



REQUEST FOR CEO APPROVAL

PROJECT TYPE: MEDIUM-SIZED PROJECT

TYPE OF TRUST FUND: NPIF

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PART I: PROJECT INFORMATION

Project Title: Development and production of natural dyes in the Chocó Region of Colombia for the food, cosmetics and personal care industries under the provisions of the Nagoya Protocol			
Country(ies):	Colombia	GEF Project ID: ¹	5160
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5139
Other Executing Partner(s):	Fondo para la Accion Ambiental y la Niñez	Submission Date:	September 27, 2013
GEF Focal Area (s):	Biodiversity	Project Duration (Months)	36
Name of parent program (if applicable): ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/> ➤ For PPP <input type="checkbox"/>	N/A	Project Agency Fee (\$):	98,000

A. FOCAL AREA STRATEGY FRAMEWORK²:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Co-financing (\$)
BD- 4: Build Capacity on Access to Genetic Resources and Benefit-Sharing	Outcome 4.1: Legal and regulatory frameworks, and administrative procedures established that enable access to genetic resources and benefit-sharing in accordance with the CBD provisions	Output 4.1. Access and benefit-sharing agreements (number) that recognize the core ABS principles of Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT) including the fair and equitable sharing of benefits	NPIF	980,000	2,017,102
Total Project Cost				980,000	2,017,102

B. PROJECT FRAMEWORK

Project Objective: To apply the Nagoya Protocol provisions on access and benefit-sharing through the development of nature-based products, benefit-sharing and biodiversity in the Chocó region of Colombia.						
Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
1. Development of natural plant colorants for the food, cosmetics and personal care industries	TA	1.1 Three tons per year (3) ton/year of powder dye produced 1.2. Production facilities with industrial production capacity established	1.1 Stable color produced with industrial use standards 1.2 Tests ensuring the safety, stability and efficiency of the blue dye for	NPIF	340,000	899,612

¹ Project ID number will be assigned by GEFSEC.

² Refer to the reference attached on the [Focal Area Results Framework and LDCF/SCCF Framework](#) when filling up the table in item A.

			<p>industrial use</p> <p>1.3 Infrastructure and equipment to increase the production of dye with quality control measures in place</p> <p>1.4 Laboratory with analysis capacity to ensure the quality of the blue dye</p>			
2. Strengthening of a value chain involving sustainable and efficient supply and marketing capabilities for natural dyes	TA	<p>2.1 <u>Seven hundred and fifty (750) hectares</u> of forests in the Chocó bioregion under sustainable management because of the use of <i>Genipa americana</i> for the production of a dye</p> <p>2.2 <u>Sixteen point four (16.4) tons/month</u> of fruit received with the conditions of sustainability and quality demanded by the market</p> <p>2.3 <u>\$83,300 USD</u> per year received by the producers of jagua, from sales for the production of natural colors</p> <p>2.4 <u>Three (3) tons</u> of color derived from <i>Genipa americana</i> and sold under international regulations</p>	<p>2.1 275 beneficiaries trained by the School of Forestry</p> <p>2.2 Requests for updating and expanding community-based management plan and use permits</p> <p>2.3 500 new high-producing trees, propagated and established through the vegetative system</p> <p>2.4 Collection, logistic, quality and traceability system designed and implemented for fruit provision, under the conditions required by the market</p> <p>2.5 International permits that allow the supply and marketing of blue dye derived from <i>G. americana</i> (ex, U,S, Food and Drug Administration - FDA, European Food Safety Authority - EFSA),</p> <p>2.6 Purchase agreements with international buyers of natural blue colorant derived from <i>Genipa americana</i></p>	NPIF	306,401	782,992
3. Access and benefit-sharing agreements	TA	3.1 <u>Access contract for a genetic resource with commercial</u>	3.1 Review and comparative analysis on the	NPIF	165,099	0

		<p><u>purposes</u> signed, including a benefit-sharing agreement</p> <p>3.2 <u>Monetary benefits*</u> received by the State and the communities and negotiated under the contract to access genetic resources</p> <p>3.3 <u>Non-monetary benefits*</u> received by the State and the communities and negotiated under the contract to access genetic resources</p> <p>* The targets regarding benefits will be defined <u>during</u> the first six months of project implementation</p>	<p>application of Nagoya Protocol provisions to the case of use of <i>G. americana</i> for the production of blue dye</p> <p>3.2 Access contract signed between MADS and Ecoflora Cares, and public presentation of benefit-sharing and distribution agreements</p> <p>3.3 A system for tracking benefit-sharing and distribution to communities created and in use</p>			
4. Increase in national and regional capacity in ABS through negotiation and monitoring of benefit-sharing agreements	TA	<p>4.1. <u>Decree or resolution adopted to facilitate the negotiation of monetary benefits</u> between the user of genetic resources and the state for ABS agreements with commercial purposes</p> <p>4.2 Increase in <u>30% of MADS's capacity</u> on access to genetic resources and sharing of benefits, as per the UNDP ABS Capacity Development Scorecard.</p>	<p>4.1 Decree or resolution proposal for sharing monetary benefits between users and providers of genetic resources</p> <p>4.2 Public consultation and validation of the benefit-sharing policy proposal</p> <p>4.3 Online tool for training and certification on ABS issues</p> <p>4.4 One hundred public employees from SINA trained on ABS issues</p>	NPIF	100,000	102,750
Subtotal					911,500	1,785,354
Project Management Cost (PMC) ³				NPIF	68,500	231,748
Total Project Cost					980,000	2,017,102

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
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³ PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

Private Sector	Ecoflora Cares	Grant	242,486
	BHB	In-kind	1,191,786
	Espavé Foundation	Grant	242,936
		In-kind	114,922
National Government	MADS	Grant	122,222
		In-kind	102,750
Total Co-financing			2,017,102

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) ²	Total c=a+b
UNDP	GEF TF	Biodiversity	Colombia	980,000	98,000	1,078,000
Total Grant Resources				980,000	98,000	1,078,000

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table

² Indicate fees related to this project.

E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	88,000		88,000
National/Local Consultants	60,031	25,000	85,031

F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.

1. National plans, policies and regulations were updated and completed. The project is in accordance with Colombian regulations regarding access to genetic resources. Colombia is a signatory of the Convention on Biological Diversity, signed on June 12, 1992, ratified and incorporated into domestic legislation through Law 165 of November 9, 1994. Similarly, Colombia signed the Nagoya Protocol on February 2, 2011 (not yet ratified). Colombia also is regulated under Decision 391 (1996) of the Andean Community, Common Regime on Access to Genetic Resources.

2. The project is consistent with Chapter III. Sustainable Growth and Competitiveness and VI. Environmental Sustainability and Risk Prevention, of the 2010-2014 Colombian National Development Plan. This plan provides guidelines for the productive sector oriented towards the use of bio-prospecting, bio-trade and biotechnology as tools to increase the competitiveness of agricultural production requiring institutional adaptation. Similarly, the Plan identified the need to develop a national policy for the management of biodiversity and ecosystem services; the scope would be circumscribed in the overall goals of the 2011-2020 Strategic Plan adapted by the CBD of Nagoya's COP 10, and Nagoya Protocol on access and equitable profit distribution.

3. All project activities are in line with the National Policy for the Integrated Management of Biodiversity and its Ecosystem Services developed in 2012, whose purpose is "to ensure the conservation of biodiversity and ecosystem services, as well as fair and equitable profits originating from it in order to contribute to improving the quality of life of the Colombian people." The recent policy adopts Aichi's goals as a starting point, so that they may be adjusted and set for the national level, during the formulation of the national action plan. Aichi's goals include the Nagoya Protocol's entry into force (Aim 16), and participation of the biological diversity in processes of poverty reduction.

4. This would also contribute to the Policy for the Commercial Development of Biotechnology from the Sustainable Use of Biodiversity, which aims at creating economical, technical, institutional and legal objectives that will attract public and private resources for business and commercial product development based on sustainable use of biodiversity, specifically regarding biological and genetic resources as well as their derivatives.

5. The project's expected goals represent further progress for the country in the Convention on Biological Diversity and its goals. As indicated in the last report from Colombia to the CBD, by 2010 the country clearly did not accomplish the goals related to equitable profit distribution, particularly those protecting the rights of the indigenous and local communities in terms of their knowledge, innovations and practices, including their rights to benefits (Goal 9.2), or access to genetic resources in line with the Biological Diversity Agreement and its provisions (Goal 10.1).

6. The project will strengthen the National Biotrade Program, which is geared towards meeting the objectives of the Convention on Biological Diversity. In accordance with the program's objective, this project seeks to promote regional initiatives that endorse commercial use of biodiversity for the development of local communities, through economic, social and ecological criteria for sustainability, and aims to stimulate sustainable production and consumption of goods and biodiversity services. Implementing this program was prioritized in the needs analysis for international cooperation within the 2012-2014 International Cooperation Strategy of the Colombian Presidential Agency for International Cooperation

7. Lastly, the project is aligned with the Departmental Development Plan and Municipal Development Plan. The plan of the Department of Antioquia in Line 5, Antioquia is Green and Sustainable, includes the promotion of biotrade value chains that enable communities to use the forests in a sustainable manner, and the plan of the municipality of Vigía del Fuerte in Line 4, Vigía is Green and Sustainable, includes establishing agroforestry plots with jagua.

A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities.

8. The project proposes to release the economic potential of a genetic resource (in this case, a dye) and share monetary and non-monetary benefits with the local communities. This scheme promotes conservation and sustainable

use of biodiversity, and the strengthening of institutional capacity on access and benefit-sharing. Specifically, the project will support research and development processes necessary to improve the transformation of raw juice from the fruit of *G. americana* into a blue dye with potential applications for the food, cosmetic and personal care industries. The monetary and non-monetary benefits arising from the commercialization of this dye will be shared with local communities that are in an area of the Chocó bioregion; this will be done through the use of biodiversity conservation practices that ensure the preservation of the resource. In addition, the project will enhance institutional capacity in access and benefit-sharing, including negotiation skills, development of model contracts and standardization of procedures for access, in accordance with current rules and policies.

9. The project is particularly consistent with Objective 4 of the Biodiversity Focal Area Strategy for GEF 5, which seeks to build capacity in accessing genetic resources and equitable profit distribution, with priorities and eligibility criteria of the Nagoya Protocol's Implementation Fund and its objective to facilitate the entry into force and its implementation.

10. Project activities support a case study to explore the relationship between the distribution of benefits and the conservation and sustainable use of genetic resources, and include an analysis of policies and national legislation on fair and equitable sharing of benefits arising from the use of genetic resources. Strengthening a value chain that involves the manufacturing sector and ethnic communities of a biodiversity node like Chocó, not only results in promoting the conservation of ecosystem conditions through the establishment of income alternatives, but follows the criteria for access to genetic resources and equitable sharing of its benefits. In this sense, it is intended that the products of the project, and the lessons learned from the generation and distribution of benefits in the use of *G. americana*, strengthen the capacity of the Government of Colombia to guide ancillary contracts for the distribution of benefits and be informed for the discussions in the Intergovernmental Committee for the Nagoya Protocol, thus facilitating the entry into force of the protocol. An important contribution of this project to the spirit of the Nagoya Protocol Implementation Fund is the significant financial and technical contribution from the private sector, and the collaborative work between the national government and the productive sector. Thus, the project will apply the provisions of the Nagoya Protocol and strengthen the capacity of Colombia to implement the protocol when ratified.

A.3 The GEF Agency's comparative advantage:

11. Information for the comparative advantage is presented in a more complete way, particularly in regards to the experience of the UNDP Country Office in relevant projects. UNDP was selected as the GEF Implementing Agency by the Government of Colombia for its comparative advantage in addressing the objective of this project, namely, promoting the implementation of the Nagoya Protocol on Access and Benefit-sharing.

12. Promoting sustainable use of natural resources is one of the programs that characterize the UNDP Biodiversity area. The agency has a large portfolio of projects that adopt strategies to address management, financial, ecosystemic and sectoral issues. The UNDP Country Office in Colombia is committed to supporting initiatives that benefit the Chocó biogeographic region and its people. This support includes GEF-funded projects, such as *Conservation of Biodiversity in the Chocó Biogeographic Region* (GEF ID 366) and *Conservation of biodiversity in landscapes impacted by mining in the Chocó Biogeographic Region* (GEF ID 4916).

13. The Country Office and the UNDP/GEF Regional Coordination Unit will provide support to project execution partners, drawing on the UNDP experience at the national, regional and global levels, and its history in a series of capacity-building programs, particularly in governance and decentralization -both central to this initiative. The comparative advantage of UNDP to the GEF also lies in its global network of country offices, their experience in comprehensive policy development, institutional strengthening and participation of non-governmental and community, as specified in *Comparative Advantage of the GEF Agencies* (GEF/C.31/5rev.1).

14. While UNDP Colombia has no previous experience in projects related to access and benefit-sharing, it does extensive work with local communities (black, indigenous and peasant) to strengthen their capacities to meet the challenge of protecting biodiversity while ensuring their livelihoods. The UNDP Country Office, together with the national government also has the ability to guarantee and verify that the benefits arising from the access to genetic resources are equitably distributed among the relevant actors, especially the most vulnerable.

15. At the regional level, UNDP is supporting an initiative to promote the implementation of the Nagoya Protocol on access to genetic resources and benefit-sharing in Panama (GEF ID 4780). Its objective is "The discovery of nature-based products for the pharmaceutical and agrochemical industries and benefit-sharing to increase the scientific capacity of research institutions and promote the conservation of genetic resources in the Protected Areas System of Panama". Therefore, the UNDP Country Office will use the lessons learned in this process.

16. Lastly, the project coincides with the provisions of the 2012-2014 United Nations Development Action Framework, (UNDAF) for Colombia. The UNDAF includes support to the Colombian government so that national, regional and local stakeholders sustainably manage biodiversity and ecosystem services (Outcome 2.1) and are strengthened in urban, rural and sectoral environmental management (Outcome 2.3).

17. Within UNDP, the project will be under the supervision of the Regional Technical Advisor for the GEF in Latin America and the Caribbean, who holds doctorate and master's degrees in Environmental Economics and Policy, with emphasis on economic valuation of forests. The project will be managed by the Environment and Energy Programme Officer of the Poverty Reduction and Sustainable Development Unit of UNDP Colombia, who has two MSc in Rural Development and Environmental Assessment and Management, and ten years of professional experience in environmental management, and legal/policy issues, and who has the support of a senior Programme Support Associate. The project will also have the support of the Head of Poverty reduction and Sustainable Development Area (25 years of work experience). UNDP Monitoring and Evaluation Unit will provide additional support for project monitoring and evaluation; support on procurement and finance will be provided by five staff members: Finance Officer, Procurement Officer, Human Resources Officer and two senior associates.

A.4. The baseline project and the problem that it seeks to address:

18. There are no significant changes in the introduction to the project. However, a more thorough analysis is provided on both the implications of ABS issues in Colombia, the biodiversity value of the intervention zone, and on the jagua value chain's functioning and benefit spillover.

Global environmental problem

19. In Colombia, the best-preserved ecosystems are found in isolated areas occupied by impoverished populations, mostly indigenous or black. This coincides with the global reality that the more biodiverse areas exist where there is more poverty. This relationship, documented by Tukelenburg, ten Brink and Witmer 2009, among others, is due to many factors, including those stating that: biotic wealth is preserved precisely because of lesser use by these communities towards their development; that conservation measures are impeding the use of natural resources for basic needs of a community; that isolated conditions are related to lesser extraction of natural resources as with the connection between lower human populations with development, etc.

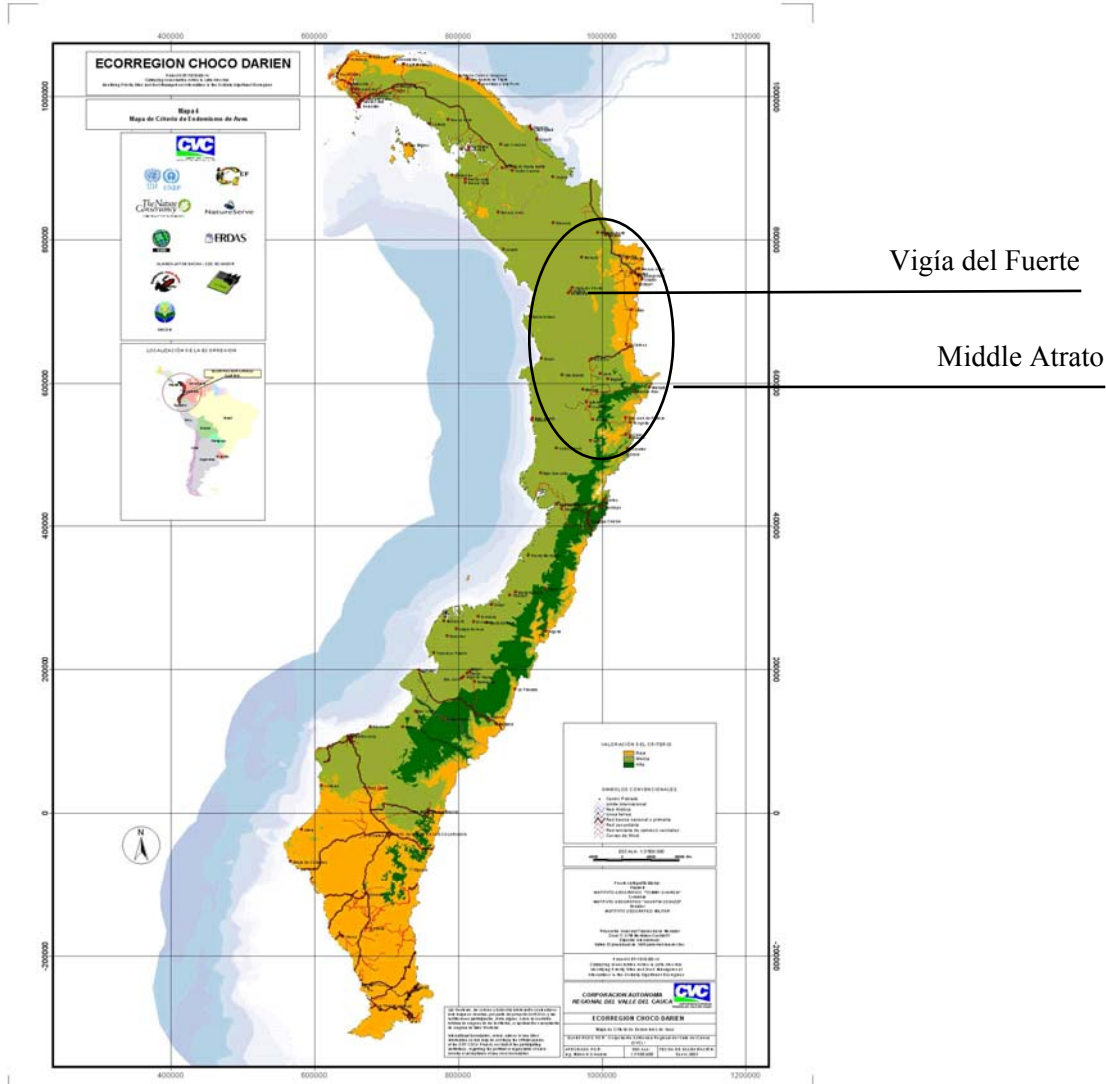
20. In an effort to break this relationship, several institutions have been working hand in hand in the Colombian Chocó. This biogeographic region is recognized as one of the highest biodiversity nodes in the world (Myers et al, 2000), and is home to Los Katíos National Park, a World Heritage Site by UNESCO. However, some of Colombia's more impoverished populations live there, most of which are traditional indigenous and black communities with basic needs reaching 95% in some municipalities (Unmet Basic Needs Index for Murindó: 97.08, Unmet Basic Needs Index for Vigía del Fuerte 68.35; Antioquia Government, 2012). Building on efforts already in place, this Nagoya Protocol Implementation Fund (NPIF) project will contribute towards an increased capacity and knowledge to the country in order to address access to genetic resources and a fair and equitable benefit-sharing, through a case study that attempts to prove that the use of the genetic resource offered by the Chocó region, may favor the economy of the poorest communities. The project aims to be a model for development initiatives arising from genetic resources in accordance with current national regulations, applying the provisions of the Nagoya Protocol and giving national authorities the possibility of use, monitoring and improvement of procedures and regulations necessary to facilitate access to genetic resources and profit distribution.

Project zone

21. Colombia is a megadiverse country. In accordance with the Global Biodiversity Outlook (CBD, 2001), the nation has the second highest national diversity index in the world, surpassed only by Indonesia. The country hosts

most of the territory of the Chocó bioregion. This bioregion covers around 187,400 km². It is an area made up of a patchwork of flat alluvial plains, river floodplains, narrow and steep valleys and mountainous escarpments which stretch along the whole length of the Pacific Coast from the north of Ecuador to Panama, and from the Pacific Ocean to the western flank of the Andes. The Chocó is considered a priority conservation site and biodiversity hotspot by multiple academic conservation prioritization exercises (e.g. *Priority Places* by WWF, *Biodiversity Hotspots* by Conservation International), includes two Natural World Heritage Sites (Parque Nacional Natural Katíos, listed as being endangered, Parque Nacional Darién), and various Alliance for Zero Extinction sites. It owes its richness to a combination of evolutionary and ecological factors, and it is believed to be home to the most diverse forests in terms of richness and plant endemism. According to *Conservation Monitoring* (1988) from the International Union for the Conservation of Nature, the Chocó has the highest endemism percentage in the world for a continental region and many of those species are endangered. It is estimated that there are eight to nine thousand plant species in the Colombian Chocó, of which a quarter are endemic. When it comes to fauna, of the 56 species of amphibians, 47 are endemic (Tovasura, 2006). This diversity is due to the high rainfall, the tropical conditions, its natural history and its isolation from the Amazon Basin due to the Andes Mountains (IDEAM, 2010).

22. Map of the Chocó bioregion (modified from www.natureserve.org)



23. In the northern area of the Chocó bioregion is a valley and alluvial terraces from the middle watershed of the Atrato River, an area called Middle Atrato, split between the Antioquia and Chocó departments. This region is characterized by its difficult access and due to the fact it has high unmet basic needs index (NBI Murindó 97.08, NBI Vigía del Fuerte 68.35, Gobernación de Antioquia, 2012) which contrasts with the wealth of its biota. The Vigía del

Fuerte municipality, the main commercial center of the region, is located on the banks of the Atrato and has a population of 5,487 inhabitants located mainly in rural areas, with little access to basic public, education and health services. This municipality has a low quality of life index, with an illiteracy rate of 12% and more than 98 % of its population lives under the poverty line (Anuario de Antioquia, 2011). The municipality's population is composed of mainly afro-Colombian communities (50%) which live alongside indigenous communities of Embera-Katio ethnicity. The economy is mainly based on lumber, fishing and agriculture. These populations are located within ethnic territories protected by Law 70 of 1993, which are made up of private collective property. The majority of the municipality is covered by native forest (76%) and by bodies of water (12%) and only 6% of the territory is used for subsistence agriculture. The soil conditions are not suitable for commercial agriculture and difficult to access and the constant floods due to the natural dynamics of the river, along with the armed conflict, further worsen the social problems. Nevertheless, the abundance of native forest and the complex network of wetlands in the municipality make the biodiversity the greatest possibility for the socioeconomic development of its people.

Baseline and opportunities

24. The Colombian Chocó, particularly the Atrato-Darien region, is mostly occupied by traditional indigenous and Afro-Colombian populations who own large areas of land in collective ownership. Despite their status as owners of an area rich in biological resources, these communities face the challenge of finding alternative and sustainable sources to market products and services that stop them from extracting traditional wood and precious minerals. Sustainable forestation is not a significant source of income for the people living in the forests these days. Logging for commercial purposes has resulted in unsustainable use and gradual depletion of ecosystems. A long-term solution to the relationship between poverty and biodiversity is sustainable use of forest products through successful commercialization of their biological and genetic resources, resulting in fair and equal payments for the entire community.

25. Espavé Foundation has been in the Middle Atrato region since 1994, with the intention of creating productive alternatives for the communities within the area so that they may profit from the biodiversity and guarantee its conservation. The opportunity to work with the company Ecoflora Cares through the use of the fruit from the jagua tree is among alternatives for income generation. These trees are found frequently on the plots of land cultivated by local people, specifically grown for their timber or growing naturally and not cleared for farming. Ecoflora Cares' interest in working with the species began in 2004 after finding information and research on the dyes derived from jagua. In 2006, the company approached Espavé Foundation with the understanding that jagua is an abundant resource in the Middle Atrato region but is not taken advantage of by the communities in the area.

26. The process began during the same year (2006), with informal meetings on the possibility of harvesting the fruit and the research that was taking place in relation to its use. During the process, still being undertaken today, a formal relationship was established with COCOMACIA, the legal custodian of the collective ownership which governs the territory in the region affected by the project and which brings together the local community councils.

27. In addition to the communities' participation as providers of the jagua fruit, as an initiative by Espavé Foundation and with participation from leaders in the region, a joint venture called BHB was formed in 2010, with a shareholder's agreement designed to include COCOMACIA, the forest product harvesters, local investors and Espavé Foundation. BHB currently sells the produce from local communities and provides Ecoflora Cares with jagua for its research and development. BHB therefore constitutes, both in its place within the value chain and through the composition of its shareholders, a link between final buyer and local community. It is an exceptional case of fair distribution of the benefits⁴ generated by the provider.

28. The main agreement with the communities with respect to the benefit they receive from being jagua fruit providers is the fair price. There are also agreements regarding entering into agreement with local harvesters, the proper identification of tree owners, and management of the different social development elements for the region.

29. There is an advanced work to develop a blue dye with industrial quality made from jagua, and there is a community platform built as a primary link of the productive chain. The limited global offering of natural blue dyes

⁴Despite to the fact that there is no common agreement regarding terms used, in this document benefit refers to benefits received by the State, in accordance with Colombian law, for access to a genetic resource. For financial resources generated through the value chain, mainly through the supply of raw materials (biological resources), we use payment or a different term.

suggests that the investment is likely to grow and reach a productive phase. In 2010 the group Leatherhead Food Research documented the challenge faced by producers of natural consumables to find alternatives for these dyes, which provide the food industry with consumables which function at different pH ranges. There are some new developments in colors, but the market has a large gap and the opportunity to commercialize a new dye is evident. According to the publication, production of blues which tolerate different pHs in the food industry is one of the greatest technical challenges in replacing artificial colors. There is therefore a market opportunity and social opportunity for the commercialization of the jagua blue dye to be successful and act as a model of strengthening the country's abilities to generate financial benefits through the use of biodiversity products.

30. Today, Ecoflora Cares uses a method to obtain a blue dye substance from the raw juice of the jagua. This method was patented in April 2011 in the United States. It is important to underscore that this patent does not involve the genetic resource (genipina⁵), and that Ecoflora Cares has not accessed this resource yet, in accordance with Colombian ABS regulations. Consequently, in August, 2011 the administrative process was begun with MADS for the access to genetic resources. Progress toward the possible commercialization of a product derived from this genetic resource and toward the value chain scheme for the jagua in the Middle Atrato region means that this is an exceptional opportunity to put the Nagoya Protocol provisions into practice and create capacity within the Colombian government to streamline and improve procedures which facilitate the translation of the megabiodiversity of the country into the development of its communities.

31. As stated above, in the process of progressing toward the commercialization of the dye, Ecoflora Cares has had to forge a new path, in collaboration with MADS, in negotiations on access to genetic resources and benefit-sharing. Requested in October 2011, the contract for access to the derivative product between MADS and Ecoflora Cares is expected to be signed before the end of 2013. As Decision 391 by CAN is the instrument which regulates ABS in this country to date and does not offer sufficient detail for administration and information necessary for the administration procedures, the requirements have to be partially interpreted and developed by the individual officials working on the case. For a number of years, a draft of a decree was being considered to regulate access to genetic resources, their derivative products, protection of the intangible component associated with the biological and genetic resources and fair and equitable benefit-sharing of those benefits derived from their use. This regulation has still not been adopted; the draft is still unfinished, has gone through institutional consultation and still needs to go through previous consultation with communities. Furthermore, there are no policy guidelines for benefit-sharing strategies.

Barriers to access to genetic resources and benefit-sharing that need to be addressed

32. The fact that a comprehensive effort to commercialize genetic resources and distribute the benefits has not yet become profitable, even after almost ten years of work, demonstrates the barriers that must be surmounted in Colombia before sustainable use of biodiversity becomes a viable alternative for income generation for the communities. These barriers include, as a minimum:

Weak development of biodiversity products.

33. Despite the potential Colombia has for the development of products of its biodiversity, access to resources for research for commercial purposes and the support offered to endeavors which raise the research to a commercial level is still weak. Companies which normally support the biodiversity product market are small- and medium-sized companies, with a reduced capacity for investment in bioprospecting and product development. These require more support in order to be able to commercialize genetic resources. The role of the private sector is essential, as the financing to carry out this type of project, particularly for activities related to basic research, industrial transformation, legal barriers and market development, represents a significant added value for the intentions of the community.

Difficulty establishing capacity for sustainable value chains, which benefit the poorest communities.

34. For the successful commercialization of the genetic resources in Colombia, it is necessary to increase the capacity and knowledge of both the autoecology of the promising species, and their productive management. To do so, research on current distribution and presence is required, which allows harvest areas to be located, sources which offer better characteristics for the production of the derivative to be identified, biological material with better characteristics to be reproduced, a management plan for the species to be developed, trained harvesters and teams for sustainable

⁵ Genipin is a hydrolytic product of geniposide, found in the fruit of *Gardenia jasminoides* Ellis. and the genus *Genipa*, amongst other plants. The protein has multiple industrial, medical and customary uses, which range from bioadhesive to body-painting.

collection to be developed, and rural peoples trained to participate as primary actors in the value chain. This work is currently being carried out by NGOs, and their capacity to act depends on their effort to obtain resources for cooperation.

A lack of clarity in the mechanisms for an equitable distribution of benefits.

35. Currently, neither the communities nor the companies have clarity on the mechanisms for negotiating and rendering accounts for the equitable distribution of benefits, whether because they reached the community due to the use of their traditional knowledge or because they received payments for providing the raw material from which the genetic resource is extracted. This lack of clarity generates vicious cycles of distrust which make it difficult to reach an agreement.

Gaps in Colombian legislation, administrative procedures and policies in order to generate benefits from genetic resources and distribute them equitably.

36. Currently the permits, requirements and administrative procedures for access to genetic resources are complex, inefficient and discourage the production sector from considering the sale of diversity goods as an option. In addition, there is no mechanism to guarantee that the distribution of benefits derived from the access to genetic resources is negotiated under uniform criteria, in a fair and equitable manner.

Related projects

37. This project fits within a group of public and private initiatives that are taking place in the Middle Atrato. These initiatives aim to generate income alternatives for the communities through the sustainable use of non-forest products and, particularly, through the use of jagua as a potential source of profits for traditional communities. The initiatives are:

Research for the development of productive alternatives with promissory species from the biodiversity of the Middle Atrato of Antioquia.

38. This is a 1,172,940,328 COP (~614,000 USD), two-year project, starting October of 2013. The Office of the Governor of Antioquia, is investing 999,440,328 COP, which come from mining royalties, and Espavé Foundation and local communities contribute 149,500,000 COP. The project aims to develop and implement innovation and research programs in Middle Atrato for the sustainable use of products from the regional biodiversity, the improvement of productive value-chains, the valuation of forests, and income generation for the communities. The project works particularly with jagua, and naidí and milpesos palms. The project-specific intervention in the management of the jagua includes the identification, characterization and zoning of new production areas, research on phenology and sustainable use of the species populations in Middle Atrato, and the insertion of the species for the establishment of pilot agroforestry plots. The coordination between the two projects activities will be through the common partner, Espavé Foundation, and the particular actions involved in the production chain are jagua represent its co-financing to the NIPF project.

Generating economic alternatives for indigenous communities of Chigorodo, Colombia, by strengthening governance, diversification of production and voluntary forest certification.

39. This project started in April 2013 and is expected to end in October 2014. It has a contribution of 500,299,000 COP (~262,000 USD) from the Government of Finland and the Inter-American Institute for Cooperation on Agriculture, and co-financing from the Superior Indigenous Council of Chigorodo for 123,070,000 COP. The project aims to strengthen the capacity of the communities to govern and sustainably manage their territory and forests, through the establishment of a business case for jagua. The project is executed by the Superior Indigenous Council of Chigorodo, and comprises a series of activities to train the community in the management and sustainable use of the species. If successful, these indigenous communities could enter the supply chain of the blue dye, as suppliers of fruit, and participate in the activities that comprise Component 2 of the NPIF project.

A.5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

40. The final project design is aligned to the original PIF; it preserves its main objective, strategy and structure. However, the preparation exercise and the results obtained by project partners during the period between PIF approval and project preparation, demanded minor and major revisions. The changes in the project design do not represent a change in the resources requested from the GEF/NPIF, but did demand an increase in project co-financing.

41. The circumstances that triggered most of the changes in project design are:

- Agreements with local communities were initially expected to be reviewed during the project; this is a requisite for any research and access permit, called “community consultation”. Due to the need to have these permits in place, Ecoflora Cares used its own funds to close negotiations. Today, there are agreements with the local communities, which will not need to be reviewed in the medium term, and an ancillary contract with the communities’ Superior Council (COCOMACIA). Component 3 was revised and adjusted so that it could deliver a tracking and reporting system for communities and third parties to have transparent information on the state of advance of the mentioned agreements. Thus, the resources that Ecoflora Cares was expecting to invest as co-financing were used before project start, and are not reflected on this final version. Similarly, co-financing does not show the administrative expenses that will be assumed by the MADS and Ecoflora Cares to negotiate the access contract, as they are not considered to be triggered by the project.
- Recent changes in regulations (June 2013) removed any responsibility of the National Authority for Environmental Licenses (ANLA) in the processes related to ABS; they all fall under the responsibility of the MADS. Thus, the final design of the project no longer considers ANLA a Strategic Partner, but as an entity that needs to be informed about the project, like any other entity of the National Environmental System. The tools that were initially needed to be available for ANLA, are now foreseen to be built at MADS.
- Bosque Húmedo Biodiverso, the local company that coordinates producers and supplies jagua fruit to Ecoflora Cares, was not mentioned in PIF texts. Although the omission of the name of the company went unnoticed, all the activities and results related to the work of the company were indeed included, and remain as such in the final design.
- The project was initially conceived to be coordinated by one of the Strategic Partners. However, during the project design the need to have a third party included was evident; this third party would have to facilitate the interaction between the private and public sector, and be independent from any contract and negotiation, in order to guarantee transparency and appropriate feedback between the case study and the development of policies. Both this new management scheme and the more intense monitoring and tracking of the project and agreements, demanded that the role of Project Coordinator was not assumed by any partner staff, but hired specifically for the project.
- Other adjustments were done in the project framework, aiming to improve the precision and adjust outcomes, outputs and indicators, and the overall monitoring system.

42. The table below indicates the initial framework scheme and the final design, including the detail on components and outputs-

PIF	Project Document
Project Objective	
To implement the Nagoya Protocol on ABS through the development of nature-based products, benefit sharing and biodiversity conservation in the Choco region of Colombia.	To apply the Nagoya Protocol provisions on access and benefit-sharing through the development of nature-based products, benefit-sharing and biodiversity in the Choco region of Colombia
Component 1. Development of natural plant colorants for the food, cosmetics and personal care industries	
<i>Outcomes</i> <ul style="list-style-type: none"> • A natural blue colorant is chemically improved and complies with international 	This component seeks to finalize technical developments that are waiting to get to industrial production of natural blue dye extracted from <i>G. americana</i> ; Today, there is a small-scale technical process

PIF	Project Document
<p>standards</p> <ul style="list-style-type: none"> Pilot production facility to scale up lab process and access international market potential of the natural blue color derived from “Jagua” (<i>Genipa americana</i>) <p><i>Outputs</i></p> <ul style="list-style-type: none"> Protocols for improvement and stability ensure compliance of the blue colorant with industry applications and standards. Toxicological trials ensure safety of the blue colorant for industrial applications. A new color pallet derived from the blue colorant brings a wider range of industrial applications Infrastructure and equipment to scale up production with the adequate quality control measures in place. Analytical and laboratory capacities are in place in order to guarantee safety and quality of the blue colorant. 	<p>that transforms the fruit extract into dye. This will be insufficient in achieving successful product commercialization. This aim is geared to improving the natural blue dye, so as to comply with international quality standards as well as establish industrial production of the plant. Ecoflora Cares will lead the development of component activities under the supervision of the Implementing (UNDP) and Executing (Fondo para la Accion Ambiental y la Niñez) Agencies. This component includes the following outputs:</p> <p>Stable color produced with industrial use standards. As a result of research and today’s development efforts, Ecoflora Cares has the ability to produce small quantities of dye with variations between different productions. In order to effectively market the dye, it should maintain the same quality and characteristics. Through Ecoflora Cares co-financing, the project will focus on the standardization of an industrial protocol ensuring homogeneity and quality in marketing.</p> <p>Tests ensuring the safety, stability and efficiency of the blue dye for industrial use. Primary safety, effectiveness and stability tests have been carried out on this blue dye. However, for international marketing, it requires verification and confirmation of these features through additional laboratory testing, specific to those requirements regulated in each international market. NPIF resources will be used for toxicology and laboratory testing, while personnel costs, raw materials and supplies will be taken on by Ecoflora Cares.</p> <p>Infrastructure and equipment to increase the production of dye with quality control measures in place. The production facilities presently being used, are sufficient for testing quality control, standardization and scaling. However, to produce the amounts demanded by the market, an industry-size factory is required. NPIF resources will be specifically used for factory design, machinery and equipment, while personnel costs, raw materials and supplies will be covered through co-financing.</p> <p>Laboratory with analysis capacity to ensure the quality of the blue dye. Industrial production requires efficient laboratory testing that guarantees the quality of the dye. Today, Ecoflora Cares has sufficient equipment for basic quality and physicochemical tests; however, other tests must be contracted with third parties. The reduced laboratory capacity expands the production process and increases product costs. NPIF resources will allow for physicochemical and biological testing. These resources will be used to acquire laboratory equipment. Personnel costs and supplies will be provided by Ecoflora Cares.</p>
<p align="center">Component 2. Strengthening of a value chain involving sustainable and efficient supply and marketing capabilities for natural dyes</p>	
<p><i>Outcomes</i></p> <ul style="list-style-type: none"> Strengthened capacity of farmers for the collection of <i>Genipa americana</i> fruits according to sustainability and biodiversity 	<p>This component is geared to improving management and production of <i>G. americana</i>, according to sustainable criteria and biodiversity conservation. It will also allow international commercialization of the dye produced from the tree’s fruit, complying with international regulations. The activities under this</p>

PIF	Project Document
<p>conservation criteria</p> <ul style="list-style-type: none"> Natural harvesting system of the <i>Genipa americana</i> fruits involving the community and following sustainability and biodiversity conservation criteria covers 750 ha Five tons of natural blue colorant derived from <i>Genipa americana</i> is commercialized internationally. International regulation compliance needed for the marketing of the natural colorant derived from <i>Genipa americana</i>. <p>Outputs</p> <ul style="list-style-type: none"> Three hundred (300) farmers trained in collection methodologies ensure compliance with sustainability and biodiversity conservation standards Protocol to secure the quality and quantity of materials required for the natural color's market according to sustainability and biodiversity conservation criteria Breeding and management methods for improving the productivity of the <i>Genipa Americana</i>. Community-based management plan for the sustainable harvesting and conservation of <i>Genipa americana</i>. Commercial agreements with international buyers of the natural blue colorant derived from <i>Genipa americana</i> US. Food and Drug Administration (FDA), European Food Safety Authority (EFSA), and other permits allowing the supply of the materials and the commercialization of the blue colorant derived from <i>Genipa americana</i>. 	<p>component consist of several strengthening processes along the value chain, and will be carried out by Espavé Foundation, BHB and Ecoflora Cares. These will lead to the following outputs:</p> <p>275 beneficiaries trained by the School of Forestry. The School of Forestry is a training program provided by Espavé Foundation, along with the support and certification of the SENA. The program is aimed at empowering rural people from Middle Atrato in forest management of their plots, with an emphasis on non-timber products. Thanks to existing work in the area, today there are 150 certified farmers from the SENA School of Forestry. With NPIF resources, the project will train two cohorts of 25 students, and Espavé Foundation will finance three cohorts, making a total of 125 additional farmers and increasing the capacity for sustainably harvesting the <i>G. americana</i> fruit.</p> <p>Requests for updating and expanding community-based management plan and use permits. Today COCOMACIA has a permit to extract the jagua fruit. This permit was awarded by Corpourabá, the regional environmental authority, for the portion of its jurisdiction -which lies in the department of Antioquia; associated with the permit there is a management plan, with the appropriate approval. In addition, there is a request to use the resource within the Codechocó jurisdiction, which was filed three years ago, and has not been approved yet. Once the dye enters the market, the supply will require an increase in the volumes of fruit approved for use, expansion of harvest area, and an updated management plan. NPIF resources will cover the cost of updating the management plan for the species, as well as the costs of paperwork, processes and permits; co-financing resources will cover some administrative costs and related transportation costs.</p> <p>500 new high-producing trees, propagated and established through the vegetative system. Through the support of the Ministry of Agriculture, Espavé Foundation, BHB and Ecoflora Cares are identifying trees with an increased production of the molecule that composes the blue dye; final results will be available at the end of 2013. With the results of this research, NPIF resources will support specialized consultants for vegetative reproduction as well as the set up for a local nursery with the capacity to reproduce and manage materials under positive conditions for genipin production.</p> <p>Collection, logistic, quality and traceability system designed and implemented for fruit provision, under the conditions required by the market. BHB's capacity is sufficient to supply the fruit needed during research and development stages; however, this capacity must be strengthened to meet the demand generated once the product is marketed. In addition to increasing the amount of fruit, BHB must improve product quality by better training their harvesters. To this end, NPIF resources will be invested in: a) certifying local staff and equipment for working at the required heights (needed to harvest the fruit) and b) boats with the capacity to handle large volumes of fruit. BHB will cover administrative costs, trainers and training costs for harvesters, crop supplies,</p>

PIF	Project Document
	<p>wages for harvesters and transportation costs. In addition, the project will provide boats that will provide transportation of people and small amounts of fruit.</p> <p>International permits that allow the supply and marketing of blue dye derived from <i>G. americana</i> (ex. U.S. Food and Drug Administration - FDA, European Food Safety Authority - EFSA). The potential for an internal market of the dye in Colombia is limited, therefore efforts must be undertaken to open markets in the U.S. and Europe. To this end, NPIF resources will aid in recruiting specialized consultants in international standards and testing techniques required to enter foreign markets. Ecoflora Cares will cover the costs of technical portfolios and payment for at least one permit.</p> <p>Purchase agreements with international buyers of natural blue dye derived from <i>G. americana</i>. Nagoya Protocol dispositions on how to distribute benefits between users and providers of genetic resources will be tested only through the existence of income derived from purchase agreements of the blue dye. While Ecoflora Cares will provide staff, knowledge and infrastructure in order to obtain successful purchase agreements, NPIF resources will cover transportation costs that may be associated with the purchase process. At project closure it is expected to have at least one purchase agreement.</p>
Component 3. Access and benefit-sharing agreements	
<p><i>Outcome</i></p> <ul style="list-style-type: none"> • ABS agreements developed and updated together with local communities to ensure consistency with PIC, MAT and Benefit Sharing provisions. <p><i>Outputs</i></p> <ul style="list-style-type: none"> • Monetary and non-monetary benefits derived from the use/marketing of natural colorants agreed with the local communities. • Existing agreements with the local communities reviewed in light of the scaling up of production and the potential of reaching wider national and international markets. 	<p>This component aims to facilitate benefit-sharing from the commercialization of the blue dye in order to fulfill Nagoya Protocol's provisions, and validate the commercialization of the <i>G. americana</i> dye as a case study. This component will also contribute to the consolidation of a tracking system for the comprehensive monitoring of all project components, and serve as a bridge between private and public sectors involved; and ensure that the case study provides feedback for a proposed benefit-sharing policy proposed under Component 4. Component 3 will be carried out by the Fondo Acción and the following outputs will be generated:</p> <p>Review and comparative analysis on the application of Nagoya Protocol provisions to the case of use of <i>G. americana</i> for the production of blue dye. Benefit-sharing during the research and development process for the dye is good practice, as documented by the UEBT, but has not been analyzed in relation to the Nagoya Protocol provisions and national regulations. NPIF resources will be invested in hiring a professional to monitor the project, the process of access to the genetic resource and sharing of benefits and payments throughout the value chain, so that it validates and /or makes recommendations for improvement during project implementation. The document will also be used to analyze the project when preparing the proposed benefit-sharing policy mentioned in Component 4.</p> <p>Access contract, signed between MADS and Ecoflora Cares, and public presentation of benefit-sharing and distribution</p>

PIF	Project Document
	<p>agreements. In early 2013, local community councils agreed on terms for the payment of fruit supply with Ecoflora and BHB, as result of a consultation process overseen by the Ministry of Interior and MADS (see Annex 3); commercialization of this dye involves progressive compliance with these agreements, and implementing the project involves a progressive application of the Nagoya Protocol provisions. The resources provided by this project will cover expenses derived from the annual monitoring and public presentation of the benefit-sharing and agreements negotiated in the consultation, and the achievements of the project.</p> <p>A system for tracking benefit-sharing and distribution to communities created and in use. To ensure the effectiveness and transparency of benefit-sharing and payments associated with the supply of jagua fruit used in the production of the dye, the project seeks to develop a tracking system that, together with project monitoring and evaluation, allows communities, local organizations, government, buyers and other stakeholders, to recognize the progress of the benefit-sharing scheme. Project resources will cover development of the monitoring system, monitoring on the project, and evaluation costs.</p>
Component 4. Increase in national and regional capacity in ABS through negotiating and monitoring benefit-sharing agreements	
<p><i>Outcomes</i></p> <ul style="list-style-type: none"> • Institutional strengthening of Ministry of the Environment and Sustainable Development (MADS) and National Authority of Environmental Licensing (ANLA) to facilitate ABS agreements and handling issues under the Nagoya Protocol • Improved capacities of MADS and ANLA for negotiating ABS agreements and monitoring of bioprospecting projects. <p><i>Outputs</i></p> <ul style="list-style-type: none"> • Analysis and review of current national ABS rules and procedures including ABS contract models, processes and related forms. • Online processes in place for ABS agreements, in line with ANLA's systems and procedures • One hundred (100) Staff members of MADS, ANLA, and other stakeholders and users trained on rules and procedures on ABS • Ten (10) staff members of MADS and ANLA trained in the negotiation of ABS agreements and implementation stages of bioprospecting projects 	<p>The final component of the project aims to leave the Colombian government and its environmental authorities and institutions with a higher capacity to work on access to genetic resources and benefit-sharing issues. The activities of the component will create a standard for the distribution of benefits from use of genetic resources, an issue not currently regulated in the country, and in an evaluation of and report on the project's products. Implementing this proposal will generate the following products:</p> <p>Decree or resolution proposal for sharing monetary benefits between users and providers of genetic resources. Currently, Colombia has no regulations that establish criteria for a benefit-sharing system upon signing contracts for access to genetic resources. There is a draft decree that establishes guidelines for access to genetic resources and the negotiation of benefits when involving traditional knowledge; nevertheless, the decree is awaiting the preliminary consultation process and includes no technical guidelines for negotiating the monetary benefits that go to the State. The project will develop a policy proposal (i.e., Decree or Resolution) that incorporates the current national and international legal frameworks and the findings of the project's case study on blue coloring extracted from <i>G. americana</i>. The resources of the NPIF will be invested in hiring two specialists to write the policy proposal in collaboration with the MADS technical team.</p> <p>Public consultation and validation of the benefit-sharing policy proposal. In Colombia any Decree or Resolution proposal must pass through an internal socialization and validation process involving the different MADS offices which participate in</p>

PIF	Project Document
	<p>processes, permits, contracts, monitoring and systematization related to access to genetic resources and benefit-sharing. Socialization will include at least the Departments of International Affairs, Green Businesses, Planning and Legal Office, and the directorates of Forestry, Biodiversity and Ecosystem Services, and Environmental Land Planning and SINA Coordination. Also, socialization will involve the SINA entities associated with related matters. The costs associated with socialization will be covered with MADS resources.</p> <p>Online tool for training and certification on ABS issues. Online content developed for local trainings has the potential to reach new audiences (e.g. companies interested in the commercialization of genetic resources, students, new officials, etc.) if freely accessible. The NPIF resources will be invested in developing training material for publication, and in the construction of an online tool for ABS capacity development. The material created will be included on the MADS webpage with co-funding provided by the Ministry.</p> <p>One hundred public employees from SINA trained on ABS issues. With co-funding from MADS, socializations will be performed and guidelines given to promote the use of the training tool among regional environmental authorities and other SINA organizations, with the goal of training at least one hundred public employees participating in processes related to access to genetic resources.</p>

Proposed scenario

43. For Colombian biodiversity to represent a driver for economic development, the country's regulations and processes need to adapt rapidly, and become a model of management that facilitates the addition of value to biological diversity and its sustainable, effective use. The long-term solution this project proposes to put in place is the improvement in the livelihoods of the communities involved in the access to genetic resources, through the just and equitable distribution of the resulting benefits, and an improvement in the capacity of the Colombian Government so the success of the case can be replicated in other areas of the country, and with different resources. This will be done by:

- a. Developing a product: a blue color derived from *G. americana*
- b. Strengthening a value chain for products of biodiversity: fruits of *G. americana* extracted from the region of the Middle Atrato, Chocó bioregion
- c. Facilitating the just and equitable distribution of the benefits and the payments generated through the commercialization of products of biodiversity: review and improvement of the case study in light of the provisions of the Nagoya Protocol and the construction of systems for transparent monitoring
- d. Strengthening of policies on ABS: development that defines in a transparent way the distribution of the benefits generated from the access to the genetic resource in Colombia

Global and national objectives

44. The project will provide global environmental benefits through the sustainable use of a species from one of the most diverse ecosystems in the world, an ecosystem which is currently under pressure from timber and mining

exploitation. The successful implementation of the Project will prove that it is possible to create value chains with the sustainable use of non-timber resources and with local communities. In addition, the project will build trust regarding the financial opportunity which the use of biological and genetic resources offers, as an economic alternative for megadiverse countries. Some species of global importance which will benefit from the project are: jagua (*Panthera onca*), ocelot (*Leopardus pardalis*), giant anteater (*Myrmecophaga tridactyla*), Baird's tapir (*Tapirus bairdii*), various species of spider monkey (*Ateles* spp) and tamarins (*Saguinus* spp). According to Bird Life International, the region boasts the highest number of restricted range species of all endemic areas for birds in America, with more than 50 endemic species. Among the bird species with the highest threat grade (almost endangered) which would benefit from the project, are the Chocó Tinamou (*Crypturellus kerriae*), Great Curassow (*Crax rubra*), Northern Screamer (*Chauna chavaria*), Harpy Eagle (*Harpia harpyja*), Russet-crowned Quail-dove (*Geotrygon goldmani*), Great Green Macaw (*Ara ambigua*), and the Spiny-faced Antshrike (*Xenornis setifrons*).

45. The successful commercialization of a genetic resource, the strengthening of a supply chain with the sustainable management of the ecosystem and national capacity building for the negotiation of access to these resources, will contribute to compliance with the Convention on Biological Diversity, the provisions of Nagoya Protocol (still not ratified by Colombia) and Decision 391 (1996) of CAN, the Common Regime on Access to Genetic Resources.

46. The project contributes to the national objectives outlined in the Colombian *National Development Plan 2010-2014*, particularly Chapters III Sustainable Growth and Competitiveness and VI Environmental Sustainability and Risk Prevention, as proposed in the National Policy for the Integrated Management of Biodiversity and its Ecosystem Services and Policy for the Commercial Development of Biotechnology from the Sustainable Use of Biodiversity.

Baseline scenario

47. Without the support of cooperation resources, private investment would continue in its attempt to commercialize genetic resources, without the help of the State and with confusion regarding legal requirements. Ecoflora Cares would focus its investment on selling the dye to the cosmetic industry, a market with less regulations and requirements, but an industry ten times smaller than the food industry. Espavé Foundation would provide resources for training and inventories. The supply chain would mobilize limited resources through BHB to a reduced number of beneficiaries in the Chocó region. Local communities would be disappointed, as an expectation of increased income has been created and would not be met, and the process would be in risk of failure. The communities would therefore increase their extraction activities, which in turn would increase ecosystem deterioration. Lack of investment in this project would lead to financial, social and environmental losses. Private sector and the government investment in accessing this genetic resource and share the benefits, would not exceed 276,954 USD during a time period equal to the implementation stage of this project.

NPIF alternative to generate global benefits

48. Despite the resource investment in the baseline scenario, the impacts which progress would cause would not be competitive in comparison with other alternative uses of the land, which are currently better sources of income for the communities. The alternative of investing NPIF resources will help to break commercial and legal barriers, and give momentum to a process which would not be otherwise competitive. This will be achieved using four components which complement each other, and which, when combined, will improve access to genetic resources and benefit-sharing, as a competitive alternative for the Colombian Chocó region, and for the country in general.

49. The alternative NPIF scenario will promote the development of a vegetable color for the food, cosmetic and personal care industry. With this investment, the pending technical developments can be completed for the industrial production of the natural blue dye extracted from *G. americana*. This will lead to an improvement in the quality of the natural blue dye, compliance with the international quality standards, and the establishment of a plant with an industrial production capacity. For this, NPIF will invest 340,000 USD and Ecoflora Cares will offer co-financing of 899,612 USD.

50. The NPIF project will strengthen a value chain which includes sustainable and efficient supply and market development of natural dyes. The capacity to manage *G. americana* trees and fruit production will be improved, in accordance with sustainability and conservation of biodiversity criteria, and international commercialization of the

derivative dye will be started, in compliance with international regulations. To do so, 306,401 USD will be invested by the NPIF and Espavé Foundation, BHB, and Ecoflora Cares will contribute co-financing of 782,992 USD.

51. The alternative scenario will facilitate and speed up negotiation for access and benefit-sharing agreements. Current agreements and contracts will be revised in light of the Nagoya Protocol, identifying corrective measures for total compliance with its provisions, as well as validating the commercialization of the *G. americana* dye as a case study. Equally, with this scenario the communities and stakeholders will be informed of the benefit-sharing process and progress in the case study activities. To carry out this work the NPIF will invest 165,099 USD and Ecoflora Cares and MADS will contribute to the administrative costs implied in the contract negotiation.

52. Finally, the scenario with NPIF's investment will increase the national and regional capacity in ABS through negotiating and monitoring benefit-sharing agreements. The financial activities will lead to benefit-sharing legislation for the use of genetic resources, a subject which is not currently covered by Colombian legislation. It will make ABS training materials available to State officials, and allow evaluation and reporting on the project products, in such a way that assists with the preparation of the legislation. For this part of the project the NPIF will invest 100,000 USD and MADS will make a co-financing contribution of 102,750 USD.

53. **Limits of the system.** The NPIF alternative will strengthen the State, the commercialization of a genetic resource and the generation of benefit-sharing and distribution for local communities. The resources will allow the development of a final product, the generation of production capacity at an industrial level, strengthen the local producers' ability to sustainably manage the forest, improve the vegetable product material, increase fruit supply capacity, start international commercialization, validate legislation for benefit-sharing, increase the capacity of related institutions regarding administrative procedures, permits and information regarding access to genetic resources and ABS.

54. **Incremental cost summary.** The incremental cost matrix, below, summarizes costs with no intervention, as well as the incremental costs for each project component. The base line is 276,954 USD. The cost of the incremental activities required in order to achieve the global benefits mentioned would be 980,000 USD financed by the NPIF and 1,740,148 USD provided by the project partners. The commitment of the partners to provide the baseline investments and support the co-financing is detailed in the letters annexed to the Project Document. The NPIF alternative has a total cost of 2,997,102 USD, of which 32.70% is provided by the NPIF (not including the investment in project preparation).

55. **Incremental costs matrix**

		Baseline	Alternative	Increment
COMPONENT 1. Development of natural plant colorants for the food, cosmetics and personal care industries	Ecoflora Cares	35,000	899,612	
	BHB	0	0	
	Espavé Foundation	0	0	
	MADS	0	0	
	UNDP	0	0	
	Co-financing NPIF	35,000	899,612	864,612
	Subtotal baseline	35,000		
	Subtotal alternative		1,239,612	
	Subtotal increment			1,204,612
COMPONENT 2. Strengthening of a value chain involving sustainable and efficient supply and marketing capabilities for natural dyes	Ecoflora Cares	22,500	534,660	
	BHB	68,900	126,110	
	Espavé Foundation	122,222	122,222	
	MADS	0	0	
	Co-financing NPIF	213,622	782,992	569,371
			306,401	306,401
	Subtotal baseline	213,622		
	Subtotal alternative		1,089,393	
	Subtotal increment			875,772
COMPONENT 3. Access and benefit-sharing agreements	Ecoflora Cares	0	0	
	BHB	0	0	
	Espavé Foundation	0	0	

		Baseline	Alternative	Increment
	MADS	0	0	
	Co-financing	0	0	0
	NPIF		165,099	165,099
	Subtotal baseline	0		
	Subtotal alternative		165,099	
	Subtotal increment			165,099
COMPONENT 4. Increase in national and regional capacity in ABS through negotiating and monitoring benefit-sharing agreements	Ecoflora Cares	0	0	
	BHB	0	0	
	Espavé Foundation	0	0	
	MADS	28,332	102,750	
	Co-financing	28,332	102,750	74,418
	NPIF		100,000	100,000
	Subtotal baseline	28,332		
	Subtotal alternative		202,750	
	Subtotal increment			174,418
PROJECT MANAGEMENT	Ecoflora Cares	0	0	
	BHB	0	231,748	
	Espavé Foundation	0	0	
	MADS	0	0	
	Co-financing	0	231,748	231,748
	NPIF		68,500	68,500
	Subtotal baseline	0		
	Subtotal alternative		300,248	
	Subtotal increment			300,248
	TOTAL	276,954	2,997,102	2,720,148

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:

56. Risk analysis was deepened from the basis built at PIF stage, and complemented with an Assumption analysis. The result of this exercise is presented in the tables below.

57. **Risks.** The following table shows the risks identified, for which the project may implement mitigation measures.

Risk	Level	Mitigation Measures
Uncertainty regarding the change in policies on access to genetic resources due to governmental changes	Medium	Participation in forums and activities related to updating the regulations on access to genetic resources and distributing their benefits. Close contact by the private sector with local, regional, and national authorities. Negotiation with officials of the Ministry of Environment and Sustainable Development for inclusion of issues relevant to the project in the Ministry's 2014-2018 action plan.
Resistance to the project in local communities	Low	Reiterating the commitments undertaken in the prior consultation process with the communities and socialization of fulfilling agreements. Communication of the project objectives to the community councils and participation strategies, which foster understanding of the community's role and the potential benefits of the project.
Uncertainty about the amount of time for approval of the permits to sell products in other countries (primarily the USA)	Medium	Direct communication with the authorities and advisors to receive the most precise information possible.
Delays in designing equipment and	Low	Development of a detailed plan for the execution of the

58. **Assumptions.** The following table shows the assumptions made for the project, over which there is no control or possibility of mitigation.

Assumption	Consequence if Situation Changes
No external circumstances (e.g. political) will affect the commercial permit approval processes	Impossibility of selling the color and its impact on the entire supply chain.
Neither armed unrest nor miner strikes will affect transportation	No persons or products may be transported, and there is no supply of jagua fruit for the production of color.
There will be no gas shortage and gas prices will not vary more than inflation.	The costs of the fruit and the training activities in the area of implementation would exceed estimates.
Excessive flooding (La Niña) will not significantly affect the behavior of trees.	Fruit production could be affected, necessitating compensatory measures such as the increase of inventories in the area or expansion of the supply to other areas; which would cause a delay in the project and an increase in costs.
There will be no outbreak of armed conflict in the country.	An outbreak of armed conflict in the country could increase costs, impede activities, or even temporarily interrupt the project
Change of government will not compromise willingness to adopt the legislative proposal.	If the new President of the Republic and the ministerial cabinet entering in 2014 do not wish to adopt the legislative proposal, the product of the project would not be affected
The entire territory under the use permit is being used in a sustainable manner, including uses other than the harvest of jagua.	The application of unsustainable uses alongside the harvesting of jagua is not compatible with biotrade standards, but the ability to completely control the situation is outside the scope of the project partners. If this situation occurs, there would be an overestimate in the number of hectares under sustainable management.

A.7. Coordination with other relevant GEF financed initiatives

59. There were no GEF initiatives outlined at PIF stage. The project activities do not overlap with those of other GEF projects; however, this project should inform and be informed of the progress of at least two other projects that are now underway. First, *Strengthening the Implementation of Access to Genetic Resources and Benefit-Sharing Regimes in Latin America and the Caribbean* (GEF ID 3855), has benefited the Government of Colombia with capacity building for MADS staff, including professionals involved in the design of this NPIF project, and who will continue supporting it. Also, *National Biodiversity Planning to Support the Implementation of the CBD 2011-2020 Strategic Plan* (GEF ID 5176), requires understanding the scope of the implementation of the Nagoya Protocol, so that guidelines in the country Action Plan for biodiversity management are appropriate. The feedback amongst the projects will be fostered by the Project Board members, the Project Coordinator and the intervention of the Strategic Partners, particularly MADS.

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation.

60. Several institutions will take part in the execution of project activities; this will be done in a coordinated manner, and under the management and supervision of a single Executing Entity. Fondo Acción, the Executing Entity, will be in charge of managing the project and producing monitoring outputs. The execution of project activities is a joint responsibility between Ecoflora Cares, BHB and Espavé Foundation, who are partners in the design, concept development and technical implementation of the project.

61. **Implementing Agency.** As the GEF Implementing Agency for this project, the UNDP will provide project cycle management services in accordance with the determinations of the GEF Board. The project will follow the general execution arrangements described in the UNDP instruction *Program and Project Management Roles*.

62. **Executing Entity.** The project will be executed by the Fondo para la Acción Ambiental y la Niñez (Fondo Acción). Fondo Acción will coordinate its work with other Strategic Partners collaborating on this project and will be its sole administrator. It will be responsible for the general supervision of the project and it will represent the interests of the Colombian government during the execution of the project. The Executing Entity will undertake general supervision of the project and provide political, technical, logistical and administrative support for the successful execution of the project, following UNDP and GEF directives.

63. **Strategic Partners.** The MADS, Ecoflora Cares, BHB and Espavé Foundation will be responsible for the supervision and/or execution of the actions and activities included in the project as described in the stakeholder analysis. The Strategic Partners must ensure the timely execution of the project, support the Project Coordinator and follow the recommendations of the Project Board. They also must report to Fondo Acción, through the Project Implementation Unit, regarding the technical and financial execution, as established in the inter-institutional agreements.

Fondo para la Acción Ambiental y la Niñez (Fondo Acción)

64. Fondo Acción was created in 2000, as a development of a bilateral agreement between the governments of Colombia and the United States, within the frame of the Enterprise for the Americas Initiative, which promotes debt-for-nature-swap agreements. The entity strives to build a better relation between the community and the environment, and supports processes for children development, by financing environmental and childhood projects. Fondo Acción takes part on agreements or contracts to manage resources contributed by third parties, creates accounts for specific objectives, and directly implements projects.

65. Fondo Acción has dedicated a large part of its efforts to the promotion of sustainable use of resources from biodiversity. Amongst others, it has designed and run initiatives such as an accelerator of community-based biotrade entrepreneurship, a program of community-based green business, the Ecogourmet project to promote quality and equity, and stimulate responsible consumption for the fishery value chain, support to a benefit-sharing scheme for REDD+ projects, and has worked in the development of capacities of afro-Colombian and indigenous communities (in Chocó bioregion and the Amazon), on climate change and REDD issues.

66. Fondo Acción will be the direct executor of the NPIF resources, host the Project Implementation Unit, administer contracts and acquisitions, and be in charge of the coordination of Strategic Partners and the activities implemented by each of them. Particularly, Fondo Acción will carry out the review and contrasted study on the application of the provisions of Nagoya Protocol, and the monitoring and socialization of the project and compliance on distribution and payment agreements.

Ministry of Environment and Sustainable Development (MADS)

67. The MADS is the national public body responsible for the administration of the environment, and the definition of public policies and regulations for the recovery, conservation, protection, planning, management and use of natural and environmental resources, in order to ensure sustainable development and the protection of natural heritage.

68. The MADS is responsible for regulating and monitoring access to genetic resources and benefit-sharing agreements, in accordance with Decision 391 of the CAN. This responsibility is dispersed in at least four areas of the Ministry: the Department of Forests, Biodiversity and Ecosystem Services, the Office of Green Markets, the Legal Office and the Sub-department of Education and Participation. Since obligations related to genetic resources fall on this entity, the MADS is the main actor in the development of capacity building for the implementation of the provisions of the Nagoya Protocol.

Ecoflora Cares

69. Ecoflora Cares is a company founded in 1998, which contributes to environmental conservation by developing supplies and services derived from biodiversity. Ecoflora Cares is a B2B company and in Colombia, it is a leader and pioneer in the development of technological solutions, bio-products and services derived from biodiversity for the

food, cosmetics and personal care, home care and pet industries. Since 2009, the company has been a member of the Union for Ethical BioTrade (UEBT); this membership mandates an advance in the compliance of the BioTrade Principles and Criteria, developed by UNCTAD.

70. In this project, Ecoflora Cares is responsible for the development, processing and production of a commercial dye from *G. americana*, as well as for the marketing of the final product; all of which is within the ethical biotrade and benefit-sharing frameworks.

Bosque Húmedo Biodiverso (BHB)

71. BHB is a community-based entrepreneurship initiative for the sustainable use of forest products in the Atrato River. Its stock structure, as per the statutes of the company and the informal agreements already in place amongst stakeholders, aims for the final owners to be COCOMACIA, Espavé Foundation, regional investors and local producers, in equal proportions per group. However, the equity ratio is not equal to the distribution of profits, and goes in favor of local producers of non-timber forest products; this is evidence of its innovative nature and motivation to foster local development. In the same spirit, the company statutes allow for the allocation of resources for local development projects, once it starts generating profits.

72. BHB is the result of a regional process of ten years of work between Espavé Foundation and 23 afro-Colombian communities as well as 3 indigenous communities, promoting sustainable production alternatives for the Middle Atrato region. The initiative was a SEED Award winner in 2010. The company was initially created to market three products: fruits of the palm *Oenacarpus bataua* for cooking oil, fruit and hearts of palm from *Euterpe oleracea* and fruits of *G. americana* for the extraction of a dye. Thus, BHB is a key element in the negotiation of benefits for the use of biological resources. The company was formed two years ago, but the development of its business is still nascent. In the project, BHB is responsible for supplying the fruit and plays an important role in the value chain by integrating local actors involved in fruit production with the market dynamics of the dye. Due to its place in the value chain, its composition and its profit sharing scheme, BHB is a key player in establishing schemes for fair and equitable benefit-sharing.

Espavé Foundation

73. Espavé Foundation, pronounced [espa'βe], is a nonprofit organization founded in 1994 by a group of professionals working with afro-Colombian and indigenous communities of the Colombian Pacific. The foundation promotes community-based initiatives for the use, socio-economic development and sustainable management of the Colombian Pacific areas through the development of value chains based on biodiversity products, under fair and equitable benefit-sharing standards. The foundation has worked with the afro-Colombian communities of Chocó and Antioquia creating alliances to produce, harvest and sell seeds, teas, oils and tropical berries.

74. Since 2005, the foundation collaborates with Ecoflora Cares in the development of a value chain for *G. americana*, one of the species that could generate income for the region, and has been an important ally in the initiative to commercialize the derivatives of the plant. The foundation is a member of the Union for Ethical BioTrade since 2011, and has built on its capacity to support the development of schemes for fair and equitable benefit-sharing from the use of genetic and biological resources. In the project, the foundation is in charge of providing technical support for the improvement of the value chain and ensuring a sustainable supply for the development of natural dyes through capacity building in local actors (particularly producers and harvesters).

Superior Community Council of the Atrato Integrated Peasant Association (COCOMACIA)

75. COCOMACIA groups together the 124 local community councils of the Atrato basin into one legal entity. It is an organization that monitors the human rights, the proper use of natural resources and the commons of the afro-Colombian communities in the region of the Atrato River. They own a collective land title of 695,245 ha, awarded in 1997. COCOMACIA brings together all community councils to which producers and harvesters of *G. americana* fruit belong.

76. As title-holder of the collective territory, COCOMACIA is also the organization that owns the biological resource that will be used in the project. Currently, the organization has a harvest permit from Corpourabá for *G.*

americana fruit and has signed an ancillary contract⁶ for the supply of the biological resource to Ecoflora Cares. The agreement is signed for the research phase of the dye production, and is susceptible modifications once commercial production starts. As a representative of the local ethnic groups, COCOMACIA is legally involved in the approval of permits to access genetic resources. Local councils who are COCOMACIA members have gone through a consultation process on the use of *G. americana* in their region and within this context, they have negotiated a series of agreements with Ecoflora Cares, which include initial schemes for the distribution of monetary and non-monetary payments. In the project, beyond being the legal body that aggregates local beneficiaries (producers, harvesters, regional contractors) COCOMACIA is an important policy actor in the negotiation and validation of benefit-sharing schemes for genetic resources.

Beneficiaries – fruit producers

77. The producers of fruits and the locals associated with the harvesting process (coordinators, transporters, harvesters, etc.) are members of local Middle Atrato communities, mostly afro-Colombian. These communities are organized into Local Community Councils or Indigenous Reserves, respectively. Each council and reserve has a defined territory, with areas of exclusive use of the individual (respected as private property) and community forests areas. In general, each family has a house and a plot for cultivation, often located in remote areas (which may involve living in a municipality/department, but cultivating in another, on the opposite side of the river). The villages are generally small, 10-20 families, but some have up to 150 families; they are scattered along the riverside and established on the navigable rivers. The area is subject to periodic flooding, so homes are built on stilts.

78. The beneficiary communities cultivate plots using traditional methods, mixing herbaceous and tree species. The soils are not plowed and cleaned moderately, maintaining good coverage of understory. The plots are mixed, and generally include at least banana, cassava, pineapple, *chontaduro*, soursop, breadfruit and *borojo*. Jagua trees found in the plots may have been planted or preserved from the original forest for the use of their wood.

79. If the demand for fruit requires the inclusion of new harvest areas, the project may benefit other communities of Chocó, outside the area of the Middle Atrato. If necessary, the expansion of the intervention area will be notified and the project will be adjusted accordingly.

Other

80. In addition to the actors mentioned above, other institutional actors may be associated with the project, whether because they are beneficiaries of the activities, play a role in the value chain, or because they are involved in the legal processes for the marketing and benefit-sharing from the dye produced from *G. americana*. These actors are the Chancellery, the National Apprenticeship Service (*Servicio Nacional de Aprendizaje*, SENA), the research institutes of the National Environmental System, local governments, the National Parks Unit, Ministry of Interior, the Intersectoral Committee on Intellectual Property, Competitiveness and Innovation Regional Commissions, Ministry of Commerce, Ministry of Agriculture, Presidential Agency for Cooperation, chambers of commerce, National Association of Manufacturers, universities, partnerships for innovation, research and technology development centers and groups.

B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):

81. Though the country explicitly recognizes the economic potential which biodiversity represents, in terms of competitiveness (National Competitiveness and Productivity Policy; CONPES, 2008), it also recognizes the need to

⁶ **Article 41 of CAN Decision 391.-** Ancillary contracts are those that are signed in order to carry out activities connected with the genetic resource or its by-products, between the applicant and:

- a) The owner, possessor or manager of the land where the biological resource containing the genetic resource is located;
- b) The ex situ conservation center;
- c) The owner, possessor or manager of the biological resource containing the genetic resource; or
- d) The national support institution, with regard to activities that it should perform and that are not a part of the access contract.

Making an ancillary contract does not authorize access to the genetic resource or its by-product, and its contents are subject to the stipulations of the access contract as provided for in this Decision.

The national support institution must be accepted by the Competent National Authority.

establish conditions which facilitate the creation and development of companies based on the sustainable use of biodiversity, particularly the use of biological, genetic and derivative resources, and of biotechnology, which also ensure the fair and equitable distribution of those benefits derived from the use of those resources between the owners and users of the biodiversity (Policy for the Commercial Development of Biotechnology from the Sustainable Use of Biodiversity; CONPES, 2011). Today, the country's potential remains untapped; bioprospecting is infrequent and generally only carried out by academic institutions with no commercial aims, generating no financial benefit for the State or the communities involved.

82. Currently, the sustainable use of forests is not a significant source of income for the people living in the Chocó bioregion. Logging for commercial purposes has resulted in unsustainable use and gradual depletion of ecosystems. A long-term solution to the relationship between poverty and biodiversity is sustainable use of forest products through successful commercialization of their biological and genetic resources, resulting in fair and equal payments for the entire community.

83. This project aims to consolidate the case of the sale of blue colorant made from *G. americana* in a way that leads to monetary and non-monetary benefits to the State and the communities, with a distribution of those benefits that follows the provisions set out by Colombian regulations and the Nagoya Protocol, and to use the case study to create a legislative proposal for benefit-sharing.

84. At the end of the project, it is expected that at least 200 families in the Chocó bioregion receive income from jagua fruit supply. It is estimated that farmers would receive payments for a total amount of 157,440,000 COP (~82,200 USD) in the first year of sales (final year of project implementation). Similarly, the project will boost the local economy through contracts that are generated in the logistics of collection (harvesters, boat drivers, supplies, etc). Additionally, the commercialization of the blue dye will result in financial and non-financial benefits for the country, according to the negotiations of the Access Contract.

85. Because of its nature, the project is not gender-oriented. However, it will put in to practice equity criteria in contracts and benefit agreements.

B.3. Explain how cost-effectiveness is reflected in the project design:

86. The project includes two elements that optimize cost effectiveness. In the first place, it builds on a previous investment and an advanced social and economic process to make a minimum investment that achieves financial, social, institutional and environmental sustainability in the use of the genetic resource and the distribution of benefits through the value chain. Once blue color is successfully produced and sold, the value chain and the distribution of benefits derived from it will be maintained. Secondly, the project promotes a joint public/private initiative, which permits informed, coordinated and realistic work on the development of new standards and capacity building in the Colombian government. With clear regulations and a success story of the sale of genetic resources, it is hoped that this project will stimulate more private investments in bioprospecting and lead to future benefits for other communities and ecosystems.

87. As alternatives to the development of new derivative products and capacity building, the following were considered in the cost-effectiveness analysis:

- e. No intervention – no investment. Private investment would slowly continue in an attempt to commercialize a derivative product. The slow development of an investment which does not bring dividends would also be affected by the lack of clarity in the regulations and the ignorance of the public employees regarding appropriate and efficient procedures for the management of permits, licenses and contracts. The disappointment of local communities because of unmet expectations of profit would increase, and the process would be at risk of failure; the communities would then consider themselves free to continue and increase the extraction of wood and minerals, increasing deforestation. Failure to invest in this project would generate economic, social and environmental losses.
- f. Capacity building in the Government without private sector support. Despite the fact that the public sector has complete authority to regulate the use of biological resources and is the owner of the benefits derived from the access to genetic resources, it does not have the capacity to stimulate research, development and

sale of derived products. Investment in the education of public servants and the creation of new regulations would not have any effect on the generation of economic benefits from genetic resources or of community profits through the value chain. Supporting capacity building in the government without providing a situation in which to use the capacity would create a liability in the investment.

Innovation

88. The commercial employment of *G. americana* and its use for research purposes has been a pioneer case in Colombia, that has triggered processes and procedures not clearly defined by legislation. This has caused delays in obtaining permits and signing contracts of a different nature. It has also helped demonstrate the limited ability the State has to make their genetic and biological resources effectively represent an economic opportunity for sustainable development. The Ministry of Environmental and Sustainable Development (MADS), as the highest environmental authority, must clarify the roles of its various offices, provide clear information to its employees, and define processes and procedures clearly and efficiently.

89. The following strategies have been considered in project design:

- Strengthening the Government of Colombia by developing rules that draw upon real case studies on benefit-sharing.
- A minimal opportunity cost, by building on an advanced process, which requires additional investment for long term sustainability.
- Marketing a genetic resource product that delivers fair payments and non-monetary benefits throughout the value chain for communities in extreme poverty, promoting sustainable use of one of the most diverse ecosystems on the planet.

Sustainability

90. The project strengthens a value chain that leads to successful commercialization of a biodiversity product and the creation of regulations that establish the transparent distribution of benefits. In itself, the project is based on principals of environmental, financial, social and institutional sustainability:

91. ***Environmental sustainability.*** The project is built on a process already in operation and based on biotrade principles and criteria, including the conservation of biodiversity and its sustainable use. The process is currently governed by a management plan for the species, which guarantees the appropriate use of the population of *G. americana* in the region. Also, the trees harvested are from mixed parcels, with crop residue conservation, within the traditional agricultural systems of the black and indigenous communities, and with high standards for environmental sustainability and biodiversity conservation.

92. ***Financial Sustainability.*** In the implementation of the project, it is expected that the blue color derived from *G. americana* will be commercialized and its profits will feed back into the value chain, as a necessity for private investment in the supply chain. This leads to social well-being and the consolidation of the management and harvesting of the biological resource as part of the economic dynamic of the region.

93. ***Social sustainability.*** The distribution of benefits through the consolidation of the supply chain for the production of the blue color generates positive socioeconomic benefit, mostly through the creation of profit and the strengthening of productive social structures. The project also generates capacities in the Colombian Government for the negotiation of schemes to distribute benefits arising from access to genetic resources, including the destination of these benefits.

94. ***Institutional sustainability.*** The project involves national and local institutions associated both with access to biological resources and with the generation of knowledge. The institutions have been involved in designing the project strategy and recognizing the necessity of its implementation. The sustainability of this knowledge within the institutions is ensured with the creation of a legislative proposal and a manual for training officials and citizens in the access and distribution of benefits. Also, it is expected that the proposed legislation be adopted and implemented in the country.

Replicability

95. The case of the commercialization of the natural blue color, the use of *G. americana* and the participation of traditional communities constitutes new ground in Colombia. Its products and outcomes may be replicated in two ways:

- a. Applying the lessons learned regarding processes, consultations and benefit-sharing to other genetic resources and value chains through systematizing the case, capacity building, legislative proposals and methodological guides and manuals.
- b. Expanding the area of harvest so that communities of other regions of the country become providers of the biological resource if the commercialization of color is successful and the volume of sales generates sufficient demand.

96. It should be noted that the benefit-sharing model should be adjusted if there is traditional knowledge associated with the access to genetic resources and that this element demands an alternative version of the national standards and institutional structure.

C. DESCRIBE THE BUDGETED M & E PLAN:

97. Project Monitoring and Evaluation (M&E) will be conducted in accordance with the established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office with support from the UNDP/GEF RCU in Panama City. The Project Results Framework provides performance and impact indicators for project implementation, along with their corresponding means of verification. The M&E plan includes an inception report, project implementation reviews, quarterly and annual review reports, mid-term and final evaluations, and audits. The following sections outline the main components of the M&E plan, and indicative cost estimates related to M&E activities. The project's M&E plan will be presented and finalized in the Project Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project team M&E responsibilities.

Project inception phase

98. A Project Inception Workshop (IW) will be held within the first three (3) months of project start-up with the full project team, relevant Government of Colombia counterparts, co-financing partners, the UNDP Country Office, and representation from the UNDP/GEF RCU, as well as UNDP/GEF headquarters as appropriate.

99. A fundamental objective of this IW will be to help the project team to understand and take ownership of the project's goal and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the Project Results Framework and GEF Tracking Tool for Capacity Development. This will include reviewing the results framework (indicators, means of verification, and assumptions), imparting additional detail as needed and, on the basis of this exercise, finalizing the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

100. Additionally, the purpose and objective of the IW will be to: a) introduce project staff to the UNDP/GEF team that will support the project during its implementation, namely the Country Office and responsible RCU staff; b) detail the roles, support services, and complementary responsibilities of the Country Office and RCU staff in relation to the project team; and c) provide a detailed overview of UNDP/GEF reporting and M&E requirements, with particular emphasis on the annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project-related budgetary planning, budget reviews including arrangements for annual audit, and mandatory budget re-phrasings.

101. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines and conflict resolution mechanisms. The terms of reference for project team and decision-making structures will be discussed, as needed, in order to clarify each party's responsibilities during the project's implementation phase.

Monitoring responsibilities and events

102. A detailed schedule of project review meetings will be developed by the Project Coordinator, in consultation with project implementation partners and stakeholder representatives, and incorporated in the Project Inception Report.

Such a schedule will include: a) tentative timeframes for Project Board meetings; and b) project-related M&E activities.

103. **Day-to-day monitoring.** Day-to-day monitoring of implementation progress will be the responsibility of the Project Coordinator based on the project's AWP and its indicators. The Project Coordinator will inform the UNDP Country Office of any delays or difficulties faced during implementation, so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion. The Project Coordinator will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the IW, with support from UNDP Country Office and assisted by the UNDP/GEF RCU. Specific targets for the first-year implementation progress indicators together with their means of verification will be developed at this workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the AWP. Targets and indicators for subsequent years will be defined annually as part of the internal evaluation and planning processes undertaken by the project team.

104. **Periodic monitoring.** The UNDP Country Office, through quarterly meetings with the project implementation team –or more frequently as deemed necessary, will undertake periodic monitoring of implementation progress. This will allow parties to take stock of and to troubleshoot any problems pertaining to the project in a timely fashion to ensure the timely implementation of project activities. The UNDP Country Office and UNDP/GEF RCU, as appropriate, will conduct yearly visits to the project's field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report and AWP to assess first-hand project progress. Any other member of the Project Board can also take part in these trips, as decided by the board. A Field Visit Report will be prepared by the UNDP Country Office and circulated no less than one month after the visit to the project team, all Project Board members, and UNDP/GEF.

105. **Annual monitoring.** Annual monitoring will occur through the Annual Project Reports (APR), Project Implementation Reviews (PIR), and reviews from the Project Board. The Project will be subject to Project Board reviews at least twice a year. The first board meeting will take place in the first month of operations. The Executing Entity will prepare an APR and submit it to the UNDP Country Office and the UNDP/GEF regional office. This document may be reviewed by a Tripartite Committee, conformed by a representative of the Government of Colombia, and the involved Programme Officers from the UNDP Country Office and Regional Office.

106. The APR will be used as one of the basic documents for discussions in the different committees (Project Board, Technical Committee, Tripartite Committee). The Project Coordinator will present the APR, highlighting policy issues and providing recommendations for proper decision-making. The Project Coordinator will also inform of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. If needed, separate reviews of each project component may also be conducted. The Tripartite Committee has the authority to suspend disbursements if project performance benchmarks are not met.

107. The Final Meeting of the Project Board will be held in the last month of project operations. The Project Coordinator is responsible for preparing the Terminal Report and submitting it to the UNDP Country Office and UNDP/GEF RCU. It shall be prepared in draft at least two months in advance of the meeting in order to allow review, and will serve as the basis for discussions in the final meetings of the Project Board, Tripartite Committee and Technical Committee. The final reviews consider the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. The Project Board or the Tripartite Committee will decide whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learned can be captured to feed into other projects being implemented

108. In addition to annual reports and accountability, lessons learned should be included in the UNDP electronic platform for knowledge sharing once a year, including all relevant information as per UNDP guidelines.

Project monitoring reporting

109. The Project Coordinator, in conjunction with the UNDP/GEF extended team, will be responsible for the preparation and submission of the following reports that form part of the monitoring process and that are mandatory:

- a. **Project Inception Report:** will be prepared immediately following the IW. It will include a detailed First Year/AWP divided in quarterly timeframes detailing the activities and progress indicators that will guide

implementation during the first year of the project. This work plan will include the dates of specific field visits, support missions from the UNDP Country Office or the RCU or consultants, as well as timeframes for meetings of the project's decision-making structures. The IR will also include the detailed project budget for the first full year of implementation, prepared on the basis of the AWP, and including any M&E requirements to effectively measure project performance during the targeted 12-month timeframe. The IR will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions, and feedback mechanisms of project-related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may affect project implementation. When finalized, the IR will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to the IR's circulation, the UNDP Country Office and UNDP/GEF's RCU will review the document.

- b. **Annual Project Report (APR):** is a UNDP requirement and part of UNDP Country Office central oversight, monitoring, and project management. It is a self-assessment report by the project management to the Country Office and provides input to the office reporting process and the Results-Oriented Annual Report, as well as forming a key input to the Tripartite Committee review. An APR will be prepared on an annual basis prior to the Tripartite Committee review, to reflect progress achieved in meeting the project's AWP and assess performance of the project in contributing to intended outcomes through outputs and partnership work. The format of the APR is flexible but should include the following sections: a) project risks, issues, and adaptive management; b) project progress against pre-defined indicators and targets, c) outcome performance; and d) lessons learned and best practices.
- c. **Project Implementation Review (PIR):** is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for one year, a PIR must be completed by the Country Office, together with the project management. The PIR can be prepared any time during the year and ideally prior to the Tripartite Committee review. The PIR should then be discussed in the Tripartite Committee meeting so that the result would be a PIR that has been agreed upon by the project, the Implementing Partner, UNDP Country Office, and the RCU in Panama. The individual PIRs are collected, reviewed, and analyzed by the RCU prior to sending them to the focal area clusters at the UNDP/GEF headquarters. In light of the similarities of both APR and PIR, UNDP/GEF has prepared a harmonized format for reference.
- d. **Quarterly Progress Reports:** these are short reports outlining main updates in project progress, which will be provided quarterly to the local UNDP Country Office and the UNDP/GEF RCU by the project team. Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform and the risk log should be regularly updated in ATLAS based on the initial risk analysis.
- e. **Specific Thematic Reports:** will be prepared by the project team when requested by UNDP, UNDP/GEF, or the Implementing Partner. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learned exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.
- f. **Project Terminal Report:** will be prepared by the project team during the last three (3) months of the project. This comprehensive report will summarize all activities, achievements, and outputs of the project; lessons learned; objectives met or not achieved; structures and systems implemented, etc.; and will be the definitive statement of the project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's activities.
- g. **Technical Reports:** are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft reports list

detailing the technical reports that are expected to be prepared on key areas of activity during the course of the project, and tentative due dates. Where necessary this reports list will be revised and updated, and included in subsequent APR. Technical Reports may also be prepared by external consultants and should be comprehensive and specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national, and international levels. Technical Reports have a broader function and the frequency and nature is project-specific.

- h. **Project Publications:** publications are a key method of crystallizing and disseminating the results and achievements of the project. These publications may be scientific or informational texts on the activities and achievements of the project in the form of journal articles or multimedia publications. These publications can be based on Technical Reports, depending upon the relevance and scientific worth of these reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and (in consultation with UNDP, the GoG, and other relevant stakeholder groups) will also plan and produce these publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

Independent Evaluations

110. The project will be subjected to at least two independent external evaluations as follows:

- a. **Mid-Term Evaluation:** This evaluation will be undertaken at the mid-point of the project lifetime (month 15). The mid-term evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency, and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation, and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference, and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The terms of reference for this mid-term evaluation will be prepared by the UNDP Country Office based on guidance from the UNDP/GEF RCU. The management response of the evaluation will be uploaded to the UNDP corporate systems, in particular the UNDP Evaluation Resource Center. The GEF Tracking Tool for Capacity Development will also be completed during the mid-term evaluation cycle.
- b. **Final Evaluation:** this independent evaluation will take place three months prior to the terminal Tripartite Committee, and will focus on the same issues as the Mid-Term Evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP ERC. The terms of reference for this evaluation will be prepared by the UNDP-Country Office, based on guidance from the UNDP/GEF RCU. All GEF Tracking Tools for the project will also be completed during the final evaluation. The GEF Tracking Tool for Capacity Development will also be completed during the mid-term evaluation cycle

Learning and Knowledge Sharing

111. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition, the project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF RCU has established an electronic platform for sharing lessons between the project managers. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation through lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an ongoing process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every twelve

(12) months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting, and reporting on lessons learned.

Monitoring and evaluation plan and budget

M&E Activity	Responsible Partners	Indicative cost -cof-	Timeline
Inception Workshop Inception Report	- Project Coordinator - UNDP Country Office - UNDP/GEF	1,100 -4,000-	Within the first three months of project start-up
Inception Workshop Inception Report	- Project team - UNDP Country Office	1,100	Immediately following IW
Measurement of Means of Verification of project results	- Project Coordinator - Strategic Partners	6,450 -5,000-	Annually, prior to APR/PIR and to the definition of annual work plans
APR and PIR	- Project Coordinator - Strategic Partners - UNDP Country Office - UNDP GEF	6,450 -5,000-	Annually
Project Board meetings	- Project Coordinator - Strategic Partners - UNDP Country Office - Government of Colombia representatives	3,270 -6,000-	Twice a year
Quarterly progress reports	- Project Coordinator - Strategic Partners	7,000 -2,000-	Quarterly
Technical reports	- Project Coordinator - Strategic Partners - External consultants	5,000 -10,000-	To be determined by project team and UNDP Country Office
Mid-term Evaluation	- Project Coordinator - Strategic Partners - UNDP Country Office - UCR UNDP/GEF - External consultants	15,000	Mid-point of project implementation
Final Evaluation	- Coordinador y Project team - Strategic Partners - UNDP Country Office - UCR UNDP/GEF - External consultants	15,000	At least three months before the end of the project
Terminal Report	- Project Coordinator - Strategic Partners - UNDP Country Office	10,000 -10,000-	At least three months before the end of the project
Lessons learned	- Project Coordinator - Strategic Partners - UCR UNDP/GEF (formatos sugeridos para documentar buenas prácticas, etc.)	1,600	Annually
Audits	- UNDP Country Office - Coordinador y Project team	9,000	Annually
Field visits	- Project Coordinator - Strategic Partners - UNDP Country Office - UCR UNDP/GEF - Government of Colombia representatives	10,500 -25,250-	Annually for the Project Coordinator. Whenever necessary for other partners
TOTAL INDICATIVE COST (Excluding expenses for UNDP staff travel)		GEF	91,470 USD
		CoF	67,250 USD

M&E Activity	Responsible Partners	Indicative cost -cof-	Timeline
		Total	158,720 USD

PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)


A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):

(Please attach the Operational Focal Point endorsement letter(s) with this template. For SGP, use this OFP endorsement letter).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Alejandra Torres Drumgold	Chief of the Office of International Affairs	Environment and Sustainable Development	July 4, 2012

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for project identification and preparation.

Agency Coordinator, Agency name	Signature	DATE (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP-GEF Officer-in-Charge and Deputy Executive Coordinator		September 27, 2013	Santiago Carrizosa, Senior Technical Adviser, EBD	+507 302-4510	santiago.carrizosa@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Objective	Indicator	Baseline	Goal	Verification Method	Assumption
To apply the Nagoya Protocol provisions on access and benefit-sharing through the development of nature-based products, benefit-sharing and biodiversity in the Chocó region of Colombia	Number of hectares of forests in the Chocó bioregion under sustainable management due to the proper use of <i>Genipa americana</i> for the production of a dye	400 ha	750 ha	Number of hectares with use permit and management plan	The entire area for which there is a use permit is being used in a sustainable manner, even for uses other than harvesting jagua
	Monetary and non-monetary benefits received by the State and local communities and derived from commercialization of the dye	Monetary: a) State: \$0; b) communities: \$0 Non-monetary: a) State: there are no non-monetary benefits; b) communities: 26.47% of agreements fulfilled	Monetary: a) State: to be defined during the first six months of project implementation; b) communities: 13,120,000 COP/month Non-monetary: a) State: to be defined during the first six months of project implementation; b) communities: 100% of agreements fulfilled	Payment records, access to genetic resource contract, management documentation, benefits to species, etc,	

Component	Indicator	Baseline	Goal	Verification Method	Proposal
1. Development of natural plant colorants for the food, cosmetics and personal care industries	Production capacity of powdered dye	0.7 ton/year	3 ton/year	Production certificates	The supply chain satisfies the needs of consumables for production
	Plant with industrial capacity for production of blue dye	0	1	Physical presence of the plant with operational capacity	
Products 1.1 Stable color produced with industrial use standards 1.2 Tests ensuring the safety, stability and efficiency of the blue dye for industrial use 1.3 Infrastructure and equipment to increase the production of dye with quality control measures in place 1.4 Laboratory with analysis capacity to ensure the quality of the blue dye					
2. Strengthening of a value chain involving sustainable and efficient supply and marketing capabilities for natural dyes	Volume of fruit received by ECOFLORA, which complies with the environmental sustainability and quality conditions	1.0 ton/month (average Dec 2012-Aug 2013)	16.4 ton/month	Raw materials intake from Ecoflora Cares, mobilization safeguard, operation permit,	There is no shortage of gasoline, and its price does not exceed inflation, Miner or arms strikes do not affect mobility, Intense floods (La Niña) do not significantly affect trees. There is no outbreak of armed conflict in the area,
	Total annual income from jagua fruit producers sold for the production of natural dyes	5,000 USD	83,300 USD	Payment records and documents from BHB providers	
	Number of producers who benefit from the purchase of the jagua fruit	31	200	Payment receipts, documents from producers	
	Volume of blue dye sold under international regulations	0	3 tons	Purchase orders accepted by Ecoflora Cares	There are no external circumstances (e.g, political) which affect

Component	Indicator	Baseline	Goal	Verification Method	Proposal
					commercial permits
Products 2.1 275 beneficiaries trained by the School of Forestry 2.2 Requests for updating and expanding community-based management plan and use permits 2.3 500 new high-producing trees, propagated and established through the vegetative system 2.4 Collection, logistic, quality and traceability system designed and implemented for fruit provision, under the conditions required by the market 2.5 International permits that allow the supply and marketing of blue dye derived from <i>G. americana</i> (ex, U,S, Food and Drug Administration - FDA, European Food Safety Authority - EFSA), 2.6 Purchase agreements with international buyers of natural blue colorant derived from <i>Genipa americana</i>					
3. Access and benefit-sharing agreements	Access to genetic resources for commercial purposes contract signed, which includes an operational benefit-sharing system	0	1	Signed Agreement	
	Public presentation of the progress in benefit-sharing and distribution indicators	0	3 (1 annual)	Meeting minutes, management reports	
Products: 3.1 Review and comparative analysis on the application of Nagoya Protocol provisions to the case of use of <i>G. americana</i> for the production of blue dye 3.2 Access contract signed between MADS and Ecoflora Cares, and public presentation of benefit-sharing and distribution agreements 3.3 A system for tracking benefit-sharing and distribution to communities created and in use					
4. Increase in national and regional capacity in ABS through negotiating and monitoring benefit-sharing agreements	Decree or resolution to facilitate the negotiation of monetary benefits between the user of genetic resources and the state for ABS agreements with commercial purposes	0	1	Decree or resolution	
	Capacity of MADS on access to genetic resources and benefit-sharing measured with UNDP's ABS Capacity Development Scorecard	31/75	40/75	UNDP's ABS Capacity Development Scorecard	
Products: 4.1 Decree or resolution proposal for sharing monetary benefits between users and providers of genetic resources 4.2 Public consultation and validation of the benefit-sharing policy proposal 4.3 Online tool for training and certification on ABS issues 4.4 One hundred public employees from SINA trained on ABS issues					

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

No reviews were submitted by GEF Secretariat at PIF stage.

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

There were no significant findings that affected the project design. Other than the risks identified since the PIF, for which risk mitigation measures have been defined, there are no significant concerns that might affect project implementation.

B. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>			
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>	<i>Project Budget Balance</i>
Activity1 – Project Preparation	20,091.00	8,919.70	5,210.88	5,960.42
Total	20,091.00	8,919.70	5,210.88	5,960.42

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

This project does not include non-grant instruments

ANNEX E: UNDP/GEF ABS Capacity Development Scorecard

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
1. Capacity to conceptualize and formulate policies, laws, strategies and programmes	The Access and Benefit-Sharing (ABS) agenda is being effectively championed / driven forward	0 -- There is essentially no ABS agenda; 1 -- There are some persons or institutions actively pursuing an ABS agenda but they have little effect or influence; 2 -- There are a number of ABS champions that drive the ABS agenda, but more is needed; 3 -- There are an adequate number of able "champions" and "leaders" effectively driving forwards an ABS agenda	1	
	There is a legally designated institution(s) responsible for ABS with the capacity to develop a national ABS framework (i.e., laws, policies and/or regulations)	0 -- There is no institution(s) responsible for ABS; 1 – The institution(s) has financial resources but has limited personal and expertise; 2 – The institution(s) has financial resources and personal but limited expertise; 3 – The institution(s) has sufficient financial resources, personal and expertise.	1	The institutions have limited financial resources for developing a national ABS framework
	There is a legally designated institution(s) responsible for ABS and able to update the ABS national framework	0 – The institution(s) does not have the financial resources, personal, and expertise; 1 – The institution(s) has financial resources but has limited personal and expertise; 2 – The institution(s) has financial resources and personal but limited expertise; 3 – The institution(s) has sufficient financial resources, personal and expertise.	0	
2. Capacity to implement policies, legislation, strategies and programmes	There is a legally designated ABS institution(s) responsible for ABS that can facilitate the implementation of the national ABS framework.	0 – The institution(s) does not have the financial resources, personal, and planning/management skills; 1 – The institution(s) has financial resources but has limited personal and planning/management skills; 2 – The institution(s) has financial resources and personal but limited planning/management skills; 3 – The institution(s) has sufficient financial resources, personal and planning/management skills.	0	
	The ABS institution (s) is effectively led	0 – The ABS institution(s) has a total lack of leadership; 1 – The ABS institution(s) has weak leadership and provides little guidance; 2 – The ABS institution(s) has a reasonably strong leadership but there is still need for improvement; 3 – The ABS institution(s) is effectively led	2	Although the MADS is considered effectively led, it is needed to strengthen leadership regarding ABS.

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
	Human resources for ABS management are well qualified and motivated	0 -- Human resources are poorly qualified and unmotivated; 1 -- Human resources qualification is spotty, with some well qualified, but many only poorly and in general unmotivated; 2 -- Human Resources in general reasonably qualified, but many lack in motivation, or those that are motivated are not sufficiently qualified; 3 -- Human resources are well qualified and motivated.	1	In general MADS human resources that are well qualified are unable to commit the required time to address ABS processes due to a large workload.
	The ABS institution(s) is able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement their mandate	0 – The ABS institution(s) is severely underfunded and has no capacity to mobilize sufficient resources; 1 – The ABS institution(s) has some funding and is able to mobilize some human and material resources but not enough to effectively implement its mandate; 2 – The ABS institution(s) has reasonable capacity to mobilize funding or other resources but not always in sufficient quantities for fully effective implementation of their mandate; 3 – The ABS institution(s) is able to adequately mobilize sufficient quantity of funding, human and material resources to effectively implement its mandate	2	
	The ABS institution(s) is effectively managed, efficiently deploying its human, financial and other resources to the best effect	0 -- While the ABS institution(s) exists it has no management; 1 -- Institutional management is largely ineffective and does not deploy efficiently the resources at its disposal; 2 -- The ABS institution(s) is reasonably managed, but not always in a fully effective manner and at times does not deploy its resources in the most efficient way; 3 -- The ABS institution(s) is effectively managed, efficiently deploying its human, financial and other resources to the best effect	2	
	The ABS institution(s) is not audited and publicly accountable	0 – The ABS institution(s) is not being held accountable and not audited; 1 – The ABS institution(s) is occasionally audited without being held publicly accountable; 2 – The ABS institution(s) is regularly audited and there is a fair degree of public accountability but the system is not fully transparent; 3 – The ABS institution(s) is highly fully audited, and publicly accountable	3	

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
	Enforcement of ABS regulations	0 -- No enforcement of regulations is taking place; 1 -- Some enforcement of regulations but largely ineffective; 2 -- ABS regulations are regularly enforced but are not fully effective; 3 -- ABS regulations are highly effectively enforced	1	There is willingness from the government to enforce ABS regulations, however there are not many cases of enforcement as ABS issues are largely unknown to the private sector and local communities.
	Individuals are able to advance and develop professionally	0 -- No career tracks are developed and no training opportunities are provided; 1 -- Career tracks are weak and training possibilities are few and not managed transparently; 2 -- Clear career tracks developed and training available; HR management however has inadequate performance measurement system; 3 -- Individuals are able to advance and develop professionally	1	There is a career track, but most personnel in hired under consultancy and provisional contracts. Also, opportunities to grow in the organizations are limited. Only one person in the Genetic Resources group is on career track.
	Individuals are appropriately skilled for their jobs	0 -- Skills of individuals do not match job requirements; 1 -- Individuals have some or poor skills for their jobs; 2 -- Individuals are reasonably skilled but could further improve for optimum match with job requirement; 3 -- Individuals are appropriately skilled for their jobs	2	
	Individuals are highly motivated	0 -- No motivation at all; 1 -- Motivation uneven, some are but most are not; 2 -- Many individuals are motivated but not all; 3 -- Individuals are highly motivated	2	
	There are appropriate mechanisms of training, mentoring, and learning in place to maintain a continuous flow of new staff	0 -- No mechanisms exist; 1 -- Some mechanisms exist but unable to develop enough and unable to provide the full range of skills needed; 2 -- Mechanisms generally exist to develop skilled professionals, but either not enough of them or unable to cover the full range of skills required; 3 -- There are mechanisms for developing adequate numbers of the full range of highly skilled ABS professionals	1	
3. Capacity to engage and build consensus among all stakeholders	ABS has the political commitment	0 -- There is no political will at all, or worse, the prevailing political will runs counter to the interests of ABS; 1 -- Some political will exists, but is not strong enough to make a difference; 2 -- Reasonable political will exists, but is not always strong enough to fully support ABS; 3 -- There are very high levels of political will to support ABS	1	

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
	Degree of public support on ABS issues	0 -- The public has little interest in ABS and there is no significant lobby for ABS; 1 -- There is limited support for ABS; 2 -- There is general public support for ABS and there are various lobby groups strongly pushing them; 3 -- There is tremendous public support in the country for ABS	1	
	The ABS institution(s) is mission oriented	0 -- Institutional mission is not defined; 1 -- Institutional mission is poorly defined and generally not known and internalized at all levels; 2 -- Institutional mission well defined and internalized but not fully embraced; 3 -- Institutional mission is fully internalized and embraced	2	
	The ABS institution(s) can facilitate the partnerships needed to achieve its objectives	0 -- The ABS institution(s) operate in isolation; 1 -- The ABS institution(s) has facilitated some partnerships but significant gaps and existing partnerships achieve little; 2 -- The ABS institution(s) has facilitated many partnerships with a wide range of national and local agencies, private sector and NGOs but there are some gaps and partnerships, are not always effective and do not always enable efficient achievement of ABS objectives; 3 -- The ABS institution(s) has facilitated effective partnerships with national and local agencies, private sector and NGOs to enable achievement of ABS objectives in an efficient and effective manner	2	
4. Capacity to mobilize information and knowledge	The ABS institution(s) has the information it needs to enforce the national legal/policy ABS framework and to facilitate ABS deals	0 -- Information is virtually lacking; 1 -- The ABS institution(s) has access to some information, but is of poor quality, is of limited usefulness, or is very difficult to access; 2 -- The ABS institution(s) has access to a lot of information which is mostly of good quality, but there remain some gaps in quality, coverage and availability; 3 -- The ABS institution(s) has the information it needs to enforce the national legal/policy framework and facilitate ABS deals.	1	
	Individuals from the ABS institution(s) work effectively together as a team	0 -- Individuals work in isolation and don't interact; 1 -- Individuals interact in limited way and sometimes in teams but this is rarely effective and functional; 2 -- Individuals interact regularly and form teams, but this is not always fully effective or functional; 3 -- Individuals interact effectively and form functional teams	1	

Strategic Area of Support	Issue	Scorecard	Initial Evaluation	Evaluative Comments
5. Capacity to monitor, evaluate, report and learn	ABS policy or law is continually reviewed and updated	0 -- There is no policy or law or it is old and not reviewed regularly; 1 -- Policy or law is only reviewed at irregular intervals; 2 -- Policy or law is reviewed regularly but not annually; 3 -- Policy or law is reviewed annually	0	
	Society monitors ABS projects	0 -- There is no dialogue at all; 1 -- There is some dialogue going on, but not in the wider public and restricted to specialized circles; 2 -- There is a reasonably open public dialogue going on but certain issues remain taboo; 3 -- There is an open and transparent public dialogue about the state of the ABS projects	2	ABS is only discussed by communities when they are associated to a certain project. Although discussions tend to be open, and guided by the ministries of Interior and Environment, the information communities and local authorities have on ABS is confusing and misleading.
	Institutions are highly adaptive, responding effectively and immediately to change	0 -- Institutions resist change; 1 -- Institutions do change but only very slowly; 2 -- Institutions tend to adapt in response to change but not always very effectively or with some delay; 3 -- Institutions are highly adaptive, responding effectively and immediately to change.	2	
	The ABS institution(s) has effective internal mechanisms for monitoring, evaluation, reporting and learning on ABS projects	0 -- There are no mechanisms for monitoring, evaluation, reporting or learning; 1 -- There are some mechanisms for monitoring, evaluation, reporting and learning but they are limited and weak; 2 -- Reasonable mechanisms for monitoring, evaluation, reporting and learning are in place but are not as strong or comprehensive as they could be; 3 -- Institutions have effective internal mechanisms for monitoring, evaluation, reporting and learning.	0	
	Individuals from ABS institutions are adaptive and continue to learn	0 -- There is no measurement of performance or adaptive feedback; 1 -- Performance is irregularly and poorly measured and there is little use of feedback; 2 -- There is significant measurement of performance and some feedback but this is not as thorough or comprehensive as it might be; 3 -- Performance is effectively measured and adaptive feedback utilized	0	