

Terminal Evaluation Review form, GEF Independent Evaluation Office, APR 2017

1. Project Data

Summary project data			
GEF project ID		4135	
GEF Agency project ID		CO-X1008	
GEF Replenishment Phase		GEF-4	
Lead GEF Agency (include all for joint projects)		IDB	
Project name		Mechanism for Voluntary Mitigation of Greenhouse Gas Emissions in Colombia	
Country/Countries		Colombia	
Region		LAC	
Focal area		Climate Change	
Operational Program or Strategic Priorities/Objectives		Climate Change Strategic Priority 6 (Land Use, Land Use Change and Forestry) and Strategic Priority 2 (Industrial Energy Efficiency)	
Executing agencies involved		Fundación Natura	
NGOs/CBOs involvement		Lead executing agency, provided co-financing, and members of the steering committee	
Private sector involvement		Provided co-financing, key stakeholders (financial institutions, investors, and companies), implementing partner, and member of the steering committee	
CEO Endorsement (FSP) / Approval date (MSP)		8/31/2011	
Effectiveness date / project start		11/03/2011	
Expected date of project completion (at start)		August 2015	
Actual date of project completion		12/30/2016	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	0.1	0.1
	Co-financing	0.06	0.06
GEF Project Grant		2.7	2.69
Co-financing	IA own	NA	NA
	Government	NA	NA
	Other multi- /bi-laterals	NA	NA
	Private sector	1.02	6.07
	NGOs/CSOs	6.75	6.20
Total GEF funding		2.8	2.79
Total Co-financing		7.98	12.32
Total project funding (GEF grant(s) + co-financing)		10.78	15.11
Terminal evaluation/review information			
TE completion date		3/1/2017 (end of TE period)	
Author of TE		Julio Guzman	
TER completion date		3/29/2018	
TER prepared by		Nina Hamilton	
TER peer review by (if GEF IEO review)		Molly Sohn	

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes	BLIND REVIEW	BLIND REVIEW	BLIND REVIEW	S
Sustainability of Outcomes		BLIND REVIEW	BLIND REVIEW	ML
M&E Design		BLIND REVIEW	BLIND REVIEW	S
M&E Implementation		BLIND REVIEW	BLIND REVIEW	HS
Quality of Implementation		BLIND REVIEW	BLIND REVIEW	S
Quality of Execution		BLIND REVIEW	BLIND REVIEW	MS
Quality of the Terminal Evaluation Report		BLIND REVIEW	BLIND REVIEW	HS

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The project's global environment objective "primarily aims to generate global environmental benefits associated with greenhouse gas (GHG) emission reduction and enhancement of removals from: (i) verified emissions mitigation related to the supply of verified emissions reductions (VERs) (~464,000 tCO₂e); (ii) direct reduction in emissions by companies (~100,000 tCO₂e); and (iii) voluntary mitigation in other sectors not directly supported by this project but for which a trading and information platform will be available. In addition, at least 58,800 ha of forests, agro-forestry landscapes and reduced emissions from deforestation and degradation (REDD) under carbon capture regimes will be supported, with positive externalities on biodiversity and watershed conservation. Indirect benefits of the project include mitigation of around 6,000,000 tCO₂e during a 10-year life span of the project's forestry/agro-forestry portfolio and a corporate mitigation for nearly 1,000,000 tCO₂e." (PD, pg. 27)

3.2 Development Objectives of the project:

The development objectives of the project are to "formulate and establish the technological and institutional platform basis for a verified emission reductions (VERs) market mechanism and to facilitate efforts of voluntary mitigation of greenhouse gas (GHG) emissions in Colombia, by: (i) creating a market platform for nationally issued VERs accessible to national or international buyers; (ii) supporting the issuing of VERs from forest carbon projects developed in Colombia; and (iii) fostering local demand of VERs through corporate carbon mitigation and offsetting strategies." (PD, pg. 1)

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

There were no changes in the Global Environmental Objectives or Development Objectives, however the IDB made several revisions to the results framework during implementation (TE, pg. 22). The changes to output targets and the addition of new outputs are noted in the section on effectiveness. Are as follows:

- Increased output target for number of new native species with carbon sequestration data and management plans (Component 2)
- Added one output: Alliance made with the Planning Unit of the Ministry of Energy to update the emission factors of Colombian fuels in order to provide information to the different sector and institutional stakeholders and prepare better GHG inventories
- Increased outcome targets for 1) number of forests or agro-forestry landscapes and 2) number of companies adopting carbon emission reduction strategies

Furthermore, at the executing agency's request in July 2016, \$193,000 was reallocated to component 1 from the other two components, as the budget originally allocated to Component 1 had been underestimated in the project's operation manual (TE, pg. 36). The total budget amount did not change.

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 project's relevance is rated as **satisfactory**, given its alignment with Colombia, IDB, Fundación Natura, and GEF's priorities.

The project's main objectives and activities align closely with many policies and activities currently undertaken by the Government of Colombia, in particular the Ministry of Environment and Sustainable Development's (MADS) following strategies: Colombia's Low-carbon Development Strategy (ECDBC), National Reduce Emissions from Deforestation and Degradation (REDD) Strategy, National Sustainable Production and Consumption Policy, and the Colombian National REDD Roundtable (PD, pg. 17-18). The National Development Plan 2010-2014, National Forestry Development Plan 2000, General Forest Act (Law 1021 of 2006), Forest Ranger Family Program, and Policy on external relations and international cooperation (in which strategies for GHG mitigation efforts are promoted as key components of a national strategy to adapt to global climate change) are also complementary to the project's implementation (PD, pg. 18). The GEF project also contributed to Colombia's National Program for a Rational and Efficient Energy Use since companies identified and developed energy efficiency strategies to mitigate GHG emissions (PD, pg. 18). The promotion of verified emissions reductions (VERs) was also consistent with the land-use change and forestry policies included in Colombia's Bicentennial Vision 2019 policy and Promotion of Commercial Reforestation policy (TE, pg. 27).

The activities align with Fundación Natura's other projects planned over the course of implementation, including activities that promote sustainability and biodiversity conservation, and address climate change vulnerability, adaptation, and mitigation (PD, pg. 19). Furthermore, the project is consistent with the 2012-2014 IDB Country Strategy for Colombia, specifically following priorities: ii) environmental management and adaptation to the consequences of climate change, and vi) energy efficiency and renewable energy (TE, pg. 27).

The project's global environmental objectives are consistent with the GEF Strategic Program 6 (management of land use, land-use change, and forestry as a means to protect carbon stocks and reduce GHG emissions, including the crosscutting program associated with sustainable forest management) and Strategic Program 2 (promoting energy efficiency in the industrial sector). Furthermore, the project contributes to the GEF strategic program goals relating to biodiversity and land degradation (PD, pg. 18).

4.2 Effectiveness	Rating: Satisfactory
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The project's effectiveness is rated as **satisfactory**, since the targets for most outputs were either exceeded or met, except for one output under Component 1 (signing of an MoU institutional and governance structure for the operation of the platform, which has been drafted).

The TE indicates that all of the result indicators were achieved, except for "verified emission reductions (VERs) from forest carbon projects transacted on the market platform" since no transactions have been made (see Component 1 below; TE, pg. 11). It is important to note that IDB increased and added selected output/outcome targets under Components 2 and 3 "in order to address changes in the project's perspectives" (TE, pg. 22). All changes are noted below.

Component 1: Creating a market platform for nationally issued VERs accessible to national or international buyers.

All the outputs in Component 1 were achieved, except for the signed Memorandum of Understanding (MoU) for the operation of the platform. The platform for transacting carbon credits was properly designed and became operational, including the 3 modules proposed at the project start (TE, pg. 28). No sales have been closed since it was launched due to low demand and most transactions at this stage are done one-on-one, but the platform is up and running. The project also successfully generated a procedure to ensure a single accounting system for all emissions reduction, linking the process to the country's reporting processes, which are part of Colombia's COP21 commitments and its Nationally Determined Contribution (NDC). Furthermore, the project met the target of presenting the platform at 16 national and international events, the Latin American Carbon Forum, Carbonexpo, COP21 in Paris, COP20 in Lima, and other national events with Ministry of Environment and Sustainable Development, the National Forest Symposium, Feria Internacional del Medio Ambiente, and others.

The Memorandum of Understanding for the operation of the platform is pending approval from the Ministry of Environment and Sustainable Development's (MADS) new climate change director, however the relevant stakeholders have developed a draft MoU which defines the operation of the platform in a manner consistent with existing regulations (TE, Annex 9).

Overall, the outcome for Component 1, a functioning verified emissions reductions (VERs) market for Colombian forestry and land use carbon projects, was not achieved as only 2,671 tCO₂e has been transacted as a direct result of project (target was 371,200 tCO₂e; TE, pg. 39).

Component 2: Supporting the issuing of VERs from forest carbon projects developed in Colombia.

The project exceeded the target for the number of portfolio projects supported for validation, registration and trading (6 instead of 5), and also exceeded the amount of verified emission reductions (in tCO₂) in spite of lengthy validation and verification processes (TE, pg. 31). Furthermore, an additional 6 portfolio projects were indirectly supported for validation, registration and trading. Proposed regulations for carbon duties were also prepared and accepted by the ministry and eight consultation workshops on carbon duty regulation were conducted in Bogota.

The project also exceeded the capacity building program's targets, having prepared 21 methodological guidelines (the initial target was 6) and trained 94 private and public institutions (target was 22) including CARs, community groups, ethnic groups (indigenous and Afro-Colombian people), National Environmental System (SINA) institutions, private companies, certifying entities, and NGOs (TE, pg. 32).

Furthermore, the project's outreach and awareness strategy reached 53 financial institutions and investors (target was 40). Finally, the project's 5 partnering research institutions generated carbon sequestration data on a total of 260 native species (initial target was 6 species, but IDB increased the target to 20 during implementation) with information from allometric equations, biomass and carbon data (TE, pg. 33).

Additional outputs/outcomes not included in the original results matrix include a publication titled "*E/ABC de los Mercados de Carbono*," support for government dissemination and outreach activities related to the Nationally Determined Contribution, support for monitoring international and national financing of REDD issues, strengthened land planning and conservation processes through Forest Carbon Projects, and increased knowledge of the various carbon verification standards (VCS, Gold Standard and Plan Vivo) as a result of agreements signed with Fundacion Natura and the project (TE, pg. 33).

Overall, the project exceeded the targeted outcome in terms of increase in the sequestration, avoidance and reduction of verified tCO₂e (3,241,937 tCO₂e, 302% of the target) (TE, pg. 40). The project also exceeded the target for the increase in hectares of forests or agro-forested landscapes conserved, with 199,690 ha conserved (initial target was 58,800 ha, but was increased to 100,000 ha).

Component 3: Fostering local demand of VERs through corporate carbon mitigation and offsetting strategies.

For Component 3, all outputs were exceeded or met. The corporate capacity building program was launched, including five workshops on the GHG protocol and energy efficiency, group training sessions were held with the 60 companies, and 120 companies were evaluated with the pre-diagnosis tool developed by the program. The corporate capacity building program also conducted corporate energy efficiency evaluations to identify mitigation opportunities and pre-feasibility evaluations for the implementation of mitigation measures (TE, pg. 33).

The project also determined a set of private incentives that can be developed for the Colombian companies and worked with 35 companies to develop the incentives (target was 20), developed and disseminated a set of 8 guidelines for managing GHG inventories to help companies develop their GHG inventories and reports (target was 6), published and disseminated 4 business case studies (target met), agreements were signed with 4 banks to participate and disseminate their financing strategies (target was 2), and the emission factors of Colombian fuels were updated to allow different sector players and institutions to build better GHG inventories (an output that was added during implementation) (TE, pg. 34).

Overall, the project exceeded the targeted outcome that "companies and institutions adopt comprehensive strategies for calculating, managing, mitigating, and offsetting their carbon footprint," as 60 companies adopted comprehensive strategies which are fully attributable to the project (TE, pg. 40). The initial target was 20, but was revised to 50 during implementation. Furthermore, the outcome of "Verified voluntary corporate emissions mitigation" was achieved, exceeding the target for the tons of CO₂e avoided or reduced due to the actions taken by the companies which directly participated in Component 3 (TE, pg. 41). An estimated reduction of 397,875 tCO₂e is expected to be met during the life cycle of the currently operating mitigation projects (compared to 100,000 tCO₂e target).

4.3 Efficiency	Rating: Moderately satisfactory
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This TER rates efficiency as **moderately satisfactory**, as the GEF budget and co-financing were properly managed and most targets were met or exceeded, with only \$9,459 of the GEF funds not executed (0.0035% of the total amount) (TE, pg. 36). Furthermore, co-financing was exceeded by 58%, mainly due to the large contribution made by the private sector for Component 3 (TE, pg. 11).

However, a 6 months and 27 days extension was granted in March 2016, extending project completion from July 2016 to December 2016 (TE, pg. 80). The delay was caused by staff changes at both Colombia's Mercantile Exchange (BMC) and Ministry of Environment and Sustainable Development (MADS). The original expected end date, at CEO endorsement, is August 2015, however there is no mention of this initial delay in the TER.

4.4 Sustainability	Rating: Moderately likely
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Environmental

The environmental sustainability is rated **moderately likely**. The project's portfolio of forest carbon projects ensures long-term protection of locally, nationally and globally important biodiversity (TE, pg. 43) and these projects are likely to be sustained and produce long-term emissions reductions. The projects have ensured long-term sustainability through a variety of mechanisms: "for example, in the projects located in the Robles and Bogota-Villavicencio corridors, conservation agreements for a term of 10 years were signed with each producer, in the Vichada project producers have long-term sustainable forest management plans for 25 to 30 years, and in the El Silencio project the reserve is dedicated in perpetuity to conservation" (TE, pg. 43).

However, the project document notes that, at the beginning of the project, the country was going through a post-disaster situation after strong El Niño droughts and La Niña rainfalls in 2010-2011 (PD, pg. 9). These extreme weather conditions and consequences of climate change are likely to continue into the future, and could have impacts on the environmental sustainability and economic viability of forest carbon projects. For example, the effects of natural phenomena (droughts, fires, diseases, plagues) can increase as an effect of global climate change, as well as increase the risk of negative social conditions (riots, armed conflict, or population migrations) on pilot projects and trial plots (PD, pg. 28).

Sociopolitical

The project's sociopolitical sustainability is rated **moderately likely** due to its widely disseminated awareness raising and capacity building efforts and high stakeholder commitments to continue project activities, however there is a strong need for government policies to promote and enforce continued use of the carbon trading platform.

Capacity building and awareness raising activities attracted the attention of new national and international allies/stakeholders, particularly through UNFCCC events. Furthermore, the project trained professionals in the development of forest carbon projects and as internal auditors from companies to verify GHG inventories, promoting the long-term sustainability of outcomes from those project components (TE, pg. 42).

The project also placed high emphasis on involving renowned and technically capable national entities as co-executing partners for specific project components and as members of the Steering Committee or

other partners (TE, pg. 42). Colombia's Mercantile Exchange (BMC) has committed to securing the continuation of the market platform (TE, pg. 86), and the TE notes that “agreements have been signed with different Institutions/organizations to finance forest carbon projects and to disseminate different standards and methodologies to trade carbon credits on the market platform” (TE, pg. 42). Furthermore, Colombia's Corporación Ambiental Empresarial, an affiliate of the Chamber of Commerce, continues with their project activities related to the inventories and development of public policies. The Ministry of Environment and Sustainable Development (MADS) has also expressed interest in continuing project activities and taking advantage of the project's achieved results, however the TE does not provide further detail. Furthermore, the co-financing commitments of companies for the GEF project demonstrates the private sector's strong interest in continuing the implementation of GHG mitigation measures through energy efficiency initiatives and carbon offsetting measures through the purchase of carbon credits (TE, pg. 86).

However, carbon credit transactions need to increase significantly in order for the market platform to be sustainable, which could be achieved by “activating a Government-regulated market (parallel to the voluntary market) as a Government policy, which should make carbon footprint measurement mandatory, and require emissions reduction and offsetting, in line with the commitment made by Colombia at the COP21 held in Paris” (TE, pg. 43). Such policies could promote wider adoption of the platform among companies, and ensure the long-term sustainability of the market exchange (TE, pg. 51).

Overall, the project successfully addressed the key sociopolitical barriers for voluntary corporate mitigation (lack of key know-how, lack of interest in climate change issues, lack of public awareness) and carbon forestry projects (financing, risk and profitability perceptions, lack of technical capacity) noted in the project document (PD, pg. 10-12). However, it is unclear whether land tenure and carbon rights, a potential barrier for carbon forestry projects, was addressed.

Financial

Financial sustainability is rated as **moderately likely**. The ratio of co-financing to GEF funds (4.5 to 1) suggests that the country, particularly the private sector, is truly committed to reducing greenhouse gas emissions (TE, pg. 43). Colombia's Mercantile Exchange (BMC) has committed to continue and assume costs of administering the platform, part of them will be transferred to users (buyers and sellers) through fees (TE, pg. 44).

However, as mentioned above, government policies will be necessary to encourage or require participation in the platform, in order to secure the platform's financial sustainability. Furthermore, the financial sustainability of the forest carbon projects depends on the price of carbon, which fell from \$6.2 to \$3.3/tCO₂e during the course of the project. A continued negative trend in carbon price could impact the feasibility of forest carbon projects, since they become less profitable (TE, pg. 23).

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?

Co-financing exceeded the expected about by 58%, mainly due to the large contribution made by the private sector for Component 3, through company participation in the corporate capacity building program launched by this project (TE, pg. 11). The increased co-financing by the private sector enabled the project to achieve and exceed its targets (particularly for Component 3), and improved the likelihood that the project's outcomes will be sustained since the stakeholders clearly demonstrated a commitment to mitigate and offset greenhouse gas emissions.

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?

A 6 months and 27 days extension was granted in March 2016, extending project completion from July 2016 to December 2016 (TE, pg. 80). The delay was caused by staff changes at both Colombia's Mercantile Exchange (BMC) and Ministry of Environment and Sustainable Development (MADS). The original expected end date, at CEO endorsement, is August 2015, however there is no mention of this initial delay in the TER.

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:

Fundación Natura and Corporación Ambiental Empresarial of Bogota's Chamber of Commerce (which coordinated Component 3 activities with companies) have shown strong capacity and interest to continue project activities, and the private sector has demonstrated strong financial commitment and high demand for the market platform and corporate capacity building program. Furthermore, the strong involvement by a range of organizations through the forest carbon projects has been crucial to the achievement of Component 2 (the portfolio of forest carbon projects), and their involvement will continue to be important for the sustainability of these projects. The TE notes that "based on the interviews made, project ownership by the key partners was outstanding" (TE, pg. 43).

On the other hand, Colombia's Mercantile Exchange (BMC) has confirmed their commitment to continue carbon transactions but changes in staff and authorities have caused delays, and ownership by the Colombian government was hampered by changes in the ministers and restructuring of Ministry of Environment and Sustainable Development (MADS), which affected the execution of specific outputs (such as the signed MoU in Component 1) and threatened the "historic knowledge and empowerment achieved at the beginning of the project" (TE, pg. 28).

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: Satisfactory
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The M&E design at entry is rated as **satisfactory**, given the detail provided the project document and operation manual.

The project document presented a comprehensive results framework that directly aligned with the project's activities, outputs, and outcomes, and the target indicators were both clear and feasible, with a \$200,950 budget (PD, pg. 4 and Annex A). Although the project document provided output and outcome targets, there were no impact indicators or targets.

M&E roles for Fundación Natura were also clearly outlined, including the day-to-day monitoring of project activities, outputs, and outcomes as the responsibility of the Project Manager based within the executing agency (PD, pg. 4). Furthermore, the Steering Committee and three Advisory Committees were to be part of the project's evaluation activities and stay informed of the progress of the monitoring process, and reports would be disseminated to other relevant stakeholders such as government, civil society and other participating organizations.

The M&E plan also included a "Comprehensive participatory Review (CPR) with key stakeholders to examine the results, outcomes, and processes of the project, as well as to assess the institutional collaborative arrangements and progress in creating national demand and supply of VERs and an efficient platform where these can be exchanged" (PD, pg. 6).

6.2 M&E Implementation	Rating: Highly satisfactory
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This TER rates M&E implementation as **highly satisfactory**, since the executing agency effectively used a range of instruments and reporting mechanisms (e.g. annual work plan, risks management matrix, progress/monitoring reports, PIRs and tracking tools) to monitor and evaluation project activities for a complex project (TE, pg. 24). The Steering Committee also met once a year to review the progress made by the project based on M&E framework (TE, pg. 18).

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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This TER rates the quality of project implementation as **satisfactory**. IDB effectively carried out its responsibilities and supervision of the executing agencies, meeting with Fundación Nature and other stakeholders approximately every 3 months to “request updates on the achievement of objectives, targets and outputs, and to solve operating problems as they arose” (TE, pg. 25). Furthermore, the project design allowed Fundación Natura, on its own initiative and after discussion with project partners, to adapt the project as required to changing conditions or circumstances during project execution (TE, pg. 21).

7.2 Quality of Project Execution	Rating: Moderately satisfactory
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The quality of project execution is rated **moderately satisfactory** due to the shortcomings of co-executing agencies of specific components and activities.

Overall, Fundación Natura demonstrated strong capacity to oversee project execution, including knowledge, technical and administrative aspects (TE, pg. 86). Fundación Natura effectively oversaw project execution through annual meetings of the Steering Committee, coordination meetings (for each component) every six months, and regular meetings with each forest carbon project’s executing partner, in addition to other agreements that Fundación Natura signed with partner organizations to achieve the expected results more effectively (TE, pg. 25).

On the other hand, Colombia's Mercantile Exchange (BMC) and Ministry of Environment and Sustainable Development (MADS) caused significant delays in project implementation due to staff changes and organizational restructuring, which affected the execution of specific outputs (such as the signed MoU in Component 1) and resulted in a loss of institutional knowledge at the beginning of the project (TE, pg. 28).

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.

Overall, the project increased the sequestration, avoidance and reduction of verified carbon by 3,241,937 tCO₂e, and increased the number of hectares of forests or agro-forested landscapes conserved by 199,690 ha (TE, pg. 40). Furthermore, the project has overall strengthened land planning and conservation processes through the forest carbon projects (TE, pg. 33).

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.

The TE notes that “activities financed under Component 2 had positive socioeconomic effects on the communities derived from the forest and agro-forestry projects supported by the project,” however the socioeconomic impact is not specified (TE, pg. 64).

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

As a result of the project, there are now tools, guidelines, methodologies, and technical capacities available to help companies measure the carbon footprint, and many companies are already using them (TE, pg. 20). Furthermore, by presenting the voluntary exchange platform at national and international events, the project has turned Colombia into a prominent player in the voluntary carbon markets under the UNFCCC, and has attracted the interest of different sectors including the government, the community, the private sector, and civil society organizations, among others (TE, pg. 30). The project also increased knowledge of the various carbon verification standards (VCS, Gold Standard and Plan Vivo) at a national level through Fundación Natura’s signed agreements with various standards throughout project implementation (TE, pg. 33).

The project has also stimulated increasing interest among companies in reducing their GHG emissions “by showing that measuring the carbon footprint is a good tool for using energy more efficiently and reducing production costs,” and has had a strong demonstrative effect by implementing projects with companies (TE, pg. 41).

b) Governance

The major governance impacts of this project are 1) successful establishment of the voluntary exchange platform for transacting carbon credits, and 2) an official proceeding to ensure the platform leads into a single accounting system and is linked to the country's reporting processes (TE, pg. 28-29).

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 were no reported unintended impacts.

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 TE did not identify any specific initiatives that have been adopted at scale, although it does note that the private incentives schemes “contributed and still contribute to encourage more companies to measure their carbon footprint” (TE, pg. 35). The TE also notes that “agreements have been signed with different Institutions/organizations to finance forest carbon projects and to disseminate different standards and methodologies to trade carbon credits on the market platform” (TE, pg. 42).

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.

- Involving the government, as well as the private sector, is critical to provide legitimacy and sustainability to the long-term objectives, since this is a process that requires the commitment of both sectors.
- The relevance of the project for the Government facilitates its ownership and the effectiveness and efficiency in the achievement of its objectives.
- The market demand for carbon credits (by companies or institutions) is the most critical factor for the feasibility of a market platform for carbon credit transactions.
- Synergies can be created and the "scarce resources" of a project can be used more efficiently by identifying initiatives (aligned with the intended goals) which are already underway and which can be completed and/or upscaled.
- The process for validating projects under international standards is burdensome and expensive for small and mid-sized forest carbon projects with a community-based component, but it is nevertheless more affordable and simpler than that of the Clean Development Mechanism (CDM).

9.2 Briefly describe the recommendations given in the terminal evaluation.

- The project outputs should contemplate sufficient resources to conduct a process to involve and convince the permanent authorities of the Government institution(s) which are most relevant for the objectives and goals set for the project. The project activities should be reflected in the institutional annual work plan - of Colombia's Ministry of Environment and Sustainable Development (MADS), in this case.

- Political support should be sought - first from MADS - to design more concrete policies and regulations for each sector, which will be applied as a country project to achieve the expected goals and fulfill the commitment assumed by the country under the UNFCCC (COP21 of Paris).
- The role of the government is critical to promote the market demand for carbon credits through clear and concrete policies for the measurement, reduction, and offsetting of the carbon footprint, activating a regulated market operating in parallel to the voluntary market. It is essential to allow enough time for the market platform to reach its financial break-even point and to provide it with more connectivity with the Government's information system.
- A strategy for creating synergies with other projects and initiatives should be developed, so it is necessary to map and design a coordination structure which ensures the project's objectives continue to be achieved.
- It is advisable to complement the offer of carbon credits in the domestic market with carbon credits from forest carbon projects with a community-based component by developing national protocols which comply with the UNFCCC requirements in order to decrease transaction costs. To this end, it is a good idea to consider fine-tuning the Colombia Institute of Technical Standards' protocol based on the UNFCCC requirements.

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 report provides a detail assessment of the outcomes and impacts, clearly noting revisions made during project implementation.	HS
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The report is internally consistent and presents complete and convincing evidence.	HS
To what extent does the report properly assess project sustainability and/or project exit strategy?	The report provides a comprehensive assessment of the project's ecological, sociopolitical, and financial sustainability.	S
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	The report presents a comprehensive set of recommendations and lessons learned.	S
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The report provides actual project costs and co-financing broken down by activity and co-financing body.	HS
Assess the quality of the report's evaluation of project M&E systems:	The report provides an accurate and comprehensive assessment of the project's M&E system.	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 in the preparation of the TER.