Executive Summary of Final Report

Mid-Term Evaluation of IKI project 22_I_457_Latin America_G_Greening Supply and Demand

Brazil, Costa Rica, and Colombia

IMAP GmbH

5th of August 2025

Background: Project Description

This report presents the findings of the Mid-Term Evaluation (MTE) of the EcoAdvance project, formally titled *"Greening Supply and Demand: Advancing Eco-Labels and Sustainable Public Procurement for Climate and Biodiversity Protection."* The project is financed by the International Climate Initiative (IKI) of the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (BMUKN, formerly BMUV), with a total contribution of EUR 9.76 million. It is implemented by a consortium led by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), in partnership with the United Nations Environment Programme (UNEP) and the Öko-Institut.

EcoAdvance was conceived in response to the growing urgency of reversing environmental degradation driven by unsustainable production and consumption practices. The project employs Type-1 ecolabels and Sustainable Public Procurement (SPP) as key instruments to promote market shifts toward sustainability. Its result logic is organized around four interconnected outputs: strengthening the ambition and uptake of ecolabels; enhancing policy and legal frameworks to support their implementation; increasing supply and demand for sustainable products, particularly in public procurement; and fostering international exchange and cooperation. A key component of the project is its support to the Environmental Alliance of Americas (AAA), a regional initiative aimed at advancing a harmonized approach to ecolabeling in Latin America.

Evaluation Approach and Methodology

The MTE, conducted from November 2024 to mid-July 2025, focused on project activities in Brazil, Colombia, and Costa Rica, while acknowledging the project's broader presence in five Latin American countries, including Mexico and Ecuador. Using a mixed-methods approach, the evaluation assessed both project outputs and underlying processes, guided by the project's Theory of Change (ToC) to explore causal linkages and impact pathways.

Data collection included extensive document review, semi-structured interviews with stakeholders from government, implementing partners, procurement authorities, ecolabeling bodies, Micro, Small and Medium-sized Enterprises (MSMEs), and civil society, as well as targeted focus group discussions (FGD). A field mission was carried out in Brazil, while remote or hybrid formats were used in Costa Rica and Colombia. An online survey distributed to over 200 actors yielded a low response rate (17 complete responses), limiting the representativeness of quantitative findings. The analysis relied on triangulation across data sources, with thematic coding of qualitative data and descriptive statistics for the survey. Limitations were transparently reported where evidence was inconclusive or mixed.

Main findings per evaluation criterion:

Relevance

The EcoAdvance project demonstrates a high level of relevance to national, regional, and global policy priorities. In all three evaluated countries – Brazil, Colombia, and Costa Rica – the project responds to clearly defined governmental needs related to Sustainable Public Procurement (SPP) and Type-1 ecolabelling. It supports national policy reforms and institutional capacity-building, with activities such as the development of procurement guides in Brazil, technical product sheets in Colombia, and support for certification infrastructure in Costa Rica. These interventions are timely and aligned with ongoing legislative and institutional transformations, notably Brazil's Law 14.133/2021 and Costa Rica's Law 9986.

The project's emphasis on the inclusion of MSMEs is also highly pertinent, given their economic importance and the strategic value of integrating them into sustainable procurement systems. However, engagement with MSMEs has so far been limited. Field evidence reveals significant structural and cost-related barriers to certification, underscoring the need for more tailored support mechanisms. As such, piloting certification support for MSMEs in selected sectors and partnering with national MSME support institutions could significantly enhance project impact and inclusivity.

From a global policy perspective, EcoAdvance is well-aligned with the Sustainable Development Goals (SDGs)—particularly SDG 12 on responsible consumption and production, SDG 13 on climate action, and SDG 17 on partnerships for sustainable development. It supports countries in implementing their Nationally Determined Contributions (NDCs) under the Paris Agreement and promotes biodiversity-friendly production

in line with the Convention on Biological Diversity (CBD). Regionally, the project reinforces harmonization efforts through the AAA ecolabeling platform, with the potential to position Latin America as an emerging leader in sustainable standards.

Effectiveness

The project began full implementation one year after approval, with efforts focused on launching grants and consultancies. To date, it has delivered a broad set of activities across Colombia, Brazil, and Costa Rica, in line with approved work plans. Outputs include SPP guides, ecolabel diagnostics, national action plans, and capacity-building events. In Colombia and Costa Rica, these tools have been adopted into procurement systems, reflecting strong institutional alignment. Regionally, the creation of the AAA in 2024 and the development of a sustainability roadmap signal progress toward long-term goals, including the harmonization of ecolabel criteria in the region.

However, structural barriers persist. Procurement practices based on “lowest-price wins”—especially entrenched in Colombia and Brazil—undermine the integration of sustainability criteria. Adoption of Type-1 ecolabels remains limited, with greater reliance on embedded criteria or certifications like FSC and Energy Star.

While the project’s ToC is still relevant, outlining a logical pathway from outputs to impact, its implementation requires stronger demand-side incentives (e.g., linking ecolabels to European Union (EU) market access) and greater engagement with MSMEs. SPP monitoring remains weak, with no real-time data systems and reliance on outdated sources, limiting evidence-based decision-making, and quality of some of the project products.

Planning, Steering and Coherence

The operationalization of the project's result framework reveals gaps, particularly in adapting to country contexts, sequencing activities, and aligning budgets with results. The ToC does not fully account for the varying levels of institutional maturity and implementation capacity across Brazil, Colombia, and Costa Rica. Furthermore, the assumption that market actors would rapidly adopt newly developed Type-1 ecolabel criteria proved overly optimistic, given historical evidence from previous IKI initiatives, real-life experience from some countries in the region (e.g. Colombia) and the time typically required for behavioral and procedural change in procurement systems

Planning is guided by national Annual Work Plans (POAs), with strong alignment in Costa Rica and Colombia. Brazil’s planning process is more fragmented, requiring a stronger alignment with evolving country priorities. The absence of a consolidated, output-based budget limits strategic planning and may lead to underfunding of strategically important workstreams. Regional planning processes occasionally run parallel to national ones, risking losing synergies in ecolabel initiatives.

Project steering employs a multi-layered governance framework (regional and national steering committees, PCUs) that facilitates coordination. Political engagement is strong. Some governance meetings lack strategic focus, potentially limiting high-level decision-making.

Monitoring and adaptive management require improvement. While a Power BI dashboard exists, it is not used effectively for strategic oversight, and reporting remains largely quantitative, focused on indicators rather than on project deliverables (activities, outputs and outcomes). Some indicators already show signs of overachievement, suggesting a need to refine their clarity and relevance. Risk monitoring is generic and retrospective, and compliance with IKI safeguard policy monitoring is not systematically integrated. The lack of a centralized, accessible platform for sharing project deliverables also limits engagement and knowledge exchange with stakeholders.

Transformational Impact and Sustainability

EcoAdvance’s contribution to systemic transformation is enabling but not yet catalytic. While the project has produced valuable tools, models, and regional coordination mechanisms, uptake remains largely project-driven, with limited integration into national procurement systems. Ecolabel-certified products are unlikely to see widespread use in public tenders within the current implementation period. The project’s impact modeling, led by Öko-Institut, estimates significant theoretical Greenhouse Gas emission reductions and economic

benefits. However, these projections rely on the unrealistic assumption of full uptake of ecolabel criteria and are constrained by limited procurement data and weak monitoring of SPP and ecolabel application.

Social co-benefits are also limited, as certification frameworks remain misaligned with the capacities of MSMEs and women-led enterprises, and high costs favor larger firms. While many entities apply sustainability criteria without formal certification, the benefits of this practice remain unquantified.

In terms of governance, EcoAdvance has supported key advances, notably the accreditation of certifiers in Costa Rica and the formalization of the AAA, which offers a promising platform for regional collaboration. Political will is strong, but further outreach, MSME inclusion, and improved data systems are needed to ensure lasting impact.

Safeguards

The project's initial classification as Category B under the IFC PS7 safeguards framework appears misaligned with its actual scope, which focuses on policy support, voluntary certification, and institutional strengthening—without direct environmental or social impacts. The evaluation recommends reclassifying the project as Category C (low risk) to avoid unnecessary mitigation measures, including the mobilization of vulnerable populations without clear relevance or benefit. However, the evaluation also highlights the need to manage the potential exclusion of MSMEs resulting from stricter procurement or ecolabel requirements. These risks should be addressed through institutionalized national mechanisms, including stakeholder consultations and inclusive policy assessment processes.

Recommendations

Based on the evaluation's findings and conclusions, the evaluation team derived the following recommendations:

1. Recalibrate the operationalization of the ToC and Results Framework to reflect differentiated institutional capacities and stages of maturity in each country, setting more realistic intermediate outcomes and prioritize efforts to achieve strategic milestones like the first Type-1 ecolabel certification in Costa Rica, Brazil's "Selo Verde," and the AAA's "Sello Ambiental de América".
2. Shift the project focus from tool development to institutional uptake and systemic embedding. With many technical products already delivered, the project should now prioritize their adoption and use. This requires integrating guides, criteria, and prioritization lists into national procurement regulations, training modules, procurement portals (e.g., Contrata+BR, SECOP II), and accreditation pathways. The project should avoid duplicating efforts from previous projects or creating parallel processes. Some actions are under way, ensuring robustness of efforts.
3. Strengthen MSME/private sector engagement through targeted support mechanisms and sector-specific pilots. MSME participation in ecolabel certification and SPP remains marginal. The current grant mechanism managed by ABNT (Associação Brasileira de Normas Técnicas) in Brazil lacks sustainability and upscaling capacity. ABNT responds to requests and does not have the institutional mandate or partnerships required to assist micro or marginal business. Instead, the project should pilot certification support in sectors with existing MSME interest. Priority should be given to sectors aligned with export opportunities or national sustainability goals (e.g., food systems, cleaning products, construction materials). It would be preferable to select a smaller number of products but increase their relevance. If viable, it would be useful to prioritize sectors, MSMEs or products with an interest in the Regional Seal of the AAA. This should be aligned with the milestones mentioned in recommendation 1.
4. Strengthen project monitoring through structured, evidence-based reporting and annual public results documentation. To ensure meaningful monitoring, institutional learning, and accountability, EcoAdvance must move beyond tracking indicator completion to systematically capturing project deliverables and how outputs are used, which institutions are applying them, and what results are being achieved. Monitoring should be grounded in structured, evidence-based reporting that links deliverables to observable changes in behavior, policy, or procurement practices. The current IKI reporting format is insufficient to meet this need. Therefore, it is strongly recommended to enhance

internal reporting quality and to produce an annual narrative results report, accessible to political partners and external stakeholders.

5. Institutionalize cross-consortium learning and improve knowledge management by establishing a shared knowledge hub accessible to all partners and systematically documenting and sharing lessons learned from implementation bottlenecks.
6. Support the AAA to become an operational and financially sustainable regional mechanism, providing technical support to finalize and validate its financial sustainability plan, facilitating private-sector engagement, and integrating financial and in-kind contributions into its operational model.
7. Reassess risk categorization to reflect the true nature of the project by changing the classification from Category B to Category C, reducing unnecessary procedural burdens and redesigning risk monitoring to assess potential exclusion of MSME in SPP and ecolabeling schemes.
8. Develop a Regional Database of Certified Providers for SPP processes, hosted and maintained by the AAA, to improve market transparency, facilitate uptake of Type-1 ecolabels, and lower information barriers for procurers, businesses, and consumers.
9. Integrate SPP and ecolabel criteria into IKI projects and GIZ-funded procurements, demonstrating feasibility and generating practical lessons by using project-financed tenders as pilot cases and documenting these experiences for national procurement authorities and the AAA.
10. Improve financial management by creating output- and work package-based budgets that are disaggregated and shared with national counterparts, guiding planning cycles, enabling performance-based reallocations, and strengthening the project's capacity to deliver sustainable outcomes.

Mid Term Evaluation of the Latin America_G_Greening Supply and Demand (IKI project 22_I_457_Latin America_G_Greening Supply and Demand) – Executive Summary

Evaluation Team / Authors
Desirée Elizondo | International Team Lead
Katharina Bouchaar | International Evaluation Expert
Daniel Wiesner | Local Evaluation Expert

Project Management and Backstopping

Uta Giebel
Benedict Bueb
Lena Noumi

IMAP GmbH
Cantadorstraße 3
40211 Düsseldorf
Germany
+49 (0)211-513 69 73-0
info@imap-institut.de

August 2025