

Ex-post evaluation

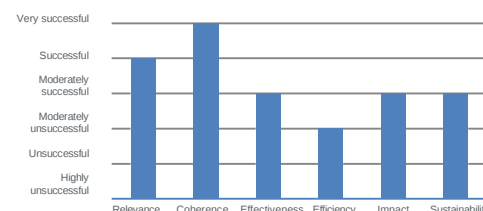
SDG environmental agenda, Colombia

Title	Implementation of the SDG agenda in the environmental sector, phases I and II		
Sector and CRS code	41030 Biodiversity		
Project number	2018 67 126 phase I and II		
Commissioned by	Federal Ministry for Economic Cooperation and Development (BMZ)		
Recipient/ Programme executing agency	Ministry of Finance MHCP/ National Planning Authority DNP		
Project volume/ Financing instrument	EUR 200 million (development loan)		
Project duration	2019 / 21 - 2021 (Phase I/II)		
Year of report	2024	Year of random sample	2022

Objectives and project outline

The project was designed as policy-based lending (PBL). Its objective at the outcome level was to implement environmental reforms at all governmental layers. Reforms were to be based on improved structural and institutional frameworks in accordance with the priorities formulated in the policy matrix for the 2018-22 governmental period. At the impact level, the aim was to improve environmental protection, particularly regarding forest areas and biodiversity, as well as adaptation to climate change. The target group was the entire population of Colombia.

Overall rating:
Limited success



Key findings

The project is overall rated as moderately successful. It demonstrated developmental effectiveness in certain areas, yet the sustainability of these results is at considerable risk. In other areas, the initiated reforms have not been fully implemented.

- The project was highly relevant and was implemented coherently, as the planned reforms were anchored in the government program and financed from national budget funds. The development loan and accompanying technical assistance supported the country's own efforts and resources.
- The triggers for the disbursement of the loans were fulfilled, but not all relevant reforms were effectively continued during the following legislation - or funds provided for implementation were insufficient. The outcome targets were therefore only achieved to a limited extent.
- The funds were paid into the national budget and were therefore subject to parliamentary control. In comparison to the amount of funds provided, few reforms were continued.
- The protection of forest areas and biodiversity was only partially improved and only few impacts can be plausibly attributed to the project at the overall impact level. The entry into force of a modern environmental policy is rated positively.
- Some of the systems in question were sustainably established, but the presence of armed actors and insecure sources of funding jeopardize the progress made.

Conclusions

- The PBL, which was limited to one legislative period and sector, was a valuable instrument for political dialogue and the prioritization of certain policy agendas. Yet, the approach requires medium-term ownership by the partner and entails sustainability risks.
- The implementation of environmental reforms and adaptation to climate change require predictable allocations of staff and funding in the medium term to become effective at local level.
- Effective environmental protection requires effective government control of protected areas.
- Lack of monitoring after completion of the PBL limits impact measurement.

Ex-post evaluation - assessment according to OECD DAC criteria

Overview of the rating per criterion:

Relevance	2
Coherence	1
Effectiveness	3
Efficiency	4
Overall developmental impact	3
Sustainability	3
Overall rating:	3

General conditions and classification of the project

The urgency of climate and environmental protection in Colombia stems from the condition of the country's valuable but highly endangered natural resources. Colombia is one of the 12 most densely forested countries in the world and is also extremely densely forested by Latin American standards: in 2023, the total forest area was just under 59.2 million hectares, which corresponds to 51.9% of the country's land area and 1.5% of the world's remaining forest areas. Colombia is also one of the most biodiverse countries in the world, with over 59,000 registered plant species and more than 1,900 bird species, which make up around 20 % of the world's known bird species. However, Colombia is vulnerable to the effects of climate change: it is estimated that up to 50% of species could be threatened with extinction by 2100 if appropriate conservation measures are not taken. In addition, precipitation is expected to decrease in the Amazon, Orinoco and Caribbean regions, while the Western Andes and the Pacific are expected to experience an increase in precipitation.

The project, designed as policy-based lending (PBL), consisted of two phases that built on each other and were structured as sector budget financing. A low-interest development loan was included in the Colombian budget in order to improve the conditions for implementing environmental reforms, which were prioritised in the government policy of President Ivan Duque's legislature. Before disbursement, a series of reform measures were selected from the government program and presented in a so-called policy matrix - like PBLs during the previous government. Some of these reform steps (so-called triggers) had to be fulfilled to facilitate the disbursement of the loans.

Brief description of the project

The objective of the PBL at the outcome level was to improve the structural and institutional framework conditions for the implementation of environmental reforms that were prioritized in the national development plan and the policy matrix of the above-mentioned government period; through this, actual progress in the implementation of reforms in selected thematic areas was to be achieved. At the impact level, this was intended to improve environmental protection, in particular of forest areas and biodiversity, as well as climate change adaptation. The objectives and measures were aligned with the Sustainable Development Goals (SDGs) in the environmental sector, particularly in the areas of combating climate change (SDG 13) and sustainable use of terrestrial ecosystems (SDG 15)¹. The project had 3 components (framework conditions, biodiversity, implementation at subnational level), for which 11 reform steps were prioritized and 14 disbursement triggers were formulated.

Policy and sector dialogue are key mechanisms for achieving the objectives of the PBL approach as well as fostering relations between Colombia and Germany in general terms. The program targeted the entire population of

¹SDG 13 is: Climate action. It includes promoting measures to reduce greenhouse gas emissions, improving resilience to climate-related hazards and integrating climate action into national policies and strategies. SDG 15 is: Life on land. The goal focuses on the protection, restoration and sustainable use of ecosystems and forests, as well as combating desertification and biodiversity loss. It aims to promote the sustainable management of forests, protect biodiversity and manage land use

Colombia (approx. 52 million people in 2023), particularly those 20 % living in rural regions that are particularly vulnerable to climate change and deforestation.

The project partner was the supreme planning authority Departamento Nacional de Planeación (DNP). Agreements were reached through dialogues and negotiations between KfW and the DNP, which were supported by short term technical assistance. The DNP is responsible for all investment expenditure in the national budget as well as intergovernmental fiscal transfers. The Ministry of the Environment MADS (Ministerio del Ambiente y Desarrollo Sostenible) and its subordinate agencies were responsible for implementing specific reform measures, namely the national park authority PNN (Parques Nacionales Naturales), as well as the Regional Autonomous Corporations (Corporaciones Autonomas Regionales, CAR), which are in charge of environmental planning at regional level.

Phase I ran from early 2019 to mid-2020 and Phase II from early 2020 to mid-2021. The two phases were closely linked in that political processes built on each other. As a result, the effects of the two phases cannot be separated from each other and are therefore evaluated together. An originally foreseen third project phase was postponed and is currently being implemented together with two other development loans (PBL phases IV and V) under the successor government of Gustavo Petro to support the government program for the 2022-26 legislature (not part of this ex-post evaluation, EPE).

The Covid-19 pandemic led to a change in the social, economic and fiscal framework conditions during the term of the project and delayed the implementation of the planned policy measures at regional and local level.

Breakdown of total costs

In EUR million	Inv. (plan)	Inv. (Actual)
Investment costs (total)	200	200
Own contribution	0	0
External financing	200	200
<i>of which funds (BMZ)</i>	200	200

* In addition, EUR 0.65 million in grants were provided for 28 SBF-financed short-term expert assignments

The total costs of the project amounted to EUR 200 million for phases I and II, which were paid out in full as planned in September 2021. In addition, a total of 28 short-term expert assignments worth EUR 0.65 million were made over the course of the two project phases, of which EUR 0.25 million for Phase I and EUR 0.40 million for Phase II, which were financed as a grant from the BMZ's Study and Advisory Fund (SBF). The term of the loan was up to 10 years with 3 years of grace period (see appendix Costs and financing).

Map of the project country incl. EPE site visits



Rating according to OECD DAC criteria

Relevance

1. Alignment with policies and priorities

The PBL was aligned with policy priorities of the Colombian government by design, as only reform topics that were anchored in the national development plan for the 2018-22 legislative period were considered. Among these, the following reform areas were selected for the project, which were reflected in the outcome indicators: (i) implementation of the new policy for protected areas SINAP (Sistema Nacional de Areas Protegidas), to be measured by the effectiveness of the management of these areas, (ii) agreement on value chains in which no deforestation should occur, (iii) climate change adaptation plans at subnational (regional) level, (iv) establishment of a climate change information system. In addition, at the 2015 Paris Climate Change Conference the government of Colombia committed itself to achieving zero net deforestation by 2030. This commitment was linked with the intended and now completed accession to the OECD. The degree of alignment with national policies is therefore extremely high.

The fact that the highest planning authority DNP was the key partner to the project further ensured that the results of the policy dialogues between Germany and Colombia were in line with the country's overarching priorities. Other cross-cutting priority issues of BMZ as the leading line Ministry on the German side (e.g. poverty reduction, gender) are either of secondary importance due to the project's focus or are taken into account by the new protected area policy.

The thematic priorities of the PBL were in line with the relevant BMZ concepts and the BMZ country strategy.

2. Alignment with the needs and capacities of the beneficiaries and stakeholders

The measures were also in line with the needs of the population affected by climate change in general terms. By supporting specific reforms in the environmental sector and creating the political and institutional conditions for effective climate and biodiversity protection, the population - especially in vulnerable rural regions - was expected to benefit from greater resilience to the effects of climate change and the preservation of the services provided by the ecosystems. This applies to the indigenous and Afro-Colombian populations in particular, most of whom live in forest areas of the Andes, the Chocó, the Llanos and the Amazon lowlands. These habitats and forests are rich in endemic species but have been affected by the expansion of agricultural land and deforestation for decades. Explicit and grabbing is also an issue affecting biodiversity and climate. Following the 2016 peace agreement, deforestation in parts of Colombia has even accelerated for several years - due to limited control by government in part of the national territory. By design, the project did not operate directly at target group level and therefore only directly affected the population in protected areas (component 2).

However, the DNP's regular citizen satisfaction surveys have shown, and continue to show, that environmental issues are not at the top of priority problems as perceived by the (predominantly urban) population.² However, interests between agricultural producers and landowners, as well as among members of former militias vary widely. Accordingly, the project could not address the interests of all stakeholders in question. This was and still is an unavoidable risk for the implementation of any reform in democracies with freedom of expression.

Due to the long years of civil war and the discrimination of indigenous and Afro-Colombian communities, measures in rural areas of Colombia generally require a high level of sensitivity towards the population and other stakeholders. The new policy for protected areas, which was supported by the PBL, takes this into account.

The measures were derived directly from the government's reform program and were therefore fundamentally geared towards needs of the government. Subordinate government agencies were involved in the sector dialogue as far as they were concerned by the prioritized reform topics. Furthermore, parallel bilateral cooperation projects in the environmental sector were used as sources of information.

The very strong position of the central planning authority and its power to issue directives to local authorities - when compared to e.g. the Ministry of Finance - is a special feature of Colombia's institutional setup. Accordingly, it cannot be ruled out that the needs and capacities of the partner DNP may differ from those of the

² Where environmental problems were prioritized in the survey, they tended to be urban environmental problems (e.g. exhaust pollution) rather than more remote environmental problems (e.g. deforestation). As 80% of the population live in cities, urban problems were and are prioritized

specialist authorities responsible for implementation (in this case the Ministry of the Environment, the National Park Administration and the forest and climate authority IDEAM). This was an inherent risk of the PBL instrument, as the funds were paid into the government budget without any further earmarking once the requirements for disbursement had been met. Accordingly, the instrument could not necessarily ensure that the needs of all implementation levels involved were covered and capacities were built (see Impact).

3. Appropriateness of design

Figure 1 shows the reconstructed Theory of Change (ToC) of the project. The three inputs of the PBL are i.) the loans, ii.) technical assistance in the form of short-term expert assignments, and iii.) continuous policy and sector dialogue. Prior to disbursement of the loan, the policy dialogue aims to foster relations between Colombia and Germany in general, strengthen the position of the Ministry of Environment and downstream authorities, and prioritize and accelerate selected environmental and climate reforms through the negotiation of a policy matrix and the definition of triggers for the disbursement of the funds. After the disbursement of the respective loans, the dialogue was to be used to monitor targets and accompany the implementation and results of reforms. In addition, a number of outputs were to prepare the subsequent implementation of reforms, e.g. through the creation of concept papers or the signing of agreements for sustainable value chains. This was to induce the adoption of reforms and improve the (personnel, strategic, financial) framework conditions for their implementation. In turn, the reforms were expected to produce initial results at outcome level, such as the use of a newly developed climate information system or improved management of protected areas. At impact level, this was to contribute to the achievement of SDG 13 and SDG 15, among others. This ToC is based on several assumptions and external factors which need to develop as expected for the impact chain to work and positive impact to occur. These assumptions include a high level of reform orientation within the government and a continuation of reform topics across legislatures.

The Theory of Change of the project was and is plausible and the project was highly relevant within the set framework. Accompanying SBD-funded technical assistance was suitable for further specifying the reforms and temporarily strengthening the capacities of the DNP and MADS as well as subordinate authorities.³ The impact hypotheses underlying the sector reform program and the combination of reform measures in the areas of climate protection (component 1), the protection and sustainable use of ecosystems (component 2) and the implementation of national environmental policies at the regional and local level (component 3) proved to be relevant for both phases of the PBL. The reform topics selected for the EPE are clearly related to this agenda and the measures were generally verifiable.

The question of whether other reform topics could have made a greater contribution is beyond the scope of the PBL system, as this funding instrument basically referred to an existing reform program (in this case the development plan for the Duque legislative period), from which certain reform topics were selected as part of the policy dialogue.

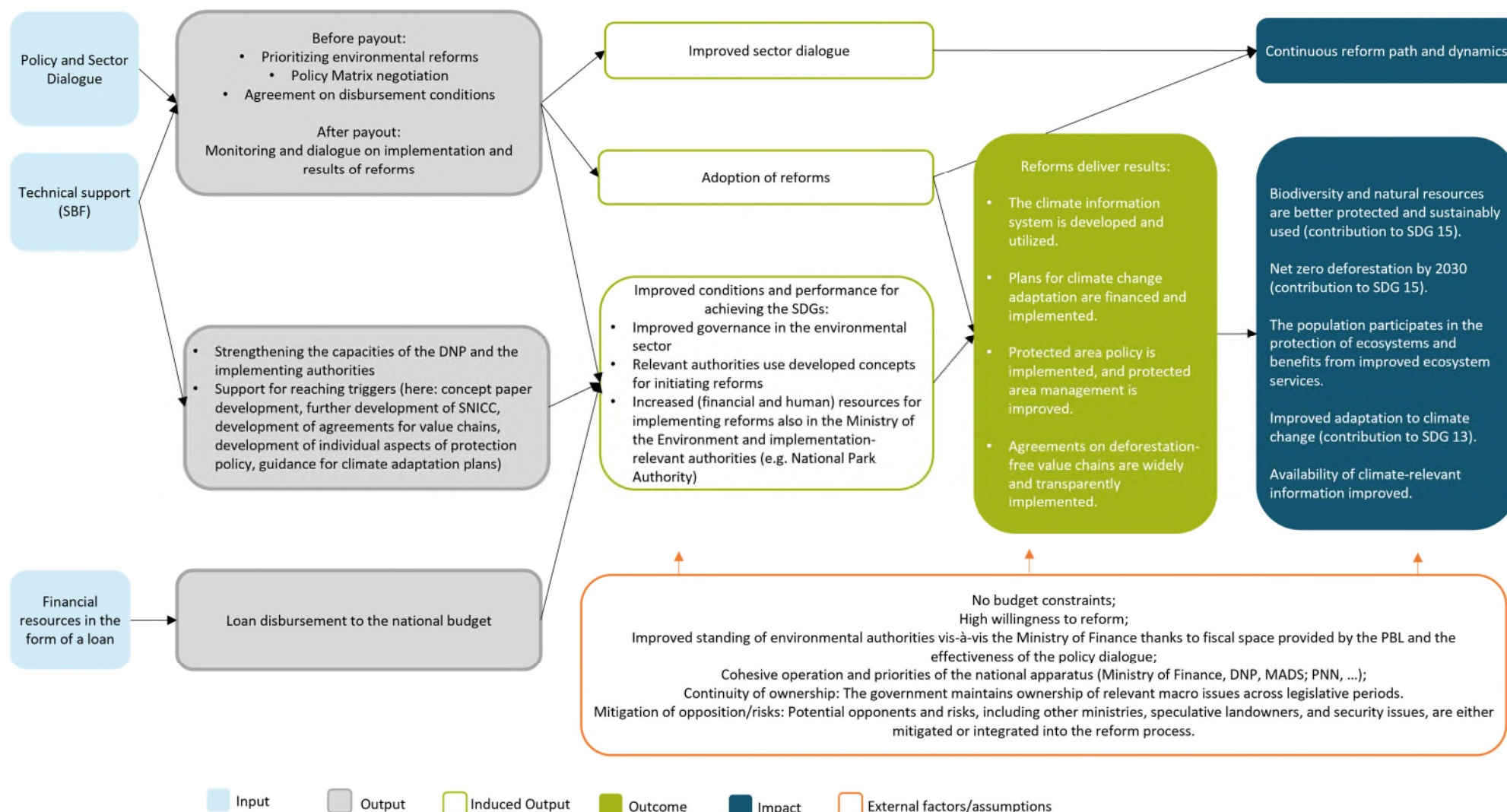
However, it is to be emphasized, that the concept did not sufficiently address the above-mentioned deteriorating security situation after the peace agreement, although this would plausibly affect at least one of the reform topics (the effectiveness of management of protected areas).

In addition, there was no in-build mechanism to ensure that implementing authorities receive additional budgets although it was predictable that this would hinder the implementation the reforms. The fungibility of FC funds was expected to allow for efficient national spending. For this reason, no earmarking of the FC funds was agreed upon, which is also practiced in other policy-based financing. However, the allocation of funds for the relevant authorities could have been ensured, by including a disbursement-relevant trigger, which is based on changes in the share of sector-relevant expenditure in the national budget.

There was a need to adapt the formulation of outcome indicators for the purposes of the EPE (see Effectiveness and Impact). In particular, individual indicators were expanded in order to establish a clearer connection between individual reform steps and indicators.

³ Example: Guidelines for dairy and livestock farming: Dairy farming partly takes place or around Páramo areas, which are one of the relevant habitats in need of protection.

Figure 1: Reconstructed Theory of Change



4. Adaptability-response to change

The project has adapted to the changed financial and fiscal framework conditions caused by the Covid-19 pandemic by postponing the third phase originally foreseen for the 2018-22 legislature to the current legislature of President Gustavo Petro. This was decided by the parties in view of a foreseeable drop in the tax ratio and an increase in the public debt ratio and budget deficit. According to the Ministry of Finance, around a third of the state budget was reallocated to new priorities during the pandemic, which also (but not only) affected the chronically underfunded Ministry of the Environment. This adjustment is plausible and adequate.

Rating summary

Relevance is rated as successful, in line with expectations, because the intended reforms were prioritized in a government programme (Plan Nacional de Desarrollo) and partly supported through commitments made at international level. The concept of strengthening the country's own efforts and resources to implement reforms through political dialogue, financial means and technical assistance is conclusive. The impact chain is ex-ante and from today's perspective plausible.

It would have been desirable to agree on sufficient resources for implementation-relevant authorities in relation to the scope of the reforms and thus ex-ante enable the sustainability of government commitment in all areas agreed upon in the environmental sector. Further, the deteriorating security situation in important protected areas was not sufficiently considered during the preparation of the project.

Relevance: 2

Coherence

5. Internal coherence

The FC project supported and supplemented the existing commitment of German development cooperation (DC) in the environmental sector by addressing important institutional and political framework conditions. However, during the implementation of the project there was no umbrella cooperation program on the German side that could have served as a reference framework for the PBL. There were synergies between financial cooperation (FC) projects, particularly in national park management, where the performance of the Ministry of the Environment was increased through cooperation between the PBL and a bilateral FC project (the APDP II, Areas Protegidas y Diversidad Biológica). There were also synergies with German Technical Cooperation in several areas of reform: GIZ was active before, during and after the implementation of the PBL through the Pro-Rural and Pro-Bosques projects, which were supporting the establishment of so-called deforestation-free value chains and the new PIGCCT planning instrument. The two organizations coordinated their activities.

The PBL was fully compatible with the relevant BMZ strategies in the sector and with the agreements reached at the 2015 Paris Climate Conference.

6. External coherence

Ongoing coordination between the national planning authority DNP and KfW on the specific reform activities and the accompanying technical assistance ensured that synergies were utilized and duplication between the various donor initiatives was avoided.

The development measures of other bilateral and multilateral donors listed in the module proposal were continued during the implementation period. These were primarily initiatives that focused on specific thematic areas or regions where synergies could be realized due to the thematic complementarity (e.g. PBL Climate Protection of the AFD, Agence Française de Développement)⁴. Over the years, further projects were implemented that also aimed at slowing down deforestation and limit the effects of climate change - particularly in the Orinoquía and Amazonía regions (see Herencia Colombia and Visión Amazonia). Numerous international cooperation projects, including several FC projects, are aimed at protecting forests and protected areas and in particular at reducing deforestation

⁴ Among others, the BID launched a PBL in the area of sustainable and resilient economic development in mid-2021, in which several donors, including German FC, are participating and which has thematic synergies in the area of planning, steering, monitoring and financing of climate action

(especially the REM project). The objectives of all these projects were and are similar and support the government's own efforts.

Sector coordination is very actively pursued by the KfW office in Bogota, but no findings were generated during the EPE on the intensity of participation by the various donors over time.

Rating summary

Coherence is rated as very successful, exceeding expectations. Like other donors, Germany used the PBL to finance environmental and climate change reforms by the Colombian government that were aligned with the government program (Plan Nacional de Desarrollo 2018-22) and Colombia's long-term international commitments. Communication both between the donors and between FC and DNP was good.

Coherence: 1

Effectiveness

7. Achievement of the (intended) objectives

The adjusted objective at outcome level⁵ was: Environmental reforms are adopted and implemented in accordance with the priorities formulated in the policy matrix and achieve results that make a significant contribution to the SDGs in the environmental sector, due to an improvement of the structural and institutional framework conditions (administrative-institutional, procedural, financial aspects).

The original indicators of the project were adopted and, in some cases, slightly adjusted and specified during the preparation of the EPE. The achievement of the objective at outcome level can be summarized as follows:

Table Target achievement Outcome:

Indicator	Status at PP	Target value acc. PP/EPE	Actual value for AK	Actual value for EPE
(1) Contribution to SDG 13: Information systems (SNICC) Scope (%) of software development (of functions and variables in relation to ToR)	0 % (2018)	Target value PP 100 %	33 % (2020)	Not fulfilled: Software development pending, only SMByC subsystem operational Accordingly, no interface programming, connection of authorities or data entry.

⁵ The original objective was: "The aim of the project is to support the Colombian government's reform policy for implementing the SDG agenda in the environmental sector and to improve the necessary structural and institutional framework conditions."

(2) Contribution to SDG 13 and 15: Deforestation-free value chains				Partially fulfilled
2a: Number of agreements on "Deforestation-free agricultural production chains", which have been signed	2	4	5	Fulfilled: 7 agreements
2b: Number of agreements with clearly defined and targeted measures and a plausible link to deforestation	n. r.	5. v. 7 (EPE)	-	Partially fulfilled: according to the interlocutor, action plans are available; however, they are not publicly accessible, and their content could not be reviewed as part of the EPE
2c: Number of agreements with clearly defined actors and responsibilities	n. r.	5. v. 7 (EPE)	-	Fulfilled: Secretariats predominantly installed
2d: Number of agreements with adequate control mechanisms	n. r.	5. v. 7 (EPE)	-	Qualitatively not fulfilled: MRV protocols/handout published in 2023, but just generic content: no clear sanction and monitoring mechanisms defined; just one initiative to develop a baseline
2e: Number of agreements specifying the commitment of the private sector	n. r.	5. v. 7 (EPE)	-	Partially fulfilled, but only declarations of intent, quantitatively low participation of agricultural producers
2f: Number of agreements for which evidence of controls during implementation is available	n. r.	5 v. 7 (EPE)	-	Qualitatively not fulfilled: MRV protocol published, but no evidence of control mechanisms actually implemented.
(3) Contribution to SDG 15: Protected area management				Partially fulfilled
3a: Improvement in the management effectiveness of national protected areas in %	EMAP-Measurements not active	20 % of the EMAP (PP)	5 % (DNP, 2022)	Not fulfilled: 5 % (DNP, 2022)
3b: Budget and staffing of the national park authority and relevant entities at local government level is sufficient	n.a.	constant/ increasing (EPE)	n.a.	Qualitatively not fulfilled: persistently poor financial situation and staff shortages, discontinuous contracts

3c: Designated protected area at least constant	n.a.	rising (EPE)	n.a.	Fulfilled, designated protected areas are increasing, target: 30 % of the national territory ⁶
3d: Proportion of accessible (and thus controllable) protected areas increasing	n.a.	rising (EPE)	n.a.	Qualitatively not fulfilled: no systematic evaluation; 10 % of land area not under control according to political actors and NGOs ⁷
3e: Proportion of particularly endangered zones (Páramos) for which protective measures have been introduced	n.a.	>50 % (EPE)	n.a.	Qualitatively not fulfilled: no protective measures for Páramos implemented
3f: Proportion of particularly controversial areas/buffer zones for which participation/moderation procedures have been initiated	n.a.	constant/ increasing (EPE)	n.a.	Qualitatively fulfilled: Application of participation procedures and protection agreements with residents
(4) Contribution to SDG 13: Adaptation to climate change				Partially fulfilled
4a: Proportion of climate adaptation plans at departmental level that take climate change into account	n.r.	100 % coverage with PIGCCT (EPE)	65% (2021)	Fulfilled: 99 % (EPE)
4b: Proportion of plans relating to different dimensions of adaptation to climate change (e.g. adaptation to increased incidence of severe weather)	n.r.	80 % (EPE)	n.a.	Fulfilled for sample; full verification not possible, no evaluation available
4c: Climate adaptation planning available at municipal level	n.r.	80 % (EPE)	n.a.	No systematic evaluation; anecdotal evidence that existing planning instruments continue to be used
4d: Proportion of decentralized bodies (Dpt., municipality, CARs) with resources available for the implementation of climate agreed and planned change adaptation measures and for monitoring the climate effectiveness of the measures	n.r.	100 % (EPE)	n.a.	Not fulfilled: no independent source of funding for the implementation of the PIGCCT, access to royalties (regalías) for municipalities is complex (complicated application process)

Note: n.r. stands for not relevant, n.a. for not available.

⁶ Colombia has committed to placing 30% of its territory under protection in the medium term, see <https://www.wwf.de/themen-projekte/projektregionen/amazonien/kolumbien-frieden-sichern-waelder-schuetzen/grossartige-nachrichten-aus-kolumbien>. New areas were placed under protection both in the first years after the peace agreement and after the change of government in 2022.

⁷ No time series data is available. The quoted expert estimate (10%) was reproduced by different sources at the EPE. Existing studies, including from the German Institute for International and Security Affairs from 2022 (<https://www.swp-berlin.org/10.18449/2022C54/>) and a Canadian-funded study by the NGO PARES (2024:

"Plomo es lo que viene") describe in detail the deterioration of the security situation in conflict areas and the presence of armed actors in various parts of the country. The assessment that the security situation is deteriorating is shared by the Federal Foreign Office.

8. Contribution to the achievement of objectives

In programmatic lending, the achievement of indicators and targets can never be fully or clearly attributed to the project, as the funds flow into the general budget. The financial contribution made by the PBL to achieving the SDG agenda and the target indicators cannot be exactly quantified either, as the DNP does currently not provide any budget planning figures for achieving the SDGs, according to the SDG team. A data platform that was originally set up is no longer active.

Indicator 1 on SDG 13 / Climate change information system SNICC: The establishment of a comprehensive climate change information system aimed to end the inefficient and non-transparent parallelism of different environmental information systems with similar cognitive interests and to create a comprehensive platform system under the Ministry of Environment and Sustainable Development (MADS). According to the final report of Phase II of the PBL, the SNICC was already 33% implemented in 2021. SBF-funded experts were assigned to develop and implement the overall architecture of the information system and integrate the individual components. According to the government's own monitoring system Sinergia, SNICC 2022 was 75% developed.

These findings could not be confirmed during the EPE. None of the interviewees reported any substantial progress. Rather, both MADS and the authority responsible for sector monitoring, IDEAM, referred to the still large number of existing sub-information systems, some of which were at different stages of development and some of which were obsolete. Internet research confirmed that the SNICC was considered a priority during the government of President Ivan Duque. However, there were no indications that the system development was actively pursued beyond 2021. The fact that a resolution published on 12 December 2023 (Resolution 1383) explains the basic functions of the SNICC on 10 pages, names the existing systems to be merged and defines the integration into the subsystems of the previously prioritized SIAC (Sistema de Información Ambiental, reform topic of the previous PBL) can be seen as a relative political success.

An implementation plan or similar does not exist. Data has not been entered into a system called SNICC, nor have interfaces to other systems been programmed. The planned SNICC must be reassembled from over a dozen subsystems that are in very different phases of development. It is not foreseeable whether and when these subsystems will be updated or programmed, nor when data can be made available from them for the superordinate system SNICC.

Indicator 2 on SDGs 13 and 15 / deforestation: Deforestation-free value chains are currently being propagated in 30 countries, in particular by the NGO Tropical Forest Alliance. Within the framework of multi-stakeholder alliances, producers and traders of agricultural products should commit to ensuring that no forest is destroyed in their production and processing operations or that the balance of forest loss and reforestation is balanced.⁸ During the term of the PBL, this approach was prioritized in the National Development Plan. Colombia was the first country in Latin America to join the initiative.

The aim of the project was both the adoption and implementation of agreements related to several relevant agricultural value chains. The initiatives have developed to a certain extent. By the time of the EPE in summer 2024, agreements on palm oil, cocoa, beef, avocado⁹, milk and coffee had been concluded, which quantitatively exceeds the PBL targets.¹⁰ The older agreements signed before and those signed during the term of the PBL have technical secretariats and websites that report in varying degrees of detail.

However, discussions during the EPE indicate that the implementation of the agreements is not developing dynamically, and that the participation of commercial actors has remained small in terms of numbers. Although the agreement on the dairy industry¹¹, which was explicitly prioritized at the PBL, contains over 20 declarations of intent from milk producers, industry associations, environmental associations and specialist authorities, it covers a production volume of less than 0.3% of total production. Even 7 years after the signing of the agreement, the production area of oil palms (190,000 ha) mapped to date amounts to only 3% of the estimated total area under cultivation.¹² No action plans or sanctions can be found, so mechanisms for implementing the agreements are not

⁸ Based on the declarations of intent of actors in individual production and value chains, baselines should be drawn up on the specific impact of the respective product on deforestation and targets developed for reducing or preventing further deforestation. These targets should be agreed at local or regional level, for example, or for specific companies.

⁹ See for example: <https://www.colombiasostenible.gov.co/fondo/2024/02/05/firma-de-acuerdo-cero-deforestacion-cadena-de-aguacate-hass/>

¹⁰ The uncontrolled expansion of extensive pasture farming with cattle farming (according to expert estimates, the sixth largest cause of deforestation in Colombia in 2016 and already the third largest in 2018) and oil palm cultivation have proven to contribute to the loss of forest land in the Llanos and Amazon lowlands. For a time, coffee cultivation was also propagated as a way of cutting down shade trees. The expansion of dairy farming is endangering the vulnerable páramo vegetation of the High Andes. See <https://archivo.minambiente.gov.co/index.php/acuerdos-cero-deforestacion>.

¹¹ See for example: <https://cerodeforestacioncolombia.co/wp-content/uploads/2021/02/acuerdo-leche-cd-y-pp-fedecooleche-21ene21.pdf>

¹² See <https://www.agronet.gov.co/Noticias/Paginas/La-palma-de-aceite-colombiana-en-cifras,-balance-2022-y-retos-2023.aspx>

clearly defined. The development of meaningful monitoring instruments would require, among other things, a substantial exchange of official government data on forests, livestock and land ownership. This is currently stagnating in the initial phase and is not promoted by government authorities from all relevant institutions (see Effectiveness).

In November 2023, a detailed handout on monitoring the agreements for deforestation-free value chains was published (so called MRV protocols).¹³ However, these do not yet contain any clear control mechanisms or a monitoring plan. Monitoring systems shall to be operationalized in phases III-IV of the PBL but the respective appraisal documents only stipulate that the government "consolidates zero deforestation agreements as a tool for the implementation of public policies to control deforestation and concludes an agreement for the avocado production sector."

The monitoring of producer responsibility encounters numerous unresolved problems: firstly, relevant government data sets cannot be linked (see SNICC). Secondly, there are often different actors (commercial and non-commercial, formal and informal, legal and illegal) active in the areas affected by deforestation, many of whom have no increased interest in transparency regarding the implementation of the agreements¹⁴. Thirdly, producer responsibility for the disappearance of forest land is not addressed through in-depth field investigations: for example, only one initiative has so far attempted to map the area under cultivation of its members.

The topic of deforestation-free value chains is no longer prioritized in the current government's development plan (PND 2023-26) and is therefore not explicitly pursued. The introduction of the originally planned "deforestation-free label" for retailers and end consumers is not foreseeable.

The political debate on the connection between agriculture and deforestation continues but has shifted focus. In view of the deteriorating security situation, senior officials from affected provinces (departments) point out that the lack of access to parts of their territory makes it very difficult to control the illegal appropriation of land and the resulting economic activities (especially cattle farming).

Indicator 3 on SDG 15 / Management of Protected areas: The new policy for protected areas SINAP (Sistema Nacional de Areas Protegidas) supported under the PBL was developed with the participation of the WWF (World Wildlife Fund) and focuses on the following aspects: (i) representativeness, (ii) connectivity¹⁵, (iii) efficient management and (iv) equitable management. These focal points hint at the key problems of previous protected area management. SINAP created an essential conceptual prerequisite for natural resource management that meets international standards and involves all relevant stakeholders. The effectiveness of management is measured using the EMAP (Efectividad de Manejo de Areas Protegidas) monitoring system, which records ecological integrity, management practices, monitoring and reporting, among other things¹⁶. Another key innovation of EMAP and SINAP is the intensive involvement of the population in protected areas and their catchment areas. Furthermore, the management of protected areas must be interlinked with the respective spatial planning. Important basic features of the SINAP policy and the monitoring system are visibly implemented and applied beyond the change of government.

More and more protected areas have been and are being designated: from 2017 to 2024, more than 380,000 ha were placed under protection¹⁷ in order to increase the representativeness and connectivity of the areas. In November 2024, a further 240,489 ha of land and 17,781,392 ha in the Caribbean Sea were integrated into the SINAP as part of 32 agreements with indigenous groups in the Caribbean region. In purely quantitative terms, Colombia has thus achieved its goal of protecting 30% of the country's land area. The target for marine ecosystems has already been exceeded¹⁸.

However, despite many efforts at central and subnational government levels, only very limited improvements in

¹³ See S.; Paz, P.; Hyman, G.; Reymondin, L.; Verchot, L. (2023) Protocolo de Monitoreo, Reporte y Verificación (MRV) de la no deforestación asociada a predios de cadenas de suministro agropecuario: Cacao, café, leche, carne, palma. Cali (Colombia): Biodiversity International y CIAT. 81 p.

<https://cgspace.cgiar.org/items/e37f678c-9211-4180-93cb-211c393c882a>, the difficulties of tracking are described, and solutions are presented.

¹⁴ The national park authority complains, for example, that it does not have access to data from the new cadastre or old manually maintained land registers when livestock farming is observed in protected areas.

¹⁵ Connectivity refers to the networking of protected areas and habitats to enable the exchange of species and genetic material. Representativeness refers to the need for protected areas to represent a broad range of ecosystems, habitats and species.

¹⁶ This is a simplified version of the AEMAPPS system developed by WWF for national protected areas already applied by the bilateral FC project to promote biodiversity. The EMAP system comprises various criteria relating to the ecological, social and economic aspects of protected area management

¹⁷ According to the final report of the APDB Phase I, more than 350,000 ha of additional land were placed under protection from 2017 to 2019 inclusive, distributed across different protection categories. Even after 2022, protected areas with an area of 32,000 ha were newly designated.

¹⁸ See <https://www.wwf.org.co/?392255/areas-protegidas-y-conservacion-en-Colombia>

the actual management of protected areas have occurred: the level of achievement of the indicator for management effectiveness was 5 % instead of the targeted 20 % in 2022. In addition, at the end of 2022, data was only available for 250 of the approximately 300 protected areas and only for 57 of over 100 protected areas of national importance the data were sufficiently detailed to provide information on the ecological conservation of the respective habitat¹⁹.

The indicator has therefore not been met, which is also recognized in the government's evaluation of the implementation of the management programme²⁰. This is due to the enormous spatial dimensions of the protected areas and the comparatively poor financial and personnel resources of the national park authority. The environmental sector is chronically underfunded, which also limited the effectiveness of the bilateral APDB biodiversity project.²¹

According to anecdotal observations made during the EPE, the field staff of the national park authority are very committed to monitoring the control points for recording endemic species establishing and maintaining tree nurseries and recruiting the local population for the introduction of agroforestry systems, despite the often difficult living and working conditions. Rangers also strive to develop and implement sustainable and resource-conserving approaches to eco-tourism (e.g. controlling visitor numbers, selective opening and closing of certain areas, creation of hiking trails, cooperation with local organizers). The locations visited during the EPE also show that government-supported measures such as agroforestry mixed cultivation, tree nurseries for endemic plants and breeding stations for local animal species are illustrative and successful but require a great deal of supervision. The number of participating families depends on the mobility and staff availability of the park authority as well as the accessibility and control of the forest areas. According to the experience of the national park authority, the popularity of such measures could increase if the government were to provide financial incentives to participating farms for converting their production. Compensation payments for any yield losses would make the approach more affordable for small farmers. Such incentives are available as part of other support programs, but not for those living near national parks²².

Territorial control is obviously a necessary condition for being able to protect areas. Based on surveys on the presence and acts of violence by various armed groups in different parts of the country, political observers and NGOs estimate around 10% of the country's territory is still not controlled by the government eight years after the peace agreement was signed. Many of these areas are located in national parks. There is still great pressure on land, particularly on the eastern slopes of the Andes in the forest and bush savannah of the Llanos, which is being claimed by various interest groups (former guerrillas, larger landowners, former coca farmers), converted into pastures and appropriated (so-called *acaparamiento*).

The increasing number of armed actors in areas that are difficult to access places clear limits on the efforts of the protection authorities. According to EPE discussions, it is not uncommon for these actors not only to deny rangers access to areas they should control, but also to explicitly order the clearing of new routes to facilitate the exploitation of existing forests, drug activities or illegal mining. These severe restrictions even affect relatively touristy and safe areas such as the Macarena Park.

Moreover, the threat is not only real for PNN field staff, but also for (committed) residents: according to Global Witness, 196 environmental and land activists were murdered worldwide in 2023, 96 of them in Colombia alone. In 2024, a Reuters investigation found that the murder of civil society activists in Colombia has had a negative impact on nature conservation and that deforestation has increased significantly in some communities where activists have been killed²³.

Another priority action of the PBL was the introduction of protection measures in a specifically vulnerable zone,

¹⁹ The information system RUNAP (Registro Unico Nacional de Areas Protegidas) documents the number of protected areas in the various categories. However, the RUNAP website is currently not available. The CAR (Corporaciones Autónomas Regionales), which is responsible for the smaller protected areas of regional importance, also only has information for half of the areas.

²⁰ See DNP / DSSEP: Balance de resultados 2022. Plan Nacional de Desarrollo 2018-2022: Pactopor Colombia, pactopor la equidad, May 2024, p.95: "Translated: On average, this indicator only improved by 1% during the legislative period. This means that only 5% of the four-year target set at 20% was achieved. In the coming years, it will be important to further improve the effectiveness of the management of publicly protected areas in order to protect ecosystems and safeguard natural and cultural assets. The improvements must relate to framework conditions and governance as well as to the planning and monitoring of protected areas".

²¹ Translated: "In the course of fiscal austerity, the budget allocations for the national park authority PNNC did not even correspond to inflation compensation; the funds for temporary employment contracts were frozen" (Proyecto APDB II, Informe Annual 2019). Improving management and implementing the plans also a challenge in the bilateral project. Even in intensively managed protected areas, not everyone was able to improve their effectiveness, which was due to a lack of resources compared to the abundance of tasks.

²² As part of the SINAP, the rangers pursue the concept of conservation agreements with private actors in protected area management, but the protected area authority does not have the funds to pay out environmental premiums. In recent years, i.e. during and after the term of the PBL, conservation agreements have been successfully concluded primarily with relatively well-connected riparian owners of national parks (in so-called *zonas de amortiguación/ buffer zones*), as these areas are accessible to the park administrations.

²³ See <https://latina-press.com/news/329083-kolumbien-ist-das-toedlichste-land-fuer-umweltschuetzer-2/>.

the high-Andean Páramos, and the implementation of the SINAP protection policy, which includes the introduction of moderation procedures in buffer zones. While no protection measures for Páramos could be identified during the EPE, the use of participation procedures and the conclusion of protection agreements with the local population were confirmed. However, the latter can only be effective to a limited extent due to the low financial capacities of the protected area authority and the limited control of areas by the government.

Indicator 4 on SDG 13 / Decentralized climate change adaptation planning: Climate change adaptation plans (Planes Integrales de Gestión del Cambio Climático Territorial, PIGCCT) are a new planning tool for regional authorities that is intended to contribute to the adaptation of climate change at subnational level.²⁴ The development of the corresponding plans began during the term of the PBL and the plans have been continued beyond the end of the legislative period. While a third (35%) of all departments had not yet developed a PIGCCT at the time of the final review of the project in 2021, only two out of 32 departments (0.06%) still lacked one at the time of the EPE. The indicator is therefore quantitatively fulfilled.

There are guidelines on how to draw up adaptation plans and both the DNP and the GIZ provide guidance on this. Most of the plans can be viewed on the internet. A general strategy for climate change financing has also been published²⁵. However, the general fiscal transfer system does not provide for any specific allocations for environmental issues. The issue lies with the regional administrations. The system for redistributing the highly fluctuating revenues from royalties currently provides for a quota of 1% for environmental measures. All interviewees emphasized that the responsibility for implementing the plans had been transferred to local authorities, but not the funds.

Neither the DNP nor the MADS have published the planned analysis of the quality and informative value of the plans. The DNP's regular reporting on the implementation of government policies also omits this topic. Discussions with those involved in the process indicate that the quality of the plans varies greatly. A PIGCCT presented in the heavily affected Meta department only contained very general and well-known proposals and measures.

Although Colombia committed to submitting a climate finance plan by 2025 as part of the Paris Agreement, this had not yet happened by mid-2024. As a result, there is no monetary incentive for the regional authorities to improve the quality of the PIGCCT, specify it or define responsibilities for local governments.

The PIGCCTs are drawn up by the Autonomous Corporations of the Regions (CARs), which have a certain amount of revenue of their own but are not obliged to use it for precisely the purposes of the PIGCCT. Colombia's existing - quite extensive - fiscal transfer systems (Sistema General de Participaciones SGP and Sistema General de Regalías SGR) also do not contain any special allocations for this purpose and have not yet been adapted.

The same applies to the municipal level. Training on the topic of PIGCCT has taken place and municipalities are sensitized and willing to incorporate the topic of climate change into existing planning instruments (e.g. spatial development plans, investment plans), but no funds are earmarked for specific climate investments: For decades, municipalities have received a small allocation (1%) for environmental investments as part of the SGR, which is now also being spent on climate change adaptation. This very limited financial framework severely restricts the implementation of such measures. The hierarchy of the various planning instruments has also not been conclusively clarified.

9. Quality of implementation

From a German perspective, the implementation of a PBL can primarily be managed by negotiating the disbursement conditions and by co-designing accompanying expert assignments. The loan increases the government's general fiscal leeway and thus facilitates the implementation of reforms. Once the loan has been disbursed, the government is responsible for implementing and managing the budget.

The scope for negotiation and the SBF instrument were used extensively in this PBL. However, the political dialogue was not effective enough to motivate the government to implement the jointly formulated requirements and to provide sufficient resources for this purpose. The ministries and authorities relevant to implementation (in

²⁴ For the implementation of national policies at regional and local level, both the national planning authority DNP and the Ministry of the Environment offered various awareness-raising, advisory and support services for the regional and municipal structures newly elected in October 2019. The focus was on anchoring the national sustainable development goals in the regional development plans on the one hand and supporting local authorities in planning and implementing specific measures to adapt to climate change on the other. The plans for adaptation to climate change (PIGCCT) were successively developed by the Corporaciones Autónomas Regionales (CAR).

²⁵ See <https://finanzasdelclima.dnp.gov.co/movilizacionrecursos/estrategia/Paginas/para-que-es-la-estrategia-nacional-de-financiamiento-climatico.aspx>

particular MADS, PNN) were not adequately taken into account in the distribution of budget funds. According to available figures, the "Environment and Sustainable Development" department only benefited fiscally from the PBL through the SBF assignments. Neither before, during nor after the disbursement of the PBL were additional funds made available to it for environmental matters. The entire MADS budget for 2023 amounted to COP 1.4 trillion (just under EUR 290 million²⁶), making it one of the smallest sector budgets; only 1.4 % of total national expenditure was allocated to environmental issues. While a small increase was negotiated from 2022 to 2023, MADS had to accept cuts again in 2024. This applies to both personnel expenditure and investments: Despite an increase in investments by all departments of almost 20% in the overall budget for 2024, only 1.5% of investments are earmarked for environment and sustainable development. A look at the budgets at provincial (departmental) level reflects this underfunding

It is likely that the reallocations in the wake of the Covid-19 pandemic exacerbated but did not cause the underfunding of the environmental sector; the phenomenon was evident both before and after the pandemic. UNDP (the United Nations Development Programme, Spanish: PNUD) estimates²⁷ that an average of COP 1.6 trillion (around EUR 331 million) was spent annually on biodiversity between 2012 and 2021 (i.e. also during the term of the PBL), of which only COP 0.55 trillion was spent at subnational level (provinces / departments and municipalities). Moreover, the focus of the investments made was in the metropolitan cities of Bogotá and Medellín and not in the regions where biodiversity was and is primarily at risk.

A tool developed with the support of the UNDP for tracking environmentally relevant government spending (Trazador ambiental) is frequently presented by the DNP, but is still not used or, according to the responsible department, is not backed up with data. This information confirms the statements made by several interviewees that environmental protection is ultimately the focus of donors rather than the government itself.

This priority of the Colombian government has significantly impaired implementation of environmental policies and the increasingly critical security situation has added to this. Such a focus does not formally contradict the agreements of the PBL, but it does contradict the motives of the German side. In this case, the result calls into question the effectiveness of the political dialogue, as it is implicitly assumed in the results chain that increased fiscal leeway improves the conditions for implementing the prioritized investments. If a partner government decides to use this leeway differently, KfW would have to take this into account when negotiating the next PBL in order to ensure the effectiveness of the instrument within the framework of the cooperation as a whole.

In addition, the frequently criticized personnel policy of the MADS has led to a sharp increase in staff turnover among the employees of the national park authority, according to interviewees. For example, employment contracts in the Ministry of the Environment and the national park administration are said to be regularly terminated at the end of the year or expire regularly; however, it takes several months before new contracts are concluded. During this time, both monitoring and communication with residents in the protected areas are at a standstill, which impairs the availability of information and encourages the intrusion of other interested parties.

10. Unintended effects (positive or negative)

The risk of endangering the population in controversial protected areas was avoided by the very cautious actions of the national park authority (do no harm). Furthermore, relevant reform topics were increasingly introduced into the political debate, or their weight was temporarily increased (agenda setting) through a variety of SBF missions.

Rating summary

The effectiveness of the project is moderately successful: the reform steps (triggers) relevant for the disbursement of the loans were fulfilled, but the reforms were not continued in several thematic areas and not all triggers and subsequent actions were sufficient to achieve outcomes. The outcomes were not fulfilled in one of four subject matter areas and were partially fulfilled in three subject matter areas. Various foundations were laid for sustainable resource management and the conservation of biodiversity (including protected area policy, guidelines for safeguarding the strategic Páramos ecosystem, agreement on deforestation-free production chains), but these have not yet been implemented consistently and on a broad scale. A lack of financial resources was often responsible for this. The Colombian side's fiscal focus on other thematic areas does not formally contradict the PBL agreements but has impaired the achievement of the PBL's outcomes.

Effectiveness: 3

²⁶ An exchange rate of 1:4828 of the euro to the Colombian peso (05.11.2024) is used as a basis here and in the following.

²⁷ See: <https://www.undp.org/es/colombia/speeches/gasto-publico-biodiversidad-colombia>

Efficiency

Statements on production and allocation efficiency are only possible to a limited extent, as the funds facilitated through a PBL become part of the national budget.

11. Production efficiency

The transaction costs of PBL financing are generally advantageous when compared to some other aid modalities, in particular small-scale bilateral projects: this is achieved through the strict alignment with a government reform agenda and indicators already set in national system to measure results of this agenda. The negotiation of the policy matrix as the key framework for a PBL takes some time during the preparation of the operation but this effort is rather limited in comparison to the large financing volume to be disbursed and implemented. In addition, monitoring is expected to occur through government systems; specific surveys for measuring the results of a PBL are uncommon. The sector dialogue, which takes place before and after disbursement of the funds can be managed in a flexible way, as can the scope of additional short-term expert assignments.

However, in view of the limited achievements at outcome level (see Effectiveness) and in relation to the overall amount of funding (EUR 200 million as a loan plus a grant of EUR 0.65 million spent on short-term technical assistance), the balance between appears less favourable. This is part due to the fact that the environmental administration was overloaded with work and had very limited personnel resources to deal with the foreseen reform agenda. Short-term expert assignments were useful to bridge some of the short-term gaps but did not provide additional funds to cover recurrent expenditure.

In view of the results presented above (effectiveness), the duration of the operation can also be questioned: It is possible that the implementation period was too short (here: one legislative period) to deal with complex reforms. The time span between the negotiation of this PBL and the disbursement of the funds was even shorter (less than a year), which is not unusual for this aid modality: for example, for Phase II, there were three months between the signing of the financing agreement (June/July 2021) and the disbursement of the complete funds (here August 21), taking into account the previous negotiation period of 11 months. The question is whether a differently designed instrument would have been better suited to the intended objectives.

This points to a fundamental problem of the PBL: in order to be able to demonstrate political and fiscal success, both sides (DNP and KfW) have a strong interest in ensuring that the reform process, which is decisive for the disbursement of funds, does not come to a standstill. In order to avoid such a pause, conditions for disbursement need to be designed in a way that they are not subject to parliamentary procedures or require mayor expenditure prior to disbursement. This is obvious but does not necessarily lead to the formulation of ambitious conditions for disbursement. Triggers selected may either be almost fulfilled or can be fulfilled through grant-funded short term technical assistance (SBF-financed expert assignments). Once the loan funds have been disbursed, the only leverage to further accelerate reforms is the negotiation of a new PBL. As the government may have changed in the meantime or new priorities may have emerged, there is a substantial risk that more complex parts of the originally foreseen reforms are postponed and ultimately not implemented. This systemically limits the efficiency of PBLs.

The lack of earmarking for the loan funds also entails the risk that a partner country will exercise its right to use the fresh money for other purposes once the – predominantly soft - triggers for disbursement have been reached. In the present case, reform measures were often not continued (e.g. further development and consolidation of the numerous information systems) or follow-up measures were not initiated (e.g. provision of funds for the implementation of climate adaptation plans) due to general budget constraints and/ or the high level of effort involved in the originally planned reform.

Further, the Covid-19 pandemic has led to a shift in priorities, which is comprehensible. This decision however hindered the achievement of the intended objectives in time and thus affects the efficiency of the operation. Further, government of Colombia did not return to the originally defined reform agenda after the end of the pandemic. If the political dialogue between the parties cannot successfully ensure that budget funds are made available for the implementation of the reforms discussed and prioritised, no further funds should actually be made available for the same or similar purposes in subsequent phases of programmatic lending. However, this would contradict the partners' intentions to maintain a continuous dialogue at a high level and create a dilemma.

12. Allocation efficiency

As it is not possible to precisely determine the effects of the PBL, the allocation efficiency cannot be determined either. However, the general purpose of investments in the environment and sustainable development, as well as

their prioritization in national policy is beyond question (see high relevance). In the sense of a "black box", the high level of investment is generally expected to have a positive impact on the country's overall development. The fact that the reforms were financed from budget funds, meaning that the budget's steering function was retained, is also generally seen as positive²⁸.

The overarching development policy goals of the PBL were only achieved to a limited extent (see Impact). Although individual reforms were initiated, no high reform momentum can be observed in environmental and climate protection. This contrasts with substantial funds totalling EUR 200.65 million.

Rating summary

Efficiency is rated as moderately unsuccessful. The funds were paid into the national government budget and were therefore subject to parliamentary control. However, the institutions responsible for implementing the reforms were not adequately funded nor sufficiently staffed, meaning that very few outcomes were achieved despite the very substantial level of funding. If the government of a partner country does not provide adequate budget funds for these purposes, the production and allocation efficiency of the funds provided by KfW suffers. In view of the diverse support that Colombia receives from various donors for environmental reforms, substitution effects are also likely to occur.

Efficiency: 4

Overarching developmental impact

13. Overarching (intended) developmental changes

The adjusted²⁹ objective at impact level as formulated for the purposes of the EPE reads as follows: Environmental protection, especially protection of forest areas and biodiversity, as well as climate change adaptation are improved.

The achievement of the objective at impact level can be summarized as follows.

Table Target achievement Impact:

Indicator	Status PP	Target value according to PP	Actual value for AK	Actual value for EPE
(1) Contribution to SDG 13: Information systems (SNICC): Proportion of relevant authorities (MADS and others as appropriate) that can demonstrate that a relevant amount of data from the system are available and used for decision-making	n.r.	n.a.	n.a.	Unsuccessful: SNICC not developed; data exchange between authorities remains problematic; SMBYC subsystem operational, but without PBL involvement
(2) Contribution to SDG 13 and 15: Deforestation and protected area management: Gross deforestation under 50,000 ha p.a. and net deforestation down to 0 in 2030	See fig. 1	See fig. 1	See fig. 1	Partially successful Gross deforestation depending on the base year, but still far from the target for 2030

Note: n.r. stands for not relevant, n.a. for not available.

²⁸ In the early days of debates on budget support, it was argued that a budget subject to parliamentary control and audited by the Court of Auditors is automatically efficient in a democracy thanks to the democratic nature control of in the parliament. In today's PBLs, a comprehensive analysis of fiduciary risks is carried out using various methods, the results of which are then also used to assume that the funds are in good hands. These analyses are elaborated at macro level, but do not consider the power imbalance between different departments.

²⁹ The original impact objective reads: "Environmental protection, sustainable management of natural resources, forest and biodiversity conservation and climate protection in Colombia are improved". It was fleshed out as part of the EPE. Indicators were also adjusted as part of the EPE if they were not sufficiently related to the project measures (during the project period), did not reflect the impact objective or were at outcome level.

Regarding "protection of forest areas", it is to be emphasized that a contribution to the program objective of "reducing deforestation" in the development cooperation portfolio at the time of the project appraisal was to be achieved mainly by the TC project ProBosques and the FC project REM, which were primarily geared towards the deforestation problem. As the priorities of the PBL are clearly related to the deforestation problem (see outcome indicators 2 and 3) and Colombia's cross-legislative commitments support this priority, the indicator is used here. Another impact indicator related to the water sector was originally foreseen for this PBL, but dropped at a later stage, as related reforms did no longer corresponded to the PBL priorities; therefore, no efforts were made to verify this indicator during the EPE. A third impact indicator to measure the effects of measures to adapt climate change (outcome indicator 4) would have been desirable but cannot be introduced ex-post due to a lack of data on the population's adaptation/resilience to climate change-induced shocks.

14. Contribution to overarching (intended) developmental changes

The achievement of indicators and objectives can never be fully or clearly assigned to a PBL, as the funds flow into the national budget without earmarking. The EPE therefore describes the achievement of the below-mentioned indicators and highlights relevant (governance-related) external factors for the achievement of objectives.

Indicator 1 on environmental information systems: As outlined under Effectiveness, no significant progress has been made to date in bringing together the various environmental information systems; as a result, no overarching impact could be achieved. The aforementioned forest and carbon monitoring system SMyC (Sistema de Monitoreo de Bosques y Carbono) is the only one of over a dozen subsystems that is operational thanks to intensive support from other donor-funded projects. This subsystem publishes meaningful reports on deforestation and is being further developed in a transparent manner. In the forthcoming year, reports on regrowth and reforestation will also be published here, which is a prerequisite for determining net deforestation (commitment for 2030).

Indicator 2 on deforestation: At the Paris Climate Conference (COP 21) in 2015, the Colombian government committed itself to cutting down less than 50,000 hectares of forest per year from 2030, thereby reducing greenhouse gas emissions.³⁰ In addition, it was agreed at COP 21 that forest losses would be offset by forest growth by 2030, thus achieving a net deforestation of zero³¹. This commitment remained in place throughout several legislative periods and was therefore relevant for the evaluation of this PBL. At the beginning of 2021, i.e. during the term of the PBL, the then President Ivan Duque presented a 10-year strategy to combat deforestation and promote sustainable forestry (Concejo Nacional de Política Económica y Social CONPES 4021). The strategy primarily includes the provision of economic incentives for the conservation of forest areas as part of public-private conservation agreements. The design of these premiums is controversial and not yet fully developed.³² In Colombia, according to the statistics institute DANE and the specialist authority IDEAM³³, in 2020 66% of the remaining forests were located in the Amazonia region (almost 39 million ha). In total, 56% of the natural forests were in settlement areas of indigenous communities and 21 % in protected areas.³⁴ According to estimates by the World Resources Institute (WRI) Climate Watch, agriculture and forestry are responsible for over 30 % of existing emissions.

Figure 2 shows the loss of forested areas in Colombia based on data from Global Forest Watch from 2001 to 2023. An increase in deforestation occurred after the signing of the peace agreement with the FARC-EP in 2016. The peak values were reached in 2017 and fell back to the previous level during the term of the PBL 2019 until mid-2021. Rates again increased during the Covid-19 pandemic, but the extent of this is comparable to the typical fluctuations of previous years. Despite the improvements, the values are still a far away from the 50,000ha commitment quoted above a.

³⁰ This commitment follows decades of lobbying by environmental organizations, which showed that CO₂ emissions in Colombia increased by 64% between 1989 and 2016 and that agriculture and forestry are responsible for over 30% of these emissions (see Climate Watch by the World Resources Institute, WRI).

³¹ Net deforestation refers to the difference between the amount of forest area lost through deforestation and the increase in forest area from reforestation or natural regeneration. To date, the REM project, which is also supported by increase in forest area from reforestation or natural regeneration. To date, the REM project, which is also supported by FC, has determined the actual (gross) deforestation without offsetting this against the increase in new forest areas. The conversion of pastureland into agroforestry systems, which is also relevant, is not yet recorded separately. The net deforestation indicator is therefore not measurable for this EPE. However, IDEAM has already carried out preliminary methodological work to refine the data collection and plans to successively provide information on the ecological restoration of new natural forest areas and thus on net deforestation from the end of 2024. This will provide the publication of net deforestation figures as part of the NDC.

³² The environmental premiums are intended to benefit indigenous families in the Amazon region in particular. Critics argue that the scope and target group of these incentives is far too small in relation to the extent of deforestation and slash-and-burn. There is also a risk that indigenous communities will be divided. There are warnings against playing off the necessary but difficult land reform and granting of land titles against short-term bonuses and agreements with sometimes illegal landowners.

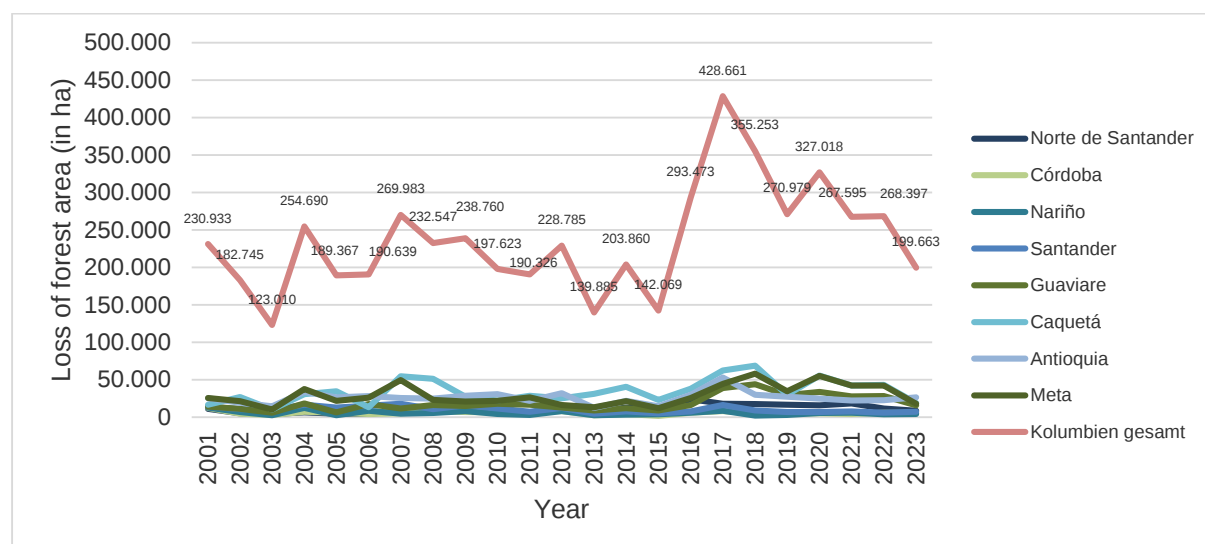
³³ For the methodological basis, see <https://visionamazonia.minambiente.gov.co/news/sistema-de-monitoreo-de-bosques-y-carbono-un-pilar-fundamental-en-la-lucha-contra-la-deforestacion/>

³⁴ There is some overlap, as national parks are also traditionally partially populated and the adjacent buffer zones are important for habitat protection and are therefore included in conservation efforts.

Deforestation is concentrated in the densely forested areas of the Orinoquia and Amazonia regions in the eastern lowlands and parts of the Pacific coast, which also - but not only - affects areas of several national parks (not visible in the figure). Here, in turn, some communities that were previously hotspots of the civil war were particularly affected. The national park authority PNN reports on deforestation in the larger protected areas and shows a mixed picture. On the one hand, the loss of forest areas in national parks appears to be somewhat lower than the overall loss of forest areas (which would speak for the long-term effectiveness of the management of protected areas). On the other hand, several national parks (Parque Tinigua and Parque La Macarena) have experienced dramatic forest losses, which acknowledged in the government's own information system Sinergia. Evaluations by the SMBYC show that illegal logging is still taking place in many protected areas.

Target achievement varies depending on the base year chosen (see Figure 2). For example, in its summary reporting on the 2018-2022 legislature the DNP emphasizes the progress made at the end of the government period of President Duque but does not refer to the increase during the Covid-19 pandemic under the same government³⁵. The current government also emphasized in several press releases that deforestation had been very successfully combated in 2023 (i.e. the year after Gustavo Petro took office). The sudden and significant improvement is linked to the newly established negotiations with the remaining and new armed actors ("Paz Total") initiated in 2023. Scientists rather attribute the lower deforestation to humid climate conditions in 2023, limiting access to forest areas.

Figure 2: Loss of forest areas in ha, from 2001 to 2023 (Colombia as a whole and selected provinces /departments)



Source: Own illustration based on Global Forest Watch (2024): <https://www.globalforestwatch.org/>

Note: The figure uses a minimum tree canopy density threshold of 20%. A time comparison of tree loss data must always be done with caution, as the algorithms change over time and satellite data have improved. In particular, Global Forest Watch outlines the need for caution when comparing data before and after 2015. Tree loss (permanent or temporary loss, all sources - human or natural) does not always equal deforestation (permanent loss caused by humans) and is therefore a more challenging indicator.

The government authority in charge of measuring deforestation, IDEAM, was more cautious and tends to see weather phenomena as the cause for deforestation to slow down in 2023.³⁶ Satellite images from 2023 show that the situation has improved locally in many places, but new "hotspots" of deforestation are emerging elsewhere. In particular, there is a spatial concentration of forest destruction in the transition from the highlands to the Amazon lowlands, the so-called "arc of deforestation" (Arco de la Deforestación). The summarized reporting within the framework of the SMBYC points to a cyclical process. The detailed analysis report on the (existing) deforestation data for 2023 had not yet been published at the time of the EPE.

³⁵ DNP / DSSEP: Balance de resultados 2022. Plan Nacional de Desarrollo 2018-2022: Pactopor Colombia, pactopor la equidad, May 2024: Translated: "In 2021, the increase in deforestation predicted by IDEAM fell by 34%). This means that the four-year target has been exceeded by 13.33".

³⁶ In addition, the IDEAM pointed out at the EPE that the weather unusually wet last year, making slash-and-burn hardly possible, especially in the eastern lowlands. will be different in the current year 2024 and the values will rise again.

While the data is interpreted differently by various interlocutors from government circles and NGOs, there is a consensus that the enormous increase in deforestation after the 2016 peace agreement is due to a lack of government control in the areas previously dominated by the guerrillas. After the disarmament of the FARC-EP (Fuerzas Armadas-Ejército Popular), various actors expanded their influence in these often remote areas, including (i) speculative businessmen who were able to acquire reserves of grazing land by clearing often large areas of forest and exploiting a legal loophole (so-called *acaparamiento*) (ii) small farmers from higher zones of the Andes who are pushing into lower-lying areas to start cattle breeding, as profitability of growing coca is declining, (iii) investors who want to develop land for illegal mining / informal mines and have cut routes into the forests to transport the ore and (iv) former guerrillas in search of alternative livelihoods. In addition, in recent years there have been newly formed smaller armed groups and gangs with no clear ideological affiliation, which are made up of members of the above-mentioned groups or other criminal structures.

Overall, the indicator is assessed as partially fulfilled: the trend in gross deforestation in recent years is positive, depending on the base year. However, data can also be interpreted differently and equally plausible; the prevalence of factors external to PBL is evident (Covid-19, security situation and weather phenomena). In any case, achieving the targets set for 2030 is still a long way to go (see chart).

No further individual indicators are available at impact level for the generic SDGs in the environmental area (SDG 15 Protected area management, SDG 13 Adaptation to climate change). In particular, the degree of conservation of natural habitats is not yet publicly known. It was therefore not possible to assess the extent to which the controls of the national park authority and the establishment of tree nurseries for the propagation of habitat plants have been effective. In general, however, few effects are plausible in relation to the PBL's contributions to both SDGs, as the objectives at outcome level have only been achieved to a limited extent (see Effectiveness).

The DNP³⁷ paints a more positive (but also mixed) overarching picture: since 2021, its monitoring department has published an annual report on the fulfilment of the SDGs in the environmental sector, based on data from the statistics authority DANE. Some areas of environmental protection are certified as having made good progress. At the same time, it is recognized that the fulfilment of SDG 13 is impaired by a lack of budgetary resources and that ODS 15 is only achieving slow improvements, as deforestation and the expansion of agricultural land are neutralizing successes in other areas.

15. Contribution to overarching (unintended) developmental changes

The PBL had considerable positive overarching effects at the policy level, which were emphasized by both sides (DNP and KfW) during the EPE, irrespective of the progress of not made on indicators agreed upon. Although these effects are clearly intended with a PBL, they are not measured by indicators. Stakeholders agree that the political dialogue intensified as part of the preparation and accompanying support of the PBL has strengthened trust between the partners and improved general foreign and development policy relations between the two countries. This is important both in view of Colombia's accession to the OECD a few years ago and regarding the preservation of the climate functions of the Amazon basin, which is considered an international priority. It should be mentioned here that Germany can include CO₂ savings achieved in other countries to balance the effects, which are plausibly attributable to Germany (Internationally Transferred Mitigation Outcomes, ITMOs).

The possible contribution of the PBL to the reduction of greenhouse gas emissions by 2030 is also relevant, as these, as well as net deforestation, are part of the commitments regarding the Nationally Determined Contributions (NDCs) to be made by 2030. However, the United Nations Environment Programme - UNEP - is critical of Colombia's achievements to date in this area: "[...] However, current emission trends show that more aggressive and prioritized mitigation actions are needed to achieve these targets"³⁸.

Rating summary

The impact is only moderately successful, given the short time between the introduction of the reforms and the determination of the effects and taking into account the established climate and environmental policy dialogue: Forest and biodiversity protection have been procedurally improved by the reforms, but the extent of application cannot be quantitatively verified due to data gaps and a relatively large attribution gap and is only plausible to a limited extent due to partial outcome target achievement. Forest areas in several national parks have been dramatically reduced, due to diverse interests of other stakeholders, which could not be influenced by the PBL, but

³⁷ Overall, it turns out in many places that - possibly due to the large number of indicators and non-systematized data - there are different interpretations, with the DNP often coming to more positive conclusions than the specialist authorities.

³⁸ Translated from <https://www.unep.org/ndc/news-and-stories/blogpost/accelerating-projects-scale-climate-financing-colombia>

externally impairs the achievement of objectives. On the other hand, the fact that Colombia has a modern conservation policy is seen as particularly positive because other actors beyond the PBL can also rely on it.

Overarching developmental impact: 3

Sustainability

16. Capacities of beneficiaries and stakeholders

The executing agency's motivation and capacities to continue the reforms prioritized under the PBL after the change of government vary between the reform areas. The risks initially assessed as "medium" for the implementation of the policy measures and the continuation of the reforms after the end of the project have partially materialized (namely: insufficient funding for MADS and the relevant implementing authorities as well as the shift in priorities for several reform topics, e.g. climate information system). Institutional risks related to capacity bottlenecks and changed political priorities at MADS and DNP have also come true and have affected the continuation of reforms after the end of the legislative period.

At subnational level, the staff of the national park authority were motivated regarding both the ecological and social dimensions of their work and are continuing activities related to the new policy³⁹. However, the operational capability is impaired by the persistently low financial resources for hiring staff as well as transport for rangers. Living and working conditions in many protected areas are difficult (except for some headquarter buildings rehabilitated through a bilateral FC project). Monitoring is impaired by the fact that contracts usually expire at the end of the year, but new contracts are only concluded a few months later, thus leading to considerable time gaps in monitoring and frequent changes of staff. The highly relevant exchange with the local population in the buffer zones is negatively affected. The increasing presence of new armed groups in former conflict areas (which in many places overlap with national parks), is noted by PNN staff, the population, local politicians and implementing authorities, affecting access to several areas as well as environmental management within the park areas⁴⁰. The deteriorating security situation in many protected areas also means that park directors prefer to stay in the capital offices in Bogota and only visit "their" protected areas at intervals of between three months and three years. Even at central government level, public service staff in Colombia are usually only given temporary contracts and are often replaced down to working level after elections. The high staff turnover results in a loss of knowledge and experience and may have a negative impact on employee morale as well as sustainability of reform implementation.

17. Contribution to supporting sustainable capacities

The numerous grant-funded short-term expert assignments facilitated in addition to the loan have strengthened partner capacities at central level (DNP, MADS) in all reform areas in the short term and contributed to fulfilling the triggers for disbursement. This kind of short-term technical assistance is highly appreciated by the partner organizations but is not always sustainable: not all interlocutors from the relevant departments were aware of the work of the short-term experts and some documents could no longer be found, which may be a result of the high turnover of staff.

Both the security situation and the discontinuous contract terms in Colombia's public sector are external factors that affect the performance and resilience of those involved as well as the impact of the project. These variables could not be directly addressed by the PBL.

18. Durability of impacts over time

The key principles and modalities of **protected area management** are laid down in the SINAP sector policy and will continue to be applied as long as this policy is not modified. However, the quality of the participation of the local population suffers from the discontinuous contractual modalities for field staff of the National Park Authority.

³⁹ Established tree nurseries will continue to be operated, the monitoring of site-typical vegetation will be systematically continued, meetings will be held with local residents and conservation agreements concluded with them.

⁴⁰ This perception was expressed by interviewees from various stakeholder groups at the EPE. As outlined above, the feeling of threat is supported by more recent studies, e.g. by the NGO PARES and the Stiftung Wissenschaft und Politik. There have been improvements in some categories of "violence against persons" (e.g. kidnappings) and deteriorations in others (threats, intimidation, extortion of protection money). The volatile presence of fragmented armed actors in many parts of the country and the emergence of new criminal cartels in other areas is creating a universal sense of fear in many places.

The agreements on **deforestation-free value chains** have been formally maintained after the change of government, and the target value has even been exceeded with the conclusion of the seventh agreement on the avocado value chain. In this respect, this approach is sustainable. However, the agreements are no longer explicitly propagated by the government and are not developing in a very dynamic way; neither the Ministry of the Environment, the Ministry of Industry nor the Ministry of Agriculture provide incentives or demand an active commitment from agricultural producers; no government agency is currently committed to a deforestation-free label. The consolidation of the various government monitoring systems required for effective monitoring is not foreseeable. Only the **SMBYC monitoring subsystem** is operational and planning to further develop reporting towards a reliable figure on net deforestation. In theory, it would also be possible to record sustainable agro-forestry systems and thus the contributions of agricultural producers and residents of national parks who are committed to the sustainable use of resources. However, the recording of net deforestation is still under development.

The **plans for adaptation to climate change (PIGCCT)** are instrumentally sustainable insofar as the CARs ensure that every region and every province (departamento) has such a plan, even after the change of government. In this respect, the administrations' obligation to draw up these plans is sustainable. In the best case, awareness among administrations is sustainable. However, the PIGCCT hardly impact on other plans at subnational level, as no resources are earmarked for implementation, it cannot be assumed that there will be any physically sustainable effects or changes regarding contributing to the fulfilment of the SDGs.

The **SNICC climate change information system** is not sustainable because it was not developed. Awareness of the need to further mainstream the confusing variety of environmentally relevant information systems and to generate interchangeable databases may be sustainable but no sustainable action has been taken to continue system development.

In summary, the reforms that have been initiated are not yet sustainable some reforms are being continued, others are no longer being implemented. This sobering result may be partly due to the disruptions caused by the Covid-19 pandemic, which has led to a reassessment of priorities and a reallocation of resources in Colombia as well as in other parts of the world. However, this argument was not put forward by any of the interviewees during the EPE. It is also possible that the outcome would have been gradually different if the originally planned third PBL had not been postponed. Some of the topics from PBLs I and II were taken up again in the PBLs of the next legislature, but these were not the subject of the evaluation.

Rating summary

In view of the short time available, sustainability is assessed as moderately successful, as two of four reform topics are being continued under the new government. Only the recording and control of deforestation in the Amazon shows a sustainable political will, to which the PBL has not contributed directly. Some of the systems have been instrumentally established in a sustainable manner but have not yet generated any comprehensible effects due to a lack of resources, differing interests or resistance from armed actors; on the contrary, the presence of armed actors and uncertain financing are jeopardizing what has been achieved in the area of protected area management.

Sustainability: 3

Overall rating: 3

The project is rated as moderately successful. The PBL had a partial developmental impact in some areas, but its sustainability is at considerable risk. In other parts, reforms were not continued. Despite the high political relevance, the anchoring of the reform topics in the government's plans and a large number of accompanying grants funded technical assistance, less than half of the indicators at outcome level were fulfilled.

Positive results due to procedural innovation feature most prominently in national park management. However, application of the new policy and progress made are constrained by fiscal bottlenecks and a deteriorating security situation. In two out of four reform areas of this PBL, the propagated approaches and tools are still being used, but there is no evidence of physical effects regarding contributions to the SDGs. In one of four reform topics, no progress in the narrower sense can be observed at all.

As sector earmarking of loan funds is not generally agreed upon in PBLs and that triggers for disbursement did not refer to budgeting at all, i reform orientation and implementation is easily affected by shifting budget priorities. Funding for the agreed upon reforms therefore depends on the effectiveness of political dialogue, which is risky. Moreover, as this dialogue does not take place between KfW and the Ministry of Finance but the DNP and the

Ministry of Environment. During the Covid-19 pandemic, large parts of the national budget were reallocated and were not available for the agreed reform purposes. Following the end of the pandemic, part of political priorities had shifted, and relevant authorities were again skipped during budget negotiations. This applies to both phases of the PBL, which were disbursed within just a few months.

At impact level, the most important variable regarding the environmental SDGs - deforestation - received increasing attention during the reporting period, which was partly due to the commitments made at international level. Yet, the achievement of the 2030 targets is still a long way to go. The PBL has certainly contributed to this through political dialogue. Deforestation is monitored and documented by the government using satellite technology, but this is not the merit of the PBL - the contributions of other projects are considered to be more significant overall by interlocutors.

Contributions to the 2030 Agenda

The environmental sector reform program was very well integrated into the framework of the United Nations Sustainable Development Goals (SDG) and the 2030 Agenda. The reform areas related to climate change (SDG 13), coastal and marine protection (SDG 14) and terrestrial ecosystems (SDG 15). With the strategy paper CONPES 3918 (ODS, Objetivos de Desarrollo Sostenible), Colombia presented the key policy document for the national implementation of the 2030 Agenda in March 2018. In CONPES 3918, national goals for Colombia were derived from the 17 global sustainability goals and provided with target values.

In fulfilment of its commitments under the 2015 Paris Agreement, Colombia officially presented its updated Nationally Determined Contribution (NDC) on March 10, 2021. With this updated NDC, Colombia defines which climate measures are to be implemented after 2020 and until 2030. The goal of achieving zero net deforestation by 2030 is particularly relevant but ambitious. By updating the NDCs, Colombia has also significantly increased its targets for reducing greenhouse gas emissions from 20% to 51% with a view to achieving carbon neutrality by 2050. The reforms financed through the PBL are plausibly linked to this goal. The aim of the SDG agenda is to promote low-emission and resilient development in the country and a balance between the protection and sustainable use of natural resources. By supporting number of reforms linked to these purposes, pre-conditions for effective climate and biodiversity protection were improved. In the future, this could also benefit vulnerable rural regions that are still relatively rich in natural resources.

In this respect, the implementation of the project measures - graded according to target achievement - provided a certain contribution to the implementation of the SDG reform agenda in the environmental sector. However, further measures of an organizational nature and a significantly improved budget are required to actually achieve effects on a larger scale. The government's currently limited control over parts of rural areas, especially protected areas, limits the likelihood of sustainable impacts regarding climate change. All the reform areas under consideration require additional political and financial backing, from central government as well as local authorities.

The project contributed to inclusion in protected area management in that explicit efforts were made to involve the local population in the implementation of conservation measures. However, no financial incentives were available for this.

Project-specific strengths/weaknesses and general conclusions/lessons learned

Strengths

- The greatest strength of the PBL was the provision of substantial financial resources for the purposes of a medium-term reform agenda that was considered highly relevant by the parties in a relatively short period of time; the negotiation of common interfaces on the basis of an already formulated government program through a high-level policy dialogue offered considerable operational and conceptual advantages for both sides (clarity) and strengthened the negotiating position of the partner country (at eye level).
- From Colombia's point of view, receiving the loan funds as part of the national budget was a huge advantage; the German side's confidence in the budget's steering function has strengthened the partnership between the two countries.
- The existence of a conceptually strong partner authority (DNP) had the advantage of having a well-informed and

reliable dialogue partner at the highest political level, who was also available for an extended sector dialogue.

- Supplementing the loan with a significant amount of grant-funded technical assistance provided the opportunity to conceptually sharpen the preparation of government reform initiatives in a variety of topics and to increase understanding and acceptance on the partner side - both on the part of the DNP and the implementing authorities.
- The PBL offered the opportunity to anchor a monitoring system (AEMAPPS) developed by WWF for the national protected areas by supporting the new protected area policy at national level. Furthermore, a compatible but less complex monitoring system (EMAP) was developed for the regional state protected areas during phases I+II of the PBL, again with the support of WWF, which is currently being operationalized (creation of baselines and subsequent regular monitoring to record developments).

Weaknesses

- The short time between the negotiation of the triggers for disbursement and the actual disbursement of the loan funds makes it difficult to select reforms, which are relevant and achievable. The negotiating partners of a PBL find themselves in a permanent dilemma: on the one hand, they are tempted to agree on less ambitious disbursement requirements in order not to jeopardize the disbursement of the loan; in this case, the contribution of triggers to achieving the goals in terms of the SDGs was not very relevant. However, if more complex reforms from the government programme are prioritized to strengthen their protagonists, the policy matrix quickly becomes too ambitious for one legislative period.
- The strict limitation of the PBL indicators to those included in the government program of the respective legislature has the disadvantage that unrealistic formulations cannot be corrected. Adjustments to the indicators in German-language documents (module proposal), on the other hand, are not known to the partners in Colombia (or are even rejected by them). Furthermore, the partner side is not obliged to report on all details of the implementation of its government program and to continue its reporting beyond the end of the legislative period. These constraints the comprehensiveness of monitoring if only government sources of information are used.
- During the project, substantial effort was made in developing new concepts and new instruments and further refining indicators, which, however, were not fully populated with data and published in subsequent years due to their complexity. During the EPE it was extremely difficult to obtain quantitatively reliable information on the implementation of reforms. The DNP also did not consistently provide such data. Here, the dependence on the partners' systems turned out to be a disadvantage.
- In line with its mandate, the partner DNP is a central authority with a pronounced top-down approach. As a result, practical problems of implementation - especially at subnational level - were underestimated during the negotiations on the PBL and not followed up thereafter.
- The lack of responsibility of the DNP to continue reporting on reforms that have been started but may no longer be a priority after the end of the legislative period is a disadvantage and a high risk for the sustainability of PBLs.

Conclusions and lessons learned

- Thematically focused PBLs are generally a useful instrument for policy dialogue that can strengthen trust between the negotiating partners. However, they should not replace bilateral FC projects. Both instruments have strengths and weaknesses and can create synergies in the same sector. It would be desirable to adapt the instrument in such a way that experience from bilateral FC can be increasingly incorporated into negotiations on new PBLs to target challenges of reform implementation and to formulate more realistic and specific indicators.
- PBLs that relate to the program of a specific government period have considerable intrinsic sustainability risks, as most substantial reforms are complex and controversial and cannot be completed within one legislative period; it must also be assumed that priorities change in open political systems. Where possible, indicators should be linked to long-term, e.g. international, commitments by the government of the partner country to ensure the sustainable implementation of the financed reforms.
- Supplementary SBF-financed short term expert assignments can help to create important conditions for systemic reforms and strengthen the personnel capacity of the partner authorities in the short term. However, topics and duration must be selected very carefully in order not to suggest a partner interest that immediately fades after the end of the technical assistance. In the medium term, the capacities of weak implementing authorities cannot be

compensated by SBF missions.

- Effective protection of natural resources requires accessibility and government control of the protected areas concerned; control deficits can have a negative impact on the environment and climate, make monitoring more difficult and expose both the staff and the residents of protected areas to dangerous conflicts of loyalty.
- In conflict countries or regions, reforms in the environmental and peace sectors are often closely interlinked. Targeted security measures are needed to protect those threatened by attacks, intimidation, extortion and violent crime and to ensure the long-term implementation of ecologically sound measures.
- As PBLs do not strictly earmark the funds provided, it should be ensured that the partner government provides a plausible amount of financial and human resources for the reforms agreed upon. Since low-interest development loans include a grant component and grants are also provided for SBF assignments, the partner country is accountable to German taxpayers, in addition to their own electorate. In this context, budget tracking instruments (Spanish: Trazador presupuestal) are becoming increasingly important. In principle and in theory, the fungibility of FC funds is better for national spending efficiency; therefore, FC funds are not earmarked in this case. However, a disbursement-relevant trigger can be included, for example, which is based on changes in the share of sector-relevant expenditure in the national budget or funding for certain implementing agencies. The quality of the policy dialogue is also very important to the German side to have very good sector knowledge before using PBL (or a series of PBLs and other aid modalities in a sector). Sector knowledge facilitates to assessing the real commitment and capacities of the partner agencies, any existing conflicts of interest as well as the relevance of certain reforms. Only in this case a PBL may contribute to improving the necessary framework conditions for reforms. If one of these conditions - particularly the provision of budget funds for the prioritized reforms - is not met, this aid modality should be used more cautiously, or the implementing period should be extended.
- PBLs can only finance a very limited proportion of the costs of fundamental environmental reforms: Effective climate change adaptation measures and associated planning and information systems need predictable budget allocations and staffing in order to be effective locally and in the long term; in particular, commitments under the 2030 Agenda and plans relating to it should be accompanied by specific proposals for counter-financing. Fiscal transfer systems and the distribution of taxes and licenses/concession revenues should also be considered in particular. This opens up a new dimension of political dialog.

Evaluation approach and methods

Methodology of the ex-post evaluation

The ex-post evaluation follows the methodology of a rapid appraisal, i.e. a data-supported, qualitative contribution analysis and represents an expert judgement. This involves attributing impacts to the project through plausibility considerations based on the careful analysis of documents, data, facts and impressions. Where possible, this also includes the use of digital data sources and modern techniques (e.g. satellite data, online surveys, geocoding). Causes of any contradictory information are investigated, attempts are made to eliminate them, and the assessment is based on statements that are - if possible - confirmed by several sources of information (triangulation).

The evaluation concept was the reference framework for this evaluation. The range of reform topics covered was clearly limited for the purposes of the EPE in order to be able to record and track the broad-based reforms in an exemplary manner within the time available. The analysis of the impacts is based on assumed interdependencies, which are set out in the concept. The evaluation report presents arguments as to why which influencing factors were identified for the identified impacts and why the project under review presumably made which contribution (contribution analysis). The context of the development measure was considered with regard to its influence on the results. The results and conclusions are set in relation to the availability and quality of the data basis.

The following methods were used to evaluate the present PBLs

- As the operation involved centrally managed development loans, most of the interviews (semi-structured interviews with previously prepared questionnaires) took place in the capital Bogota. In addition to the executing agency DNP (Subdirección de Crédito and the DSEPP department responsible for M+E), the most important interviewees for this EPE were representatives of the Ministry of the Environment MADS (Department for Adaptation to Climate Change), the National Parks Authority (Parques Nacionales) and the forest and weather authority IDEAM.
- Consultants and representatives of selected NGOs were also consulted if they had advised the project directly or were or still are active in related areas as part of ongoing bilateral FC projects. The experts who support KfW and the DNP in structuring the PBLs were also an important source of information.
- This relatively highly aggregated view was supplemented by field visits to two national parks with different habitats (high altitude PN Chingaza and PN La Macarena in the lowlands) and in the Meta province (Departamento) (administrative seat Villavicencio and municipality of Puerto López) in order to gain insights into the complexity of implementation on the ground and any existing conflicts of interest. Direct discussions with local residents and vulnerable groups were not at the forefront of the EPE, but did arise during the on-site visits.
- Various sources of information were triangulated; in particular, the plans, systems and process developments refinanced by the promotional loan were verified, their application/implementation assessed and the views of various stakeholders on similar issues compared.
- In addition to quantitative information and reports from the supreme planning authority DNP, the evaluation of the PBL also included a great deal of qualitative information and assessments from interviews with current and former members of the government as well as experts from subordinate authorities and NGOs and independent consultants, as well as participatory observations. It is a peculiarity of Colombia that there is considerable openness and fluctuation between government, the private sector and politics. Experts who worked on PBL issues under the Duque government therefore often had more detailed information than members of the current government.
- Comparative scenarios are only possible to a limited extent with a PBL, as a wide range of factors influence the availability of budget funds.

Documents:

- Planes Nacionales de Desarrollo (for the 2019-22 legislative period and the subsequent period 2023-26)
- Relevant CONPES (policy papers) of the specialized authorities
- Relevant legal texts
- Internal documents of KfW
- Monitoring data from state systems (especially Sinergia and subsystems) and GPS-based data from IDEAM as part of forest and CO2 monitoring
- Reports from relevant NGOs (especially WWF)

The following aspects limited the evaluation:

- During the evaluation, the management level of the executing agency MADS was very busy preparing

for a major international conference on biodiversity. Nevertheless, discussions were with experts, consultants and NGO representatives on all selected reform topics. GIZ also contributed to several topics with its experience in the green sector.

- The state monitoring systems are not equally up-to-date and comprehensive in all areas. This applies in particular to the availability of quantitative data for large populations. This was compensated for by the widest possible range of qualitative information.
- The selection of protected areas visited had to be adapted to the time available, logistical considerations and the security situation. Remote national parks or remote parts of protected areas could not be visited. Similarly, primary research on deforestation-free value chains was limited to one representative from one of the seven secretariats.
- The program character of PBLs (which are planned and structured in series) differs from the logic of sampling for EPEs. Since the originally planned third phase of the PBL was not carried out during the Duque legislature but postponed to the subsequent legislature together with two other PBLs, it is not possible to methodologically isolate with certainty what effects would have occurred if this third phase had been disbursed earlier or if the evaluation had taken place later, i.e. over more phases. In a similar sense, a later evaluation, i.e. over several phases, might have found different results; any information available on results up to 2024 were considered in the evaluation.

Methodology of the performance evaluation

A six-point scale is to assess the project according to the OECD DAC criteria. The scale values are assigned as follows:

- Level 1** Very successful: result significantly above expectations
- Level 2** Successful: result fully in line with expectations, without significant deficiencies
- Level 3** Moderately success: below expectations, but positive results dominate
- Level 4** Moderately unsuccessful: is significantly below expectations and negative results dominate despite recognizable positive results
- Level 5** Unsuccessful: despite some positive partial results, the negative results clearly dominate
- Level 6** Highly unsuccessful: the project is useless or the situation has worsened

The overall rating on the six-point scale is based on a project-specific weighting of the six individual criteria. Levels 1-3 of the overall rating indicate a "successful" project, while levels 4-6 indicate an "unsuccessful" project. It should be noted that a project can generally only be considered developmentally "successful" if the achievement of the project objective ("effectiveness") and the impact at overall objective level ("overarching developmental impact") as well as the sustainability are rated as at least "moderately successful" (rating 3).

Abbreviations:

AEMAPPS	Análisis de Efectividad del Manejo de Areas Protegidas con Participación Social
AFD	Agence Francaise de Développement
APDB	Areas Protegidas y Diversidad Biológica
BMZ	Federal Ministry for Economic Cooperation and Development
CAR	Corporación Autónoma Regional
CONPES	Consejo de Política Económica y Social
COP	Colombian Peso
CSDDD	Corporate Sustainability Due Diligence Directive (European supply chain law)
DAC	Development Assistance Committee
DNP	Departamento Nacional de Planeación, supreme planning authority
EMAP	Efectividad del Manejo de Areas Protegidas
EPE	Ex-post evaluation
EUR	Euro
FARC-EP	Fuerzas Armadas-Ejercito Popular
FC E	FC Evaluation
FEDEGAN	Federación Nacional de Ganaderos
FZ	Financial Cooperation
GDP	Gross domestic product
GGGI	Global Green Growth Initiative
HDI	Human Development Index
ICA	Instituto Colombiano Agropecuario
IDEAM	Instituto de Hidrologia, Meteorología y Estudios Ambientales
INVIMA	Instituto Nacional de Vigilancia de Medicamentos y Alimentos
ITMO	Internationally Transferred Mitigation Outcomes
MADS	Ministerio de Ambiente y Desarrollo Sostenible
MHCP	Ministerio de Hacienda y Crédito Público
MRV	Monitoreo, Reporte y Verificación
NDC	Nationally Determined Contribution (to the Paris Agreement of 2015)
ODS	Objetivos del Desarrollo Sostenible
PBL	Program-based Lending
PCR	Project completion report
PIGCCT	Planes Integrales de la Gestión del Cambio Climático Territorial
PND	Plan Nacional de Desarrollo
PNN(C)	Parques Nacionales Naturales (de Colombia)
PP	Project appraisal

PPB	Project appraisal report
PV	Project proposal
RUNAP	Registro Único Nacional de Áreas Protegidas
SDG	Sustainable Development Goal (Spanish: ODS)
SGP	Sistema General de Participaciones
SGR	Sistema General de Regalias
SIAC	Sistema de Información ambiental de Colombia
SIGMA	Sistema de Información para Guías de Movilización Animal
SINAP	Sistema Nacional de Áreas Protegidas
SINIGAN	Sistema Nacional de Identificación e Información del Ganado Bovino
SNICC	Sistema Nacional de Información del Cambio Climático
TC	Technical Cooperation
TFA	Tropical Forest Alliance
UNDP	United Nations Development Program (Spanish: PNUD)
USD	US dollar
WB	World Bank
WWF	World Wildlife Fund

Imprint

Responsible

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