national market resulted in a sales increase – and thus

an income improvement – for these families who are willing to conserve the native biodiversity instead of replacing it with other non - native products.

19. The implementation strategy of the project: using a value chain approach following Biotrade P&C and supported by capacity building and technical assistance to improve the quality of products was effective in facilitating the access to markets of Biotrade products and enhancing the value of biodiversity based Andean products. The Biotrade P&C verification matrix developed by the project was tested as a tool to be used to assess and improve legal, social, economic and environmental aspects in the production/use and manufacturing process of bioproducts.
20. The project relied mainly on the Biotrade principles and criteria to ensure the conservation and sustainable use of biodiversity. Although the Biotrade P&C is a comprehensive tool to assess and improve legal, social, economic and environmental aspects and the project supported activities that would improve its compliance, the selection process for pilot projects needed explicit mandatory eligibility criteria in line with the GEF environmental and social safeguards.
21. In order to guarantee replication and scaling up from demonstrating pilots at local level to a broader geographical area, projects need to include in the design and budget a component or activity focused on knowledge management from the outset of the project. This platform of communication can, from the very beginning, be used to promote the project, exchange ideas, share experience, and disseminate new concepts and trends for exchanging information as well as creating networks.
22. **Recommendations:** The project document established that the regional component would develop an action plan for the continuation of Biotrade promotion in each country and the regional level beyond the project's life time, with proposed activities, expected outputs, timeframe, estimated budget and the identification of possible financial sources. There are still some topics that need additional support: the legal and policy framework was strengthened but still presents gaps and inconsistencies; resources from the financial sector were not fully leveraged, and some sectors/initiatives still need to be strengthened (especially in Colombia where the capacity of the enterprises are low). CAF as the regional executive agency should in the next three months develop such a plan to provide continuity to the efforts made by the project and identify potential financial sources.
23. Project websites were developed both at the regional level and for the three countries along with a Biotrade virtual group. Useful information was developed by the project in each country, including final reports with lessons learned and successful Biotrade experiences. It is recommended to CAF to centralize the generated information in CAF's website in the next six months to support replication and scaling up. It is also recommended to establish links with the Ministries of the Environment in each country to reach a wider public and support replication and scaling up.
24. It is recommended by the second quarter of 2015 UNEP create a final document compiling results, lessons learned and success stories and disseminate the information in UNEP's website for replications and scaling up purposes.

## I. Introduction

25. Following the rationale of strengthening trade with and utilization of biological resources at local, national and regional levels as a strategy for the conservation and sustainable use of globally significant biodiversity, the GEF supported UNEP Project “*Facilitation on financing for Biodiversity based-business and support of market development activities in the Andean Region*” aimed to contribute to the conservation and sustainable use of biodiversity in the Andean Region through the provision of alternative livelihoods from Biotrade opportunities for local and marginalized communities.
26. Biotrade refers to *the set of activities of gathering and/or production, processing and marketing of goods and services proceeding from native biodiversity, applying environmental, social and economic sustainability criteria*. This definition was agreed upon by the National Biotrade Programmes (NBP), the Secretaria General de la Comunidad Andina (SGCAN, or General Secretariat of the Andean Community), the UNCTAD and the CAF in 2004. The Biotrade concept was established through UNCTAD in support of the principles and guidelines of the CBD and embraced by the latter since its inception in 1996 as an important means to create market incentives for the sustainable use of biological resources as well as to enhance business engagement in the conservation of natural resources. There are 7 principles agreed upon and adhered to by Biotrade initiatives. These are (i) Conservation of biodiversity; (ii) Sustainable use of biodiversity; (iii) Equitable sharing of benefits derived from the use of biodiversity; (iv) Socio-economic sustainability (management, production and markets); (v) Compliance with national and international legislation and agreements; (vi) Respect for the rights of actors involved in Biotrade activities; (vii) Clarity about land tenure, use and access to natural resources and knowledge.
27. The project aimed to support the participating countries (Colombia, Ecuador and Peru) to overcome the main barriers to Biotrade, attaining environmental externalities on a par with trade benefits. Specifically, the project aimed to (i) facilitate the development and rationalization of policies favorable to Biotrade; (ii) increase the access of products proceeding from biodiversity to markets that reward sustainable extraction and production; (iii) strengthen business capabilities within the scope of value chains of products based on biodiversity and promote an understanding of Biotrade; (iv) improve the acquisition of and access to information on key Biotrade products and markets; (v) leverage financial resources so as to direct them to Biotrade initiatives; (vi) support pilot Biotrade projects for biodiversity conservation; and (vii) agree on information and replication strategies for the project at the national and regional Andean level, including mechanisms for its implementation.
28. The Implementing Agency was the United Nations Environment Programme (UNEP) through the Economics and Trade Branch (ETB) of the Division of Technology, Industry and Economics (DTIE), The supervision was under the former UNEP Division of GEF Coordination (DGEF)<sup>1</sup>. At the regional level, the executing agency was the Andean Development Corporation (CAF) in collaboration with National Executing Agencies (NEA) in each country as follows:
  - Fondo Biocomercio in Colombia
  - Exports and Investment Promotion Corporation of Ecuador/CORPEI (Corporación de Promoción de Exportaciones e Inversiones de Ecuador), and
  - Peru Export and Tourism Promotion Board/ PROMPERU (Comisión de Promoción del Perú para la Exportación y el Turismo).

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<sup>1</sup> The UNEP Division of GEF Coordination (DGEF) was dismantled in 2011. Programmatic staff from DGEF were placed in UNEP Divisions based on thematic alignment but a small GEF coordination function was maintained.

29. Activities extended from March 2010 to December 2014. A Steering Committee (SC), that met annually, was in charge of evaluation of project progress, provision of strategic direction at national and regional level and guaranteeing the necessary inter-institutional coordination. A Technical Secretariat (TS) with technical and operative functions, and National Committee/Commission in each participating country assisted the Steering Committee.
30. GEF financing for the project was US\$ 6,414,021 and a co-financing of US\$ 11,801,778<sup>2</sup> for a total US\$ 18,215,799. Co-financing exceeded the amount anticipated in the project document by 48%.

## II. The Evaluation

31. In line with the UNEP Evaluation policy and Guidelines for GEF Agencies in Conducting Terminal Evaluations, the Terminal Evaluation of the Project was undertaken immediately before the completion of the project to assess project performance (in terms of relevance, effectiveness and efficiency), and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. The terminal evaluation had two purposes: i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP, the GEF and executing partners for future project formulation and implementation.
32. The terminal evaluation focused on the following key questions:
  - a. To what extent was the project able to facilitate the development and rationalization of policies favorable to Biotrade in the Andean region?
  - b. To what extent was the project able to increase the access of products proceeding from biodiversity to markets that reward sustainable extraction and production?
  - c. To what extent was the project able to strengthen business capabilities within the scope of value chains of products based on biodiversity, and promote an understanding of Biotrade?
  - d. To what extent was the project able to improve the acquisition of and access to information on key Biotrade products and markets?
  - e. To what extent was the project able to leverage and direct financial resources into Biotrade initiatives?
  - f. To what extent was the project able to support pilot Biotrade projects for biodiversity conservation?
  - g. To what extent was the project able to develop replication strategies for the project at the national and regional Andean level, including mechanisms for its implementation?
33. This in - depth terminal evaluation was carried out, by using a participatory approach whereby key stakeholders were kept informed and consulted throughout the evaluation process. Efforts were made to adopt both quantitative and qualitative evaluation methods to determine project achievements against the planned outputs, outcomes and impacts. The findings of the evaluation are based on a desk review of project documents, complemented by visits in each country where meetings and interviews with a wide spectrum of stakeholders, including project staff, executing partners such as Fundacion Natura, Corporacion PBA in Colombia, Rainforest Alliance and EcoCiencia, in Ecuador, representatives of government agencies mainly from the Ministries of the Environment in the three countries, and beneficiaries from the private sector and community organizations implementing pilot projects, were conducted. Pilot projects implemented by beneficiaries included a broad range of value chains: cacao, quinoa, golden berries (*Physalis peruviana L.*) sacha inchi oil production (*Plukenetia volubilis*), native potatoes, and also

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<sup>2</sup> Amount reported in PIR FY2014.

ecotourism. A detailed agenda and list of persons interviewed during the country visits is presented in Annex 2 and 3. Specific questions were asked to different categories of stakeholders for crosschecking and validation purposes. Following the terms of reference, attention was given to: learning from the experiences, sustainability, replication, and scaling up.

34. Given that the project was still effective during the terminal evaluation, project documents and key stakeholders were available for gathering relevant information. After the field visits, some project staff were contacted via email for additional information requests. In general there was no problem with access to information. The recently developed monitoring and evaluation system, as well as the project websites in each country, contains most of the project documents and information pertaining to relevant outputs delivered by the project (market studies, policy and legal assessment and analysis for Biotrade products, as well tools, among others).

### III. The Project

#### A. Context

35. Following the terms of reference, this section provides an overview of the broader institutional and country context, in relation to the project's objectives, including changes during project implementation.
36. 25% of the world's biodiversity is concentrated in the Andean Region. Colombia, Ecuador and Peru are among the 17 countries in the world containing over 70% of the earth's biodiversity, to the extent that these countries have been included in the list of mega-diverse countries in the world. Their biological diversity has contributed important benefits to humanity through new sources of food and raw materials for medicines, cosmetics and dyes. Biodiversity is the source of many products and services utilized by society and millions of rural people depend on biodiversity for food, medicines, income, ecosystem services and cultural and spiritual needs. Currently, biodiversity provides essential inputs for diverse industries like food, cosmetics, pharmaceuticals, and tourism. Native Andean products include varieties of maize, potatoes, tomatoes, cocoa, and more recently the achiote (*Bixa orellana* L. Annato), uvillas or golden berries (*Physalis peruviana* L.), babaco (*Carica pentagona* Heilb.), naranjilla (*Solanum quitonense* Lam.), chochos (*Lupinus mutabilis* S.), varieties of tropical fruits such as the borojó (*Borojoa patinoi* and *Borojoa sorbis* Cuatrec) and tropical flowers, among others. Additionally, new research regularly discovers new industrial and food uses for native species.
37. However, this natural wealth is being threatened by unsustainable rates of extraction, the expansion of infrastructure (roads, mining and oil exploitation) and land conversion, resulting in loss of natural habitats and biodiversity. Biodiversity loss often destabilizes and reduces the productivity of ecosystems, weakening their ability to generate products and services, as well as their capacity to deal with natural disasters and human-caused stress, such as environmental pollution and degradation and climate change. The sustainable use of biodiversity is thus fundamental for long-term sustainable development. Despite the richness of biodiversity in the Andean Region, it faces the great challenge of combining poverty alleviation and economic growth with sustainable use and conservation of biodiversity.
38. The Project "Facilitation on financing for Biodiversity based-business and support of market development activities in the Andean Region" was formulated under the GEF's Strategic Objective 2 (SO2), and within it, the Strategic Program 4 and 5 (SP4, SP5) and aimed to integrate the conservation and sustainable use of biodiversity into sectors of the economy that use native biodiversity as an important input in the production process mainly in the food, pharmaceutical, cosmetics and ecotourism sector.
39. At the time when the project was being designed and according to the General Secretary of the Andean Community (SGCAN) the value of the products based on biodiversity that were exported

in the Andean Region represented 15% of total exports, while 46% came from bananas, coffee and flowers. Products based on biodiversity include essential oils, natural dyes, latex, fibers, resins, gums and medicinal plants as well as products for the food industry and agrobiodiversity. Globally the amount of trade from biodiversity based products represents more than \$3 billion in US imports and exports. (UNCTAD, 2005). Export of Biotrade products in the Andean region was solid yet there was a growing demand in the markets around the world for products based on biodiversity especially considering that research continues to discover economically-useful genetic resources, This offers increasing opportunities for the Andean Community to utilize its biodiversity.

40. The timing seemed to be appropriate for the project, given the political will and commitment shown by the governments in the three countries to mobilize the agenda towards the promotion and development of Biotrade. As a result, and with the support from UNCTAD, national programs as well as national Biotrade inter - institutional platforms for the promotion of Biotrade were created in the three countries with the objective of fostering the sustainable use of biodiversity under environmental, social and economic principles as an economic alternative for communities and an incentive for the conservation of biodiversity. In each country a National Executive Agency was appointed to operate the Biotrade program. Initially the Alexander von Humboldt Institute and later the Biotrade Fund (FB) in Colombia, the Export and Investment Promotion Corporation (CORPEI) in Ecuador and the Peruvian Export and Tourism Board (PROMPERU). At that time UNCTAD as well as some international agencies, such as the German Technical Cooperation (GIZ) and the Swiss Cooperation (SECO) and international NGO's (The Nature Conservancy, Rainforest Alliance) supported these efforts.
41. The project aimed to complement these efforts by strengthening sectors in which biodiversity use is an important characteristic in the production process and therefore stakeholders have direct interests and incentives for its preservation through sustainable use. From a biodiversity perspective, the project aimed to achieve resource extraction and resource use practices that are compatible with the long term conservation of habitats and globally significant biodiversity by following the Biotrade Principles and Criteria (P&C). Biotrade P&C were developed by UNCTAD and later adapted by the National Biotrade Programs in each country. These P&C are at the core of the conceptual framework that supports the Biotrade Initiative activities and are in line with the objectives and principles of the CBD, the Commission on Sustainable Development (CSD) and the Millennium Development Goals (MDGs), CITES the United Nations Convention to Combat Desertification (UNCCD) and the Ramsar Convention on Wetlands. According to UNCTAD, the Principles and Criteria can be applied in different contexts, driving Biotrade processes to promote the conservation of biodiversity through sustainable commercial use.
42. In order to support effective differentiation of Biotrade products in target markets the UNCTAD Biotrade Initiative developed a Biotrade verification system, specific to Biotrade. This system was not a labeling scheme and was elaborated with the intention to develop critical paths (gradual implementation) for organizations to comply with the Biotrade P&C, to verify compliance with them or as a basis for developing bridging certification protocols with existing certification schemes. The verification system developed by UNCTAD was adapted by the countries for the design of the Biotrade Principles and Criteria verification matrix.
43. It is important to distinguish Biotrade principles and criteria verification from organic certifications, RFA certification and fairtrade certification schemes. As described in paragraph 42, the Biotrade verification system aims to verify compliance with the principles and criteria of Biotrade, which is specific to native biodiversity based products, either cultivated under agricultural or agroforestry systems or harvested/collected from the wild habitat. The verification system is not labeled, but can be used as a basis for existing certification schemes. The RFA certification under the sustainable agriculture program of Rainforest Alliance, that certifies many crops, is not exclusively an environmental certification, and covers a number of ecological issues as well as community relations and fair treatment of workers. Certification is awarded based on a score for meeting a minimum number of an array of criteria. There is no organic requirement.

Organic certification under U.S. standards (there are others) was established by the USDA's National Organic Program. The verification is carried out by accredited certifying agencies. The requirements for this certification forbid the use of prohibited substances on the land for at least three years, including most synthetic pesticides, herbicides, and fertilizers. Fair Trade is primarily concerned with alleviating poverty through greater equity in international trade; many products can be Fair Trade certified. Fair Trade certification is only available to democratically-organized cooperatives of small producers, not individually-owned farms, estates, or farms that use hired labor.

44. However, the situation changed from the time the project was designed (2007) to the time the project became effective (2010) (Section F provides more details about the delays faced by the project from the design phase to implementation). Institutional changes in the governmental structure in some countries and shifts in the political priorities in others affected the project start up and intervention approach. In Colombia, the Alexander von Humboldt Institute (AvHI), defined as the national executing agency during the project design, was replaced by the Biotrade Fund, an independent organization established by the government in 2006 to support the national implementation of CBD principles through financial and technical support to Biotrade initiatives. The FB in late 2008 was nominated as national executing agency for the project. Even though the AvHI is a founding member of FB as well as a standing member of its administrative council, institutional memory generated during the project preparation was lost. The Biotrade Fund was a new agency with little experience in project implementation and with a main focus in Biotrade microfinancing. In addition, political priorities of the government of Colombia at that time changed and Biotrade was no longer in the national agenda. However, during the project implementation and mainly due to the project efforts in Colombia, the Biotrade sector attracted once again the attention of the Ministry of the Environment. The Ministry of the Environment created the Sustainable and Green Business Unit, adopting and institutionalizing the Biotrade concept and approach as a strategy for the conservation of biodiversity aimed at promoting the sustainable use of native biodiversity. In Ecuador, CORPEI originally conceived as a public – private – partnership suffered the separation of the governmental participation and resulted in a significant reduction of funding. This funding shortfall was critical to the extent that CORPEI came very close to leaving the project and it was only through the efforts of CAF and the management ability of the regional coordinator, that CORPEI was convinced to continue and adjustments were made to allow budget and workplan revisions. CORPEI then made strategic alliances with international donors, NGO's and the academia, who contributed co – financing. In Peru a new Ministry of the Environment (MINAM) was established in 2008. The new ministry incorporated many of the environmental management functions, previously shared by more than a dozen agencies. Since 2007, PROMPERU has been comprised of the former export commission (PROMPEX) and the tourism promotion board (ex PROMPERU). In Peru, the changes to the institutional and legal policy framework had a positive impact for the project.
45. In addition some of the SME's (Small and Medium Enterprises) identified as beneficiaries of the pilot projects during the project design were no longer doing business or interested in participating in the project. At the moment when the project became effective, there was less interest among beneficiaries to participate in the project, mainly because the project lost credibility given the long time for effectiveness. The three countries, particularly in Ecuador and Peru needed to invest additional time and efforts in promoting the project among potential beneficiaries. In the three countries the beneficiaries were SME's and community groups linked to a value chain supported by the project. The selection of the beneficiaries was based on the compliance with a Biotrade P&C scorecard value of no less than 50%, using a Biotrade P&C Matrix developed by the project to verify its compliance. (paragraph 45 vi Pilot projects for biodiversity based business provides detailed information of the selection process). It is important to point out that besides some institutional changes to the context, there was a need to support the access of biodiversity - based businesses following the Biotrade approach for the conservation of the Andean biodiversity.



## B. Objectives and components

46. The objective of the Project “*Facilitation on financing for Biodiversity based-business and support of market development activities in the Andean Region*” was to contribute to the conservation and sustainable use of biodiversity of the Andean Region through the provision of alternative livelihoods from Biotrade opportunities for local and marginalized communities. The project aimed to support the participating countries (Colombia, Ecuador and Peru) to overcome the main barriers to Biotrade, attaining environmental externalities on a par with trade benefits. To address the main barriers and limitations to Biotrade, the project intended to foster a favorable political and regulatory framework, including the development of tools and instruments where necessary and promote the gradual and sustained development of value chains within the Biotrade sector, supporting trade initiatives that depend on biodiversity and its sustainable use via interventions specifically designed to address the most important barriers that Biotrade faces in the region. An integral part of the intervention strategy was the inclusion of the financial sector in order to provide prospects and tools for Biotrade in the conventional financial sector and to leverage financial resources for Biotrade initiatives. Further, the project aimed to support pilot activities for Biotrade businesses to demonstrate the feasibility of the overall approach, present the direct environmental gains that can be achieved, and develop a replication strategy beyond the initial three participating countries.
47. The project included 7 components, each responding to the main barriers to Biotrade identified during the PDF –B, as follows:
  - i. Policy strengthening: Limitations in the legal and institutional frameworks identified in the three countries were due to the lack of awareness, gaps and inconsistencies in regulations associated with Biotrade and the dispersal in different legal instruments generating ambiguity and contradictions. Procedures and protocols, for example, for implementing management plans or obtaining certification presented deficiencies. In addition the access to incentives stipulated in different laws was difficult due to overly complicated and costly procedures, affecting the effective and efficient application of regulations. Therefore, this component aimed to facilitate the development and coordination of policies and regulations favorable to Biotrade by improving knowledge among government officials regarding Biotrade concept, filling legal gaps and eliminating inconsistencies in the regulations associated with Biotrade, as well as increasing the compliance with the Biotrade P&C
  - ii. Access to Markets: Despite the increase in trade with organic products and consumer demand of products based on biodiversity, products from the Andean Community faced serious obstacles to access international markets due to limitations in complying with requirement standards and disconnection with market demand. To address these limitations, the activities supported by the project aimed to increase the access for local products and producers to international markets, identifying market niches for these existing products and services and by strengthening the local and national scientific research in order to develop new competitive products (sacha inchi capsules rich in Omega 3, dehydrated golden berries, native potato chips, maca (*Lepidium mayenii*) flour as a nutritional supplement, body splash with sacha inchi oil, quinoa cupcakes, gourmet chocolate truffles, etc.). In addition there was also a need to follow good agricultural and gathering practices and to apply environmental practices in order to achieve better access to the national, regional and international markets through respective certifications. The project aimed to develop Biotrade products with high added value to be positioned in the national and international markets and strengthen the different links along the value chain. Activities and outputs were intended to generate a competitive supply of products based on biodiversity that comply with the demands and requirements of the international markets as well as with Biotrade standards and principles.
  - iii. Capacity building: The results of the PDF-B activities pointed at the need to strengthen organizational capacities of groups of producers and the construction of value chains, including Biotrade initiative incubators. Biotrade-related entrepreneurs needed to be trained in business administration and management, trade, finance, technical and market aspects. During the project

- preparation it was determined that the concept of Biotrade needed to be disseminated and promoted throughout the three countries in order to strengthen the sector. This component looked at strengthening business capabilities, including the entrepreneurial capacities within the scope of value chains of products based on biodiversity and promoting an understanding of Biotrade.
- iv. **Product and market information:** The lack of adequate and updated information regarding market trends, contacts with buyers and other trade data was defined as a limitation for the development of the Biotrade sector. The lack of information was considered a barrier faced by Biotrade initiatives to access the market. Therefore outputs under this component aimed to improve the acquisition of and access to information on key Biotrade products and markets, by connecting initiative incubators with universities, research centers and development centers and establishing solid networks and systems for the exchange of information, and provide actors along the value chain access to information on Biotrade products and markets.
  - v. **Leverage financial resources for Biotrade initiatives.** The objective of this component was to adapt financial instruments and direct them to Biotrade initiatives, conduct training of key players of the financial sector on Biotrade risks and business opportunities and train Biotrade initiatives in financial services. The intervention rationale was not only to provide Biotrade small and medium enterprises (SME) with monetary means, but also to establish a long-term and mutually beneficial connection between the conventional financing sector and a niche market, that otherwise would barely have access to credit.
  - vi. **Pilot projects for biodiversity based businesses.** This component aimed to demonstrate the feasibility of the tools and models developed under the project and support biorade businesses and initiatives in order to stimulate replication and scaling up. Pilot initiatives supported were those that depend on biological diversity for their business and apply Biotrade approach as a strategy for biodiversity conservation. The major expected outcome of this component was to achieve at least 16,184 ha<sup>3</sup> that are utilized and maintained according to the Biotrade principles and criteria. The main sectors supported included the food industry, cosmetics and pharmaceuticals and ecotourism. During the project design Peru prioritized the Andean grains, medicinal plants and ornamental fish value chains. However during implementation no specific value chains or sectors were prioritized and support was given on a demand basis. There was no restriction on any sector. The main value chains demanded and supported were: cacao, quinoa, golden berries, sacha inchi, Brazilian nut (*Bertholletia excelsa*) and ecotourism/community tourism. Other products, such as kiwicha (*Amaranthum*), maca (*Lepidium mayenii*), achiote (*Bixa orellana*) were also supported. The majority of the products in the pilot projects in Peru belonged to the agrobiodiversity sector, some of them have been traditionally produced by indigenous communities for centuries. During implementation there was no demand to support the production of ornamental fish, originally identified as a priority value chain. Given the export mandate of PROMPERU, emphasis was given to accessing the international market. In Colombia the sectors prioritized during the project design were heliconias and foliage, medicinal plants, Amazonian fruit trees, ecotourism, apiarian products and arts and crafts using fiber and seeds. However during the implementation of the project the heliconias and foliage value chains lost support, given the lack of interest of the sector in applying Biotrade principles and criteria. A wide variety of products under the food sector were supported in the pilot projects: tropical fruits, native potatoes, quinoa, cacao, Andean tubers, golden berries. Other sectors supported in Colombia included the cosmetics and pharmaceutical sector, ecotourism and handicrafts. The main focus was given to the national market. In Ecuador, the value chains identified as priority ones were sustainable tourism, natural products and ingredients for the cosmetics and pharmaceutical industries and natural ingredients for the food industry. During implementation the alpaca textiles value chain and the reproduction of frogs for the pet industry were also supported. In Ecuador the main focus was also given to access of the international market. During the project preparation a set of criteria for the selection of the pilot

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<sup>3</sup>The baseline was 6,492 ha utilized under Biotrade P&C by 149 enterprises and defined a target of 175 additional enterprises, increasing the area to 16,140 ha including the baseline.

projects (and with these, the beneficiaries) was defined and agreed during the PDF- B in the three countries to ensure habitat utilization with management protocols for minimum habitat impact as follows: a) The activity maintains the habitat characteristics of the species under utilization as well as the overall characteristics of the habitat in question; b) Use of agricultural diversity should include practices that ensure conservation of this genetic pool; c) Maintenance of the genetic diversity of inputs used; d) Safeguarding of ecological processes related to the productive activity; e) Congruent with existing habitat management and conservation plans; f) Maintenance and rescue of traditional knowledge and practices that preserve biodiversity. These selection criteria, in line with the Biotrade P&C from UNCTAD were incorporated during the implementation of the Biotrade P&C developed and adapted by the project to the Andean regional context. In addition a scorecard validation tool with indicators to measure compliance with Biotrade P&C was also designed. This scorecard tool became the Biotrade P&C Validation Matrix<sup>4</sup> for the selection of pilot projects (and with this, the beneficiaries) and to assess the progress made by the pilot projects in meeting the Biotrade principles. The three countries established a two step process for the selection of beneficiaries/pilot projects: i) Pre- selection and ii) Selection. In Colombia the pre-selection process was an online self assessment using a set of pre selection criteria. In Peru the pre selection process was done by external consultants, while in Ecuador the process was done by the implementing partners. Only those enterprises pre selected were then considered in the selection process. Based on a field visit of verification and a final assessment using the Biotrade P&C Matrix, only those initiatives complying with at least 50% of the Biotrade P&C were selected. The assessment showed the areas that needed to be strengthened in order to follow the Biotrade P&C. Based on these results a work plan (business plan) was developed. The enterprise/beneficiary was supported by the project in preparing the work plan.

- vii. Regional dissemination and replication strategy. The objective of this component was to design an information and replication strategy for the project at the regional level linked to national information systems, including mechanisms for its implementation. These systems would be operated through a web-based platform with synergies among the three countries, and would constitute a platform from which all the knowledge acquired and developed under the project could be disseminated. Under this system the project aimed to systematically gather and document good practices and lessons learned during the project for replication beyond the boundaries of the project.

### C. Target areas/groups

- 48. As the name of the project indicates, the target area was the Andean region. The project was implemented at the national level in Colombia, Ecuador and Peru but pilot projects were expected to be located in critical sectors in buffer zones, viable remnants of habitats, natural reserves, corridors connecting fragments of forests in rural landscapes and areas of high endemism.
- 49. Target groups for the project were identified as policy makers and regulators, key stakeholders from the financial sector, researchers and enterprises. There was a focus on Small and Medium Enterprises with a value chain approach in priority sectors. Ecuador also included production associations. The project preparation studies determined that a very high percentage of the marginalized population in rural areas, including indigenous communities, are involved in Biotrade SME's , especially those SME's in the initial links of the value chains, where small community and local organizations are made up of small scale farmers. The value chain

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<sup>4</sup> The Biotrade P&C matrix was developed to measure the degree of compliance with the Biotrade P&C. The design of the matrix was based on the Biotrade P&C proposed by UNCTAD, regional discussions and analysis of previous application of the tool in the region. The selection criteria originally defined in the project design were incorporated here. Each country was involved in national processes to refine and adapt the tool to their own context. Colombia made the first proposal, which was adapted and refined by Peru. Ecuador also developed a national version, but in the end used the methodology provided by CAF. The Biotrade P&C Matrix contains 7 Biotrade Principles, 25 Criteria (an average of 3 per Principle) and a set of 68 indicators to measure compliance. In addition, the matrix is differentiated by type of activity: producer of agrobiodiversity, collector of wild species or service (ecotourism) and makes a differentiation regarding the position of the activity in the value chain: producer/collector, transformer/industrial process, or trader/exporter.

approach was defined following the value chain concept developed by UNCTAD as *a coordinated relationship established between actors involved directly and indirectly in a productive activity with the aim of moving a product or service from supplier to customer. This approach involves alliances among producers, processors, distributors, traders, and regulatory and support institutions, which, departing from a market demand for their products and services, establish a joint vision to identify mutual needs and work jointly in the achievement of goals, and that are willing to share the associated risks and benefits, and invest time, energy and resources in realizing these goals* (UNCTAD, 2007).

#### D. Milestones/key dates in project design and implementation

50. PDF – B funding for project preparation was approved in February 2003 and all necessary studies for the project design were completed in 2007. The GEF approval date was August 17, 2009 and the first disbursement was received on December 28th, 2010 following the signing of a PCA (Project Cooperative Agreement) between UNEP and CAF in February and March 2010. The delay in signing the memorandum between CAF and UNEP was due to constant revisions and change requests to the content of the PCA document by the legal department of CAF. Finally, after almost a year, an agreement was achieved and the PCA was signed. CAF as the regional executing agency signed MoU's with each national executing agency. At the end of 2010, MoU's were signed with FB in Colombia and PROMPERU in Peru. PROMPERU received the first disbursement of funding in March 2011 but execution started later due to delays in contracting the technical and administrative staff responsible for the project. CORPEI in Ecuador did not sign the MoU until March 2011. CORPEI originally conceived as a public – private – partnership (paragraph 44) suffered a significant reduction of funding after separation from the government, and was not able to provide the co – financing resources committed during the project design. The project therefore made changes to the original budget, enabling the possibility for sub contracting through MOU's/LOA's. This allowed CORPEI to establish strategic alliances with international donors, NGO's and the academia (GIZ, Rainforest Alliance and the Private Technical University of Loja) to implement the project as partners, who in addition contributed with co - financing. As a result of all these setbacks, there was a delay in starting the project activities. During the first year the executing agencies were focused on preparing tools, selecting sub-contractors and partners, defining the methodological approach, including the design of the Biotrade P&C scorecard matrix and identifying and selecting the potential beneficiaries. For the three countries the design and adaptation of the Biotrade P&C with its respective scorecard matrix to assess compliance with Biotrade principles represented a challenge. The adaptation of the Biotrade P&C defined by UNCTAD to the country context, refinement, testing and validation was in most cases a long process that took over a year, not foreseen in the project design. The project design defined selection criteria for the pilot projects and the use of the Biotrade P&C from UNCTAD. However countries needed to adapt this to the country contexts and different sectors and activities. In addition, a scoring system with indicators was needed to assess the compliance (see section F).
51. The Mid Term Review in May 2012 pointed out that there were difficulties in all countries when it came to effective implementation. This issue was compounded by the variation of implementation strategies dependent on the specificity of the project management model in each country and hence their different progress and achievements. At that time, Ecuador had a good work dynamic among the project team and partners, and had made good progress in project implementation, Peru had established a good mechanism to follow-up results while Colombia had experienced organizational and planning difficulties for a full implementation. The Mid Term Review provided recommendations to overcome difficulties and highlighted the need to accelerate the implementation pace without compromising quality and prioritize interventions of greater impact. An additional recommendation from the MTR was to initiate the systematization and capitalization of project experiences with guidance from the regional level, to guarantee a connection between the countries and the regional level. Specific recommendations for each country were also provided to address management, administrative and operational issues.

52. After the Mid Term Review and consequent recommendations the project made substantial progress in delivering expected outputs. Most of the expected outputs have been completed to 90 - 100% and others are in the process. The project established the basis for the Biotrade sector, by improving enabling conditions, developing tools for biodiversity based businesses, carrying out market studies, building capacity of public and private stakeholders, and implementing pilot projects as demonstrated experiences. However given that a delay of almost three years reduced the effective implementation time, additional time would have been required to strengthen the capacity of some initiatives supported towards the end of the project (especially small community organizations) and to link them strongly in the value chain to access the market. Additional time was also needed to promote replication for scaling up.

#### E. Implementation arrangements

53. The Implementing Agency for the project was the United Nations Environment Programme (UNEP). In this capacity, UNEP had overall responsibility for the project implementation, oversight, technical support and coordination with other GEF projects. Corporación Andina de Fomento (Andean Development Corporation) CAF was appointed as the Regional Executing Agency (REA). CAF was the leading institution for multilateral financing of the countries of the Andean Community and responsible for the management of the project, ensuring that the objectives and activities would be realized.
54. At the national level, the project complemented the operations of the existing National Biotrade Programmes. In Colombia the project design established the leadership under a National Committee, which consisted of two groups: the politically focused (Ministerio de Ambiente, Vivienda y Desarrollo Territorial, or Ministry of the Environment, Housing and Territorial Development) and the technically focused National Executing Agency (NEA) Biotrade Fund (FB). In practice the leadership of the project and decision making in Colombia remained mainly within the Biotrade Fund, including the selection of pilot projects and initiatives.
55. In Ecuador the project was led by a National Management Committee, consisting of the Ministerio del Ambiente del Ecuador (Ecuador's Ministry of the Environment), the National Executing Agency (NEA) Corporación de Promoción de Exportaciones e Inversiones de Ecuador (Exports and Investment Promotion Corporation of Ecuador) – CORPEI and two donor representatives (CORPEI Capita and CAF-Ecuador). This committee was responsible for pilot project evaluation and approvals.
56. In Peru the project's NEA was PROMPERU (Comisión de Promoción del Perú para la Exportación y el Turismo). The National Steering Committee for the project was composed of MINAM, GIZ, CIRNMA and PROMPERU, which provided guidance to the project and was also responsible for the pilot projects technical evaluation and approvals.
57. The project established a steering committee composed of UNEP as the implementing agency, CAF as the executing agency, and national executing agencies from each of the countries, i.e. the Biotrade Fund (FB) in Colombia, the Export and Investment Promotion Corporation (CORPEI) in Ecuador, and the Peru Export and Tourism Promotion Commission (PROMPERU) in Peru. The steering committee met physically once a year and its functions were to evaluate the progress of the project relative to the products expected, to provide strategic directions for the implementation of the project – both at national and regional level – and to guarantee the necessary inter-institutional coordination.
58. UNEP GEF staff supervised the project, while the UNEP Division of Technology, Industry and Economics (DTIE), and the Economics and Trade Branch (ETB) formally participated in project steering committee meetings, the Mid-Term Review, clearance of half year and annual reports, technical review of project outputs and the provision of technical assistance to national implementing agencies on a demand basis.

59. Further, there was an Executive Secretariat with functions in the technical/operative arena, made up of the regional coordinator (CAF) and a representative from each of the three national coordinators for the project, i.e. one FB, one CORPEI and one PROMPERU representative.

F. Project financing: Estimated costs and funding sources

60. Project costs during project design were estimated at US\$ 15,129,458 with a GEF total contribution of US\$ 6,441,020.

Table 1: Estimated Project Costs

Cost of Project	US\$	%
GEF funds	6,414,020	45
<b>PDF-B</b>	<b>350,000</b>	
Co-financing	<b>7,965,438</b>	55
Co-financing PDF-B	<b>400,000</b>	
<b>Total</b>	<b>15,129,458</b>	100%

61. Co- financing was both through cash and in kind contributions from government agencies, executing agencies and NGO's, the private sector and partners. During the project preparation co-finance from local governmental agencies (Regional Autonomous Corporations) in Colombia was committed. However, when the project started, the local government authorities withdrew their participation and co – financing resources were not available. Some other donors, like The Nature Conservancy were no longer willing to participate. However, the project was able to identify additional partners who contributed resources to co – financing activities of the project, and these exceeded the anticipated amount by 48%.

Table 2: Sources of co-financing in the project design

Sources of co-financing	Classification	Type	Amount US\$	%*
Colombia Biotrade Fund	Executive Agency	Cash	1,107,036	13.9
Colombia Regional Autonomous Corporations	Local Government	Cash	1,301,737	16.3
Ecuador Catholic Unit for Support of Community Development (UCADE)	NGO	Cash	800,000	10.0
Ecuador Rainforest Alliance	NGO	Cash	220,300	2.8
Peru Export and Tourism Promotion Board (PROMPERU)	Executive Agency	Cash	495,000	6.2
Peru Ministry of the Environment	National Government	Cash	60,000	0.8
Peru Swiss Cooperation (SECO)/German Technical Cooperation Agency (GIZ)	Bilateral Donor	Cash	521,967	6.6
Regional Andean Development Corporation (CAF)	Executive Agency	Cash	975,000	12.2

Regional. Andean Development Corporation (BioCAF)	Executive Agency	Cash	250,000	3.1
Colombia Regional Autonomous Corporations	Local Government	In-kind	54,885	0.7
Ecuador Export and Investment Promotion Corporation of Ecuador (CORPEI)	Private Sector	In-kind	289,000	3.6
Ecuador Catholic Union for Support to Community Development (UCADE)	NGO	In-kind	150,539	1.9
Ecuador The Nature Conservancy (TNC)	NGO	In-kind	214,000	2.7
Ecuador Agencia de Desarrollo Empresarial /Entrepreneurial Development Agency (ADE)	NGO	In-kind	206,450	2.6
Ecuador Catholic Relief Service (CRS)	NGO	In-kind	150,800	1.9
Ecuador. Ministerio del Ambiente	National Government	In-kind	200,000	2.5
Ecuador Fundación EcoCiencia	Foundation	In-kind	24,400	0.3
Peru PROMPERU	Executive Agency	In-kind	218,000	2.7
Peru Centro de Investigacion de Recursos Naturales Medio Ambiente/Natural Resources and Environment Research Centre (CIRNMA)	NGO	In-kind	122,400	1.5
Peru Ministerio del Ambiente	National Government	In-kind	246,480	3.1
Regional Andean Development Corporation (CAF)	Executive Agency	In-kind	357,444	4.5
<b>Total Co-financing</b>			<b>7,965,438</b>	<b>100 %</b>

62. As shown in Table 3, 35% of funding was destined for Colombia, while Ecuador and Peru with 28% and 26%, respectively. Differences in resources allocated to the countries were based on the activities proposed by each country. In addition Colombia committed with a larger amount of co – funding during the budget preparation.

Table 3 – Estimated Project Budget by Executing agency

Region	Totals	%	CAF	Ecuador	Colombia	Peru
GEF funds	6,414,020	42.60	0	1,988,332	2,433,788	1,991,900
Co-finance funds in cash	5,969,819	39.65	1,255,000	969,779	2,408,773	1,336,267

<b>Total budget in US\$</b>	Co-finance funds in kind	2,670,353	17.75	357,444	1,395,606	328,623	588,680
	Total	15,054,192	100%	1,582,444	4,353,717	5,171,184	3,916,847
		100%		10.51	28.92	34.35	26.01

#### G. Project partners

63. During the preparation phase, a number of partners such as national and international NGO's, research centers, projects from GIZ and SECO, local governments, and partners from the private sector joined the project and agreed to commit resources. Due to the context changes and delays in implementing the project, some of these partners were no longer available and interested in the project. UNCTAD supported the creation of the National Biotrade Programmes in the three countries under the "Implementation of the Biotrade Initiative of UNCTAD in the Amazonian Region" project from 2000 to 2004 and was active during the project preparation. In fact, the project idea was to give continuity to the efforts of the Biotrade Initiative in the Amazonian region.
64. In Colombia, despite the Autonomous Regional Corporation's commitment to provide co-financing resources during the project preparation they were no longer interested in participating at the project implementation phase. The Biotrade Fund sub-contracted Fundacion Natura and Corporacion PBA and Corporacion PLANTTA to support implementation. Fundacion Natura was responsible for the application of the Biotrade principles and criteria matrix within the pilot projects, training of government officials and entrepreneurs in environmental topics and development of guidelines and protocols for sustainable use of natural resources. PBA, as an expert in rural development supported the enterprises and local organizations in the development of business plans under Biotrade principles, marketing, and financial training, amongst others. Corporacion PLANTTA supported the business incubation of Biotrade initiatives. An additional partner was Natural Trust Fund (Fondo de Patrimonio Natural). More recently the Biotrade Fund was able to establish strategic alliances with PROEXPORT (Export Ministry) and National Natural Parks of Colombia to strengthen the ecotourism value chain. The project was also able to create a strategic alliance with the Presidential Agency for Cooperation (APC), leveraging USD 350,000 to strengthen the Biotrade and green business offices in five regional autonomous corporations in Guajira, Tollina, Huila, San Andres and Risaralda and supporting 24 Biotrade initiatives from five value chains. In addition a link with the home office in Bogota was also established which will support three additional initiatives next year. The project UNAD – BID-FOMIN also became an important partner in co-financing Biotrade projects. At the time of the terminal evaluation the Biotrade Fund was negotiating a partnership with a project under preparation by the National Parks Office and the National Agency for Overcoming Extreme Poverty (Agencia Nacional para la Superacion de la Pobreza Extrema/ANSPE to support initiatives in some protected area buffer zones where the Biotrade principles will be adopted.
65. CORPEI in Ecuador was very successful in establishing partnerships with GIZ who contributed to the co-financing of pilot projects. Important partnerships with two research centers were established: UTPL (Private Technical University of Loja) and Ecociencia both of which brought scientific expertise to the project. Ecociencia supported the Biotrade Principles and Criteria Matrix design and application in pilot projects. CORPEI also established partnerships with Rainforest Alliance to provide expertise in the ecotourism initiatives, and UNOCACE (Union de Organizaciones Campesinas Cacaoteras/Union of Rural Organizations of Cacao) for technical assistance in the cacao value chain. An important partner was also ADESUR (Agencia para el Desarrollo Empresarial del Sur/Agency for the entrepreneurial development of the South) who supported the value chains under the cosmetics and pharmaceutical sector. Among these partnerships, CORPEI also built an alliance with the financial sector to leverage additional resources for the pilot projects. Besides the Ministry of the Environment, which had an active



role in the project implementation, there has been limited participation from other governmental agencies such as PROEXPORT, tourism board and agriculture. During the Mid - Term Review, the lack of government participation in the project was highlighted.

66. Partners for the project in Peru were SECO – Swiss Cooperation, through the project Peru Biodiverso implemented by GIZ, CIRNMA and the ministry of the environment. Peru Biodiverso was in addition an important partner due to the complementarity of its activities with the UNEP GEF project and the consequent establishment of synergies. ADEX (Export Association), Peruvian Institute for Natural Products (Instituto Peruano de Productos Naturales) and CCL (Trade Chamber of Lima) were not formal partners in the project, but some activities were organized jointly.

#### H. Changes in design during implementation

67. Changes in the design during implementation of the project were related to the institutional partners, the methodological approach, the budget structure and budget disbursement plan. As mentioned earlier, The Humboldt Institute was defined in the project design as the national executing agency (NEA) in Colombia. However due to changes in the organization's mission and focus on scientific research, the Biotrade Fund was appointed as the executing agency for the project. Given the limited experience of FB in project implementation and reduced personnel the Fund established alliances with Fundacion Natura, Corporacion PBA and Corporacion PLANTTA to implement the project. In Ecuador, CORPEI remained as the NEA for the project but, Rainforest Alliance, UNOCACE and UTPL were brought on board as implementing partners to improve project effectiveness and productivity.
68. Regarding the methodological approach, a slight change was made in the methodology for selecting the pilot projects. The project design defined a set of six criteria clusters to measure adherence to Biotrade principles and to ensure habitat utilization with management protocols for minimum habitat impact, where each of the six criteria was specified through a set of indicators, as mentioned in paragraph 47 vi. However during implementation, it was decided to establish one set of selection criteria that would incorporate the original selection criteria and those suggested and developed by UNCTAD. Colombia made a regional proposal integrating both set of criteria. Peru revised the Biotrade P&C developed by UNCTAD, the original pilot selection criteria, the proposal made by Colombia and experiences from other projects applying these principles, and defined a methodology according to the national context and needs. Finally after testing and validating of the methodology a matrix with Biotrade principles, criteria and indicators was defined. In Ecuador, Ecociencia was responsible for the adaptation and design of the Biotrade P&C matrix for the country and went through a similar (but longer) process to the one followed by Peru. After a year Ecuador developed their own version, but its application seemed to be very complicated as recognized by the project director. Finally the Regional Coordination team in CAF encouraged them to use a regional and simplified version developed by the regional coordination. As explained in paragraph 47 vi the project developed also a scorecard tool to measure the compliance of the pilot projects with the Biotrade P&C. The changes made were positive as they responded to the reality of the countries for the practical application of a tool that was adapted and validated (see section F)
69. Each National Executing Agency had the flexibility to define its own intervention modality. This approach allowed adaptation to the local context and adjustments when needed to address issues during implementation on time and in content in order to achieve the project main objective. The adaptive management approach also involved some changes in budget line amounts. The original budget was revised and changed twice, a first revision in 2012 and then in 2013. The main changes were to the personnel and sub – contracts (MOU's/LOA's with supporting organizations) budget lines. These changes were approved by the Task Manager of the project in UNEP and are adequately documented and justified in the budget revision documents (see table 7 in Annex 6). According to the budget revisions and discussions with the task manager, the reductions to the personnel budget line responded to savings made by the project due to the delays in the first 2

years. Other minor reductions were made to air tickets and per diems for international and national travels and trainings. The resources saved in these lines were reallocated to External Consultants and Sub – contracts (LOA’s with supporting organizations) budget lines, because i) the reduction in technical personnel of FB made necessary and convenient to increase the work through strategic partners via subcontracts; ii) due to the organizational, legal and budgeting changes within CORPEI, a strategy of using strategic allies, via MOU’s and LOA’s was chosen; and iii) more support was needed for the implementation and technical assistance to the pilot projects. Another change in the original budget was the addition of almost USD 100,000 to “diverse expenditures” not foreseen in the project design. The original budget didn’t consider unexpected expenses to provide some flexibility to the project implementation, such as bank service fees, currency exchange fees, local transportation and office supplies, among others. Regarding the diverse expenditures, these changes were done with strict consideration of the cap on management costs set by the GEF. Finally adjustments were also made to the disbursement plan, given the delays that the project had (See table 7 in Annex 6).

70. Both, changes to the budget lines and disbursement plan were necessary and adequate in order to achieve the outputs and outcomes of the project. The strategy adopted by the project in subcontracting strategic partners in Colombia and Ecuador was important for increasing the projects’ capacity for intervention in the countries and leveraging additional resources making it possible to achieve the expected results, given the reduction of effective time and the changes that reduced the NEAs capacity.

#### I. Reconstructed Theory of Change of the project

71. The project’s logframe contains the information needed to reconstruct a ToC for the project. The ToC diagram and narrative helps better understand the connections between the project objective, the main outputs and outcomes that the project is intended to achieve directly as the integrated result of its interventions, and those outputs or immediate outcomes that are achieved individually from each different intervention during the project implementation. As shown in the ToC diagram of Figure 1, those early outputs or outcomes tend to appear clustered since some of them result from the same set of project activities. The ToC presents five clearly defined impact pathways that contribute to reaching the project’s objective. Also, it is important to notice that the pathways are interrelated between each other as outcomes and intermediary states of one pathway may exert influence in other pathways. As an example, the early outcome from Component 5 ‘Leverage of Financial Resources for Biotrade Initiatives’ will contribute in identifying credit lines accessible for Biotrade initiatives (Intermediary State) and then that intermediary state will increase the knowledge and awareness of local stakeholders at pilot sites (Intermediary State) in a different pathway.
72. Pathway 1 represents what is expected to be a series of interventions towards creating the enabling conditions that favor Biotrade. Once the representatives of legislative bodies responsible for regulating the use of biodiversity are trained and become aware of the importance of Biotrade as a strategy to reduce threats to biodiversity by providing sustainable livelihood alternatives to communities, these bodies will be able to include the recommendations for filling legal gaps and eliminate inconsistencies in Biotrade regulations. As the legal gaps are filled and inconsistencies eliminated the national legal and policy frameworks in the participating countries will be strengthened. Through a favorable legal and policy framework for Biotrade, biodiversity users will be motivated to apply Biotrade principals and hence reduce the threats to national and regional biodiversity which are of global importance. It is also important to point out that strengthening the legal and policy framework has an influence in the financial sector by opening up and creating new credit lines for Biotrade initiative investments.
73. In Pathway 2, a key intermediary state is needed to move from Outcome 5 (Access to financial resources for Biotrade initiatives strengthened) to Outcome 6 (Over 16,184 ha of Biotrade production following principles of minimum impact). Basically, there is the need in Pathway 2 of

an intermediary state in which credit lines are identified and available to SME's and communities for the investment in Biotrade initiatives.

74. Pathway 3 presents another very important consideration: Three Intermediate States to reach Outcome 6 (Over 16,184 ha of Biotrade production following principles of minimum impact). It is not enough to increase local capacity of stakeholders in Biotrade development, and improve administration and facilitation of credit lines without establishing access to reliable and accurate market data (supply, demand, quality requirements, prices, etc.), and developing marketing strategies that will result in increased income to entrepreneurs, farmers and communities through the sale of their biotrade products in international and national markets (Intermediate State).
75. Regarding pathway 4, it is very important to highlight that in order to reach Outcome 6 (Over 16,184 ha of Biotrade production following principles of minimum impact) different series of Intermediate States and Outcomes are needed. Outcome 6 is strongly influenced by other outcomes and it is the successful results from Outcome 6 that will contribute to changing the behavior of local communities in the patterns of use of biodiversity based products and hence protect and promote the sustainable use of biodiversity in the Andean Region by supporting the Biotrade sector.
76. While the diagram and flow in Pathway 5 seems self-evident and straight forward, there is a very important technical aspect to consider: in the Andean region, there is a need to tackle Biotrade barriers and constrains using simultaneous national and regional strategies. Furthermore, increased regional cooperation will have a significant positive impact on the country capacity to follow Biotrade principals and initiatives reducing threats to biodiversity of national, regional and global importance.
77. To move up along the pathways, actions or interventions need to take place and there may be assumptions of what factors may catalyze moving up or what factors may be impeding progress. The 'Risk and Assumptions' column of the logframe contains these assumptions. It is also important to distinguish assumptions from drivers. Drivers are defined as the significant, external factors that if present are expected to contribute to the realization of the intended impacts and can be influenced by the project / project partners & stakeholders. Assumptions are the significant external factors that if present are expected to contribute to the realization of the intended impacts but are largely beyond the control of the project / project partners & stakeholders. The drivers and assumptions are considered when assessing the likelihood of impact, sustainability and replication potential of the project.
78. Along Pathway 1, for example moving from "increasing knowledge and awareness of individuals responsible for regulating the sustainable use of biodiversity" to filling legal gaps on Biotrade issues requires that Assumption A1 is correct: legislative bodies are willing to receive resources and information to support a favorable legal environment for Biotrade development, and eliminate legal inconsistencies in Biotrade legislation. Similarly, when looking at Pathway 2, credit lines are identified and accessible to Biotrade initiatives (Intermediate State) will need the Assumption 2 "Financial Sector is willing to share risk for Biotrade initiatives" to be correct in order to move to the Outcome 5 "Access to financing for Biotrade initiatives strengthened". Here an important driver D1 (the right conditions are created to encourage the financial sector to invest in Biotrade initiatives) is key to leverage financial resources for Biotrade initiatives (Intermediary State). Pathway 3, developing information about innovative products with a market potential (Intermediate State) may not be enough to achieve the Outcome 2 "Improved market access of Andean Biotrade products" if the Assumption A3 (increased demand for natural products) is not correct. In Pathway 4 to move from "Local stakeholders capacity in applying Biotrade principles at pilot sites strengthened" to over 16,184 ha of Biotrade production following principles of minimum impact (Outcome 6) requires that the Assumption A4 is correct: there is a national and international demand for Andean products. A driver here DR2 (Champions in value chains are pulling and connecting producers to markets) is needed to achieve "Changes in the behavior of local communities in production / use patterns of bioproducts (Intermediate State). Finally to

achieve the Project Objective: “To protect and sustainably use biodiversity in the Andean region through support to the Biotrade sector”, the external Assumption A5 (demand for bioproducts continue growing and Biotrade sector is expanded) is expected to contribute to its realization. The Driver DR3 (Effective government policies promote Biotrade) under the control of the project would contribute to achieving the projects objective. Figure 2: Summary of the ToC presents the Drivers and Assumptions.

Figure 1: Theory of Change Diagram

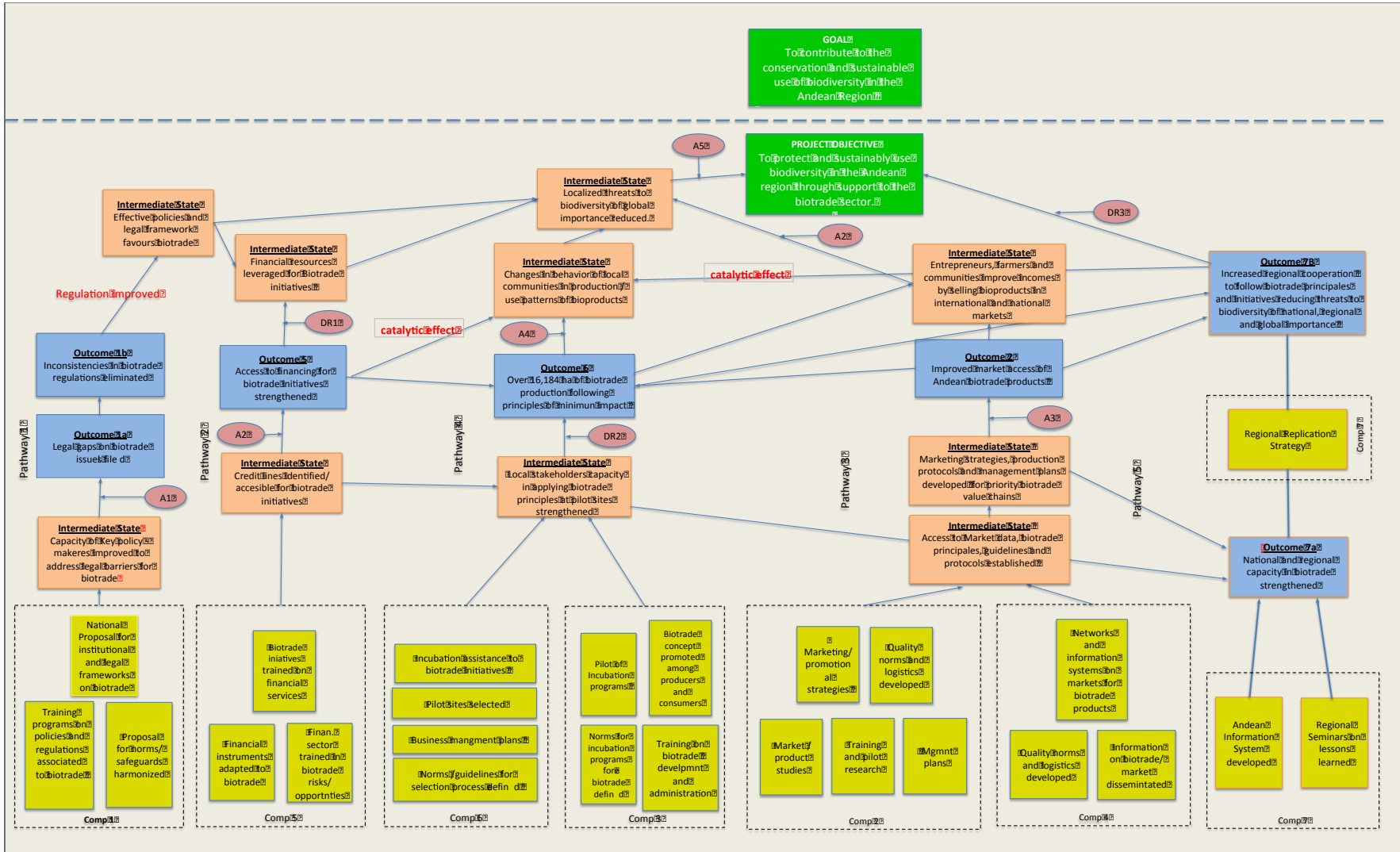
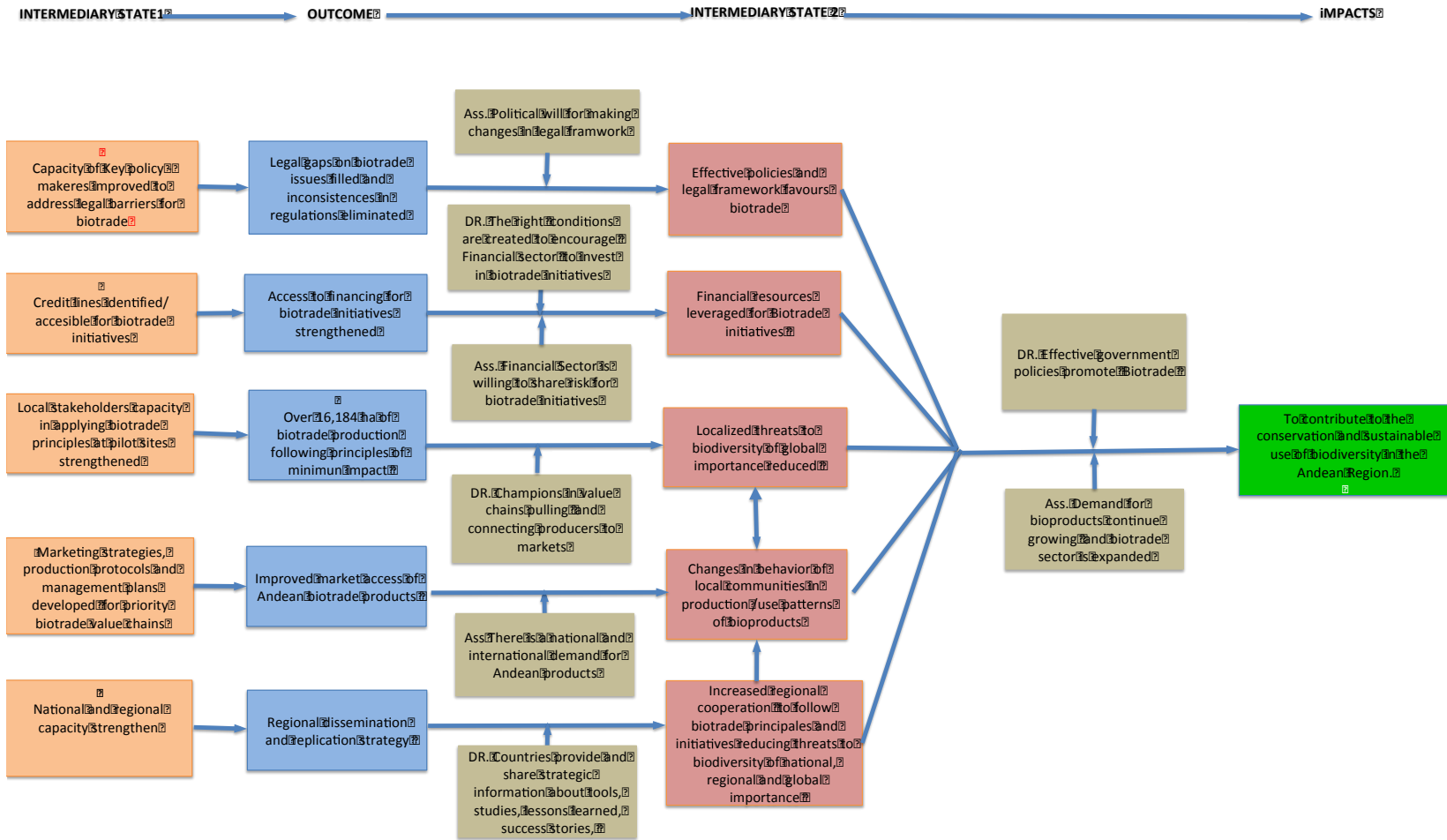


Figure 2: Summary of the ToC: Assumptions and Drivers



## IV. Evaluation Findings

79. The findings are presented for the overall project and separated by country findings when there were relevant differences due to country contexts and management modalities.

### A. Strategic relevance

80. The consistency of project objectives and implementation strategies are hereafter analyzed with reference to: the consistency with Sub-regional environmental issues and needs; the UNEP mandate and policies at the time of design and implementation and the GEF Ecosystem Management focal area, strategic priorities and operational programme(s).
81. Sub – regional environmental issues and needs: The project addresses these topics through a coordinated regional vision that is in line with the Regional Biodiversity Strategy for the Tropical Andean States, adopted through the supranational “Decision 523”. The objective of this strategy is to contribute to the generation of viable sustainable regional development alternatives based on the sub-region’s natural resources and the coordination of joint positions at the various international negotiation forums. The strategy explicitly includes the Andean Biocommerce Program to encourage the use of biodiversity, with sustainability criteria, to generate opportunities for the economic and social development of the Andean Community’s Member Countries.
82. At the national level, the project operated within the scope of the National Biotrade Promotion Programme within the National Strategy of Biological Diversity. The three participating countries are committed to improving opportunities for Biotrade, and through it increase prospects for principles establishing sustainable use in policy and regulatory frameworks together with creating income opportunities in marginal areas for marginalized groups of their population. Each country issued Biotrade-related policies and created National Biotrade Programmes appointing key institutions for its implementation. Specific national policies and strategies embrace the Biotrade concept as a strategy for the conservation of biodiversity and an opportunity for development in each country.
83. In Peru, the National Biotrade Promotion Programme is established within the objectives of the National Strategy for Biological Diversity, initially under a Commission for the Promotion of Exports. Demonstrating the growing importance given to Biotrade, the committee was replaced by a specific National Commission on Biotrade in 2005. The current Environmental Policy includes the Biotrade concept under the strategic line of Natural Heritage, where the promotion of sustainable investments in productive and extractive activities and the conservation and sustainable use of biodiversity is seen as a development opportunity. The National Environmental Agenda 2012 – 2014 highlights the need to work around the green economy concept to achieve the sustainable development objectives proposed by the UN Conference on Sustainable Development (Rio +20) and conduct research on promoting wealth from biodiversity.
84. In Colombia, the Ministry of the Environment, Housing and Territorial Development implemented the National Strategic Plan for Green Markets where Biotrade is defined as a strategy for the sustainable use of biodiversity, and a category of green markets. The country established the National Biotrade Programme (2002 – 2010). The purpose of the National Policy for the integrated management of biodiversity and ecosystem services is to guarantee the conservation of biodiversity and the ecosystem services, as well as the equity sharing of its benefits to contribute to the improvement of the livelihoods of the Colombian people. The National Planning Department (DPN) presented the national strategic vision to 2019 where specific reference is made to Biotrade as a strategy for the conservation and sustainable use of biodiversity. In the National Policy for Sustainable Production and Consumption (2010) the Green Markets/Biotrade is defined as a strategy for the application of the policy. In addition, the National Development Plan addresses the need for further action to strengthen the sustainable use of biodiversity for to boost competition and economic and social growth, highlighting the need to implement the National Biotrade Programme

in coordination with the Ministries of Agriculture and Rural Development and Trade, Industry and Tourism.

85. In Ecuador, the National Biodiversity Policy and Strategy for Ecuador (2001-2010) contains the National Sustainable Biotrade Programme and in 2007 Biotrade was declared a state priority under the National Sustainable Development Council. The new National Plan for the Good Living (2013 – 2017) included biodiversity as a strategy to move from a primary export driven economy to a country with a diversified economy where the bioknowledge and environmental services are developed and monetized. This process is known as the change in the production matrix, positioning natural heritage as a public good for economic, social and ecological sustainable development. In this plan the Objective 7 establishes the need to strengthen the National Biotrade Program through the national and international promotion of bioknowledge products and services, ensuring the benefits of its use and trade to the communities and ecosystems. Under the Good Living Policy, Biotrade is one of the Strategic lines. In addition the Ministry of the Environment is currently developing the National Biodiversity Strategy to 2030 and the National Strategy of Incentives for the Conservation of the National Heritage and sustainable Use of Biodiversity, which will include Biotrade as one of its guidelines.
86. *UNEP mandate and policies at the time of design and implementation:* The project is completely aligned to UNEP's mandate, which promotes the wise use and sustainable development of the global environment by assessing regional and national environmental conditions and trends; developing environmental instruments and strengthening institutions for the wise management of the environment. Furthermore, the project is aligned to the UNEP Medium – term Strategy 2010-2013 where one of the cross – cutting thematic priorities includes ecosystem management. Ecosystem management is an approach to natural resource management that focuses on sustaining ecosystems to meet both ecological and human needs. The objective is that countries will utilize this approach to enhance human well – being. It is expected that countries and regions will increasingly integrate this approach into development planning processes, have the capacity to utilize ecosystem management tools, and begin to align their environmental programs and financing to address degradation of selected priority ecosystem services.
87. Regarding consistency with UNEP's programs, the project is also aligned with the Ecosystem Management Sub-Programme, where UNEP works on Ecosystem Services Economics toward developing a knowledge base on how ecosystems and services relate to human well-being and development. The Project employed an ecosystem management approach aiming to promote policy development and resource utilization that integrates sustainable use principles with conservation needs to sustain natural resources and ecosystem services.
88. *GEF Ecosystem Management focal area, strategic priorities and operational programmes:* The project is relevant to GEF-4 Biodiversity strategy, ongoing at the time of the project identification and fully aligned with the long term Objective 2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors, and within it is in line with the Strategic Program 4 (SP4): Strengthening the policy and regulatory framework for mainstreaming biodiversity and the Strategic Program 5 (SP5): Fostering markets for biodiversity goods and services. As a result of this, the project supported the participating countries (Ecuador, Peru and Colombia) to integrate the conservation and sustainable use of biodiversity into those sectors of the economy that use native biodiversity as an important input in the production process.
89. The project is fully aligned with the new GEF Biodiversity strategy (GEF-6), which sets the goal of the conservation and sustainable use of biodiversity and the maintenance of ecosystem goods and services. In the new strategy, the project responds to two specific objectives: (1) Sustainable use biodiversity (BDO3), and (2) Mainstreaming Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors (SBO4), and fully encompassed with the Biotrade approach of the project.



90. The project approach also adheres to CBD principles, guidance and decisions regarding promotion of sustainable use of biological resources and Biotrade in order to create market incentives for the sustainable use of biological resources as well as to enhance business engagement in the conservation of natural resources.
91. According to the Terms of Reference, the evaluation of strategic relevance also looks at whether the projects objectives were realistic, given the time and budget allocated to the project, the baseline situation and the institutional context in which the project was to operate, in order to achieve the overall purpose: To contribute to the conservation and sustainable use of biodiversity in the Andean Region.
92. The overall objectives of the project were realistic in terms of time, budget and institutional context at the point of project design. Despite the delays and setbacks faced by the project, the Biotrade topic was relevant to the three countries and was seen as a strategy for the conservation of biodiversity and an opportunity for sustainable development.
93. In Peru, a robust institutional and stable policy framework for the export promotion, as well as a strong capacity within the private sector was decisive in achieving the project's overall purpose. According to the World Bank a consistent and credible macro-economic policy, political stability, and an investor friendly climate have laid the foundation for sustained economic growth in Peru. Exports increased to 3268.80 USD Million in August of 2014 from 3176.80 USD Million in July of 2014. The country has been experiencing a surge in commodity exports and the value of the products based on biodiversity that were exported represented 15% of the total exports in 2009. Colombia, which has a long and strong experience in export of traditional sectors (oil, minerals, sugar, coffee, flowers), is supporting Biotrade as a sustainable opportunity for the country and an economic alternative, especially for marginalized communities, including post – conflict areas. In 2009, Ecuador was leading Biotrade export within the Andean Community with a performance of approximately USD 250 million per year mainly from cacao. Ecotourism is a relevant and growing sector in Ecuador. In 2006 the sector generated USD 492 million and in 2011 it grew to USD 850 million. The activities proposed by the project were based on assessment of barriers of Biotrade in the countries and partners' needs. This comprehensive approach ensured upstream and downstream accountability in the project design.
94. Although the objectives were realistic in terms of time and budget, the delays faced by the project from moderate to significant, impacted the project implementation resulting in a reduction by half of the effective time of the project duration. To overcome this issue, the project made amendments to the budget structure and management approach, as highlighted in paragraphs 67 and 69.
95. PROMPERU, the National Implementing Agency in Peru encountered difficulties in dealing with bureaucracy to meet with national procurement and contracting regulations that hampered the performance. The project design didn't correctly assess the institutional capacity of the NEA or the lengthy procedures of its financial payment and disbursement systems. To overcome this challenges, PROMPERU contracted additional staff and designated local facilitators to support the enterprises and initiatives. It is also important to highlight that in order to achieve the outputs and outcomes, Peru and Ecuador followed an implementation strategy tailored to the stakeholder's needs and demands given the different capacity levels and needs of the beneficiaries. In the light of this, capacity strengthening, market studies, enhancement to market access, development of new products were demand driven and carried out by the beneficiaries through the pilot projects (component 6). This strategy was very effective and efficient in achieving the expected outputs.

## B. Achievement of Outputs

96. In response to the Terms of Reference, the evaluation will assess, for each component, the project's success in producing the programmed results, both in quantity and quality, as well as their usefulness and timeliness. A brief explanation must be given to the degree of success of the project

in achieving its different outputs, cross - referencing as needed to more detailed explanations provided under Section F (which covers the processes affecting attainment of project objectives).

97. Also the extent to which activities were performed and outputs were achieved are presented by Component and analyzed under the following questions: To what extent were the outputs completed? Which ones have been completed or are still in process. Which are not going to be completed at all? What percentage was achieved? And more importantly, did the outputs meet with the expected quality? Are these outputs useful? Were they delivered in an appropriate time or moment? How are these being used and how are they contributing to achieving the project objectives?
98. The overall project was able to fulfill its commitment in terms of outputs and activities, with some delays, due to the administrative issues for readiness and the slow implementation pace. The three countries were able to implement the activities and deliver the outputs as planned.
99. *Component 1: Policy strengthening.* In Peru, outputs were completed as planned in the project design. 18 government officials from different government agencies were trained on Fair and Equitable Benefit Sharing. 164 government officials were also trained in the Biotrade concept and the principles and criteria, as well as the legislation applicable to Biotrade value chains and the main obstacles to Biotrade were discussed and analyzed. The objective of these training events was to improve the awareness of public officials responsible for applying/approving legal norms and regulations and increase their willingness in making amendments to the legal framework and/or ease the process in the regulatory application for Biotrade initiatives. 140 representatives of private enterprises were also trained in the Biotrade concept, its principles and criteria and potential markets and business opportunities to increase the interest and awareness of the private sector. In addition technical standards for products such as sacha inchi oil, quinoa flakes, lucuma, sacha inchi snacks, including the laboratory analysis of nutritional content (needed for accessing the international market) were developed. Under this component, a draft proposal for the amendment of Law 27811 was developed.. The draft of a proposal on tax and economic incentives for Biotrade products was cancelled with the approval of CAF. The reason for cancelling this output was due to the fact that economic incentives for export are already in place under the umbrella of PROMPERU and therefore there was no need for this output. Although all proposed outputs were reached, the drafting of proposals for legal norms, standards and amendments to laws are not enough to strengthen the enabling conditions as they need to be approved in order to achieve real results. The bases and the conditions for the approval of these legal and regulatory proposals are set, but an active leader that will advocate and support the approval of these laws within the National Biotrade Committee is needed.
100. In Colombia training events for public and private entities about phytosanitary regulations<sup>5</sup> were implemented. In these training events a sanitary and phytosanitary manual for bioproducts developed by the project was presented with information about the sanitary and phytosanitary norms and regulations for Biotrade products including fresh or transformed agricultural goods, but also flowers and fisheries and zoobreeding. Training events for public and private entities about Biotrade were also carried out. Under this component the project developed protocols for the sustainable use of Non Timber Forest Products (NTFP), legal guidelines for wildlife and fisheries, ecotourism, timber and non timber forest products, contributing to strengthening the policy and legal framework. Outputs were completed in the first years of implementation, but only recently published and disseminated on the website. The quality is good, containing all regulations, laws, and norms involved for the particular value chain or sector. Protocols for the sustainable use of NTFP are also

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<sup>5</sup> Producers/exporters must comply with phytosanitary regulations to prevent the entry and spread of plant diseases and pests into other countries. The major importing countries around the world implement pest risk analysis in order to determine the risk level of an imported product and inspect products on arrival to ensure that the level of risk is not exceeded. In the USA for example, inspectors from the Animal and Plant Health Inspection Service must examine and approve all shipments before they can be cleared for customs. If signs of pests or disease are found, the produce may be either fumigated (or treated in another manner), returned to the country of origin or destroyed.

very useful and will support the Ministry of the Environment and Sustainable Development (MADS) in law enforcement.

101. In Ecuador, outputs were completed or are being completed as planned in the project design. A training program on sustainable Biotrade aimed at regulatory entities staff was designed; training events on policies and regulations related to Biotrade for provincial staff were carried out; analysis of regulatory inconsistencies were developed and flowcharts to facilitate compliance with norms and regulations for the three different sectors supported by the project in Ecuador (pharmaceuticals, cosmetics, food and sustainable tourism) were designed and made accessible to stakeholders; a draft proposal for NTFP regulation and draft recommendations to strengthen international negotiations related to bioproducts and Biotrade were developed. Most outputs have been 100% completed or are about to be completed (70 – 80%) and contributed to the strengthening of the legal and policy framework favoring the enabling conditions for Biotrade. The creation of a National Inter institutional Committee of Biotrade is still pending and the completion of this output could be not achieved as the Ministry of the Environment is not completely convinced about its effective functionality.
102. Based on interviews with the project officials and focal points in the Ministries of the Environment, all outputs were needed and useful. The training of entrepreneurs and government officials in Biotrade principles and criteria was important to promote this approach among potential beneficiaries and to raise the awareness of government officials about Biotrade as a strategy for conservation of biodiversity and improvement of incomes for local communities in the three countries. Legal and regulatory changes were needed to fill legal gaps and inconsistencies previously identified during the preparation phase. Protocols for the sustainable use of biodiversity, and legal guidelines for priority sectors contributed to filling gaps in the legal and regulatory framework, providing information and guidance to meet the national regulations related to Biotrade products. However, a more active participation of government officials at a multisectoral (agriculture, environment, health, finance) and multilevel (technical and decision making) position is essential when looking for legal changes. Ownership of these changes by officials from the government agencies involved in the approval of norms and regulations, needs to be improved by facilitating their active participation from the very beginning. In Peru the legal changes proposed and if approved by the National Biotrade Commission will be drivers in strengthening the policy and legal framework for Biotrade, as this was – according to the project design - one of the major obstacles Biotrade products faced.
103. *Component 2: Access to Market.* Outputs were delivered “on time” considering the significant delay of the project. Significant progress was made and almost all outputs were completed to a 100%: Research studies and market studies were completed; new bioproducts developed and supported, marketing and promotional strategies design and support was given to enterprises to participate in national, regional and international fairs. In Peru a cosmetic market research study to access the US market was developed with an analysis of the demand and potential companies that produce natural cosmetics, as well as trade promotion proposals for natural ingredients and products for the US market. Market studies for accessing the United Kingdom and Australian market for natural ingredients for the cosmetics and personal care industry were developed. A study about the distribution and behavior of organic consumers in France was also developed. Training and pilot research studies for the development of new bioproducts, such as cupuazu (*Theobroma grandiflora*) butter for the skin and hair care, unguragui oil, Brazilian nut butter were also developed. Training and technical assistance to pilot projects in management plans were carried out and completed; promotional strategies were supported through the participation of Biotrade enterprises in international and national commercial fairs (Peru Natura, MISTURA, Biofach in Germany, SIAL in Canada, Expowest in the US, among others). Support was given to enterprises in strengthening of local quality norms (certification system processes in pilot projects, such as EUGAP, SSOP, HACCP, SQF, RCB). In addition the improvement of logistics along prioritized value chains and the respective action plan were supported.

104. In Colombia, Market studies for Arracacha (*Arracacia xanthorrhiza*), Andean tubers, flowers and foliage, cacao and ecotourism were described and disseminated on the Biotrade Colombia website. Besides market studies, new products based on native biodiversity were identified and some of them developed and supported. Examples of new products developed and supported include a body splash with sacha inchi oil for the skin care and beauty industry where the research study and development of the product was done under the pilot project initiative with Vera Lucci. Other examples include native potato chips, pitahaya preserve, quinoa cupcakes, which were all supported under pilot projects. In addition, assistance was given to entrepreneurs to participate in international fairs (World Bird Watching Fair in London, MISTURA Food Fair in Peru, Biofach for the cosmetic industry in Germany).
105. In Ecuador Market studies, marketing strategies, quality improvement of products including packing and presentation, and management plans such as improvement of cacao management and technics were developed. Ecuador also supported the participation of enterprises in national, regional and international trade fairs in order to gain or improve access to market. All outputs were successfully achieved and delivered on time despite the project delays. The results are of high quality and all are equally important and useful for stakeholders to access the market. During the field visits, beneficiaries highlighted the importance of the project support in improving the access of their products to the market.
106. In Peru even though all outputs are important in achieving the project objective, the participation of the enterprises in national and international fairs had an important impact on sales for the enterprises. The total amount in closed sales during the fairs represented more than US\$ 1.7 million for the enterprises with potential sales of more than US\$ 36 million. In Colombia, participation of enterprises in international fairs was an effective strategy to improve access to markets and raise awareness about the potential of bioproducts in international markets. While in Ecuador, the participation in national, regional and international trade fairs was highly strategic for the enterprises to make contacts, broaden their network of potential buyers, understand global demand trends, motivate the Biotrade initiatives, and through this improve access to markets. The project in Ecuador does not report any information about sales due to participation in trade fairs or business rounds.
107. In Colombia the outputs were achieved mostly at the end of the project. The quality of the market studies for different Biotrade products produced is good and the documents are available on the website for public use and consultation. Given the delays in creating the website, where these documents were recently uploaded, it is premature to evaluate the level to which the information is being used. The project is making, through the framework of the communication strategy, efforts to disseminate the information through various mechanisms (youtube, twitter, brochures) to the beneficiaries, universities, sectoral chambers and others. At the time of the Terminal Evaluation progress was made under component 2 and almost all outputs were completed or were about to be completed.
108. *Component 3: Capacity building.* Capacity building focused on increasing awareness among stakeholders about Biotrade principles and business potential, strengthen the institutional capacity of enterprises and support partnerships between producers and enterprises along priority value chains. In Peru all outputs were completed. A series of training events were held where producer associations and enterprises participated. Topics in the training events were about Biotrade concept, Principles and Criteria, the ancestral knowledge related to Biotrade products and trends for Biotrade products in the international market. The main incentive and interest of the companies in following the Biotrade P&C are the different certification that their products can receive when following these principles, such as Organic Certification, Fairtrade, RFA, EUGAP, HACCP<sup>6</sup> (Hazard Analysis and Critical Control Point) allowing access to these special markets. Another important output achieved

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<sup>6</sup> The Hazard Analysis and Critical Control Point is a system of safety in food production and pharmaceuticals

by the project was the organization of experience exchange events between beneficiaries and events to present success stories in order to promote the Biotrade concept, and its principles and criteria among a broader audience of producers. Under this component the project in Peru provided technical assistance to 34 beneficiary enterprises through the Export Pathway (Ruta Exportadora), a program established by PROMPERU to support enterprises in export issues, where beneficiaries were supported in developing biobusiness plans. The project also supported the establishment of a public – private partnership (PPP) for the sacha inchi (*Plukenetia volubilis*) value chain (Amazon – Health – San Martin) as well as the Maca (*Lepidium mayenii*) value chain, organizing workshops to promote and formalize a partnership with producers that will follow the Biotrade principles and criteria. In Peru all outputs were important in achieving the project objective, but it seems that under this component, the training in Biotrade principles was the most important output in reaching the project’s objective. Many of the enterprises supported by the project in Peru already had a good level of capacity and expertise in trading their products in the national and international market. However, these enterprises were not following the principles and criteria of Biotrade. With a growing demand for Andean products and products based on biodiversity, there is a risk in overexploitation of these products and/or intensive production and expansion of agricultural land. Without the project, these enterprises would have traded Andean products at the national and international markets, but without following the Biotrade principles and criteria. The project was therefore important, as these enterprises are now incorporating Biotrade principles thereby reducing the risk of overexploitation and/or intensive production and are aware of the importance of sustainable production, thus contributing to the achievement of the project’s objective.

109. In Peru, the beneficiaries selected by the project enterprises had a good level of capacity in entrepreneurship, management, administration, and expertise in marketing and export. They also acted as champions in the value chain linking producers with the market, and were therefore important drivers in achieving the expected outputs. Activities undertaken under this component were to enhance those capacity topics that needed to be reinforced along the value chain. It is important to mention that the beneficiaries included were small and medium enterprises willing to work and support the actors along the value chain, especially farmers/producers from the communities. Capacity building included the actors along the value chain as needed.
110. In Colombia the outputs involved training workshops to improve competences of initiatives and enterprises in entrepreneurial topics (administrative and financial management, business plans, marketing). Training events for government officials and private sector actors in Biotrade were also held. The objective of these events was to promote the concept of Biotrade and raise awareness. Under this component, the project developed management and administrative tools and training kits on environmental regulations. The delays faced by the project and slow implementation affected compliance in achieving deliverables on an adequate timescale, particularly because the capacity building activities started after the selection of beneficiaries, a process that took almost two years (see paragraph 126). Different to Peru, in Colombia the target beneficiaries were smaller enterprises and community organizations with less organizational, administrative – financial management and entrepreneurial capacity, generally selling their products to the local or national market. Therefore emphasis was given to business and financial management to address business weaknesses among stakeholders. Although the support and efforts in capacity building of these small enterprises and organizations was necessary to move from here to other components (marketing strategies, linkages to market, access to the financial sector, etc.), this pathway can be a very long process.
111. In Ecuador capacity building included training events for private actors in Biotrade to promote its concept and raise awareness. The main focus of the capacity building was the compliance with the Biotrade principles and criteria. As in Peru, beneficiaries were small and medium enterprises already inserted in a value chain with some expertise in producing/marketing bioproducts in the national or international market<sup>7</sup>. This component encompassed technical assistance to and capacity

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<sup>7</sup> The verification framework of Biotrade principles and criteria developed by UNCTAD points out that to work under the Biotrade approach, it is necessary that the organization is currently profitable or has a viable business plan to become so.

strengthening of the enterprises supported within the pilot projects. The technical assistance was provided according to the needs of each initiative supported in the three priority sectors (cosmetics and pharmaceutical, food industry and sustainable tourism). All outputs in this component were successfully achieved and were equally important in achieving the project's objective. As mentioned, an emphasis was given to Biotrade principles and criteria and the improvement in its compliance was tackled through the implementation of the business/work plans in the pilot projects and initiatives. Besides capacity strengthening of the beneficiaries, the outputs under this component were also very important to raise the awareness of entrepreneurs and communities regarding Biotrade. Without the project, it is possible that some of these economic activities would have occurred anyway, but without incorporating principles and criteria of Biotrade.

112. *Component 4: Product and Market Information.* The project has almost completed all expected outputs. Communication strategies were developed and implemented in the three countries, where printed material on Biotrade tools, guidelines developed by the project, brochures, videos about successful stories/pilot projects and Andean products were produced. The three countries created websites to disseminate all the information produced by the project. This is an ongoing process where new information is being continually uploaded and updated.
113. In Peru and according to project documents, 189,000 users have visited the page. The website contains information about Biotrade principles, methodology, approach, tools, market and research studies, success stories and news. In Colombia the project supported the dissemination of information through different channels and the development of studies on sectorial trends for prioritized value chains. Recently a video of the Fine and Aromatic Chocolate Value Chain was produced and uploaded on YouTube. The project provided support to the National Observatory for Biotrade – OBIO – restructuring the site and updating information. OBIO is a virtual platform that generates information about companies, markets and adequate technology for the promotion of Biotrade. In Colombia the project's website to disseminate all the information produced by the project is also an ongoing process where new information is being uploaded and updated. Information contained in the website includes Biotrade principles, methodology, approach, tools, legal framework for Biotrade products, market and research studies, success stories and news. The website reported 58,539 visits in 2013. In Ecuador, the project used also other communication channels such as social media (Facebook and Twitter) and produced printing materials to disseminate key information about Biotrade P&C, tools, sustainable tourism guidelines, certification manual, etc. for those communities/enterprises with no access to the Internet. Special attention was given to the website created by the project, where all project documents were uploaded in the library. As in the rest of the countries, the website is an ongoing construction process where information is constantly updated. The site reports more than 31,000 clicks. The information generated and uploaded is useful and according to the growing number of visits, it seems to be useful for stakeholders. However, continuity of the website is not clear and therefore it is recommended a link is created to other permanent websites such as CORPEI, Ministry of the Environment and Pro Ecuador with the Biotrade Program in Ecuador website (and not the other way around as is currently the case).
114. In Ecuador, the website displaying accurate and timely information about the market for Biotrade products, such as prices, suppliers, buyers, logistics, etc. is under construction. The project made an effort to gather information and develop statistics for relevant sectors, and recently uploaded all the information to the website. In addition a link to PROEXPORT will be established to centralize information about the market. In Peru, PROMPERU also has a website with important information for exporters, including an Integrated Information System for External Trade (SIICEX) with data, economic and trade information, sales statistics, and links to other information systems (agriculture). This information is very useful for the enterprises and exporters and is continually consulted. In Colombia a similar or equivalent website is the OBIO virtual platform hosted by the FB website and has been in operation for some years. In both cases, Peru and Colombia, it would be very important to create a link between both websites for scaling up and contributing to the sustainability of the Biotrade websites.

115. Component 5: Leverage financial resources for Biotrade initiatives. The intervention approach to achieve the outcomes under this component was different in each country and responded to the nature and expertise of the NEAs. PROMPERU, the NEA in Peru, as a government agency has legal impediments to allocate project resources in the financial sector and so chose to increase awareness among the financial sector and influence them in creating or redirecting credit lines for the Biotrade sector. In Colombia, the FB based on its own previous unsuccessful microcredit experience with small enterprises opted to improve the financial management of the beneficiaries, besides creating a guarantee fund and revolving funds. CORPEI in Ecuador with a strong link with the financial and the private sector supported the creation of a guarantee fund. In the three countries, the outputs as planned in the project design were achieved.
116. In Peru, training workshops conducted for key players of the financial sector entitled “Biotrade Risks and Business Opportunities as a Guarantee for Financial Obligations” were implemented. The content of this workshop included the Biotrade concept, the trends of the sector and international demand for bioproducts, export quantity and export value of bioproducts, promotion of the Biotrade sector in Peru as well as main markets and potential opportunities. The objective was to present Biotrade as an attractive and profitable sector. The workshop also included a session regarding financial services for Biotrade where experiences from other countries were presented such as benchmarks, financial products (EcoCredit in Ecuador), CrediEcologico for energy alternatives and the current enabling conditions in the country favoring the Biotrade sector. Finally a risk analysis of the Biotrade enterprises was presented, defining types of risk (market, operational, technological, legal, strategic and others) and measures to manage it, where different types of certifications (FSC for example) contribute to reduce and manage the risk. 28 representatives of financial institutions in Peru attended these workshops. The project also designed a training kit for this sector to promote Biotrade as an attractive industry to the financial sector, and information about certifications to decrease risk and ways to access funding from social lenders was produced. In addition, 25 enterprises from the pilot projects received technical assistance on loans access, through dissemination of information on the financial options available in the market. The project also provided technical assistance to beneficiary enterprises in developing a bankable product and organized late in 2014 financial business conferences and roundtables between enterprises and financial institutions. This latter is an activity in process and according to the national project director, it is expected that new pilot projects will be able to access credit lines. However there is no guarantee that this will be achieved. It is recognized that in the training events the participants from the financial sector should have been decision makers instead of technical officials. The training didn't result in an improvement to access and leveraging of financial resources. So far, only one company has received a loan and this was only for \$200,000. Despite the achievement of outputs, these have not yet resulted in leveraging of financial resources for Biotrade initiatives, since it is something that might still happen with more time after the training and financial business conferences and roundtables. According to stakeholders, the support from the project in developing a bankable product was very valuable.
117. In Colombia despite the delay of the project and slow pace of implementation, in the last year the project was able to move forward in achieving the expected outputs under this component. A Biotrade training session was conducted for financial sector officials; training workshops on financial services to Biotrade initiatives were also given; and entrepreneurs were informed about financial options available in the market. The project was able to sign an agreement with the Agrarian Bank to create a Complementary Guarantee Fund directed at funding the Biotrade sector. However, a year after its creation the Complementary Guarantee Fund has yet to be used. So far, no initiative or beneficiary of the project has been able to access the funds under the Guarantee Fund for credit. A recent audit report carried out to FB, highlighted that the requirements requested by the Agrarian Bank for accessing a loan were too high for the type of beneficiaries supported by the project. As a result the audit report recommended FB to cancel the agreement with the Agrarian bank and reallocate the resources to another financial institution. The project has made efforts to inform their “clients” about the Complementary Guarantee Fund, but has not had any success yet in leveraging resources from the financial sector. In addition to this effort, the project developed a financial management tool and provided training and technical assistance to 58 enterprises in the

use of this tool and in financial management aspects. It is expected that with time these small enterprises and organizations can present documented evidence of their profits and will be later able to access credit resources. In addition the project created 6 revolving funds for different Biotrade initiatives that qualified for it.

118. In Ecuador, this component was successfully implemented and the outputs were delivered as expected. There were some delays related to administrative issues, but at the end of 2012, an agreement with CORPEI CAPITAL was signed, who in turn signed an agreement with PROCREDIT. The agreement with PROCREDIT defined a credit line for Biotrade initiatives for US\$500,000. Currently nearly US\$ 1.0 million has been leveraged, where funding to project beneficiaries has been allocated for Biotrade initiatives. The outputs achieved will have a major impact by generating confidence in the financial sector to establish credit lines intended for Biotrade, which in turn will contribute to the sustainability and scaling up of the results achieved by the project.
119. *Component 6. Pilot project for biodiversity – based business.* As explained in paragraph 47 vi this component aimed to demonstrate the feasibility of the tools and models developed under the project, and support biorade businesses and initiatives in order to stimulate replication and scaling up. Pilot initiatives supported were those that depend on biological diversity for their business and apply Biotrade approach as a strategy for biodiversity conservation. The products and sectors supported were the food sector (mainly agrobiodiversity); natural ingredients for the cosmetics and pharmaceutical sector; and ecotourism. Other sectors supported were handicrafts and textiles. At the regional level, the project reports 175 pilot projects following Biotrade principles and criteria in an area of 135,796 ha. An average of 72.6% of compliance with the Biotrade P&C verification matrix is reported, meaning that enterprises supported are in average complying with 72.6% of the Biotrade P&C. At the regional level the enterprises supported by the project increased their sales by almost 20%. Although the project reports an improvement of compliance in the Biotrade P&C, this data (72.6% of compliance with the Biotrade P&C reported by the project) is actually the score obtained before implementing the pilot project (baseline at the moment the pilot projects were selected). A second or final measure of compliance will take place in late December to evaluate the improvement in following the Biotrade principles and criteria. Nevertheless, it is expected that after the support provided to the enterprises, the score obtained will be improved. Despite the delays, especially to initiate the pilot projects, the overall project presents successful results under this component. Levels of success vary in each country depending on the level of maturity of the organizations/enterprises being supported, the institutional capacity of the NEA, the methodological approach and the enabling conditions.
120. In Peru. 71 pilot projects were supported in two different pilot project competitive rounds (call for proposals). The first round was at the end of 2012 and the second one in 2013. These pilot project rounds were open public tenders where all the information about requirements, eligibility criteria, characteristics of the process, deadlines for applications, etc. was published. No sector was prioritized and it was left open to the demand. In the first round, the project received 270 project requests. A pre selection using the pre selection criteria (under precaution principles<sup>8</sup> that were also mandatory) was done followed by a field visit and final evaluation to assess compliance with the Biotrade P&C, using the Biotrade P&C verification matrix. This process resulted in the selection of 30 pilot projects. Based on this assessment and field visit, the project supported the beneficiaries in preparing a business plan to address those weaknesses and needs identified to improve the compliance with Biotrade P&C. The business plans encompassed a work plan with activities, training program, schedule, costs and matching/co – finance resources, as well as maps and a traceability system. The beneficiaries were responsible for reporting sales and submitting progress reports. In the second round 41 additional pilot projects were selected following more or less the same process as the first one (in the second round of pilots, based on the experience from the first round, adjustments were made to refine the Biotrade P&C verification matrix). Activities supported

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<sup>8</sup> No CITES, no GMO, no use of a prohibited pesticide, no introduction of an exotic or invasive specie.



under the pilot projects were intended to improve compliance of the Biotrade Principles & Criteria under the three main topics: environmental sustainability, social sustainability and economic sustainability<sup>9</sup>. Sectors demanded by the pilots belonged mainly to the food sector and within this, to the agrobiodiversity sector with 80% of the pilots; sustainable tourism sector with 14% of the pilots and natural ingredients for the cosmetic and pharmaceutical sector with 3%.

121. In general pilot projects are achieving important results following the Biotrade principles and criteria and implementing activities to improve compliance with this Biotrade P&C. An initial score with an average of 74% of compliance with the Biotrade P&C is reported and a second and final evaluation will be performed at the end of the project. The final evaluation will be implemented by the monitoring team of the Project and the final results to assess the improvement in following the Biotrade P&C will be ready at the end of December 2014. As explained in paragraphs 47 vi and 68 the measure with Biotrade P&C is assessed using a scorecard matrix with 7 Principles, 25 Criteria and 68 Indicators that respond to environmental, social and economic sustainability. Indicators measure the compliance of criteria under each one of the principles. The project established that only the initiatives/enterprises that would reach a score greater than 50%, would be selected. However, as mentioned in paragraph 119, it is expected that this score will be improved given the support to the initiatives in those weak areas identified in the initial assessment.
122. The enterprises supported by the project in Peru had an increase of 32% in sales, totaling almost US\$80 million. In addition, linkages along the value chain: from producers – processors – buyers/traders to market have been established and/or strengthened. The Value Link methodology implemented by the project allowed a complete vision of the different actors and processes involved within the value chain and identified limitations and barriers to be addressed. There are successful examples like Albarrobas Organicos, a family run enterprise with the objective to rescue the ancestral knowledge of the Andean region. This enterprise grows, collects production from small farmers, transforms and sells in the international market a wide variety of Andean products. The enterprise works with 20 small rural communities throughout the country, benefiting more than 1500 families of marginal and poor areas who provide the produce that they grow to the enterprise. Products are certified under different certification systems: organic, UTZ, carbon footprint and others. This enterprise was supported by the Project to improve the production, harvesting and trade of lucuma (*Pouteria lucuma*), an alternative and natural sweetener from the Andes region. Activities supported included training of farmers in organic procedures, organic certification of the custody chain (from the field to the transformation facilities and offices), development of branding, packing, improvement of website and promotion/marketing. Given the involvement of small producers in the value chain and linkages to markets that provide a reward in following the Biotrade principles, both the enterprise and farmers are aware and recognize the benefits in following the Biotrade principles. Another similar example is the pilot project implemented by Peruvian Nature, a medium family owned company that processes native Peruvian products, such as maca, camu camu, sacha inchi, quinoa, golden berries and others. The Project supported this pilot by strengthening the maca (*Lepidium mayenii*) value chain. The activities included the strengthening of the linkages with maca small farmers following the social Biotrade principles, the promotion of maca HP (High Potency) in the US market ensuring HP characteristics requested by the market and the implementation of environmental sustainability practices. This enterprise works also with small farmers and both, the farmers and the company are now following the Biotrade P&C. Similar and successful examples are under the Chocolate Value Chain which is a value chain working with producer associations down

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<sup>9</sup> Generic activities supported included: technical assistance for the sustainable use of natural resources (supported in 31 pilots), training and capacity building in sustainable use of natural resources such as organic, Biotrade, good agricultural practices/GAP (supported in 14 pilots), implementation of sustainable environmental measures/standards such as organic, sustainable tourism, zoning maps, etc (supported in 36 pilots), capacity strengthening of employees/providers in organizational, administrative, technical topics, etc (25 pilots supported), implementation of social sustainability standards such as fair trade (7 pilots supported), elaboration of corporate/business policies such as ethic codes (14 pilots supported), participation in commercial platforms such as trade fairs (33 pilots supported), trade mission (6 pilots), access to financing (1 pilot), development of new products/services for added value (18 pilots supported), implementation of quality systems such as HAPP, GAP, ISO, etc. (26 pilots supported), acquisition of other certifications to add value such as kosher, gluten free, etc (4 pilots supported), market studies (7 pilots supported), development of marketing/commercial/sales strategies through branding, corporate image, packing, website design, publicity (41 pilots supported).

the value chain and exporting to different international markets. Support was given to the entire value chain, where cacao farmers were trained in good agricultural practices (GAP), improve fermentation methods, transformation to add value and marketing. Another interesting and successful example of pilot projects supported in Peru are under the gastronomic sector where fine restaurants and chefs are preparing and presenting gourmet dishes using Andean and native products, promoting the Peruvian cuisine with native products in the country and internationally, an experience that is creating a demand for these products. All these successful results have led entrepreneurs as well as producers to recognize the importance of the principles underlying the Biotrade approach as a tool to improve their incomes. Both the application of Biotrade principles in the production and transformation processes and increased sales are giving a direct contribution to the achievement of the project's objective. Less successful experiences are pilot projects with small community based organizations, such as ASPROPAMAP (Asociación de Productores ecológicos de plantas medicinales y aromáticas de Paccarectambo/Ecological Producer Association of medicinal and aromatic plants of Paccarectambo) a pilot project visited in Cuzco. Although the production of medicinal and aromatic plants represent an important complementary income to farmers, especially women, the linkages in the value chain still need support. The organization was supported with technical assistance and equipment for the production of essential oil of muña (an Andean mint), but it faces problems to provide a supply demanded by the market in terms of quantity and quality (packing and branding) to access the market. Given that the organization is not exporting, there is a risk that PROMPERU won't continue supporting this organization after the end of the Project.

123. Although this component did not begin until the second half of the Project, the pilot projects are being implemented with positive results. The Project was able to overcome the challenges faced by working along the entire value chain, where consolidated enterprises with experience in their business –production, processing, marketing - have been a key factor in achieving the project outputs. Some pilot projects were completed, and others are still under implementation. There is a risk that some of these latter pilot projects won't finalize activities before the project ends in December 2014, in particular because of the bureaucracy of PROMPERU in the procurement and contracting processes. However PROMPERU is committed to finalize all projects and activities with its own resources, beyond the end of the project.
124. In Peru the bureaucracy of PROMPERU in complying with national procurement and contracts regulation, led to a bottleneck during the project implementation, resulting in delays to achieving the outputs. Some enterprises supported by PROMPERU to achieve the production/custody chain certification, no longer wanted to receive such support because the process for contracting the certification services took too long. In most cases the verification procedure for achieving certification needed to take place during the harvesting/production season and therefore could not be delayed. In these cases, the enterprises were forced to independently contract and pay the validators to acquire the certification. It is important to note that the procurement process for contracting and/or buying goods under the pilot projects was performed by PROMPERU on behalf of the beneficiaries.
125. In Colombia, at the moment of the evaluation, 78 pilot projects were implemented covering an extension of 38,828 ha following Biotrade P&C, complying in an average of 74% of them. The sectors supported in Colombia were from the food, cosmetics and pharmaceutical, ecotourism and handicrafts. The methodological intervention implemented in Colombia did not have a focus in the value chain approach and was rather oriented by a business incubation approach. In addition, the project in Colombia supported small organizations and enterprises with a main focus in the national market. The project reports that the enterprises supported had an increase of 67% in their sales. After the evaluation, the number of pilot projects was increased to 100, covering an extension of 179,601 ha following Biotrade P&C with an average compliance of 80.1% and a sale increase of 63.35%.
126. This component was very delayed. Both, the application of the Biotrade P&C tool to assess the compliance of the initiatives with these principles and then the selection of Biotrade initiatives were a long process that took more than 2 years (see section F for details). The entire process started in

2010 when the project invited organizations that worked previously with (or were previously a beneficiary of) the FB itself, PNN (National Natural Parks) and Corporacion PBA and identified 310 potential beneficiaries, who filled an online self - assessment. Based on the results of the self - assessment and a telephone verification, 230 initiatives were preselected. The project then applied the Biotrade matrix to verify compliance with the Biotrade Principles and Criteria and correspondence with the priority value chains, selecting 112. As opposed to Peru, the process was ongoing with an open window, supporting pilot projects according to demand and/or an opportunity. By 2013 little progress was reported to the extent that the MTR considered the situation as critical and moderately unsatisfactory. Findings of the MTR, showed that the project design lacked a specific results oriented implementation strategy. In addition, the actions performed by the partner implementers were disconnected and there was no leadership from the FBC team either in coordination or in providing guidelines for the intervention approach. Following the recommendations from the MTR, the project took control of the situation and identified those opportunities that would lead to a rapid impact, establishing alliances with strategic partners to create synergies. As a result, there are some (visited/interviewed during the terminal evaluation in the chocolate chain, Vhera Lucci, birdwatching) promising initiatives committed to following the Biotrade Principles and Criteria approach and contributing to the achievement of the projects objective. Examples of the products supported by the pilot projects include Andean tubers (arracacha – *Accacia xanthorrhiza*, maca -*Lepidium mayenii*, yacon -*Smallanthus sonchifolius* , native yam – *Dioscorea retundata*), cacao for the production of fine and aromatic chocolate, sachá inchi oil, essential oil extraction from *Lippia alba*, native potatoes, *Erithrina edulis* for the production of pulp, tropical fruits and ecotourism, agroecotourism, birdwatching and handicrafts (fibers for the production of baskets and hats). The activities supported in the pilot projects were training in environmental, social and organizational aspects, Biotrade P& C, participation in local, national, regional and international trade fairs, marketing, filling UEBT form (Union of Ethical Biotrade) to become a member of the Union, development of new products with added value, such as design of a body splash with sachá inchi oil, tuber flour, quinoa cupcakes, native potato chips, etc. The activities under the pilot projects also included improvement of packing, branding and development of market strategies. In Colombia supported farmers participated in training workshops on good agricultural practices, but there was no support in establishing or following certifications schemes (discussed further in section F).

127. Besides some promising examples that will be able to establish linkages to the market (chocolate chain, ecotourism and birdwatching, Vhera Lucci) and contribute to achieving the project's objective, there are other initiatives still facing challenges in getting access to the market (yucca producers, native potato producers). Even though the potential for native products in the national market is seen as an opportunity resulting in an increase in sales, the benefit in following Biotrade P&C is not clear (potato producers in Ventaquemada for example with a 523% increase in sales are still struggling whether or not to change to genetically improved varieties with a better demand and productivity). In addition to this, it is not clear how the support to almost all beneficiaries made by the project in filling the UEBT form in order to become a member of the Union of Ethical Biotrade, will benefit them as they are accessing the national market.
128. In Colombia, the pilot projects included also the production of non Andean products, such as coffee and plantain. These two products are not only non Andean but exotic to South America (introduced by the Spanish Colony). In the end, the pilot project in coffee was not supported but 3 pilot projects for the organic production of plantains were considered and supported.
129. In Ecuador the Project supported 51 pilot projects in 22 value chains from the three sectors identified during the project design: pharmaceutical and cosmetics, food industry, and sustainable tourism in the four regions of the country, covering an extension of 71,695 ha of direct influence that are managed following the Biotrade P&C and with an average compliance of 83%. Here, as in Peru and Colombia, a second and final evaluation of the Biotrade P&C will be done in December to assess the improvement in following the Biotrade P&C after receiving support from the project.

130. The implementation of the component was also delayed in Ecuador, where the definition of procedures and preparation of documentation, as well as the adaptation of the Biotrade P&C matrix to the country context was a long process. The adaptation of the Biotrade P&C matrix was performed by EcoCiencia. After a year of adapting the tool and facing challenges in its application, the Project Regional Coordination in CAF provided then with a simplified regional version to be used (originally drafted by the regional coordination). The tool was later adapted by Rainforest Alliance for the ecotourism sector (see Section F).
131. The project implemented three competitive rounds for the selection of pilot projects. This was a sequential process that involved the following steps: i) proposal presentation by interested initiatives and enterprises: The project made an extensive and permanent dissemination providing information and forms related to the project and the process ii) Technical evaluation: a technical committee evaluated and verified eligibility and compliance with the Biotrade P&C, and presented recommendations to the Director Committee<sup>10</sup> for revision and approval. iii) Signing of a co – finance agreement; iv) Implementation and follow up and v) closure. The project evaluated 120 applications and approved 51 pilot projects. Technical assistance and support was given to the pilots directly by the Project or by the implementing partners, depending on the value chain.
132. The sector with a higher number of initiatives was the tourism sector with 18 project pilots, followed by the food sector and the pharmaceutical and cosmetics sector. Under the food sector, the value chains supported in the pilot projects were cacao, golden berry, native blue berry (mortiño), guayusa (*Illex guayusa*). In the pharmaceutical and cosmetics sector the value chains supported were ataco (*Amaranthus quitensis*), congona, ishpink (*Ocotea quixos*), uña de gato (*Uncaria tomentosa*) sachá inchi, sangre de drago (*Croton drago*) and others for the production of teas, dry medicinal plants, essential oils, shampoos, body creams and butters, production of phytopharmaceutical ingredients, etc. Other value chains supported were alpaca fabrics, native microorganisms for the agricultural sector, orchids, reproduction of frogs for the pet industry, natural dyes (cochinilla). In the tourism sector the value chains supported were adventure tourism, community tourism, scuba diving. The activities under each pilot project were designed to address weaknesses and needs to improve Biotrade P&C compliance. Activities under the pilot projects included the acquisition of small equipment to improve efficiency and quality, support for the improvement of the production system to enhance product quality, development and implementation of production/harvesting sustainable management plans, development of marketing strategies, certification processes for accessing the organic and/or fair trade, capacity building to improve ecotourism services, development of new products for added value, and participation in national and international fairs, among others.
133. Overall implementation of the pilot projects was successful, involving 105 communities and community associations, benefiting more than 14,633 producers and collectors. In 2013 total sales reported by the Biotrade enterprises supported under the pilot projects represented more than USD 37 million that corresponded to a 14% increase in sales compared to 2012.
134. There are successful experiences like Sumak Mikuy, a community based organization working since 2007 for the rescue of native products. The two principal economic activities of this organization are the production, transformation and export of dry golden berries and native blueberries. The project supported this pilot with technical assistance to small farmers in applying good agricultural practices for organic certification and improvement of the quality of the produce; elaboration of management plans and sustainable use, delimitation of harvesting and growing areas, and mitigation measures to reduce environmental impacts. The project supported the enterprise in the acquisition of small agricultural equipment, the certification of Good Manufacturing Practices, provided technical assistance and advise for the development of new products with added value (chocolate cover, snack bars) and the development of marketing strategies. Another example of a successful pilot project is the initiative supported (and visited in the terminal evaluation) in the fine and aromatic chocolate

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<sup>10</sup> Direction Committee was integrated by the Ministry of the Environment, CORPEI and CAF/Ecuador as witness of honor.

value chain where UNOCACE has provided technical assistance. ASOPRACA, one of the 7 pilots supported under this value chain is a community - based association formed by 130 small farmers covering an area of 550 ha of native cacao. Support provided included training to 110 farmers in production management to improve quality, silvicultural practices to improve productivity, marketing strategy and trade improvement, support for the creation of a public – private – partnership with the municipality to manage the community collecting center. The direct benefits to the farmers and enterprises such as productivity improvement, access to special markets (organic and fair trade), sales and income improvement due to added value to native cacao beans (cocoa raw, nibs, chocolate bars, etc) are resulting in incentives to enterprises and farmers in maintaining native cacao<sup>11</sup> under agroforestry systems contributing to the conservation of biodiversity. Cabanas San Isidro, a family owned enterprise with an eco-lodge in the birdwatching value chain is also a successful pilot project where entrepreneurs are applying the Biotrade P&C and working with surrounding communities down the value chain, training locals as tourism guides and supporting women from the community in processing jellies with native ingredients and handicrafts, understanding the connection between biodiversity conservation and incomes. Another example of a successful pilot project in Ecuador was the collection of Palo Santo fruit (*Bursera graveolens*), a wild specie that grows in the tropical dry forest. The wood contains essential oils and is used as incense and for medicinal purposes. Traditionally, this specie was been used under unsustainable practices, cutting down the trees with high ecological impacts. Studies revealed that the fruits of this specie contain a higher concentration of essential oils. The project supported this initiative in the sustainable harvesting of the fruit following the Biotrade P&C where 4,500 ha are set under protection with the Municipal Reserve and managed by the communities in coordination with the Ministry of the Environment, following Biotrade principles and criteria and complying with the Ecuadorian environmental regulations. The project supported the development of a sustainable harvesting protocol and plan, also the improvement of local marketing and export of essential oils to Brazil and Spain. 144 families from 7 communities are receiving direct benefits with a sales increase of 62%.

135. These successful results of the pilot projects supported in Ecuador have led entrepreneurs as well as producers to recognize the value of biodiversity and the importance of the principles underlying the Biotrade approach as a tool to improve their incomes. Both access to market (of native products following Biotrade P&C) and sales increase are having and will have a direct contribution to achieving the project's objective.
136. Component 7 Regional systematization, and replication strategy. The component aimed to design an information dissemination and replication strategy in order to maximize the impacts achieved through the national results in each country. In addition, the regional component planned to develop an action plan for the continuation of Biotrade promotion in each country as well as at the regional level beyond the project's life time with proposed activities for each country in the following 5 years. Expected outputs for the component were: i) A series of regional seminars on lessons learned implemented, ii) A regional replication strategy developed, and iii) An Andean information system on Biotrade developed.
137. The regional component under the responsibility of CAF was very successful in coordinating the project and providing backstopping and coaching to the countries. During the first years of implementation, the role of the regional coordination was pivotal for the institutional arrangements in each country, particularly given the institutional and persistent changes in each country. Annual regional Steering Committee meetings were organized by the Regional Coordination, which served as a platform for lessons learned and experience exchange between the NIE of each country.
138. The project document envisioned regional and/or international events for the exchange of lessons learned and dissemination of information among stakeholders, including Biotrade entrepreneurs,

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<sup>11</sup> Native cacao is being replaced by the high yield hybrid variety CCN- 51, which is planted in monoculture systems and requires more labor, water and chemicals.

and those outside of the project borders. However, seminars and events for lessons learned exchanges and dissemination of strategic information were mostly limited to the project management team through meetings with the Project Steering Committee as mentioned above. Exchanges between countries were carried out in response to needs and opportunities identified by the countries themselves and organized by the regional coordination. For example, there was an exchange event between stakeholders from the chocolate chain in Colombia to learn from the experience in Peru and an exchange event between sustainable tourism enterprises in Colombia to learn from the experience in Ecuador.

139. At the regional level, the seminar “Binding legal provisions and their effects on the development of Biotrade in Sub Andean Region”, with the participation of the three countries was organized to discuss issues related to Benefit Sharing that took place in Lima. A Regional forum and business roundtable for Biotrade as a model of sustainable business and social inclusion was also organized under this component. As mentioned above, regional exchanges remained mostly within the Steering Committee and a few regional exchanges between stakeholders, particularly enterprises, were implemented as a space for exchanging lessons learned. The main reason for this was that stakeholders supported by the project participated in different international and/or regional trade fairs or events that gave them the opportunity to learn from others. The design and implementation of a dissemination strategy took place, as planned in the project design, in the final year of the project. A communication strategy with an e-platform should have been designed and implemented from the beginning of the project to promote and allow project beneficiaries to use it.
140. The regional coordination was designed to have a focus on the project management and coordination, being responsible for the day to day follow-up on the implementation, coordinating activities and information exchange and managing the project’s financial aspects, rather than on the strategic planning. In addition, the delays encountered and critical situations faced by the project for readiness and during implementation that needed urgent attention, affected the development of the replication and dissemination strategy, as most of the lessons learned and relevant information were delivered in the final years. This component was fully co-financed by CAF and funds were intended mainly for coordination, management and supervision activities. It is important to mention that CAF contributed US\$ 1,791,180.00, exceeding the amount that was originally anticipated. CAF was indeed financing the project coordination and activities before receiving the first GEF disbursement. However, to develop regional/international exchange seminars for lessons learned and to design and implement a dissemination and replication strategy, the regional coordination unit was hampered by the lack of adequate resources and time. In the final year the project developed a regional communication strategy, that used various communication methods (regional website with links to the national websites, “Linkedin” , youtube, and others.) for dissemination and replication. In addition, the regional coordination participated and disseminated the project’s results and lessons learned in different international forums in Cancun Mexico; Sao Paulo, Brazil; and Climate Change COP in Lima, Peru. The majority of these actions are of recent creation and therefore the effectiveness for replication and dissemination of the project’s results is difficult to measure. The project designed and implemented an information system on Biotrade, however this system responded to management monitoring and evaluation of the project performance and as such, there is little (if any) use for external stakeholders..

### C. Effectiveness: Attainment of Objectives and Planned Results

141. The evaluation looks at the extent to which the project’s objectives were effectively achieved or are expected to be achieved. Using the ToC diagram in Figure 1, each Pathway is analyzed to check to what extent the outputs are contributing to achieving the outcomes and expected impacts, including the intermediate outcomes and impacts. Within the ToC diagram those critical external factors, either drivers or assumptions (Figure 2), for achieving outcomes and expected impacts are also defined.

142. The assessment of effectiveness is structured in three sub-sections:

- a. Evaluation of the achievement of direct outcomes as defined in the reconstructed ToC
- b. Assessment of the likelihood of impact using a Review of Outcomes to Impacts (ROtI) approach.
- c. Evaluation of the achievement of the formal project overall objective, overall purpose, goals and component outcomes.

143. **Evaluation of the achievement of direct outcomes as defined in the reconstructed ToC.** The question to be answered here is whether these expected outcomes were attained? To what extent were these outcomes achieved or are expected to be achieved? Which one's were crucial to reach expected impacts?

144. Following the reconstructed ToC in Figure 1, the expected outcomes were: i) Legal gaps on Biotrade issues filled and inconsistencies in Biotrade regulations eliminated; ii) Access to financing for Biotrade initiatives strengthened; iii) Over 16,184 ha of Biotrade production following principles of minimum impact; iv) Improved market access of Andean Biotrade products and v) Regional dissemination and replication strategy.

145. Legal gaps on Biotrade issues filled and inconsistencies in Biotrade regulations eliminated. This outcome was partially achieved and levels of success were different for each country. In the three countries efforts were made in training government officials and improving capacity in Biotrade principles and criteria and the legal framework related to the sector, draft proposal for legal changes or filling legal gaps were made and guidelines for complying with norms and regulations were made. In Peru draft proposals for legal norms, standards and amendments to laws were presented to the National Biotrade Commission for revision but the approval is still pending. The conditions are set, but a dynamic leadership to move these initiatives forward within the National Biotrade Commission is lacking and there is the risk that the outcome will not be achieved. The main obstacle is the project design itself, where the passing of proposals for legal changes was defined as a goal. In Colombia, the project made a contribution in filling legal gaps in Biotrade, by elaborating protocols for the sustainable use of NTFP. The development of 4 monographs for 4 native species for inclusion in the Vademecum of Colombian Medicinal Plants will facilitate trade of these four native species. Inconsistencies to the regulatory framework were not eliminated, but guidelines for legal environmental compliance in different sectors were carried out in order to ease the process for Biotrade initiatives aiming to reduce possible disincentives for the production and sustainable use of native products due to complicated and long bureaucracy processes for permissions. In Ecuador efforts of the project to effectively fill the legal gaps on Biotrade issues and eliminate inconsistencies in Biotrade regulations included the elaboration of 10 proposals for legal changes to foster the development of Biotrade, and the promotion of changes in CITES by moving the vicuna from Appendix I to Appendix II. In addition the project developed flowcharts for each sector supported by the project (pharmaceutical, cosmetics, food ingredients, sustainable tourism) with the steps, requirements and permits needed for export of biodiversity based products. The different outputs delivered are contributing to achieving the expected outcome. However, as in Peru, to effectively fill the legal gaps, the legal changes proposals need to be approved and put in place.

146. Training of public officers in the three countries aimed to create awareness and change decision makers behavior regarding the legal and policy framework related to the Biotrade sector. However this assumes that policy makers have the political will for effectively making the legal changes needed to facilitate Biotrade. The proposals for legal changes are under discussion and waiting for approval, some at the Congress level. Although the approval of these legal amendments are out of the control of the project, training and awareness events carried out during implementation is expected to help in achieving its approval. In regard to the elimination of legal and regulatory inconsistencies, although the project was not able to address this issue, the flowcharts and guidelines developed by the project will help entrepreneurs to meet export requirements and permits in an easier and expeditious manner and thus contribute to eliminating some of the disincentives in the sector. For some initiatives, the process of obtaining an export permission can take several years (e.g. for Wikira, an enterprise in Ecuador, the process to obtain a permit for the export of frogs as pets in the international market took seven years). In Ecuador the project was also successful in

contributing to national policy changes, where the term Biotrade was included in the National Plan for the Good Living 2014 – 2017 and in general in the country's Planning Strategy including the Amazon Transformation Agenda.

147. Access to financing for Biotrade initiatives strengthened. This outcome was partially achieved, with different levels of success in each country. Ecuador was very successful, while Peru and Colombia made some progress but haven't fully achieved this outcome yet. In Peru and Colombia capacity building of the financial sector on Biotrade was supported and aimed to raise their (from the financial sector) awareness and change their perception on the risks of the sector (see paragraphs 116 and 117). In Peru however, it is recognized that the target audience from the financial sector in the training events should have been decision makers instead of technical officials. The training has yet to result in an improvement of access and leveraging of financial resources. Here, capacity building of, and technical advice to, Biotrade enterprises about available financial options and support in developing bankable products, as well as the business roundtables organized by the project was very important and it is expected that this strategy will generate the conditions to encourage the financial sector to invest in Biotrade initiatives. So far, only \$200,000 for one initiative was leveraged from the financial sector. Even though the amount leveraged (US\$200,000) for one initiative is significant, it is the number of initiatives accessing funding from the financial institutions that will change, with time, the perception of the financial sector regarding the risk of Biotrade.
148. In Colombia the creation of the Supplementary Guarantee Fund intended to leverage USD 500,000 from the Agrarian Bank hasn't produce the expected result due to the low capacity of the beneficiaries in meeting the requirements established by the bank. Although the project designed a financial tool and implemented training events to enhance the beneficiaries' capacity, the enterprises supported have not been able to access resources from this fund. The creation of 9 revolving funds, an easy and practical way to create a financial instrument to leverage funding (from the beneficiaries) and support the sustainability of Biotrade initiatives beyond the end of the project, is contributing on a small scale (a total of USD 35,000) to leveraging additional resources. However the risk perception amongst the financial sector regarding the Biotrade sector was not adequately tackled with concrete examples other than raising awareness.
149. In Ecuador the project was very successful in improving and strengthening the access to financing for Biotrade initiatives. The agreement signed with CORPEI CAPITAL and PROCREDIT to open a credit line for Biotrade initiatives and effectively approve loans for this sector is contributing to a reduction in the risk perception of the financial sector and through this facilitating the scaling up and replication of the benefits achieved by the project beyond its duration and geographical area. The beneficiaries supported by the project accessed these credit lines through the project pilots, leveraging resources from the financial sector. In Ecuador the project was able to create the right conditions to encourage the financial sector to invest in Biotrade initiatives, an important driver to reach the outcome. Moreover, as the projects, as demonstrating models, prove with time to be successful and profitable, the risk perception amongst the financial sector will be reduced and in turn the financial sector will be willing to invest in the Biotrade sector. An additional factor that contributed in Ecuador to influence the financial sector was the relationship of CORPEI (the NEA in Ecuador) with CORPEI CAPITAL and this latter with PROCREDIT. Examples of previous and similar initiatives, such as ECOCREDIT in Ecuador was also a positive factor that helped in achieving this outcome. Here, the assumption that the financial sector was willing to share the risk for the Biotrade initiatives was correct and contributed to achieving this outcome.
150. In the case of Peru, the strategy undertaken by PROMPERU in supporting the enterprises in developing bankable products and organizing business rounds with the financial sector was a correct strategy and it is expected to contribute to creating the right conditions to enable the access to the financial resources. Here, a stronger entrepreneurial and management capacity of the enterprises together with good examples of sales increase (presented in paragraph 122) are factors supporting the creation of the right conditions to encourage the financial sector to invest in the Biotrade sector.



Although the outcome has not been fully achieved, the conditions are in place and it should be achieved.

151. In the project design, the inclusion of the financial sector was envisioned to be an integral part of the intervention strategy aiming to provide prospects and tools for Biotrade in the conventional financial sector and to leverage financial resources for Biotrade initiatives. Furthermore, almost 28% of the GEF funds (25% of GEF + co – finance) were allocated to this component, which was the component that counted the most resources. During the project preparation it was determined that the financial sector was not servicing Biotrade initiatives and it was considered to represent a critical barrier to the growth of the sector. The resources allocated to this component were directed towards opening financing services for products that have clear positive spillovers on globally significant biodiversity. The training of key players in the financial sector aimed to provide them with tools for assessing risks in Biotrade initiatives to allow the Biotrade sector to gain greater access to credit lines. However as discussed before, the training of the financial sector officials didn't result in opening financial services, nor leveraging resources for the Biotrade sector. In Peru, the factors that have limited the full achievement of this outcome were i.) the delay faced by the project, ii.) legal impediments faced by PROMPERU in allocating project resources for the creation of a guarantee fund iii.) the lack of expertise of the National Executing Agency in the financial sector. Nevertheless PROMPERU developed a promising strategy to achieve the outcome, promoting information about available financial options, providing technical assistance to enterprises in developing a bankable product, and organizing financial business conferences between enterprises and financial institutions. In Colombia the factors that have limited full achievement of this outcome were: i) the significant delay of the project and slow implementation pace; ii) low capacity of SME supported by the project in complying with the fiduciary standards requested by the Agrarian Bank.

152. Over 16,184 ha (at the regional level) of Biotrade production following principles of minimum impact. The project supported 175 pilot projects following Biotrade principles and criteria in an area of 135,796 ha substantially surpassing the goal. In this area the Biotrade principles and criteria are being followed in an average of 72.6% of compliance. In addition the enterprises supported increased their sales by almost 20%. The area covered in Peru following the principles and criteria of Biotrade supported through pilot projects was 31,273 ha, while in Colombia the extension was almost 32,828 ha and in Ecuador the extension was 71,695 ha. The average of the percentage of compliance with the Biotrade principles and criteria was different in the three countries (63% in Peru, 74% in Colombia and 85% in Ecuador). As explained in paragraph 119, this data represents the compliance of Biotrade P&C at the moment when the pilot projects were approved (baseline without the project's support) and a second measure will be done until December to assess the improvement (with the project support). Although it is expected that there will be an improvement in following the principles and criteria of Biotrade, it would have been useful to perform three measures: i) at the beginning when the pilot project was approved, ii) at the middle of the implementation term, and iii) at the end of the pilot project. This scheme would have allowed timely corrective measures in case the project pilots were not delivering the expected results. The project relied mainly on the application of the Biotrade P&C to ensure that resource exploitation does not move contrary to the established principles of conservation and sustainable use. Under the two Biotrade principles related to biodiversity (conservation of biodiversity and sustainable use) criteria such as: conservation, recuperation, restoration of ecosystems and native populations, especially those threatened; the use of biodiversity should follow a plan to ensure sustainability; the use of natural resources must include practices and technologies that contribute to conservation; and others, are included. Examples of the indicators used to ensure conservation and sustainable use of biodiversity under these criteria are: The areas where the use of resources is performed are defined and there is no conversion of natural habitats<sup>12</sup>. The methodology also contained mandatory criteria

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<sup>12</sup> For a complete version of the Biotrade Principles, Criteria and Indicators used in Peru, as an example see <http://www.minam.gob.pe/diversidadbiologica/wp-content/uploads/sites/21/2013/10/Manual-de-Uso-de-la-Herramienta-de-VerificaciónFinal.pdf>

to be followed: no CITES, no GMO, no prohibited pesticides, no use of exotic or invasive species. The project also used the GEF tracking tool to ensure the conservation and sustainable use of biodiversity.

153. In Peru there are successful examples as demonstrating models where the tools (market studies, marketing strategies, participation in trade fairs, organic/fair trade certification schemes) developed by the project have led entrepreneurs as well as producers to recognize the importance of the principles underlying the Biotrade approach as a tool to improve their incomes, resulting in incentives to reduce threats to biodiversity. Both the application of Biotrade principles in the production and transformation processes and increased sales are contributing to the achievement of the project's objective and will stimulate replication and scaling up.

154. There are several factors in Peru that were key in reaching this outcome:

- a. The institutional capacity level of the beneficiaries selected in the project pilots. Given the nature and mandate of PROMPERU most of the beneficiaries supported by the project were enterprises with experience in marketing and export, who acted as champions;
- b. The value link methodology implemented by PROMPERU addressed the main barriers and limitations along the value chain, and led to the connection of farmers/producers – processors – traders – market
- c. Public – Private – Partnerships were established involving the communities/farmers.

155. Given the value chain approach implemented by the project, the target beneficiaries supported in the pilot projects were those enterprises, mainly small and medium family owned, willing to work with and support the farmers/producers in marginalized areas or processors down the value chain, who would also follow the social Biotrade principle and criteria (paragraph 122). Technical assistance and support aimed to address, as explained above, the main barriers and limitations in the value chain together with activities to improve compliance with the Biotrade P&C and were directed to strengthen/build the capacity of farmers/producers or improve processes in other links of the value chain. Even though most beneficiaries were the head of the value chain, support was given to the different actors/links throughout the value chain as needed. Certainly there is a risk in commercializing biodiversity - based products, given the market demand (expected to grow), that could result in a negative impact to communities. The project relied on the application of the Biotrade P&C and certification schemes (organic, fair trade mainly) to reduce this risk. Entrepreneurs consulted and interviewed in the country visit were aware that the international market increasingly demands the compliance with social and environmental safeguards, and following the Biotrade P&C is seen as an opportunity to be prepared and ready to access these special markets.

156. In Colombia there are some initiatives supported with the potential to contribute to reducing the threats to biodiversity (chocolate and ecotourism value chains for example). Participation in Trade Fairs (Biofach, Mistura, World birdwatch fair in London) has broadened the perspective of entrepreneurs in these value chains about the international market potential (assumption), and has become an important incentive to following the Biotrade principles and criteria and conserving and sustainably using the biodiversity involved in these initiatives. The cacao value chain for example for the production and export of fine and aromatic chocolate, uses native cacao produced under agroforestry systems contributing to the conservation of biodiversity by enhancing connectivity of remnant natural habitats. Better prices in the international market as well as the added value of the fine and aromatic chocolate are incentives for farmers to maintain native cacao agroforestry systems instead of growing the variety CCN – 51, a variety with a higher productivity but under a monoculture system that uses significant amounts of water, fertilizers and pesticides.

157. In Colombia those initiatives that incorporated a value chain approach (linking farmers with processors, traders and to the market), as well as the alliances created with strategic partners (PROEXPORT, FOMIN, Parques Nacionales) were the most successful examples and are leading entrepreneurs as well as producers to recognize the importance of the principles underlying the Biotrade approach as a tool to improve their incomes.

158. However, for other initiatives, the stakeholders are not clearly aware of the importance in following the Biotrade principles and criteria, particularly for those stakeholders trading their products in the national market. Although there is a national growing market for native products and biodiversity based products, it is not clear if the national market would provide a reward (in terms of a better price or preference) for products following Biotrade P&C. Nevertheless, the project made a contribution to improving access to the national market of native products that resulted in a sales and income increase of rural families in marginalized and remote areas, creating an incentive and economic alternative to these families to conserve native products.
159. The project performed training events to raise environmental awareness, and to follow good agricultural practices in production systems, but emphasis was given to organization, business and financial management and entrepreneurial issues. In Colombia the pilot projects didn't support certification (organic, fair, FSC, etc) processes, due to a focus on the national market. It is important to mention that in Colombia only 1% of the agricultural land is certified (from 5.1 million ha of agriculture land only 50,000 ha are certified) and the certification processes are expensive compared to other countries, showing the reduced demand for these products. However, improvement of access to the national market of native products and awareness raising of the importance in following Biotrade principles and criteria, has contributed in creating the basis for the Biotrade sector.
160. In Colombia this outcome was less effective in attaining the project's objective and expected results. Factors that affected the effectiveness were the lack of leadership from the FBC team in the initial stage of the project implementation, and the lack of effective coordination with the implementing partners and clear guidelines on the intervention approach, that resulted in disconnected, atomized and dispersed actions with little impact. The implementing partners' intervention was divided by topic/component instead of by value chain leading to disconnected efforts. The rules, regulations and legal guidelines as well as market research and market information were not directed towards the priority chains supported in the pilot projects (i.e. a wildlife and fishery legal guideline were developed but there was no pilot project related to this sector; protocols for the sustainable use of NFTP were developed, but no pilot project related to this value chain was supported). Another factor affecting the effectiveness was – with some exception - the lack of a truly value chain based approach. Instead the project implemented a business incubation approach and was less effective in establishing and creating strong linkages of small farmers with the Biotrade market. In addition, the methodology in the process for the selection of the pilot projects didn't include the involvement of external actors (Ministry of the Environment, PROEXPORT or CAF for example) to provide important feedback and inputs for more strategic decision making (for example pilots supporting the plantain value chain, a non native product). In a few exceptions, CAF provided feedback to the selection of initiatives and pilot projects. Also co – financing agency/programs participated in the selection of co – financed pilot projects. Still, the selection of pilot projects remained primarily within FB. Despite this, the project made a contribution in improving the access of native products to the national and local market, that, together with activities aimed at raising awareness of following Biotrade principles and criteria, has created the basis for the Biotrade sector in the country.
161. In Ecuador this outcome was successfully achieved. Pilot projects are following and improving compliance of the Biotrade Principles and Criteria in almost 50,000 ha. Enterprises supported presented an increase in their sales and some have even had increases of 300 – 500%. The intervention methodology followed by the project in Ecuador in terms of subcontracting external experts, such as Rainforest Alliance, the Technical University of Loja (UPTL), EcoCiencia and UNOCACE for each main value chain to support the enterprises and communities with technical assistance in the implementation of the pilots was very effective in achieving success. This allowed, besides efficiency, to have a value chain approach that considered all actors involved along the value chain as well as the barriers, constraints and market opportunities.

162. The establishment of a strategic alliance with GIZ to support common efforts, coordinate activities and build synergies was also an effective strategy to achieve the outcome towards the project objective. GIZ co-financed some pilot projects and provided technical expertise during the first pilot projects competitive round. The experience and lessons learned from this process were used by the project to refine the tools and intervention approach for the subsequent rounds.
163. The selection process of the pilot projects with two different and separate bodies in the pilot project selection (a technical committee to assess eligibility and feasibility; and a selection committee with the participation of the Ministry of the Environment, CAF/Ecuador, CORPEI Capital for the final selection based on the recommendations of the technical committee) was also very effective in selecting strategic initiatives with the potential of having a positive impact in contributing to the project's objective.
164. In Ecuador the project directed all activities and efforts from the various components of the project (component 2, 3, 4 and even component 5) to the beneficiaries implementing the pilot projects (component 6). All these efforts, such as capacity building, quality product improvement, marketing strategies, participation in fairs, and financial support for the implementation of the project pilots led to the achievement of the expected outcome. Supported entrepreneurs and communities, whose incomes were improved through an increase in their sales are now aware of the value of biodiversity and the economic potential in following Biotrade principles and criteria in the international market. The project was able to present explicit linkages between economic and conservation benefits and contributed not only to following Biotrade P&C, but also in establishing conservation areas and/or sustainable harvesting areas following sustainable management plans. Examples of this latter is the agreement signed between communities and the Ministry of the Environment to define 3000 ha for the sustainable use of *Bursera graveolens* which is in the process of being recognized as a local reserve in Zapotillo.
165. In the Biotrade sector the most important incentive for the enterprises and communities is the international demand (assumption) for native products complying with environmental and social safeguards included in the Biotrade P&C. Important drivers were the traders/exporters (top of the value chain). Traders were, at the same time, the champions by pulling local producers and connecting them to the market. In Peru and in Ecuador the project was able to influence effectively this driver in order to attain the project's objective.
166. In Peru, additional important drivers have been the strategic private – public partnerships between the private sector (processors and traders at the top of the value chain) and the government. The private sector at the same time has been a champion by pulling local producers and connecting them to the market while the government has been key in developing enabling conditions to expand the trade and export of bioproducts.
167. The successful achievement of this outcome together with the “improved access to market” are the most important outcomes that will lead towards the accomplishment of the projects main objective.
168. Improved market access of Andean Biotrade products. This outcome was also reached with success in the three countries where the enterprises supported by the project showed an increase in their sales. In Peru the supported enterprises had a total amount in sales of US\$ 78.2m between 2011 and 2013, representing an increase of 32%. In Ecuador, most supported enterprises had an increase in sales of between 15% and 300%, with some reporting a sales increase of more than 10 times. Following the Biotrade Principles and Criteria in both countries improved the access to special markets demanding high quality products and compliance with social and environmental standards. This combined with the marketing strategies supported by the project, in particular participation in trade fairs, were the main reasons – within the project - for reaching this outcome. An important external factor (assumption) in achieving this outcome was the growing demand for Andean products.

169. In Colombia the majority of initiatives supported presented a sales increase and some of them have doubled and even tripled their sales. Most of the supported pilots are involved in the national market, which showed an increasing demand for native products. However as described earlier the national demand for products following the Biotrade principles and criteria is not clear (by either willing to pay a higher price or preference for bioproducts) and it is presumed that the local demand for bioproducts (following Biotrade principles) is small.
170. For the overall project area, the increase in sales and subsequent income for the enterprises and communities is an important incentive with tangible results for the conservation of the Andean biodiversity. Moreover, the participation of enterprises in these trade fairs has broadened their perspective on the economic potential of Biotrade. In addition, the certification process carried out by the enterprises improved the access of bioproducts to specialized markets, which has been another incentive for communities and exporters to apply Biotrade principles and criteria in the production system.
171. Regional dissemination and replication strategy. The project recently created a webpage with links to LinkedIn, as a platform to disseminate relevant information from the countries and promote replication, but given the recent creation of the website it is difficult to ensure effectiveness. The three countries produced useful tools, studies, and are documenting success stories and lessons learned that can be catalyzed by CAF, as a regional key actor, to promote an increase regional cooperation in following Biotrade principles to reduce threats to biodiversity of national, regional and global importance.
172. Given the emphasis by the regional coordination on project management, administration and coordination between the countries, as well as the delayed deliverables, the dissemination and replication strategy was developed in the final year. The usefulness of the information for stakeholders in the countries and beyond the project area cannot yet be measured and it is premature to assure that the outcomes at the regional level will be achieved.
173. The latest PIR for FY2013 does not report significant progress in achieving the deliverables/goals. It is also important to note, that the project's monitoring and evaluation system does not include the indicators for the regional component. Factors that affected the success in achieving the objective were: i) lack of resources dedicated to develop and implement a dissemination and replication strategy since the beginning of the project; iii) lack of a knowledge management component or activity in the project design; and iii) delay of the project in producing results to be disseminated. The approach for dissemination and replication was based on sharing lessons learned and information from the countries at the regional level and as such, the activity was delayed until the final year of implementation. If the project had available funds to design and implement a communication strategy from the beginning, the component would have had an important impact. Furthermore, the project document mentions the idea of having a web – based platform for information exchange, but no resources were allocated for this. Today there are successful e-platforms populated by practitioners in specific topics where information can be exchanged, but also as a platform for discussions, disseminate important events, make contacts and learning (webinars) etc.
174. External factors that might influence moving from outputs to intermediate states and impacts are the willingness and interest of the countries in the region to support Biotrade initiatives (driver) and the growing international demand for Andean products following Biotrade P&C (assumption).
175. However the permanent presence of CAF, the regional project executing agency, in the region and its interest in sustaining efforts and results achieved, as well as in developing a regional Biotrade program including other countries outside of the project area, could show that the outcomes reached at the national level will be capitalized at the regional level. This would have an impact on changes of behavior of stakeholders beyond the project area and duration, and reach the desirable impact of having an increased regional cooperation, following Biotrade principles and initiatives that will reduce threats to biodiversity of national, regional and global importance.

176. **Assessment of the likelihood of impact.** Using the Review of Outcomes to Impacts (ROtI) approach the questions to be answered in the evaluation are to what extent the project has to date contributed, and is likely in the future to further contribute to changes in stakeholder behavior as a result of the project's direct outcomes? And what is the likelihood of those changes in turn leading to changes in the natural resource base, and in the development of benefits derived from the environment to human living conditions?
177. The Theory of change is a framework designed to discuss the project's effectiveness from output all the way through immediate outcomes and intermediate states to impact and sustainability, in order to make clear its contribution to the overall development strategy. The present ToC was elaborated on using the basis of the project Logical framework and identifies those assumptions and drivers that will lead to achieving intermediate stages (Figures 1 and 2) in order to strengthen trade with and utilization of biological resources at local, national and regional levels as a strategy for (its long term goal) the conservation and sustainable use of biodiversity with global significance.
178. Figure 2 presents a summary of the Revised Theory of Change to analyze the impact pathways that link the outcomes to the impacts. As presented in the Theory of Change diagram there are intermediate states required to reach the intended impact, as well as those impact drivers and assumptions to move from outcomes to the intermediary states and from there to the impact.
179. The Review of outcomes to impact, based on the Revised ToC, is presented and summarized in the Table 4 below. The ratings of the Roti table are as follow::
- a. The project's intended outcomes were delivered or are expected to be delivered, and were designed to feed into a continuing process, but with no prior allocation of responsibilities after the end of project funding. In Peru some outcomes (Biotrade initiatives and access to market) were delivered while others are expected to be. The project created the conditions to fill legal gaps, eliminate inconsistencies and improve access of Biotrade businesses to the financial resources by strengthening capacity, raising awareness, designing tools and creating spaces for discussions/information exchange. The National Biotrade Commission, is responsible for implementing the National Biotrade Program, where PROMPERU, as the Technical Secretariat of the Commission will continue supporting the Biotrade sector, but there are no specific and allocated resources to continue the program other than the annual public resources allocated by PROMPERU. However the successful pilots following Biotrade P&C and improvement in accessing the international market are strong drivers that will support the completion of these outcomes and move the project to the intermediate stages. In Ecuador the project was successful in delivering the expected outcomes and although it was designed to feed into a continuing process where CORPEI as the host of the National Biotrade Program was responsible for providing continuity, due to changes in the internal structure of CORPEI, there is no allocation of responsibilities after the end of the project. The Ministry of the Environment is assuming this responsibility, but this will be a process that could take some time. GIZ is providing support to the Ministry in this process. In Colombia the delivery of the expected outcomes was less successful. Some legal gaps were filled and inconsistencies eliminated; and some Biotrade initiatives through pilot projects improved their access to the market and increased sales. The main orientation in Colombia to access the national market, has not resulted in a clear incentive to follow Biotrade P&C. Access of Biotrade initiatives to the financial sector was a challenge and this outcome was not fully reached given the reduced capacity of the beneficiaries in meeting with fiduciary standards. The strategy followed by the project in strengthening the financial and management capacity of the beneficiaries was adequate, however results are beyond the project term and will need continual support. The Biotrade Fund, as the agency responsible in implementing the National Biotrade Program will continue supporting this topic, but there are no specific allocation of resources (funding) after the end of the project. In addition, the National Green Business Plan under the Green Business Office within the Ministry of the Environment and Sustainable Development (MADS) as well as Green Business Offices within five different CARS (Regional Autonomous Corporations) will continue implementing

Biotrade activities in Colombia. For replication and scaling up, a regional dissemination and replication strategy was developed but its use by stakeholders of the region is still very limited. There is the interest of CAF in replicating the experience in other countries and discussions have begun to analyze this possibility.

- b. The measures designed to move towards intermediate states: In Peru and Ecuador measures to move towards intermediate states have started and have produced results. In Peru an effective policy and institutional framework is in place supporting and promoting the Biotrade sector. Here, the Biotrade P&C was adopted as the official methodology for Biotrade initiatives. In Ecuador the declaration of Biotrade as a state policy in the National Plan for the Good Living favours also the sector. The Ministry of the Environment is willing to adopt the Biotrade Program as a strategy for promoting the conservation of biodiversity under the Conservation Incentive Program. The Intermediate State regarding the financial resources leveraged for the Biotrade sector, Ecuador was very successful with pilot projects leveraging funds from the financial sector as demonstrating models that will lead to reduce the current risk perception within the traditional financial sector. In Peru the intermediate result has not yet been achieved but the conditions are in place to move towards this intermediate state. In both countries the increase in sales of biodiversity based products following Biotrade P&C and improved access to specialized market due to certification schemes carried out, has become an incentive for enterprises and communities to follow the Biotrade P&C, leading to behavioral changes of stakeholders and reduce threats to biodiversity. Enterprises and communities are aware of the importance in conserving biodiversity. This change of behavior was a direct result of the project's outcomes under the pilot projects and improve access to markets. In the case of Ecuador, pilot project supporting the sustainable use/collection of wild species (*Bursera graveolens*, reproduction of frogs for the pet industry) contributed in creating natural reserves for the conservation of these species, development of protocols for reproduction/sustainable use of these resources reducing the threats to biodiversity. The sustainable collection of the *Bursera graveolens* fruit instead of the trunks (traditionally method with a high impact degrading the forest) was an effective measure to reduce the threats to the specie and the habitat. In Colombia the project was able to improve the enabling legal and policy framework conditions to favor the Biotrade sector and some successful initiatives are beginning to lead to results given the increase in sales and improved access to the market. Biodiversity based products, such as ecotourism, birdwatching, fine and aromatic chocolate, sacha inchi oil for the cosmetic industry, etc. represent important incomes to the communities and are inducing stakeholders to recognize the value of Andean biodiversity. However the importance in following the Biotrade P&C is still not clear for products accessing the national market in Colombia. For the national market, following Biotrade P&C is not necessarily an incentive. In Colombia the Intermediate State towards leveraging financial resources from the financial sector has not been achieved. In the three countries there is no clear indication that the intermediate states achieved can progress towards the intended long term impact as there is no evidence that there will be funding to continue supporting and scaling up Biotrade initiatives. The only country with a clear evidence of resources to continue support and scaling up is Ecuador, however here the adoption of the Biotrade Program by the Ministry of the Environment is under process (no clear and allocated responsible agency). However the growing demand for Biotrade products in the international market is an important external factor that will help the intermediate states to move towards the impact.
- c. A '+' notation was not given as there is no evidence of impacts accruing within the life of the project in number of hectares that have improved following Biotrade principles and criteria from the enterprises supported. In the three countries the pilot projects present a significant sales increase, but this not necessarily represents an improvement in following Biotrade P&C. It is expected that with the project support, the compliance score will be improved. A second and final Biotrade P&C verification will be measure at the end of the project to evaluate whether there was an improvement or not. The results from the GEF tracking tool will be available at the end of the project to evaluate the impact of project.

- d. The rating for ‘achievement of outcomes’ and ‘progress towards intermediate states for the overall project is **BB**. Based on the achievement of outcomes and progress made towards intermediate states, the rating for the overall project is BB. Rating for Peru is BB, while for Ecuador it is BA and for Colombia it is BC.
- e. Overall likelihood of impact achievement, according to UNEP’s project evaluation is **Likely**. This means that it is likely that the changes made by the project will lead to changes in the natural resources base and in the development of the benefits derived from the environment to human conditions towards the project goal: Contribution to conservation and sustainable use of biodiversity in the Andean Region. Given the growing demand for Biotrade products in the international market, it is likely that the project will have the expected impact.

Table 4. Review of outcomes to impact

Results rating of project entitled:	Facilitation on financing for biodiversity - based business and support of market development activities in the Andean Region						
Outputs	Outcomes	Rating (D – A)	Intermediary states	Rating (D – A)	Impact	Rating (+)	Overall
<ul style="list-style-type: none"> <li>- National Proposal for institutional and legal frameworks on Biotrade</li> <li>- Training programs on policies and regulations associated to Biotrade</li> <li>- Norms, regulations drafted and harmonized</li> </ul>	Legal gaps in Biotrade issues filled and inconsistencies in regulations eliminated	B	Effective national policies and legal framework favours Biotrade	B	Contribution to conservation and sustainable use of biodiversity in the Andean Region		BB
<ul style="list-style-type: none"> <li>- Credit lines identified/accessible for Biotrade initiatives</li> <li>- Financial sector trained in Biotrade risks/opportunities</li> <li>- Biotrade initiatives trained on financial services</li> </ul>	Access to financing of Biotrade initiatives strengthened		Financial resources leveraged for Biotrade initiatives				



<ul style="list-style-type: none"> <li>- Training on Biotrade development</li> <li>- Biotrade pilot projects designed, selected and implemented in priority sectors.</li> </ul>	<p>Over 16,184 ha of Biotrade production following principles of minimum impact</p>		<p>Localized threats to biodiversity of global importance reduced</p>		
<ul style="list-style-type: none"> <li>- Marketing Strategies, production protocols, management plans developed for priority Biotrade value chains.</li> </ul>	<p>Improved market access of Andean Biotrade products</p>		<p>Changes in behaviour of local communities in production/use patterns of bioproducts</p>		
<ul style="list-style-type: none"> <li>- Andean Information system</li> <li>- Regional seminars on lessons learned</li> </ul>	<p>Regional dissemination and replication strategy developed and implemented</p>		<p>Increased regional cooperation to follow Biotrade principles and initiatives reducing threats to biodiversity of national, regional and global importance</p>		
	<p>Justification for rating:</p> <p>Some Outcomes were delivered and were designed to feed into a continuing process. The Ministries of the Environment as well as the National Biotrade Programs in the three countries will continue supporting Biotrade sector. Other than the annual government budget allocations from the Ministries of the</p>		<p>Justification for rating:</p> <p>The measures designed to move towards intermediate states have started and have produced results in Peru and Ecuador, which give no indication</p>	<p>Justification for rating:</p> <p>An increased amount of sales improving incomes of beneficiaries is an incentive for the conservation of biodiversity. However, there is no way to</p>	

	Environment/PROMPERU, there is no evidence, of earmarked funding allocation to continue with the programs.	that they can progress towards the intended long term impact. In Colombia the measures designed to move towards intermediate states have started, but have not yet produced results.  There is no indication that there will be financial resources allocated to continue supporting and fostering Biotrade initiatives.	evaluate if following the Biotrade P&C will actually contribute to the conservation of biodiversity.	
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**Evaluation of the achievement of the formal project overall objective, overall purpose, goals and component outcomes.**

180. The component outcomes of the project were designed with the aim of supporting the participating countries to overcome the main barriers to Biotrade and attain environmental externalities on a par with trade benefits. The project objective was to support and strengthen Biotrade in local, national and regional arenas as a strategy for the conservation and sustainable use of biodiversity. With this objective, the project's overall goal was to contribute to the conservation and sustainable use of biodiversity of the Andean Region through the provision of alternative livelihoods from Biotrade opportunities for local and marginalized communities.

181. The project monitoring and evaluation system report showed at the end of October the achievement of all goals for all indicators in the LogFrame. In fact, according to the M&E system, the project goals were surpassed. As presented in the previous section, the project was able to address satisfactorily most of the outcomes representing the main barriers to Biotrade. The factors that affected the full achievement of the outcomes were i) the delay faced by the project to become effective and the low implementation pace at the beginning of the project; ii) low institutional capacity of some enterprises (beneficiaries) supported, especially in Colombia, to connect them to the market and to the financial sector. Other factors that affected the project's performance were the bureaucracy of PROMPERU, the lack of leadership of FB, and a disconnection with partner implementers in Colombia (see section F). Despite these challenges, the project was able to move or initiate steps towards intermediate stages and the impacts.

182. The ToC in figure 1 presents the project's impact pathway, from outcomes to intermediary results and to the projects objective and goal. Figure 2 presents the drivers and assumptions. The project

was able to achieve some intermediate results, others are in the process of being achieved, while others were successfully reached in some countries but not fully in other. As pointed out in the previous section, the project made a contribution to the legal and policy framework favoring Biotrade (Intermediate Result), by designing effective policies and guidelines to avoid legal inconsistencies for the Biotrade sector. Some legal changes were proposed and still need to be approved to become effective. The three countries have institutional frameworks to promote and support Biotrade as a strategy for the conservation of biodiversity and are willing to continue supporting the national Biotrade programs (assumption).

183. The project was also successful in improving the access to specialized markets, such as organic and fair trade that provide a reward (increase sales and incomes) to follow Biotrade P&C. The access to specialized markets has become an incentive to farmers/collectors and entrepreneurs, and resulted (or is resulting) in changes in the behavior of stakeholders regarding the production process and use patterns of bioproducts (Intermediate Result).
184. The project has made clear and tangible contributions, especially in Ecuador, in reducing localized threats to biodiversity of global importance, another important intermediate result, and: establishing conservation areas for the sustainable collection of native species following Biotrade principles, maintaining native cacao under agroforestry systems, producing golden berries following a sustainable production plan, ecotourism, etc. Colombia was less successful in achieving tangible results in reducing threats to biodiversity, but has contributed in making changes to stakeholders' behavior regarding biodiversity. The sales increase of native Andean products due to a growing demand had a direct effect on the value perception of these products by the farmers and entrepreneurs, who are now more aware of its value and importance for conservation. As presented in the ToC, the change in behavior of local communities in the production/use patterns of bioproducts will lead in a further stage to reduce threats to biodiversity. It is expected that the continue demand for native products (assumption) together with the capacity building of champions in the value chains will connect farmers/producers to the Biotrade markets (driver) and thus reduce threats to biodiversity. The project was very successful in Peru and Ecuador in influencing this driver (the champion in the value chain) and strengthening the entire value chain: actors, processes and linkages along the value chains following Biotrade P&C. In Colombia the project was also able to influence this driver in those initiatives where a value chain approach was implemented (cacao value chain, ecotourism/birdwatching, essential oils) and clear champions were identified. However, some initiatives implemented by small enterprises/organizations with low institutional capacity still need support to move to the next stage. The champions providing support to these organizations are government agencies, NGO's and technical service providers that depend on external financial resources.
185. The strategy carried out by the project was effective in influencing this important driver (Champions in value chains pulling and connecting producers to markets) to reach these intermediary results prior to the project's objective. The value chain approach followed by the project allowed the creation/strengthening of public – private partnerships, where SME and community based organizations/enterprises were willing to work and support communities and farmers, providing technical assistance and connecting them to the market.
186. The Intermediary State “Financial Resources leveraged for Biotrade initiatives” was moderately achieved during the lifetime of the project and the degree of success in attaining this intermediate state is different for each country. As presented in previous sections, Ecuador made a significant progress in establishing a guarantee fund for the creation and implementation of credit lines for Biotrade initiatives. Pilot projects supported in Ecuador were able to access these resources leveraging funds from the financial sector. Peru was moderately effective (paragraph 146, 149) but the project implemented activities, influencing the driver to create the right conditions expected to encourage the financial sector to invest in Biotrade initiatives. Colombia was less effective in achieving this intermediary state. Although a guarantee fund was created and technical support was provided to SME and local organizations to improve the financial management, the SME are still facing challenges to meet the fiduciary standards to be able to access these resources.

187. The project made the assumption that consumers favor the consumption of products stemming from socially- and environmentally-responsible production. This assumption is true for the international market, however the demand for these products in the national markets is still very limited. The main focus of the project in Colombia was the national market and therefore adhering to the Biotrade P&C here is not a clear incentive. In order to have a positive influence in this assumption, the project needed to invest more resources, effort or establish alliances with other projects/programs to raise public awareness and create a demand for bioproducts in both the national and international market.
188. Following the impact pathway presented in the ToC, the driver to move from the intermediary state towards the objective is effective government policies to promote Biotrade. An additional driver is the capacity building strengthened to implement measures for the sustainable use and conservation of biodiversity. An important assumption to move towards the project's objective and goal is the growing demand for bioproducts and expansion of the sector. Given the results from the demonstration models (from the pilot projects), the growing demand for Andean Products, policy enabling conditions favoring the Biotrade sector, plus the capacity building/strengthening amongst value chains supported by the project, it looks likely that the project will be able to move towards the objective. However there are still some initiatives not linked to a value chain or have low capacity to respond to market demand. In addition the initiatives targeting the national market don't have a clear incentive to follow Biotrade P&C.
189. Important to note in the analysis is that the project's objective and goal are the sustainable use and conservation of the Andean biodiversity. However the only indicator to measure progress and achievement of the objective and goal is the compliance with the Biotrade principles and criteria. The project relied entirely on these principles and the elimination of the barriers to the Biotrade sector to achieve the project's objective and goal. Biotrade was envisioned to be a strategy for the conservation and sustainable use of biodiversity. There are two elements important to note and consider: First, the Biotrade P&C has seven principles with criteria and each criteria with a series of indicators. The project made an evaluation of the compliance of 50% or greater with these P&C, but does not disaggregate the data for each principle. In fact an initiative could improve the scorecard value by improving indicators regarding market aspects under the socio – economic sustainable principle, but not necessarily an improvement of biodiversity principles. And second, the project made an ex-ante verification of compliance with these P&C and only an ex – post verification at the end of the overall project to evaluate improvement. In Ecuador and Peru the project implemented overall monitoring to assess pilot project's progress, but there was no mid term evaluation to assess progress in complying with the Biotrade P&C.

#### ***D. Sustainability and replication***

190. Sustainability is understood as the probability of continued long term project derived results and impacts after the external project funding and assistance ends. The evaluation looked at and assessed the key conditions or factors that are likely to undermine or contribute to the persistence of benefits generated by the project, either direct factors that resulted from the project or others that depended on contextual circumstances or developments, not under the control of the project and that may condition the sustainability of the benefits. The evaluation ascertained to what extent the project had initiated follow--up work and how the project results will be sustained and enhanced over time. The reconstructed ToC assists in the evaluation of sustainability.
191. A number of conditions and patterns are needed to achieve sustainability, replication and up-scaling of the project's results. The enabling conditions to promote the Biotrade sector, establishment of public –private partnerships and strengthening of value chains, as well as improve the access of the bioproducts to the market, generating incomes to enterprises and farmers are important steps for sustainability and replication. The following sections present sustainability under its socio-political, financial, institutional and environmental dimensions.

- a. Socio-political sustainability: A key factor of the project in contributing to the sustainability of the benefits generated is the capacity building in the application of Biotrade principles and criteria which have fostered the awareness of the importance of following the sustainable use of biodiversity under these principles. Capacity building and awareness raising was focused on the importance of Biotrade created skills and tools enhancing the knowledge at the national level, and promoting the following of Biotrade principles and criteria. Participation of enterprises in regional and international fair trades contributed to increasing knowledge and awareness about the connection between conservation and development. Valuing the products based on biodiversity and their continued demand in the international market is also crucial. In addition to this latter, in Peru the involvement of MINCETUR and capacity building in Biotrade of the commerce chambers such as ADEX, CII functioned as multiplier agents for further capacity building among their partners. The creation of public – private partnerships in the value chain for Biotrade products is key to developing and consolidating the sector beyond the project. The project supported the strengthening of the value chains connecting producers to traders/transformers to market following the Biotrade approach, where the identification of champions able to link farmers with the market was key to attaining successful results to be replicated. It is noteworthy to mention that the Catholic University of Peru recently created a Master's degree program in Biotrade and sustainable development which will be a powerful platform from which capacity building in Biotrade will be replicated, demonstrating the potential for increased awareness of the topic in the country. Finally but no less important for sustenance of the project's results, is the use of the Biotrade principles and criteria matrix generated by the project as the official tool in the National Biotrade Program of PROMPERU. These factors are a direct result of the project. Also, the robust institutional and stable policy framework for export promotion, as well as the strong capacity within the private sector in Peru, were decisive in achieving the project's overall purpose and are key factors to the sustainability of the benefits generated by the project.

In Colombia additional key factors to those mentioned above are the strategic alliances with external actors such as Pro Export, FOMIN and the National Park office who will continue supporting these efforts. The capacity strengthening in Biotrade concept and approach within the implementing partners, Fundacion Natura and Corporacion PBA as stable organizations supporting and providing technical assistance to community organizations and enterprises, will contribute to the sustainability and replication.

In Ecuador important factors for sustainability and replication are the capacity building and strengthening of the links along the value chains demonstrating success and resulting in the likelihood of replication in the project area and beyond. Important stakeholders, considered as champions in this process, were those enterprises, community based organizations or entrepreneurs acting as motors in the value chain, linking farmers/producers with the market. The capacity building and awareness raising of enterprises and communities on the strong linkages between biodiversity and market opportunities is also key for sustaining the benefits and results of the project. Another factor that will contribute to sustainability is the capacity transfer of the Biotrade concept to the sub – contractors or implementing partners of the project (Rainforest Alliance, UNOCACE, EcoCiencia, the Private Technical University of Loja), who are stable and permanent actors providing technical assistance in the field and who will contribute to the persistence of the benefits generated by the project by continuing to support these efforts. The growing national and international demand for native products that provides an incentive to farmers and traders in conserving and protecting biodiversity in the Andean region is also crucial and a key external factor, not under the control of the project but important for the sustainability and replication. Although the project efforts involved sustainable use/production of Andean products, the project was mostly concentrated on the environmental authorities and didn't include other important sectors, such as agriculture or development. A higher political commitment within development programmes and policies, especially in the agricultural sector, was needed to expand the Biotrade approach.

- b. Financial resources: Continued financial support to strengthen the production and sustainable use of Biotrade products, the promotion in the international markets, creation of national/local demand, as well as consolidation of the value chains is still needed. The building blocks to consolidate the sector are established but financial resources and a strong leadership in continuing all the efforts are required. Except for in the case of Ecuador, a possible limitation to move from outcomes towards impact is the lack of a financial mechanism or dedicated credit lines for Biotrade investment. This was an issue identified during the project design and the project didn't adequately tackle the lack of financial resources to Biotrade initiatives. However, given the significant results attained by the enterprises in access to markets, increase in sales and incomes can motivate the financial sector to invest in the Biotrade sector. In Colombia the creation of the revolving funds will contribute to the sustainability of these initiatives. In Ecuador, it is expected that the Ministry of the Environment will continue supporting the topic through the Incentives Program, but there are still no concrete results. Currently there are no available financial resources to implement Biotrade as a program and provide continuity to the monitoring system or the programs website. However other agencies, such as the UTPL, Ecociencia, Rainforest Alliance, UNOCACE will continue supporting the communities and enterprises in the field. The government is also interested in looking for additional financial resources from the international community. In addition the credit lines in CORPEI CAPITAL and PROINVEST with available financial resources to the private sector for the investment in Biotrade initiatives will contribute to replication and scaling up.
- c. Institutional framework: The National Biotrade Programmes in the three countries will continue supporting the topic and are key for attaining the impacts. In Peru, a consolidated institutional framework with a National Biotrade Program and a National Biotrade Committee are also key factors that will lead to the stated impact. PROMPERU will continue supporting the activities and initiatives, catalyzing the achieved results. Important to highlight is the level of ownership by PROMPERU. Since the project preparation institutional staff were actively involved with the project. In Colombia the creation of the Green and Sustainable Business Office in the Ministry of the Environment and Sustainable Development where Biotrade is one of its strategic guidelines is an important factor that will influence positively the sustainability of the project. In Ecuador the introduction of Biotrade in the National Government Plan for the Good Living 2014 – 2017 where Biotrade is considered a state policy is an important factor that will influence positively the sustenance of the project results towards impacts. The interest of the government in supporting the Biotrade sector through the Incentives Program for Conservation and Sustainable Use of the Natural Patrimony will also lead towards sustainability. However other important government actors, and particularly the Ministry of Agriculture, are missing in the three countries. The absence of the Ministry of Agriculture, considering that the main sector supported in the pilot projects was in the food industry, was an oversight in the project design. In Peru, some of the national market-focused initiatives supported and implemented mostly by community organizations (Essential Oils with ASSPROMAC) won't be supported after the project by PROMPERU (as it is primarily focused on export). The sustainability of such initiatives may be at risk if other national actors are not involved to continue providing technical assistance. In Ecuador there was a lack of leadership and active participation of the government in the creation of PPP's as their role remained at the approval level. The establishment of an Inter Institutional Committee to lead and promote the Biotrade sector was not replicated within the Ministry of the Environment and the subject couldn't transcend to other strategic government levels to strengthen the Biotrade sector, such as PROECUADOR, Ministry of Agriculture or the Ministry of Tourism, among others. Besides government agencies, the project was active in developing technical and management skills and tackled the enhancement of institutional capacities in enterprise development, financial management, marketing strategies and sustainable good quality production, certification, innovation, and building strategic alliances along the value chains. Transferred knowledge in Biotrade principles to the project partners/sub-contractors such as Rainforest Alliance, EcoCiencia, UTPL and UNOCACE, with a long history in biotechnology, research, and supporting local organizations and enterprises in sustainable development, has strengthened the institutional framework in the country to enable the conditions necessary for the success of the Biotrade sector.

- d. Environmental sustainability: The project emphasized the application of and adherence to the seven Biotrade principles (paragraph 41) along the production processes where conservation of biodiversity and sustainable use of biodiversity are part of them. It is expected that the compliance with these principles will reduce the risk of overexploitation and degradation of the habitats. Important to note is that the establishment of skills in Biotrade principles, together with incentives created by getting access to market of certified products, is expected to stimulate initiatives facilitating the environmentally sustainable production and use of biodiversity. The project made important contributions in promoting and establishing certification schemes in production processes, developing management plans, and supporting and contributing to the creation of natural reserves for the sustainable use of resources. Other than climate change, there are no environmental factors that can negatively influence the future flow of project benefits

192. Catalytic role: The catalytic role of GEF funded interventions is embodied in their approach of supporting the creation of an enabling environment, investing in pilot activities which are innovative, and showing how new approaches can work. UNEP and the GEF also aim to support activities that upscale new approaches to a national, regional or global level, with a view to achieve sustainable global environmental benefits. In this sense, the evaluation assessed the catalytic role played by this project, namely to what extent the project has:

- a. Catalyzed behavioral changes in terms of use and application by the relevant stakeholders of: i) technologies and approaches show--cased by the demonstration projects; ii) strategic programmes and plans developed; and iii) assessment, monitoring and management systems established at national and regional level: The value chain approach used by the project and the use of Biotrade principles and criteria matrix as a tool to measure and improve environmental, socio - economic, equity and legal aspects in the production/transformation of bioproducts, contributed to catalyzing behavioral changes in the beneficiaries. The value chain approach and the adherence to the Biotrade principles helped enterprises and producers access markets demanding certified products and resulted in a subsequent increase in their sales. Entrepreneurs are aware of the market demand and the potential of selling products that comply with social and environmental safeguards and are thus willing to incorporate and follow Biotrade principles. The project didn't develop strategic programs, since it was inserted into a National Biotrade Program, but it did contribute to strengthening this program through the capacity building of enterprises, strengthening of value chains and the development of tools, such as the Biotrade P&C matrix, and business plans methodology. The project also contributed to developing sustainable management plans of specific species (*Bursera graveolens* for example), production management plans, and proposals for the creation of protected areas and natural reserves. The monitoring and evaluation systems established at the national and regional level focused on the project management and as such its use was reduced to internal purposes. The project created a website in each country and a regional website containing strategic and useful information linked to "LinkedIn" as a strategy to disseminate the information and create awareness at the regional level. Given the delays and limited emphasis given to the regional component in sharing lessons learned and strategic information to improve the Biotrade sector from a regional perspective, outcomes haven't been achieved yet. Accordingly, the catalytic role of the project was mainly at the national level with the aim to replicate from here to the regional level. Nevertheless the project played an important catalytic role at the regional level by contributing to the creation of the Green Business Unit within the CAF structure, which will support the Biotrade sector in the future. In addition and as mentioned previously, CAF is interested in preparing a new regional project with other countries beyond the project area to replicate lessons learned and the successes, and is aiming to achieve a US\$100 million goal for a regional Biotrade Initiative by 2018. For future regional projects it is recommended that more strategic importance is given to regional coordination for sharing lessons among stakeholders during the design phase, which should lead to increased scaling up and replication.
- b. Provided incentives (social, economic, market based, competencies etc.) to contribute to catalyzing changes in stakeholder behavior; Participation of stakeholders in different national

and international trade fairs was an important incentive, while marketing strategies developed for accessing the market for Biotrade products contributed to catalyzing changes in stakeholders.

- c. Contributed to institutional changes. An important aspect of the catalytic role of the project is its contribution to institutional uptake or mainstreaming of project--piloted approaches in the regional and national demonstration projects; it motivated and contributed indirectly to the creation of the "Green Market Office" within CAF to tackle and invest in environmental issues in the region. Important to mention is that CAF is exploring opportunities to develop a Biotrade project in other countries in Latin America.
- d. Contributed to policy changes (on paper and in implementation of policy); Although the project had a component to strengthen and make changes to the legal and policy framework, its contribution was moderate to effectively make this change and legal amendments and regulations drafted are still expected to be approved. Guidelines for the application and compliance with norms and regulations related to Biotrade were developed to support the private sector. In Ecuador the project supported the creation of natural reserves.
- e. Contributed to sustained follow-on financing (catalytic financing) from Governments, the GEF or other donors; Regarding the project's contribution to an institutional change, its contribution to sustained follow – on financing from the GEF or other donors was weak in Peru and Colombia, but there is sustained follow-on financing from the Government through the National Biotrade Programs. In Ecuador, the creation and effective implementation of two credit lines to support the Biotrade sector contributed to the sustained follow – on financing of the results achieved by the project. In addition, the Government of Ecuador is interested in exploring financial possibilities with the international community (GEF and other donors) to continue supporting efforts made by the project.
- f. Created opportunities for particular individuals or institutions ("champions") to catalyze change (without which the project would not have achieved all of its results). The intervention approach of the project working with the head of the value chain – processor/trader/exporter – created the opportunity for these actors to become champions in catalyzing change. In Ecuador working with external sub – contractors and implementing partners gave an opportunity for these actors to become champions in catalyzing change as they were crucial in providing technical assistance to the beneficiaries in order to improve compliance with the Biotrade principles and criteria.

193.Replication. In the context of GEF projects, replication is defined as lessons and experiences coming out of the project that are replicated or scaled up. The approach adopted by the project to promote replication was the development of communication strategies in each country and at the regional level, including the construction of project websites and the dissemination of information through it. The website is considered as a key tool in the project's strategy to catalyze the benefits of its results, reporting 190,000 visitors in Peru, 390,000 visitors in Colombia, and 60,000 visitors in Ecuador to its websites. The communication strategies were developed and implemented at the end of the project given the delays, and the dissemination of successful experiences for scaling up will take time. A dynamic private sector and a growing demand for Biotrade products are relevant factors for scaling up. Finally and as mentioned before, CAF as a regional agency is exploring possibilities to replicate the experiences and lessons learned in other countries and regions in Latin America. Conditions and factors that will influence the replication will be converting the interest demonstrated in some countries to financing the implementation of a new Biotrade project/program in other countries in the region.

#### ***E. Efficiency***

194.A calculation of cost effectiveness of money spent by the project is difficult because expenses were not reported by activity but by budget line. However a number of elements can provide information to evaluate the project efficiency. The project relied on the use of existing institutional structures, PROMPERU in Peru, the Biotrade Fund (FB) in Colombia and CORPEI in Ecuador, as the National



Executing Agency, instead of creating new ones that resulted in important savings for the project. CAF contributed significant co – financing to the project for regional management meetings, coordination, supervision and communication activities. The national partners provided substantial organization and backstopping, such as technical expertise and institutional resources, including infrastructure to implement the project. In Peru, the national partner provided infrastructure in Lima and in the provinces. This was particularly evident in the implementation of a decentralizing strategy, facilitating close working relationships in the provinces with the stakeholders in order to provide adequate technical assistance. In addition, the use of the clients’ network of the national partners, with whom they had previous relationships helped in reducing the risk of trial and error for the identification and selection of stakeholders for the pilot projects.

195. The national partners, as the National Executing Entities, had autonomy in the project management at the country level. There were no unnecessary interventions from CAF, the regional executing agency in decision making and administrative issues, allowing efficiency in the project implementation. However, the internal bureaucracy of PROMPERU, in Peru and the lack of leadership from FB in Colombia at the beginning of the project affected the performance and efficiency with long processes and low implementation pace (more details discussed in section F).
196. Strategic alliances were established with Peru Biodiverso, a project supported by the German Technical Cooperation in Peru, Pro Export, National Parks and UNAD – BID - FOMIN in Colombia and GIZ in Ecuador where synergies, coordination and complementarities were defined and created. The project established implementation arrangements, through sub – contracts, with Fundacion Natura, Corporacion PBA and Corporacion Plantta in Colombia. The implementing partners in Colombia were also members of the board of directors of FB and this caused a conflict of interest in assessing performance effectiveness and efficiency. In Ecuador, the changes to the institutional structure of CORPEI, with the separation of the Government, had a strong impact on the implementation of the project. In order to overcome the situation, the project established strategic alliances with external partners and subcontractors that resulted in an efficient way to achieve results. In Ecuador, the partnership established with GIZ was very important for achieving coordinated efforts for pilot co-financing, design of methodologies and tools and establishing PPP.
197. The project suffered from moderate to significant delays to prepare contracts, develop tools, etc. as presented in paragraph 50. Besides these delays, in Peru the long processes needed to comply with the national procurement and contract regulation was the main challenge faced by the project, affecting its efficiency in delivering the expected outcomes and achievement of the project objective. In Colombia as mentioned before, the lack of leadership of FB and clear guidance in the implementation approach at the beginning of the project implementation lead to dispersed and atomized initiatives that resulted in inefficiencies. The MTR warned about this issue and made recommendations.
198. Despite the delays and challenges presented, the project was able to overcome these issues. In Peru a robust and stable policy framework for Biotrade export promotion in the government’s agenda, as well as a strong capacity within the private sector, combined to create effective Public Private Partnerships. In Colombia the project followed the recommendations provided by the MTR and contracted a project coordinator, implemented management changes, provided guidance on capitalizing efforts to reach impacts and established strategic alliances with other projects and programmes to build synergies. The strategy carried out in Ecuador, sub contracting external implementing partners (Rainforest Alliance, UNOCACE, EcoCiencia, UPTL) was effective and efficient. Despite moderate delays encountered by the project in Ecuador, this strategy allowed the project to attain the results on time.

#### ***F. Factors and processes affecting project performance***

##### Preparation and readiness:

199. *Were project stakeholders adequately identified?*

During project preparation stakeholders were adequately identified. There was extensive stakeholder consultation and a mapping and analysis that included government agencies, trade promotion boards, research institutions, community organizations, small and medium-sized enterprises in the Biotrade sector, as well as regional and international organizations operating in the sector. However, a strategic stakeholder in the food chain, such as the Ministry of Agriculture was absent in the project.

200. *Were the project's objectives and components clear, practicable and feasible within its timeframe? Were the capacities of executing agencies properly considered when the project was designed? Was the project document clear and realistic to enable effective and efficient implementation? Were the partnership arrangements properly identified and the roles and responsibilities negotiated prior to project implementation?*

The majority of activities, outputs and outcomes are well designed with a set of pathways that connect the initial outputs with the desired outcomes and subsequently with the objective and goal. The project components were designed to tackle directly the main constraints and barriers faced by the Biotrade sector at the time the project was prepared. And even though all components are important and needed to achieve the outcomes and subsequent objective and goal, the complexity of the project with seven components was difficult to manage. Moreover, according to interviews with stakeholders during the field visit, the project seemed to be confusing given the small amount of information available, and it was not always clear to stakeholders how to participate. Some components could have been merged (component 2 and 4: 1), or arranged with subcomponents (component 3 under component 6) in order to have a simpler structure. Knowledge Management is not present in the project as a specific activity and replication and dissemination activities were under the regional subcomponent. The pilot project selection process was slightly different in the three countries, but was based on a two step process (see paragraph 47 vi) Although the ProDoc stated that a standardized scorecard will be agreed upon at project inception and become part of the project's M&E framework, each country developed their own scorecard (Biotrade P&C matrix) to verify compliance with Biotrade P&C. The regional coordination of the project at CAF designed and shared with the countries a draft scorecard proposal, but this was not jointly discussed extensively. The countries used it as a basis and developed their own ones (resulting in the delays mentioned in previous sections) to adapt it to the relevant country context. Components were feasible within the timeframe, but the capacity of the executing agency in Peru was not adequately considered. There is no doubt that the partner for executing the project at the national level was the appropriate one. However the project design did not adequately analyze the national executing agency's capacity and experience in project implementation and financial management. During project preparation and readiness, contracting a service provider to perform financial management would have made a difference. Roles and responsibilities were clearly defined and negotiated in the three countries. However, in Peru there were no discussions on administration of funds and according to PROMPERU, there was the belief that funds were to be managed by CAF or an external actor (i.e. PROFONAMPE who has usually provided financial services to MINAM in the implementation of other projects). Administrative issues linked to an elevated bureaucracy in Peru were the cornerstone in the delays for readiness and during implementation. In Ecuador, the organizational, legal and budgeting changes in the National Executing Agency,, originally with financial support from the government, had an impact on its budget and the resources committed for co- financing. Due to the successful intervention of CAF to negotiate and reallocate resources in order to cover expenses originally defined as co – finance, CORPEI was able to continue as the NEA for the project in Ecuador.

201. *Were counterpart resources (funding, staff, and facilities) and enabling legislation assured? Were adequate project management arrangements in place? Were lessons from other relevant projects properly incorporated in the project design? ? What factors influenced the quality--at--entry of the project design, choice of partners, allocation of financial resources etc.? Were GEF environmental*

*and social safeguards considered when the project was designed? Were sufficient components integrated into the project design to ensure the obtaining of commitment of government representatives? Were sufficient provisions integrated into project design to minimize delays in implementation? Were the projects designed with the needs of the countries in mind and to what extent where they aligned to national priorities?*

202. Counterpart resources such as funding, staff and facilities as well as the enabling legislation were assured, and the GEF environmental and social safeguards were considered in the design. Regarding this latter, the project relied entirely on the compliance with the Biotrade Principles and Criteria to meet the GEF environmental and social safeguards. The project design included an active participation of the government in the National Steering Committee and in the Project's Steering Committee (Ministry of the Environment and the National Biotrade Programs), to guarantee ownership and continuity beyond the project implementation period. In addition, it is important to mention that the project design was fully connected with the country needs and responded to national policies and priorities: National Biodiversity Strategy, and the National Promotion Biotrade Program. In Colombia, the project design included a governance structure at the political and technical level with the participation of government agencies, private sector and the academia - Ministry of the Environment and Sustainable Development, PROEXPORT, SENA (National Technical Teaching Service) and ACOPI (Colombian Association of Small Industries), aiming to guarantee ownership and continuity beyond the project implementation period. However these entities didn't have a role in the decision making. In Peru and Ecuador, the national committees (National Biotrade Committee in Peru and the Project's Director Committee in Ecuador) were responsible for the adequate and proper execution of activities and the administration of the resources as defined in the project's budget, and pilot project's selection.

203. Project implementation and management. *The evaluation of the project implementation and management makes an analysis of implementation approaches used by the project, its management framework, the project's adaptation to changing conditions (adaptive management), the performance of the implementation arrangements and partnerships, relevance of changes in project design, and overall performance of project management.*

204. The project followed an implementation approach based on the application of the Biotrade principles and criteria as the core strategy of the project. The implementation and management modalities were different in each country according to the NEA's procedures. In Peru the project had a focus on the value chain approach towards improving access to international markets. For PROMPERU, a government agency with complicated and long bureaucratic procedures, implementing an adaptive approach was difficult. Therefore the project contracted additional staff to overcome the challenges. In Peru a full time project coordinator and administrative assistant oversaw the day-to-day management of the Project under the direct supervision of the National Biotrade Program. The intervention in the field was decentralized, with 6 monitoring experts spread across: Cusco, Piura/San Martin, Madre de Dios, Junin - Cajamarca, Lima - Huanuco, Puno - Arequipa. Each monitoring expert supported a different value chain and provided technical assistance to the beneficiaries, performing monitoring activities and analyses of the value chains. This management approach helped to overcome the difficulties in complying with complicated procurement and contracting processes of PROMPERU. Although, the staff was almost entirely dedicated to administrative issues and was not able to focus on strategic planning. Due to institutional changes in Colombia and in Ecuador (AvHI replaced by FB a smaller organizations and separation of the government in CORPEI's structure), the project was able to overcome and adapt to these changes by sub-contracting implementing partners and making adjustments to the budget structure.

205. In Colombia the FB signed agreements with implementing partners: Fundacion Natura and PBA, two organization members on its board of directors. Fundacion Natura was responsible for implementing component 1: Strengthening of the Policy and Legal Framework, assessment of beneficiaries using the Biotrade P&C tool and Access to Benefit Sharing (ABS) analyses. PBA was responsible for supporting access to market, capacity building, market information, leverage of

financial resources for Biotrade initiatives, pilot projects, and the dissemination and replication strategy. As discussed in paragraph 203b, division of activities by topics/components was less effective as the assistance provided was not fully aligned to the beneficiaries' needs and weaknesses. The project in Colombia counted with a full time national coordinator and administrative assistant, who oversaw the day to day management of the project under the supervision of the FB director. The project did not have a monitoring and evaluation unit or specialist in Colombia to supervise implementation in the field and implementers worked independently, reporting to the National Coordinator. The National Coordinator in Colombia also interacted with the supported initiatives and performed complementary activities. In Ecuador, CORPEI signed sub contracts with Rainforest Alliance, UNOCACE and UTPL as project implementing partners. EcoCiencia was responsible for adapting and applying the Biotrade P&C matrix, while Rainforest Alliance was responsible for supporting the Sustainable Tourism Value Chain, identifying potential beneficiaries and supporting them with technical assistance in the implementation of the pilot projects. UNOCACE provided technical assistance to beneficiary enterprises in the cacao value chain. UTPL supported the natural ingredients and agriculture value chains. In addition the project in Ecuador contracted short term consultants as needed.

206. The implementation arrangements and partnerships established in Ecuador were very effective and efficient. Implementing partners provided technical support to the value chain under their expertise, addressing needs, weaknesses' and barriers along the entire value chain, linking farmers, with processors and the market. The project employed a full time national coordinator and administrative assistant based in Guayaquil, who oversaw the day to day management of the project. The project had a monitoring and evaluation specialist based in Quito, who was appointed to oversee the day to day technical work and supervised the implementation in the field at the national level. However, given that the pilot projects were implemented throughout the country, the monitoring and evaluation was difficult and expensive due to logistic and human resource requirements that were not adequately quantified. In the final year a communication specialist/consultant was contracted at the regional level to design and implement the communication strategy. However in order to communicate effectively, particularly to raise awareness, increase participation, improve knowledge and also for scaling up and replication purposes, a communication strategy needs to be part of the initial project design and communication activities need to occur throughout the project. At the point of the Terminal Evaluation, the project was implementing communication activities at the regional and national levels, for lessons learned exchange and replication and scaling up, but in general this activity was left too late, and only after receiving results from the pilot projects. The project document established that the project would employ an ecosystem management approach aiming to promote policy development and resource utilization that integrate sustainable use principles and the need of conservation to sustain its natural resource base and ecosystem services. However during project implementation, even though the concept of ecosystem management approach was integrated in the Biotrade principles and criteria, its approach was not explicitly tackled. In some cases the project gave more weight to trade and marketing issues than environmental issues. According to the the National Project Coordinator in Ecuador it was CAF's decision to use the Biotrade P&C matrix based on species, instead of the one developed by Ecuador which had an ecosystem approach.

- (a) *To what extent the project implementation mechanisms outlined in the project document have been followed and were effective in delivering project outputs and outcomes. Were pertinent adaptations made to the approaches originally proposed?*

In the light of differences in institutional capacities and different needs of stakeholders, the project, mainly in Peru and Ecuador, tailored capacity building, access to market, market studies, development of new products, etc (from component 2, 3, 4) to the beneficiaries needs and implemented them throughout the pilot projects (component 6). This approach was efficient and effective as it responded directly to the needs of the beneficiaries.

- (b) *Evaluate the effectiveness and efficiency of project management by the National Executing*

*Agencies and how well the management was able to adapt to changes during the life of the project.*

The NEA's in each country were very different. In Peru the NEA (PROMPERU) was a government agency; in Colombia the NEA (FB) was a Foundation dedicated to providing funding to Biotrade small enterprises with limited expertise in project implementation. In Ecuador, the NEA (CORPEI) had a long history and experience in project implementation and was linked to the private sector. These differences had an effect in their performance. As mentioned in paragraph 197, PROMPERU as a government agency was less able to adapt to changes and faced bureaucratic processes for the implementation of the project. However, it was a strong and robust institution with extensive expertise in the export sector. The strategic approach implemented by PROMPERU following a value chain approach, establishing PPP and promotion compliance with Biotrade P&C was effective in delivering the outcomes towards results.

In Colombia, the FB also provided expertise to the project. The implementing partners with a long and extensive experience in conservation of biodiversity, rural development, and business incubation were strategic partners for the project. However at the initial stage of the project, FB was facing a lack of leadership and didn't provide adequate guidelines to the implementing partners who were performing disconnected and dispersed actions. In addition, the participation of members from the board of directors as implementing partners (both Fundacion Natura and Corporacion PBA are active members of the board of directors of FB, and moreover, Fundacion Natura currently holds the presidency) could be a conflict of interest. Fundacion Natura, besides being one of the project implementers, also received support from the project as a beneficiary. This situation represents a conflict of interests that should be avoided.

CORPEI Ecuador was very effective and efficient. The strategic alliances established with external implementing partners and flexibility in the processes provided efficiency to adapt to and respond to changes. The three NEAS, especially FB and CORPEI were able to establish strategic alliances with government and international programs to build synergies.

For the pilot project's selection process Ecuador and Peru followed a similar processes that involved the verification of compliance with the Biotrade P&C followed by a field visit. Based on this, the project provided technical advise to the beneficiary to develop the pilot project (work plan/ business plan) in order to address needs and weaknesses to improve the Biotrade P&C. Approval of the pilot project was carried out by a Committee (the National Biotrade Committee in Peru and the Project's Director Committee in Ecuador). Participation of a Committee, integrated by representatives of external institutions, in the selection and approval of the pilot projects gave transparency to the process and allowed the selection of strategic and relevant pilot projects of greater impacts.

In Colombia the beneficiaries were selected following the two step process of pre-selection and selection based on the compliance of the Biotrade P&C. With a few differences the beneficiaries received the same support, mainly training in Biotrade, environmental issues, sustainable management/production, financial and organization management, and also linkage to value chain, business roundtables, marketing plans, and trade fairs. Technical support provided in the pilot projects didn't address specific needs or weaknesses of each beneficiary, but was general for all beneficiaries. Each beneficiary received support from two, three and even four implementing partners/subcontractors (during the field visit a beneficiary organization complained about the amount of trainings received and from so many different organizations). As mentioned before, in Colombia as opposed to Ecuador, the implementing partners support was divided by topic (component) instead of by value chain

and that is why one beneficiary received support from different organizations. It is important to highlight that approval of pilot projects remained basically under the projects director's control. The entire process for the pilot project definition and approval was less effective in Colombia than in the other two countries mainly because the role of each implementing partners was divided by topic instead of by value chain, support was generalized for all beneficiaries instead of being specific to the needs and weaknesses along the value chain. Pilot projects didn't include activities for the application of the training (i.e. trainings in good agricultural practices (GAP), and there were no activities for implementing such practices nor for certification). Finally the lack of an external committee for pilot project selection reduced transparency and was less effective. As noted before, some non -relevant initiatives (coffee or plantain) were selected.

- (c) *Assess the role and performance of the units and committees established and the project execution arrangements at all levels.*

The steering committee composed of UNEP as implementing agency, CAF as executing agency, and NEA's from each of the countries met physically once a year mainly to evaluate the progress of the project relative to the expected products and provided strategic directions for the implementation of the project – both at national and regional level – and to guarantee the necessary inter-institutional coordination. There was a continuous exchange of information through the internet and conference calls, as required and needed. The executive secretariat had technical/operative functions and was integrated through the regional coordinator and the national project director of each NEA. Communication within the executive secretariat was open and very effective for exchange of information and experiences among the three countries. At the national level, the national committees in each country were involved in guidance and follow up of the project and were mainly integrated in the regional meetings of the steering committee. In Peru and Ecuador the national committee provided guidance on implementation and was responsible for overseeing the proper execution and administration of the resources. In addition the Committee evaluated and approved the pilot projects. This structure with multiple stakeholders from different agencies gave balance to decision making and transparency to the selection process of the pilot projects in both countries.

In Colombia, the participation of the national committee in the selection process of the pilot projects was absent, and internal implementation decisions relied mainly on the project director. In order to provide strategic and objective inputs to decision making as well as to enhance transparency, the involvement of the national committee in the pilot project selection process should be incorporated.

- (d) *Assess the extent to which project management, as well as national partners, responded to direction and guidance provided by the National Coordination Committee and UNEP supervision recommendations.*

Guidance from the Regional/National Coordination Committee and UNEP supervision recommendations were followed. However the project implementation units within the NEA's had freedom in the project management. The regional coordination performed coordination and supervision activities, providing guidance to the countries, aligning the actions implemented by the partners as needed. However, as mentioned earlier, the NEAs had liberty to follow their own methodologies and approach.

- (e) *Identify operational and political / institutional problems and constraints that influenced the effective implementation of the project, and how the project partners tried to overcome these problems. How did the relationship between the project management team and the national*

*coordinators develop?*

The separation of the government financial contribution to CORPEI's budget had a strong impact on CORPEI's finances and there are no allocated resources for providing continuity to the Biotrade Program. The project has made efforts to pass the responsibility to continue a Biotrade program to the Ministry of the Environment. Biotrade was declared a State Priority and was integrated in the National Good Living Plan. The Ministry of the Environment is open and willing to incorporate the Biotrade Program in its structure. However this is a process that will take some time and will be completed in the near future. GIZ is supporting the Ministry of the Environment by contracting a consultant that will design guidelines and procedures to incorporate the Biotrade Program under its structure.

*(f) Assess the extent to which MTR recommendations were followed in a timely manner.*

The MTR recommendations were to accelerate the overall implementation pace, implement the communication and replication strategy with guidance from the regional coordination, finalize and implement the monitoring and evaluation system. For Peru the main recommendation was to increase the staff to support and accelerate the procurement activities. Recommendations for Ecuador included the improvement of monitoring activities. The recommendations for Colombia, where the situation was considered critical at that time, included the contracting of a National Project Coordinator, reorientation of efforts to those initiatives promising to have a rapid and positive impact.

All recommendations from the MTR were attained in a timely manner, accelerating the implementation pace and implementing a communication strategy to disseminate results, success stories and lessons learned. The project finalized and implemented an online M&E system to assess project performance. In Peru, additional staff was contracted to overcome the bureaucracy, however the delays in the procurement processes continue to be an issue. In Colombia a new Project Coordinator was contracted and promising initiatives of high and rapid impact were identified. After carrying out the MTR recommendations the pace of implementation was accelerated, recapitalizing efforts and achieving almost all outputs. In Ecuador recommendations from the MTR were attained in a timely manner accelerating the implementation pace for the pilot projects. The monitoring and evaluation system was finalized, and the communication activities were implemented for disseminating results. However, the transfer of the project to the public sector, especially to PROECUADOR (who should be the natural partner of the project) as recommended by the MTR has not been possible despite the efforts made by the project. In discussions the Ministry of the Environment, which remained the government partner of the project, presented its interest in incorporating the program under its structure.

*(g) Assess the extent to which the project implementation met GEF environmental and social safeguards requirements.*

The project relied entirely on the compliance with the Biotrade Principles and Criteria to meet the GEF environmental and social safeguards. In Peru the mandatory principles for the pre selection step (paragraph 120) didn't include a clause restricting those initiatives that would have processes to either convert natural habitats to agricultural systems or natural forest to other productive systems. This indicator was included under the biodiversity conservation principle, but was not mandatory. The ProDoc defined the use of the GEF tracking tool to ensure the conservation and sustainable use of biodiversity at the beginning of the project, MTR and final evaluation. The mandatory eligibility criteria needed also to be aligned with the GEF environmental and social safeguard.

207. Stakeholder participation and public awareness. The project focused on participation and collaboration between public entities, the private sector and local communities with the main focus on public institutions as well as the private sector, under the leadership of the NEA's and in collaboration with the Ministry of the Environment in each country. In fact, according to the ToC, in pathway 1, participation of policy makers was envisioned to improve their capacities in Biotrade topics so as to strengthen the legal and policy framework associated to Biotrade. In pathway 2 the participation of the financial sector was designed to raise awareness and engage their participation and commitment to adapt credit lines and make them accessible to Biotrade initiatives. While in pathway 3 and 4 the initial steps were to enhance the skills of project partners (beneficiaries) and support their activities and in a later step raise awareness among enterprises and communities. The project structure approach to decision making and reliance on the co-financing mechanism made possible the involvement of partners in creating a consensus on planned activities. On the other hand the establishment of PPP in the pilot projects fostered the participation of the private sector and local communities. However these two didn't have a role in decision making. Identification and engagement of stakeholders during the project design corresponded to recognized barriers, limitations and opportunities for Biotrade in order to reach the project objective and goal. Strengths of this approach are to include key stakeholders with whom the project will intervene. Weaknesses of the approach are the exclusion of other potential and strategic partners, such as the Ministry of Agriculture given the participation of the food sector in the project. Other relevant actors not considered were the Ministry of Finance, Planning and the international cooperation.
208. Collaboration of public actors was good, especially the Ministry of the Environment and the agencies involved in the National Biotrade Commission who gave an important support in providing inputs for the design of the Biotrade P&C matrix. Strategic alliances were built with ANDI, PROEXPORT, FOMIN, National Parks Office in Colombia to support and provide co – financing to project pilots. In Peru and Ecuador strategic alliances were established with GIZ with technical expertise and co- financing of pilot projects. In Ecuador, the collaboration of public actors was weak, especially PROECUADOR who didn't have a protagonist role. The Ministry of the Environment collaborated through the provision of training in biodiversity topics and feedback and approval of different short term contracts mainly under component 1. Training and capacity building for the overall project was also intended to build awareness on the importance of Biotrade and gain support for incorporating the topic in the institutional plans and agendas. Efforts in creating awareness among the financial sector was not completely effective due to failure in the strategy implemented (wrong audience defined), delays of the project starting with this activity at the end and lack of expertise from the National Executing agency in Peru and low capacity of the Biotrade enterprises supported in Colombia.
209. Awareness raising amongst enterprises and communities was highly effective through the experiences in the pilot projects as well as participation in trade fairs, demonstrating the value of the biodiversity and hence the need for its conservation and sustainable use. The main motivation and incentive for the conservation and sustainable use of the biodiversity, specifically the Andean products, is the economic value and market demand. In Colombia, awareness among enterprises and communities about good practices and the value of biodiversity is beginning to have results. However it will take time as demand for bioproducts increases to have an impact on the importance of its conservation and sustainable use, given that the demand in the national market for Biotrade products is not perceived as evident. The results of the project haven't yet promoted participation of stakeholders in decision making, but it is expected that success stories and key information disseminated through the communication strategy will change this with time.
210. Country ownership/ driven-ness Local partners' interest in the project outputs increased with the buildup of new knowledge and skills on Biotrade P&C. A strong feeling of ownership of the achievements is evident in the interest of gaining access to market by entrepreneurs and local communities.
211. In Peru, the national partner was committed to the project and assumed responsibility for the project and provided adequate support to project execution, co-financed staff, and provided facilities and



support to project beneficiaries in national/regional trade fairs. Cooperation with the Ministry of the Environment, MINAM included the provision of training, technical and scientific information, and support in the dissemination of information about Biotrade. Other public entities cooperated with the National Biotrade Commission, which provided technical guidance and feedback to the project, including selection of pilot projects. Co – financing was provided by PROMPERU, MINAM, CIRNMA and GIZ, and exceeded the amount committed by more than 200%..

212. In Colombia, the national partner provided adequate support for project execution, in terms of co-financing with staff and facilities. Cooperation with the Ministry of the Environment and Sustainable Development – MADS included the provision of training of stakeholders on topics related to biodiversity conservation and sustainable use during training and awareness events organized by the project. Other public entities cooperated through the promotion of Biotrade initiatives in International Fairs (PROEXPORT) development of ecotourism initiatives (National Park Office). Co – financing was provided by FBC, MADS, PROEXPORT, FOMIN, National Parks, Natura Foundation, PBA and the beneficiaries. Total co-financing, by the end of June 2014, including in kind and cash was \$ 4,104,000 exceeding by 70% the committed amount (US\$ 2,408,773).
213. In Ecuador the national partner provided co-financing with staff and facilities. The Ministry of the Environment of Ecuador – MAE – cooperation included the provision of training of stakeholders in topics related to biodiversity conservation and sustainable use during training and awareness events organized by the project, and was involved in contract processes (terms of reference, selection of candidates, supervision, feedback) of certain short term contracts related to component 1. Co – financing was provided by CORPEI, MAE, EcoCiencia, GIZ, Rainforest Alliance, UTPL, UNOCACE, and the beneficiaries. The total co financing including in kind and cash was US\$ 2,881,293 exceeding by 270% the committed amount (US\$ 940,150). National partners were very responsive to UNEP during the Mid Term Review and Final Evaluations collaborating and providing all the information requested.
214. Financial planning and management. The evaluation of financial planning and management includes the assessment of the quality and effectiveness of financial planning and control of financial resources throughout the project’s lifetime, looking at actual project costs by activities compared to budget (variances), financial management (including disbursement issues), and co-financing.

In the case of Peru, PROMPERU followed the national procedures and standards for the financial management. As a public entity, it is obligated to follow the national legislation and thus also subject to government audits. Procurement of goods and services were clear and transparent, following open and public processes. Regarding financial planning, management and reporting, the project submitted quarterly financial reports with disbursement requirements to CAF. Important to highlight are the revisions. Financial execution is referred to as the percentage of expenditures of the revised and approved budget. Each year an unspent amount remained in the account. In 2013 the financial execution shown is greater than 100%, because the NEA had funds remaining from the previous year (US\$ 535,708.83) that had not been spent. Changes to the budget occurred twice, one in 2010 and the other one in 2011 due to the delays encountered at the beginning (paragraph 67). The process for recruiting staff, procurement of goods and services, including contract of consultants, as well as preparation and negotiation of agreements with the beneficiaries was both long and complicated due to the need to comply with the national legislation. Moreover, all contracts and purchases under the project pilots were carried out directly by PROMPERU and not by the beneficiaries, thus delaying the implementation and affecting the performance of the pilots. In many cases, the beneficiaries were frustrated and affected negatively the relationship with PROMPERU. In some cases where PROMPERU provided support in the production/custody chain certification, the beneficiaries cancelled the support from PROMPERU, because the contracting process for the certification service took too long. As mentioned before, in most cases to achieve certification, audits must be conducted in very specific periods of time based on the harvesting or production season. According to PROMPERU officials, this situation represented a problem to the institution, damaging its image and relation with their network of clients. This was a problem from

the beginning of the project and became the cornerstone of delays during implementation of the project. The staff were dedicated almost entirely to administrative issues and were not able to focus on strategic planning. Expenditure of the approved budget was also very low: according to the M & E system it was 11.24% in 2011, in 2012 it improved to 49%, in 2013 it was 103% and in 2014, a financial execution of 26% is reported<sup>13</sup>. Co – finance reports were presented in the PIRYR014 and the Monitoring and Evaluation System. The original amount for co – financing commitment by Peru was increased after budget revisions and Peru committed to provide US\$ 1,336,267.00. The total accumulated amount materialized in 2014 reported in the PIRYR014 was US\$ 3,115,158.14. This amount exceeded the amount committed by Peru by 233%. Tables are presented in Annex 6. Breakdown of final actual costs by component is not possible as expenses were reported according to UNEP’s budget lines and the executing agencies were not obligated to report expenses by component or activity. This is a weakness in assessing efficiency and effectiveness of the investment. Both, expenses report by budget line and by component are important in project management. Tables including information about budget, cost and execution rate are in Annex 5.

215. The project was able to leverage a larger amount for co – finance than envisaged, totaling US\$ 1,778,891. Funding leveraged came from PROMPERU and the Ministry of the Environment. In addition funds were also leveraged in the pilot projects with contributions from the beneficiaries, but the amount leveraged through the beneficiaries has not been yet materialized.

216. In the case of Colombia, FBC followed its own procedures and standards for the financial management. Procurement of goods and services were clear and transparent, following international accepted standards. Regarding financial planning, management and reporting, the project submitted quarterly financial reports with disbursement requirements to CAF. Important to highlight are the revisions and changes to the budget that occurred twice, one in 2010 and the other one in 2011 due to the delays encountered at the beginning. The process for recruiting staff, procurement of goods and services, including contract of consultants, as well as preparation and negotiation of agreements with the beneficiaries followed FBC procedures, which was an easy and rapid process. Financial execution during the first years was very low: in 2011 it was 48%, in 2012 it was 42%, in 2013 according to the M&E System the financial execution improve to 55% and in 2014, a financial execution of 70% was reported. Co – finance reports were presented in the PIRYR014 and the Monitoring and Evaluation System. The original amount for co – financing commitment by Colombia remains the same after budget revisions and Colombia committed to provide US\$2,408,773.00. The total accumulated amount materialized in 2014 reported in the M&E System was US\$ 2,811,295.00. Tables are presented in Annex 6. Breakdown of final actual costs by component is not possible, because expenses were reported according to UNEP’s budget lines and the executing agencies were not obligated to report expenses by component or activity. This is a weakness in assessing efficiency and effectiveness of the investment. Both, expenses report by budget line and by component are important in project management. Tables including information about budget, cost and execution rate are in Annex 6. In Colombia the project was able to leverage a larger amount than what was committed for co – finance totaling US\$ 400,000. This funding leveraged came from partners and beneficiaries.

217. In Ecuador, CORPEI followed CAF’s procedures and standards for the financial management as it was established in the Memorandum of Understanding. Procurement of goods and services were clear and transparent, following international accepted standards. Regarding financial planning, management and reporting, the project submitted quarterly financial reports with disbursement requirements to CAF. Important to highlight are the revisions and changes to the budget that occurred twice, one in 2010 and the other one in 2011 due to the delays encountered at the beginning. The process for recruiting staff, procurement of goods and services, including contract of

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<sup>13</sup> Financial execution is referred to as the percentage of expenditures of the revised and approved budget. Each year an unspent amount remained in the account. In 2013 the financial execution shown is greater than 100%, because the NEA had funds remaining from the previous year (US\$ 535,708.83) that had not been spent.

consultants, as well as preparation and negotiation of agreements with the beneficiaries followed CAF's procedures, which was an easy and rapid process. Financial execution during the first years was very low: 35% in 2011, 54% in 2012, in 2013 according to the M&E System the financial execution was 96% and in 2014, a financial execution of 80% is reported. Co – finance reports were presented in the PIRYR014 and the Monitoring and Evaluation System. The original amount of co – financing commitment by Ecuador was reduced by 75% after budget revisions with Ecuador committing US\$200,300. The main reason for this was the separation of the government in CORPEI's structure which represented a reduction of available financial resources for the institution. The total accumulated amount materialized in 2014 reported in the M&E System was US\$ 2,881,293.00. Tables are presented in Annex 2. Breakdown of final actual costs by component is not possible, because expenses were reported according to UNEP's budget lines and the executing agencies were not obligated to report expenses by component or activity. This is a weakness in assessing efficiency and effectiveness of the investment. Both, expenses report by budget line and by component are important in project management. Tables including information about budget, cost and execution rate are in Annex 6. The project was able to leverage a larger amount than originally committed for co – financing totaling almost US\$1,000,000. In addition partners and beneficiaries also leveraged funding.

218. Audit reports for the project to CAF were made to the overall project and revised and no irregularities were reported. An audit to the FB in Colombia was performed, highlighting some minor findings that were later successfully addressed. One of the findings of this audit was related to the lack of activity in the Complementary Guarantee Fund created in the Agrarian Bank. According to the audit, resources allocated under this Guarantee Fund were not being used, mainly because the requirements from the Agrarian Bank remained difficult to comply with for the majority of the Biotrade enterprises supported by the project. The audit recommendations included the cancellation of the agreement with the Agrarian Bank and the creation of a new scheme with a different financial institution. CAF as a regional development bank could support FB in this undertaking.

219. UNEP supervision and backstopping. UNEP played a supervisory role in the project through overall management and implementation. It ensured that project partners implemented activities along their own priorities and took corrective actions based on the Mid -Term Review recommendations. It participated in coordinating meetings through the Task manager, gave advise on compliance with GEF procedures and facilitated the adoption of the MTR recommendations. UNEP supported and facilitated the revisions and changes performed to the budget structure. Annual reports were presented to UNEP and rated, however for the first years there were few activities reported and therefore supervision of plans and processes was limited. At the beginning of project implementation, no emphasis was given to the outcome monitoring (results – based management) and it was only after 2012 that a monitoring system was established. The MTR pointed out the need to finalize the M&E system to follow up progress made by the project. Since 2014, with guidelines on regional coordination, emphasis on outcome monitoring has been achieved.

220. Monitoring and evaluation. The assessment is focused on the quality, application and effectiveness of project monitoring and evaluation plans and tools, including an assessment of risk management based on the assumptions and risks identified in the project document. The evaluation assessed how information generated by the M&E system during project implementation was used to adapt and improve project execution, achievement of outcomes and ensure sustainability. M&E is assessed on three levels: i) M&E Design; ii) M&E Plan Implementation and iii) Use of GEF Tracking Tools.

- a. M&E Design. The project logical framework is consistent with the project purpose to support the participating countries to overcome Biotrade barriers and attain environmental externalities and trade benefits, with objectives, outcomes, outputs, indicators, baseline, targets, verification methods and assumptions. The logical framework contains time – bound targets. Analyzing and comparing the original logframe with that presented in PIRYR14, it is possible to verify that the logical framework was used as a monitoring tool and presented in the PIR's, reporting progress by indicators. Regarding the SMART-ness of the indicators, it is important to note that the

indicator for the overall project objective “Activities in at least half of the project area adhere to Biotrade Principles and Criteria” does not specify quantity nor does it include verification methodology on how to collect the information. During implementation the project, with guidance from the regional coordination, defined a methodology to monitor area (# ha) involved in the Biotrade initiatives supported by the project. The lograme contains targets not related with the indicator (Indicator: # of new initiatives, target % increase in sales: or indicator: # organizations and target: 3 individuals). In fact, many indicators correspond to the delivery of project activities instead of their effects (outcomes), giving emphasis on activities delivering results with little interest in indicators based on external sources of data (i.e., independent from the project activities reporting system, such as increase in public awareness). The LogFrame does not include any indicator/target to measure improvement of the conservation of biodiversity and relies completely in the compliance of the Biotrade principles and criteria. Furthermore, under component 6, the indicator: increase in compliance with Biotrade P&C in the pilot projects was defined, but no target was established. As a project aiming to conserve the biodiversity, it should have included more explicit indicators related to the conservation of biodiversity and not only “increase in the Biotrade P&C compliance”. Besides, an increase in compliance with these principles does not necessarily correspond to an increase or improvement on the principles of biodiversity. Also, in order to demonstrate the value added by the project to enhance the conservation of biodiversity, the project needed to include more specific indicators with targets (i.e. extension under certification).

Baseline information was collected during the design phase and is presented in a clear manner. The project document does not contain information about the methodology to collect the information, but presents a cost monitoring and evaluation plan on where to collect the information (data sources and data collection), as well as when (frequency) and who is responsible. Users were involved in the monitoring activities from the beginning of the project and progress was reported using the indicators. There was little progress reported at the early stages of the project due to the delays. However, once the project started implementation and the pilots initiated, more attention was paid to the monitoring. In Peru the project unit contains a Monitoring & Evaluation unit and encompasses 6 monitoring specialist who are responsible for collecting the data in the field from the pilot projects that are being implemented (ha and \$ increase in sales). All the information is consolidated and analysed to assess progress. In Colombia, the project team didn't have a monitoring and evaluation expert. The implementing partners were responsible of monitoring the pilot projects and collected the data in the field from the implemented pilot projects (ha and \$ increase in sales) and reported to the project. The information was consolidated by the national director and presented to the regional coordinator. In Ecuador the project employed a Monitoring & Evaluation specialist who was responsible for supervising pilot projects execution. Monitoring and data collection from the pilot projects in the field (ha and \$ increase in sales) is gathered by the partners/subcontractors. All the information was consolidated and analysis was made to see progress. The monitoring plan contained a budget and allocated resources for the Mid Term Review and Final evaluation.

- b. M&E Plan Implementation. The Project contains a monitoring and evaluation system to evaluate performance. It contains financial information, performance information (deliverables), PIR's per country and also Progress Reports for each indicator. The system was constructed at the regional level and it was not until the end of the project that results and progress towards objectives started to be tracked. National partners gathered the information in the field and reported to the regional coordination unit. This information was used in the PIR. The project reports were presented in annual PIR's, where project performance was rated. The project was rated as Satisfactory in, FY2011 and 2012. However the MTR carried out in 2013, rated the project in Peru as MS, Ecuador and Regional level with S and Colombia with MU. As mentioned before, the M&E plan is focused on activities rather than outputs. The information from the M&E plan was used in the PIR to report progress and define an action plan with orientation to address MS, MU, U and HU ratings and then was analyzed during the Steering Committee meetings where direction was offered to improve performance.

- c. Use of GEF Tracking Tools. These are portfolio monitoring tools intended to roll up indicators from the individual project level to the portfolio level and track overall portfolio performance in focal areas. Each focal area has developed its own tracking tool to meet its unique needs. Agencies are requested to fill out these forms for CEO Endorsement (or CEO approval for MSPs) and submit these tools again for projects at mid - term and project completion. The GEF tracking tool was submitted in the MTR (not verified, but told by project managers) but hasn't been completed for the final evaluation. The Regional Coordination Unit at CAF centralized the data collected on the field by the project management unit in each country.

#### **G. Complementarities with UNEP strategies and programmes**

221. UNEP aims to undertake GEF funded projects that are aligned with its own strategies.

- d. Linkage to UNEP's Expected Accomplishments and POW 2008--2009, 2010--2011 and 2012--2013. UNEP Medium Term Strategy (MTS) for 2010-2013 specifies desired results (Expected Accomplishments) in 6 thematic focal areas. The project contributes to UNEP's Ecosystem management Subprogramme expected accomplishment (a) That countries and regions increasingly integrate an ecosystem management approach into development and planning processes, by building knowledge and skills on conservation of Native Andean Biodiversity, a component of the ecosystem often under threat. The conservation actions implemented by the project included components essential to promote the strong linkages between the state of ecosystem and human well being, including the aspects of poverty reduction; and (b) That countries and regions begin to realign their environmental programmes and financing to address degradation of selected priority ecosystem services, contributing to the expected outcome that aims to collaborate with the private sector, including the agribusiness sector, of enhancing partnerships and pilot projects to integrate ecosystem management into sector strategies and operations.
- e. Gender. The project didn't consider a specific gender equality perspective, although some activities in the field have been leveraging the contribution of women using and producing Andean biodiversity – based products. The technical staff mobilized by the National Executing Agencies included women. The capacity building actions for the beneficiaries involved both men and women. Despite the important role and participation of women in the conservation and use of biodiversity in the Andean region, the project design didn't consider any specific action to tackle possible gender inequalities in access to and control over natural resources, or environmental degradation or disasters; or the role of women in mitigating or adapting to environmental changes and engaging in environmental protection and rehabilitation. Regarding the likeliness of lasting differential impacts on gender equality and the relationship between women and the environment, the project design didn't include specific provisions to achieve this goal. For instance actions directed towards this goal such as awareness raising activities and capacity building dealt with the general public without distinction of sex. And finally, regarding the extent to unresolved gender inequalities affecting sustainability of project benefits, the project design didn't include specific provision to achieve this goal.
- f. South--South Cooperation. Resources such as the Biotrade Principles and Criteria Matrix were exchanged between the three countries, which constituted the core tool to assess compliance and improvement of these principles among the initiatives supported in each country. The project fostered the exchange of knowledge between countries, specifically through exchange visits from producers/entrepreneurs of different countries, support of participation in regional trades where knowledge was shared between the countries, as well as through the dissemination strategy where successful experiences were shared. The regional platform, although of recent creation, has the potential to improve and increase the knowledge exchange between the three countries and beyond. The project didn't facilitate regional training or exchange events between the participating countries, despite such activities considered in the project design.

## V. Conclusions and Recommendations

### A. Conclusions

222. Overall project performance is satisfactory. The project had a high strategic relevance in the three countries and at the regional level. It developed a favorable institutional and policy framework to support the Biotrade sector and export promotion, as well as enhanced local capacity within the private sector working with Biotrade products. The project had a pivotal role in this context by establishing and creating links between public actors, the private sector, and communities following Biotrade principles and criteria in order to access the market. An important external factor that sets the pace for the development of the Biotrade sector is the international market with a growing demand for Andean native products. This demand can be further increased through awareness raising in regards to Biotrade products, with innovations for adding value, and adequate marketing strategies. The demand for Biotrade products has become an incentive to entrepreneurs and communities to follow Biotrade P&C, while conserving and managing the Andean biodiversity in a sustainable manner.
223. The “Facilitation on financing for biodiversity - based business and support of market development activities in the Andean Region” project was implemented at a pilot scale with positive results. The activities carried out led to the improvement of institutional capacity of public and private actors in Biotrade P&C, enhancement of competitiveness and development of PPP to access the international markets. Entrepreneurs and farmers/producers are now aware of the economic potential of Biotrade products, especially in the international market, where they were able, thanks to the project, to achieve a significant increase in sales. The value chain methodology approach implemented by the project, provided a complete view of the actors and processes involved along the value chain in order to address limitations and barriers. Capacity building, improvement of product quality, value added and market strategies were developed to support the pilot projects and were designed according to the needs of the initiatives being supported and to improve compliance with the Biotrade P&C. In addition, the certification process carried out by the enterprises improved the access of bioproducts to special market niches such as the organic and fair trade. The access to these markets represented an incentive for communities and exporters to apply Biotrade P&C in the production/manufacturing process. There are fewer incentives in applying the Biotrade P&C in products traded at the national and local markets, as it is the case in Colombia. Successful experiences in the countries are leading to changes in behavior of producers and enterprises and have the potential for replication and scaling up.
224. The project made an important contribution to raising awareness about Biotrade P&C and raising awareness among entrepreneurs for the sustainable production and use of the native biodiversity given the growing international demand, especially from new and growing markets like China. Application of the criteria was complicated but enterprises are now aware of the potential of Biotrade products in the international market, especially the organic and fair trade market, demanding compliance with social and environmental safeguards.
225. Common factors in the three countries that were key to reaching success were i) the selection of beneficiaries with institutional capacity in marketing and export, who also acted as champions; ii) the value chain approach that allowed for the addressing of main barriers and limitations along the value chain, connecting producers – processors – traders – market and building effective PPP’s iii) capacity building including technical assistance and public awareness to follow Biotrade P&C. In addition, the robust institutional and stable policy framework for export promotion, as well as a strong capacity within the private sector, were also key factors that contributed to achieving success.
226. In regard to the project design, activities, outputs and outcomes were well designed with a set of pathways connecting initial outputs with desired outcomes and subsequently with the objective and goal. The project components were designed to tackle directly the main constraints and barriers faced by the Biotrade sector, but difficulty was experienced in managing 7 components. In addition,

the project design didn't give enough consideration to effective contingencies for institutional changes, nor the financial management capabilities of NEA's affecting readiness that resulted in significant delays. As a consequence of this, the effective time for implementation was reduced by half.

227. In the project design, as the name of the project indicates, the target area was the Andean region. However, the project was implemented at the national level in each country, and no specific or priority area was defined. Besides logistical challenges having initiatives scattered throughout a large geographical area instead of concentrated in a few key locations resulted in high costs to the project to promote, plan, implement and monitor activities throughout the country in an effective and efficient manner. In addition, the countries didn't prioritize value chains and the focus was on sectors (the food industry for example) with a broad array of products, each responding to a specific value chain with specific barriers, limitations and opportunities, which also resulted in dispersed initiatives. For future projects, especially with limited funding, an implementation strategy in phases and focused on priority areas would be recommended.
228. The project was moderately successful in strengthening the legal and policy framework. Draft legal amendment and regulations were proposed, but approval of these proposals is necessary in order to fill the legal gaps and address inconsistencies in Biotrade. Ref, paragraph 58, legal draft proposals are still pending for approval.
229. In Peru and Colombia, the project wasn't fully successful in leveraging financial resources from the financial sector. Although the project hasn't been fully successful in achieving this outcome yet, the project was able to create the right conditions to encourage the financial sector to invest in Biotrade initiatives by raising awareness amongst financial officials, and training/information dissemination amongst beneficiaries on available financial options, technical assistance in designing bankable products and organization of business round tables between the Biotrade enterprises and the financial sector. In Colombia a Guarantee Fund was created to absorb the risk of the Biotrade initiatives, but the project didn't have any success in making these resources available to the Biotrade initiatives.
230. The regional component under the responsibility of CAF was successful in coordinating the project and providing backstopping to the countries. During the first years of implementation, the role of the regional coordination was crucial given the institutional changes in each country. However, the regional coordination was focused mainly on the project management and coordination than on the strategic planning. Systematization of lessons learned as well as replication strategy was left till the end, mainly because there were no lessons learned from pilots in the countries until the end of the project. The creation of a regional website, the use of posts on twitter, the creation of a virtual group on LinkedIn, etc, as a channel for communication and replication, is very new and there is no evidence that it will be used by regional stakeholders. Regarding the Virtual Group created on LinkedIn with more than 150 members, most active users – those members actually participating in the group with their comments - are staff members of the project itself. However, there is a tremendous opportunity for replication and scaling up due to the extensive successful case studies in each country but the communication methods need to be strengthened and expanded in order to achieve the desired objectives. CAF as a regional agency should support the continuation of dissemination and replication strategy. The reasons why these outcomes weren't fully achieved lay mainly in the project design itself as well as the delays faced by the project. The outcomes for the regional component (Lessons and experiences are systematized and made accessible to Biotrade entrepreneurs, governments and other interested parties in the region; and a replication strategy is sought after by entrepreneurs and governments beyond the initial project areas) were produced at the end of the project and there was little time for consolidation. In addition, the project design lacked a result indicators framework for the regional component, which was primarily oriented to achieve activities instead of results. The regional coordination unit was hampered due to the lack of adequate resources to develop and implement a dissemination and replication strategy from the beginning.

Table 4: Evaluation Rating

<b>Criterion</b>	<b>Summary Assessment</b>	<b>Rating</b>
<b>A. Strategic relevance</b>	The project was in line with GEF and UNEP priorities at the time of identification. Activities were based on assessment of barriers of Biotrade in the countries and partners' needs. The project was relevant to the countries and was considered as a strategy for the conservation of biodiversity. It was fully aligned with the regional and national policies. This comprehensive approach ensured upstream and downstream accountability in project design at once. Overall objectives of the project were realistic. However delays for readiness reduced the effective time by half.	S
<b>B. Achievement of outputs</b>	The project fulfilled its commitment in terms of outputs and activities, with some delays, due to the administrative issues for readiness and the slow implementation pace.	S
<b>C. Effectiveness: Attainment of project objectives and results</b>	The project performed the planned tasks achieving the expected outputs, though with some delays in the execution that resulted in a no cost extension. Capacity was built in Biotrade P&C, entrepreneurial skills were enhanced, quality production improved and added value to bioproducts. Andean products marketing strategies, improved access to market that resulted in sales increase. Entrepreneurs and communities, especially in Peru and Ecuador are aware of the potential of bioproducts in the international market leading to behavioral changes subsequently abating some of the threats to biodiversity and reaching the project's expected objectives.	S



<p>1. Achievement of direct outcomes</p>	<p>In general the project's intended outcomes were delivered: capacity building amongst government officials, financial sector, entrepreneurs and communities was strengthened, access to market was improved and Biotrade P&amp;C were followed in the field leading to an increase in sales for enterprises and communities. The project was successful with explicit examples in reducing threats to biodiversity. The project made modest efforts in improving legal gaps. Achievement in orientating credits lines for the Biotrade sector and leveraging funding from the financial sector, was very successful in Ecuador, while in Peru it was moderately successful. The conditions to reach the outcome are set, but it will take time. In Colombia the project was less successful in achieving this outcome and although a credit line was oriented to the Biotrade sector, this has not been effective. Colombia centered efforts on the national and local market though, the link with Biotrade P&amp;C is still weak and more efforts in raising public awareness towards bioproducts at the national level are needed.</p>	<p>S</p>
<p>2. Likelihood of impact</p>	<p>In general the likelihood of impact of the project is moderately satisfactory. In Peru and Ecuador it is highly likely that the achieved results will lead toward intermediate states contributing to results towards impacts. Increase sales of bioproducts and improved access to special markets favoring Biotrade has become an incentive to entrepreneurs and farmers to follow Biotrade P&amp;C, improving incomes and reducing threats to biodiversity. In the case of Colombia, some value chains supported at the end of the project are also likely to have the expected impact. In the three countries entrepreneurs and communities are aware of the economic potential of Biotrade products and from here are likely to move towards the expected impact. In Colombia, the national and local market (main focus of the project) does not represent an incentive to follow Biotrade P&amp;C yet, however the improved access of native biodiversity products to the national market is increasingly becoming an incentive to conserve these products. Here, more assistance is needed to implement measures to reduce threats to biodiversity.</p>	<p>MS</p>

3. Achievement of project goal and planned objectives	Project goals and planned objectives were achieved. The project area following Biotrade P&C is above the goal of 50% of the project area and increase in sales of the projects supported are higher than the annual goal of 5%. And although there is no evidence yet in reaching the projects strategic objective, the project was able to influence important drivers (champions in value chains pulling and connecting producers to markets), create in Ecuador and Peru the conditions to encourage the financial sector to invest in Biotrade initiatives and influence in having effective policies favoring the Biotrade sector. Assumptions such as a growing demand for bioproducts leading to the expansion of the sector is a external factor that will influence the achievement of the objective and goal.as planned.	S
<b>D. Sustainability and replication</b>	The project was successful in addressing the linkages between sustainable use of biodiversity and the economic value by developing strategies to improve access to market. The project supported the strengthening of national capacity among public and private actors. Through the successful experiences of the three countries the basis for sustainability and replication had been created.	L
1. Financial	Commitment by the National Biotrade Programs in Peru and Colombia to continue supporting the topic should sustain the results and benefits delivered by the project. In Ecuador the creation of credit lines to support investment in Biotrade should provide sustainability. There are no financial risks that could jeopardize the sustenance of the project results. However, in Peru the lack of substantial financial resources available to the private sector for the investment in Biotrade initiatives could be a limitation. The increase in sales and subsequent income for the enterprises and communities as well as improved access of bioproducts to markets of certified products (organic, FSC, fair trade, HPPC, etc), has been important incentives for communities and exporters to apply Biotrade principles and criteria in the production system. The increase in sales, as well as a growing international demand for bioproducts provides sustainability to the benefits achieved by the project. At the national level, the local market for certified and bioproducts is still limited and additional efforts are needed to raise awareness at the local and national level. However there is a growing national demand in the three countries for native and natural products – not necessarily certified or following the Biotrade principles and criteria - providing incentives to communities and farmers to continue growing these products.	L

2. Socio-political	The National Biotrade Programs are willing to continue supporting Biotrade activities. In addition the project supported activities to raise awareness within public and private actors, built PPP's following Biotrade principles, supported capacity building of enterprises and communities contributing to socio political sustainability. The three countries have clear national policies supporting Biotrade.	L
3. Institutional framework	An institutional framework with National Biotrade Programs, improved institutional capacities of enterprises in different topics and successful PPP's were built, which will continue working in the Biotrade sector. In Peru and Colombia the government/private structures will continue supporting the topic, while in Ecuador the process of including the program in the government structure will need more time.	L
4. Environmental	The project had a positive role in the establishment and application of the Biotrade P&C to improve conservation of Andean products. It supported the development of sustainable management/harvesting plans, the creation of reserves for the sustainable use of resources, and ecotourism. Besides climate change, there are no environmental factors that can negatively influence the future flow of project benefits.	L
5. Catalytic role and replication	The value chain approach and the following of the Biotrade P&C helped enterprises/ producers to access markets demanding certified products and increase their sales, which represented an incentive that contributed to behavioral changes. The Biotrade P&C matrix was developed to assess compliance with this principle and is being adopted by some countries. Capacity building of service providers (i.e. chambers) in Biotrade as well as the creation of a master degree in Biotrade will lead to replication. A website was created containing strategic and useful information linked to "Linkedin" as a strategy to disseminate the information and create awareness.	L
<b>E. Efficiency</b>	The project relied on the use of existing institutional structures, instead of creating new ones, resulting in important savings for the project. Strategic alliances were established in the three countries to complement actions and build synergies. Most outputs of the project have been achieved in spite of considerable time administrative delays for readiness in the first 2.5 years. Due to delays in execution, the share of project administration and management cost to total project costs was high	MU
<b>F. Factors affecting project performance</b>		MS

1. Preparation and readiness	Activities, outputs and outcomes were well designed with a set of pathways connecting initial outputs with desired outcomes and subsequently with the objective and goal. The project components were designed to tackle directly the main constraints and barriers faced by the Biotrade sector, but it was difficult to manage 7 components. Project and financial management capabilities of NEA were not assessed during preparation affecting readiness in Peru. Institutional changes in Colombia and Peru delayed readiness and disbursement was received 2.5 years after the project was approved. Ecuador was able to overcome this issue by establishing alliances with strategic partners.	MS
2. Project implementation and management	The project had coordination and technical advice structures at the regional and national levels to tackle implementation issues properly and provide guidance. Annual Steering Committee meetings to review progress and agree on annual plans provided flexibility to implement adaptive management. At the national level each country had different management structures with different project management expertise and administrative/financial requirements to follow and also with different performance results. Peru, the NEA as a government agency dealt with complicated bureaucratic processes affecting implementation pace; Colombia faced management problems at the beginning, lack of leadership and significant delays, while Ecuador subcontracted external organizations that proved to be effective and efficient. The regional coordination provided backstopping and oriented implementation to address recommendations that arose from the MTE.	MS
3. Stakeholders participation and public awareness	The project promoted extensive participation of stakeholders such as policy makers, financial sector officials, researchers, technical service providers, SME's, communities, and provided space for public awareness throughout the project. Local and marginalized communities were involved through their participation in the value chain as important actors receiving support in capacity building to follow Biotrade P&C and linkages to the market. However, participation in decision making was limited to the public sector and important actors such as Agriculture, Planning, Finance ministries and donors were not fully considered.	S

4. Country ownership and driven- -- ness	Ownership of the achievements is evident in the interest of gaining access to market by entrepreneurs and local communities. There was strong ownership by the national partners, who were committed to the project and assumed responsibility, providing support to project execution and co-finances. Ministries of the Environment were also involved and provided support and co - financing.	S
5. Financial planning and management	Budget was revised twice given the delays and slow implementing pace. Countries were free to follow their own financial planning and management procedures. Execution was very low in the first years and improved in the end. The project was able to leverage funding that exceeded the original amount committed.	MS
6. UNEP supervision and backstopping	UNEP played a supervisory role in the project overall management and implementation. It ensured that the project implemented activities along their own priorities, took corrective actions based annual revisions and on the Mid Term Review recommendations and ensured compliance with GEF procedures. The administrative delay of 2.5 years to become effective and begin implementation could have been reduced if the draft MoU with CAF (the regional executing agency) had been shared and revised when the CEO endorsement letter was submitted to GEF. However the role of UNEP was crucial in approving budget changes to adapt to the institutional changing conditions from the NEA's in Colombia and Ecuador.	HS
7. Monitoring and evaluation		S
a. M&E Design	The project logical framework is consistent with the ,project's purpose with objectives, outcomes, outputs, indicators, baseline, targets, verification methods and assumptions. The logical framework contains time – bound targets. Some indicators are weak, and some have an emphasis on activities rather than results. Additional indicators related to the conservation and sustainable use of biodiversity measures were needed to assess properly the contribution of the project to the conservation of the Andean biodiversity.	MS
b. Budgeting and funding for M&E activities	Project design included funding for M&E activities The resources allocated to perform medium and final evaluation were adequate. The project had a monitoring scheme in each country: Peru with 6 monitoring specialist, Ecuador with one and in Colombia monitoring activities were performed by the implementing partners.	HS

c. M&E Plan Implementation	The system was constructed at the regional level and it was not until the end of the project that it began to be implemented.	MU
<b>Overall project rating</b>		S

## B. Lessons Learned

231. Project design. The majority of activities, outputs and outcomes were well designed with a set of pathways that connect the initial outputs with the desired outcomes and subsequently with the objective and goal. The project components were designed to tackle directly the main constraints and barriers faced by the Biotrade sector at the time the project was prepared. All components were very important and needed to achieve the outcomes and subsequent objective and goal. However the complexity of the project with seven components was difficult to manage and according to interviews with stakeholders, the project seemed to be confusing given the amount of information. It was difficult to the beneficiaries to understand where and how to participate with so many components and information. Some components could have been merged, for example Component 2 about “market access” and Component 4 “market information”, or arranged under subcomponents (Component 3 “Capacity Building” under Component 6: Pilot projects). For future projects, it is recommended a simpler structure is used.
232. Knowledge Management is not present in the project as a specific activity and replication and dissemination activities were under the regional subcomponent. In order to guarantee replication and scaling up from demonstrating pilots at local level to a broader geographical area, projects need to include in the design and budget a component or activity based on knowledge management from the start of the project. This platform of communication can be used to promote the project, to exchange ideas, share experiences, learn new concepts and trends, etc. Currently e – knowledge platforms are used more and more for exchanging information, and should be used to create networks from the very beginning. The projects can use these platforms for online training and demonstrate during the project implementation the benefits of its use. This way, projects don’t need to wait on results for dissemination and replication purposes.
233. The project suffered a considerable delay of 2.5 years from approval to effectiveness reducing almost by half the implementation phase. As explained in paragraph 50 the signature of the MoU between UNEP and CAF took almost a year. Subsequent MoU’s sign with the respective NEA’s and CAF were also long processes, given institutional changes (structure and composition) of Fondo Biocomercio and CORPEI, the NEA’s in Colombia and Ecuador respectively. In addition the long bureaucratic internal contracting processes of PROMPERU, the NEA in Peru, delayed the startup of the project in this country. In order to overcome these challenges, and following an adaptive management approach, the project, in coordination with UNEP, made changes to the budget structure allowing the participation of implementing partners via sub contracting, who brought besides expertise, co – funding to the project. The strategy implemented by the project was effective in responding adequately to these challenges.
234. Although the project was able to respond adequately and effectively to these challenges, the delay from approval to effectiveness may have been avoided or reduced by: i) sharing and discussing in advance with the regional executive agency (CAF) the content of the Memorandum of Understanding at the moment the project documentation was submitted to GEF for CEO endorsement; and ii) reassessing NEA’s capabilities by performing due diligence during the revisions to the project and before submitting the proposal to GEF for CEO endorsement. For future projects where there is a significant delay between design and approval, it is recommended a reassessment of political contexts and institutional capacity of partners takes place, especially when there are structural changes and conditions to include potential subcontracting in the project design.

235. PROMPERU, the National Implementing Agency in Peru encountered difficulties in dealing with bureaucracy to meet with national procurement and contracting regulations, leading to a bottleneck during the project implementation, and hampering the performance. Furthermore, procurement and contracting under the pilot projects was carried out by PROMPERU on behalf of the beneficiaries. The slow pace and delays under the pilot projects had a negative impact on the relationship between PROMPERU and its clients and, although additional staff was contracted to improve the contracting and procurement processes, efforts were not enough. During project preparation an in – depth assessment of the NEA’s financial capacity and financial processes for contracting services or purchasing goods needs to be assessed. Government institutions have generally complicated and bureaucratic procedures, and for these cases an external funding manager should be analyzed and considered for efficiency. The analysis of contracting an external funding manager should be done considering cost/efficiency and cost/effectiveness.
236. The target area of the project was the Andean region and the pilot projects were expected to be located in critical sectors in buffer zones, viable remnants of habitats, natural reserves, corridors connecting fragments of forests in rural landscapes and areas of high endemism. However the project design didn’t define the Andean region and the project was implemented nationwide in the three countries. This situation compounded logistical challenges to promote, plan, implement and monitor initiatives scattered throughout a large geographical area in an effective and efficient manner, subsequently resulting in higher costs. For efficiency and effectiveness projects need to limit the geographical area to concentrate efforts.
237. The regional coordination body should have played a larger role from the beginning of the project in organizing regional workshops with the three countries to discuss, exchange ideas and design the project tools, particularly the Biotrade P&C matrix. Regional support and guidance in the design of such tools would have been beneficial in overcoming the challenges, and would have helped avoid project delays.
238. The implementation strategy of the project, using a value chain approach that followed the Biotrade P&C supported by capacity building and technical assistance to improve the quality of products was effective in facilitating the access to markets of Biotrade products that resulted in the improvement of incomes of enterprises and communities involved in the value chain, enhancing the value of biodiversity based Andean products. The value chain approach included actors and processes along the entire value chain, where the small and medium enterprises, generally family owned or community based enterprises played a crucial role as champions connecting small farmers and communities to the market. The role of a private sector willing to work and support small farmers and communities is very important in projects aiming to improve the value of biodiversity as a strategy for conservation of biodiversity, Projects can have also an important role facilitating the creation or strengthening of the linkages between SME and communities.
239. The project design was oriented towards working with market niches that would provide a premium for products that are compatible with conservation and sustainable use of biodiversity, basically by following the Biotrade principles and criteria. In the project implementation it was shown that these principles would be followed if there was an economic incentive (reward in price or improved access to special market niches). Entrepreneurs (and communities in the value chains) supported by the project are aware of the potential and the increasing demand in the international market of products in complying with social and environmental safeguards. By contrast, the national market (at least in Colombia) for products following Biotrade principles and criteria is still reduced and therefore following these criteria does not represent an incentive when the product is traded at the national level. For projects supporting certification processes, and good/sustainable practices, the intervention approach needs to be oriented towards those special markets that would provide a reward or demonstrate clear economic benefits.
240. The Biotrade P&C developed by UNCTAD and adapted by the project in the regional context was tested as a tool to be used to assess and improve legal, social and environmental aspects of the production/use/collection and manufacturing process of bioproducts. In addition the project relied

almost entirely on the compliance with the Biotrade Principles and Criteria to meet the GEF environmental and social safeguards. According to the project design, the Biotrade principles would act as safeguard measures in the same manner as certification standards do. In this regard, Biotrade principles approach was followed expecting to ensure the conservation and sustainable use of biodiversity, as well as to avoid the risk of intensive production of biodiversity based products or overexploitation of biodiversity under unsustainable methods. Although the content of the Biotrade P&C is a comprehensive approach, compliance with conservation and sustainable use of biodiversity as well as social aspects were not mandatory eligibility criteria<sup>14</sup>. And although the project supported activities to improve the compliance with the Biotrade P&C, expecting to enhance the conservation and sustainable use of biodiversity, future projects need to include explicit eligibility criteria as mandatory in the pilot projects to ensure compliance with GEF environment and social safeguards.

241. The development and / or strengthening of legal frameworks normally requires several years of sustained effort in order to bear fruit, often with little or no intermediate results. It is therefore necessary to take a long-term perspective when assessing the results of these activities, as they are seldom realizable within a project term. For future project design and in order to facilitate institutional change to improve enabling conditions where legal changes are needed, it is important to have a multi-sectorial and multilevel (technical and decision makers) approach with an active involvement and participation of these actors from the very beginning. In addition, technical assistance and training to raise awareness, involving high level officials or decision makers need to also be included.

### **C. Recommendations**

To CAF.

242. The project document established that the regional component would develop an action plan for the continuation of Biotrade promotion in each country and the regional level beyond the project's life time, with proposed activities, expected outputs, timeframe, estimated budget and the identification of possible financial sources. There are still some topics that need additional support: the legal and policy framework was strengthened but still presents gaps and inconsistencies; resources from the financial sector were not fully leveraged, and some sectors/initiatives still need to be strengthened (especially in Colombia where the capacity of the enterprises is low). CAF as the regional executive agency should in the next three months develop such a plan to provide continuity to the efforts made by the project and identify potential financial sources.

243. Project websites were developed for the three countries and a Biotrade virtual group at the regional level. Useful information was developed by the project in each country, including final reports with lessons learned and successful Biotrade experiences. It is recommended that CAF centralize in the next six months the information generated, based on an analysis of the relevant and useful information, in CAF's website to support replication and scaling up. It is also recommended links are established with the Ministries of the Environment in each country to reach a wider public and support replication and scaling up.

244. For UNEP it is recommended to have by April 2015 a final document compiling results, lessons learned and success stories and disseminate the information on UNEP's website for replication and scaling up purposes.

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<sup>14</sup> As presented in paragraph 151 mandatory criteria were no CITES, no GMO, no use of a prohibited pesticide, no introduction of an exotic or invasive specie.



#### ***D. ANNEXES***

Annex 1. Response to stakeholder comments received but not (fully) accepted by the evaluators

Annex 2. Evaluation Terms of Reference

Annex 3. Evaluation program, containing the names of locations visited and the names (or functions) and contacts (Email) of people met

Annex 4. Persons interviewed during country visits

Annex 5. Bibliography

Annex 6. Summary of co-finance information and Statement of project expenditure by category

Annex 7. Resume Carmen Maria Lopez

Annex 8. Quality Assessment of the Report

ANNEX 1: Response to stakeholder comments received but not (fully) accepted by the evaluators

Detailed response matrix available upon request

ANNEX 2: Evaluation Terms of Reference

Terminal Evaluation of the UNEP/GEF project “Facilitation on financing for biodiversity-based business and support of market development activities in the Andean Region”

PROJECT BACKGROUND AND  
OVERVIEW

1. Project General Information

<b>Project Title:</b>	Facilitation on financing for biodiversity-based business and support of market development activities in the Andean Region
<b>Executing Agency:</b>	Andean Development Corporation – CAF
<b>Project partners:</b>	Fondo Biocomercio (Colombia); Ministry of Environment (MAE) and CORPEI (Ecuador); National Environment Ministry (MINAM) and Peru Export and Tourism Board (PROMPERU)
<b>Geographical Scope:</b>	Regional multi-country
<b>Participating</b>	Colombia, Ecuador and Peru

Table 1: Project Summary

<b>GEF project ID:</b>	2391	<b>IMIS number:</b>	GFL/2328/2714/4A92
<b>Focal Area(s):</b>	Biodiversity	<b>GEF OP #:</b>	BD2
<b>GEF Strategic Priority/Objective:</b>	SP4 SPE5	<b>GEF approval date*:</b>	17 August 2009
<b>UNEP approval date:</b>		<b>Date of first disbursement:</b>	28 December 2010
<b>Actual start date<sup>3</sup>:</b>	March 2010	<b>Planned duration:</b>	60 months
<b>Intended completion date:</b>	April 2014	<b>Actual or Expected completion date:</b>	April 2014
<b>Project Type:</b>	FSP	<b>GEF Allocation:</b>	US\$ 6,414,021
<b>PPG GEF cost:</b>	US\$ 350,000	<b>PPG co-financing:</b>	US\$ 400,000
<b>Expected MSP/FSP Co-financing:</b>	US\$ 7,965,438	<b>Total Cost*:</b>	US\$ 15,129,459
<b>Mid-term review/eval. (planned date):</b>	May 2012	<b>Terminal Evaluation (actual date):</b>	n/a
<b>Mid-term review/eval. (actual date):</b>	May 2013	<b>No. of revisions*:</b>	1
<b>Date of last Steering Committee meeting:</b>	September 2012	<b>Date of last Revision*:</b>	23 October 2012
<b>Disbursement as of 30 June 2014*:</b>	US\$ 3,154,618.12	<b>Date of financial closure*:</b>	n/a

<b>Date of Completion:</b>	n/a	<b>Actual expenditures reported as of 30 June 2014:</b>	US\$ 3,282,940.42
<b>Total co-financing realized as of 30 June 2014:</b>	US\$ 7,745,325	<b>Actual expenditures entered in IMIS as of 30 June 2013*:</b>	US\$ 2,031,659

## 2. Project rationale

1. The objective of the project entitled “Facilitation on financing for biodiversity-based business and support for market development activities in the Andean Region” was to strengthen trade with and utilization of biological resources at local, national and regional levels as a strategy for the conservation and sustainable use of biodiversity with global significance. The project aimed to support the participating countries (Colombia, Ecuador and Peru) to overcome the main barriers to Biotrade, attaining environmental externalities on a par with trade benefits. Specifically, the project aimed to:
  - (i) Facilitate the development and rationalization of policies favorable to Biotrade.
  - (ii) Increase the access of products proceeding from biodiversity to markets that reward sustainable extraction and production.
  - (iii) Strengthen business capabilities within the scope of value chains of products based on biodiversity, and promote an understanding of Biotrade.
  - (iv) Improve the acquisition of, and access to, information on key Biotrade products and markets;
  - (v) Leverage financial resources so as to direct them to Biotrade initiatives.
  - (vi) Support pilot Biotrade projects for biodiversity conservation.
  - (vii) Agree on information and replication strategies for the project at the national and regional Andean level, including mechanisms for its implementation.

## 3. Project Objectives and Components

2. The **overall project goal** was to contribute to the conservation and sustainable use of biodiversity of the Andean Region through the provision of alternative livelihoods from Biotrade opportunities for local and marginalized communities
3. The **project objective** was to support and strengthen Biotrade at local, national and regional arenas as a strategy for the conservation and sustainable use of biodiversity. Table 2 provides an overview of specific project components

Table 2 – Specific project components

Component	Specific objectives
<p><b>(i) Facilitate Development and Coordination of Policies and Regulations for Biotrade</b></p>	<p>To promote activities directed to seeking solutions to the regulatory barriers and inadequate incentives for Biotrade activities that had been identified in the countries.</p> <p>The project sought to drive necessary legal reforms as well as supporting an institutional environment that would lead to: (a) improving knowledge; (b) filling in the legal vacuums; (c) eliminating inconsistencies in the regulations associated with Biotrade; and (d) increasing compliance with Biotrade principles and criteria.</p> <p>The main outputs proposed for achieving this result were:</p> <ul style="list-style-type: none"> <li>• Public and private entities trained in matters of policies and regulations associated with Biotrade.</li> <li>• Resources and guidelines developed that support the revision, adjustment and drafting of proposals for the institutional and legal framework at the national level.</li> <li>• Proposals developed for the harmonization of norms and safeguards within and among participating countries.</li> </ul>
<p><b>Increase Access to Markets</b></p>	<p>To promote activities directed to generating a competitive offering of products based on biodiversity that comply with the demands and requirements of the international markets as well as with Biotrade standards and principles. To this end, Biotrade products with high added value were sought to be positioned in the national and international markets, without disregard to the local market so as to strengthen the different links in the value chain.</p> <p>The main outputs proposed for achieving this result were:</p> <ul style="list-style-type: none"> <li>• Market research and market studies undertaken.</li> <li>• Biological research and product development (properties of use and application) undertaken.</li> <li>• Sustainable management plans for select products drafted.</li> <li>• Marketing and promotional strategies for products designed and implemented.</li> <li>• Programmes developed that favor local quality norms and logistics.</li> </ul>
<p><b>Improved Acquisition of and Access to Information on Products and Markets</b></p>	<p>To promote the quickest and most efficient possible access to and flow of information in the biodiversity and Biotrade community in the Andean Region, particularly with regard to market intelligence which is vital for business decisions and strategy development.</p> <p>The main outputs proposed for achieving this result were:</p> <ul style="list-style-type: none"> <li>• Networks and information systems on markets for Biotrade products strengthened.</li> <li>• Information on products and markets disseminated among producers by conventional and electronic means.</li> <li>• Information that permits profiling priority sectors generated and processed.</li> </ul>

<p><b>Leveraged Financial Resources so as to Direct them to Biotrade Initiatives</b></p>	<p>To increase the access to financing for Biotrade initiatives and to develop activities that promote the use of financial sector services as a tool to improving the productivity and competitiveness of Biotrade.</p> <p>The main outputs proposed for achieving this result were:</p> <ul style="list-style-type: none"> <li>• Financial instruments adapted and directed to Biotrade initiatives.</li> <li>• Current financial sector trained on Biotrade business opportunities.</li> <li>• Training on financial services and instruments provided and information disseminated among Biotrade initiatives.</li> </ul>
<p><b>Support Pilot Biotrade Projects for Biodiversity Conservation</b></p>	<p>The project supported pilot initiatives that depend on biological diversity for their business and apply Biotrade as a strategy for biodiversity conservation. From an environmental perspective, the major outcome of the support to the selected pilot initiatives was at least 16,184 ha that was to be utilized and maintained according to Biotrade principles, that were compatible with long-term conservation of globally significant habitat. The location of these Biotrade initiatives was to be in critical sectors in buffer zones, viable remnants of habitats, natural reserves, corridors connecting fragments of forests in rural landscapes and areas of high endemism.</p> <p>While the goal for supporting pilots was the same in all three countries, the mechanisms for realizing the support for the chosen initiatives and their respective productive chains varied.</p> <p>The main outputs proposed for achieving this result are therefore (generalized across the three participating countries):</p> <ul style="list-style-type: none"> <li>• Norms, criteria and guidelines for the selection of pilot initiatives defined;</li> <li>• Business management plans for the selected activities developed and agreed upon; Incubation assistance to selected Biotrade initiatives provided.</li> </ul>
<p><b>(Regional Component): Draft and promulgate Systematization and Information Dissemination Strategies and Replication Strategies</b></p>	<p>To promote regional coordination between the participating countries, in order to maximize the impacts achieved through the national results.</p> <p>The main outputs proposed for achieving this result were:</p> <ul style="list-style-type: none"> <li>• A series of regional seminars on lessons learned implemented.</li> <li>• A regional replication strategy developed.</li> <li>• An Andean information system on Biotrade developed, that includes and links to information of different types of Biotrade activities in each country.</li> </ul>

4. The structure of this project comprised six components in Colombia, Ecuador and Peru, and one component cross regional. Table 3 summarizes the components per country and lists the outputs the projects intended to achieve.

Table 3 – Project components/outcomes and outputs by country

Country	Components/outcomes and outputs
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<p><b>Colombia</b></p>	<p><b>1. Policy Strengthening</b></p> <p>1.1.1 Draft an environmental and sanitary regulations procedures manual for each of the Biotrade priority chains</p> <p>1.1.2 Train the SINA officials responsible for environmental and sanitary regulations and norms and Biotrade users on the application and fulfillment of environmental and sanitary regulations related to Biotrade</p> <p>1.1.3 Evaluate the degree of compliance with the norm before and after the training on the application and fulfillment of the Biotrade---related environmental and sanitary regulations</p> <p>1.2.1 Coordinate and generate environmental regulation proposals for the use of Biotrade---related biodiversity</p> <p>1.2.2 Modify or add a clear community component to the economic policy instruments (incentives) existing in ecotourism and in the forestry sector</p> <p>1.2.3 Support the strengthening of the regulatory framework of the systems of access to knowledge and traditional innovation regarding the components and uses of biodiversity, for the purpose of valuating this knowledge and optimizing its social and economic benefits</p> <p>1.2.4 Draft national policy guidelines for the Biotrade sector</p> <p>1.3.2 Train a group of select professionals in international negotiations and decision--- making processes to guarantee the conditions of the access to markets</p> <p><b>1.3.3</b> Facilitate technical inputs that support the development of international negotiation processes regarding the aspects identified as non tariff barriers to access to markets of Biotrade sectors</p>
	<p><b>2. Market Access</b></p>

- 2.1.1 Carry out market research and technological services in accordance with the needs of Biotrade users
- 2.1.2 Identify actors and priority products for the consolidation of value chains and favor the exchange of information between the links in the chain, the establishment of agreements on competitiveness and the design of sectoral strategies
- 2.1.3 Carry out and administer scientific research and applied technological development for the generation of innovative products with added value or improvement in technological and phytosanitary processes, in accordance with the products' market potential
- 2.3.1 Administer and carry out research directed to offering guidelines for the sustainable use of wild resources (protocols of use in situ) and cultivated resources
- 2.4.1 By means of inter---institutional alliances, support participation in international fairs, the development and updating of market research on products based on biodiversity with trade potential in the international arena, programmes of contact between producers and buyers, specific business meetings, among others
- 2.4.2 Draft institutional alliances for the strengthening of the exporting capacity of Biotrade businesses
- 2.4.3 Support the development of tools and promotional and differentiating activities in Biotrade businesses in the local and national markets
- 2.4.4 Strengthen the Biotrade companies' quality component, supporting the development of products, improvements in packaging and productive processes that encourage better quality products and services.

### **3. Capacity building**

- 3.1.1 Design and coordinate a platform of business development services directed to Biotrade companies to serve as incubation programme
- 3.1.2 Train agents of support, such as chambers of commerce, SENA, universities, the Ministry of Trade, Industry and Tourism, Regional Autonomous Corporations, formation centers, among others, so that they acquire knowledge regarding the topic of Biotrade
- 3.2.1 Design administrative tools, such as business plans and platforms for financial projections, among others, for their implementation in the Biotrade companies
- 3.2.2 Strengthen training opportunities and locations on Biotrade for rural businessmen
- 3.3.1 Promote and consolidate spaces for business partnering between rural enterprises
- 3.3.2 Promote the legal constitution of the initiatives by means of strategic alliances for organizational strengthening
- 3.4.1 Standardize, appropriate and implement Biotrade principles and criteria with the institutional actors, so that the social, environmental and economic impacts are measurable
- 3.4.2 Develop mass advertising campaigns directed to raising public awareness and promoting Biotrade products



<b>4. Product and Market Information</b>
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| <p>4.1.1 Strengthen the National Biotrade Observatory (OBIO) through studies on market, product and technology trends, among others</p> <p>4.1.2 Generate technology--- and market--based information and analysis for Biotrade companies that guides the priority Biotrade chain sectors' decisions</p> <p>4.2.1 Develop information tools and distribution channels adapted to local community use without internet access</p> <p>4.1.3 Promote and undertake periodic sector measurements of the Biotrade companies that will be disseminated through the OBIO</p> <p>4.1.4 Promote and undertake periodic sector measurements of the Biotrade companies that will be disseminated through the OBIO</p> |
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<b>5. Leverage Financial Resources for Biotrade Initiatives</b>
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| <p>5.1.1 Strengthen the Colombia Biotrade Trust Fund as a success story the results of which can be replicated in other financial entities</p> <p>5.1.2 Valuate and improve the assets and the operation of Biotrade businesses as a guarantee for financial obligations</p> <p>5.2.2 Carry out valuation studies of Biotrade products for drawing the attention of the traditional financial sector to the Biotrade sector</p> <p>5.3.1 Disseminate the offering of financial services among the Biotrade initiatives</p> <p>5.3.2 Undertake, in alliance with the entities connected to the business development services platform (3.1.1), training in accounting and budgetary information and transfer of technological tools</p> <p>5.3.3 Strengthen the management capacity of Biotrade initiatives</p> |
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<b>6. Pilot Projects for Biotrade---based Businesses</b>
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6.1.1	Select, implement and follow up on pilot projects
6.1.2	Design, execute and follow up on the implementation of a methodology for the analysis of the distribution of benefits in Biotrade value chains
6.1.3	Execute conservation indicator measurements for pilot Biotrade companies
6.1.4	Draft a characterization of the distribution of benefits in one pilot case per priority Biotrade value chain
6.1.5	Develop the methodology and guidelines for an analysis of benefits in the chains
6.1.6	Exchange experiences on the incorporation of the methodology in the different countries in the Andean region
6.2.1	Participate in international fairs
6.2.2	Support promotional and differentiation activities
6.3.1	Company incubation
6.3.2	Mass advertising campaigns
6.3.3	Investments in fixed assets

ECUADOR	1. Policy Strengthening
	<p>1.1.1 Design training plan regarding topics to do with policies and norms related to sustainable Biotrade</p> <p>1.1.2 Organize and give the respective workshops (two per</p> <p>1.1.3 year) Draft documents for systematizing the training</p> <p>1.2.1 programmes</p> <p>1.2.2 Establish an inter--institutional work group, made up of relevant actors</p> <p>1.2.3 Design and implement the yearly work plans to be executed throughout the 5</p> <p>1.3.1 years Draft, validate and present the proposals to the competent authorities</p> <p>1.3.2 Promote spaces for discussion for the purpose of analyzing, disseminating and supporting the processes of the access to markets of sustainable Biotrade products</p>
	<b>1. Market Access</b>

- 2.1.1 Support research on identifying markets or market niches with potential for sustainable Biotrade products
- 2.1.2 Undertake market studies for the priority sustainable Biotrade products and services that are in demand in the markets or market niches identified in 2.1.1
- 2.2.1 Draw up agreements with biological and similar research institutions at the regional and/or national level for the purpose of developing R&D on new products proceeding from Ecuador's flora and fauna
- 2.2.2 Give priorities to the species researched in point 2.2.1
- 2.2.3 Produce technical specification cards for the 10 priority species
- 2.3.1 Design and implement technical training courses that allow for drafting methodologies for sustainable management/use of species
- 2.3.2 Draft 15 management plans for selected species/projects
- 2.4.1 Disseminate and validate the marketing strategies drafted during PDF---B for each of the sectors chosen
- 2.4.2 Implement the strategies in the three sectors chosen ( image campaigns, packaging, etc.)
- 2.4.3 Promote the main initiatives (products and services) of the three sectors selected by means of participation in fairs, trade missions and/or dissemination campaigns
- 2.5.1 Foster training programmes on topics of quality for the 3 sectors selected
- 2.5.2 Identify logistics channels in the target markets or niches for sustainable Biotrade products and services

### **3. Capacity Building**

- 3.1.1 Train the Network of Business Incubators in Ecuador (EMPRENDER, INCOVAL, Loja) and others that do not belong to the network (USFQ, INCUBAUSTRO CORPOAMBATO) on sustainable Biotrade (principles and criteria), opportunities and market niches
- 3.1.2 Draw up letters of understanding and/or agreement with the incubators of companies interested in including sustainable Biotrade in their programmes
- 3.1.3 Adjust and implement the incubator programmes (Manuals/Guides) to instruments of biodiversity conservation in their actions (e.g. environmental studies, monitoring and mitigation of same, conservation tools, among others)
- 3.1.4 Analyze the pilot projects in component 6 and select those that require incubation and that allow the manuals/guides developed in 3.1.3 to be validated

- 3.1.5 Systematize the experience and continually improve on the manuals for the incubator businesses based on biodiversity
- 3.2.1 Design a generic manual for the drafting of management plans that comply with sustainable Biotrade principles and criteria, that can be applied at universities, other academic and business development centers and others that are related (e.g. NGOs)
- 3.2.2 Create additional alliances with other related organizations (universities, other academic and business development centers and others) for training
- 3.2.3 Organize and impart the training (2 yearly workshops) directed to entrepreneurs and businessmen
- 3.2.4 Draft or improve on the business or management plans of selected initiatives that are not necessarily in the company incubators
- 3.3.1 Provide specific technical assistance (e.g. business partnering, value chains, legal issues, among others) through the Biotrade network for initiatives in the three priority sectors
- 3.3.2 Analyze and select the initiatives to be constituted (e.g. business partnerships, associations of producers, among others)
- 3.3.3 Support the legal constitution of the group initiatives
- 3.4.1 Design and print/burn several publications with information on the project and on sustainable Biotrade (Biotrade principles and criteria; the practical experience of these in the three priority value chains; manuals both on environment issues (management plans, other conservation tools) and management issues (business plans, exporting audits); brochures for consumers (e.g. nutrients, recipes, etc.), among other communications material)
- 3.4.2 Identify key forums (e.g. those organized by universities, international organizations, research and technology entities, State Portfolios, the private sector and others) for disseminating the Biotrade principles and criteria, the lessons learned and the advantages of the sustainable use of biodiversity for human/local development
- 3.4.3 Participate in mass dissemination programmes organized by the press departments at CORPEI, MAE and Ministry of the Environment, Ministry of Tourism and other relevant institutions for the purpose of disseminating the concept of sustainable Biotrade

**4. Product and Market Information**

4.1.1	Identify possible sites with information of interest to Biotrade (e.g. herbaria, universities, networks of producers, research centers, among others) with which agreements can be drawn up for the sharing of information and as links to the chosen sectors' websites
4.1.2	Take advantage of the Trade Information Center platform at CORPEI, on which the virtual information system specific to Biotrade will be drafted and which will link the existing sites and data bases
4.1.3	Update and adjust the PNBSE gateway so that it serves as a link between the existing information systems (4.1.1. and 4.1.2), and with the Regional Information System drafted in this project
4.1.4	Monitor, evaluate, articulate and constantly update the PNBSE information and its connected gateways
4.2.1	Identify and print/burn media for distributing information to beneficiaries who do not have access to the Internet (e.g. CD-ROMs, bulletins and pamphlets to complement the bimonthly information; triptychs and diptychs with key information on products/markets; magazines such as CORPEI's "Ecuador Exporta" and local offices)
4.2.2	Set up alliances with the identified media to channel the information to beneficiaries

	detail (e.g. synergies with other sectors)
4.3.2	Run studies on what was identified in 4.3.1
<b>5. Leverage Financial Resources for Biotrade Initiatives</b>	
5.1.1	Agree with UCADE on the system for operating the Micro-Credit Fund for sustainable Biotrade initiatives
5.1.2	Formalize the UCADE-PNBSE relationship for the official establishment of the
5.1.3	Micro-Credit Fund for sustainable Biotrade initiatives using what was agreed upon in 5.1.1
5.1.4	Train the local UCADE partners in the system in the selection and granting of credit for sustainable Biotrade initiatives
5.1.5	
5.2.1	Launch the Micro-Credit Fund for sustainable Biotrade
5.2.2	initiatives Operate the Micro-Credit Fund for sustainable
	Biotrade initiatives
5.2.3	Together with UCADE, create a specific training programme (on the businesses based on biodiversity and their potential) for financial or similar institutions
5.3.1	Identify the institutions interested in supporting the implementation of Biotrade projects
<b>6. Pilot Projects for Biotrade-based Businesses</b>	
6.1.1	Design the bid/summons to receive projects in the three sectors chosen and in the

	<p>areas of priority to Biotrade, in compliance with a manual drafted in PDF---B</p> <p>6.1.2 Disseminate the bid using electronic media (Biotrade network, universities, others), radio (Sonorama at the national level, others) and letters to specific entities</p> <p>6.1.3 Receive the projects and verify that they comply with the minimum cautionary</p> <p>6.1.4 Establish a group of experts who will evaluate, individually and as a group, each of previously selected projects</p> <p>6.1.5 Organize a meeting for selection and discussion with the evaluators for the purpose obtaining a short list of projects for the verification visits (a maximum of 10 projects)</p> <p>6.1.6 Visit the projects that are on the short list so as to issue approvals and make the selection</p> <p>6.1.7 Select the 6 best projects to be supported and formalize this selection via agreements between the beneficiaries and the PNBSE</p> <p>6.2.1 Grant non---refundable financing of a maximum of US\$ 8.000 per project and minimum counterpart of 1:1. For some projects, this financing will complement support they receive from previous results 2, 3 and 5</p>
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<b>PERU</b>	<b>1. Policy Strengthening</b>
	<p>1.1.1 Train the public sector on Biotrade principles and criteria through workshops in Lima and provinces (marked out in accordance with the sphere of influence of the project): DIGESA, SENASA, DIGEMID, MINAG (Dirección General de Promoción Agraria),PRODUCE, regional Governments, etc. Train the private sector on Biotrade principles and criteria through workshops in Lima and provinces (marked out in accordance with the sphere of influence of the project): ADEX, Chambers of Commerce, IPPN, Associations of Producers (according to priority chains)</p> <p>1.2.1 Draft proposals for amendments and revisions of norms and regulations so as to expedite the granting of licenses and authorizations for exporting products applying the Biotrade principles and criteria for the priority chains.</p> <p>1.2.2. Present these proposals to the President of the Council of Ministers in Peru by MINAM for its implementation by the institutions involved, such as DIGESA, DIGEMID, SENASA, MINAG. MINCETUR, etc</p> <p>1.2.2 Draft proposals of technical norms for the priority chains through the creation of technical groups via working meetings programmed in Lima and provinces (according to the scope of the project)</p> <p>1.2.3 Organize forums and workshops in Lima and provinces to discuss the Technical Obstacles to Trade that the priority chains' products face in the main markets such as the United States, the European Union and Japan, for the purpose of generating the diagnosis and the implementation of the respective solutions per chain as a function of the market.</p> <p>1.2.4 Draft a proposal of tax and economic incentives for Biotrade products</p>
	<b>2. Market Access</b>

- 2.1.1 Undertake three market studies to identify potential niches for the priority chains in the project for the main destination markets: the United States, the European Union and Japan
- 2.1.2 Undertake market studies for the United States, the European Union and Japan by product: Hercampuri, Pasuchaca, Chancapiedra, Muña, Sangre de grado, Molle, Chuchuwasi, Ratania, Quinoa, Maíz morado (purple maize), Maíz gigante del Cuzco (giant maize from Cuzco), ornamental fish
- 2.2.1 Form an inter-institutional research coalition with international and national entities under the leadership of the National Biotrade Commission
- 2.2.2 Carry out biological research to identify the active ingredients and the development of new products by means of clinical and toxicological analyses, which the research coalition institutions will be in charge of, as a function of the products of the priority chains, the market potential of which has been fully identified by the research and market studies carried out
- 2.3.1 Implement a training and technical assistance programme in Lima and provinces directed to the actors in the productive chain (export companies, gatherers/extractors, producers, etc.) on management plans per group of priority products
- 2.4.1 Implement the marketing and promotional strategy for Biotrade products designed in PDF-B
- 2.4.2 Participate in the German Biofach fair
- 2.5.1 Implement quality assurance programmes: BPM, BPA, EUREGAP, HACCP, SQF, directed to the actors in the priority chains
- 2.5.2 Undertake diagnoses of logistics through specialized consultancies in administration of the supply chain and traceability

### **3. Capacity Building**

- 3.1.1 Through the National Biotrade Commission, encourage an annual international forum summoning all the public and private institutions that are undertaking incubation activities to foster the integration of the Biotrade concept
- 3.1.2 Design and execute specific incubation programmes of Biotrade initiatives in the regions of geographic influence of the project
  - 3.2.1 Execute training programmes in Lima and provinces (in compliance with the scope of the project) on contents and drafting of export business plans, seeking to build awareness of and guide towards the Biotrade project initiatives for the priority chains
- 3.2.2 Technical assistance for the business plans of the three best Biotrade initiatives (one per product group) that are the result of the training programmes
- 3.3.1 Organize workshops to promote the formalization and partnering of producers by means of technical consultancy
- 3.3.2 Undertake diagnoses to determine the current rate of vertical articulation of the priority chains
- 3.4.1 In workshops, disseminate the successful Biotrade cases and identify in the data base the particular problems the selected initiatives may have
- 3.4.2 Design operating plans so as to comply with the principles and criteria of the three best initiatives selected

**4. Product and Market Information**

- 4.1.1 Design and implement a virtual trade information system that allows for systematizing the information proceeding from the main destination markets (the United States, the European Union and Japan) and interconnect the member institutions of the National Biotrade Commission (SICEX)
- 4.2.1 Disseminate the PNPB activities at the local level by means of rural radios and other conventional dissemination channels
- 4.3.1 Draw up sector profiles of the priority product groups

**5. Leverage Financial Resources for Biotrade Initiatives**

- 5.1.1 Promote grant funds and lines of credit specializing in Biotrade to be managed with the current offering of financial services in Peru (FOGAPI, COPEME, INCAGRO and PRODUCE Innovation Fund)
- 5.2.1 Run training and awareness--building workshops in institutions that provide financial services on opportunities for bio--business in Peru
- 5.3.1 Disseminate the options for grant funds and other financing possibilities that may arise (FOMIN, Fundación Perú, FONAM) among the Biotrade initiatives by means of informative workshops

**6. Pilot Projects for Biotrade---based Businesses**



6.1.1	Select the Biotrade initiatives by evaluating business plans and funding contests that take into account Biotrade principles and criteria
6.2.1	Program financial assistance and support for the implementation of Biotrade
6.3.1	Program follow-up and monitoring for pilot projects that have implemented the principles and criteria

	7. Regional dissemination and replication strategy
7.1	A series of regional seminars on lessons learned implemented
7.2	A regional replication strategy developed
7.3	An Andean information system on Biotrade developed

Source: project documents

#### 4. Executing Arrangements

5. The **Implementing Agency** for the project was the United Nations Environment Programme (UNEP). In this capacity, UNEP had overall responsibility for the implementation of the project, project oversight, technical support and co-ordination with other GEF projects.

6. Corporación Andina de Fomento (Andean Development Corporation) CAF was appointed as the Regional Executing Agency (REA). CAF is the leading institution for multilateral financing of the countries of the Andean Community. The REA was responsible for the management of the project, ensuring that the objectives and activities would be realised.

7. At the national level, the project complemented the operations of the existing National Biotrade Programme.

8. In Colombia the project was lead by a National Committee. The Committee consisted of 2 groups, the politically focused (Ministerio de Ambiente, Vivienda y Desarrollo Territorial, or Ministry of the Environment, Housing and Territorial Development) and the technically focused National Executing Agency (NEA) Fondo Biocomercio (FB).

9. In Ecuador the project was led by a National Management Committee, constituting of the Ministerio del Ambiente del Ecuador (Ecuador's Ministry of the Environment), the National Executing Agency (NEA) Corporación de Promoción de Exportaciones e Inversiones de Ecuador (Exports and Investment Promotion Corporation of Ecuador) – CORPEI, the Fundación EcoCiencia (EcoCiencia Foundation) and two donor representatives (national and/or international cooperation).

10. In Peru the projects NEA was PROMPERU (Comisión de Promoción del Perú para la Exportación y el Turismo. The National Committee Director for the project was the Steering Committee of the National Biotrade Commission made up of MINAM, PROMPERU, IIAP, INRENA, CONCYTEC and MRE.

- a. The project established a steering committee composed of UNEP as implementing agency, CAF as executing agency, and national executing agencies from and for each of the countries, i.e. the Fondo Biocomercio (FB) in Colombia, the Corporación de Promoción de Exportaciones e Inversiones de Ecuador (CORPEI, or Export and

Investment Promotion Corporation) in Ecuador, and PROMPERU (Comisión de Promoción del Perú para la Exportación y el Turismo or Peru Export and Tourism Promotion Board) ex PROMPEX. The steering committee met physically once a year and its functions were to evaluate the progress of the project relative to the products expected, to provide strategic directions for the implementation of the project – both at national and regional level – and to guarantee the necessary inter---institutional coordination.

- b. UNEP GEF staff supervised the project, while UNEP, the Division of Technology, Industry and Economics (DTIE), and the Economics and Trade Branch (ETB) formally participated in project steering committee meetings, the Mid Term Review, clearance of half year and annual reports, technical review of project outputs and the provision of technical assistance to national implementing agencies on a demand basis.

11. Further, there was an Executive Secretariat with functions in the technical/operative arena, made up of the regional coordinator (CAF) and a representative of each the three national coordinators for the project, i.e. one FB representative, one CORPEI and one PROMPERU representative.

### 5. Project Cost and Financing

12. The project was financed through a combination of capital from the GEF Trust Fund and Co---financing from National Institutions. The estimated projects costs at design stage and associated funding sources are presented in Table 4. Table 5 presents the most recent figures taken from the MTR.

Table 4 – Estimated Project Costs

Cost of Project	US\$	%
GEF funds	6,414,020	45
<b>PDF-B</b>	<b>350,000</b>	
Co-financing	<b>7,965,438</b>	55
Co-financing PDF-B	<b>400,000</b>	
<b>Total</b>	<b>15,129,458</b>	100%

Table 5 – Project Budget

Region	Totals	%	CAF	Ecuador	Colombia	Peru
<b>Total budget in US\$</b>	GEF funds	6,414,020	42.60	0	1,988,332	1,991,900
	Co-finance funds in	5,969,819	39.65	1,255,000	969,779	1,336,267
	Co-finance funds in	2,670,353	17.75	357,444	1,395,606	588,680
	<b>Total</b>	<b>15,054,192</b>	<b>100%</b>	<b>1,582,444</b>	<b>4,353,717</b>	<b>5,171,184</b>

## Implementation Issues

12. The Mid Term Review (MTR) found that the main elements of Project formulation and design were correct, and that under the regional context the Project was achieving fairly significant advances in meeting its objectives and results. However, a few key findings were highlighted:

- I. There were difficulties when it came to effective implementation in all countries. This issue was compounded by the variation of implementation strategies depending on the specificity of project management model in each country and hence their different progress and achievements: Ecuador with good dynamics and more achievements, Peru with good preparation to follow results, and Colombia with organizational and planning difficulties for a full implementation.
- II. The MTR raised awareness of the importance of the public to private sector relationship to the project and highlighted some of the shortcomings in these relationships. In the case of Ecuador, CORPEI separation as a public – private model presented difficulties for a more effective coordination with PROECUADOR, in the case of FBC in Colombia it was the same way with the Ministry of Environment and PROEXPORT, finally PROMPERU had a strong public entity with utilitarian relationships with private associations but these were not permanent or structured.

Bio---Trade businesses remain vulnerable to price and the power of buyers, the costs of market access in many cases are subsidized and there is no security the businesses can cover them at the conclusion of the project, yet there are developed skills in the companies to continue long term business plans. Although Political and institutional frameworks give some confidence that the Bio--- Trade is on the agenda of governments, and there exists a commitment to continue supporting the sector, specific public policies are needed for both access to business development services and financial services according to the needs of the sector.

13. The terminal evaluation should pay careful attention not only to the delivery of outputs, but also specifically the speed of implementation of investments and the likelihood of long term sustainability and institutional change.

## TERMS OF REFERENCE FOR THE EVALUATIONS

### **a. Objective and Scope of the Evaluation**

16. In line with the UNEP Evaluation Policy, the UNEP Evaluation Manual and the Guidelines for GEF Agencies in Conducting Terminal Evaluations, the Terminal Evaluations of the Projects “Facilitation on financing for biodiversity--based business and support of market development activities in the Andean Region” will be undertaken upon completion of the project or immediately before the completion of the project to assess project performance (in terms of relevance, effectiveness and efficiency), and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. The evaluations have two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP, the GEF and their executing partners – the National Executing Agencies and the national partners in particular. Therefore, the evaluation will identify lessons of operational relevance for future project formulation and implementation. It will focus on the following sets of **key questions**, based on the projects’ expected outcomes, which may be expanded by the consultants as deemed appropriate:

- To what extent was the project able to facilitate the development and rationalization of policies favourable to Biotrade in the Andean region?
- To what extent was the project able to increase the access of products proceeding from biodiversity to markets that reward sustainable extraction and production?
- To what extent was the project able to strengthen business capabilities within the scope of value chains of products based on biodiversity, and promote an understanding of Biotrade?
- To what extent was the project able to improve the acquisition of and access to information on key Biotrade products and markets?
- To what extent was the project able to leverage and direct financial resources into Biotrade initiatives?
- To what extent was the project able to support pilot Biotrade projects for biodiversity conservation?  
To what extent was the project able to replication strategies for the project at the national and regional Andean level, including mechanisms for its implementation?

### **b. Overall Approach and Methods**

17. The Terminal Evaluations of the Project “Facilitation on financing for biodiversity-based business and support of market development activities in the Andean Region” will be conducted by an independent consultant under the overall responsibility and management of the UNEP Evaluation Office (Nairobi), in consultation with the UNEP Task Manager (Nairobi), and the UNEP Fund Management Officer at UNEP/DEPI (Nairobi).

18. They will be in--depth evaluations using a participatory approach whereby key stakeholders are kept informed and consulted throughout the evaluation process. Both quantitative and qualitative evaluation methods will be used to determine project achievements against the expected outputs, outcomes and impacts.

19. The findings of the evaluation will be based on the following:
- (a) A **desk review** of project documents and others including, but not limited to:
- Relevant background documentation, inter alia UNEP and GEF---3 policies, strategies and programmes pertaining to Biotrade at the time of the project's approval;
  - Project design documents; Annual Work Plans and Budgets or equivalent, revisions to the logical framework and project financing;
  - Project reports such as progress and financial reports from the executing partners; Steering committee meeting minutes; National Committee meeting minutes; annual Project Implementation Reviews and relevant correspondence;
  - Documentation related to project outputs;
  - Relevant material published, e.g. in journals and books
- (b) **Interviews** with:
- UNEP Task Manager and Fund Management Officer and other relevant staff in UNEP as necessary;
  - Interviews with project management, Steering and National Committee and key partners to the extent possible;
  - Stakeholders involved with this project, including NGOs, private sector, Biotrade related organizations,
  - Financial and promotional entities, academia and research centres, national organizations and institutes, including National Competent Authorities, regional and international organizations and civil society representatives, including rural communities to the extent possible;
  - Relevant staff of GEF Secretariat and
  - Representatives of the government and other organisations (if deemed necessary by the consultant).
- (c) **Country visits.** The evaluation consultant will schedule a visit to each country to interview relevant stakeholders and the project team. To the extent possible, the visits should take place back to back to limit the amount of travel required.

### **C. Key Evaluation principles**

20. Evaluation findings and judgements should be based on **sound evidence and analysis**, clearly documented in the evaluation report. Information will be triangulated (i.e. verified from different sources) to the extent possible, and when verification was not possible, the single source will be mentioned. Analysis leading to evaluative judgements should always be clearly spelled out.

21. The evaluation will assess the project with respect to **a minimum set of evaluation criteria** grouped in six categories: (1) Strategic Relevance; (2) Attainment of objectives and planned result, which comprises the assessment of outputs achieved, effectiveness and likelihood of impact; (3) Sustainability and replication; (4) Efficiency; (5) Factors and processes affecting project performance, including preparation and readiness, implementation and management, stakeholder participation and public awareness, country ownership and driven--- ness, financial planning and management, UNEP supervision and backstopping, and project monitoring and evaluation; and (6) Complementarity with the UNEP strategies and programmes. The evaluation consultants can propose other evaluation criteria as deemed appropriate.

22. **Ratings.** All evaluation criteria will be rated on a six--point scale. However, complementarity of the project with the UNEP strategies and programmes is not rated. Annex 3 provides detailed guidance on how the different criteria should be rated and how ratings should be aggregated for the different evaluation criterion categories.

23. In attempting to attribute any outcomes and impacts to the project, the evaluator should consider the difference between *what has happened with and what would have happened without the project*. This implies that there should be consideration of the baseline conditions and trends in relation to the intended project outcomes and impacts. This also means that there should be plausible evidence to attribute such outcomes and impacts to the actions of the project. Sometimes, adequate information on baseline conditions and trends is lacking. In such cases this should be clearly highlighted by the evaluators, along with any simplifying assumptions that were taken to enable the evaluator to make informed judgements about project performance.

24. As these are terminal evaluations, particular attention should be given to learning from the experience. Therefore, the “*Why?*” question should be at front of the consultant’s minds all through the evaluation exercise. This means that the consultant needs to go beyond the assessment of “*what*” the project performance was, and make a serious effort to provide a deeper understanding of “*why*” the performance was as it was, i.e. of processes affecting attainment of project results (criteria under category 3). This should provide the basis for the lessons that can be drawn from the project. In fact, the usefulness of the evaluation will be determined to a large extent by the capacity of the consultants to explain “*why things happened*” as they happened and are likely to evolve in this or that direction, which goes well beyond the mere review of “*where things stand*” today.

#### **d. Evaluation criteria**

##### **A. Strategic relevance**

25. The evaluations will assess, in retrospect, whether the projects’ objectives and implementation strategies were consistent with: i) Sub--regional environmental issues and needs; ii) the UNEP mandate and policies at the time of design and implementation; and iii) the GEF Biodiversity focal area, strategic priorities and operational programme(s).

26. The evaluations will also assess whether the projects’ objectives were realistic, given the time and budget allocated to the project, the baseline situation and the institutional context in which the project was to operate.

##### **B. Achievement of Outputs**

27. The evaluation will assess, for each component, the project’s success in producing the programmed results as presented in Table 3 above, both in quantity and quality, as well as their usefulness and timeliness. Briefly explain the degree of success of the projects in achieving its different outputs, cross--referencing as needed to more detailed explanations provided under Section F (which covers the processes affecting attainment of project objectives).

### C. Effectiveness: Attainment of Objectives and Planned Results

28. The evaluations will assess the extent to which the project's objectives were effectively achieved or are expected to be achieved.

29. The evaluations will reconstruct the Theory of Change (ToC) of the project based on a review of project documentation and stakeholder interviews. The ToC of a project depicts the causal pathways from project outputs (goods and services delivered by the project) over outcomes (changes resulting from the use made by key stakeholders of project outputs) towards impact (changes in environmental benefits and living conditions). The ToC will also depict any intermediate changes required between project outcomes and impact, called intermediate states. The ToC further defines the external factors that influence change along the pathways, whether one result can lead to the next. These external factors are either drivers (when the project has a certain level of control) or assumptions (when the project has no control).

30. The assessment of effectiveness will be structured in three sub-sections:

- (a) Evaluation of the **achievement of direct outcomes as defined in the reconstructed ToC**. These are the first-level outcomes expected to be achieved as an immediate result of project outputs.
- (b) Assessment of the **likelihood of impact** using a *Review of Outcomes to Impacts* (ROtI) approach as summarized in Annex 8 of the TORs. Appreciate to what extent the project has to date contributed, and is likely in the future to further contribute to changes in stakeholder behaviour as a result of the project's direct outcomes, and the likelihood of those changes in turn leading to changes in the natural resource base, benefits derived from the environment and human living conditions.
- (c) Evaluation of the **achievement of the formal project overall objective, overall purpose, goals and component outcomes** using the project's own results statements as presented in original logframe and any later versions of the logframe. This sub-section will refer back where applicable to sub-sections (a) and (b) to avoid repetition in the report. To measure achievement, the evaluation will use as much as appropriate the indicators for achievement proposed in the Logical Framework Matrix (Logframe) of the project, adding other relevant indicators as appropriate. Briefly explain what factors affected the project's success in achieving its objectives, cross-referencing as needed to more detailed explanations provided under Section F.

### D. Sustainability and replication

31. Sustainability is understood as the probability of continued long-term project-derived results and impacts after the external project funding and assistance ends. The evaluation will identify and assess the key conditions or factors that are likely to undermine or contribute to the persistence of benefits. Some of these factors might be direct results of the project while others will include contextual circumstances or developments that are not under control of the project but that may condition sustainability of benefits. The evaluation should ascertain to what extent follow-up work has been initiated and how project results will be sustained and enhanced over time. The reconstructed ToC will assist in the evaluation of sustainability.

32. Four aspects of sustainability will be addressed:

- a) *Socio--political sustainability.* Are there any social or political factors that may influence positively or negatively the sustenance of project results and progress towards impacts? Is the level of ownership by the main national and regional stakeholders sufficient to allow for the project results to be sustained? Are there sufficient government and stakeholder awareness, interests, commitment and incentives to execute, enforce and pursue the programmes, plans, agreements, monitoring systems etc. prepared and agreed upon under the project? To what extent was the project able to reach out to the stakeholders identified in the design phase (academia, private sector, civil society including rural communities etc)?
- b) *Financial resources.* To what extent are the continuation of project results and the eventual impact of the project dependent on continued financial support? What is the likelihood that adequate financial resources will be or will become available to implement the programmes, plans, agreements, monitoring systems etc. prepared and agreed upon under the project? Are there any financial risks that may jeopardize sustenance of project results and onward progress towards impact?
- c) *Institutional framework.* To what extent is the sustenance of the results and onward progress towards impact dependent on issues relating to institutional frameworks and governance? How robust are the institutional achievements such as governance structures and processes, policies, sub---regional agreements, legal and accountability frameworks etc. required to sustaining project results and to lead those to impact on human behaviour and environmental resources?  
*Environmental sustainability.* Are there any environmental factors, positive or negative, that can influence the future flow of project benefits? Are there any project outputs or higher level results that are likely to affect the environment, which, in turn, might affect sustainability of project benefits? Are there any foreseeable negative environmental impacts that may occur as the project results are being up---scaled?

33. **Catalytic role and replication.** The *catalytic role* of GEF---funded interventions is embodied in their approach of supporting the creation of an enabling environment and of investing in pilot activities which are innovative and showing how new approaches can work. UNEP and the GEF also aim to support activities that upscale new approaches to a national, regional or global level, with a view to achieve sustainable global environmental benefits. The evaluation will assess the catalytic role played by this project, namely to what extent the project has:

- (a) *catalyzed behavioral changes* in terms of use and application by the relevant stakeholders of: i) technologies and approaches show---cased by the demonstration projects; ii) strategic programmes and plans developed; and iii) assessment, monitoring and management systems established at national and regional level;
- (b) provided *incentives* (social, economic, market based, competencies etc.) to contribute to catalyzing changes in stakeholder behavior;
- (c) contributed to *institutional changes*. An important aspect of the catalytic role of the project is its contribution to institutional uptake or mainstreaming of project---piloted approaches in the regional and national demonstration projects;
- (d) contributed to *policy changes* (on paper and in implementation of policy);
- (e) contributed to sustained follow---on financing (*catalytic financing*) from Governments, the GEF or other donors;
- (f) created opportunities for particular individuals or institutions (“*champions*”) to catalyze change (without which the project would not have achieved all of its results).

34. *Replication*, in the context of GEF projects, is defined as lessons and experiences coming out



of the project that are replicated (experiences are repeated and lessons applied in different geographic areas) or scaled up (experiences are repeated and lessons applied in the same geographic area but on a much larger scale and funded by other sources). The evaluations will assess the approach adopted by the project to promote replication effects and appreciate to what extent actual replication has already occurred or is likely to occur in the near future. What are the factors that may influence replication and scaling up of project experiences and lessons?

#### **E. Efficiency**

35. The evaluations will assess the cost---effectiveness and timeliness of project execution. They will describe any cost--- or time---saving measures put in place in attempting to bring the project as far as possible in achieving its results within its programmed budget and (extended) time. They will also analyse how delays have affected project execution, costs and effectiveness. Wherever possible, costs and time over results ratios of the projects will be compared with that of other similar interventions and to each other's. The evaluations will give special attention to efforts by the project teams to make use of/build upon pre---existing institutions, agreements and partnerships, data sources, synergies and complementarities with other initiatives, programmes and projects etc. to increase project efficiency, all within the context of project execution.

36. The projects suffered from moderate to significant delays. To what extent were the projects efficiently managed and what lessons can be learnt for future projects? To what extent did these challenges have an impact on the delivery of project outcomes and the achievement of the project objective?

#### **F. Factors and processes affecting project performance**

37. **Preparation and readiness.** This criterion focusses on the quality of project design and preparation. Were project stakeholders adequately identified? Were the project's objectives and components clear, practicable and feasible within its timeframe? Were the capacities of executing agencies properly considered when the project was designed? Was the project document clear and realistic to enable effective and efficient implementation? Were the partnership arrangements properly identified and the roles and responsibilities negotiated prior to project implementation? Were counterpart resources (funding, staff, and facilities) and enabling legislation assured? Were adequate project management arrangements in place? Were lessons from other relevant projects properly incorporated in the project design? What factors influenced the quality---at---entry of the project design, choice of partners, allocation of financial resources etc. Were GEF environmental and social safeguards considered when the project was designed? Were sufficient components integrated into the project design to ensure the obtaining of commitment of government representatives? Were sufficient provisions integrated into project design to minimise delays in implementation? Were the projects designed with the needs of the countries in mind and to what extent were they aligned to national priorities?

38. **Project implementation and management.** This includes an analysis of implementation approaches used by the project, its management framework, the project's adaptation to changing conditions (adaptive management), the performance of the implementation arrangements and partnerships, relevance of changes in project design, and overall performance of project management. The evaluation will:

- (a) Ascertain to what extent the project implementation mechanisms outlined in the project document have been followed and were effective in delivering project outputs and outcomes. Were pertinent adaptations made to the approaches originally proposed

- (b) Evaluate the effectiveness and efficiency of project management by the National Executing Agencies and how well the management was able to adapt to changes during the life of the project.
- (c) Assess the role and performance of the units and committees established and the project execution arrangements at all levels.
- (d) Assess the extent to which project management, as well as national partners, responded to direction and guidance provided by the National Coordination Committee and UNEP supervision recommendations.
- (e) Identify operational and political / institutional problems and constraints that influenced the effective implementation of the project, and how the project partners tried to overcome these problems. How did the relationship between the project management team and the national coordinators develop?
- (f) Assess the extent to which MTR recommendations were followed in a timely manner.
- (g) Assess the extent to which the project implementation met GEF environmental and social safeguards requirements.

39. **Stakeholder participation and public awareness.** The term stakeholder should be considered in the broadest sense, encompassing project partners, government institutions, private interest groups, local communities etc. The ToC analysis should assist the evaluators in identifying the key stakeholders and their respective roles, capabilities and motivations in each step of the causal pathway from activities to achievement of outputs and outcomes to impact. The assessments will look at three related and often overlapping processes: (1) information dissemination between stakeholders, (2) consultation between stakeholders, and (3) active engagement of stakeholders in project decision making and activities. The evaluations will specifically assess:

- (a) the approach(es) used to identify and engage stakeholders in project design and implementation. What were the strengths and weaknesses of these approaches with respect to the project's objectives and the stakeholders' motivations and capacities? What was the achieved degree and effectiveness of collaboration and interactions between the various project partners and stakeholders during design and implementation of the project?
- (b) the degree and effectiveness of any public awareness activities that were undertaken during the course of implementation of the project; or that are built into the assessment methods so that public awareness can be raised at the time the assessments will be conducted;
- (c) how the results of the project (strategic programmes and plans, monitoring and management systems, sub--regional agreements etc.) promote participation of stakeholders in decision making.

40. **Country ownership and driven--ness.** The evaluation will assess the performance of national partners involved in the project, as relevant:

- (a) In how far has the national partner assumed responsibility for the project and provided adequate support to project execution, including the degree of cooperation received from the various public institutions involved in the project and the timeliness of provision of counter--part funding to project activities?
- (b) To what extent has the national and regional political and institutional framework been conducive to project performance?
- (c) How responsive were the national partners to the National Executing Agencies coordination and guidance, and to UNEP supervision?

41. **Financial planning and management.** Evaluation of financial planning requires assessment of the quality and effectiveness of financial planning and control of financial resources throughout the

project's lifetime. The assessment will look at actual project costs by activities compared to budget (variances), financial management (including disbursement issues), and co-financing. The evaluation will:

- (a) Verify the application of proper standards (clarity, transparency, audit etc.) and timeliness of financial planning, management and reporting to ensure that sufficient and timely financial resources were available to the project and its partners;
- (b) Appreciate other administrative processes such as recruitment of staff, procurement of goods and services (including consultants), preparation and negotiation of cooperation agreements etc. to the extent that these might have influenced project performance;
- (c) Present to what extent co-financing has materialized as expected at project approval (see Table 1, 4, 5 and 6). Report country co-financing to the project overall, and to support project activities at the national level in particular. The evaluations will provide a breakdown of final actual costs and co-financing for the different project components (see tables in Annex 4).
- (d) Describe the resources the projects have leveraged since inception and indicate how these resources are contributing to the projects' ultimate objective. Leveraged resources are additional resources beyond those committed to the project itself at the time of approval—that are mobilized later as a direct result of the project. Leveraged resources can be financial or in-kind and they may be from other donors, NGO's, foundations, governments, communities or the private sector.

42. Analyse the effects on project performance of irregularities (if any) in procurement, use of financial resources and human resource management, and the measures taken by the National Executing Agencies or UNEP to prevent such irregularities in the future. Appreciate whether the measures taken were adequate.

43. **UNEP supervision and backstopping.** The purpose of supervision is to verify the quality and timeliness of project execution in terms of finances, administration and achievement of outputs and outcomes, in order to identify and recommend ways to deal with problems which arise during project execution. Such problems may be related to project management but may also involve technical/institutional substantive issues in which UNEP has a major contribution to make. The evaluators should assess the effectiveness of supervision and administrative and financial support provided by UNEP including:

- (a) The adequacy of project supervision plans, inputs and processes;
- (b) The emphasis given to outcome monitoring (results-based project management);
- (c) The realism and candour of project reporting and ratings (i.e. are PIR ratings an accurate reflection of the project realities and risks);
- (d) The quality of documentation of project supervision activities; and
- (e) Financial, administrative and other fiduciary aspects of project implementation supervision.

44. **Monitoring and evaluation.** The evaluations will include an assessment of the quality, application and effectiveness of project monitoring and evaluation plans and tools, including an assessment of risk management based on the assumptions and risks identified in the project document. The evaluation will appreciate how information generated by the M&E system during project implementation was used to adapt and improve project execution, achievement of outcomes and ensuring sustainability. M&E is assessed on three levels:

- (a) *M&E Design.* Projects should have sound M&E plans to monitor results and track

progress towards achieving project objectives. An M&E plan should include a baseline (including data, methodology, etc.), SMART indicators and data analysis systems, and evaluation studies at specific times to assess results. The time frame for various M&E activities and standards for outputs should have been specified.

The evaluators should use the following questions to help assess the M&E design aspects:

- Quality of the project logframe (original and possible updates) as a planning and monitoring instrument; analyse, compare and verify correspondence between the original logframe in the Project Document, possible revised logframes and the logframe used in Project Implementation Review reports to report progress towards achieving project objectives;
- SMART-ness of indicators: Are there specific indicators in the logframe for each of the project objectives? Are the indicators measurable, attainable (realistic) and relevant to the objectives? Are the indicators time-bound?
- Adequacy of baseline information: To what extent has baseline information on performance indicators been collected and presented in a clear manner? Was the methodology for the baseline data collection explicit and reliable?
- Arrangements for monitoring: Have the responsibilities for M&E activities been clearly defined? Were the data sources and data collection instruments appropriate? Was the frequency of various monitoring activities specified and adequate? In how far were project users involved in monitoring?
- Arrangements for evaluation: Have specific targets been specified for project outputs? Has the desired level of achievement been specified for all indicators of objectives and outcomes? Were there adequate provisions in the legal instruments binding project partners to fully collaborate in evaluations?
- Budgeting and funding for M&E activities: Determine whether support for M&E was budgeted adequately and was funded in a timely fashion during implementation.

(b) *M&E Plan Implementation.* The evaluation will verify that:

- the M&E system was operational and facilitated timely tracking of results and progress towards projects objectives throughout the project implementation period;
- annual project reports and Progress Implementation Review (PIR) reports were complete, accurate and with well justified ratings;
- the information provided by the M&E system was used during the project to improve project performance and to adapt to changing needs.

(c) *Use of GEF Tracking Tools.* These are portfolio monitoring tools intended to roll up indicators from the individual project level to the portfolio level and track overall portfolio performance in focal areas. Each focal area has developed its own tracking tool<sup>17</sup> to meet its unique needs. Agencies are requested to fill out these forms at CEO Endorsement (or CEO approval for MSPs) and submit these tools again for projects at Mid-Term and project completion. The evaluation will verify whether UNEP has duly completed the relevant tracking tool for this project, and whether the information provided is accurate.

## **G. Complementarities with UNEP strategies and programmes**

45. UNEP aims to undertake GEF funded projects that are aligned with its own strategies. The evaluations should present a brief narrative on the following issues:

(a) *Linkage to UNEP's Expected Accomplishments and POW 2008--2009, 2010--2011 and*

2012--2013. The UNEP MTS specifies desired results in six thematic focal areas. The desired results are termed Expected Accomplishments. Using the completed ToC/ROtI analysis, the evaluation should comment on whether the project makes a tangible contribution to any of the Expected Accomplishments specified in the UNEP MTS. The magnitude and extent of any contributions and the causal linkages should be fully described. Whilst it is recognised that UNEP GEF projects designed prior to the production of the UNEP.

- (b) *Gender.* Ascertain to what extent project design, implementation and monitoring have taken into consideration: (i) possible gender inequalities in access to and the control over natural resources; (ii) specific vulnerabilities of women and children to environmental degradation or disasters; and (iii) the role of women in mitigating or adapting to environmental changes and engaging in environmental protection and rehabilitation. Appreciate whether the intervention is likely to have any lasting differential impacts on gender equality and the relationship between women and the environment. To what extent do unresolved gender inequalities affect sustainability of project benefits?
- (c) *South--South Cooperation.* This is regarded as the exchange of resources, technology, and knowledge between developing countries. Briefly describe any aspects of the project that could be considered as examples of South--South Cooperation.

## H. The Consultants' Team

46. For this evaluation, the evaluation team will consist of one consultant. The consultant should have experience in project evaluation. A Master's degree or higher in the area of environmental sciences or a related field and at least 15 years' experience in environmental management, with a preference for specific expertise in the area of SME and Biotrade is required. Fluency in Spanish is necessary.

47. By undersigning the service contract with UNEP/UNON, the consultants certify that they have not been associated with the design and implementation of the project in any way which may jeopardize their independence and impartiality towards project achievements and project partner performance. In addition, they will not have any future interests (within six months after completion of the contract) with the project's executing or implementing units.

## I. Evaluation Deliverables and Review Procedures

48. The evaluation consultant will prepare an evaluation for each country. The evaluator will start by preparing three **inception reports** (see Annex 2(a) of TORs for Inception Report outline) containing a thorough review of the project context, project design quality, a draft reconstructed Theory of Change of the project, the evaluation framework and a tentative evaluation schedule.

49. The review of design quality will cover the following aspects (see Annex 9 for the detailed project design assessment matrix):

- Strategic relevance of the project
- Preparation and readiness (see paragraph 25);
- Financial planning (see paragraph 30);
- M&E design (see paragraph 33(a));
- Complementarities with UNEP strategies and programmes (see paragraph 34);

- Sustainability considerations and measures planned to promote replication and upscaling (see paragraph 23).

50. The inception reports will also present a draft, desk--based reconstructed Theory of Change of the project. It is vital to reconstruct the ToC *before* most of the data collection (review of reports, in--depth interviews, observations on the ground etc.) is done, because the ToC will define which direct outcomes, drivers and assumptions of the project need to be assessed and measured to allow adequate data collection for the evaluation of project effectiveness, likelihood of impact and sustainability.

51. The evaluation framework will present in further detail the evaluation questions under each criterion with their respective indicators and data sources. The evaluation framework should summarize the information available from project documentation against each of the main evaluation parameters. Any gaps in information should be identified and methods for additional data collection, verification and analysis should be specified.

52. The inception reports will also present a tentative schedule for the overall evaluation process, including a draft programme for the country visit and tentative list of people/institutions to be interviewed.

53. The inception reports will be submitted for review and approval by the Evaluation Office before the evaluation team travels to the field.

54. **The main evaluation reports** should be brief (no longer than 35 pages – excluding the executive summary and annexes), to the point and written in plain English. The evaluator will deliver high quality reports in English by the end of the assignment. The team will also provide the executive summary and the conclusions, lessons learned and recommendations section in Spanish. The reports will follow the annotated Table of Contents outlined in Annex 1. It must explain the purpose of the evaluation, exactly what was evaluated and the methods used (with their limitations). The reports will present evidence--based and balanced findings, consequent conclusions, lessons and recommendations, which will be cross--referenced to each other. The reports should be presented in a way that makes the information accessible and comprehensible. Any dissident views in response to evaluation findings will be appended in footnote or annex as appropriate. To avoid repetitions in the reports, the author will use numbered paragraphs and make cross--references where possible.

55. **Review of the draft evaluation reports.** The evaluation consultant will submit the zero draft reports latest two weeks after conducting the field visits to the UNEP EO and revise the drafts following the comments and suggestions made by the EO. Once a draft of adequate quality has been accepted, the EO will share this first draft reports with the UNEP Task Manager, who will ensure that the report does not contain any blatant factual errors. The UNEP Task Manager will then forward the first draft report to the other project stakeholders, in particular the national partners, for review and comments. Stakeholders may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. It is also very important that stakeholders provide feedback on the proposed recommendations and lessons. Comments would be expected within two weeks after the draft report has been shared. Any comments or responses to the draft report will be sent to the UNEP EO for collation. The EO will provide the comments to the evaluation team for consideration in preparing the final draft report.

56. The evaluation consultant will submit the final draft report no later than 2 weeks after reception of stakeholder comments. The consultant will prepare a **response to comments**, listing

those comments not or only partially accepted by them that could therefore not or only partially be accommodated in the final report. They will explain why those comments have not or only partially been accepted, providing evidence as required. This response to comments will be shared by the EO with the interested stakeholders to ensure full transparency.

57. Submission of the final Terminal Evaluation report. The final report shall be submitted by email to the Head of the Evaluation Office, who will share the report with the Director, UNEP/GEF Coordination Office and the UNEP/DEPI Task Manager. The Evaluation Office will also transmit the final report to the GEF Evaluation Office.

58. The final evaluation report will be published on the UNEP Evaluation Office web---site [www.unep.org/eou](http://www.unep.org/eou). Subsequently, the report will be sent to the GEF Office of Evaluation for their review, appraisal and inclusion on the GEF website.

59. As per usual practice, the UNEP EO will prepare a **quality assessment** of the first draft and final draft report, which is a tool for providing structured feedback to the evaluation consultants. The quality of the report will be assessed and rated against the criteria specified in Annex 4.

60. The UNEP Evaluation Office will assess the ratings in the final evaluation report based on a careful review of the evidence collated by the evaluation consultant and the internal consistency of the report. Where there are differences of opinion between the evaluator and UNEP Evaluation Office on project ratings, both viewpoints will be clearly presented in the final report. The UNEP Evaluation Office ratings are the final ratings that will be submitted to the GEF Office of Evaluation.

## J. Logistical arrangement

61. This Terminal Evaluation will be undertaken by an independent evaluation consultant contracted by the UNEP Evaluation Office. The consultant will work under the overall responsibility of the UNEP Evaluation Office and will consult with the EO on any procedural and methodological matters related to the evaluation. It is, however, the consultants' individual responsibility to arrange for their travel, visa, obtain documentary evidence, plan meetings with stakeholders, organize field visits (if any), and any other logistical matters related to the assignment. The UNEP Task Manager and local partners will, where possible, provide logistical support (introductions, meetings, transport etc.) for the country visit, allowing the consultants to conduct the evaluation as efficiently and independently as possible.

## K. Schedule of the evaluation (tentative)

Activity	Date (s)
Start of the evaluation	4 August 2014
Inception reports	21 August 2014
Comments from Evaluation Office	8 August 2014
Field visits	23 August – 14 September 2014
Zero Draft reports	28 September 2014

Comments from Evaluation Office	5 October 2014
First draft reports	12 October 2014
Comments from stakeholders	26 October 2014
Final reports	2 November 2014

62. The consultant will be hired under an individual Special Service Agreement (SSA). There are two options for contract and payment: lumpsum or “fees only”.

63. **Lumpsum:** The contract covers both fees and expenses such as travel, per diem (DSA) and incidental expenses which are estimated in advance. The consultants will receive an initial payment covering estimated expenses upon signature of the contract.

64. **Fee only:** The contract stipulates consultant fees only. Air tickets will be purchased by UNEP and 75% of the DSA for each authorised travel mission will be paid up front. Local in-country travel and communication costs will be reimbursed on the production of acceptable receipts. Terminal expenses and residual DSA entitlements (25%) will be paid after mission completion.

65. The payment schedule for the consultant will be linked to the acceptance of the key evaluation deliverables by the Evaluation Office:

- Final inception report: 20 percent of agreed total fee
- First draft main evaluation report: 40 percent of agreed total fee
- Final main evaluation report: 40 percent of agreed total fee

66. In case the consultants are not able to provide the deliverables in accordance with these TORs, in line with the expected quality standards by the UNEP Evaluation Office, payment may be withheld at the discretion of the Head of the Evaluation Office until the consultants have improved the deliverables to meet UNEP’s quality standards.

67. If the consultants fail to submit a satisfactory final product to UNEP in a timely manner, i.e. within one month after the end date of their contract, the Evaluation Office reserves the right to employ additional human resources to finalize the report, and to reduce the consultants’ fees by an amount equal to the additional costs borne by the Evaluation Office to bring the report up to standard.

68. Submission of the final evaluation report: The final report shall be submitted by email to:

Mr. Michael  
Spilsbury, Chief  
UNEP Evaluation  
Office  
Email: michael.spilsbury@unep.org



The Head of Evaluation will share the report with the

following persons: Brennan Van Dyke

Director

UNEP/ GEF Coordination Office

Email: [brennan.vandyke@unep.org](mailto:brennan.vandyke@unep.org)

Shakira Khawaja

Fund

Management

Officer

UNEP/DEPI---

GEF

Email: [shakira.khawaja@unep.org](mailto:shakira.khawaja@unep.org)

Robert Erath Task Manager

UNEP/DEPI ---GEF

Email: [Robert.erath@pnuma.org](mailto:Robert.erath@pnuma.org)

69. The final evaluation report will be published on the UNEP Evaluation Office website [www.unep.org/eou](http://www.unep.org/eou) and may be printed in hard copy.

ANNEX 3. Evaluation program, containing the names of locations visited and the names (or functions) and contacts (Email) of people met

Table 4: Evaluation program/agenda during country visits

Day	Activity	Location
August 26, 2014	Arrival	Lima
August 27, 2014	Andean Biotrade Steering Committee Participation at Expoalimentaria. Meeting with “Algarrobos orgánicos” visit: <a href="http://algarrobosorganicos.pe/">http://algarrobosorganicos.pe/</a>	Lima
August 28, 2014	Local Team Introduction Meeting with government and key partners.	Lima
August 29, 2014	National Coordinator and Administrative Assistant Meeting, Pilot projects follow up team Meeting Visit to Pilot Project “Chaxras” visit <a href="http://www.chaxrasrestaurante.com/">http://www.chaxrasrestaurante.com/</a>	Lima
August 30, 2014	Day off	Lima
August 31, 2014	Flight to Cusco	Lima/Cusco
September 1, 14	Pilot project “Parque de la Papa” visit	Cusco
September 2, 14	Pilot project “ARPAC” visit Pilot project “Sol Naciente” visit	Cusco
September 3, 2014	Flight to Lima, Technical Supervisor Project, Coordinator of sustainable trade and Biotrade Specialist meeting with Ministry of Environment representatives meeting Pilot project “Peruvian Nature” visit: Pilot project Flight to Bogota	Cusco/Lima
September 4, 14	Meeting with the Ministry of the Environment (MADS)	Bogota
September 5, 14	Meeting with pilot project Vhera Lucci, natural ingredients Meeting with Biotrade Fund team Meeting with National Parks and Proexport (community ecotourism) Meeting with Natura Foundation (implementation partner) Meeting with PBA (implementation partner) Meeting with SINCHI to see the process in the Amazonia	Bogota

	Meeting consultant supporting the creation of revolving funds Visit LaFabre Laboratories	
September 6, 2014	Visit Pilot production of native potatoes in Ventaquemada	Ventaquemada/ Colombia
September 7, 2014	Day off	Bogota
September 8, 2014	Visit pilot Ecotourism pilot project in La Calera Natural Reserve	Encenillo
September 9, 2014	Final and wrap up meeting with FBC. Flight to Quito	Bogota/Quito
September 10, 2014	Meeting with CORPEI, Ecociencia, Rainforest Alliance Meeting with Ministry of the Environment Visit Pilot project Wikiri, production of frogs as pets	Quito
September 11, 2014	Visit to Cabañas San Isidro (sustainable ecotourism)	Quito
September 12, 2014	Visit to Sumak Mikuy	Quito
September 13, 2014	Day off	Quito
September 14, 2014	Flight to Guayaquil	Quito/Guayaquil
September 15, 2014	Meeting with CORPEI, CORPEI CAPITAL Skype meeting with UTPL Visit pilot project Pueblo Nuevo (cacao)	Guayaquil
September 16, 2014	Visit pilot project Scuba diving ecotourism project Flight back to Toronto	Guayaquil

ANNEX 4. Persons interviewed during country visits

Table 5. List of Persons interviewed and contact information

<b>Name</b>	<b>Position</b>	<b>Email</b>
Robert Erath	Task Manager GEF	robert.erath@pnuma.org
René Gomez-Garcia	Principal Executive of the Environmental Division	rgomez@caf.com
Alberto Cuba	Intern	alberto.cuba_pasante@caf.com
Federico Vignati	Regional Coordinator	fvignati@cventures.org
Giovanni Ginatta	National coordinator Ecuador	gginatta@mac.com
Maria Isabel Proaño	Administrative Assistance	marisabelproano@gmail.com
Paola Betancourt	Technical Advisor	paolabetancourt1@hotmail.com
Ma. Emilia Porras	Technical Assistant	biocomercio.quito@gmail.com
Gustavo Urrea	Executive Director FB	gusurrea22@hotmail.com
Maria Alejandra Chaux	National project coordinator Colombia	machaux@hotmail.com
Carolina Gomez	Director Assistant	cgomez@fondobiocomercio.com
Adriana Rueda	Project Assistant FB/Colombia	arueda@fondobiocomercio.com
Ana Mercedes Garzón	Administrative coordinator FB/Colombia	agarzonl@fondobiocomercio.com
Nelson Cubillos	Financial coordinator Colombia	ncubillos@fondobiocomercio.com
Lilian Rodrigues	Communication specialist	lrodriguez@fondobiocomercio.com
Luis Torres Paz	National Director Peru	ltorres@promperu.gob.pe
Cynthia Garcia	National coordinator	cgarcia@promperu.gob.pe
Manuel Saavedra	Administrative support	apoyobca2@promperu.gob.pe
Ricardo Limo	Project responsible Peru	rlimo@promperu.gob.pe
Guadalupe Amezcuita	Sustainable Trade Specialist/PROMPERU	gamezcuita@promperu.gob.pe
Marisela Vega	Monitoring and Evaluation	mariselavega@gmail.com

Rudy Luis Cirineo Ureta	Monitoring and Evaluation	rudylcirineo@gmail.com
Luis Angel Valdez	Monitoring and Evaluation	luis.angel.valdez.u@gmail.com
Ernesto Velarde	Monitoring and Evaluation	netoh_m@hotmail.com
Gabriela Ñaupari	Monitoring and Evaluation	gabrielanaupariv@gmail.com
Francisco Ruiz	Monitoring and Evaluation	faruiz@jfcorp.com
Krist Landauro	Monitoring and Evaluation	kristland@yahoo.com
Ana Vega	Monitoring and Evaluation	avegalopez@yahoo.com
José Zamora	Monitoring and Evaluation	jose.zamora.reategui@gmail.com
Miguel Chavez	Asesor Madre de Dios	mchavezp62@hotmail.com
Eduardo Calderón	Monitoring and Evaluation	eduardoapolion@hotmail.com
Jorge Flores	Monitoring and Evaluation	jorge20642@hotmail.com
José Abril	Asesor Cusco	jose.abrill@camaracusco.org
Vanessa Ingar	Specialist General Direction of Biodiversity/Ministry of the Environment	vingar@minam.gob.pe
David Veintimilla	Technician at the Wildlife Unit/National Direction of Biodiversity, Ministry of the Environment Ecuador.	david.veintimilla@ambiente.gob.ec
Karina Ron	Technical Assistance for the Biotrade Project/National Direction of Biodiversity	karina.ron@ambiente.gob.ec
Neider Eduardo Abello	Chief of the Green and Sustainable Business Office. Ministry of the Environment Colombia	Nabello@minambiente.gov.co

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UNEP. April, 2012. Facilitation of financing for biodiversity – based businesses and support of market development activities in the Andean Region. Revision 1. Appendix 1 - Reconciliation between GEF activity based budget and UNEP budget line (GEF funds only US\$)

UNEP. October, 2013. Facilitation of financing for biodiversity – based businesses and support of market development activities in the Andean Region. Revision 2. Appendix 1 - Reconciliation between GEF activity based budget and UNEP budget line (GEF funds only US\$)

[www.biocomercioandino.org](http://www.biocomercioandino.org)

[www.biocomercioecuador.ec](http://www.biocomercioecuador.ec)

[www.biocomerciolombia.com](http://www.biocomerciolombia.com)

[www.biocomercioperu.org](http://www.biocomercioperu.org)

[www.corpei.org](http://www.corpei.org)

[www.promperu.gob.pe](http://www.promperu.gob.pe)

[www.fondobiocomercio.com](http://www.fondobiocomercio.com)

[www.ambiente.gob.ec](http://www.ambiente.gob.ec)

[www.minambiente.gov.co](http://www.minambiente.gov.co)

[www.minam.gob.pe](http://www.minam.gob.pe)



ANNEX 6: Summary of co-finance information and Statement of project expenditure by category

**Table 6. Co-financing by type/source**

Co financing (type/source)	Budget at design	Revised Budget	Received	Ratio Received/planned
<b>Cash</b>				
CAF	1,225,000.00	1,225,000.00	1,051,386.14	85.83
Colombia	2,408,773.00	2,408,773.00	2,811,295.00	116.71
Ecuador	220,300.00	884,779.00	878,349.65	99.27
Peru	1,199,367.00	1,336,267.00	2,590,458.23	193.86
<b>Total Cash</b>	<b>5,053,440.00</b>	<b>5,854,819.00</b>	<b>7,331,489.02</b>	<b>125.22</b>
<b>In kind</b>				
CAF	357,443.90	357,443.90	339,064.00	94.86
Colombia	0.00	1,292,746.90	1,292,746.90	100.00
Ecuador	719,850.00	1,791,054.06	2,002,946.38	111.83
Peru	464,480.00	588,680.00	663,060.46	112.64
<b>Total in kind</b>	<b>1,541,773.90</b>	<b>4,029,924.86</b>	<b>4,297,817.74</b>	<b>106.65</b>
<b>Total US\$</b>	<b>6,595,213.90</b>	<b>9,884,743.86</b>	<b>11,629,306.76</b>	<b>117.65</b>

Source: Project M&E System

**Table 7.: Project Expenditure by category**

Category	Estimated cost at design	Revised budget	Actual costs	Expenditure Ratio Actual /Planned
Personnel	1,581,959.00	978,204.75	820,536.86	0.84
External Consultants	1,089,826.00	1,770,209.42	1,475,880.45	0.83
Air tickets and per diem	633,340.00	358,973.42	294,279.17	0.82
Sub-contracts (MOUs/LOAs with supporting organizations)	1,640,996.00	2,380,112.47	2,114,315.41	0.88
Sub-contracts (with commercial purposes)	555,734.00	594,846.06	479,865.00	0.81
Training	393,220.00	232,992.23	192,251.16	0.83
Equipment and office rentals	518,946.00	849.97	849.97	1
Diverse expenditures	0.00	97,832.68	39,924.95	0.41
<b>Total GEF Funds</b>	<b>6,414,021.00</b>	<b>6,414,021.00</b>	<b>5,417,902.17</b>	<b>0.84</b>

Source: Quarterly Expenditure Statement Q2: 2014 (US\$)/June 30<sup>th</sup>, 2014.

### **Key areas of expertise**

- Strategic planning with comprehensive knowledge of management, team building, and project execution
- Project Design, Implementation, Monitoring and Evaluation: USAID, GEF, World Bank, IDB, IFAD, KfW, GIZ
- Organizational Development, Institutional Strengthening, Capacity Building – NGO's, Government
- Integrated Natural Resources Management
- Biodiversity Assessment and Conservation Planning
- Climate Change Vulnerability and Adaptation Assessment and development of strategies for building resilience
- Economic Valuation of Ecosystem Services
- Extensive networking with government agencies, national and local development NGO's, research institutes in LAC region

### **Education**

Master of Science (MSc) in Environmental Economics. 1997 – 1998. Tropical Agricultural Research and Higher Education Centre, CATIE. Turrialba, Costa Rica

Licenciatura (BSc) in Biology, with a concentration in Natural Resources and Sustainable Management. 1993-1996. Universidad de San Carlos de Guatemala

Biology. 1983-1985. Universidad de San Carlos de Guatemala

### **Employment Experience**

Business Development Manager for Mesoamerica and the Caribbean. From April 2011 to present. GITEC Consult gmbH

Climate finance expert. April 2012 – April 2014. UNEP (United Nations Environmental Program) and Frankfurt School

Environment Specialist for the USAID Trade and Competitiveness Program in Guatemala, from April 2009 – November 2010. Abt Associates Inc.

Capacity Specialist for the Global Protected Areas Strategy in the Mesoamerican and Caribbean (MAC) Region, from April 2003 to April 2006. The Nature Conservancy (TNC)

Chief of Party, PROARCA Small Grants Program for Environmental Management, PROARCA/PRODOMA financed by USAID from March 2003 – December 2005. Tropical Agricultural Research and Higher Education Centre, (CATIE)

National Coordinator for Preparing the MIRNA Project - Integrated Natural Resources Management in the Western Highlands (US\$ 40 million dollar project financed by GEF and the World Bank). November 2000 – March 2003. The World Bank

Technical General Director/Director of Planning, Research and Projects/Projects' Director from January 1999 – November 2000. National Protected Areas Council (CONAP)

### **Consulting (Relevant Assignments)**

Final design of the Liupan Mountain Area Poverty Reduction Project in Qinghai Province, China. October, Preparation of the PIF document for submission to GEF. 2014. IFAD (International Fund for Agricultural Development).

Terminal Evaluation of the UNEP/GEF project “Facilitation on financing for biodiversity-based business and support of market development activities in the Andean Region”. August – October 2014. UNEP.

Design the Threatened Tibetan Medicinal Plants subcomponent for the Liupan Mountain Area Poverty Reduction Project in Qinghai Province, China. June 2014. IFAD (International Fund for Agricultural Development)

Design the natural resources and climate change component in the Pro Lenca Project in Honduras. August 2012, May 2013. IFAD (International Fund for Agricultural Development)

Mid term evaluation of the Project “Strengthening of the local management and strategy implementation to abate threats in three conservation areas for its biodiversity importance in the Cuchumatanes Mountains in Huehuetenango, Guatemala. March – May 2012. FCA/FCG/USAID.

Design the natural resources and climate change component in the Pro Poor Value Chain Project in Paraguay. 2011. IFAD

Mid term evaluation of environmental aspects in the Paraguay Rural Project in Paraguay. 2011 IFAD

Facilitate the strategic planning for the Marine Resources and Economic Alternatives Program in Central America/USAID. 2011. Chemonics

National coordination for the development of the agricultural and agro business evaluation report for USAID. 2010. Segura Consulting

Development of the capacity plan for the management effectiveness for the Guatemalan National Protected Area System. 2006. CATIE

Design of the Operations and administration procedures manual for the Technical Assistance Fund to implement the BPM and Tourism Certification Project, funded by IADB for Central America and Ecuador. 2006. Rainforest Alliance.

Preparation of technical bid for the USAID Small Grants Program. 2002. CATIE

Mid-Term Evaluation of the RECOSMO Project, financed by GEF as the Protected Areas Expert of the Evaluation Mission. 2001. UNDP

### **Country Fieldwork Experience**

Antigua and Barbuda, Bahamas, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St. Lucia, St. Vincent & the Grenadines.

### **Languages**

Fluent (read, speak and write) in English, Spanish (mother language) and advance knowledge in German

### **Other Relevant Training**

- Social and Environmental Safeguards in Climate Change projects, focusing in REDD+ projects. July, 2012. Inter American Development Bank. Antigua, Guatemala.
- “The Guiding Principles of the Green Climate Fund and the Green Climate Fund in Practice”: National Climate Finance Institutions Support Programme (NCFISP). April, 2012. UNEP/Frankfurt School. Washington, D.C.
- The Role of National Development Banks in Mobilizing International Climate Finance. April, 2012. IDB, UNEP. Washington, D.C.
- Economic Valuation of Environmental Goods and Services. 2008. TNC, Vancouver
- Integrated Natural Resource Management in the Tropics. 2005. Gottingen University, Germany
- Environmental goods and services valuation. 2000. FAO/CATIE. Turrialba, Costa Rica.
- Writing and presenting technical reports. 1999. RUTA. San Jose, Costa Rica
- Social Assessment in Project Design. 1999. The World Bank. San José, Costa Rica
- Presentation of Case Study in Economic Valuation of Protected Areas training course for CONAP employees. 1997. CATIE/University of Gottenburg
- International Course in Protected Areas Management, 1996. CATIE. Turrialba, Costa Rica
- Environmental economics, 1995. Universidad Francisco Marroquin, Guatemala.
- Annual Operating Planning in Protected Areas, 1994. CATIE. Peten, Guatemala.

## Annex 8 Quality Assessment of the Evaluation Report – Andean Biotrade

All UNEP evaluation reports are subject to a quality assessment by the Evaluation Office. The quality assessment is used as a tool for providing structured feedback to the evaluation consultant(s). The quality of the draft evaluation report is assessed and rated against the following criteria:

<b>Key report quality criteria</b>	<b>UNEP EO Assessment</b>	<b>Rating</b>	<b>Final Rating</b>
A. Are all evaluation questions and criteria specified in the TORs adequately addressed?	Yes	4	5
B. Does the report present an assessment of the achievement of the relevant outcomes and project objectives?	Yes, after revision	3	5
C. How well is the Theory of Change reconstructed and used for the assessment of effectiveness, likelihood of impact, sustainability and replication potential of the project?	Reconstructed ToC was well designed and coherently presented	5	5
D. Is the report internally consistent and the evidence complete and convincing and were the ratings substantiated when used? Are there any major evidence gaps?	Yes. No major evidence gaps due to in-depth research during the field visit	4	5
<b>Other report quality criteria</b>			
E. Does the report present a sound assessment of sustainability of outcomes?	Yes, after revision	4	5
F. Are the lessons and recommendations supported by the evidence presented?	Yes,	5	5
G. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?	Mostly yes	4	5
H. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?'). Can they be implemented? Did the recommendations specify a goal and an associated performance indicator?	Mostly yes	4	5
I. Does the report structure follow EO guidelines and are all requested Annexes included?	Yes,	4	6
J. How well does the report assess the quality of the project M&E system and its use for project management?	Report analyses M&E system and provides suggestions	4	5
K. Was the report well written? (clear English language and grammar)	No, bad grammar, and language	2	6
L. Was the report delivered in a timely manner?	There were definite delays	2	4

Overall Report Quality Rating = (3.7) 4

Final report quality rating = 5

A number rating between 1 and 6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1.