MID-TERM REVIEW

Project ID:	10219
Project Name:	Development of an enabling environment for sustainable businesses based on the native biodiversity of Ecuador
Countr(ies):	Ecuador
Implementing Agency:	CAF

TABLE OF CONTENTS

I. Overview

A. Description

Project name Development of an enabling environment for sustainable businesses based on the native biodiversity of Ecuador	
Country Ecuador	
GEF ID 10219	Implementing Agency CAF
Executing Entity Ministry of Environment, Water and Ecological Transition	
Trust Fund GET	Project Type FSP
Objective To create basic conditions in Ecuador that facilitate the development of businesses that sustainably use biodiversity	

B. Key Dates

CEO Endorsement/Approval 12/14/2021	Agency Approval 4/22/2022
Implementation Start 7/18/2022	First Disbursement 1/17/2023
Expected MTR 8/11/2025	MTR Submission 1/14/2026
Actual MTR 8/28/2025	Expected Completion 11/7/2025

II. PROGRESS STATUS AND ISSUES

A. Main MTR Findings

On the conception of the Project

- The Project's central concept of biodiversity preservation and conservation has been applied to various international initiatives for several decades, alongside ecosystem conservation issues. This trend is the result of growing global concern about environmental degradation and species extinction due to climate change and human impact on habitats, particularly in countries and ecosystems classified as mega-diverse, such as Ecuador.

- At the time of the preparation of ProDoc, between 2018 and 2019, several global initiatives were already in place, both at the regional level (LAC) and in the country itself. The consequent evolution of approaches and experiences has been dynamic, but the relatively long time to prepare and implement the necessary changes has not been consistent with the urgency of the action and the respective evolution of the contexts of technical knowledge and political decisions.

- The final ProDoc proposal exemplifies the challenging circumstances surrounding the resolution of intricate and swiftly evolving environmental issues. Despite being a high-quality technical and analytical document in terms of scope, description, contextual information, and identification of experiences and actors, it was rendered obsolete two years after its design when its implementation was proposed.

About the Project design and strategy

- The ProDoc proposal proved inflexible in terms of its results sequence structure, particularly with regard to the direct selection of demonstration experiences. It was therefore necessary to adapt it to the evolving interests and visions of public and private actors in terms of bioeconomy and business ventures, as well as to navigate the underestimated challenges of key political decisions.

- From a timing perspective, planning and implementing an effective sequence of actions, from innovation in regulations and inter-institutional coordination to realizing the expected effects in the field, has been very ambitious given the country's prevailing socio-political and institutional reality.

- As a consequence of the above analysis, the difficulties in implementing the Project have been repeatedly expressed by the interviewees, who nevertheless maintain a positive perception of the potential benefits and of the sectoral and private articulation in the promotion and financing of enterprises and bio-businesses already underway.

- Efforts have been made to build on the experiences and lessons learned from the cases of selected companies that experienced management and administrative difficulties. It has been possible, albeit through an arduous process, to obtain a concerted ministerial agreement. Two activities that have been positively received by the Project and some stakeholders are the establishment of the National Registry of BD exploitation activities and the results of the Seed Fund competition programme.

- The interviewees mentioned the need to review the structure of the Project, redefine the indicators, and align the outputs and activities with the new socio-political and economic circumstances.

- There is an implicit 'theory of change' (ToC) in the ProDoc statements. However, the evolving context of national governance (from MAATE to MAE), stakeholder changes, and new advocacy opportunities, justify the effort to discuss and document a new implementation scheme. The PMU is already preparing the basic elements of this scheme.

- There are different views among stakeholders regarding the need to maintain the focus on supporting actions to promote the use of native biodiversity, as this is more in line with the State's conservation principles. On the other hand, some stakeholders argue for opening up to bio-businesses in products that are not necessarily native.

On the governance and management of the Project

- The merger of sectors within the current Ministry of Environment and Energy (MAE) undoubtedly introduces an element of uncertainty regarding the future of previous biodiversity and resource management initiatives. Although the conservation of natural capital is perceived as a state policy that would not be affected, it is possible that there could be indirect effects and changes in priorities in favor of environmentally risky ventures.

- The advantage of expanding the Steering Committee's membership is highlighted to encourage and strengthen the involvement of other key stakeholders, including the Ministry of Agriculture. This would allow for better coordination with the Technical Advisory Committee and greater influence over governmental decisions in favor of the Project's objectives.

    - Mention was also made of the need to improve communication within the governance and decision-making chain to ensure that the Project's progress is updated and disseminated to partners.

On the participatory approach and inter-institutional management

- The broad participation approach in the ProDoc proposal and the general socialization of the Project is recognized in principle. However, the implementation of this approach has limitations regarding the commitment and interests of the various institutions and entities involved, which should be openly discussed.

- The limited capacity to make binding decisions within the environmental sector affects Project governance dynamics and proactive participation, as seen with the Technical Committee's operations. This is a chronic situation in many countries in the LAC region when there are no governmental mechanisms that obligate or commit other governmental or private institutions.

- The possibility of establishing a regulatory mechanism for the necessary interagency work, such as the formalization of working groups under the responsibility of a supra-ministerial governing body, is not yet foreseeable.

On the Project implementation process, barriers, and adaptive measures

- The greatest difficulties facing the project implementation process are: the need to adapt ProDoc schemes in response to changing circumstances; damage control due to the impact of the pandemic on the entities selected as pilots in support of the project; the greater time and effort required to create enabling conditions in national regulations, due to the high turnover of officials with decision-making power; and barriers to changing traditional policies in financial institutions regarding financing processes and priorities.

- The level of progress in achieving the expected results is analyzed in detail in the updated reports on disbursements, supporting documentation on indicators, scope of co-financing, and others, which reveal an acceptable level of compliance in terms of outputs and activities, but this is not necessarily reflected in progress toward the expected outcomes.

- Preliminarily, and taking into account the time elapsed, the difficulties encountered, and the adaptive measures, there is a perception among stakeholders of a moderately satisfactory financial performance, considering the evolution of new financing prospects, but with a need to accelerate adaptive actions, with an emphasis on outcomes with the greatest impact.

- In **Component 1**, significant progress has been made, albeit with an investment of time and resources that exceeds the expected timeframe. The approval of Ministerial Agreement 054 is a notable accomplishment; however, the implementation and effects of its application may impact expectations in this regard. There are delays in the activities and products of Outcomes 1 and 2 due to the need to link behind-schedule activities requiring adjustments due to the change of context.

- A crucial achievement is the institution of the Registry, which, however, is still far from being fully implemented, due to the regulation and articulation needs of the environmental authority. The monitoring of the process, starting with the administrative and political merger in the MAE, should be closely followed, and the risk of changes in the regulations foreseen, which may require influencing the processes to avoid loss of the Project's momentum.

- **Component 2** reports significant progress toward Outcome **3** in preparing an environment conducive to the financial sustainability of bio-businesses, for which there has already been positive moves in promoting change and international cooperation in this regard.
- Financing biodiversity is still an innovative issue that requires greater efforts within the system to increase the creation of specialized financial products and to overcome conservative inertia in intermediary financing institutions. Savings banks and cooperatives, which could promote small-scale bio-business in rural areas, encounter difficulties in terms of business scale and operations that prevent them from qualifying as such under the new regulatory framework for these entities.

- **Component 3** has presented the greatest unforeseen difficulties in the ProDoc. The impact of the pandemic and the business or financial fragility of some of the selected bio-businesses is leading to a change of direction that needs to be discussed with beneficiaries and stakeholders.

- The interviews highlighted the positive relationships between the government entities and the project, particularly with MAE, CAF, the Heifer Foundation, and CORPEI. However, the interviews also revealed some critical remarks about the Project's progress regarding timely decision-making and improved communication between the entities, beyond the activities of the PDC.

- The unforeseen problems and delays in the implementation of the Project support the need for an extension of the execution period. The current implementation period is insufficient for the magnitude of the proposed change and the barriers faced. It is therefore important to proceed, together with a review of the Project's regulatory framework and the ToC, with an effort to accelerate the implementation process, with broad participation of stakeholders, including an exit strategy in addition to the planned extension of the implementation period.

On monitoring and knowledge management activities

- It is mentioned in the interviews that the M&E process is evolutionary because it requires a better understanding of the Project and its scope. Similar project reviews often reveal that, while the M&E concept is considered important, it does not receive the prescribed attention regarding execution, budgetary prioritization, and executive management.

- Although this part of the Project's execution is not perceived as a major problem since prescribed monitoring and reporting are being complied with, it is also noted that this compliance is mostly internal and refers to the project itself. It is also necessary to focus on participatory action by partners and key institutional alliances.

- Some of the actors interviewed recognize the value of dissemination in seminars and training activities of the Project, but mention the need to gather knowledge and provide feedback to technical and academic actors; likewise, they mention the need to promote the MAE to convert the knowledge gained into relevant instruments and standards. There is a recognized need for channeling tools and dissemination materials, and that knowledge and experience are being generated, but that these advances are not being proactively communicated.

- The gender approach and search for equity in development promotion activities have shown marked progress globally. This trend is confirmed in the case of the Project. There were no problems or difficulties detected in the opinions and reactions of the interviewees, as evidenced by equal participation in processes and a gender balance among staff, beneficiaries, and stakeholders. Nevertheless, cultural biases and the marginalization of women's roles are still present in rural areas.

On the prospects of sustainability regarding the Outcomes

- The overall sustainability of the Project's actions lies in the sustained evolution of the importance currently given to nature conservation, biodiversity goods and services; and the reduction of environmental degradation. This process is currently the focus of attention in all countries, in science, and in international cooperation.

- Financial sustainability may be affected if processes for innovative agreements to promote bio-businesses are not completed. These processes include the Registry, special funds, and regulations for financing new bio-businesses, with a distinction between native and non-native biodiversity.

- Institutional and regulatory sustainability must be strengthened through ongoing inter-institutional work, exchange of experiences, and partnerships (sectoral and territorial) to reinforce the concept of bio-business and entrepreneurship. This responsibility may extend beyond the remaining duration of the project; therefore, in addition to extending the deadline, an acceleration plan should be put in place to complete the enabling actions and consolidate and strengthen the process in the new context of government policy.

- It is advisable to balance productive and environmental aspects in the implementation approach, since the technical aspects cannot be realized without attention to marketing and financial benefits. Balancing these perspectives contributes to sustainability.

B. Stakeholder Engagement

Throughout the implementation period, the Project has maintained a satisfactory level of collaboration and engagement with key stakeholders, particularly subnational organizations and entities receiving direct support. Joint work with MAE (former MAATE) focused on developing and strengthening regulations for the sustainable use of biodiversity, including progress in establishing the national registry for biodiversity use, management, and exploitation activities that will underpin conservation and responsible resource use.

Support was also provided for preparing the National Biodiversity Use Plan and updating the Action Plan for the Conservation of Amphibians in Ecuador, a technical-legal instrument that operationalizes five strategic lines, including in situ and ex situ management of priority species. These processes have benefited from sustained and broad participation by actors engaged in promoting bioendeavours.

Collaboration with the Internal Bioeconomy Group advanced the mainstreaming of gender considerations into public policy, while new intersectoral workspaces between MAATE and Agrocalidad were established to identify joint actions toward the organic certification of wild-harvested species. The Project also coordinated with the Bio Trade Program at Amazonian University (IKIAM) to organize the First International Bio Trade Seminar, which brought together nearly 200 participants to exchange knowledge on regulation, quality systems, and traditional knowledge in Bio Trade.

Partnerships have progressed at the local level as well, such as through the Sacha Ñawi initiative in Imbabura province, focused on sustainable mortiño cultivation. The completion of a related consultancy produced results that advance this native species' protection and sustainable use. Despite overall strong engagement, the midterm evaluation identified instances of skepticism or disagreement linked to differing institutional priorities or conceptual approaches. These are understood as constructive feedback but highlight the need for greater dialogue and direct engagement at the management level, particularly in the current context of evolving public policies

C. Gender Equality

The Project has made notable progress in implementing gender-responsive actions. Dissemination of the assessment on women's participation continued through meetings and dialogue spaces that validated and enriched findings with diverse stakeholder contributions, including those from pilot projects. Documents summarizing key results and recommendations are being finalized for dissemination, such as 'Mortiño in the hands of women. Economic contribution to the value chain'

Institutional capacity building was reinforced through technical support to the SNAP Gender Action Plan, promoting gender mainstreaming across sectors. The webinar 'Women and Sustainability: Challenges and Opportunities in Sustainable Businesses' provided a space for reflection on women's roles in sustainable initiatives and highlighted best practices and barriers to equality.

At the community level, the Project strengthened women's savings groups through a second series of workshops aimed at reinforcing financial management skills and promoting economic autonomy. The first session, delivered in collaboration with the UNORCAC women's group, focused on savings account management and community finance from a gender perspective.

The Project has achieved balanced participation of men and women across staff, beneficiaries, and stakeholders. However, persistent cultural biases limiting women's roles in rural areas underscore the importance of regularly updating and adapting the gender equity evaluation plan, strengthening engagement with organized women's groups, and providing continued training on gender and intercultural approaches across all Project components.

D. Knowledge Management

Implementation of the Project's Knowledge Management (KM) approach has advanced through actions that combine technical coordination, learning, and communication components. The Project contributed to developing a participatory conceptual framework for promoting biodiversity-based businesses, soon to be formalized under Ministerial Agreement 034. This framework supports the creation of a national bioendeavours registry, currently being updated in coordination with the Export and Investment Promotion Corporation. The registry's information structure will facilitate the collection of strategic data to inform financial institutions of opportunities to finance sustainable business models based on native biodiversity.

Additionally, the Project consolidated valuable experiences related to the operation of savings accounts for productive purposes, assessing their potential application to biodiversity enterprises. A guideline based on these findings is under development, integrating stakeholder input and supported by a targeted dissemination strategy.

Knowledge sharing has also occurred through webinars and discussion groups addressing biodiversity financing and gender-responsive project design. From a communications perspective, various FY25 actions have focused on organizing, storing, and disseminating knowledge generated during implementation, strengthening collaboration within the Bionegocios Ecuador network.

While progress is evident, there is a need for more proactive and timely communication on Project achievements and lessons learned. Strengthening coordination between the Project Coordination Unit, Monitoring and Evaluation, and Communications specialists—with oversight from the CDP—will enhance integration, visibility, and cross-sector knowledge exchange.

III. Core Indicators

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
7000	18500	13342.09	

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
7,000.00	2,500.00	139.00	

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	16,000.00	13,203.09	

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Documents (Document(s) that justifies the HCVF)

Title

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	2,500	9,500	1,945	
Male	2,500	9,500	1,288	
Total	**5,000**	**19,000**	3,233	**0**

IV: Co Financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Anticipated at CEO($)	Materialized at MTR($)
Recipient Country Government	Ministry of Environment, Water and Ecological Transition	In-kind	Recurrent expenditures	5,387,218.00	576,971.21

Recipient Country Government	Ministry of Environment, Water and Ecological Transition	Grant	Investment mobilized	2,770,000.00	
Private Sector	Wikiri	In-kind	Recurrent expenditures	1,058,000.00	81,503.86
Private Sector	Wikiri	Grant	Investment mobilized	102,000.00	828,131.38
Private Sector	Ethniessence	In-kind	Recurrent expenditures	112,900.00	49,670.00
Private Sector	COPROBICH	Grant	Investment mobilized	85,197.00	33,681.35
Private Sector	COPROBICH	In-kind	Recurrent expenditures	414,803.00	96,757.50
Private Sector	SUMAK MIKUY	In-kind	Recurrent expenditures	93,600.00	6,824.92
GEF Agency	CAF	Loans	Investment mobilized	11,000,000.00	
Civil Society Organization	Fundación Jambatu	In-kind	Recurrent expenditures	77,000.00	
Recipient Country Government	Agrocalidad -Ministry of Agriculture	In-kind	Recurrent expenditures	21,975.00	
Recipient Country Government	MIPRO (Ministry of Production	In-kind	Recurrent expenditures	78,604.00	
Recipient Country Government	INABIO	In-kind	Recurrent expenditures		23,449.76
Total Co-financing				**21,201,297.00**	**23,449.76**

Comments

According to ProDoc, the co-financing committed over four years amounted to USD 21,201,297. As of June 2025, USD 1,697,000 of this amount, equivalent to 8%, would have been executed under the various modalities. This situation generally affects GEF projects, but it particularly affects the valuation of in-kind contributions by government institutions. There is a higher proportion of contributions from the private sector and civil society because they tend to have greater flexibility and autonomy in managing their budgets and contributions.

V: ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
	Medium/Moderate	Medium/Moderate	

Measures to address identified risks and impacts

The project consists primarily of a set of activities with positive environmental impacts on natural ecosystems and productive landscapes; therefore, the sustainability of its actions and proposals results in a low environmental impact. Even the agribusinesses supported by the project are organic and hold certifications for good environmental practices. Nevertheless, potential future impacts of climate change cannot be ruled out, including possible alterations to ecosystems and displacement of native species' habitats. Despite these considerations, the project can be classified as presenting a **moderate environmental and social risk**.

VI. ANNEX

Uploaded Document

Document Category	Title
M and E Document	MTR_BIONEGOCIOS_ECUADOR