

Terminal Evaluation Review form, GEF Independent Evaluation Office, APR 2015

1. Project Data

Summary project data			
GEF project ID		2391	
GEF Agency project ID		GFL/2328/2714/4A92	
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		UNEP	
Project name		Facilitation of financing for biodiversity-based businesses and support of market development activities in the Andean Region	
Country/Countries		Colombia, Ecuador, Peru	
Region		South America	
Focal area		Biodiversity	
Operational Program or Strategic Priorities/Objectives		SO2; SP4; SP5	
Executing agencies involved		Andean Development Corporation (CAF), Alexander Von-Humboldt Institute (Colombia); CORPEI/ National Sustainable Biotrade Program -Ecuador (PNBSE); PROMPERU (Peru). Regional: Andean Development Corporation (CAF)	
NGOs/CBOs involvement		Secondary executing agency – source of co-financing. Includes Ecuador Catholic Unit for Support of Community Development, Ecuador Rainforest Alliance. Ecuador the Nature Conservancy, Entrepreneurial Development Agency, Ecuador Catholic Relief Service, Peru Natural Resources and Environment Research Centre	
Private sector involvement		Main executing agency in Ecuador – source of co-financing. Ecuador Export and Investment Promotion Corporation of Ecuador (CORPEI)	
CEO Endorsement (FSP) /Approval date (MSP)		August 2008	
Effectiveness date / project start		August 2010	
Expected date of project completion (at start)		April 2014	
Actual date of project completion		April 2014	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.35	NA
	Co-financing	0.40	NA
GEF Project Grant		6.41	NA
Co-financing	IA own	0	NA
	Government	3.02	NA
	Other multi- /bi-laterals	2.06	NA
	Private sector	0.70	NA
	NGOs/CSOs	2.11	NA
Total GEF funding		6.76	5.42
Total Co-financing		8.3	11.8
Total project funding (GEF grant(s) + co-financing)		15.06	17.22
Terminal evaluation/review information			
TE completion date		Carmen Maria Lopez Arrivillaga	

Author of TE	May 2015
TER completion date	December 22, 2015
TER prepared by	Caroline Laroche
TER peer review by (if GEF IEO review)	Molly Watts

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes	S	S	NR	S
Sustainability of Outcomes	L	L	NR	L
M&E Design	MS	MS	NR	MS
M&E Implementation	MU	MU	NR	S
Quality of Implementation	HS	HS	NR	S
Quality of Execution	MS	MS	NR	MS
Quality of the Terminal Evaluation Report	--	--	MS	HS

3. Project Objectives

3.1 Global Environmental Objectives of the project:

There is no global environmental objective to this project.

3.2 Development Objectives of the project:

The overarching project goal is 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 main development objective is “to support and strengthen Biotrade at local, national and regional arenas as a strategy for the conservation and sustainable use of biodiversity”. (PD p.24)

The 7 intermediate results expected for the project are:

1. Development and Coordination of Policies and Regulations for Biotrade Facilitated
2. Access to Markets Increased ^[1]_[SEP]
3. Entrepreneurial Capacities Built and Understanding of Biotrade Encouraged ^[1]_[SEP]
4. Acquisition of and Access to Information on Products and Markets Improved ^[1]_[SEP]
5. Financial Resources Leveraged so as to Direct them to Biotrade Initiatives ^[1]_[SEP]
6. Pilot Biotrade Projects for Biodiversity Conservation Supported ^[1]_[SEP]
7. Systematization and Information Dissemination Strategies and Replication Strategies Drafted and Promulgated ^[1]_[SEP]

(PD p.25-32)

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

There were no changes in objectives during implementation

4. GEF IEO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 Relevance	Rating: Satisfactory
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The TER rates the strategic relevance of this project as satisfactory This TER also rates it as satisfactory due to its high degree of alignment with GEF, regional and national priorities.

GEF Level

The project fully complies with strategic objective 2, namely “Mainstreaming Biodiversity Conservation in Production Landscapes/Seascapes and Sectors. The project objectives are very clearly aligned with GEF SO 2 Strategic Programs 4 (Strengthening the policy and regulatory framework for mainstreaming biodiversity) and 5 (Fostering markets for biodiversity goods and services. The project is also “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” (TE p.25).

Regional Level

At the regional level, the project is well aligned to and contributes to the implementation of the Regional Biodiversity Strategy for the Tropical Andean States, approved in 2002. This Strategy has among its objectives that “to promote sub-regional trade and investment and to generate the capacity for scientific and technological added value as a competitive factor to support the conservation and sustainable use of biodiversity” (PD p.36), which is very close to the project objective, namely to “support and strengthen Biotrade at local, national and regional arenas as a strategy for the conservation and sustainable use of biodiversity”. The timing for this project appeared suitable “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” (TE p.14).

National Level

The project is also very well aligned with national priorities, operating within the scope of the respective National Biotrade Programs of the three countries:

- In Colombia, the National Policy on Biodiversity promotes “the use of biodiversity as a factor for development” (PD p.37), and the National Strategic Vision to 2019 specifically references Biotrade as a strategy for sustainable use of biodiversity. The National Development Plan 2006-2010 also includes the strengthening of Biotrade.

- In Ecuador, the National Sustainable Biotrade Programme is part of the National Biodiversity Policy and Strategy, which was declared a state policy in 2006, and which confirms Biotrade as a strategy for national development and conservation efforts.
- In Peru, the National Biotrade Promotion Programme supports the generation of bio-businesses, and is set within the objectives of the National Strategy for Biological Diversity approved in 2001.

(PD pp.37-38)

4.2 Effectiveness	Rating: Satisfactory
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The TE rates the effectiveness as satisfactory. This TER agrees that the project was satisfactory as the three partner countries were able to deliver the outputs as planned, thereby strengthening Biotrade in the Andes.

The TE summarizes project outcomes well:

“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 ^(L)_(SEP) 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.” (TE pp.6-7).

According to the TE¹, most of the planned outputs for the project have been completed to 90-100%, and this TER assess that the project successfully established the basis for the Biotrade sector by conducting the activities listed above. There is no doubt that Biotrade was strengthened and supported in all three countries as part of the project, thereby meeting the project’s development objective. The project largely benefited from an increased demand for Andean native products in the national and international markets, which acts as an incentive to entrepreneurs and communities to follow Biotrade principle and criteria (TE p.9).

¹ The final PIR (2014) was not available for this TER, and the final logical framework, including numerical targets and achieved levels, was not provided in the TE. Effectiveness claims made in the TE could therefore not be verified, although information reported in the 2013 PIR points in the same direction.

Five out of seven intermediate goals were successfully achieved: (i) access to markets increased; (ii) entrepreneurial capacities built and understanding of Biotrade encouraged; (iii) acquisition of and access to information on products and markets improved; (iv) pilot Biotrade projects for biodiversity conservation supported and (v) systematization and information dissemination strategies and replication strategies drafted and promulgated. The section below describes the intermediate goals that were only partially achieved.

First, the project was slightly less successful in filling legal gaps on Biotrade issues. 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” (TE p.40). “In Colombia, the project made a contribution in filling legal gaps in Biotrade, by elaborating protocols for the sustainable use of NTFP (Not Timber Forest Products)” (TE p.40). In Ecuador, substantial efforts were made “to effectively fill the legal gaps on Biotrade issues and eliminate inconsistencies in Biotrade regulations”, but the legal changes still need to be approved (TE p.40).

Second, the project was only partially successful in leveraging financial resources for Biotrade. “Orientating credits 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.” (TE p.7)

Additional time could have been useful to consolidate initiatives and scale up, but this was not possible due to the significant delays incurred at the beginning of the project (TE p.20).

Overall, despite the lack of full success on two of the five intermediate goals, the project very clearly strengthened Biotrade in the Andes, and established a solid basis for the further development of Biotrade in the region. For this reason, its effectiveness is rated as satisfactory.

4.3 Efficiency	Rating: Moderately Satisfactory
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The TE rates efficiency as moderately unsatisfactory. This TER instead assesses efficiency as moderately satisfactory due to the major delays in project start, but realizing the ability of project implementers to meet most objectives, increase efficiency by working within existing institutional structures and overall to ensure a successful project.

One of the ways that was found during the project design stage to improve efficiency was to implement the project through existing institutional structures at both the national and regional level. This way, the funds that would have been needed to pay for the establishment of new structured were saved as a lot of the administrative costs for the project were simply built into those existing organizations’ normal business practices (PD p.8, TE p.8).

As mentioned below (section on delays, p. 9), there were very important administrative delays at the beginning of the project. It took a long time to prepare contracts, develop tools and comply with national procurement and contract regulations. The project ended up starting two years later than planned, and therefore only half the expected time to meet its objectives. Despite this important delay, most outputs were achieved, which is a testimony to the efficiency of the project during its operational phase.

In Colombia, there were important efficiency issues related to the Biotrade Fund (FB)'s lack of leadership, which were solved after the mid-term evaluation, when a project coordinator was hired and implemented management changes. In Peru, after the initial contractual delays, effective public private partnerships were created to carry out project goals. In Ecuador, the sub-contracting arrangements with external implementing partners ((Rainforest Alliance, UNOCACE, EcoCiencia, UPTL) worked very effectively. (TE p.58)

Overall, the project implementers seem to have managed to get back on track following important start-up delays, and were able to create highly efficient systems that enabled most project outputs to be realized as planned.

4.4 Sustainability	Rating: Likely
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The TE rates the overall sustainability of this project as likely, with each of the four aspects of sustainability also being rated as likely. This TER also rates sustainability as likely, despite rating financial sustainability as moderately likely due to the lack of clear funding sources for the Biotrade program going forward.

The evaluation documents present likelihood of impact achievement for this project as likely, meaning that “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” (TE p.49). In particular, the growing demand for Biotrade products provides strong evidence that the project will keep expanding its impact together with demand. In all three countries, there is national commitment to continue supporting Biotrade beyond project end. In Ecuador, credit lines will provide additional sustainability to the project. (TE p.7)

The four aspects of sustainability for this project are discussed below.

Socio-political risks – Sustainability Likely

The TE rates socio-political sustainability as likely due to the capacity building efforts made throughout the project. This TER agrees with this rating.

Capacity building was a key component of this project. Across the three countries, efforts were made to educate stakeholders on the application of Biotrade principles and criteria, and to raise awareness on the importance of sustainable use of diversity. (TE p.54) Among others, some of the participating enterprises took part in regional and international trade fairs. Those efforts will contribute to the sustainability of the project.

In addition to capacity building, the project will benefit from the overall strong market linkages built during the project, which will ensure the continuation of market opportunities for Biotrade products. Indeed, during the project, links between actors in the value chain (producers, enterprises, CBOs, etc.) were strengthened, thereby generating more market opportunities for Biotrade products. Those value chains will remain and will help sustain the benefits of this project.

Finally, growing international demand for Biotrade products ensures there is a financial incentive for all actors in the value to sustain and scale up production, which is another indication that the project outcomes will be maintained after project end.

All of these pertain to social sustainability as they ensure that the actors involved in the maintenance of project outcomes will pursue their engagement.

Financial Risks – Sustainability Moderately Likely

The TE rates financial sustainability as likely. This TER rates it as moderately likely considering that there is no continued funding for this project, but given that market mechanisms might prove sufficient to provide continued funding to Biotrade initiatives, and that there is stated interest from some countries' governments in continuing to fund Biotrade initiatives.

There has been, as part of project design, no allocation of responsibilities after project funding, nor a plan for a second phase of funding (TE p.47). Indeed, at project end, there was still no continued financial support to further project objectives (TE p.55). While the three countries are dedicated to the strengthening of the Biotrade industry, there is still, except in Ecuador, no financial mechanisms or dedicated credit line for Biotrade investment, despite this issue having been identified during project design (TE p.55).

That being said, Biotrade enterprises were very successful in accessing markets and increasing sales as part of the project. This might be enough to motivate the financial sector to invest in Biotrade. In addition, there appears to be national mechanisms that will also ensure successful project continuation. In Colombia, a 'revolving fund' was created which will contribute to Biotrade initiatives. In Ecuador, it is expected that the Ministry of the Environment will continue to support Biotrade initiatives. However, there are no financial resources to implement Biotrade initiatives as a program (the way it was done in this project).

Institutional Risks – Sustainability Likely

The TE rates institutional sustainability as likely. This TER agrees with this assessment due to the continued presence of the National Biotrade Programs in the three countries.

Indeed, the National Biotrade Programs will continue supporting the topic, and will ensure that national governments keep paying some attention and devoting resources to the project. In Peru, PROMPERU will continue supporting the activities. 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.” (TE p.55)

Environmental Risks – Sustainability Likely

The TE rates environmental sustainability as likely due to the fact that the project emphasized the application of and adherence to the seven Biotrade principles, and that it is therefore expected that the compliance with these principles will reduce the risk of overexploitation and degradation of the habitats” (TE p. 56). This TER sees no risk to the environment as part of this project, and therefore chooses not to assign a score to environmental sustainability.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project’s outcomes and/or sustainability? If so, in what ways and through what causal linkages?

According to the TE, co-financing for the project exceeded the amount anticipated in the project document by 48%, with a total of USD 7,87 million¹¹ (TE p.12). This is despite the fact that some of the initial co-financers dropped out of the project due to the important delays in getting the project started. There are discrepancies between the expected co-financing amounts presented in the PD, and those presented in the TE, so this TER cannot assess with accuracy the differences between expected and actual co-financing.

The TE mentions that all co-financing by national governments exceeded pledged figures, showing dedication to the project and supporting the achievement of its objectives (TE p.66).

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project’s outcomes and/or sustainability? If so, in what ways and through what causal linkages?

There has been a major delay in getting this project started, with it only becoming operational about two and a half years later than expected. Reasons for those delays include the change in the governmental structure and priorities in some countries, and bureaucratic delays.

In Colombia, the Alexander von Humboldt Institut, which was the national executing agency for the project, was replaced by the Biotrade Fund (FB). Institutional memory generated during the project preparation was lost, and the Biotrade Fund had little experience in project

implementation. Biotrade also ceased to be part of the Colombian national agenda (TE p.15). In Ecuador, the implementing partner, CORPEI lost significant government funding, and came close to leaving the project. It later made alliances with international donors, who contributed co-financing to the project. (TE p.15) There were also delays due to the fact that it took a year for the UNEP and the CAF to sign a MoU. This was “due to constant revisions and change requests to the content of the PCA document by the legal department of CAF” (TE p.19).

Due to the project delay, the project only had half the planned amount of time to meet its objectives. In addition, some of the SMEs identified as beneficiaries in the design phase of the project were no longer interested in participating in the project. Despite those challenges, and thanks to staff and partners’ ability to establish alliances and implementation of an adaptive management framework, the project was nonetheless able to meet its objectives.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

Country ownership for this project was very high, with all countries already participants in the Regional Biodiversity Strategy for the Tropical Andean States, and providing their own institutional structures for the implementation and management of the project.

The high level of country ownership and support to the project made a large difference, seen through the higher-than-expected co-financing given by national governments and the management support provided by national partners but also by the large percentage of objectives that have been met. These measures of success show that country ownership was essential in the success of this project. (TE p.8, p15)

6. Assessment of project’s Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 M&E Design at entry	Rating: Moderately Satisfactory
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The TE assessed M&E design as moderately satisfactory. This TER also assesses M&E as moderately satisfactory due to the overall strong logical framework, but noting the weakness of some indicators, focusing on activities rather than results, as well as the lack of indicators to measure the project contribution to biodiversity conservation.

The project document (p.52) presented a clear M&E plan for the project, including a list of activities, timeline, budget and responsibilities. Budget for M&E was incorporated into project costs from the start, and an effort was made to design a logical framework that was truly consistent with the project objectives and expected outcomes. Indeed, “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.” (TE p.69) Baseline information was collected and clearly presented.

Despite an overall strong logical framework, some of the indicators are less appropriate. Several indicators pertain to project activities instead of outcomes, and there lacks an indicator to measure improvement in the conservation of biodiversity, which is the impact the project is working towards. Instead, the project assumes that ‘compliance with the Biotrade principles and criteria’ will naturally lead to more biodiversity conservation, which should be tested, and not simply assumed.

6.2 M&E Implementation	Rating: Moderately Satisfactory
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The TE rates M&E implementation as moderately unsatisfactory. This TER instead rates it as moderately satisfactory due to its ability to provide useful project feedback that improved outcomes, and to the ability of the M&E teams to fully implement the M&E framework, but recognizing that a monitoring system should have been in place sooner during project implementation.

While the M&E system appears to have only been implemented in the second half of the project, this appears to be partially due to delays in starting the project, which would have made M&E information irrelevant. As mentioned in the TE, “once the project started implementation and the pilots initiated, more attention was paid to the monitoring” (TE p.69). However, a fully monitoring system was only in place by 2012 (TE p.68).

The M&E framework appears to have been successful in providing timely feedback to implementers and keeping the project on track. First, information from M&E plans fed into yearly PIRs, which led to the definition of action plans to address MS, MU, U and HU ratings. Second, the project made very successful use of the Mid Term Review recommendations. Indeed, “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” (TE p.64), which made a real difference to project outcomes.

At the national level, each project unit appears to have contained sufficient M&E expertise and to have met all reporting requirements. (TE p.68)

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout

project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 Quality of Project Implementation	Rating: Satisfactory
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The implementing agency for this project was the United Nations Environmental Programme (UNEP) through the Economics and Trade Branch (ETB) of the Division of Technology, Industry and Economics (DTIE). This section will therefore pertain to the performance of the UNEP as implementing agency.

The TE rates UNEP supervision and backstopping as highly satisfactory. This TER assesses the UNEP’s project implementation as satisfactory due to the agency’s ability to provide the required supervision and to take corrective actions based on the MTR recommendations.

As mentioned above, there were substantial delays in getting this project started. Due to those delays, institutional structures, implementation plans and budgets had to be adjusted. UNEP adequately supervised and facilitated those revisions with flexibility, foresight and consideration for the attainment of project objectives. UNEP also ensured that corrective actions were taken following the MTR recommendations, and ensured that GEF procedures were followed. (TE pp.25-26)

7.2 Quality of Project Execution	Rating: Moderately Satisfactory
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For this project, the executing agency was the Andean Development Corporation (CAF) in collaboration with National Executing Agencies (NEA) in each country as follows:

- **Colombia:** Fondo Biocomercio (FB)
- **Ecuador:** Exports and Investment Promotion Corporation of Ecuador/CORPEI (Corporación de Promoción de Exportaciones e Inversiones de Ecuador)
- **Peru:** Peru Export and Tourism Promotion Board/ PROMPERU (Comisión de Promoción del Perú para la Exportación y el Turismo)

This section will therefore pertain to the performance of those organizations as executing agencies.

While the TE does not provide a rating for ‘project execution’ it rates ‘project implementation’ as moderately satisfactory, and justifies this score largely based on the performance of the executing agencies listed above. The TE rates implementation as moderately satisfactory due to the good

performance of executing agencies in Ecuador and Peru, but the poorer performance in Colombia and at regional level.

Regionally, the CAF should have played a larger role in working with the countries to discuss and exchange ideas. Overall, the project ended up being largely nationally driven. The project was executed differently in each of the three countries of operation:

1. **Colombia:** The Biotrade Fund relied on several implementing partners, each responsible for various aspects of the project. Unfortunately, “division of activities by topics/components was less effective as the assistance provided was not fully aligned to the beneficiaries’ needs and weaknesses” (TE p.61). The national committee was not involved in guidance and follow up.
2. **Ecuador:** CORPEI also relied on several implementing partners. Those implementation arrangements and partnerships 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.” (TE p.61). The national committee was involved in guidance and follow up.
3. **Peru:** For PROMPERU, the adaptive style of management required for this project was difficult. PROMPERU contracted additional staff, which helped “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” (TE p.60). However, the project was overall successful and responded to the needs of the beneficiaries. The national committee was involved in guidance and follow up.

(TE pp.60-64)

Overall, national execution was satisfactory in Peru and Ecuador, and unsatisfactory in Colombia and at the regional level, for an overall assessment of moderately satisfactory.

8. Assessment of Project Impacts

Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

As mentioned in the M&E section above, the M&E system did not have an indicator for biodiversity conservation against which to measure progress. As a result, we can only assume that the fact that more producers follow Biotrade principles and criteria to access markets

means that biodiversity is being better preserved – the TE or other project documents provide no information to that effect.

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

While the project was very successful in meetings its objectives and supporting the access to market of Biotrade products, there is no evidence that this had any impact on human well-being.

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. “Capacities” include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. “Governance” refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities

Capacity building was a key component of this project. Across the three countries, efforts were made to educate stakeholders on the application of Biotrade principles and criteria, and to raise awareness on the importance of sustainable use of diversity. (TE p.54) Among others, some of the participating enterprises took part in regional and international trade fairs. A Masters degree in Biotrade was also started in Peru. Those efforts will contribute to the sustainability of the project.

b) Governance

There are no major changes in governance that could lead to large-scale action.

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

There is no unintended impact reported in the TE.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been

established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

The project's intention was to "encourage a scenario that can be replicated nationally and regionally, with worldwide replication potential for Biotrade initiatives" (PD p.41). Already, 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." (TE p.7) Overall, there is strong evidence that the project is being replicated, as was intended in the project design.

9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

The TE proposes the following lessons, shortened by the author of this TER:

1. **Project design.** 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. For future projects, it is recommended a simpler structure is used.
2. **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.
3. The project suffered a **considerable delay** of 2.5 years from approval to effectiveness reducing almost by half the implementation phase. The strategy implemented by the project was effective in responding adequately to these challenges.
4. 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.

5.. 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.

6. 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.

7. 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.

8. 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.

9. 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). 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.

10. The **Biotrade principles** were expected to ensure the conservation and sustainable use of biodiversity. 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. 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.

11. 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.

(TE pp.79-81)

9.2 Briefly describe the recommendations given in the terminal evaluation.

The TE proposes the following recommendations, although several more are included in the 'key lessons' section above.

1. 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.

2. 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.

3. 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.

(TE p.81)

10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF IEO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The Theory of Change, impact pathways, and project indicators are all carefully reviewed and accompanied by a thoughtful discussion. The level of discussion surrounding project impact is above what is expected.	HS
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	Report is very consistent, evidence is complete, and ratings are very well substantiated, and the level of detail is well above what is expected.	HS
To what extent does the report properly assess project sustainability and/or project exit strategy?	The report presents present sustainability under its socio-political, financial, institutional and environmental dimensions. Each dimension was clearly and separately discussed.	S
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	Lessons learned are very clearly supported by evidence presented in other sections of the report, and are very comprehensive.	S
Does the report include the actual project costs (total and per activity) and actual co-financing used?	No, but it is because the only figures available to the evaluator were by budget line, and not by activity. Co-financing is reported.	MU
Assess the quality of the report's evaluation of project M&E systems:	The report assesses M&E design and M&E implementation, and includes all necessary information and evidence for assessment.	S
Overall TE Rating		HS

11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).

No additional sources of information were used.