United Nations Environment Programme

MID-TERM EVALUATION REPORT

'GREENING THE COCOA INDUSTRY'
GEF ID 3077/GFL2328-2715-4B83

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Acronyms and Abbreviations

ANADER	Agricultural Extension Services Department of Côte d'Ivoire
AFD	Agence Française de Développement
CEO	Chief Executive Officer
BACP	Biodiversity in Agricultural Commodities Project
CSP	Communication Cocoa Partnership
EA	Executing Agency
FMO	Financial Management Officer
FSC	Forest Stewardship Council
GEF	Global Environmental Facility
GES	Global Environmental Services
GIZ	German Society for International Cooperation
GPS	Global Positioning System
COCOBOD	Ghana Cocoa Board
ICRAF	World Agroforestry Centre
IA	Implementing Agency
IPM	Integrated Pest Management
LBCs	Local Buying Companies
MTE	Mid-term Evaluation
NEA	Natural Ecosystem Assessment
PES	Payment for Environmental Services
PIR	Project Implementation Review
PPP	Public-Private-Partnership
OIPER	Office Ivorienne de Parcs et Reserves
RA	Rainforest Alliance
ROtI	Review of outcomes to impact
SAS	Sustainable Agricultural Standards
TM	Task Manager
UNEP	United National Environmental Programme
USAID	United States Agency for International Development
WCF	Wild Chimpanzee Foundation
WCF[1]	World Cocoa Foundation

Executive Summary

A. Introduction

1. The Global Environmental Facility (GEF) Full Sized Project "Greening the Cocoa Industry", is being implemented from 2011 to 2016 in response to a concern for the growing global demand for cocoa which is estimated at about 3% per year (equivalent to 100,000 tons) and the need to meet that additional demand without expanding land under production in major cocoa producing areas which are in biodiversity hotspots. The project is to help change the production and business practices in 10 major cocoa producing countries, namely Côte d'Ivoire, Ghana, Nigeria, Madagascar, Indonesia, Papua New Guinea, Dominican Republic, Brazil, Ecuador and Peru to conserve biodiversity in cocoa production landscapes, provide greater long term stability to the cocoa and chocolate industries and increase the income of farmers since cocoa production in these countries is mostly done by smallholders. The ten countries were selected according to their importance in ensuring biodiversity, the interest of the industry in the supply of sustainable cocoa from the countries and geographical balance.

The Project

2. The project aimed to support cocoa farmers to increase their productivity through improved sustainable agricultural practices. Specifically, the project aimed to support the cocoa industry through the use of cocoa certification standards that help farmers conserve biodiversity through a viable system of farmer training and technical assistance.

3. The project's objectives and implementation are relevant in the context of issues it intends to address. The project's aim (i.e. to conserve biodiversity in cocoa production landscape, to provide greater long term stability to the cocoa and chocolate industries and increase the incomes of small holders) is very pertinent for increasing cocoa production (yields), incomes, reduction of deforestation, and protection of the environment. The project objectives are also in line with GEF's objective of accelerating the emergence and replication of projects that will generate global environmental benefits in biodiversity in a streamlined and cost effective manner and fits in well within UNEP's efforts at Capacity Building for Sustainable Development.

Evaluation Background and Methodology

4. The mid-term evaluation which was carried out between July and September 2013, had two primary purposes:

    a. to provide evidence of results to date and of the likelihood of outcomes and impacts in the future to meet accountability requirements, and

b. to identify challenges and risks to achievement of the project objectives and derive corrective actions needed for the project to achieve maximum impact and sustainability.

5. The mid-term evaluation was also to identify lessons for future initiatives and analyse whether the project is on track. Further, it was to assess project performance to date (in terms of relevance, effectiveness and efficiency) and determine the likelihood of project achieving its intended outcomes and contributing towards impacts including their sustainability. The evaluation was also expected to promote learning, feedback and knowledge sharing through results and lessons learned among UNEP, Rainforest Alliance (RA), the GEF and their partners.

6. The findings of the evaluation are based on the following methodological steps:

a. a desk review of project documents and reports, interviews with National project coordinators,

b. interviews with the Task Manager (TM) and Fund Management Officer (FMO),

c. face-to-face and telephone interviews with partners and stakeholders in the UK, Ghana, Côte d'Ivoire and Indonesia, and,

d. discussions with farmer groups in Côte d'Ivoire, Ghana and Indonesia.

B. Evaluation Findings and Conclusions

7. The project is relevant at global, regional and national levels. It is consistent with GEF focal area of assisting developing countries to meet incremental costs of measures designed to achieve global environmental benefits in its focal areas including biodiversity and climate change. At national level it aligns with national policies of participating countries of improving cocoa yields and incomes of farmers without compromising on biodiversity. It also feeds into on-going national efforts to eliminate child labour from cocoa producing areas.

8. At midterm of the implementation of this project, some milestones have been reached towards achieving the objectives. The findings show that overall the project achievements have exceeded expectations as at mid-point. In some cases mid-term targets have been exceed by over 100%.

9. At midterm, the project had promoted some market growth in the cocoa industry. As a result of project implementation, there are three new traders in Ghana currently buying certified cocoa and three more are planning to bring farmer groups into certification. There are 37 traders promoting the SAN Standard at midterm, more than three times the planned target of 12 by midterm.

10. The project developed tailor-made training materials of high quality and trained trainers who in turn trained farmers in Sustainable Agricultural Network (SAN) Standards. Farmers have been trained on farm maintenance, fertilizer use (when it is needed and how to apply it), pruning, composting, creating buffer zones between rivers and farms to limit insecticide drift into water bodies, use of herbicides and the ills of using child labour. Consequently, they are gradually moving away from the use of unsustainable practices, and instead, started implementing the SAN standards. The training programmes were however not gender sensitive as women's time and availability were not taken into account in planning training.

11. The results from the use of the SAN standards are positive. The farmers for example appreciate and have started implementing Integrated Pest Management (IPM) procedures. For instance, farmers are pruning cocoa trees; they are creating buffer zones between their farms and water bodies to prevent pesticides from flowing from their farms into the water bodies because they now appreciate the dangers associated with pollution of the water bodies with pesticides.

12. The farmers have begun practicing and promoting sustainable wild life management after going through sensitisation in the importance of protecting and managing wildlife. Farmers have begun to introduce native shade trees into the cocoa landscape and are very satisfied so far with the results obtained by using the SAN standards, such as healthy cocoa farms and increased cocoa yield.

13. The project has a strong stakeholder involvement at both local and national levels, made up of industry, producers, marketing companies, scientists and NGOs. Project workplans are prepared together with key stakeholders with these stakeholders having different activities included in the workplan for their implementation toward achievement of the project objectives. For example, Wild Chimpanzee Foundation (WCF) in Côte d'Ivoire is engaged in capacity building for the cocoa farmers and communities to protect the endangered species of wildlife and water bodies, while German Society for International Cooperation (GIZ) is training farmers on the use of shade trees on their farms and the dangers of using pesticides and storing them in their homes. Marketing companies like Olam International Limited (Olam) are working with the farmers to produce certified cocoa and conserve biodiversity at the same time by assisting with capacity building in SAN standards. However, the primary interests of traders/stakeholders in the project are twofold, higher quality cocoa beans and increased volumes. Given the global shortage of quality cocoa beans at present it seems that volume is one of the most important drivers of business decisions at the moment. A position confirmed in discussions with Mars Incorporated (Mars) which, is less interested in the added environmental sustainability of cocoa production. A sustainable and predictable cocoa beans production is of major interest. It is therefore essential that the certification standards deliver on higher and better yields to sustain the interests of these partners.

14. The project implementation so far has been cost- and time- effective. This is attributable to the establishment of effective partnerships (with each partner being financially

responsible for activities they are implementing in the common project workplan). Further, the project is building on the achievement of past projects like the "Biodiversity Conservation in Coffee" project (UNDP/GEF) and the Sustainable Tree Crops Programme in Ghana and Côte d'Ivoire. The project is on course as at midterm and Rainforest Alliance (RA), the executing agency, is of the view that the project will be completed on schedule by the end of the sixth year.

15. Total Co-financing expected from partners for the project is $15,000,000. As at mid-term co-financing was $13,292,973. The project's linkages to direct sourcing with cocoa communities create equitable Public-Private-Partnerships (PPP) between companies for achieving project objectives.

16. The Review of Outcomes to Impact (ROtI) analysis shows that the project has in place a number of 'drivers' that will catalyse progress towards contributing to the impacts of the "Greening the Cocoa Industry" project. Among these drivers are farmer groups (Coops), certification, commitment of partners and continued premium payments. The achievement of the impacts of the project was based on a number of assumptions which include the cooperation of certification bodies with the project, stable political situation in the cocoa producing areas, cocoa continues to be attractive to farmers, continuous purchase of certified cocoa by traders, payment of certification premiums to farmers and cocoa prices remain high. The overall likelihood that the impact of the project will be achieved is rated as Likely.

17. The project has very good prospects for sustainability. Several partners already have similar long-term goals as the project and have already initiated long-term programmes in Ghana and Côte d'Ivoire (like Olam and Barry Callebaut). The project's sustainability strategy has several aspects that interviews conducted with farmers found positive- yield increases, opportunities for additional livelihood activities and avoidance of child labour.

18. The project design did not make any provision for direct continued financing after the project but the activities of project partners such as Barry Callebaut and Armajaro, some of whom are already financing project activities listed in the joint workplan, the collaboration with government agencies for cocoa improvement like the Ghana Cocoa Board (COCOBOD) and the Cocoa and Coffee Boards in Côte d'Ivoire and Indonesia where the RA provides training of their technicians/extension officers and contribute to the sustainability of the cocoa industry and in addition use farmer trainers and groups, give the project a high degree of opportunity to ensure sustainability.

19. Sustainability will be enhanced with the mainstreaming of cocoa certification into the activities of the main government agencies responsible for the cocoa industry in the various countries, including national policies. Currently the enthusiasm of farmers involved in the project is very high.

20. Given the complexity of this project with a global nature and being implemented in ten countries and its associated administrative and operative challenges (such as managing budget allocations for the various country projects, baseline assessments, building

technical capacity), in relation to the achievements attained up to mid-point the overall rating for this project is Highly Satisfactory.

C. Lessons Learned

21. Although lessons leant at MTE are usually considered as preliminary since the project has not ended, the project still provides some lessons that need to be considered in UNEP's and GEF's learning processes. The evaluation considers the following lessons to be important even after project closure.

22. **Building of local capacity:** The project worked with local partners, traders, industry and government institutions and provided training for extension and technical staff in the project countries. This helped to advance the cause of the project, enhanced local content and built the capacity of partners and stakeholders to administer better training to farmers. The collaboration of national bodies with projects is important for the realization of the goals of their project and influencing government policies.

23. **Working with farmer groups:** The project worked with farmer groups as opposed to individual farmers. This is very important and commendable because with few trainers very few farmers would have benefitted from the training in farm management, biodiversity conservation, protection of the environment and increasing awareness of social issues like child labour. Working with farmer groups however ensures that training reaches more farmers even in very remote areas where accessibility is poor. Additionally the methodology of using lead farmers as trainers allowed for an even greater reach of farmers and faster achievement of project goals and objectives. This method enhances project sustainability. The method can be applied to projects for other occupational associations, and not just farmers.

24. **Regional/Multi nations' projects:** The development of projects like the 'Greening the Cocoa Industry" with several countries involved allows for sharing of experiences which will strengthen the benefits derived from the project to the individual countries. However, the initiation of project activities at different times in different countries does not offer those joining the project late the opportunity to fully benefit from the project. Furthermore, the complexities and policies of different national governments sometimes do not allow for smooth take-off of projects such that such late starters may only be taking off when other project activities are ending. Perhaps it would have been advisable for the project to be limited to the first six countries as efforts in the late starters will be very modest.

Recommendations

The following recommendations, among others, are at project level.

25. *Certification of farmers is organized through Cooperatives (groups):* Although traders pre-finance coops in most countries. The acquisition of inputs to translate the training received on the use of good agricultural practices to improve yields cannot be fully implemented due to inability of farmers to purchase such inputs. The project should facilitate a credit system by encouraging traders to provide the necessary inputs to farmers to help them increase their yields. Through the certification process, farmer groups/cooperatives may be committed to exporters/traders supervising their certification and will repay through them. Olam experimented with this in Juabeso Bia, Ghana with 833 farmers. Repayment was good and as such Olam is scaling it up to1000 farmers. This example can be emulated.

26. Although there are cost implications, the project should **encourage** its partners, including the private sector and NGOs, to create greater awareness and increase consumer education and sensitization about the benefits of using certified cocoa to the farmer and encourage consumers to pay more for certified cocoa products. Currently the premium paid to farmers for certified cocoa is small (100CFA in Côte d'Ivoire, GHC7/bag in Ghana and in Indonesia farmers are paid US$1.65 (19,000IND Rupia) per kg for normal dry beans and US$1.85 (21,000IDA Rupiah) per kg for properly fermented dried certified cocoa beans). This will provide greater sustainability for the certification process.

27. Given the global shortage of quality cocoa beans at present it seems that volume is one of the most important drivers of business decisions at the moment. RA should ensure that certified farmers and farmers preparing for certification receive technical assistance and training that help them to increase their productivity while adopting more sustainable practices to sustain the interests of these partners.

28. The RA and its partners should do more to tailor their communication to farmers and emphasize the benefits of adopting SAN Standards in its awareness creation messages on certification, as there is a strong expectation by farmers of premium payments. Some farmers, it was observed, even see premium payments as the end result of certification.

29. The project through its exporter forums should facilitate a meeting of cocoa companies/traders to streamline agricultural extension messages on management of cocoa farms and input use in all countries participating in the project. Currently some extension messages on cocoa management being aired in some countries, for example Ghana at the time of the evaluation, were tailored to suit the commercial interests of some chemical companies.

30. To ensure that farmers embrace the introduction of shade trees in the cocoa landscape, the project should aid in the dissemination of information on changes in government policy as per the Ghana Forest and Wildlife Policy of 2012 giving ownership of commercial trees found on farmers' farms to them and engaging with the forestry

organisations/institutions in the other countries to promote such policies. As at the time of the evaluation, the issue of ownership of commercial trees on farmers' lands in Côte d'Ivoire was not clear. This issue is being discussed in Ghana and Côte d'Ivoire and buying into the discussion by the project will help the situation.

31. The RA should continue to provide guidance to national institutions desiring to develop their own standards to ensure quality. While local conditions will influence certification standards, it will be necessary to develop modalities for all certification programmes to ensure that standards are not unduly diluted.

32. Funding of project activities by the project will cease after project closure but through various partnerships and sustainable funding arrangements with companies and traders like Olam, Barry Callebaut, GIZ funding is likely to continue. It would however, be important to convince governments and others currently not involved in the project to see the benefits of the project and buy into it. The RA should organize field days/durbars to showcase the achievements of the project to make it appealing to governments and other agencies responsible for the cocoa industry to continue to fund project activities, particularly certification after its closure. This will encourage mainstreaming of cocoa certification into activities of government agencies responsible for the cocoa industry.

33. Leverage financing which has been a major source of funds for some countries should be adequately acknowledged and systematically recorded by the Executing Agency to ensure efficient reporting.

Part 1: Evaluation Background

A. Context

34. The project "Greening the Cocoa Industry (hereinafter referred to as the Project) was borne out of a concern of the growing global demand for cocoa which is estimated at about 3% per year (equivalent to 100,000 tons) and the reducing average yields of farms in production areas. Cocoa production takes place in tropical areas, much of which is situated in biodiversity hotspots such as the Upper Guinean Forests and the Atlantic Forests of Brazil and concentrated mainly in the regions between 10° north and 10° south of the Equator[1].

35. Unfortunately, cocoa production is linked to deforestation, which brings about destruction of biodiversity. To meet the increased demand for cocoa therefore, it becomes necessary to augment production but at the same time ensure that the problem of deforestation associated with the establishment of new farms is addressed. This calls for measures aimed at increasing the productivity of existing farms through improvement of the fertility of the farms to support increased yields, adoption of technologies to conserve biodiversity in the cocoa farms through the use of shade trees and adopting efficient methods of rehabilitation of old farms.

36. Additionally, measures should also be put in place to help increase the incomes of farmers to motivate a new generation of farmers to go into cocoa production. It is estimated that existing cocoa farms in West Africa can produce at least double their current yields while still conserving biodiversity if a) farmers have access to and can pay for planting materials and inputs they need to maintain tree productivity and fertility and b) they adopt upgraded technologies such as grafting and sustainable management practices, which impact not only the farms but also the wider environment.[2]

37. Traditionally, cocoa is sold for export as beans. Importing countries then process the beans, transforming the raw goods into finished or semi-finished products (cocoa butter, cocoa liqueur, cocoa powder, etc.). Côte d'Ivoire, Ghana and Indonesia produce about 70% of the world's cocoa (refer to Annex 10). In recent years, in an effort to increase the value of exports, some producer countries, such as Côte d'Ivoire Ghana, Nigeria and Brazil, have developed their own facilities for grinding beans. World consumption is estimated at 2 800 000 tons per year[4]

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[1] Chocolate-The Production: The Development of the World Market. Olam.zchocolat.com/en/thecocoa_production.asp. Sourced 16th September 2013

[2] "Greening the Cocoa Industry" Project document

[4]. World Cocoa Foundation (2012) World Cocoa production. www.worldcocoafoundation.org/world-cocoa-production-Sourced 16th September 2013

B. The Project

38. The objective of the project in all the countries is to *"transform production and business practices in cocoa producing countries and cocoa and chocolate companies such that they conserve biodiversity in cocoa production landscapes, provide greater long-term stability to the cocoa and chocolate industry and increase income for smallholders"*.[2]

39. In line with the GEF's objective of accelerating the emergence and replication of projects that will generate global environmental benefits in biodiversity in a streamlined and cost effective manner, the project was designed to help change the production and business practices in 10 major cocoa producing countries (i.e. Côte d'Ivoire, Ghana, Nigeria, Madagascar, Indonesia, Papua New Guinea, Dominican Republic, Brazil, Ecuador and Peru) to conserve biodiversity in cocoa production landscapes, provide greater long term stability to the cocoa and chocolate industries and increase the income of cocoa producers who in most countries are small holders. The ten countries were selected according to their importance in protecting and ensuring biodiversity, the interest of the industry in the supply of sustainable cocoa and in creating geographical balance.

40. The project is a six-year project with a total cost of US$20 million. It is a full-sized project with a GEF allocation of US$5million while expected Co-funding from partners is expected to be US$15million. UNEP is the Implementing Agency (IA) with the Rainforest Alliance (RA) as the Executing Agency (EA). The project forms a robust Public-Private Partnership with two leading chocolate manufacturers, Mars Incorporated and Kraft Foods and several major cocoa trading and processing companies including Olam and Barry Callebaut. Table 1 presents the project summary.

41. The project received Council approval on 15 March 2010, Chief Executive Officer Endorsement on 15 September 2010 and was officially started on 1 January 2011. It is expected to be completed on 31st December 2016.

Table 1: Project Summary

GEF project ID:	3077	**IMIS number:**	GFL/2328-2715-4B83
Focal Area(s):	Biodiversity	**GEF OP #:**	BD-5
GEF Strategic Priority/Objective:	BD SP5/The GEF Earth Fund	**GEF approval date:**	19 November 2010
Implementing Agency	UNEP	**Executing Agency**	Rainforest Alliance
Approval date:	January 11, 2011	**First Disbursement:**	7 February 2011
Actual start date:	January 2011	**Planned duration:**	72 months
Intended completion date:	31 December 2016	**Actual or Expected completion date:**	31 December 2016

[2] "Greening the Cocoa Industry" Project Document

Project Type:	FSP	**GEF Allocation:**	$5,000,000
PDF GEF cost:	N/A	**PDF co-financing:**	N/A
Expected MSP/FSP Co-financing:	$15,000,000	**Total Cost:**	US$20,000,000
Mid-term review/eval. (planned date):	15 June 2013	**Terminal Evaluation (actual date):**	N/A
Mid-term review/eval. (actual date):		**No. of revisions:**	1
Date of last Steering Committee meeting:	30 April 2013	**Date of last Revision*:**	3 May 2012
Disbursement as of 30 June 2010 (UNEP):	$1,673,817	**Date of financial closure:**	N/A
Date of Completion:	N/A	**Actual expenditures reported as of 31 March 2013**	$1,541,940
Total co-financing realized as of 30 June 2012:	$6,283,464	**Actual expenditures entered in IMIS as of 31 March 2013**	$1,338,589
Leveraged financing:	Not Reported		

42. In the three countries visited, the project is concentrated in the following areas:

a. **Ghana**: Juabeso Bia, the main project area in the Western Region of Ghana, is sandwiched between two endangered national reserves with rare species of plants and animals; Krokose Forest Reserve and the Bia National Park. The Juabeso landscape has an area of 26,651ha. In between these two reserves RA is working with 34 communities. The Conservation Alliance is also involved with farmers in other reserves; the Ankasa and Kakum Forest Reserves.

b. **Côte d'Ivoire**: In Côte d'Ivoire the project is being undertaken in the Tai National Park (Issa-Daloa-Duekoue), in the east, Abengurou and Abioso and in the south eastern part, in San Pedro-Sassandra Soubre. The project is however concentrated in the Tai National Park because it is the most preserved and the project wants to contribute to the protection of the last important national park left in Côte d'Ivoire. The park, which is currently under threat from poachers and farmers, has a lot of endemic species. Being a natural forest with fertile land farmers want to get in there and use the land for cocoa cultivation and in the process destroy the habitat.

c. **Indonesia:** The project focal area in Indonesia is located in Bantaeng, South Sulawesi. Some project activities are also being implemented in six main cocoa growing areas in Sulawesi, Poso, South Parmona in Parigi Mountong district, and Lembang sub district in Pirang and Konawe in the Luwu district. The Aceh landscape in South Sulawesi has an area of 4, 890 ha.

Implementation Approach

43. Four of the countries, Côte d'Ivoire, Ghana, Indonesia (the three largest producers of cocoa in the world) and Ecuador were selected as priority for work in the first year being among the biodiversity hotspots and also due to availability of Rainforest Alliance in these countries. Three project planning workshops were held as part of the commencement of the project. The first was in Ecuador, on 22-24 March 2011, the second in Accra, Ghana from 11-13 April 2011 for Ghana and Côte d'Ivoire and the third in Indonesia on 2-4 May 2011. These workshops brought together the major technical, policy and private sector partners to share knowledge about other initiatives in the cocoa sector in the different countries and to develop strategies, activities and potential partnerships. The inception workshops looked at project design issues. For example, at the meeting held in Accra, the meeting considered revision of the logframe; "*consolidating and/or eliminating certain agreed logframe indicators which were not felt to usefully contribute to Outcome of measurements*[3]

44. UNEP is the GEF-designated Implementing Agency (IA) for the project, responsible for the overall project supervision to ensure consistency with GEF and UNEP policies and procedures. UNEP's role is to provide guidance on linkages with related GEF and UNEP funded activities. It is also responsible for approving possible revisions, approving the substantive and technical reports produced in accordance with the scheduled workplan. The Rainforest Alliance appointed a Coordinator in each country who collaborates with partners, national and local institutions working on cocoa, research institutions and relevant stakeholders to ensure that the project is in line with national priorities.

45. The first Steering Committee meeting was held in March 2011 in Ecuador, thereafter the Steering Committee met twice a year, one involving all members in person and a second through teleconferencing. In addition to this, ad hoc meetings are held with the Senior Management of RA several times in a year. The Project Task Manager monitors the project in the project implementing countries but this is sometimes done using technical experts from UNEP. A generalized workplan was developed for the project countries at the inception workshop in consultation with key stakeholders and secondly with implementing partners, the private sector partners providing co-financing and the producers. Achievements of the project outputs within the four components (Outcomes) are discussed and summarised by component in Table 7. Financing

[3] Report on Inception Workshops (GEF, RA and UNEP)

46. A summary of the expected costs and financing sources for the project as mentioned in the project document is presented in Tables 2 and 3.

Table 2. Estimated project costs per component and financing source (US$)

	Project	**Agency Fee**	**Total**
GEF financing	5,000,000	450,000	5,450,000
Co-financing	15,000,000		15,000,000
Total	20,000,000	450,000	20,450,000

Table 3. Breakdown of sources of the co-financing

Partners	**Type of Co-financing**	**Amount (US$)**
Bilateral Aid Agencies (USAID, GTZ)	Grant	2,500,000
Private Sector (Mars, Kraft, and other cocoa companies)	Direct financing of research and field work, marketing investments	6,750,000
NGOs (Rainforest Alliance, Technoserve and other project partners)	Grant	3,250,000
Private Foundations (Doen Foundation, Goldman Fund, Gates Foundation)	Grant	2,500,000
Total Co-financing		15,000,000

Source: Greening the Cocoa Industry Project Document, 2010

47. Financing for the project is reported for GEF funds only. It had been agreed between project and partners that based on the uniqueness of project Co-financiers, Rainforest Alliance can report on Co-financing by component, type of financing and donor (donor type).

48. For GEF financing the allocation of funds for project duration is presented in Table 4.

Table 4. Budget Alignment for Project Duration (US$)

2011	2012	2013	2014	2015	2016	Total
565,745	1,435,419	780,558	669,192	840,054	840,054	5,000,000

49. Total costs and budgets by project components and UNEP budget lines are reported under Personnel Component, Training Component, Equipment and Premises Component and Miscellaneous Component but details up to time of evaluation was not available. Budget balances held by project executing agency (US$408,670.05) as at 20th February 2012 and balance of approved budget not yet disbursed show that UNEP has enough funds to complete the project (refer to Annex 10a & 10b).

Project Partners and Stakeholders

50. The project document does not define all the partners and stakeholders involved in project management but makes reference to the following that are key players and whose direct involvement is recognized as an integral requirement for successful project implementation:

    a. Market Partners: this includes Mars, Kraft (now Mondelez) and additional buyers to be identified and brought in during the life of the project. It also includes traders and processors such as ADM, Barry Callebaut, Blommer, ECOM, Touton and Armajaro;
    b. International and National entities; International Cocoa Organisation, Ghana Cocoa Board (COCOBOD), World Agroforestry Centre (ICRAF);
    c. Private Sector: manufacturers, processors and traders;
    d. Non-Governmental Organizations (NGOs): Technoserve, World Cocoa Foundation (WCF[1]); Rainforest Alliance;
    e. Professionals: researchers, sociologists, environmental managers, extension officers, biologists; and,
    f. The Public: traditional rulers, farmers, women, hunters, etc.

51. There have not been any major changes in project design as at mid-term. However there was a Logical Framework adjustment to account for some indicators, which were redundant. The RA suggested these changes to strengthen the project. These were approved on 22nd June 2011.

Reconstruction of Theory of Change (TOC)

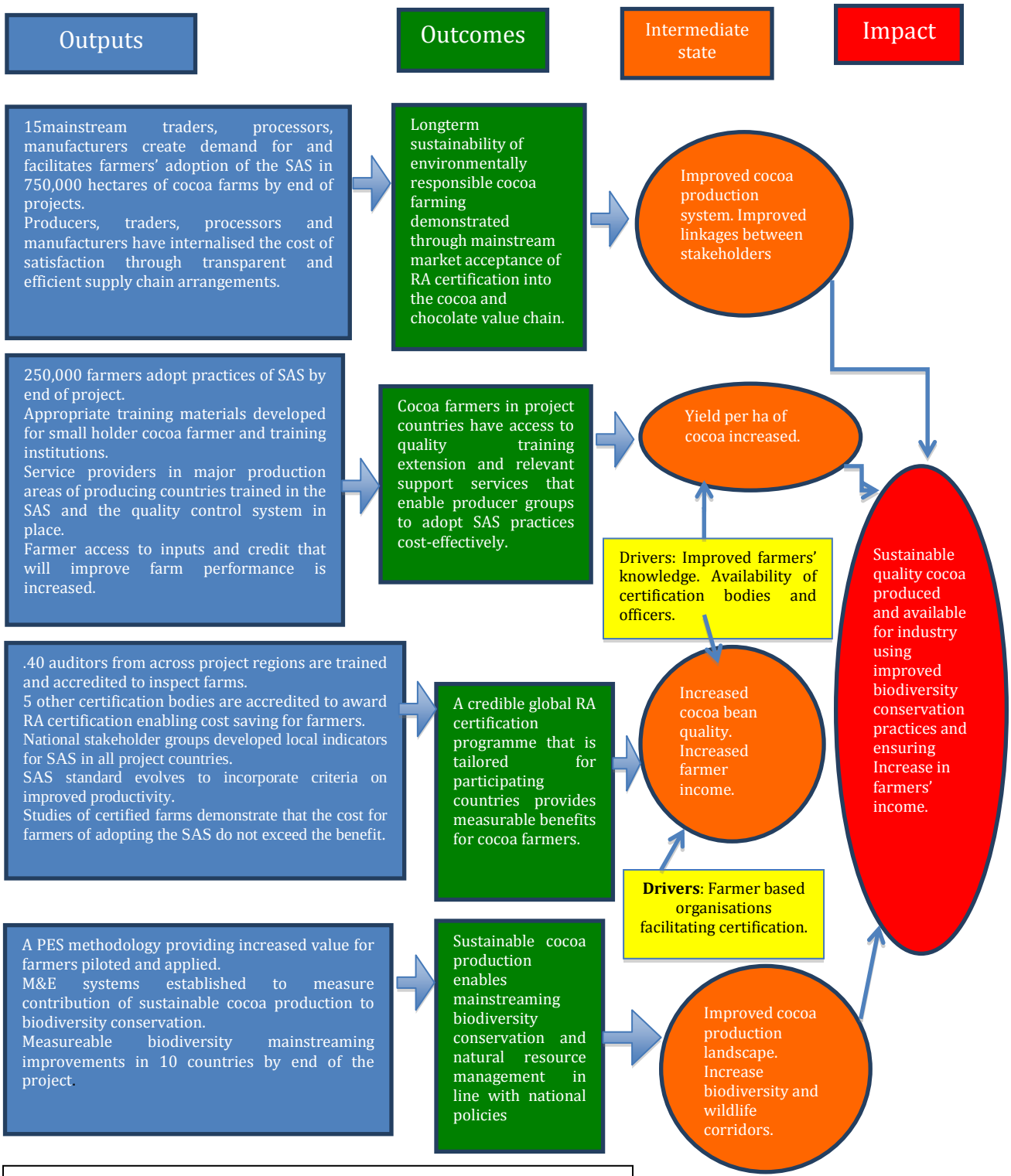
52. The TOC analysis helps identify progress towards the achievement of impacts. It recognizes some assumptions, which are significant factors which if present are expected to contribute to the realization of the intended impacts but are largely beyond the control of the project. Based on this analysis it should be possible to determine if a project has produced sufficient changes and to identify intermediate states, that is, whether what the project has put in place will lead to a lasting impact. For a Mid-term Evaluation (MTE) these links are still theoretical since the intermediate states may not yet be visible.

53. The TOC is based on the premise that improved cocoa production systems through linkages with stakeholders and concern for environmental conservation leading to certification will increase biodiversity, cocoa bean yield and quality as well as farmers'

income. Based on this premise the intended project impact can be stated in general terms as '*sustainable quality cocoa produced and available for industry using improved biodiversity conservation practices and ensuring increase in farmers' income'*. The project outcomes alone cannot be sufficient to achieve the desired impact. The likelihood that this impact will be achieved is based on additional assumptions including the cooperation of certification bodies with the project, cocoa prices remaining higher than other cash crops, government policy on ownership of trees streamlined, stable political climate in cocoa producing countries, agreement with cocoa exporters to support certification, continuous purchase of certified cocoa beans and payment of premiums to farmers. The desired impact can however, be determined in the long term.

54. As shown in Figure 1, the assumptions have been included in the TOC figure. The rest of the TOC remains unchanged as in Figure 1.

Figure 1. Theory of Change Analysis and Results to Impact Analysis



Assumptions: Political stability. Favourable land policies. Farmers not enticed to increase farm areas. National policies/plans reflect mainstreaming biodiversity conservation in national resources mgt. Cooperation of certification bodies with project, Cocoa price on the world market remains high, Government policy on trees is streamlined. Agreement with cocoa exporters to support certification and continuous purchase of certified cocoa beans and payment of premiums to farmers

C. Evaluation Objectives, Scope and Methodology

55. In line with the UNEP Evaluation Policy[4] and the UNEP Evaluation Manual[5] the Mid-term Evaluation (MTE) of the Project "**Greening the Cocoa Industry**" is undertaken half way through project implementation to analyze whether the project is on track, what problems or challenges the project is encountering, and what corrective actions are required. The MTE is intended to assess project performance to date (in terms of relevance, effectiveness and efficiency), and determine the likelihood of the project achieving its intended outcomes and impacts, including their sustainability.

56. The Evaluation has two primary purposes:

    a) To provide evidence of results to date and of the likelihood of outcomes and impacts in the future, to meet accountability requirements, and

    b) To identify challenges and risks to achievement of the project objectives and derive corrective actions needed for the project to achieve maximum impact and sustainability.

57. In addition the MTE is expected to promote learning, feedback and knowledge sharing through results and lessons learned among UNEP, Earth Fund, Rainforest Alliance, the GEF and their partners.

58. The evaluation is very comprehensive as per the Terms of Reference (refer to Annex 8) which includes assessment of processes affecting attainment of project results. Assessment of project results is based on the Revised Logical Framework (Annexes 1.1 and 1.2).

59. The project's Logical Framework presents four Outcomes, namely:

a) Long term sustainability of environmentally responsible cocoa farming demonstrated through mainstream market acceptance of Rainforest Alliance certification and its integration into the cocoa and chocolate value chain.

b) Cocoa farmers in project countries have access to quality training, extension and relevant support services that enable them to adopt sustainable agricultural practices cost efficiently.

c) A credible Global Rainforest Alliance certification programme that is tailored for participating countries provides measurable benefits for cocoa farmers, and

d) Sustainable cocoa production enables mainstreaming biodiversity conservation and natural resource management in line with national policies.

[4]http://Olam.unep.org/eou/StandardsPolicyandPractices/UNEPEvaluationPolicy/tabid/3050/language/en-US/Default.aspx
[5]http://Olam.unep.org/eou/StandardsPolicyandPractices/UNEPEvaluationManual/tabid/2314/language/en-US/Default.aspx

60. The project has four components with associated objectives and outputs (Annex 1.1). A Results Framework Revision to the Project Document, dated 22 June 2011 and adopted in Project Revision of May 2012, is presented in Annex 1.2.

61. The scope and methodology of the mid-term evaluation are defined by the Terms of Reference for the Evaluation. The evaluation focused on the following sets of **key questions,** which were expanded by the consultants as deemed appropriate:

    a. How far has the project changed production and business practices in major cocoa producing countries and cocoa companies, such that they conserve biodiversity in cocoa production landscape, provide greater long term stability to the cocoa and chocolate industries and increase income for smallholders?

    b. What progress was made on changing production and business practices in major cocoa producing countries and cocoa companies, such that they conserve biodiversity in cocoa production landscapes, greater long term stability to the cocoa **and chocolate industry and increase income for smallholders?** Where do we stand on ensuring market growth and providing incentives? To what extent have sustainable cocoa production in participating countries helped farmers to mainstream biodiversity conservation and natural resource management in line with their national policies? How much progress was achieved on the preparation of training tools and training of extension and support services?

    c. **What is the status of the project in conserving biodiversity in cocoa producing countries and companies?** What can realistically be achieved in each country in the time remaining to the project?

    d. **What are the key challenges to project implementation and what remedies can be proposed?** Is technical backstopping to the country project teams useful and cost-effective? Where do we stand on ensuring that the SAS have been developed and farmers are using it? Is the project adding value to the work of the cocoa farmers?

    e. **Can the project realistically achieve its intended outputs and objectives within the time remaining?** If not, what would be a more realistic time frame or what activities should be prioritized so that the main outputs and objectives can still be achieved in a timely manner?

62. The findings of the evaluation are based on the following methodological steps the evaluators went through:
    a. A desk review of project documents and reports

    b. Interviews with National Project Coordinators

    c. Interviews with the Task Manager (TM)

    d. Face-to-face, Skype and telephone interviews with some partners and project stakeholders

e. Focus group discussions with farmer groups in Indonesia, Ghana and Côte d'Ivoire

f. Site visits to project cocoa farms in Côte d'Ivoire, Ghana and Indonesia.

g. Interview with 3 Partners (Traders and Processors in London)

63. The mid-term evaluation team was made up of two independent consultants and one EO evaluation manager, who joined the team on the mission to Côte d'Ivoire and Ghana.

64. During the course of the evaluation not all partners were identified in the countries visited either due to their unavailability when mission was undertaken or they were not operating in the particular country. In Côte d'Ivoire the major partners of the Rainforest Alliance are Mars, German Society for International Cooperation (GIZ), Olam, Office Ivorienne de Parcs et Reserves (OIPER), Barry Callebaut (Exporter of Cocoa Beans), Wild Chimpanzee Foundation (WCF) and Agricultural Extension Services Department of Côte d'Ivoire (ANADER).

Limitations of the Evaluation

65. The timing of the evaluation coincided with the leave period of a number of Partners in London. It was therefore possible to meet only three out of the five people recommended by the Project Task manager.

66. In Indonesia, the project partners are scattered around the large Sulawesi Island, which made it impossible to visit most of the sites and talk to partners within the timeframe allocated for the evaluation.

Part II. Evaluation Findings

Relevance

67. The project is relevant at global, regional and national levels. It is consistent with UNEP's vision of being "*the leading global environmental authority that sets the global environmental agenda, that promotes the coherent implementation of the environmental dimension of sustainable development within the United Nations system and that serves as an authoritative advocate for the global environment*" and mandate. The project is well aligned with the objectives of the ecosystem management sub-programme of UNEP. Further, it is consistent with GEF focal area of assisting developing countries to meet incremental costs of measures designed to achieve global environmental benefits in its focal areas including biodiversity and climate change.

68. At national level it aligns with national policies of participating countries on improving cocoa yields and incomes of farmers without compromising on biodiversity. It also feeds into on-going national efforts to eliminate child labour from cocoa producing areas.

69. About 50% of all cocoa farms in Côte d'Ivoire are over 30 years. The project therefore provides a means to rehabilitate/replant farms and to halt deforestation in the Tai Forest Reserve since the government does not have a strong policy on deforestation. In Ghana, the Ghana Cocoa Board (COCOBOD) is aiming to increase productivity for cocoa production to reach the one million ton mark from the current level of about 700,000 tons.

70. In Indonesia, the project is in line with the Indonesia government's commitment to improve cocoa yields and farmers' income as well as sustaining the development of agroforestry for crop diversification, and to help with the reduction in greenhouse gas emissions. For instance, by mainstreaming biodiversity and increasing the amount of tree cover/species within the cocoa landscape, the project stands to provide larger alternative crops on per ha land and the risk of crop failure can be minimized. This approach fits within Indonesia's "Pancasilah"[6] principles, which are to encourage farmer groups to work together to ensure that government extension services are reaching the farmer groups (Bupati/District Office Bantaeng). In fact, it is within the Pancasilah foundation's principle and its criteria that farmers are assigned within groups to create a free labour work force by helping each other out in the multiple crops system or agroforestry[7]

71. Governments in the project countries including the three visited for the evaluation are sensitive to the problem of employment of migrant and child labour under forced conditions and are taking steps through their Ministries of Social Welfare and

[6] Pancasilah is the embodiment of basic pprinciples that came with the independence of Indonesian as a state. The Pancasilah principles are made up of humanitarian precepts and basic principles of human rights. These principles have been incorporated into a number of national laws and regulations including agricultural that serve to protect and promote the well-being of the Indonesian people

[7] Interview with the Director of DINAS Bantaeng.

activities of NGOs to curb this. The project through RA certification is helping to address these problems.

72. The establishment of the Indonesian Cocoa Board with the mandate to provide advice to the Government of Indonesia on the cocoa industry shows government commitment to the cocoa industry. In Côte d'Ivoire the project has filled an important vacuum. For many years there was no project on improvement of cocoa production and productivity. The project is therefore very timely.

73. The project is directly supporting the national Public-Private- Partnership for Cocoa Extension set up by the COCOBOD in Ghana. It is promoting wildlife as a visible complement to existing agricultural practices through the sustainable production of game, locally known as "bush meat" and other wildlife products and helping to develop and maintain an effective institutional capacity for wildlife management. The project is undertaking a pilot of "Sustainable Productivity Increase" as part of its Sustainable Yield Module to develop best practices that will increase productivity of cocoa farms in a sustainable manner and is in line with the COCOBOD's aim of achieving one million cocoa bean yields as early as possible.

74. Based on the above discussions the rating for relevance is **Highly Satisfactory.**

B. Achievement of Outputs

Component 1: Mainstream market development

75. Activities under Component 1 concentrated on the promotion of market growth and incentives to improve the cocoa industry and build relationships with major chocolate manufacturing companies and other users of cocoa. It also focuses on undertaking detailed planning of volumes of certified cocoa sold with companies committed to sourcing certified cocoa and support the development of such markets with detailed supply projections as well as developing on line systems to achieve traceability of certified cocoa and generate market information. To attain the above, the following activities have been carried out.

76. As at midterm, the project had promoted some market growth in the cocoa industry. There was only one trader (Armajaro) directly involved in building supply for the chocolate industry in Ghana at project inception. Through project intervention there are now three new traders (Armajaro, Olam, Diaby) in Ghana currently buying certified cocoa while three other traders, Cocoa Merchant, Adwumapa Buyers and Transroyal, are preparing farmers for the 2013/2014 crop. Other traders (e.g. CERco, Tachibana (a Japanese Company), Crystal Grains and Cocoa Abrabopa) are considering bringing groups into certification. The midterm target of 12 chocolate traders using the Rainforest Alliance seal in the market has been exceeded, 37 traders are using the seal as at midterm.

77. In Indonesia, prior to the project, Olam was the main trader in cocoa but with the commencement of the project, there are now other traders like Amartha, ECOM, UNAS and Swiss Contact. Swiss Contact has an office now in Banda Ache and

providing training packages for cocoa farmers on production. The training packages are tailor made to suit the objectives of the industry and project and also to meet the needs of the farmers.

78. With a baseline of only 116,000 cocoa farmers using improved production practices in the 10 countries and with a mid-term target of increasing this number by 100,000 and end-of project target of 250,000 cocoa farmers, the project succeeded in reaching 230,100 cocoa farmers as at the end of June 2013 in the 10 project countries. Table 5 presents the figures for the three countries visited.

Table 5: Number of Farmers and Volume of Cocoa certified in Countries visited

Country	**Number of farmers certified (No. adopting the SAS)**	**Hectares Certified (Ha)**	**Volume Certified (Kg)**
Ghana	45,809	128,533	75,026,313
Côte d'Ivoire	92,226	479,377	304,188,688
Indonesia	28,264	39,117	36,044,302

Component 2: Training, extension and business services for farmers

79. Activities under Component 2 concentrated on training, extension and business services for farmers to ensure that cocoa farmers have access to affordable, quality training, extension that enable them to apply sustainable agricultural practices which integrate biodiversity conservation. The focus was on application of quality control and accreditation system for trainers, and on the building of partnerships with national extension agencies, specialist technical organizations and other service providers and industries under SAN. The focus was also on improving farmer access to agronomic and financial services.

80. Awareness campaigns, sensitization programmes, radio programmes in collaboration with partners and the production of training materials (manuals, posters, handouts, brochures, etc.) have been produced for farmer training in Ghana, Côte d'Ivoire and Indonesia. In some cases some of these materials are in French and English; the English versions have only been listed in Annex 4. In Indonesia, some of the training materials were in national and local languages such as Bahas. The list provided is not exhaustive because some partners, particularly in Indonesia and Côte d'Ivoire, declined to give to the evaluators their training materials due to corporate reasons.

81. There was however no evidence during the evaluation of awareness campaigns and sensitization programmes that explain to the general public the essence of producing certified cocoa and the need to purchase certified cocoa products. This is not being done by the project and private trading/marketing companies to ensure sustainability of production of certified cocoa beyond the project.

82. The posters and handouts are thematic, with each one concentrating on an item while the manuals and booklets are easy to read, full of illustrative pictures, well written and target oriented. The training materials are all tailored to the needs of farmers and communities. Wild Chimpanzee Foundation, for example, used mainly illustrative pictures of wildlife on flip boards to engage in community sensitization activities.

83. Through the implementation of project training and extension activities farmers who hitherto had no access to cocoa extension services and training are receiving technical assistance in how to farm better and more efficiently. Farmers are beginning to appreciate and understand the essence of farming better and using improved practices. Consequently, cocoa yields have improved by midterm, using sustainable agricultural practices, with some farmers declaring up to two times increases in yield compared to what they were getting previously. Average yield increases range from 20% -30%. Interaction with farmer groups in the Adjofua village in the Juabeso Bia area, for example, indicates about a doubling of their yields due partly to project intervention (given that other factors like good weather conditions, are also critical for good yield). Some of the farmers in Adjofua community reported of increased yields of 12 bags from 4 acres as opposed to 7 bags before the project. Another farmer obtained 12 bags from 1.97 acres as opposed to 5 bags and another, 5 bags from 1 acre compared to 3 bags before the project. There are therefore visible improvements in cocoa yields.

84. The farmers said (and which was confirmed by observation on some of the farms visited and by extension officers) they are moving away from unsustainable practices and implementing IPM. For instance, they are creating buffer zones of vegetative and/or no "spray zones' to prevent drift of pesticides to aquatic and terrestrial ecosystems, and protecting fish and other wildlife. The use of prohibited pesticides on farms has been reduced, although this is difficult to measure. The farmers are practicing proper management of wastewater from pesticide use, and proper and safe disposal of pesticide cans. These practices were observed during the farm visits. The evaluators visited the sites where some of the leaders of the farmer groups now store pesticides for their members away from their living environs and in protected warehouses that they constructed. Some of them were happy to show these to the evaluators.

85. As the result of the training and introducing farmers to the importance of having shade trees on their cocoa farms, over 350,000 native shade trees have been introduced in the cocoa production landscapes in Ghana. In Indonesia and Côte d'Ivoire the farmers are introducing the shade trees on their farms. Some of the farmers have offered their farms for the production of the shade trees nurseries for distribution to farmer group members. The evaluators visited some of these farms to observe the nurseries.

86. Farmers are very satisfied with the results obtained using the SAN standards because they can now see the evidence such as healthy cocoa farms and higher yields that result in increased incomes. Farmers who are not members of the project farmer groups have also observed that the farmers working on the project have healthier farms now than they did prior to the project. The fact that the new practices have proven to yield better results is an indication that farmers will continue to adopt the SAN standards and will improve yields and biodiversity conservation. Non-members of

farmer groups have begun practicing the SAN standards while these observations have attracted some other non-farmer group members to join the groups.

87. From the focus group discussions, the farmers explained that through the training they have been receiving on the project, more farmers are realizing the need to send their children to school[8] and are now beginning to respect children's rights and safety. They also indicated that farmers are no longer keen to make their children work on cocoa farms to avoid engaging children in worst forms of child labour.

88. Although the actual numbers of children going to school now as a result of the project could not be quantified, child labour is a critical criterion for certification and the farmers said they have taken this seriously. No single or group of farmers not complying with this critical criterion will be certified, or certification will be cancelled, even if all other certification requirements have been met. A farm must completely comply with a critical criterion in order for the farm to be certified or to maintain certification.

89. Though difficult to verify, the farmers said that with the level of understanding and appreciation they now have for biodiversity conservation they are promoting among their groups and communities no hunting of endangered and threatened wildlife species and sustainable hunting practices which are in line with wildlife laws of the project countries. The farmer groups visited in Ghana explained to the evaluators why they are promoting the no-hunting of endangered and threatened wildlife species. They admitted they did all those in the past out of ignorance and lack of appreciation of biodiversity conservation.

90. In Indonesia, a monthly bulletin on sustainable cocoa production, a cocoa magazine and cocoa indicator booklet are published routinely as an awareness creation material and a tool to promote sustainable labeling or certification through Communication Cocoa Partnership (CSP). In addition, complete on-line platform for SAN training from English into Bahasa in Indonesia is available at Olam.sustainableagriculturetraining.org and provides information that can be used by technicians in extension services for farmers at training sessions. The material is also available on CDs and does not depend on internet connectivity. Additionally it is also available in French for Côte d'Ivoire, in English for Ghana and Spanish for Latin America. Swiss Contact, Olam, Armajaro and the Government of Indonesia/DINAS (through the 'Hutan Desa' programme[9]) are working to include wildlife conservation as part of the biodiversity programme. There is information about the project on blogs and websites on cocoa sustainability but this is not accessible to all project stakeholders.

[8] A study by COSA in Côte d'Ivoire on Rainforest Alliance certified farms showed that certification is associated with farm households in which children are more likely to attend school on a regular basis on average. In 2011, certified farm household had in fact 38 percent more children regularly in school than non-certified farm households, ceteris paribus. COSA researchers found that just over half of the children on certified farms have reached their age-appropriate grade level, compared with 13 percent of the children on non-certified farms. This large difference indicates that certification is likely improving the educational achievement of many children.

[9] The 'Hutan-Desa' concept has been developed by the Indonesian government within the country to empower the forest community within the forest reserve to stop further encroachment of protected forest reserve, and Bantaeng forest is the first site in Indonesia declared as the Hutan-Desa.

91. The project uses lead trainers from different organisations (including GIZ, Rainforest Alliance, government institutions) who train lead farmers in the various communities. Since project commencement, 66 lead trainers have been trained (exceeding the midterm target of 20 and an end of project target of 40). The break down is as follows: Côte d'Ivoire -18; Ghana -13; Madagascar - 2 ; Nigeria - 2; Indonesia - 8; Brazil -12; Dominican Republic - 0; Ecuador - 7 and Peru – 4. The lead farmers are identified by their group members, and approved by RA after assessing them to ensure they are capable of leading the group and providing training and leadership.

92. A total of 722 technicians have since project inception been trained in the SAN standards required for cocoa certification, far exceeding the midterm target of 100. The breakdown for the various countries is as follows; Côte d'Ivoire - 392; Ghana -78; Madagascar - 6; Nigeria - 50; Indonesia - 25; Papua New Guinea - 1; Brazil - 100; Dominican Republic - 8; Ecuador - 22 and Peru - 40.

93. In Ghana, the project has enabled RA to financially support the COCOBOD in its Cocoa Extension Public-Private-Partnership and to support the training and capacity building of its technicians through an implementation agreement signed between COCOBOD and the project. The project has enabled collaboration with the Cooperatives Department and directly liaises with Ministry of Food and Agriculture at the district level. A similar situation exists in Indonesia.

94. Partnership agreements have been signed with implementing partners (Conservation Alliance and Louis Bolk Institute). The project is also engaging the Dutch and Swiss Embassies on activities in Ghana. The project has supported Support Biodiversity International and Armajaro to complete their Biodiversity in Agricultural Commodities Project (BACP).

95. In Indonesia the project has also nurtured very good partnerships with stakeholders in the Cocoa Industry through the Cocoa Sustainability Partnership (CSP) which is supported by twenty stakeholders including the World Bank, Unilever, Mondelez, Mars and the government of Indonesia, to organize linkages between stakeholders in the cocoa market as well as cocoa production in general. The improved networking through CSP has increased the number of stakeholders that have shown interest in the project.

96. Of an estimated number of 8 and 10 partnerships with Governments and other institutions to promote the SAN and biodiversity conservation by the midterm and end of project respectively, 17 has been achieved at midterm. The breakdown being 3 in Côte d'Ivoire (CEFCA, GBCC, GIZ/WCF/OIPR); 3 in Ghana (Agro-Eco, Conservation Alliance, COCOBOD); 2 in Madagascar (Partner Africa, Missouri Botanical Gardens); 1 in Nigeria (Conservation Alliance); 2 in Indonesia (ICCRI, Swiss Contact); 1 in Brazil (Imaflora); 2 in Ecuador (Napo Province and Natura Plus) and Peru 3 (Local Government-La Convencion, Ministry of Agriculture, Senassa (National Agrarian Health Service, INIA (Research Institute). The involvement of partners who were already involved in the process of certification and paying for the training and sensitization of farmers gives the project a good sustainability index.

Component 3: Upgrading the Rainforest Alliance Certification Programme

97. Under this component, the project concentrated on ensuring strict certification standards and viability of the certification system by developing stakeholder consultation and forming working groups to define local indicators for cocoa of the SAN in new countries of operation. It also concentrated on systematising learning from applying the SAN in countries for its revision. as well as identifying training and accrediting local auditors in each project region and holding global calibration workshops to guide consistent interpretation of the standard by auditors. Further, Component 3 involved the selection of methodology and doing cost-benefit analysis at farm and producer group levels of the economic costs and benefits of adopting the SAN.

98. The results of the implementation of activities under component 3 show that a number of outputs have been achieved by midterm. Five local indicator guidance documents have been published by National projects compared to 4 expected at mid-term. These guidance documents are produced after Global standards have been assessed by stakeholders and modified to suit local conditions. Côte d'Ivoire and Ghana have produced two each while Peru and Indonesia produced one each. These indicator guidance documents are tailor made to help make global standards adaptable and acceptable in the various countries and to ensure that quality is maintained.

99. In addition to the above additional productivity criteria, SAN standards are being defined and applied in all training programmes of Peru, Côte d'Ivoire, Ghana and Indonesia.

100. Out of the total amount of certified cocoa transactions recorded in traceability systems, 74% is based on exporters with traceable compliance compared to the midterm target of 75%.

101. A total of 154 auditors have been trained on SAN standards and accredited compared to a mid-term target of 20. The breakdown is as follows: Côte d'Ivoire - 20 lead, 49 support trainers and 1 staff auditor; Ghana - 5 lead, 3 support trainers and 5 staff auditors; Madagascar - 2 support trainers; Nigeria - I support trainer and I observer, Indonesia - 8 lead, and 3 support trainers; Brazil - 30; Ecuador - 5; Peru - 5 support trainers and 4 staff auditors. The number of auditors trained would ensure good certification systems.

102. Five certification bodies have been accredited to award Rainfall Alliance certification compared to a mid-term target of 2. These are Sustainable Farm Certification (SFC), Imaflora Africert, NaturaCert, and Productos y Procesos Sustentables. These again would enhance the certification process through proper supervision and training.

103. The BACP, Mars, Modelez and Ford Foundation are showing interest in the project in Indonesia and are providing funds for field programmes and research investments.

104. As observed in Indonesia and also in discussions with some partners, the interests of traders/partners/stakeholders in the cocoa industry are twofold, higher quality beans

and more volume. Given the current global shortage of quality cocoa beans, increased volumes is one of the important drivers of business decisions at the moment. Manufacturing companies like Mars will be less interested in environmental sustainability if it is not accompanied by increased volumes. Their main interest is to have a sustainable and predictable cocoa bean production. It is therefore essential that the certification process delivers on higher and better yields in order to sustain the interests of these partners.

Component 4: Biodiversity Conservation and increased income for farmers

105. Component 4 concentrated on land use management. Specifically, it focused on developing a methodology for measuring and rewarding farmers for carbon captured in cocoa agro-forests and pilot it in Ghana and Indonesia. While this has not been achieved yet, baseline assessments - Natural Ecosystem Assessment (NEA) - for Juabeso Bia in Ghana and Aceh in Indonesia have been completed. A similar baseline assessment is currently ongoing in Bantaeng, South Sulawesi in Indonesia. This is about 70% completed. The assessment includes land cover maps and summary of data from field plots. Farm maps will enable farmers to have maps for their farms and GPS points of planted trees. This will empower them to engage with the forestry agencies of the various project countries and own their planted trees.

106. Project indicator baseline data from farms receiving technical assistance programmes show that the Juabeso Bia landscape has an area of 26,651ha while Aceh has 4, 890ha. The Aceh landscape has been abandoned due to low participation from traders in the area. The RA is providing technical assistance towards the certification of the Juabeso Bia area but there is no intervention in Aceh yet. Project performance monitoring indicators, including measures of practice adoption and environmental and socio-economic sustainability have been finalized with implementing partners.

Effectiveness

107. Overall performance (based upon a review of progress from the UNEP GEF PIR Fiscal year 13 (July 2012 - to June 2013) and discussions with collaborators/partners and farmers show that the project is performing very well and far ahead of midterm targets. Almost all mid-term targets have been exceeded in some cases by more than 100% (refer to paragraphs 73 – 103). Farmers are becoming increasingly knowledgeable about sustainable agricultural practices and use this knowledge to improve the management of their farms; they are becoming increasingly conscious of their environment. They are, for instance, knowledgeable now about the importance of buffer zones and create them. They have become conscious of their safety and protect themselves properly while using insecticides and herbicides. An awareness of the impact of climate change on cocoa production has been created by examining what pertained on their farms in the past (in terms of what the situation was years before) and what the situation is now, and the acceptance of shade trees on farms. Community members are now conscious of the impacts of climate change.

108. As part of monitoring, data on improvement in productivity on certified farms have been collected in Ghana, Côte d'Ivoire, Indonesia and Peru. Although these have not been analysed to enable a definite assessment, review of data collected and discussions with farmers in the project countries on benefits of the project revealed the following paragraphs.

109. Farmers have received training on farm maintenance, fertilizer use (when it is needed and how to apply it), pruning, composting, creating buffer zones between rivers and farms to limit insecticide drift into water bodies, use of herbicides and the ills of using child labour. Pruning has helped to improve yields by about 100% in some farms and shade trees are being planted alongside cocoa in new farms and empty spaces in old farms. Additionally their cocoa has been certified and it will be bringing in some premiums.

110. In Ghana interaction with farmers in the Adjofua village in the Juabeso Bia area indicates more than a doubling of their yields due to project intervention. Although the gains are modest, the farmers are happy with the current output from the same size of land.

111. In Indonesia farmers have benefited from training which resulted in certification of their farms and increases in yield. From field observation grafting appeared to have contributed significantly to yield increases in Indonesia. Farmers in Pinrang have been getting premium and high yield by complying with the standard practice and better management of their farms as well as the use of improved planting materials. Certified farmers in Pinrang and Bantaeng claimed they receive two kinds of premiums for their beans from Olam.

112. At industry level, the project has created opportunities for industry to engage in farmer training. In Ghana the COCOBOD and the Cocoa Research Institute of Ghana are engaged in farmer training. Olam has been helped to begin a certification process and it is now working in four districts to bring about certification. The project has also supported an NGO, Conservation Alliance, in the preparation of a proposal to the Biodiversity of Agricultural Commodities Programme (BACP) for more funding for a new project that complements "Greening the Cocoa Industry" project**.**

113. Generally certified farmers are part of organisations or have formed cooperatives. There were no individual certified farmers at project inception. Through project activities however, a small percentage of individual farmers (10%) who do not belong to any organization or cooperative have been certified (PIR July 2012 –June 2013).

114. Based on the above discussions, effectiveness is rated as **Highly Satisfactory (HS)**.

Efficiency

115. By efficiency, the evaluation team assesses the cost-effectiveness and timeliness of project execution to date (midterm) and describes any cost- or time-saving measures put in place to implement the project within its programmed budget and timeframe. On the whole, the project has been executed timely, efficiently and cost effectively as at midterm. Although some administrative delays in fund allocation and timely start of field operations occurred they have not affected the progress of the project because the project teams worked to overcome the initial time constraints.

116. The project has built on information and data from previous projects like Sustainable Tree Programme in Ghana, the "Biodiversity Conservation in Coffee" project, the promotional work of the Indonesia Cocoa Coffee Research Institute (ICCRI) and the twenty years track record of the RA of harnessing business drivers to achieve conservation and sustainable livelihoods.[10] Generally, the RA together with their partners developed the framework of activities that were approved by the Steering Committee for implementation. This helped to ensure smooth and timely implementation of activities.

117. The RA has the philosophy of building capacity in-country and working with partners while engaging government directly. It has engaged with the private sector and has signed partnership agreements/MOU with a number of them in the project countries (Barry Callebaut, ANADER and GIZ in Côte d'Ivoire, COCOBOD, Conservation Alliance, Agro-Eco and Coops in Ghana). The project also worked with informal groups (nursery operators).

118. Project activities with funding from partners have been timely executed, efficiently and cost effectively. It has improved the capacity of some partners to train their farmers for improved yields.

119. The rating for efficiency is therefore **Highly Satisfactory (HS).**

Review of Outcomes to Impacts

120. Progress made towards the achievement of project impacts is examined using a Review of Outcomes to Impacts analysis (ROtI) described in the TOR (Annex 8). The exercise describes the "intermediate states" which are the transitional conditions between the project's immediate outcomes and the intended impact (i.e. sustainable quality cocoa produced and available for industry using improved biodiversity conservation practices and ensuring increase in farmers' income) and which are necessary conditions for the achievement of the intended impacts. Impact drivers are referred to as significant factors that if present are expected to contribute to the realization of the intended impact and are within the control of the project. The project, its partners, government institutions and stakeholders as well as the processes and structures put in place can influence these drivers.

121. Assumptions are significant factors which if present are expected to contribute to the realization of the intended impacts but are largely beyond the control of the project.

[10] Project document-"Greening the Cocoa Industry " page 8

Based on this analysis it should be possible to determine if a project has produced sufficient changes and to identify intermediate states, that is, whether what the project has put in place will lead to a lasting impact.

122. The theory of change is based on the premise that improved cocoa production systems through linkages with stakeholders and concern for environmental conservation leading to certification will increase biodiversity, cocoa bean yield and quality, and farmers' income. Based on this premise the intended project impact can be stated in general terms as 'sustainable quality cocoa produced and available for industry using improved biodiversity conservation practices and ensuring increase in farmers' income'. The likelihood that this impact will be achieved is based on a number of the assumptions (i.e. political stability, favourable land policies, farmers not enticed to increase farm area, and national policies/plans reflect mainstreaming biodiversity conservation in national resource management plans). The desired impact can however, be determined in the long term.

123. Important drivers towards project impact include improved farmers knowledge on management of their farms, farmers organized into groups to facilitate training and providing support for each other, and availability of certification bodies and officers to ensure the certification process.

124. Table 6 provides a review of the likelihood of outcomes being translated into intended impacts.

Table 6: Summary Assessment and Ratings by Evaluation Criterion (refer to Annex 3 for the interpretation of ratings)

Component	Findings	Review of outcomes to Impacts
1.Mainstream market development	Twelve mainstream cocoa and chocolate companies are expected to commit to Rainforest certification by the end of the project. As at midterm 15 companies (Touton, Olam, Trading Organics, ADM, Blommer, Barry Callebaut, Cemol, Cargill, Delfi, Armajaro, Continaf, Transmar, Ecom, Plot and Multi-Trex) had committed to Rainforest certification and integration of biodiversity conservation in the cocoa and chocolate value chain. The midterm target of 12 chocolate traders using the Rainforest Alliance seal in the market has been exceeded, 37 traders are using the seal at midterm. Additionally the mid-term target of 60,000 tons of certified cocoa sold annually has also been exceeded and it is currently 146,852 tons while the percentage of industry participation fee collected on all invoices issued based on traceability compliance is 74% compared to a	Highly likely

	mid-term target of 50% and an end od project target of 75%.	
Component 2: Training, extension and business services for farmers	203,100 farmers currently apply sustainable management practices compared to a mid-term target of 100,000 and an end of project target of 250,000 in all the countries.	Highly likely
	706,265 ha are under cocoa production using improved practices compared to a mid-term target of 300,000 and an end of project target of 750,000ha.	Highly Likely
	At the inception of the project there were no training materials developed for small holders in certified cocoa production. At midterm however, a number of manuals, flip charts, brochures and handouts that target the needs of the beneficiaries have been produced and available in French, English and in the local languages. In Indonesia on- line training platform has been launched on website in English, French, Spanish and Bahasa, and is used by administrators and lead farmers (including technicians).	Likely
	The number of partnerships established with Government and other institutions stood at 17 at mid-term compared to a target of 8 at mid-term and 10 at the end of the project. The distribution was as follows: Côte d'Ivoire 3; Ghana 3; Madagascar 2; Indonesia 2; Brazil 1; Ecuador 2; Peru 3.	Highly Likely
	Even though discussions with farmers at the Tai area in Côte d'Ivoire and Juabeso Bia in Ghana indicated an increase in yield of about 100% in some cases, data collected on yields are currently	Likely

	being analysed but a 25% increase in yield has tentatively been reported from applying sustainable practices.	
	10% of all certified farmers were from unorganized farmers. This is in line with the mid-term target set. According to the PIR July 2012 to June 2013, any increase in this number is not foreseen in the next year to ensure the quality assurance of the programme with this group.	Moderately Likely
Component 3: Upgrading the RA certification programme	Of an expected 40 local auditors to be accredited to inspect farms by the end of the project 154 had been accredited by mid-term on SAN and Group Standards. Côte d'Ivoire has 70; Ghana 25; Madagascar 2; Nigeria1; Indonesia 11; Brazil 30; Ecuador 5 and Peru 9.	Moderately Likely
	The number of certification bodies authorized to award Rainforest Alliance certification at mid-term was 5 compared to a mid- term target of 2 and an end of project target of 3. These are SFC, Imaflora, Africert, NaturaCert and Productos Olam Procesos Sustentables.	Highly Likely
	Five local indicator documents have been published at mid-term compared to the mid-term target of 4. These were two each for Ghana and Côte d'Ivoire and 1 for Peru.	Likely
	Additional productivity criteria to the SAN standards are being defined and applied in training programmes in Indonesia, Côte d'Ivoire, Ghana and Peru. The SAN International Committee has integrated most practices in the new standards currently open to public for consultation.	Moderately Likely
	There was no traceability system for certified cocoa at the inception of the project. Currently an online traceability system for certified cocoa transactions is operational. 75% of certified cocoa based on exporters with traceability compliance was recorded in Traceability systems. 43 exporters are in compliance.	Likely
Component4: Biodiversity Conservation and increased income for farmers (M&E)	A PES Methodology has been developed and being implemented in Ghana. A cool farm tool (greenhouse gas calculator) for farming has been revised with Sustainable Food laboratory to enhance the applicability of the tool for tree crops in the Ghanaian context. It is expected that two out of four countries (Côte d'Ivoire, Peru, Indonesia and the Dominican Republic) may follow soon.	Moderately Likely
	At inception of the project a baseline study showed that a strategy for incorporating M&E system into technical assistance activities be	Likely

	devised. Currently Project performance monitoring indicators for tracking cocoa productivity and quality, livelihoods, social and working conditions, environmental sustainability and means of verification are contextualized for Ghana, Côte d'Ivoire, Peru, Madagascar and Indonesia and ready for incorporation in technical assistance programmes once the performance tracking tool is formalized.	
	Data on the status of biodiversity target indicators and study results in selected sites in Indonesia reveal that baseline maps of land-use, including natural ecosystem extent indicator is 100% complete for Jiem-Jiem and Lala communities in the buffer zone of Ulu Mason national park and a second site in South Sulawesi (including farm surveys in the latter).	Likely
	Status of farm level cost benefit analysis shows that the first of two studies have been undertaken. Data for this study is available and the results have been published (Ref: http://Olam.rainforest-alliance.org/publications/evluating-rainforest-alliance-certification-on-cocoa-farms-in-côte divoire)	Highly Likely

	As a result of the review of outcomes to impacts (ROtI) the overall likelihood of impact achievement, the Project is expected to achieve most of its major global environmental objectives. Effectiveness is consequently evaluated as **Highly Satisfactory (HS).**

Sustainability

125. The project design implied that project outcomes and benefits would be sustained through linkage with other projects and initiatives and through the participation of interested partners; increasing stakeholders' capacity; continued payment of premium; increased income for cocoa farmers as a result of improved yield from the same size of land area; engaging with the appropriate government ministries and uptake of project results into policy development; and integration of lessons into biodiversity conservation and national resource management plans of national governments and institutions.

126. The following paragraphs examine sustainability factors that affect progress towards project impacts as described in the ROtI analysis. External factors are primarily considered under financial, institutional, environmental and socio-political sustainability.

Institutional Sustainability

127. In all the three countries visited, governments have appropriate institutional framework for the cocoa industry, the Cocoa and Coffee Board of Côte d'Ivoire, the COCOBOD of Ghana and Indonesian Cocoa Board (Dewan Kakao). Additionally, some cocoa traders, processors, local buying companies (LBCs) and NGOs are very active in the cocoa landscape as mentioned earlier. Networking through the CSP has also increased the number of stakeholders interested in the project. The project has helped to strengthen and provide support and leadership to these institutions, particularly in the certification of cocoa farms.

128. These traders and partners believe that sustainability of the cocoa industry is tied to their progress and are therefore involved in the process of certification and paying for the training of farmers in the use of new technology and sensitization.

129. Many of the partners like GIZ will continue to provide funds for sustainability of project objectives and achievements because sustainability is in their global programme. Mars' Vision for Change Project in Côte d'Ivoire, for example, is aimed at reaching 50,000 farmers and believes that collaboration with partners will help to reach 100,000 farmers. Again in Côte d'Ivoire, Mars in collaboration with the Research and Extension Department of the Ministry of Agriculture is focusing on the use of a new technology of grafting to accelerate the rehabilitation of old farms. This will involve bringing in elite cocoa material into the country and grafting this unto rootstocks of old plants to reduce the gestation period. Others, like Olam, Armajaro, Blommer and Barry Callebaut are also engaged in similar activities like the RA in all the countries. Some are using demonstration plots and pilot farms for training.

130. More farmers want to join the project. For example in 2012, the number of people in farmer groups that worked with the project/GIZ was 400 in Côte d'Ivoire but this has increased to 700 farmers in 2013. Therefore as long as the certification process is continued with the associated benefits, sustainability of project activities will be ensured. The use of new technology and training to help increase the yield of farmers is already visible.

131. In Ghana the COCOBOD has embraced certification; the only problem envisaged here is the desire of COCOBOD to develop its own standards, which may be less stringent than that of the RA. The good thing about COCOBOD and certification is that while it was not really keen on certification in the past it is gradually going for it now due to a combination of efforts from processors, the RA and the private sector. The methodology employed in training farmers (Training the Trainers) produces an internal management system that ensures continuous education for farmers. Also the empowerment of farmers through groups will increase sustainability.

132. The training of extension staff in the various countries will create long-term impacts, provided trained staff will continue to work in their respective offices after the project.

133. In all countries the project Steering Committees consisted of the RA and representatives from Partners and Governments. This allows comprehensive

discussions of workplans to ensure that the activities are acceptable to all stakeholders.

134. There is however a problem with extension messages in Ghana. While the RA with its collaborators are extending extension messages which have a high biodiversity conservation content, some agro input companies are airing extension messages which are different from the RA's. The conflicting information will tend to confuse farmers. One of the collaborators indicated that the Environmental Sustainability Desk of the UNDP is initiating the creation of a Ghana Cocoa Platform to look at extension messages to harmonise them and ensure that messages are the same. Attempts to verify this from UNDP proved futile. It would be advisable for the project to follow up on this.

135. In Indonesia however, there is a lack of capacity within the Indonesian government (Dinas) and it is unlikely that these kinds of training could be sustained and scaled out to new farmers without external funding. The RA for example, has only one trainer working on the project so they seek the help of NGOs to provide training. Continuous co-funding even for the project could be a problem, as Mars has already stopped providing funds to the RA to work with. The government is unable to sustain the training of farmers. This has implications for sustainability.

136. In the other countries however, the involvement of partners who believe that sustainability of the cocoa industry is tied to their progress gives the project a good sustainability index.

137. The rating for institutional sustainability is therefore **Highly Satisfactory (HS).**

Environmental Sustainability

138. All activities of the project implicitly should have environmental considerations to achieve the desired impacts, such that protection of the environment, decreased deforestation and biodiversity conservation will be achieved even beyond the project's life. Using the improved agricultural practices brings with it additional environmental benefits to the farmers such as reduced costs due to natural pest control in a more balanced ecosystem; less soil erosion and increased use of organic fertilizer resulting in less fertilizer costs; additional income from the sale of timber (where they are allowed) and non-timber forest products in a diversified farm.

139. Since the commencement of the project in Côte d'Ivoire the certification process and awareness programmes have contributed to decreased cocoa farming activities in protected areas, particularly the Tai National Park. As mentioned earlier, farmers are planting buffer zones and trees along water bodies and shade trees in cocoa farms. This could however not be quantified. Similarly in Ghana and Indonesia the project has contributed to improvement in knowledge about the environment (implications of deforestation, biodiversity conservation, importance of shade trees in cocoa farms and ultimately improved yields in project areas).

140. Factors like rainfall, drought, effects of climate change, new diseases and pests can pose threats to environmental sustainability but these are beyond the control of the project. However, the project has to consider them in planning its activities to minimize their effects should the project be affected by any of them.

141. Changes in government policy and dissemination of information regarding tree ownership will improve interest in the planting of shade trees. In Ghana as at the time of evaluation there has been a change in government policy as per the Ghana Forest and Wildlife Policy (2012) to allow commercial trees found in farmers' farms to belong to them but this policy has not been explained well enough to farmers who still think the government owns commercial trees found in their farms. The government policy on tree ownership in Côte d'Ivoire was not clear to the evaluation team. In most places fruit trees have not been selected as shade trees in the cocoa farms. Fruit trees will bring in additional incomes during the off-season and should be encouraged.

142. Environmental sustainability of the project is therefore rated as **Likely (L)**.

Socio-political sustainability

143. The development and strengthening of cocoa farmer organisations and their vertical integration in cocoa governance structures have the possibility to leave behind empowered farmer organisations that are motivated to provide services to their members and continue to maintain the internal management system, and continue the practice to sustain biodiversity conservation in the project areas.

144. The project has demonstrated that training of farmers in the SAN standards has proved beneficial to them; it has enhanced their knowledge in cocoa production and increased their income. Cocoa farmers will continue to practice the improved practices as long as they continue to reap the benefits of high yields. More cooperatives are being formed as a result of the benefit farmers involved in the project are deriving. Non-farmer group members are learning the good sustainable agricultural practices from neighbours who are members of the groups and are adopting the good practices on their farms. Some of them attend the meetings of the farmer groups. In Indonesia however, the implementation of the SAN standards would only be successful if it is combined with rejuvenation programmes as the main limiting factor in cocoa production appears to be aging trees. Poor infrastructure and conflicts over land in Central Sulawesi make the scaling up of the project in these areas more costly and difficult.

145. Through the certification process, farmers appreciate the dangers of using child labour and have more of their children going to school now (paragraphs 88 and 89), although this has not been completely addressed in all the project countries. Some children in Indonesia and West Africa continue to assist their parents on their farms at weekends when they are not in school but it depends on the kind of work the children do on the farms.

146. Security is a major concern in the project countries for sustainability of the project. In Côte d'Ivoire peace in the project area is key to sustainability of project results. .

In Ghana and Côte d'Ivoire improvement of road infrastructure in some project communities may encourage more investment into the scaling up of project activities.

147. In Indonesia, the project has given women new livelihoods. Farmers' wives in Sulawesi, Indonesia have been taught how to process wet certified cocoa to the required standard for sale by Olam and are earning income for their women's groups from that.

148. Socio-political sustainability is therefore rated as **Likely (L).**

Financial Sustainability

149. The project design did not make provision for any direct, continued financing for the project after its closure but the activities of partners who are already funding projects in line with the objectives of the 'Greening the Cocoa Industry' project and who have initiated programmes which go beyond the life of the project, like Olam and the involvement of government institutions like the Cocoa Board in Indonesia, COCOBOD in Ghana and the Cocoa and Coffee Board in Côte d'Ivoire show promise of sustaining the activities of the project financially after project closure.

150. With the exception of the help Olam is providing to farmers in Ghana, the evaluation saw little assistance to farmers regarding financial services. Labour cost for maintaining cocoa farms is very high and could be a disincentive to farmers if they are unable to get financial assistance, particularly when there are other competitive crops like cloves, rubber and oil palm.

151. Experiences from the Sustainable Tree Crop Programme in Ghana and Côte d'Ivoire suggest that when there is a strong farmer group linked to the market, there is a good chance that the group will survive. With available markets for certified cocoa where buyers pay certification premiums for certified cocoa, the chances of sustainability are high. Farmers are enthusiastic and want to maintain their yields. The payment of premiums is an additional incentive for sustainability.

152. In Indonesia however, GEF funding has been low and there is the assumption that it can be used to leverage co-funding. Giving the economic crisis in the country this may not be realized. Sustainable funding for activities of the project after project closure may therefore be difficult.

153. The long term sustainability of cocoa production in Côte d'Ivoire and Indonesia depends strongly on the opportunity costs of producing cocoa. The relative ease of production of rubber in Côte d'Ivoire could be a threat to sustainability if it is being used to replace cocoa in newly established farms. As a complement to the efforts of cocoa farmers and a means of earning additional income when cultivated in addition to cocoa, it is very good. Rubber provides revenue throughout the year and for long periods (up to 30 years). This apparently offsets any disadvantage of late entry into production, which is around 7 years compared with 3 to 4 for cocoa. Along the road to the Tai area in Côte d'Ivoire is a rapid development of new rubber plantations. No

new cocoa farms were seen. The project is educating its farmers on diversification, to see rubber as another crop that can complement their income but not as a replacement for cocoa so they can plant both along with food crops. Similarly, farmers in Indonesia are planting oil palm and cloves. The income from cocoa and the labour requirements of cocoa fields when compared to oil palm could drive farmers' decision towards shifting away from cocoa. The project has limited control over these external factors and the threat from other cash crops has to be regarded as a serious risk factor for the sustainability of the project.

154. The head of one of the farmer groups in South Sulawesi, Indonesia claimed that taking into account the constant battle with diseases and insects in the cocoa field farmers are now considering replacing their cocoa tree with cloves. In addition, they favour cloves as it is only harvested once per year, and because of its stable regional market that does not show the same price fluctuations as in the international cocoa market. Cloves also require less labour and therefore less expensive to produce.

155. Financial sustainability is therefore rated as **Likely (L).**

Replication and Up scaling

156. The project has been successful in catalyzing change in terms of adopting management practices like pruning, weeding at the right time, applying fertilizer and control of insects and pests. At midterm there is evidence of a catalytic role of the project. Farmers who do not belong to cooperatives but have seen the benefits such as group support, training in farm management translating into improvement in yields are beginning to adopt these practices on their farms, thus leading to replication of good agricultural practices by these farmers.

157. Memberships of groups and Coops involved in the certification programmes are increasing in all project countries and these are signs of the catalytic role of the project leading to replication.

158. Some partners like Olam, Mars and GIZ have already started programmes with similar objectives to the "Greening the Cocoa Industry" project in Côte d'Ivoire. For example, Olam has started a similar project in the west of Côte d'Ivoire while the project operates in the East. Mars is partnering the Côte d'Ivoire Government to scale up the gains of the project. Its VISION FOR CHANGE programme is aimed at reaching fifty thousand farmers but with the help of partners it envisages reaching a hundred thousand. Similarly Barry Callebaut is moving into the middle of Côte d'Ivoire to help with rehabilitation of cocoa farms.

159. Catalytic role is rated as **Highly Satisfactory (HS).**

Processes affecting attainment of project results

Preparation and Readiness

160. The project's objectives and components are clear, practicable and achievable during the project time frame. The RA has the capacity to execute the project and has demonstrated this by surpassing some midterm targets by over 100%. The project document is clear and realistic and the project components are consistent for the achievement of the goals of the project.

161. Partners were carefully selected and covered companies and traders interested in the cocoa industry and government agencies responsible for cocoa. The inception workshops in 2011 allowed inputs from partners/stakeholders that were incorporated in the project workplan. The workshops also allowed stakeholders to understand their roles, responsibilities and areas of collaboration. The Steering Committee reviewed the design of the project in June 2011 to allow for more measurable indicators.

162. In all countries, adequate project management arrangements are in place, being supervised by the RA. Project financing is reported for GEF funds only because of arrangements agreed to between project and partners on co-financing.

163. Significant baseline data was collected during the project development and implementation phase (Project Logical Framework and Objectively Verifiable Impact Indicators).

164. A clear coordination and collaboration mechanism has helped to achieve project intended results this far. Some of these focused around reporting procedures and management responsibility.

165. Preparation and readiness is therefore rated as **Satisfactory (S)**

Implementation Approach

166. The project implementing arrangements as developed with stakeholders during the project development phase and outlined in the project document have been closely followed.

167. The Project Steering Committee had representatives from UNEP (Co-Chair and Task Manager), the Project Director of the RA (Co-Chair) the Research Director of RA, Cocoa Manager for RA (Secretary), a Cocoa Specialist from Germany, Head of Plant Science in Mars representing partners, the Biodiversity programme Director of the RA based in France and a Principal Agricultural Economist of ICRAF based in the USA. The Steering Committee meets twice a year. The objectives and implementation strategies have built upon the experiences of the RA in harnessing business drivers to achieve conservation and sustainable livelihoods and that of partners who were already involved in the certification process.

168. The project has been run in close partnership with stakeholders. Memoranda of Understanding and Cooperation agreements have been signed with major stakeholders/partners, in which their roles and responsibilities have been spelt out.

Partners finance activities in the workplans that have been approved by National Steering committees. The National Steering Committees have been meeting according to schedule (twice a year) to review workplans and budgets while global workplans are approved by the Project Steering Committee which meets in Washington.

169. The Task Manager is in constant touch with the project and maintains contact through experts from RA who visit the project countries on her behalf and provide backstopping.

170. Project coordination in the various countries is by Coordinators from RA or as in Côte d'Ivoire, by the Centre d'Etude, Formation, Conseil et Audit (CEFCA) representing RA. The various coordinators are in close contact with partners and stakeholders.

171. The Implementing Agency, UNEP is very pleased with the execution of the project by RA both in terms of financial reporting, achievements and other reporting.[11]

172. Partners/stakeholders were happy with the supervision style of the RA and commended them. The RA formed a productive technical support relationship with local partners and conducted joint monitoring visits sometimes.

173. The rating for implementation approach therefore is **Satisfactory (S)**.

Stakeholder participation and public awareness

Project Partners

174. Potential lead partners were identified during the PDF-A phase during multi-stakeholder consultations prior to project commencement. The project document lists the lead partners, among who were national lead agencies, market partners, partner NGOs; and academic/research institutions (paragraph 51). These partners were selected based on a number of criteria, including presence and ongoing programmes in the countries and regions, relevance of mandate, goals and ongoing programmes (government agencies), ongoing activities and experience in the project sites (NGOs), and technical/scientific capabilities, and availability of relevant data and information (academic/research institutions).

175. The mix of partners was effective and efficient, with each partner making important contributions towards different aspects of the project, which were necessary for the achievement of project outcomes. Based on interviews with partners during the conduct of the MTE as well as examination of the progress reports, PIRs, and project accomplishments as at midterm, it was clear that there was excellent collaboration among the partners, driven in part by their interest in and enthusiasm for the project. This effective collaboration is demonstrated through the preparation of one project

[11] Discussions with Task Manager 'Greening the Cocoa Industry' project by Skype

workplan where each partner is expected to implement some of the activities, irrespective of the role of other partners.

176. It is worthy to mention that in addition to the lead partners specified in the project document, partnerships were established with other cocoa buying/trading organizations and companies during the course of the project.

Engagement of local communities

177. The project design recognized the benefit of adopting a participatory approach involving local communities in project activities. In the three countries visited, local communities are heavily dependent on the ecosystem services and therefore are themselves very vulnerable to biodiversity loss.

178. From the start of project there was close involvement of local communities apart from the farmer groups. The project also helped to strengthen the technical and organizational capacities of farmer groups. As part of the project activities, a number of awareness raising fora were convened by NGOs (e.g. Wild Chimpanzee Foundation in Côte d'Ivoire).

Public awareness activities

179. The MTE evaluators refer to traditional rulers, community leaders, farmers, farmer groups and their leaders, children, the youth, women, local governments, extension workers and hunters as the key project stakeholders at the community level as well as the general public. Significant efforts went into raising public awareness within the countries during project implementation. The project is creating awareness about sustainable and profitable cocoa farming, environmental concerns and biodiversity conservation mainly among farmers and farming communities. The awareness being created about the project in the communities is bringing on board additional stakeholders interested in the SAN standards.

180. Interviews and focus group discussions undertaken during visits by the MTE evaluators to the three countries revealed that the level of public awareness about biodiversity conservation as well as about the project itself, was relatively high at all levels of stakeholders, including villagers. Nevertheless, it should be pointed out that the extent to which this level of awareness could be attributed directly to the project, or to other initiatives by other stakeholders and NGOs like the Wild Chimpanzee Foundation could not easily be determined. Communities' awareness surveys were undertaken during project implementation. Prior to the project, biodiversity conservation awareness raising activities had already been ongoing in the project countries through the work of government agencies, NGOs and CBOs, among others. However, there is no doubt that the project has enhanced public awareness in the participating countries.

181. The UK conducted extensive media outreach as part of UK Chocolate Week to sensitise the public about the need to patronise certified cocoa products. There is however no evidence of engagement in public awareness creation for consumers of cocoa products in the project countries and the general public at large to enable them

appreciate the value of certified cocoa cultivation and the need to patronise certified cocoa products to boost the production of certified cocoa as a means of biodiversity conservation.

182. The rating for this is therefore **Satisfactory (S)**

Country Ownership and driven-ness

183. The importance of country ownership and driven-ness for the project is emphasized in the project document and has been encouraged and promoted throughout project implementation as at midterm. The alignment of the project with national priorities is addressed in all the countries because all project countries are major cocoa producing countries with the crop being major foreign exchange earners. Key government bodies are involved in the project in all the countries.

184. In Côte d'Ivoire the Cocoa and Coffee Board collaborates with the RA through the Ministry of Agriculture. The project offers the Ministry of Agriculture an avenue for the training of extension agents who in turn train lead farmers. The cocoa industry is not very organized in Côte d'Ivoire and traders and pricing are not regulated. The industry is liberalized but the Government is making attempts to regulate it. It is setting up the Ivorian Sustainability Standards to help with this regulation but this has not been finalized. The Departments of Wildlife and Forestry are interested in the project and are collaborating with it because of its contribution to the conservation of protected areas and wildlife in the main and only protected area left in Côte d'Ivoire.

185. Country ownership in Ghana is positive. A nominee of the COCOBOD chairs the Steering Committee of the project in Ghana. The Cocoa Research Institute of Ghana is indirectly collaborating with the project through technical advice given to the project. The Forestry Commission is also interested in the project because of its contribution to the conservation of protected areas. It is supporting the project through the identification and provision of compatible shade tree planting materials for cocoa farms.

186. In Indonesia the cocoa sector has suffered some setbacks primarily due to diseases, ageing farms and low fertility status of farms. The project is training farmers to address these problems. The government has also introduced central control and strict regulations to improve the situation.

187. The rating for country ownership is therefore **Satisfactory (S).**

Financial Planning and Management

188. Discussion of financial planning and management with the Fund Management Officer (FMO) in Nairobi suggests that the RA is very efficient with management and supervision of finances. Financial reporting is on GEF funds only. The FMO was happy with the financial reporting of the RA. There are budget reviews for UNEP projects every year, which allows for movement between budget lines. RA ensures that management costs in all countries do not exceed the 10%, which is approved by the GEF.

189. Co-financing has exceeded expectations. Of an expected $15 million dollars expected by the end of the project $13,292,973 has been realized by midterm. Despite the level of co-financing achieved by the project, co-financing has been difficult at the local level in Indonesia and could affect project sustainability.

190. The cocoa farmers require inputs but being small holders, it is not easy for them to cope with the high cost of such inputs. This is a problem all the smallholder farmers are confronted with in the project countries. In Indonesia, the high cost of producing cocoa is making the farmers shift to oil palm and clove cultivation. In Ghana the Government used to spray cocoa farms three times a year for cocoa farmers but this has been reduced to one with the expectation that farmers will take care of the others. Conservation Alliance in Ghana confirmed that inputs will be a major problem for sustaining certified cocoa production in Ghana. Olam has tried to assist its farmer groups with a credit system that provides them with input and this has worked very well. Olam intends to extend this assistance to make inputs available to more farmers. Thus, inability of cocoa farmers to purchase farm inputs regularly could affect financial sustainability of the project.

191. The rating for Financial planning Management is therefore **Satisfactory (S)**

UNEP Supervision and backstopping

192. The contribution of UNEP backstopping to the success of the project was highly appreciated by stakeholders (collaborating institutions, national experts) interviewed. Project stakeholders including the executing agency (RA) appreciated the supervision visits and the support received from UNEP right from the inception meetings using various means of communication (meetings, Skype, telephone, emails).

193. The Task Manager's role is to ensure that delivery of the project is kept on track and cost effectively. The Task manager accomplished this by timely reviews of reports from the RA and partners, supervisory visits to countries, Project Implementation Reports (PIRs) and ad hoc meetings with Senior Management of RA several times a year. The PIRs provided detailed information on progress of the project and actions needed to rectify identified problems. Three PIRs had been prepared by midterm. The PIRs also included a detailed analysis of risks and the TM was responsible for providing ratings on her assessment of risks to the project. Assessments provided were realistic.

194. The project started at different times in different countries but will all close by December 2016. The TM indicated that project intervention intensity was heaviest in Ghana, Côte d'Ivoire and Indonesia. These countries will therefore provide transformative impacts for the others. Project targets were therefore numeric not specific for each country. The start of project activities in different countries at different times but closure will be the same presents some difficulty. Countries

joining the project late may not benefit adequately from project activities and will close at a time when project activities have picked up.

195. The rating for UNEP Supervision and backstopping is therefore **Satisfactory (S).**

Monitoring and Evaluation

M&E Design

196. A comprehensive monitoring and evaluation plan was formulated at the time of project design, covering management progress reports (PIRs), annual reports, terminal report, substantive reports and reporting formats to facilitate reporting, financial reports and cash requests. The design followed UNEPs standard monitoring and evaluation procedures. The project results framework included objectively verifiable indicators and means of verification for the project objectives, outcomes and outputs.

197. The reporting time lines were clearly specified. The purposes for each report were well defined. The resource use allocation by components and sub-component activity matrix was a very effective tool for monitoring output-specific disbursement and control of cash requests based on the project reports. The logframe in the project document was later revised during the inception meeting and was considered to be appropriate and realistic. The revised results framework included appropriate revisions to the indicators.

198. The design also described progress reporting (Semi- annual progress reports, PIRs and evaluations). There was a results framework revision to the project document on 22 June 2011.

199. The rating for Monitoring and Evaluation design is **Satisfactory (S)**.

Monitoring and Evaluation Plan Implementation

200. In all the countries, the project Monitoring and Evaluation system was adopted and operational. It has facilitated timely tracking of results and progress towards project objectives throughout the project implementation. Half yearly progress reports and Project Implementation Review reports were completed in considerable detail to convey the complexity of events in the different countries and were made available for the midterm evaluation.

201. In Côte d'Ivoire the M&E system for the field became operational in May 2013, data has been collected on 40 farms. This includes spatial and site specific information about farmers' cocoa fields. Facilities for effective monitoring are available and technicians have iPads for storing data. They have also received training on how to use the monitoring system and report monthly. To ensure that reports are easy to understand a simple one page template for reporting was developed for the technicians. The data is yet to be analysed.

202. In Ghana and Indonesia an M&E system was developed at project inception to design systems for PES, biodiversity conservation and performance. It is collecting data on farm level information such as the number of farmers implementing SAN standards, the number of shade trees that have been planted and biological assessment in the landscape. The M&E team is working with the technical department to integrate some of the indicators for measuring biodiversity, and the use of GIS to map farms and integrate this in the internal inspection forms.

203. In Indonesia a baseline assessment of three main components; a household survey using the Household Economy Approach method, a pilot level assessment of farmers' practice and within plot biodiversity assessment have been carried out. Baseline maps of land use including natural ecosystem extent indicator is 100% complete for Jiem-Jiem and Lala communities in the buffer zone of Ulu Mason National Park and a second site in South Sulawesi. The baseline was ongoing in Bantaeng, South Sulawesi at the time of visit of the evaluator.

204. Baseline assessments (Natural Ecosystem Assessment (NEA) for Juabeso Bia in Ghana and Aceh in Indonesia has been completed. Project performance monitoring indicators, including measures of practice adoption and environmental and socio-economic sustainability have been finalized with implementing partners. Project indicator baseline data from farms receiving technical assistance programs have been done. Farmers have maps of their farms and GPS points of planted trees.

205. The information provided by the M&E system has been used to improve project performance and adapt to changing needs where necessary.

206. Rating for Monitoring and Evaluation Plan Implementation is **Satisfactory (S).**

Gender

207. The project worked with farmer groups in the communities. Although gender was not deliberately considered in the project document and mainstreamed in the project implementation, the farmer groups are made up of male and female farmers who participate equally in all the training and sensitization activities of the project. Both men and female farmers attended all the evaluation focus group discussions and they are all benefiting from the project through increased yields. It was however mentioned earlier that there are more men than women farmers in the groups.

208. In South Sulawesi (Pinrang) Olam works with farmers' wives (that have formed women groups) on improving cocoa quality programme. In this programme Olam helps the women groups to purchase wet cocoa beans and teach them to do proper fermentation using wooden boxes purposely designed by Olam for the fermentation required. Olam then purchases the fermented beans from the women groups and pays a premium for the quality of fermented beans.

209. There was a workshop in Jakarta, Indonesia on "Woman in Agriculture: Integrating Gender for Better Agriculture Development Outcome" (3-4 June 2013) organized by IFC which RA participated in. Among the things discussed in this workshop were the advantages of scheduling farmer trainings based on woman's preferences, such as less hours per day stretched over several days to enable more women participate

in the farmer training. This suggests that training programmes are not gender sensitive and tends to favour men more than women farmers.

210. RA has the intention to change the mindset of the younger generation and perception on the green economy and to understand the real meaning of sustainable development.

211. The project design took note of aging farmers and is ensuring that farmer groups bring on board young members interested in cocoa farming for training. Thus the project is motivating through the training programmes, a new generation of farmers to go into cocoa production.

212. Rating for Gender is **Satisfactory (S).**

Complementarities with UNEP Strategies and Programmes

Linkages to UNEP's Expected Accomplishments and POW 2010-2011

213. The intended results are consistent with UNEP's programmatic objectives and expected accomplishments under its Ecosystem Management Sub-programme cross-cutting priorities of its Medium-term Strategy 2010–2013. The objectives and expected accomplishments focus, while respecting the mandates of other entities, on progressively achieving synergies and demonstrating increasing coherence in international decision making processes related to the environment, including those under multilateral environmental agreements. The project's outcomes will contribute to produce global, regional and sub-regional conservation of biodiversity.

Alignment with the Bali Strategic Plan (BSP)

214. The project's focus on capacity building for the farmers and their communities at the local level in project implementing countries is well aligned with the BSP. This is done through training of trainers' programme where some lead farmers are trained to provide training for their farmer groups. This approach ensures sustainability after the project comes to an end and is more likely to have replicable effect in the farming communities. Government research institutions are also involved in the project and work closely with the project teams.

215. In Indonesia, one of the universities is involved in research in the cocoa sector and in Ghana the Cocoa Research Institute of Ghana is engaged in farmer training**.** Consequently, the project is fully consistent with one of the objectives of the BSP, which is "*To strengthen the capacity of Governments of developing countries as well as of countries with economies in transition, at all levels to develop national research, monitoring and assessment capacity to support national institutions in data collection, analysis and monitoring of environmental trends and in establishing infrastructure for scientific development and environmental management, in order to ensure sustainability of capacity-building efforts*".

South-South Cooperation

216. The 'Greening the Cocoa Industry' project did not explicitly intend to promote South-South cooperation, which was not mentioned in the project document. Nevertheless, the project facilitated South-South Cooperation through the information sharing process (capacity building, tools/materials, guidelines (like the SAN standards and manuals) being encouraged among stakeholders and partners of the participating countries, with Rainforest Alliance being at the centre and facilitating the South-South Cooperation. Participation in inception workshops facilitated the sharing of experience and lessons and helped in capacity building, to some extent.

Conclusions, Lessons Learned and Recommendations

Conclusions

217. The GEF/UNEP project, "Greening the Cocoa Industry" was designed to help change the production and business practices in ten major cocoa producing countries (Madagascar, Nigeria, Indonesia, Papua New Guinea, Brazil, Dominican Republic, Ecuador, Peru, Ghana and Côte d'Ivoire) to conserve biodiversity in cocoa production landscapes, provide greater long term stability to the cocoa and chocolate industries and increase the income of small holders since cocoa in these countries is mostly produced by small holders.

218. The earlier sections have discussed project design and implementation as they relate to the likelihood that the project will achieve its expected impacts. In all cases assessments have either been Satisfactory or Likely, suggesting that the project has been generally well designed and implemented. The major project countries, Ghana, Côte d'Ivoire and Indonesia will provide transformative impacts for the others.

219. The major objective of the midterm evaluation was to assess project performance (in terms of relevance, effectiveness and efficiency) and analyse whether the project is on track and what problems or challenges the project is encountering and what corrective actions are required. These criteria are addressed under sections B and C of this report.

220. The project's objectives are relevant in terms of the issues it seeks to address. Its implementation is on schedule and has, on the whole, far exceeded targets set for midterm. It has so far been cost effective in that it collaborates with partners who support the overall activities of the project through programmes they fund in most cases. The project is in line with national goals of participating countries and is therefore receiving collaboration from national governments. The project is on track and there is a very high likelihood that the project will achieve its intended outcomes and impacts by December 2016 when it closes.

221. The evaluation findings are further summarized in Table 7.

Table 7: Evaluation Summaries

Criterion	Summary Assessment	Rating
A. Attainment of project objectives and results	Although the project is at the midterm stage activities and outputs have so far followed a logical sequence for the achievement of project objectives by the end of the project. Achievements have surpassed expectations indicated for midterm. Benefits of the SAN training and certification are being realized by farmers through improved yields and certification premiums. Awareness of biodiversity conservation and other benefits like the importance of shade trees in the cocoa production landscape has increased.	HS
1. Effectiveness	Farmers have received training on farm maintenance, fertilizer use, pruning, composting, need for buffer zones between rivers and farms and the importance of shade trees in the cocoa landscape. The methodology of using lead farmers as trainers has great impact.	HS
2. Relevance	The project is highly relevant because cocoa represents major foreign exchange earners for most of the project countries. The project has contributed to capacity building in the cocoa sector for participating countries. The project is well aligned with the objectives of the ecosystem management subprogramme of UNEP.	HS
3. Efficiency	The project built on information and data from previous and other on-going projects and is being executed by RA which has a lot of experience in the cocoa industry. It has formed partnerships with traders, industry and national bodies responsible for the cocoa industry. These partners are contributing in many ways to the implementation of some project activities. This has helped to advance the cause of the project and enhanced local content. The project is on course and timely in activities implemented up to mid-point.	HS
B. Sustainability of project outcomes	The results of the project are highly sustainable due to interest of partners, governments and other stakeholders.	L
1. Financial	Results largely depend on activities of partners and government agencies responsible for the cocoa industry, but the belief of partners and traders that sustainability of the cocoa industry is tied to their progress will ensure funding from them even after the project closure.	L
2. Socio-political	The project has empowered farmers through strengthening of cocoa farmer organisations, increased awareness of environmental and social issues and the management of their farms for improved yields and income.	L
3. Institutional framework	The project has helped to strengthen and provide support and leadership to governmental and private sector	HL

Criterion	Summary Assessment	Rating
	institutions responsible for the cocoa industry, particularly in cocoa certification.	
4. Environmental	The benefits of decreased deforestation, biodiversity conservation, inclusion of shade trees in the cocoa landscape and respect for buffer zones will continue after project closure.	L
C. Catalytic role	The project has a very strong catalytic role and replication potential due to the engagement of lead farmers in training and the visibility of project benefits to participating farmers. There is also up-take of the SAN by non-group members and their participation in farmer group project meetings.	HS
D. Stakeholders involvement	The project has involved a very wide range of stakeholders including processors, traders, researchers, governmental institutions and NGOs, both local and international, as well as community members.	HS
E. Country ownership / driven-ness	The project addresses priorities of governments for the cocoa industry and involves key national bodies in the cocoa industry. It has also responded to the needs of countries for capacity building for increased cocoa production, biodiversity conservation and protection of the environment.	S
F. Achievement of outputs and activities	The project is on track to achieve its outputs and in many cases has already exceeded midterm expectations.	HS
G. Preparation and readiness	The project was formulated and designed comprehensively. No significant challenges were identified during this analysis,	S
Implementation approach	The project is being implemented as planned and has been successful up to midterm.	S
I. Financial planning and management	Financing and co-financing of the project was well planned but due to sensitivity issues of co-financing contributions by partners, details of all disbursements were not available. GEF funding details were however clear and transparent. Significant progress has however been made towards achieving the co-financing target for the project.	S
J. Monitoring and Evaluation	The project M&E followed UNEP's standard monitoring and evaluation procedures and the overall rating for M&E is based on the rating for M&E implementation.	S
1. M&E Design	The M&E design followed UNEP's standard monitoring and evaluation procedure.	S
2. M&E Plan Implementation	M&E activities were implemented according to the plan. PIRs and progress reports were completed and used to track project performance.	S
3. Budgeting and funding for M&E activities	Budget for M&E activities was adequately planned for but was not available to the evaluation team.	S
K. UNEP	UNEP's supervision and backstopping role has been	HS

Criterion	Summary Assessment	Rating
Supervision and backstopping	adequate. The project has adhered to supervision plans, proper monitoring of outcomes, reviewed reports and PIRs and conducted monitoring visits when necessary.	

Lessons learned

222. Although lessons leant at MTE are usually considered as preliminary since the project has not ended, the project still provides some lessons that need to be considered in UNEP's and GEF's learning processes. The evaluation considers the following lessons to be important even after project closure:

223. **Building of local capacity:** The project worked with local partners, traders, industry and government institutions and provided training for extension and technical staff in the project countries. This helped to advance the cause of the project, enhanced local content and built the capacity of partners and stakeholders to administer better training to farmers. The collaboration of national bodies with projects is important for the realization of the goals of their project.

224. **Working with farmer groups:** The project worked with farmer groups as opposed to individual farmers. This is very important because with few trainers very few farmers would have benefitted from the training in farm management, biodiversity conservation, protection of the environment and increasing awareness of social issues like child labour. Working with farmer groups ensures training reaches more farmers even in very remote areas where accessibility is poor. Additionally the methodology of using lead farmers as trainers allowed for an even greater reach of farmers and faster achievement of project goals and objectives. This method enhances project sustainability. The method can be applied to projects for other occupational associations, and not just farmers.

225. **Regional/Multi nations' projects:** The development of projects like the 'Greening the cocoa industry" with several countries involved, allows for sharing of experiences which will strengthen the benefits derived from the project to the individual countries. However, the initiation of project activities at different times in different countries does not offer those joining the project late the opportunity to fully benefit from the project. Furthermore the complexities and policies of different national governments sometimes do not allow smooth take off of projects such that such late starters may only be taking off when project activities are ending. Perhaps it would have been advisable for the project to be limited to the first six countries as efforts in the late starters will be very modest.

Recommendations

The following recommendations, among others, are at project level.

226. *Certification of farmers is organized through Cooperatives (groups):* Although traders pre-finance coops in most countries, the pre-financing is focused on

certification. The acquisition of inputs to translate the training received on the use of good agricultural practices to improve yields cannot be fully implemented due to inability of farmers to purchase required inputs and labour costs. The project should initiate a credit system by encouraging traders to provide the necessary inputs to farmers to help them increase their yields. Through the certification process, farmer groups/cooperatives will be committed to exporters/traders supervising their certification and will repay through them. Olam experimented with this in Juabeso Bia, Ghana with 833 farmers. Repayment was good and as such Olam is scaling it up to1000 farmers.

227. Although there are cost implications, the project should **encourage** its partners including the private sector and NGOs, to create greater awareness and increase consumer education and sensitization about the benefits of using certified cocoa to the farmer and encourage consumers to pay more for certified cocoa products. Currently the premium paid to farmers for certified cocoa is small (100CFA in Côte d'Ivoire, GHC7/bag in Ghana and in Indonesia farmers are paid US$1.65 (19,000IND Rupia) per kg for normal dry beans and US$1.85 (21,000IDA Rupiah) per kg for properly fermented dried certified cocoa beans). This will provide greater sustainability for the certification process.

228. Given the global shortage of quality cocoa beans at present it seems that volume is one of the most important drivers of business decisions at the moment. The RA should ensure that certified farmers and farmers preparing for certification receive technical assistance and training that help them to increase their productivity while adopting more sustainable practices to sustain the interests of these partners.

229. Rainforest Alliance and its partners should do more to tailor its communication to farmers and emphasize the benefits of adopting SAN Standards in its awareness creation messages on certification, as there is a strong expectation by farmers of premium payments. Some farmers even see premium payments as the end result of certification.

230. The project through its exporter forums should facilitate a meeting of cocoa companies/traders to streamline agricultural extension messages on management of cocoa farms and input use in all countries participating in the project. Currently some extension messages on cocoa management being aired in some countries, example Ghana, at the time of the evaluation were tailored to suit the commercial interests of some chemical companies.

231. To ensure that farmers embrace the introduction of shade trees in the cocoa landscape, the project should aid in the dissemination of information on changes in government policy as per the Ghana Forest and Wildlife Policy of 2012 giving ownership of commercial trees found on farmers' farms to them and engaging with the forestry organisations/institutions in the other countries to promote such policies. As at the time of the evaluation, the issue of ownership of commercial trees on farmers' lands in Côte d'Ivoire was not clear. This issue is being discussed in Ghana and Côte d'Ivoire and buying into the discussion by the project will help the situation.

232. The Rainforest Alliance should continue to provide guidance to national institutions desiring to develop their own standards to ensure quality assurance. While local conditions will influence certification standards, it will be necessary to develop modalities for all certification programmes to ensure that standards are not unduly diluted.

233. Funding of project activities by the project will cease after project closure but, through various partnerships and sustainable funding arrangements with companies and traders like Olam, Barry Callebaut, GIZ funding is likely to continue. It would however, be important to convince governments and others currently not involved in the project to see the benefits of the project and buy into it. The RA should organize field days/durbars to showcase the achievements of the project to make it appealing to governments and other agencies responsible for the cocoa industry to continue to fund project activities, particularly certification after its closure. Although this will have cost implications it will be worthwhile. It would encourage mainstreaming of cocoa certification into activities of government agencies responsible for the cocoa industry.

234. Leverage financing which has been a major source of funds for some countries should be adequately acknowledged and systematically recorded by the Executing Agency to ensure efficient reporting.

ANNEXES

Annex 1.1. Project components, component objectives and outputs[12]

Project Components	Expected Outcomes	**Expected Outputs**
1. Mainstream market development	Mainstream market acceptance of Rainforest Alliance certification drives commitment to sustainability and integration of biodiversity conservation in the cocoa and chocolate value chain.	12 mainstream cocoa and chocolate companies commit to Rainforest Alliance certification 165,000 tons annual sales of certified cocoa by EOP 20 chocolate products using seal in market at EOP Producers, traders, processors and manufacturers have internalized in value chain the costs of training, ICS, audits, traceability and use of certification seal
2. Training, extension and business services for farmers	Cocoa farmers have access to affordable, quality training, extension and business services that enable them to apply sustainable agricultural practices which integrate biodiversity conservation.	250,000 farmers apply sustainable management practices during LOP 750,000 hectares under sustainable management during LOP Appropriate training materials developed for small holder cocoa farmers and trainers 10 service provider institutions and 200 trainers trained in the Sustainable Agriculture Standard and approved through quality control system 25% increase in productivity from applying sustainable practices

[12] Of note, is the Results Framework Revision to the Project Document, dated 22 June 2011 and adopted in Project Revision of May 2012 – which eliminates and fine tunes indicators to better capture progress towards and achievement towards Outcomes. The revised Results Framework is used in subsequent progress reporting. Refer to Annex 9 in the TOR for new results framework.

		25% of certified farmers are not members of producer organizations
3. Upgrading the RA certification program	The Rainforest Alliance certification program continuously improves its robustness and responsiveness to the key issues in cocoa sustainability including biodiversity conservation.	40 local auditors accredited to inspect farms 3 independent certification bodies accredited 10 local indicator documents published Sustainable Yield module for Standard published Online traceability system operational
4. Biodiversity Conservation and increased income for farmers (M&E)	Sustainable cocoa production contributes to biodiversity conservation and natural resource management and provides a net financial return to cocoa farmers	PES methodology designed and tested M&E system designed and applied Biodiversity studies demonstrate conservation impact Cost-benefit analysis for producers shows net benefit

Annex 1.2 Results Framework Revision to Project Document, 22 June 2011

Prodoc Indicator	Revision	Justification
Project Objective		
Change in number of hectares of on farm natural ecosystem that are identified and protected	Extent (hectares) of set asides that are identified and protected under SAN standard	Clarification using SAN standard language. Set-aside = areas reserved for reforestation, natural regeneration and conservation.
Outcome 1		
Number of leading chocolate manufacturers committed to work with Rainforest Alliance certification system	Indicator deleted	Redundant in view of market penetration indicator below that has been added
Annual volume of certified cocoa sold	Added to SOV: Individual detail for large companies and aggregated for speciality and producing country brands	Additional detail
# Products using Rainforest Alliance Certified seal	Market penetration by major/leading brands	The number of products using the seal says less about the growth of certification than the degree of market penetration. 30 niche products consuming small amounts of cocoa would not generate market change as much as three leading brands. Hence reporting will focus on how many major brands are using the seal and what information we can obtain about their market share. This change was suggested in the Nairobi planning workshop.
Level of internalization for costs of certification assumed by producers, traders, processors and manufacturers through transparent supply chain arrangements	Amount of private sector financing invested at origin	Following discussions with industry, it is not possible to obtain reliable data because of confidentiality
	No of events/activities organized by RA/partners to reach target audiences	Additional indicator
	Percentage of participation fee recovered	Additional indicator

Outcome 2		
Number of farmers that apply the Standard and obtain certification	Indicator deleted	Redundant as this indicator exists at project objective level, where corrected baseline added. Amount of hectares under sustainable management according to SAN standard is a more accurate means of measuring results as farm sizes vary and farmers may own more than one farm
Number of service providers in major production areas of producing countries trained in the sustainable Agriculture Standard	Number of lead trainers trained in the Sustainable Agriculture Standard and approved as trainers through annual evaluation	Clarification + quality control added
Number of service providers in major production areas of producing countries that have a quality control system in place	Deleted as separate indicator and quality control added to previous indicator	Redundant
Number of technicians trained in the Sustainable Agriculture Standard and approved as trainers through annual evaluations	Number of technicians (exporters, individuals, government or other institutions) trained in the Sustainable Agriculture Standard	Clarification + not all technicians will be evaluated
	Number of partnerships established with government and other institutions to promote the Sustainable Agriculture Standard and biodiversity conservation.	Additional indicator
Percentage improvement in productivity on certified farms in Côte d'Ivoire and Ghana	Deleted reference to specific countries Productivity study added as SOV	1-Monitor more widely to give regional balance 2-Baseline compiled from certification reports as of December 2010 (June 2010 reports do not have volume data) 3-RA will undertake a productivity study during project
Outcome 3		
Existence of productivity criteria in Standard	Additional productivity criteria defined and applied in training programs EOP target changed to:	Priority is to incorporate productivity into training rather than the Standard Adjusted to correspond to emphasis on training

	Productivity criteria applied systematically in training and proposed to SAN for incorporation in Standard. SOV changed to training records	Adjusted to correspond to emphasis on training
Existence of electronic online system for traceability	% certified cocoa transactions recorded in traceability system	Places emphasis on performance rather than existence of system
Outcome 4		
Status of M&E system implementation	Baseline changed to Strategy for incorporating M&E system into technical assistance activities devised.	Project monitoring and evaluation must be core activities of project implementation plan.
Status of biodiversity target indicators and study results	1-Added- in selected site in Indonesia 2- Additional region specific metrics added to baseline	Clarification that biodiversity impact study will be conducted in Indonesia because of resource limitations.
Status of cost benefit analysis study results	Status of farm level cost benefit analysis study results	Cost-benefit analysis study will only be conducted on a sample of technical assistance participating and non-participating farms (200-400 farms).

Annex 2. Evaluation Timelines

Activity	**1. Date**
Start of contract	2. 24th June 2013
Inception report to EO	3. 27th June 2013
Discussions and presentation of Theory of Change	4. 27th-28th June 2013
Field work: Mission to Côte d'Ivoire Mission to Ghana Mission to Indonesia* Mission to London	5. 6. 8th – 12th July 2013 7. 13th-20th July 2013 8. 14th-20th July 2013 9. 21st- 26th July 2013
Zero draft evaluation report to EO	10. 12th August 2013
EO's comments on zero draft evaluation report	11. 26th August 2013
First draft evaluation report	12. 9th September 2013
First draft evaluation report circulated to stakeholders for comments	13. 10th September 2013
Consolidated comments to consultants	14. 17th September 2013
Final evaluation report	15. 25th September 2013
End of contract	16. 30th September 2013

a. *missions undertaken by supporting consultant;

Annex 3 Evaluation Programme

CÔTE D'IVOIRE

Date	**Day**	**Location**	**Event**
8th July	Monday	Abidjan	1.Arrival in Côte d'Ivoire of Evaluation Team, 2.Meeting with Melanie Bayo, Rainforest Alliance Representative in Côte d'Ivoire
9th July	Tuesday	Abidjan	1.Meeting with Emma Normand of Wild Chimpanzee Foundation (WCF) 1. Ble Lago Isaac, GIZ.
10th July	Wednesday	Abidjan	1. Meetings with Siaka Kone, Olam. 2. Travel to Tai national Park (To Daloua)
11thh July	Thursday	Tai National Park	1. Continuation of travel from Daloua to Tai National Park. 2. Meetings farmer Coop, nursery attendants. 3. Meeting with Kouame- Anoh Simon-Pierre-OPEIR; 4. Meeting with Thiery Fabbian, Representative of WCF in Tai. 5. Return to sleep at Daloua 6. Discussions with Kouassi Konan, Formateur approved by Rainforest Alliance.
12th July	Friday	Abidjan	Travel from Daloua to Abidjan
13th July	Saturday	Abidjan Accra	Travel back to Accra

GHANA

Date	Day	Location	Event
14th July	Sunday	Accra	Arrival in Accra of Evaluation Team
15th July	Monday	Accra	1.Meeting with Project Coordinator Mr. Christian Mensah, 2. Mr. William Albert Toose of Agro-Eco. 3. Mr.Yaw Osei-Wusu and Mrs Enerstina Doku-Marfo of Conservation Alliance.
16th July	Tuesday	Tafo	1. Travel to Tafo. 2. Meetings with Dr. Gilbert Anim-Kwapong (CRIG). 3. Travel to Sefwi Wiawso
17thh July	Wednesday	Juabeso-Bia	1. Travel from Sefwi-Wiawso to Juabeso – Bia 2. Meetings RA, Olam and COCOBOD Agents/Technicians, farmers and visits to farms at Juabeso Bia. 3. Return to Sefwi Wiawso
18th July	Thursday	Kumasi	1. Travel from Sefwi-Wiawso to Kumasi 2. Meeting with Mr Dennis Oppong of Agro-Eco 3. Meeting with Mr. Eric Botwe of Olam
19th July	Friday	Accra	Travel back to Accra of rest of Team

LONDON

Date	Day	Location	Event
5th August	Monday	Accra-London	Arrival in London of Evaluator
7th August	Wednesday	London	Meeting with Mr. Edward Millard, Rainforest Alliance, London
8th August	Thursday	London	Meeting with Mr. Chris Brett, Olam, London
12th August	Monday	Stratford-Upon Avon	Meeting with Mr. Alistair Child of Mars International

NB. Meetings with stakeholders were difficult to arrange because of the time of evaluation. Many of them were on holidays. Some scheduled meetings were cancelled.

Annex 4: List of Documents Reviewed

- Project design document
- Correspondence related to project
- Reports on Inception Workshops
- Project Implementation Agreements with stakeholders
- Steering Committee meeting minutes
- Half yearly Progress Reports 2011, 2012
- Annual project UNEP GEF PIR 2011, 2012, 2013
- Reports on Co-financing
- Instrument for the Establishment of the Restructured Global Environmental Facility
- ICCO (2011) Annual Report
- ICCO (2013) Report on The International Workshop on Cocoa certification. Douala, Cameroon, 24-27 June 2013.

List of Training Materials reviewed

- Shade tree guide
- Cocoa Manual -Training Modules for Cocoa farmers
- Making cocoa more sustainable - A video on Good cocoa production in the local language by the COCOBOD
- Sustainable and Climate friendly Cocoa production
- Climate Education-Juabeso Bia

Hand outs:

- Productivity
- Shade trees
- Wildlife protection
- Ecosystem conservation
- Integrated Pest management
- Waste water management and How to make compost
- Wastewater management
- Soil conservation
- Storage of chemicals
- Protective equipment
- Social conditions of workers

NB. The above mentioned training manuals are also in French.

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Annex 5. People/Stakeholders Interviewed

CÔTE D'IVOIRE

Name of Interviewee	Organisation/	Location/ telephone number/e-mail
Melanie Sirima Bayo	Rainforest Alliance	Abidjan, +255-05054667
Dr. Emmanuelle Normand	Wild Chimpanzee Foundation	Abidjan,
Andrea Wilhemi Some	GIZ, Rivera Golf (near American Embassy)	Abidjan, +255 – 507108107
Moctar Sangare	Mars, (next to ENA)	Cocody, 11 Plateux, St. J5, Plt 19, Hs. No. 188, Abidjan
Fabien Thierry	Wild Chimpanzee Foundation,	Tai National Park Offices. Tel: 01623356 e-mail:thifab67@yahoo.fr
AnkeMassart	Barry Callebaut, SACO Offices, Vridi, Abidjan	Abidjan
Ble Lago Isaac	GIZ	Olam Offices, Abidjan. Tel: 08060509 email:lago.ble@giz.cle
Siaka Kone	Olam,	OutspanIvoire, S.A. Boulevard de Vridi, Zone Portuaire, 15 BP 300 Abidjan 15. Tel: 21218989 , Abidjan
Kwame Anoh Simon-Pierre	OPIER	Tai National Parc 03209462/46864664 e-mail:kouamanohsimonpiere@yahoo.fr
Kouassi Koan	Formateur Approve par RA	Tai. Tel: 05887221 e-mail: stev.kouassi@yahoo.fr
Farmer Group members at Djidoubai	Cooperative CAEZA	
Tekpo Jean-Noise	Trainer	Tel: 49392580/ 02874132
Kone Segueni	Trainer	Tel: 07205015
Konin N'Ori Pascale	Trainer	Tel: 48487235
Tia Nundo Eue	Trainer	Tel: 58306581
Kouame Koffi Bernard	Trainer	Tel: 08251812
Sawoue Francis	Trainer	Tel: 47984032

GHANA

Name	Organisation	Location/Tel no./ e-mail address
Mr. Christian Mensah	Project Coordinator, Rainforest Alliance	Accra, +233-03-025-02210 cmensah@ra.org
Mr. William Albert Toose	Regional Manager, West Africa, Agro-Eco	Accra. Tel: +233-0243555702 e-mail: Olam.toose@louisbolk.org
Mr. Yaw Osei Owusu	Conservation Alliance-	Accra
Mrs. Enerstina Doku-Marfo	Conservation Alliance	Accra
Dr. G. Anim -Kwapong	Chairman of Steering Committee, Greening the Cocoa Industry project. CRIG, Tafo	Cocoa Research Institute of Ghana, Tafo. Ghana
Mr. Andrew Morrison	Snr Associate (Rainforest AllianceTechnician)	0244723990/020149009 Juabeso-Bia
Mr. Anthony Adom	Snr Associate (Rainforest Alliance Technician)	0244708455 Juabeso
Mr. Abraham Nartey	COCOBOD Technician Juabeso-Bia	0246619784
Mr. Oteng Kissiedu	COCOBOD Technician Juabeso-Bia	0249938114
Mr. Bonar Andreas Matandang	M&E Support from Indonesia.-Juabeso Bia	
Mr. Morrison	RA Project Officer-Juabeso-Bia	
Mr. Isaac Sackey	Olam	Sefwi Wiawso, 0244974574
Mr. Daniel Robinson	Olam	O244329466
Mr. Dennis Oppong	Project Leader-Agro-Eco and Lead person for Bia project	Kumasi, 0244502917
Mr Eric Botwe	Olam	Kumasi, 0244329508.

Mr. Vince McAleer	Amajaro	Accra, Rep of Ghana Tel: +233-244350770 e-mail: Vince.McAleer@ Amajaro.com

LONDON

Name	**Organisation**	**Location/tel/e-mail**
Edward Millard	Rainforest Alliance	London, +44-20-79474919
Chris Brett	Olam	London, chris.brett@Olamnet.com
Alistair Child	Mars	London, alastair.child@effem.com

INDONESIA

Date	**Name of Interviewee**	**Organisation/**	**Location/ Telephone No**
14th July	RiniInddraynanti	CSP	Makaassar (2hrs by air from Jakarta)
15 July	Adam Kurniawan	,	Bantaeng District , South Sulawesi
15 July	SoetantoAbdoellah	Scientific Board, Indonesian Coffee and Cocoa Res. Institue (ICCRI) JLPB Sudirman No.90, Jember 68118	Surabaya (1 hr by air from Jakarta) +6281234509409m) +62331333442 (easy to get to.)

Annex 6. The Evaluators

Dr. Charles Oti-Boateng (Lead Consultant)

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Dr. Charles Oti-Boateng is a Senior Lecturer at the Department of Agroforestry, Faculty of Renewable Natural Resources, College of Agriculture and Natural Resources, Kwame Nkrumah University of Science and Technology (KNUST), Kumasi, Ghana and the Immediate past Chair of Agroforestry at the Faculty. He graduated with a PhD from the University of Adelaide in South Australia in 1989. He has worked for over thirty years both in Ghana and abroad in teaching, research, innovative skills development and transfer of technologies to farmers and industry to improve production, post-harvest management, processing and utilization. Some of the crops he has worked on include maize, sorghum, groundnuts, cowpeas, fababean, barley, rice, cocoa and biofuel crops (*Jatropha curcas* and sugarcane). Achieving the objectives of the various research and projects have involved multi-disciplinary approaches and in some cases molecular techniques.

His work over the years has afforded him several opportunities to participate in agricultural working group activities, consultancies and related donor co-ordinated and consultative meetings of the African Development Bank, the Australian Agency for International Development (AusAID), and the United Nations Environmental project (UNEP), European Union (EU) and the Australian Barley Board. He has attended several short courses and conferences and has a number of peers reviewed journals, conference papers, monograms and articles to his credit. He has been a consultant to the African Development Bank, United Nations Environmental Programme (UNEP) and the Social Enterprise Development Foundation of West Africa (SEND Foundation) in project evaluation, midterm reviews, baseline studies and provision of Technical Advice in Ghana, Liberia and Sierra Leone. He has supervised post graduate programmes on agronomic studies on *Jatropha curcas*, biomass transfer in relation to decomposition and influence on soil fertility, utilization of multipurpose trees including a study on the conversion of natural forest to cocoa agroforest in lowland humid Ghana: impact on plant biomass production, organic carbon and nutrient dynamics. He has also supervised studies of biochar on yams. He was the Lead Consultant for the Design of Crop Productivity and Demonstration Plots Training Materials and Guidelines for the Millennium Development Authority's Commercial Development of Farmer Based Organisation (CDFO) activity in Ghana. He has provided leadership, foresight planning and management in achieving the vision and mission of the various institutions he has worked for in research and innovation, technology transfer, and entrepreneurship.

Dr. Faisal Mohd Noor (Supporting Consultant)

Dr. Faisal Mohd Noor is an agronomist/ and rural development specialist with 12 years' experience in South East Asia, 4 years in Africa and 3 years in Germany. I have extensive experience in smallholder producer management and large scale plantation development (oil palm and rubber) in South East Asia mainly Malaysia and Indonesia with rural/ forest community development through the agricultural scheme programme and in international development within the CGIAR, the World Bank and in United Nations system, programme management engaging governments and the private sector. I also experience in multi stakeholder programme and initiative development as well as sustainability certification in the cocoa and coffee sectors.

Professional Experience

1993 - 1995	Cadet planters (Malaysia): Management of oil palm estate
1997-1999	Graduate student and research assistant (USA), Colorado State University, Fort Collins, CO: Experimental design and data analysis, documenting and interpreting research results
2000 - 2002	Consultant (Germany/ Finland) Kemira Agro OY, Espoo: Fertiliser modeling; development of nitrogen N-sensor for cereals; Planning, coordinating, and implementing research work, Farmers on-field training
2000 - 2002	Researcher and guest scientist (Germany), Institute for Plant Nutrition and Soil Sciences, Brunswick, Federal Agricultural Research Centre (FAL): Precision farming application, Remote sensing and GIS modelling, Chemical analysis of plant and soil samples
2003 - 2006	Lecturer (Malaysia), University Malaysia Sabah (UMS), Kota-Kinabalu:The Head of the Plant Technology Programme; Lecturing on: Soil science; Plant nutrition; Agroforestry application for the graduate level; Plant physiology; GIS and Remote Sensing; Survey design and Participatory research methods; Development of research proposals; Supervision of graduate and undergraduate projects, Developed the proposal and curriculum module for the new "School of Sustainable Agriculture" in Sandakan, Coordinating and supervision of practical training for undergraduate students, Planning, coordinating, and implementing research work and results, Administration work.
2007 to present	Director (Kenya/ Malaysia), *IRMAC* – International Resource Management Consultancy (Malaysia) Sdn. Bhd.: Planning, coordinating, and implementing rural development projects; Technical advice to the Sabah State Government, East Malaysia; Bridging stakeholders; Proposal development; Logistic management; Human resource management (2 office staffs, 1 technical assistant, 10 field workers)

Recent assignments

(Since April 2013 – Apr. 2016) - Working for Sabah Land Development Board (SLDB) on book (5 chapters) development on 'Agriculture Development in Sabah' based on SLDB story; Advising SLDB on database management for structuring new approach in

plantation management; Developing the curriculum module for the Agricultural Academy in Keningau for SLDB.
(Since Nov. 2012) - Consultant to CRP 6 on Sentinel Oil Palm Landscape, Centre International Olam (CIFOR), Bogor, Indonesia.
(March 2011- March 2012) - Advisor for remote sensing to CRP 7 Climate Change, Agriculture and Food Security (CCAFS), CGIAR Programme, World agro-forestry Centre/International Livestock Centre (ICRAF), Nairobi, Kenya.
(Dec. 2011 – Dec. 2012) - Aqua ecotourism development, Southwest Coast Sabah, Ministry of Agriculture and Food production Malaysia, Kota Kinabalu, Sabah, East Malaysia.
(May - July 2012) - Advisor to the World Bank for preparing GEF proposal on coffee sector study in Timor Leste, Jakarta, Indonesia.

Education

Nov. 1989	M.C.E (Malaysian Certificate of Education), Malaysia Hamzah Secondary School
July 1993	Associate degree in Agricultural Science (Malaysia), Universiti Pertanian Malaysia, Sarawak
October 1997	Bachelor degree in Soil and Crop Sciences (USA), Colorado State University, Fort Collins, CO
September 1999	Master degree in Soil Science (USA), Colorado State University, Fort Collins, CO
December 2002	Dr. (rer. nat.) Geoecology (Remote Sensing and Plant Germany Technique University Carolo-Wilhelmina, Brunswick

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Annex 7: Evaluation Questionnaire

The evaluation questionnaire is a set of **key questions**, based on the project's Logframe and current implementation issues, which seek information to help with the Mid-Term review of the project. Where possible, use examples to enhance your responses.

Relevance

1. How relevant are the project objectives in relation to your national environmental issues and needs? In your opinion is there a clear link between the objectives of the project, cocoa production and biodiversity conservation:

   At the global level
   At Sub-regional level
   At the country level

2. Does the project relate to any existing national initiative?

3. How does UNEP's overall mandate and policies/GEF focal area on biodiversity and natural resource management relate to the project?

4. How consistent are national strategies and programmes with the project?

5. Are the components of the project consistent for the achievement of the goals of the project?

6. How clear and targeted are the goals of the project relative to:

   -increased cocoa production
   -cocoa and chocolate industries
   - country needs
   -biodiversity conservation
   - farmer needs

7. Is the design of the project targeted to the achievement of its goals?
   -UNEP and Rainforest Alliance partnerships
   -Involvement of traders and processors
   -Funding arrangements

8. Are assumptions identified and integrated into the workplans?
   -Have impact drivers been used during project implementation?

9. Does the project contribute significantly to sustainable cocoa production and biodiversity conservation in the various countries?

Effectiveness

10. Is the project on track? Has it achieved its core outputs?
    Indicators:
    -Has there been any changes in production practices in the cocoa growing areas?
    -Has there been any change in business practices of cocoa and chocolate companies (improvement of quality and certification)
    -What are some of the factors that have influenced these outcomes?
    - Are there any deviations from the expected outcomes?
    - How are these influencing long-term stability to value chain participants and income levels of small holder farmers?

Efficiency

11. Has the project progressed in relation to project workplans?
    -What factors have accounted for this?
12. Does the project management team have any cost/time saving measures in place or planned into the project design and budgeting?
13. Have there been any delays in project execution and disbursements/inflows?
    -What are some of the causes of the delays?
14. Does the project use its inputs to the fullest?

Sustainability of Results

15. What are the key conditions or factors likely to undermine or contribute to the persistence of project benefits?
16. Are there any social or political, financial and institutional factors that may influence positively or negatively, the sustenance of project results and progress towards impacts?
17. Is the level of ownership by the national stakeholders sufficient to allow for sustenance of project results?
18. Are there sufficient government and stakeholder awareness, interests, commitment and incentives to execute the programmes, plans monitoring systems etc. prepared and agreed upon under the project?
19. What is the likelihood that adequate financial resources will be or will become available to implement the programmes, plans, monitoring systems etc. prepared and agreed upon under the project?
20. Are there any financial risks that may jeopardize the sustenance of project results and onward progress to impacts?
21. What concrete efforts is the project making to ensure socio-political, financial and institutional sustainability of the project?

Catalytic Role and Replication

22. To what extent is the project catalyzing behavioural changes in terms of use and application of technologies, strategic programmes and plans developed at national and sub regional levels?

23. To what extent is project contributing to providing incentives to catalyse change in stakeholder behavior, institutional and policy changes and to sustained follow-on financing from Governments, the GEF or other donors.
24. What approaches have been adopted by the project to promote replication effects? Has any replication already occurred or is likely to occur in the near future?

Likelihood of Impact

25. Are the planned activities executed as planned?
26. Are there deviations from the original plans?
27. Are project implementation procedures effective in delivering project outputs and outcomes?
28. How are the various committees (Steering/Advisory Committees) established for effective project execution arrangements functioning?
29. How are risks accounted for by the project?
30. How have project partners helped to overcome these risks/challenges?

Design and Structure

1. What approaches were used to identify and engage stakeholders in project design and implementation?
32. What are the strength and weaknesses of these approaches with respect to project objectives and stakeholders' motivations and capacities?
33. What is your opinion of the logic from inputs to outputs to outcomes to impacts? 34. How are linkages between results levels identified?
35. Are sufficient resources available for the various components for implementation?
36. What is the degree of collaboration and interaction between the various project partners and stakeholders during the course of the project?
37. How would you describe the Project's quality of communications and knowledge management, including follow-ups to project's dissemination of information etc.?
38. How has the project integrated the issue of gender into project and activities?

Financial planning and management

39. How has staff been recruited, goods and services procured and consultants engaged?
40. Do you believe that your staff are well qualified and appropriately selected for their respective positions?
41. How have you negotiated cooperation agreements etc.? Have these influenced project performance?
42. To what extent has co-financing materialized compared to what was expected at project approval?

43. What additional resources (those beyond those committed to the project itself at time of approval) has the project obtained since inception and how are they contributing to the project's ultimate objective?

Monitoring and Evaluation

41. Is a Monitoring and Evaluation System in place?
42. How is information generated by the M&E system during project implementation being used to adapt and improve project execution?
43. How would you describe the quality and volume of reporting in terms of:
- Outputs
- Outcome
- Impacts
- Regularity of reporting
44. Are there sufficient resources for monitoring and reporting?
45. Do the performance indicators accurately capture achievement at the:
-output level
-outcome level

Annex 8: TERMS OF REFERENCE (TOR)

Mid-term Evaluation of the Project "Greening the Cocoa Industry"

PROJECT BACKGROUND AND OVERVIEW

Project General Information[13]

Table 1. Project summary

GEF project ID:	3077	**IMIS number:**	GFL/2328-2715-4B83
Focal Area(s):	Biodiversity	**GEF OP #:**	BD-5
GEF Strategic Priority/Objective:	BD SP5/The GEF Earth Fund	**GEF approval date:**	19 November 2010
Implementing Agency	UNEP	**Executing Agency**	Rainforest Alliance
Approval date:	January 11, 2011	**First Disbursement:**	7 February 2011
Actual start date:	January 2011	**Planned duration:**	48 months
Intended completion date:	31 December 2016	**Actual or Expected completion date:**	31 December 2016
Project Type:	FSP	**GEF Allocation:**	$5,000,000
PDF GEF cost:	N/A	**PDF co-financing:**	N/A
Expected MSP/FSP Co-financing:	$15,000,000	**Total Cost:**	US$20,000,000
Mid-term review/eval. (planned date):	15 June 2013	**Terminal Evaluation (actual date):**	N/A
Mid-term review/eval. (actual date):		**No. of revisions:**	1
Date of last Steering Committee meeting:	30 April 2013	**Date of last Revision*:**	3 May 2012
Disbursement as of 30 June 2010 (UNEP):	$1,673,817	**Date of financial closure:**	N/A
Date of Completion:	N/A	**Actual expenditures reported as of 31 March 2013**	$1,541,940
Total co-financing realized as of 30 June 2012:	$6,283,464	**Actual expenditures entered in IMIS as of 31 March 2013**	$1,338,589

Leveraged financing:	Not Reported		

Project Rationale

1. Cocoa is grown on 7.5million hectares of tropical land, much of which is situated in biodiversity hotspots such as Upper Guinean Forest and the Atlantic Forest of Brazil. Global demand for cocoa is also growing at 3% per year, equivalent to 100,000 tons and to meet this demand cocoa farming must increase productivity. Cocoa production is however linked to deforestation, as farmers clear land or move into land that others have cleared to establish new farms. Rainforest Alliance, an international NGO, and UNEP have been developing a strategic global initiative to transform production practices in cocoa production so that cocoa farmers increase productivity through improved sustainable agricultural practices instead of using more land.
2. To meet the global demand, farmers must also earn enough to motivate a new generation of farmers to maintain the farms. With the challenges associated with cocoa farming such as low yields, scarce access to training and extension, loss of crop due to pests and diseases, cocoa production has not been attractive to young people. Recent studies by the Sustainable Tree Crops Programme have shown average yields to be as low as 250-300 kg/hectare in parts of Côte d'Ivoire, and slightly higher in the rest of the region. The project's focus is to address these threats by building a viable system of farmer training and technical assistance. It is estimated that cocoa farms can produce at least double the yield presently obtained in West Africa while still conserving biodiversity if; a) farmers have access and can pay for the planting material and inputs they need to maintain tree productivity and soil fertility; and b) they adopt upgraded technologies, such as grafting, and sustainable management practices, which impact not only the farm but also the wider natural environment.
3. The role of shade trees in this scenario is important in three respects; i) as a protection to the young cocoa plants and ongoing provider to them of environmental services (intensified cocoa production systems are vulnerable to pests and diseases); ii) as a source of food and income to farmers; and iii) as a vital regulator of the natural environment conserving biodiversity, ground water, soil quality and rainfall patterns. For the past twenty years however, many cocoa farms have removed shade and the world's largest producer, Côte d'Ivoire, is an example, promoting the short term benefits of the forest rent that follows clearing new land but not accompanying it by making available to farmers the hybrid varieties, inputs and training needed to make this approach successful over the long term, as evidenced by the very low productivity figures. So biodiversity has been lost but farmers have not gained and they no longer have timber trees to commercialise and their farms degrade more quickly. There is now much more interest which is being supported by research, in returning to a shade structure that balances productivity, income and biodiversity.
4. Farmers have scarce access to training and extension that would assist them to improve their production practices and reduce the loss to pests and diseases, which typically account for 30% of production; with low productivity (less than500kg per hectare in the two West African countries that supply 70% of world production) and resulting low income. This project is expected to address threats by building a viable system of farmer training and technical assistance. The project will promote the sustainable agriculture standard (SAS), a comprehensive standard developed by a network of nine tropical

agricultural organisations and applied through local indicators to ensure its relevance to each particular crop and country.

5. Farmers are generally unorganised and the project intends to reverse this. Strengthening farmer organisations so that they can provide an improved range of services will improve access and reduce dependence for those on cocoa traders, which are often the only source of financial and technical services. Certification facilitates farmer organisation because it requires an Internal Control System that enables traceability and improves accountability of organisations to their members.

Project objectives[14] and components

6. According to the Project Document, the project's broad development objective is "to change production and business practices in major cocoa producing countries and cocoa companies, such that they conserve biodiversity in cocoa production landscapes, provide greater long-term stability to the cocoa and chocolate industry and increase income for smallholders".

7. The project's Logical Framework (Logframe) (refer to Annex 2) presents four "outcomes" of the project, namely: (1) Long term sustainability of environmentally responsible cocoa farming demonstrated through mainstream market acceptance of Rainforest Alliance certification and its integration into the cocoa and chocolate value chain; (2); Cocoa farmers in project countries have access to quality training, extension and relevant support services that enable them to adopt sustainable agricultural practices cost effectively (3); A credible global Rainforest Alliance certification program that is tailored for participating countries provides measurable benefits for cocoa farmers, and (4) Sustainable cocoa production enables mainstreaming biodiversity conservation and natural resource management in line with national policies. The project has four components with associated objectives and outputs as shown in Table 2 below:

Table 2. Project components, component objectives and outputs[15]

Project Components	Expected Outcomes	Expected Outputs
1. Mainstream market development	Mainstream market acceptance of Rainforest Alliance certification drives commitment to sustainability and integration of biodiversity conservation in the cocoa and chocolate	12 mainstream cocoa and chocolate companies commit to Rainforest Alliance certification 165,000 tons annual sales of certified cocoa by EOP

[14] Terms such as development objective, long-term objective, outcomes etc. used in the following section are the ones used in the Project Document. Their use does not necessarily fit the internationally recognized definitions of those terms and the MTE Team will have to take this into account.

[15] Of note, is the Results Framework Revision to the Project Document, dated 22 June 2011 and adopted in Project Revision of May 2012 – which eliminates and fine tunes indicators to better capture progress towards and achievement towards Outcomes. The revised Results Framework is used in subsequent progress reporting. Refer to Annex 9 for new results framework.

	value chain.	20 chocolate products using seal in market at EOP Producers, traders, processors and manufacturers have internalized in value chain the costs of training, ICS, audits, traceability and use of certification seal
2. Training, extension and business services for farmers	Cocoa farmers have access to affordable, quality training, extension and business services that enable them to apply sustainable agricultural practices which integrate biodiversity conservation.	250,000 farmers apply sustainable management practices during LOP 750,000 hectares under sustainable management during LOP Appropriate training materials developed for small holder cocoa farmers and trainers 10 service provider institutions and 200 trainers trained in the Sustainable Agriculture Standard and approved through quality control system 25% increase in productivity from applying sustainable practices 25% of certified farmers are not members of producer organizations
3. Upgrading the RA certification program	The Rainforest Alliance certification program continuously improves its robustness and responsiveness to the key issues in cocoa sustainability including biodiversity conservation.	40 local auditors accredited to inspect farms 3 independent certification bodies accredited 10 local indicator documents published Sustainable Yield module for Standard published Online traceability system operational

4. Biodiversity Conservation and increased income for farmers (M&E)	Sustainable cocoa production contributes to biodiversity conservation and natural resource management and provides a net financial return to cocoa farmers	PES methodology designed and tested M&E system designed and applied Biodiversity studies demonstrate conservation impact Cost-benefit analysis for producers shows net benefit

8. Activities under Component 1 concentrate on the promotion of market growth and incentives to improve the cocoa industry and build relationships with major chocolate manufacturing companies and other users of cocoa. It also focuses on undertaking detail planning of targets with companies committed to sourcing certified cocoa and support the development of such markets with detailed supply projections as well as developing on line system to achieve traceability of certified cocoa and generate market information.

9. Activities under Component 2 focus on tools and common curriculum development, training, extension and support services. Component 2 intends to complete training materials related to farmers on the project. It will focus on the development and application of quality control and accreditation system for trainers, using sustainable agricultural standard and also oversee training programmes implemented by local partners. The focus will also be on building partnerships with national extension agencies, specialist technical organisations and other service providers and industries in sustainable agriculture standard and also improving farmer access to agronomic and financial services.

10. Under Component 3, the project concentrates on ensuring certification integrity and viability by developing stakeholder consultation and form working groups to define local indicators for cocoa of the SAS in new countries of operation. It will also focus on systematising learning from applying the SAS in new countries for revisions of the SAS, as well as identify, train and accredit local auditors in each project region and hold global calibration workshops to guide consistent interpretation of the standard by auditors. Further, Component 3 involves the selection of methodology and doing cost-benefit analysis at farm and producer group levels of the economic costs and benefits of adopting the SAS.

11. Component 4 concentrates on land use management. Specifically, it focuses on developing methodology for measuring and rewarding farmers for carbon captured in cocoa agroforest and pilot it in two countries.[16] Component 4 defines key biodiversity

[16] Per the STAP Guidance on Payment for Environmental Services (PES), this project will support the recommendation that GEF support projects with PES as this is consistent with the GEF mandate to deliver global environmental benefits. The methodology development and piloting in two countries goes beyond broad capacity building (conferences etc.), and delivers something that will result in specific quantification of carbon stored on cocoa farms, and the resulting PES scheme tested in farms where mainstream cocoa buyers are becoming more interested in this "climate" differential in the cocoa supply. The PES work will be managed by an NGO (Rainforest Alliance) that is actively working on-the-ground in the PES arena to validate REDD and other PES projects globally, and link them to carbon markets where appropriate. The establishment of a PES methodology for carbon capture in cocoa farms also

indicators, undertake baseline analysis and measure progress. Additionally, it measures economic costs and benefits to farmers of adopting the SAS and tracks improved land use through adopting the SAS by analysing data from certification audits.

Project area and main stakeholders

12. The project area is defined as biodiversity focal area's long term objective of "mainstreaming biodiversity into production landscapes and sectors".

13. The Project Document does not define all the target population of the project, but makes reference to the following primary stakeholders, who's direct involvement in the project process is recognized as an integral requirement for successful project implementation[17]:

    (a) Market Partners: this will include Mars, Kraft and additional buyers to be identified and brought in during the life of the project. It also includes traders and processors such as ADM, Barry CAllebaut, Blommer, ECOM, Touton and Armajaro;
    (b) International and National authorities; International Cocoa Organisation, Ghana Cocoa Board (COCOBOD), World Agroforestry Centre (ICRAF);
    (c) Private Sector:, manufacturers/industrialists;
    (d) Private Foundation: Doen Foundation, Goldman Fund, Gates Foundation;
    (e) Non-Governmental Organizations (NGOs): Technoserve, World Cocoa Foundation; Rainforest Alliance;
    (f) Professionals: researchers, sociologists, environmental managers, extension officers, biologists; and,
    (g) The Public: traditional rulers, farmers, women, hunters, etc.

Executing Arrangements

14. UNEP is the GEF-designated Implementing Agency (IA) for the project, responsible for overall project supervision to ensure consistency with GEF and UNEP policies and procedures, and is expected to provide guidance on linkages with related UNEP and GEF funded activities. UNEP also has a responsibility for regular liaison with the Executing Agency (EA), Rainforest Allinace, on substantive and administrative matters, and for participating in meetings and workshops as appropriate. The UNEP Task Manager (TM) and Financial Management Officer (FMO) are expected to provide assistance and advice to the EA on project management (e.g. revisions of work plan and budgets) and policy guidance in relation to GEF procedures, requirements and schedules. The TM and FMO are responsible for clearance and transmission of financial and progress reports to the GEF. UNEP is expected to review and approve all substantive reports produced in accordance with the schedule of work.

15. Rainforest Alliance (RA) is the executing agency (EA) of the project, responsible for administrative and financial management of the project. The EA is responsible

supports the outcome in Strategic Programme 5 for "markets created for environmental services." And the indicator of "number and extent (hectares) of new payments for environmental service schemes created."

[17] The Project Document mentions that a "stakeholder participation plan" was developed during project preparation, indicating how the various stakeholders would be involved, and at what stages.

for timely production of financial and progress reports to UNEP. In all the proposed countries, the Rainforest Alliance (RA) is expected to approve and implement activities through and in conjunction with its local conservation and development partners in the Sustainable Agriculture Network (SAN) and/or with other local partner organizations or individuals.

16. The Rainforest Alliance and SAN partners have good communications with governments in the target countries and are expected to work with the relevant national agencies to help create an enabling environment for the program. The RA project team will also work closely with the SAN members, private sector, relevant international and local NGOs, agricultural research and extension personnel, and major co-financers in an Advisory Group to provide guidance and facilitate cross-sector coordination.

17. The EA, together with select conservation and development partners in the Sustainable Agriculture Network (SAN) members, private sector, relevant NGOs and major co-financers will comprise membership of the Platform Steering Committee, which will assess and approve projects within the platform. The Committee will also approve detailed operational procedures to be developed during project appraisal, provide guidance and facilitate cross-sector coordination.

18. The Project Director will report to the Advisory Group. The Advisory Group will have regular meetings throughout the project and will supervise all project activities and decisions.

Project Cost and Financing

19. Table 3 presents a summary of expected costs and financing sources for the project as mentioned in the Project Document. The GEF provides a total of US$5,450,000. There is a co-financing of US$15,000,000, which is made up of contributions from four other partners. These partners and their contributions are Bilateral Aid Agencies (USAID and GTZ), US$2,500,000; Private Sector (Mars, Kraft and other cocoa companies), US$6,750,000; NGOs (Rainforest Alliance, Technoserve and other project partners), US$3,250,000; and Private Foundations (Doen Foundation, Goldman Fund, Gates Foundation), US$2,500,000. This makes a total project cost of US$20,450,000 and puts the project in the Full-size Project (FSP) category.

Table 3. Estimated project costs per component and financing source (US$)

	Project Preparation*	**Project**	**Agency Fee**	**Total**
GEF financing		5,000,000	450,000	5,450,000
Co-financing		15,000,000		15,000,000
Total		20,000,000	450,000	20,450,000

Source: Project Document

Project Implementation Issues

20. The project commenced very well and the PIR reports so far showed that progress is satisfactory. The mid-year report for July 2010 to June 2011 stated that "During the first 6 months progress towards achieving project objectives and project implementation progress has largely surpassed timelines, targets and expectations of GEF project design framework". The monitoring and evaluation framework, which included the establishment of baseline parameters however delayed at the initial stages but is now in place.

21. A major challenge the project is however facing is raising co-financing not only to help the implementing partners but also to directly reinforce the Rainforest Alliance structure.

22. There has been one important revision to the project document (see Annex 9) which aggregated and deepened certain target indicators.

TERMS OF REFERENCE FOR THE EVALUATION

Objective and Scope of the Evaluation

23. In line with the UNEP Evaluation Policy[18] and the UNEP Evaluation Manual[19] Mid-term Evaluation (MTE) of the Project "**Greening the Cocoa Industry**" is undertaken half way through project implementation to analyze whether the project is on-track, what problems or challenges the project is encountering, and what corrective actions are required. The MTE will assess project performance to date (in terms of relevance, effectiveness and efficiency), and determine the likelihood of the project achieving its intended outcomes and impacts, including their sustainability.

24. The MTE has two primary purposes: (i) to provide evidence of results to date and of the likelihood of outcomes and impact in the future, to meet accountability requirements, and (ii) to identify the challenges and risks to achievement of the project objectives and to derive corrective actions needed for the project to achieve maximum impact and sustainability. In addition, the MTE is expected to promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP, Earth Fund, Rain Forest Alliance, the GEF and their partners. It will focus on the following sets of **key questions**, based on the project's Logframe and current implementation issues, which may be expanded by the consultants as deemed appropriate:

    a. How far has the project changed production and business practices in major cocoa producing countries and cocoa companies, such that they conserve biodiversity in cocoa production landscape, provide greater long term stability to the cocoa and chocolate industries and increase income for smallholders?

    b. What progress was made on changing production and business practices in major cocoa producing countries and cocoa companies, such that they conserve biodiversity in cocoa production landscapes, greater long term stability to the cocoa **and chocolate industry and increase income for smallholders?** Where do we stand on ensuring market growth and providing incentives? To what extent have sustainable cocoa production in participating countries helped farmers to mainstream biodiversity conservation and natural resource management in line with their national policies? How much progress was achieved on the preparation of training tools and training of extension and support services?

    c. **What is the status of the project in conserving biodiversity in cocoa producing countries and companies?** What can realistically be achieved in each country in the time remaining to the project?

[18] http://Olam.unep.org/eou/StandardsPolicyandPractices/UNEPEvaluationPolicy/tabid/3050/language/en-US/Default.aspx

[19] http://Olam.unep.org/eou/StandardsPolicyandPractices/UNEPEvaluationManual/tabid/2314/language/en-US/Default.aspx

d. **What are the key challenges to project implementation and what remedies can be proposed?** Is technical backstopping to the country project teams useful and cost-effective? Where do we stand on ensuring that the SAN standards have been developed and farmers are using it? Is the project adding value to the work of the cocoa farmers?

e. **Can the project realistically achieve its intended outputs and objectives within the time remaining?** If not, what would be a more realistic time frame or what activities should be prioritized so that the main outputs and objectives can still be achieved in a timely manner?

Overall Approach and Methods

25. The MTE of the Project "**Greening the Cocoa Industry**" will be conducted by independent consultants under the overall responsibility and management of the UNEP Evaluation Office (Nairobi), in consultation with the UNEP GEF Coordination Office (Nairobi), and the Global Environment Facility (GEF) Liaison Office and the Task Manager.

26. The MTE will be an in-depth evaluation using a participatory approach whereby key stakeholders are kept informed and consulted throughout the evaluation process. Both quantitative and qualitative evaluation methods will be used to determine project achievements against the expected outputs, outcomes and impacts.

27. The findings of the evaluation will be based on the following:

a. A **desk review** of project documents[20] including, but not limited to:

- Relevant background documentation, *inter alia* UNEP and GEF policies, strategies and programmes pertaining to biodiversity conservation and natural resource management;
- Project design documents; Annual Work Plans and Budgets or equivalent, revisions to the logical framework and project financing;
- Project reports such as progress and financial reports from participating countries; Steering Committee meeting minutes; annual Project Implementation Reviews and relevant correspondence;
- Documentation related to project outputs, etc.

b. **Interviews**[21] with:

- Project management and execution team in participating countries;
- UNEP Task Manager and Fund Management Officer (New York and Nairobi);
- Country lead execution partners, including the National Project Coordinators and the National Focal Points, and other relevant partners;
- Relevant staff of GEF Secretariat;
- Key project partners in London, UK;

20 Documents to be provided by the UNEP and UNDP are listed in Annex 7.
21 Face-to-face or through any other appropriate means of communication

- Partners in the cocoa buying industry (Olam, Cocoa Sustainability Partnership, etc.);
- Representatives of formal project partners (GTZ, USAID and chocolate companies like Mars and Kraft) and other relevant organisations.

c. **Country visits.** The evaluation team will visit three of the ten targeted intervention countries (Côte d'Ivoire, Indonesia and Ghana)[22]. The Team Leader will also visit London, UK to interview 5 of the key stakeholders.

Key Evaluation principles

28. Evaluation findings and judgements should be based on **sound evidence and analysis**, clearly documented in the evaluation report. Information will be triangulated (i.e. verified from different sources) to the extent possible, and when verification is not possible, the single source will be mentioned[23]. Analysis leading to evaluative judgements should always be clearly spelled out.

29. The evaluation will assess the project with respect to **a minimum set of evaluation criteria** grouped in four categories: (1) Attainment of objectives and planned results, which comprises the assessment of outputs achieved, relevance, effectiveness and efficiency and the review of outcomes towards impacts; (2) Sustainability and catalytic role, which focuses on financial, socio-political, institutional and ecological factors conditioning sustainability of project outcomes, and also assesses efforts and achievements in terms of replication and up-scaling of project lessons and good practices; (3) Processes affecting attainment of project results, which covers project preparation and readiness, implementation approach and management, stakeholder participation and public awareness, country ownership/driven-ness, project finance, UNEP supervision and backstopping, and project monitoring and evaluation systems; and (4) Complementarity with UNEP strategies and programmes. The lead consultant can propose other evaluation criteria as deemed appropriate.

30. **Ratings**. All evaluation criteria will be rated on a six-point scale. However, complementarity of the project with UNEP strategies and programmes is not rated. Annex 3 provides detailed guidance on how the different criteria should be rated and how ratings should be aggregated for the different evaluation criterion categories.

31. In attempting to attribute any outcomes and impacts to the project, the evaluators should consider the difference between **what has happened with** and **what would have happened without** the project. This implies that there should be consideration of the baseline conditions and trends in relation to the intended project outcomes and impacts. This also means that there should be plausible evidence to attribute such outcomes and impacts to the actions of the project. Sometimes, adequate information on baseline conditions and trends is lacking. In such cases this should be clearly highlighted by the evaluators, along with any simplifying assumptions that were taken to enable the evaluator to make informed judgements about project performance.

[22] The project countries as per the Project Document are Madagascar, Nigeria, Indonesia, Papua New Guinea, Brazil, Dominion Republic, Ecuador, Peru, Ghana and Côte d'Ivoire. The project has important case studies ongoing in Indonesia and Côte d'Ivoire. Some 60% of the world's cocoa is produced in Ghana and Côte d'Ivoire

[23] Individuals should not be mentioned by name if anonymity needs to be preserved.

32. Particular attention should be given to identifying implementation challenges and risks to achieving the expected project objectives and sustainability. Therefore, when reviewing progress to date, the **"why?" question** should be at front of the consultant's minds all through the evaluation exercise. This means that the consultants need to go beyond the assessment of "what" the project performance is to date, and make a serious effort to provide a deeper understanding of "why" the performance is as it is, i.e. of processes affecting attainment of project results (criteria under category 3 presented below). This should provide the basis for the corrective actions recommended by the evaluation and the lessons that can be drawn from the project. In fact, the usefulness of the evaluation will be determined to a large extent by the capacity of the consultant to explain "why things happened" as they happened and are likely to evolve in this or that direction, which goes well beyond the mere assessment of "where things stand" today.

Evaluation criteria

Attainment of Objectives and Planned Results

33. The evaluation should assess the relevance of the project's objectives and the extent to which these were effectively and efficiently achieved or are expected to be achieved.

    a. *Achievement of Outputs and Activities:* Assess, for each component, the project's success in producing the programmed outputs as presented in Table 2 above, both in quantity and quality, as well as their usefulness and timeliness. Briefly explain the degree of success of the project in achieving its different outputs, cross-referencing as needed to more detailed explanations provided under Section 3 (which covers the processes affecting attainment of project results). The status of the project so far, as well as progress made on getting farmers to use the Sustainable Agriculture Standard (SAS).

    b. *Relevance*: Assess, in retrospect, whether the project's objectives and implementation strategies were consistent with: i) Sub-regional environmental issues and needs related to biodiversity conservation and natural resource management; ii) the UNEP mandate and policies at the time of design and implementation; and iii) the GEF focal area on biodiversity, strategic priorities and the relevant operational program(s).

    c. *Effectiveness:* Assess whether the project is on track in achieving its main objective of '**to change production practices in major cocoa producing countries and business practices in cocoa and chocolate companies, such that these major industry conserves biodiversity in its production landscapes, provides greater long term stability to all value chain participants and increase income for smallholder farmer's;** and its component objectives as presented in Table 2 above. Briefly explain what factors affected the project's success in achieving its objectives, cross-referencing as needed to more detailed explanations provided under Section 3.

    d. *Efficiency*: Assess the cost-effectiveness and timeliness of project execution to date. Describe any cost- or time-saving measures put in place in attempting to implement the project within its programmed budget and timeframe. Analyse

how delays have affected project execution, costs and effectiveness. Wherever possible, compare the cost and time over results ratios of the project with that of other similar projects. Give special attention to efforts by the project teams to make use of/build upon pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities with other initiatives, programmes and projects, etc. to increase project efficiency.

e. *Review of Outcomes to Impacts (ROtI)*: Reconstruct the logical pathways from project outputs over achieved objectives towards impacts, taking into account performance and impact drivers, assumptions and the roles and capacities of key actors and stakeholders, using the methodology presented in the GEF Evaluation Office's ROtI Practitioner's Handbook[24] (summarized in Annex 7 of the TORs). Assess the extent to which the project has to date contributed, and is likely in the future to further contribute to changes in stakeholder behaviour as regards: i) mainstreaming biodiversity in cocoa production landscape and sectors; ii) biodiversity conservation measures; ii) fostering markets for biodiversity goods and services; improved cocoa quality and market demand; more farmers are awarded Rainforest Alliance certification; greater income for farmers and farm labourers; and the likelihood of those leading to changes in the natural resource base: a) provide habitat for migratory species (birds) ; b) prevented degradation or recovery of degraded land and water; and c) conserved biological diversity.

Sustainability and catalytic role

34. **Sustainability** is understood as the probability of continued long-term project-derived results and impacts after the external project funding and assistance ends. The evaluation will identify and assess the key conditions or factors that are likely to undermine or contribute to the persistence of benefits. Some of these factors might be direct results of the project while others will include contextual circumstances or developments that are not under control of the project but that may condition sustainability of benefits. The evaluation should ascertain to what extent an exit strategy for the project has been prepared and how project results will be sustained and enhanced over time. The evaluation will have to ascertain that the project is looking further than its immediate outputs, for instance, at how the application of the ROtI method will assist in the evaluation of sustainability.

35. Four aspects of sustainability will be addressed:

a. *Socio-political sustainability.* Are there any social or political factors that may influence positively or negatively the sustenance of project results and progress towards impacts? Is the level of ownership by the main national and regional stakeholders sufficient to allow for the project results to be sustained? Are there sufficient government and stakeholder awareness, interests, commitment and incentives to execute, enforce and pursue the programmes, plans, agreements, monitoring systems etc. prepared and agreed upon under the

[24] http://Olam.thegef.org/gef/sites/thegef.org/files/documents/Impact_Eval-Review_of_Outcomes_to_Impacts-RotI_handbook.pdf

project? What is the project doing to ensure this socio-political sustainability of results and benefits?

b. *Financial resources.* To what extent are the continuation of project results and the eventual impact of the project dependent on continued financial support? What is the likelihood that adequate financial resources[25] will be or will become available to implement the programmes, plans, agreements, monitoring systems etc. prepared and agreed upon under the project? Are there any financial risks that may jeopardize sustenance of project results and onward progress towards impact? What concrete efforts is the project making to ensure financial sustainability of results and benefits?

c. *Institutional framework.* To what extent is the sustenance of the results and onward progress towards impact dependent on issues relating to institutional frameworks and governance? How robust are the institutional achievements so far, such as governance structures and processes, policies, sub-regional agreements, legal and accountability frameworks etc. required to sustaining project results and to lead those to impact on human behaviour and environmental resources? How is the project contributing to the sustainability of these institutional achievements?

d. *Environmental sustainability.* Are there any environmental factors, positive or negative, that can influence the future flow of project benefits? Are there any project outputs or higher level results that are likely to affect the environment, which, in turn, might affect sustainability of project benefits? How is the project dealing with these?

Catalytic Role and Replication.

The *catalytic role* of GEF-funded and UNEP-implemented interventions is embodied in their approach of supporting the creation of an enabling environment and of investing in pilot activities which are innovative and showing how new approaches can work. UNEP and the GEF also aim to support activities that upscale new approaches to a national, regional or global level, with a view to achieve sustainable global environmental benefits. The evaluation will assess the catalytic role played by this project, namely to what extent the project is:

a. *catalyzing behavioural changes* in terms of use and application by the relevant stakeholders of: i) technologies and approaches show-cased by the demonstration projects; ii) strategic programmes and plans developed; and iii) assessment, monitoring and management systems established at a national and sub-regional level;

b. providing *incentives* (social, economic, market based, competencies etc.) to contribute to catalyzing changes in stakeholder behaviour;

c. contributing to *institutional changes.* An important aspect of the catalytic role of the project is its contribution to institutional uptake or mainstreaming of project-piloted approaches in the national demonstration projects;

[25] Those resources can be from multiple sources, such as the public and private sectors, income generating activities, other development projects etc.

d. contributing to *policy changes* (on paper and in implementation of policy);

e. contributing to sustained follow-on financing (*catalytic financing*) from Governments, the GEF or other donors;

f. creating opportunities for particular individuals or institutions ("*champions*") to catalyze change (without whom the project would not have achieved all of its results).

36. *Replication*, in the context of UNEP and GEF projects, is defined as lessons and experiences coming out of the project that are replicated (experiences are repeated and lessons applied in different geographic areas) or scaled up (experiences are repeated and lessons applied in the same geographic area but on a much larger scale and funded by other sources). The evaluation will assess the approach adopted by the project to promote replication effects and examine to what extent actual replication has already occurred or is likely to occur in the near future. What are the factors that may influence replication and scaling up of project experiences and lessons?

Processes affecting attainment of project results

37. **Preparation and Readiness**. Are the project's objectives and components clear, practicable and feasible within its timeframe? Were the capacities of executing agencies properly considered when the project was designed? Is the project document clear and realistic to enable effective and efficient implementation? Are the partnership arrangements properly identified and the roles and responsibilities well negotiated? Are counterpart resources (funding, staff, and facilities) and enabling legislation assured? Are adequate project management arrangements in place? Have lessons from other relevant projects been properly incorporated in the project design and implementation? Are lessons learned and recommendations from Steering Committee meetings adequately being integrated in the project approach? What factors influenced the quality-at-entry of the project design, choice of partners, allocation of financial resources etc.?

Implementation Approach and Adaptive Management.

This includes an analysis of approaches used by the project, its management framework, the project's adaptation to changing conditions (adaptive management), the performance of the implementation arrangements and partnerships, relevance of changes in project design, and overall performance of project management. The evaluation will:

a. Ascertain to what extent the project implementation mechanisms outlined in the project document are being followed and are effective in delivering project outputs and outcomes. Have pertinent adaptations been made to the approaches originally proposed?

b. Assess the role and performance of the units and committees established and the project execution arrangements at all levels;

c. Evaluate the effectiveness and efficiency of project management by UNEP, the implementing agency and by the Lead Agencies at country level. How well is management able to adapt to changes during the life of the project?

d. Assess the extent to which project management is responsive to direction and guidance provided by the Platform Steering Committee and UNEP;

e. Identify administrative, operational and/or technical problems and constraints that influence the effective implementation of the project, and how the project partners try to overcome these problems.

Stakeholder[26] Participation and Public Awareness.

38. The term stakeholder should be considered in the broadest sense, encompassing project partners, government institutions, private interest groups, local communities etc. The assessment will look at three related and often overlapping processes: (1) information dissemination between stakeholders, (2) consultation between stakeholders, and (3) active engagement of stakeholders in project decision making and activities. The evaluation will specifically assess:

    a. the approach (es) used to identify and engage stakeholders in project design and implementation. What are the strengths and weaknesses of these approaches with respect to the project's objectives and the stakeholders' motivations and capacities? What is the achieved degree and effectiveness of collaboration and interactions between the various project partners and stakeholders during the course of implementation of the project?

    b. the effectiveness of any public awareness activities that are being undertaken by the project, how the results of the project (strategic programmes and plans, monitoring and management systems, sub-regional agreements etc.) engage key project beneficiaries and communities and their institutions in improved biodiversity and sustainable cocoa production.

39. The ROtI analysis should assist the consultants in identifying the key stakeholders and their respective roles, capabilities and motivations in each step of the causal pathway from activities to achievement of outputs and objectives to impact.

40. **Country Ownership and Driven-ness.** The evaluation will assess the performance of the Governments of the 3 project countries, namely:

    a. in how the Governments are assuming responsibility for the project and providing adequate support to project execution, including the degree of cooperation received so far from the various lead institutions in the countries involved in the project and the timeliness of provision of counter-part funding to project activities;

    b. to what extent the political and institutional framework of the participating countries has been conducive to project performance.

[26] Stakeholders are the individuals, groups, institutions, or other bodies that have an interest or stake in the outcome of the project. The term also applies to those potentially adversely affected by the project.

c. to what extent the Governments have promoted the participation of communities and their non-governmental organisations in the project; and

d. how responsive the Governments have been to Rainforest Alliance regional coordination and guidance, and to UNEP supervision recommendations.

41. **Financial Planning and Management**. This requires the assessment of the quality and effectiveness of financial planning and control of financial resources throughout the project's lifetime. The MTE will look at actual project costs by activities compared to budget (variances), financial management (including disbursement issues), and co-financing. The evaluation will:

    a. Verify the application of proper standards (clarity, transparency, audit etc.) and timeliness of financial planning, management and reporting to ensure that sufficient and timely financial resources are available to the project and its partners;

    b. Examine other administrative processes such as recruitment of staff, procurement of goods and services (including consultants), preparation and negotiation of cooperation agreements etc. to the extent that these might influence project performance;

    c. Present to what extent co-financing has materialized so far as compared to what was expected at project approval (see Table 1). Report country co-financing to the project overall, and to support project activities at the national level in particular. The evaluation will provide a breakdown of actual costs and co-financing for the different project components (see tables in Annex 3).

    d. Describe the resources the project has leveraged since inception and indicate how these resources are contributing to the project's ultimate objective. Leveraged resources are additional resources—beyond those committed to the project itself at the time of approval—that are mobilized later as a direct result of the project. Leveraged resources can be financial or in-kind and they may be from other donors, NGO's, foundations, governments, communities or the private sector.

42. **UNEP Supervision and Backstopping.** The purpose of supervision is to verify the quality and timeliness of project execution in terms of finances, administration and achievement of outputs and outcomes, in order to identify and recommend ways to deal with problems which arise during project execution. Such problems may be related to project management but may also involve technical/institutional substantive issues in which UNEP has a major contribution to make. The evaluators should assess the effectiveness of supervision and administrative and financial support provided by UNEP including:

    a. The adequacy of project supervision plans, inputs and processes;

    b. The emphasis given to outcome monitoring (results-based project management);

c. The realism and candour of project reporting and ratings (i.e. are PIR ratings an accurate reflection of the project realities and risks);

d. The quality of documentation of project supervision activities; and

e. Financial, administrative and other fiduciary aspects of project implementation supervision.

Monitoring and Evaluation.

43. The evaluation will include an assessment of the quality, application and effectiveness of project monitoring and evaluation plans and tools, including an assessment of risk management based on the assumptions and risks identified in the project document. The evaluation will review how information generated by the M&E system during project implementation is being used to adapt and improve project execution, achievement of outcomes and ensuring sustainability. M&E is assessed on three levels:

    a. *M&E Design*. Projects should have sound M&E plans to monitor results and track progress towards achieving project objectives. An M&E plan should include a baseline (including data, methodology, etc.), SMART indicators and data analysis systems, and evaluation studies at specific times to assess results. The timeframe for various M&E activities and standards for outputs should be specified. The evaluators will use the following questions to help assess the M&E design aspects:

        i. Quality of the project logframe as a planning and monitoring instrument: compare and assess the Logframe in the Project Document and the Logframe used in the Project Implementation Review reports to report progress towards achieving project objectives;

        ii. SMART-ness of indicators: Are there specific indicators in the logframe for each of the project objectives? Are the indicators measurable, attainable (realistic) and relevant to the objectives? Are the indicators time-bound?

        iii. Adequacy of baseline information: To what extent has baseline information on performance indicators been collected and presented in a clear manner? Was the methodology for the baseline data collection explicit and reliable?

        iv. Arrangements for monitoring: Have the responsibilities for M&E activities been clearly defined? Were the data sources and data collection instruments appropriate? Was the frequency of various monitoring activities specified and adequate? In how far were project users involved in monitoring?

        v. Arrangements for evaluation: Have specific targets and deadlines been specified for project outputs? Has the desired level of achievement been specified for all indicators of objectives and outcomes? Are there adequate provisions in the legal instruments binding project partners to fully collaborate in evaluations?

vi. Budgeting and funding for M&E activities: Determine whether support for M&E was budgeted adequately and is funded in a timely fashion during implementation.

b. *M&E Plan Implementation*. The evaluation will verify that:

i. the M&E system is operational and facilitates timely tracking of results and progress towards projects objectives throughout the project implementation period;

ii. annual project reports and Progress Implementation Review (PIR) reports are complete, accurate and with well justified ratings;

iii. the information provided by the M&E system is really being used to improve project performance and to adapt to changing needs.

Complementarities with the UNEP strategies and programmes

44. UNEP aims to undertake GEF funded projects that are aligned with its own strategies. The evaluation should present a brief narrative on the following issues:

a. *Linkage to UNEP's Expected Accomplishments and POW 2010-2011*. The UNEP MTS specifies desired results in six thematic focal areas. The desired results are termed Expected Accomplishments. Using the completed ROtI analysis, the evaluation should comment on whether the project makes a tangible contribution to any of the Expected Accomplishments specified in the UNEP MTS. The magnitude and extent of any contributions and the causal linkages should be fully described. Whilst it is recognised that UNEP GEF projects designed prior to the production of the UNEP Medium Term Strategy (MTS)[27] / Programme of Work (POW) 2010/11 would not necessarily be aligned with the Expected Accomplishments articulated in those documents, complementarities may still exist.

b. *Alignment with the Bali Strategic Plan (BSP)*[28]. The current and intended outcomes and achievements of the project should be briefly discussed in relation to the objectives of the UNEP BSP.

c. *Gender*. Ascertain to what extent project design, implementation and monitoring take into consideration: (i) possible gender inequalities in access to and the control over natural resources; (ii) specific vulnerabilities of women and children to environmental degradation or disasters; and (iii) the role of women in mitigating or adapting to environmental changes and engaging in environmental protection and rehabilitation. Assess whether the intervention is likely to have any lasting impacts on gender equality and the relationship between women and the environment. Are there any unresolved gender inequalities that could affect sustainability of project benefits?

d. *South-South Cooperation.* This is regarded as the exchange of resources, technology, and knowledge between developing countries. Briefly describe any

[27] http://Olam.unep.org/PDF/FinalMTSGCSS-X-8.pdf
[28] http://Olam.unep.org/GC/GC23/documents/GC23-6-add-1.pdf

aspects of the project that could be considered as examples of South-South Cooperation.

The Consultants' Team

45. This evaluation will be undertaken by a team of two independent consultants to be hired by the UNEP EO, preferably of mixed gender, at least one of which is from the project sub-region. The evaluation team will combine the following expertise and experience:

    a. Evaluation of environmental projects

    b. Expertise in biodiversity and agroforestry

    c. Good knowledge of UNEP GEF work

    d. Experience in cocoa production

46. The **Team Leader** will be responsible for coordinating the data collection and analysis phase of the evaluation, and preparing the main report. (S)He will ensure that all evaluation criteria are adequately covered by the team.

47. The **Supporting Consultant** will prepare a technical working paper/report that will be appended to the main report, the content of which will be agreed upon with the Team Leader. The Supporting Consultant is also expected to work on selected sections of the main report as agreed with the Team Leader, and provide constructive comments on the draft report prepared by the Team Leader.

48. By undersigning the service contract with UNEP/UNON, the consultants certify that they have not been associated with the design and implementation of the project in any way which may jeopardize their independence and impartiality towards project achievements and project partner performance. In addition, they will not have any future interests (within six months after completion of their contract) with the project's executing or implementing units.

Evaluation Deliverables and Review Procedures

49. **The main evaluation report** should be brief (no longer than 35 pages – excluding the executive summary and annexes), to the point and written in plain English. The report will follow the annotated Table of Contents outlined in Annex 1. It must explain the purpose of the evaluation, exactly what was evaluated and the methods used (with their limitations). The report will present evidence-based and balanced findings, consequent conclusions, lessons and recommendations, which will be cross-referenced to each other. The report should be presented in a way that makes the information accessible and comprehensible. Any dissident views in response to evaluation findings will be appended in footnote or annex as appropriate.

50. **Report summary**. The Team Leader will prepare a 15-slide presentation summarizing the key findings, lessons learned and recommendations of the evaluation. This presentation will be presented at an extra-ordinary Steering Committee meeting of the project (September 11, 2013 in Washington DC, USA). The purpose of this

presentation is to engage the main project partners in a discussion on the evaluation results and get their views to input into the MTE recommendations.

51. **Review of the draft evaluation report**. The Team Leader will submit an inception report a week after commencement of the evaluation using the format presented in Annex 10. S/he will submit the zero draft report latest by 10 July 2013 to the UNEP EO and revise the draft following the comments and suggestions made by the EO. The EO will then share the first draft report with the UNEP/DGEF Task Manager for review and comments. UNEP/DGEF will forward the first draft report to the other project stakeholders, for review and comments. Stakeholders may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions. Comments would be expected within two weeks after the draft report has been shared. Any comments or responses to the draft report will be sent to the UNEP EO for collation. The EO will provide the comments to the Team Leader for consideration in preparing the final draft report. The Team Leader will submit the final draft report no later than 2 weeks after reception of stakeholder comments. The Team Leader will prepare a **response to comments** that contradict the findings of the evaluation team and could therefore not be accommodated in the final report. This response will be annexed to the MTE report to ensure full transparency.

52. Consultations will be held between the consultants, EO staff, the UNEP/GEF and key members of the project execution team, including UNEP/DGEF project staff. These consultations will seek feedback on the proposed recommendations and lessons.

53. **Submission of the final Mid-term Evaluation report**. The final report shall be submitted by Email to:

    Segbedzi Norgbey, Head
    UNEP Evaluation Office
    P.O. Box 30552-00100
    Nairobi, Kenya
    Tel.: (+254-20) 762 3387
    Email: segbedzi.norgbey@unep.org

54. The Head of Evaluation will share the report with the following persons:

    Maryam Niamir-Fuller, Director
    UNEP/GEF Coordination Office
    Nairobi, Kenya
    Email: maryam.niamir-fuller@unep.org

    Kristin McLaughlin
    Global Environment Facility (GEF) Liaison Officer & Task Manager
    United Nations Environment Programme (UNEP)
    900 17th Street, NW -- Suite 506
    Washington DC 20006 USA
    Tel. 202-974-1312
    Fax 202-223-2004
    Skype: kristin.mclaughlin
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55. The final evaluation report will be published on the UNEP Evaluation Office web-site Olam.unep.org/eou and may be printed in hard copy. Subsequently, the report will be sent to the GEF Office of Evaluation for their review, appraisal and inclusion on the GEF website.

56. As per usual practice, the UNEP EO will prepare a **quality assessment** of the zero draft and final draft report, which is a tool for providing structured feedback to the evaluation consultants. The quality of the report will be assessed and rated against both GEF and UNEP criteria as presented in Annex 5.

57. The UNEP Evaluation Office will also prepare a **commentary** on the final evaluation report, which presents the EO ratings of the project based on a careful review of the evidence collated by the evaluation team and the internal consistency of the report. These ratings are the final ratings that the UNEP Evaluation Office will submit to the GEF Office of Evaluation.

A. Resources and Schedule of the Evaluation

58. This Mid-term Evaluation will be undertaken by two independent consultants contracted by the UNEP Evaluation Office. The consultants will work under the overall responsibility of the UNEP Evaluation Office and s/he will consult with the EO on any procedural and methodological matters related to the evaluation. **It is, however, the consultants' individual responsibility to arrange for her/his travel, obtain documentary evidence, meetings with stakeholders, field visits, and any other logistical matters related to their assignment.** The consultants will be assisted in this evaluation by a staff from the UNEP Evaluation Office who will assist with the field work and contribute to writing the technical report of the countries visited. The UNEP Task Manager and national project staff will provide logistical support (introductions, meetings, transport, lodging etc.) for the country visits where necessary, allowing the consultants to conduct the evaluation as efficiently and independently as possible.

59. The **Team Leader** will be hired for **seven weeks** spread over three months (24 June to 30 September 2013. (S)He will travel to Kenya, U.K. Côte d'Ivoire and Ghana. The **Supporting Consultant** will be hired for **four weeks** spread over three months (24 June to 30 September 2013). S/he will travel to Indonesia. He will also meet with the Team Leader in Nairobi to agree on workplan and the rest of the assignments.

B. Schedule of Payment

Lump sum

60. The Consultants will be hired under an individual Special Service Agreement (SSA). The fee will be estimated as a lumpsum, inclusive of all expenses such as travel, accommodation and incidental expenses.

61. The Consultants will receive an initial payment covering the travel costs upon signature of the contract. The Consultants will receive 20% payment upon submission of an acceptable inception report. 30% of the honorarium portion of his/her fee will be paid upon acceptance of a draft report deemed complete and of acceptable quality by the EO. The remainder (50%) will be paid upon satisfactory completion of the work.

62. In case the Consultants are not able to provide the deliverables in accordance with these TORs, in line with the expected quality standards by the UNEP Evaluation Office, payment may be withheld at the discretion of the Head of the Evaluation Office until the consultant has improved the deliverables to meet UNEP's quality standards.

63. If the consultants fail to submit a satisfactory final product to UNEP in a timely manner, i.e. within one month after the end date of their contract, the Evaluation Office reserves the right to employ additional human resources to finalize the report, and to reduce the consultants' fees by an amount equal to the additional costs borne by the Evaluation Office to bring the report up to standard.

Fee-only Option

64. The consultants will be hired under an individual Special Service Agreement (SSA) and is **NOT** inclusive of all expenses such as airfares, in-country travels, accommodation, incidental and terminal expenses. Air tickets will be paid separately by UNEP and 75% of the DSA for each authorised travel mission will be paid up front. Local in-country travel and communication costs will be reimbursed on the **production of acceptable receipts.** Terminal expenses and residual DSA entitlements (25%) will be paid after mission completion.

65. The Team Leader will receive 20% of the honorarium portion of his/her fee upon acceptance of the inception report and 30% upon acceptance of a draft report deemed complete and of acceptable quality by the EO. The remainder (50%) will be paid upon satisfactory completion of the work.

66. The Supporting Consultant will be paid the honoraria in **one single payment** upon satisfactory completion of their work. The Team Leader will advise the EO whether the Supporting Consultant has provided satisfactory inputs in the evaluation.

Annex 1. Annotated Table of Contents of the Main Report

Project Identification Table	An updated version of the table in I.A. of these TORs
Executive Summary	Overview of the main findings, conclusions and recommendations of the evaluation. It should encapsulate the essence of the information contained in the report to facilitate dissemination and distillation of lessons. The main points for each evaluation parameter should be presented here (with a summary ratings table), as well as the most important lessons and recommendations. Maximum 4 pages.
I. Evaluation Background	
A. Context	A. Overview of the broader institutional and country context, in relation to the project's objectives.
B. The Project	B. Presentation of the project: rationale, objectives, components, intervention areas and target groups, milestones in design, implementation and completion, implementation arrangements and main partners, financing (amounts and sources), modifications to design before or during implementation.
C. Evaluation objectives, scope and methodology	C. Presentation of the evaluation's purpose, evaluation criteria and key questions, evaluation timeframe, data collection and analysis instruments used, places visited, types of stakeholders interviewed, and limitations of the evaluation.
II. Project Performance and Impact A. Attainment of objectives and planned results B. Sustainability and catalytic role C. Processes affecting attainment of project results D. Complementarity with UNEP, UNDP and UNIDO programmes and strategies	This section is organized according to the 4 categories of evaluation criteria (see section D of these TORs) and provides factual evidence relevant to the questions asked and sound analysis and interpretations of such evidence. This is the main substantive section of the report. Ratings are provided at the end of the assessment of each evaluation criterion.
III. Conclusions and Recommendations	
A. Conclusions	This section should summarize the main findings of the evaluation, told in a logical sequence from cause to effect. It is suggested to start with the positive achievements and a short explanation why these could be achieved, and, then, to present the less successful aspects of the project with a short explanation why. The conclusions section should end with the overall assessment of the project. Findings should be cross-referenced to the main

	text of the report (using the paragraph numbering). The overall ratings table should be inserted here (see Annex 2).
B. Lessons Learned	Lessons learned should be anchored in the main findings of the evaluation. In fact, no lessons should appear which are not based upon a conclusion of the evaluation. The number of lessons learned should be limited. Lessons learned are rooted in real project experiences, i.e. based on good practices and successes which could be replicated or derived from problems encountered and mistakes made which should be avoided in the future. Lessons learned must have the potential for wider application and use. Lessons should briefly describe the context from which they are derived and specify the contexts in which they may be useful.
C. Recommendations	As for the lessons learned, all recommendations should be anchored in the conclusions of the report, with proper cross-referencing, and their number should be limited to 5 or 6. Recommendations are actionable proposals on how to resolve concrete problems affecting the project or the sustainability of its results. They should be feasible to implement within the timeframe and resources available (including local capacities), specific in terms of who would do what and when, and set a measurable performance target. In some cases, it might be useful to propose options, and briefly analyze the pros and cons of each option.
Annexes	These may include additional material deemed relevant by the evaluator but must include: 1. Evaluation TORs 2. Evaluation program, containing the names of locations visited and the names (or functions) of people met 3. Bibliography 4. Summary co-finance information and a statement of project expenditure by activity (See annex of these TORs) 5. Details of the project's 'impact pathways' and the 'ROtI' analysis 6. Technical working paper 7. Brief CVs of the consultants TE reports will also include any formal response/ comments from the project management team and/ or the country focal point regarding the evaluation findings or conclusions as an annex to the report, however, such will be appended to the report by UNEP Evaluation

	Office.

Examples of UNEP GEF project Evaluation Reports are available at Olam.unep.org/eou.

Annex 2 - Project Logical Framework and Objectively Verifiable Impact Indicators

Project Strategy	**I. Objectively verifiable indicators**				
	Indicator	**1. Baseline**	**2. Target**	**Sources of verification**	**Risks and Assumptions**
Project Objective This project's objective is to change production in major cocoa producing countries and and business practices in cocoa and chocolate companies, **such that they conserve biodiversity in cocoa production landscapes,** provide greater long-term stability to the industry and increased income for smallholders.	1. Cocoa farmers adopt the Sustainable Agriculture Standard 2. Growth in habitat area associated with sustainably managed cocoa production landscapes 3. Increased population of indicator species in cocoa production landscapes.	1. 25,000 cocoa farmers adopting the majority of practices of the Sustainable Agriculture Standard 2. 73,000 hectares under sustainable productions systems 3. Baseline assessments to be carried out during year 1.	1.250,000 cocoa farmers adopting the majority of practices of the Sustainable Agriculture Standard. 2. 750,000 hectares under sustainable productions systems	Certification records RA Impact Monitoring System	Link can be demonstrated between sustainable production practices and biodiversity Cocoa farmers receive net benefit from adopting sustainable practices
Outcome 1 Long term sustainability of environmentally responsible	1. Major mainstream traders/processors	1. 7 companies	1. 5 major brands 10 traders/processors	1. Market monitoring	Market demand for certified

cocoa farming demonstrated through mainstream market acceptance of Rainforest Alliance certification and its integration into the cocoa and chocolate value chain	manufacturers create demand for and facilitate farmer's adoption of the Sustainable Agriculture Standard on 750,000 hectares of cocoa farms by end of project. 2. Volume of certified cocoa sold and number of chocolate products using the seal achieves mainstream market penetration 3. Producers, traders, processors and manufacturers have internalized the costs of certification through transparent and efficient supply chain	2. (a) 7,000 tons (b) One mainstream product using seal 3. Project funds invested in subsidizing system	2. (a) 250,000 tons sold (of 350,000 tons produced) (b) 20 products using seal 3. System sustained by value chain	2. Online record of transactions 3. Monitoring of projects applied to certification	cocoa is sufficient for mainstream impact

	arrangements				
Outcome 2 Cocoa farmers in project countries have access to quality training, extension and relevant support services that enable them to adopt sustainable agricultural practices cost effectively	1. Appropriate training materials developed for small holder cocoa farmers and training institutions 2. Service providers in major production areas of producing countries trained in the Sustainable Agriculture Standard and a quality control system in place 3. Percentage of women participating in training 4. Farmer access to inputs and credit that will improve farm performance is	1. No training materials available specifically for cocoa smallholders 2. (a) Three training organizations in Africa and two members of SAN in Latin America trained in Standard (b) No quality control system for trainers exists 3. No baseline 4. Rainforest Alliance not involved in any activity to improve services to farmers	1. Locally adapted manuals describing best management practices and Internal Control Systems are available in all project countries 2. 10 service provider organizations and 200 technicians working for them or independently are accredited as trainers and subject to annual evaluation 3. 10% 4. Project has facilitated five cocoa farmer organizations receiving agronomic and/or financial services	1. Project records 2. Training records 3. Training records 4. Project records	Service providers will enter market because of demand and increased capacity to pay

	increased				
Outcome 3 A credible global Rainforest Alliance certification is tailored for participating countries provides measurable benefits for cocoa farmers. g	1. Auditors from project regions are trained and accredited to inspect farms. 2. Other certification bodies are accredited to award Rainforest Alliance certification, enabling cost saving for farmers. 3. National stakeholder groups develop indicators for Sustainable Agriculture Standard (SAS) in all project countries. 4. SAS evolves to incorporate criteria on	1. Two auditors accredited in West Africa; six in Latin America 2. No accreditation system in operation for independent certifying organizations 3 Two sets of local indicators published 4. No specific criteria on productivity	1. 40 auditors accredited 2. Five accredited certifying organizations operational in project countries 3. 10 sets of local indicators published 4. Application of Sustainable Agriculture Standard	1. Auditing program records 2. Accreditation records 3. Published documents 4. Studies	

	improved productivity. 5. Studies of certified farms demonstrate that the costs for farmers of adopting the Sustainable Agriculture Standard do not exceed the benefits	5. No farm economic study yet completed	leads to 40% increase in productivity on farms 5. Four years data available from two countries show increased income of at least 25% for farmer	5. Studies	
Outcome 4 **Sustainable cocoa production enables mainstreaming biodiversity conservation and natural resource management in line with national policies.**	1. A Payment for Ecosystem Services (PES) methodology providing increased value for farmers piloted and applied. 2. Monitoring and Evaluation Systems established to measure	1. Methodology not designed 2. No system in place	1. Two pilot projects have generated environmental services value and rewarded farmers 2. System designed and applied to project	1. Project records 2. Project records	

	contribution of sustainable cocoa production to biodiversity conservation. 3. Measurable biodiversity mainstreaming improvements in 10 countries by end of the project 4. Public policy in major cocoa producing countries encourages voluntary certification schemes	3. Indicators to be selected and baseline to be done in Year 1 4.Low level of understanding of certification purpose and operation among authorities in Côte d'Ivoire and Ghana	3. Biodiversity conservation targets met 4. .Public endorsement of value of certification by policy makers.	3. Project records 4. Certification records Media clips; meeting minutes; public statements	

Annex 3. Evaluation ratings

The evaluation will provide individual ratings for the evaluation criteria described in section II.D. of these TORs. Some criteria contain sub-criteria which require separate ratings (i.e. sustainability and M&E). Furthermore, an aggregated rating will be provided for Relevance, effectiveness and efficiency under the category "Attainment of project objectives and results".

Most criteria will be rated on a six-point scale as follows: Highly Satisfactory (HS); Satisfactory (S); Moderately Satisfactory (MS); Moderately Unsatisfactory (MU); Unsatisfactory (U); Highly Unsatisfactory (HU). Sustainability is rated from Highly Likely (HL) down to Highly Unlikely (HU).

In the conclusions section of the report, ratings will be presented together in a table, with a brief justification cross-referenced to the findings in the main body of the report. Please note that the order of the evaluation criteria in the table will be slightly different from the order these are treated in the main report; this is to facilitate comparison and aggregation of ratings across GEF project evaluation reports.

Criterion	Summary Assessment	Rating
A. Attainment of project objectives and results		HS → HU
1. Effectiveness		HS → HU
2. Relevance		HS → HU
3. Efficiency		HS → HU
B. Sustainability of project outcomes		HL → HU
1. Financial		HL → HU
2. Socio-political		HL → HU
3. Institutional framework		HL → HU
4. Environmental		HL → HU
C. Catalytic role		HS → HU
D. Stakeholders involvement		HS → HU
E. Country ownership / driven-ness		HS → HU
F. Achievement of outputs and activities		HS → HU
G. Preparation and readiness		HS → HU
Olam. Implementation approach		HS → HU
I. Financial planning and management		HS → HU
J. Monitoring and Evaluation		HS → HU
1. M&E Design		HS → HU
2. M&E Plan Implementation		HS → HU
3. Budgeting and funding for M&E activities		HS → HU
K. UNEP and UNDP Supervision and backstopping		HS → HU
1. UNEP		HS → HU
2. UNDP		HS → HU

Rating of Attainment of project objectives and results. A compound rating is given to the category based on the assessment of relevance, effectiveness and efficiency. This aggregated rating is not a simple average of the separate ratings given to the evaluation criteria, but an overall judgement by the consultants. Relevance and effectiveness, however, will be considered as critical criteria. This means that the aggregated rating for Attainment of objectives and results may not be higher than the lowest rating on either of these two criteria.

Ratings on sustainability. According to the GEF Office of Evaluation, all the dimensions of sustainability are deemed critical. Therefore, the overall rating for sustainability will not be higher than the lowest rating on the separate dimensions.

Ratings of monitoring and evaluation. The M&E system will be rated on M&E design, M&E plan implementation, and budgeting and funding for M&E activities (the latter sub-criterion is covered in the main report under M&E design) as follows:

Highly Satisfactory (HS): There were no shortcomings in the project M&E system.

Satisfactory(S): There were minor shortcomings in the project M&E system.

Moderately Satisfactory (MS): There were moderate shortcomings in the project M&E system.

Moderately Unsatisfactory (MU): There were significant shortcomings in the project M&E system.

Unsatisfactory (U): There were major shortcomings in the project M&E system.

Highly Unsatisfactory (HU): The Project had no M&E system.

M&E plan implementation will be considered critical for the overall assessment of the M&E system. Thus, the overall rating for M&E will not be higher than the rating on M&E plan implementation.

Annex 4. Project costs and co-financing tables
Project Costs

Component/sub-component	Estimated cost at design	Actual Cost	Expenditure ratio (actual/planned)

Co-financing

Co financing (Type/Source)	IA own Financing (mill US$)		Government (mill US$)		Other* (mill US$)		Total (mill US$)		Total Disbursed (mill US$)
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
– Grants									
– Loans									
– Credits									
– Equity investments									
– In-kind support									
– Other (*) - -									
Totals									

* This refers to contributions mobilized for the project from other multilateral agencies, bilateral development cooperation agencies, NGOs, the private sector and beneficiaries.

Annex 5. Quality Assessment of the Evaluation Report

All UNEP evaluation reports are subject to a quality assessment by the Evaluation Office. The quality assessment is used as a tool for providing structured feedback to the evaluation consultants. The quality of the draft evaluation report is assessed and rated against the following criteria:

GEF Report Quality Criteria	UNEP EO Assessment	Rating
A. Did the report present an assessment of relevant outcomes and achievement of project objectives in the context of the focal area program indicators if applicable?		
B. Was the report consistent and the evidence complete and convincing and were the ratings substantiated when used?		
C. Did the report present a sound assessment of sustainability of outcomes?		
D. Were the lessons and recommendations supported by the evidence presented?		
E. Did the report include the actual project costs (total and per activity) and actual co-financing used?		
F. Did the report include an assessment of the quality of the project M&E system and its use for project management?		
UNEP additional Report Quality Criteria		
G. Quality of the lessons: Were lessons readily applicable in other contexts? Did they suggest prescriptive action?		
Olam. Quality of the recommendations: Did recommendations specify the actions necessary to correct existing conditions or improve operations ('who?' 'what?' 'where?' 'when?)'. Can they be implemented? Did the recommendations specify a goal and an associated performance indicator?		
I. Was the report well written? (clear English language and grammar)		
J. Did the report structure follow EOU guidelines, were all requested Annexes included?		
K. Were all evaluation aspects specified in the TORs adequately addressed?		
L. Was the report delivered in a timely manner		

Quality = (2*(0.3*(A + B) + 0.1*(C+D+E+F))+ 0.3*(G + Olam) + 0.1*(I+J+K+L))/3
The Totals are rounded and converted to the scale of HS to HU

Rating system for quality of Evaluation reports: A number rating between 1 and 6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1.

Annex 6. Documentation list for the evaluation to be provided by the UNEP Task Manager

- Project design documents
- Project supervision plan, with associated budget
- Correspondence related to project
- Supervision mission reports
- Steering Committee meeting documents, including agendas, meeting minutes, and any summary reports
- Project progress reports, including financial reports submitted
- Cash advance requests documenting disbursements
- Annual Project Implementation Reports (PIRs)
- Management memos related to project
- Other documentation of supervision feedback on project outputs and processes (e.g. comments on draft progress reports, etc.).
- Extension documentation. Has a project extension occurred?
- Project revision documentation.
- Budget revision documentation.
- Project Terminal Report (draft if final version not available)

Annex 7. Introduction to Theory of Change / Impact pathways, the ROtI Method and the ROtI Results Score sheet

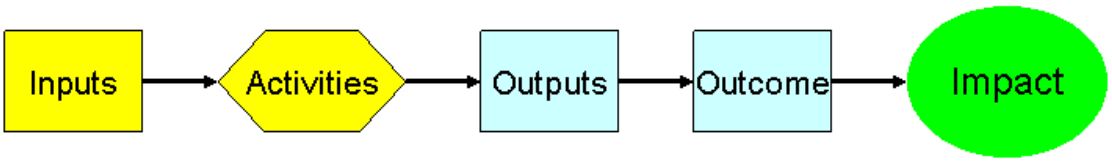
Terminal evaluations of projects are conducted at, or shortly after, project completion. At this stage it is normally possible to assess the achievement of the project's outputs. However, the possibilities for evaluation of the project's outcomes are often more limited and the feasibility of assessing project **impacts** at this time is usually severely constrained. Full impacts often accrue only after considerable time-lags, and it is common for there to be a lack of long-term baseline and monitoring information to aid their evaluation. Consequently, substantial resources are often needed to support the extensive primary field data collection required for assessing impact and there are concomitant practical difficulties because project resources are seldom available to support the assessment of such impacts when they have accrued – often several years after completion of activities and closure of the project.

Despite these difficulties, it is possible to enhance the scope and depth of information available from Terminal Evaluations on the achievement of results **through rigorous review of project progress along the pathways from outcome to impact**. Such reviews identify the sequence of conditions and factors deemed necessary for project outcomes to yield impact and assess the current status of and future prospects for results. In evaluation literature these relationships can be variously described as 'Theories of Change', Impact 'Pathways', 'Results Chains', 'Intervention logic', and 'Causal Pathways' (to name only some!).

Theory of Change (ToC) / impact pathways

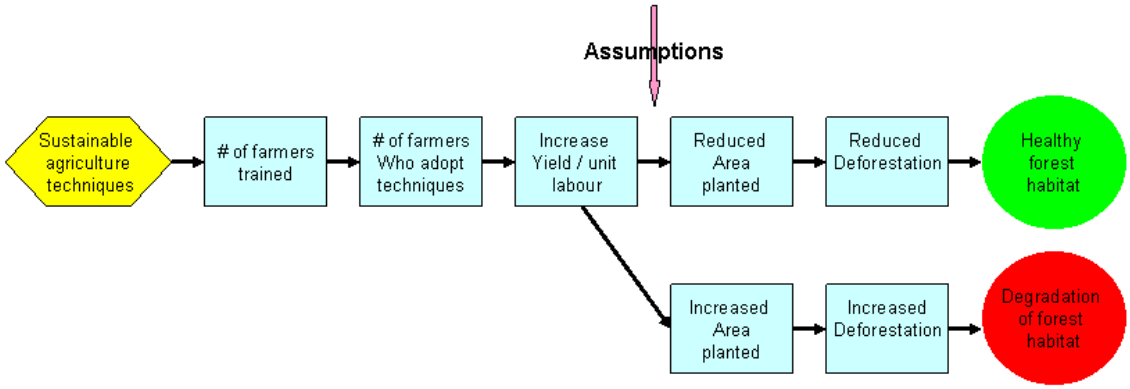
Figure 1 shows a generic impact pathway which links the standard elements of project logical frameworks in a graphical representation of causal linkages. When specified with more detail, for example including the key users of outputs, the processes (the arrows) that lead to outcomes and with details of performance indicators, analysis of impact pathways can be invaluable as a tool for both project planning and evaluation.

Figure 1. A generic results chain, which can also be termed an 'Impact Pathway' or Theory of Change.



The pathways summarise casual relationships and help identify or clarify the assumptions in the intervention logic of the project. For example, in the Figure 2 below the eventual impact depends upon the behaviour of the farmers in using the new agricultural techniques they have learnt from the training. The project design for the intervention might be based on the upper pathway assuming that the farmers can now meet their needs from more efficient management of a given area therefore reducing the need for an expansion of cultivated area and ultimately reducing pressure on nearby forest habitat, whereas the evidence gathered in the evaluation may in some locations follow the lower of the two pathways; the improved farming methods offer the possibility for increased profits and create an incentive for farmers to cultivate more land resulting in clearance or degradation of the nearby forest habitat.

Figure 2. An impact pathway / TOC for a training intervention intended to aid forest conservation.



The GEF Evaluation Office has recently developed an approach that builds on the concepts of theory of change / causal chains / impact pathways. The method is known as Review of Outcomes to Impacts (ROtI)[29] and has three distinct stages:

a. Identifying the project's intended impacts
b. Review of the project's logical framework
c. Analysis and modelling of the project's outcomes-impact pathways

The **identification of the projects intended impacts** should be possible from the 'objectives' statements specified in the official project document. The next stage is to **review the project's logical framework** to assess whether the design of the project is consistent with, and appropriate for, the delivery of the intended impact. The method requires verification of the causal logic between the different hierarchical levels of the logical framework moving 'backwards' from impacts through outcomes to the outputs; the activities level is not formally considered in the ROtI method[30]. The aim of this stage is to develop an understanding of the causal logic of the project intervention and to identify the key 'impact pathways'. In reality such process are often complex; they often involve multiple actors and decision-processes and are subject to time-lags, meaning that project impact often accrue long after the completion of project activities.

The third stage involves analysis of the 'impact pathways' that link project outcomes to impacts. The pathways are analysed in terms of the **'assumptions'** and **'impact drivers'** that underpin the processes involved in the transformation of outcomes to impacts via **intermediate states** (see Figure 3). Project outcomes are the direct intended results stemming from the outputs, and they are likely to occur either towards the end of the project or in the short term following project completion. **Intermediate states** are the transitional conditions between the project's immediate outcomes and the intended impact. They are necessary conditions for the achievement of the intended impacts and there may be more than one intermediate state between the immediate project outcome and the eventual impact.

Impact drivers are defined as the significant factors that if present are expected to contribute to the realization of the intended impacts and **can be influenced** by the project / project partners &

[29] GEF Evaluation Office (2009). ROtI: Review of Outcomes to Impacts Practitioners Handbook. http://Olam.gefweb.org/uploadedFiles/Evaluation_Office/OPS4/Roti%20Practitioners%20Handbook%2015%20June%202009.pdf

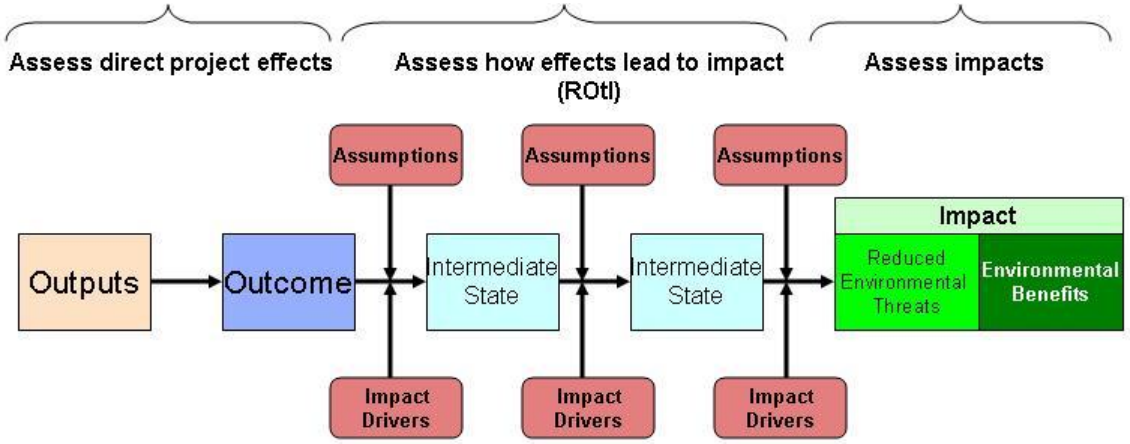
[30] Evaluation of the efficiency and effectiveness in the use of resources to generate outputs is already a major focus within UNEP Terminal Evaluations.

stakeholders. **Assumptions** are the significant factors that if present are expected to contribute to the realization of the intended impacts but are largely **beyond the control of the project** / project partners & stakeholders. The impact drivers and assumptions are ordinarily considered in Terminal Evaluations when assessing the sustainability of the project.

Since project logical frameworks do not often provide comprehensive information on the processes by which project outputs yield outcomes and eventually lead, via 'intermediate states' to impacts, the impact pathways need to be carefully examined and the following questions addressed:

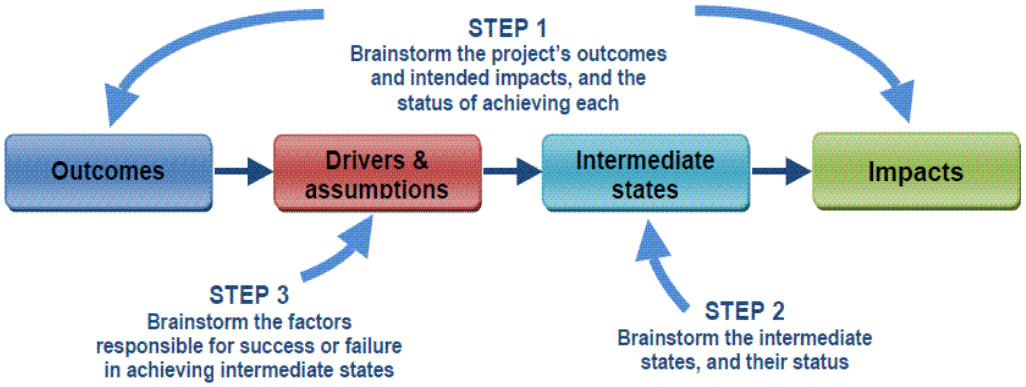
- Are there other causal pathways that would stem from the use of project outputs by other potential user groups?
- Is (each) impact pathway complete? Are there any missing intermediate states between project outcomes and impacts?
- Have the key impact drivers and assumptions been identified for each 'step' in the impact pathway.

Figure 3. A schematic 'impact pathway' showing intermediate states, assumptions and impact drivers (adapted from GEF EO 2009).



The process of identifying the impact pathways and specifying the impact drivers and assumptions can be done as a desk exercise by the evaluator or, preferably, as a group exercise, led by the evaluator with a cross-section of project stakeholders as part of an evaluation field mission or both. Ideally, the evaluator would have done a desk-based assessment of the project's theory of change and then use this understanding to facilitate a group exercise. The group exercise is best done through collective discussions to develop a visual model of the impact pathways using a card exercise. The component elements (outputs, outcomes, impact drivers, assumptions intended impacts etc.) of the impact pathways are written on individual cards and arranged and discussed as a group activity. Figure 4 below shows the suggested sequence of the group discussions needed to develop the ToC for the project.

Figure 4. Suggested sequencing of group discussions (from GEF EO 2009)



Once the theory of change model for the project is complete the evaluator can assess the design of the project intervention and collate evidence that will inform judgments on the extent and effectiveness of implementation, through the evaluation process. Performance judgments are made always noting that project contexts can change and that adaptive management is required during project implementation.

The ROtI method requires ratings for outcomes achieved by the project and the progress made towards the 'intermediate states' at the time of the evaluation. According the GEF guidance on the method; "*The rating system is intended to recognize project preparation and conceptualization that considers its own assumptions, and that seeks to remove barriers to future scaling up and out. Projects that are a part of a long-term process need not at all be "penalized" for not achieving impacts in the lifetime of the project: the system recognizes projects' forward thinking to eventual impacts, even if those impacts are eventually achieved by other partners and stakeholders, albeit with achievements based on present day, present project building blocks.*" For example, a project receiving an "AA" rating appears likely to deliver impacts, while for a project receiving a "DD" this would seem unlikely, due to low achievement in outcomes and the limited likelihood of achieving the intermediate states needed for eventual impact (see Table 1).

Table 1. Rating scale for outcomes and progress towards 'intermediate states'

Outcome Rating	**Rating on progress toward Intermediate States**
D: The project's intended outcomes were not delivered	**D:** No measures taken to move towards intermediate states.
C: The project's intended outcomes were delivered, but were not designed to feed into a continuing process after project funding	C: The measures designed to move towards intermediate states have started, but have not produced results.
B: The project's intended outcomes were delivered, and were designed to feed into a continuing process, but with no prior allocation of responsibilities after project funding	B: The measures designed to move towards intermediate states have started and have produced results, which give no indication that they can progress towards the intended long term impact.
A: The project's intended outcomes were delivered, and were designed to feed into a continuing process, with	A: The measures designed to move towards intermediate states have started and have produced results, which clearly indicate that

specific allocation of responsibilities after project funding.	they can progress towards the intended long term impact.

Thus a project will end up with a two letter rating e.g. AB, CD, BB etc. In addition the rating is given a '+' notation if there is evidence of impacts accruing within the life of the project. The possible rating permutations are then translated onto the usual six point rating scale used in all UNEP project evaluations in the following way.

Table 2. Shows how the ratings for 'achievement of outcomes' and 'progress towards intermediate states translate to ratings for the 'Overall likelihood of impact achievement' on a six point scale.

Highly Likely	Likely	Moderately Likely	Moderately Unlikely	Unlikely	Highly Unlikely
AA AB BA CA BB+ CB+ DA+ DB+	BB CB DA DB AC+ BC+	AC BC CC+ DC+	CC DC AD+ BD+	AD BD CD+ DD+	CD DD

In addition, projects that achieve documented changes in environmental status during the project's lifetime receive a positive impact rating, indicated by a "+". The overall likelihood of achieving impacts is shown in Table 11 below (a + score above moves the double letter rating up one space in the 6-point scale).

The ROtI method provides a basis for comparisons across projects through application of a rating system that can indicate the expected impact. However it should be noted that whilst this will provide a relative scoring for all projects assessed, it does not imply that the results from projects can necessarily be aggregated. Nevertheless, since the approach yields greater clarity in the 'results metrics' for a project, opportunities where aggregation of project results might be possible can more readily be identified.

Results rating of project entitled:							
Outputs	**Outcomes**	**Rating (D – A)**	**Intermediary**	**Rating (D – A)**	**Impact (GEBs)**	**Rating (+)**	**Overall**
1.	1.		1.		1.		
2.	2.		2.		2.		
3.	3.		3.		3.		
	Rating justification:		**Rating justification:**		**Rating justification:**		

Scoring Guidelines

The achievement of **Outputs** is largely assumed. Outputs are such concrete things as training courses held, numbers of persons trained, studies conducted, networks established, websites developed, and many others. Outputs reflect where and for what project funds were used. These were not rated: projects generally succeed in spending their funding.

Outcomes, on the other hand, are the first level of intended results stemming from the outputs. Not so much the number of persons trained; but how many persons who then demonstrated that they have gained the intended knowledge or skills. Not a study conducted; but one that could change the evolution or development of the project. Not so much a network of NGOs established; but that the network showed potential for functioning as intended. A sound outcome might be genuinely improved strategic planning in SLM stemming from workshops, training courses, and networking.

Examples

> ***Funds were spent, outputs were produced, but nothing in terms of outcomes was achieved.*** People attended training courses but there is no evidence of increased capacity. A website was developed, but no one used it. (Score – D)
>
> ***Outcomes achieved but are dead ends; no forward linkages to intermediary stages in the future***. People attended training courses, increased their capacities, but all left for other jobs shortly after; or were not given opportunities to apply their new skills. A website was developed and was used, but achieved little or nothing of what was intended because users had no resources or incentives to apply the tools and methods proposed on the website in their job. (Score – C)
>
> ***Outcomes plus implicit linkages forward.*** Outcomes achieved and have *implicit forward linkages* to intermediary stages and impacts. Collaboration as evidenced by meetings and decisions made among a loose network is documented that should lead to better planning. Improved capacity is in place and should lead to desired intermediate outcomes. Providing implicit linkages to intermediary stages is probably the most common case when outcomes have been achieved. (Score - B)
>
> ***Outcomes plus explicit linkages forward***. Outcomes have *definite and explicit forward linkages* to intermediary stages and impacts. An alternative energy project may result in solar panels installed that reduced reliance on local wood fuels, with the outcome quantified in terms of reduced C emissions. Explicit forward linkages are easy to recognize in being concrete, but are relatively uncommon. (Score A)

Intermediary stages:
The **intermediate stage** indicates achievements that lead to Global Environmental Benefits, especially if the potential for scaling up is established.

> ***"Outcomes" scored C or D.*** If the outcomes above scored C or D, there is no need to continue forward to score intermediate stages given that achievement of such is then not possible.
>
> ***In spite of outcomes and implicit linkages, and follow-up actions, the project dead-ends.*** Although outcomes achieved have *implicit forward linkages* to intermediary stages and

impacts, the project dead-ends. Outcomes turn out to be insufficient to move the project towards intermediate stages and to the eventual achievement of GEBs. Collaboration as evidenced by meetings and among participants in a network never progresses further. The implicit linkage based on follow-up never materializes. Although outcomes involve, for example, further participation and discussion, such actions do not take the project forward towards intended intermediate impacts. People have fun getting together and talking more, but nothing, based on the implicit forwards linkages, actually eventuates. **(Score = D)**

The measures designed to move towards intermediate states have started, but have not produced result, barriers and/or unmet assumptions may still exist. In spite of sound outputs and in spite of explicit forward linkages, there is limited possibility of intermediary stage achievement due to barriers not removed or unmet assumptions. This may be the fate of several policy related, capacity building, and networking projects: people work together, but fail to develop a way forward towards concrete results, or fail to successfully address inherent barriers. The project may increase ground cover and or carbon stocks, may reduce grazing or GHG emissions; and may have project level recommendations regarding scaling up; but barrier removal or the addressing of fatal assumptions means that scaling up remains limited and unlikely to be achieved at larger scales. Barriers can be policy and institutional limitations; (mis-) assumptions may have to do with markets or public – private sector relationships. **(Score = C)**

Barriers and assumptions are successfully addressed. Intermediary stage(s) planned or conceived have feasible direct and explicit forward linkages to impact achievement; barriers and assumptions are successfully addressed. The project achieves measurable intermediate impacts, and works to scale up and out, but falls well short of scaling up to global levels such that achievement of GEBs still lies in doubt. **(Score = B)**

Scaling up and out over time is possible. Measurable intermediary stage impacts achieved, scaling up to global levels and the achievement of GEBs appears to be well in reach over time. **(Score = A)**

Impact: Actual changes in environmental status

"Intermediary stages" scored B to A.

Measurable impacts achieved at a globally significant level within the project life-span. .

(Score = '+')

Annex 8: Evaluation Tentative Timeline

Activity	**Date**
Start of contract	24 June 2013
Inception report to EO	28 June 2013
Presentation of Theory of change and itinerary for Field work	28 June – 2 July 2013
Field work	3 July – 26 July 2013
Zero draft evaluation report to EO	9 August 2013
EO's comments on zero draft evaluation report	23 August 2013
First draft evaluation report	2 September 2013
First draft evaluation report circulated to stakeholders for comments	3 September 2013
Consolidated comments to consultants	10 September 2013
Final evaluation report	17 September 2013
End of contract	27 September 2013

Annex 9

GEF-UNEP project Greening the Cocoa Industry

Results Framework. Revisions to Project Document, 22 June 2011

Prodoc Indicator	Revision	Justification
Project Objective		
Change in number of hectares of on farm natural ecosystem that are identified and protected	Extent (hectares) of set asides that are identified and protected under SAN standard	Clarification using SAN standard language. Set-aside = areas reserved for reforestation, natural regeneration and conservation.
Outcome 1		
Number of leading chocolate manufacturers committed to work with Rainforest Alliance certification system	Indicator deleted	Redundant in view of market penetration indicator below that has been added
Annual volume of certified cocoa sold	Added to SOV: Individual detail for large companies and aggregated for speciality and producing country brands	Additional detail
# Products using Rainforest Alliance Certified seal	Market penetration by major/leading brands	The number of products using the seal says less about the growth of certification than the degree of market penetration. 30 niche products consuming small amounts of cocoa would not generate market change as much as three leading brands. Hence reporting will focus on how many major brands are using the seal and what information we can obtain about their market share. This change was suggested in the Nairobi planning workshop.
Level of internalization for costs of certification assumed by producers, traders, processors and manufacturers through transparent supply chain arrangements	Amount of private sector financing invested at origin	Following discussions with industry, it is not possible to obtain reliable data because of confidentiality
	No of events/activities organized by RA/partners to reach	Additional indicator

	target audiences	
	Percentage of participation fee recovered	Additional indicator
Outcome 2		
Number of farmers that apply the Standard and obtain certification	Indicator deleted	Redundant as this indicator exists at project objective level, where corrected baseline added. Amount of hectares under sustainable management according to SAN standard is a more accurate means of measuring results as farm sizes vary and farmers may own more than one farm
Number of service providers in major production areas of producing countries trained in the sustainable Agriculture Standard	Number of lead trainers trained in the Sustainable Agriculture Standard and approved as trainers through annual evaluation	Clarification + quality control added
Number of service providers in major production areas of producing countries that have a quality control system in place	Deleted as separate indicator and quality control added to previous indicator	Redundant
Number of technicians trained in the Sustainable Agriculture Standard and approved as trainers through annual evaluations	Number of technicians (exporters, individuals, government or other institutions) trained in the Sustainable Agriculture Standard	Clarification + not all technicians will be evaluated
	Number of partnerships established with government and other institutions to promote the Sustainable Agriculture Standard and biodiversity conservation.	Additional indicator
Percentage improvement in productivity on certified farms in Côte d'Ivoire and Ghana	Deleted reference to specific countries Productivity study added as SOV	1-Monitor more widely to give regional balance 2-Baseline compiled from certification reports as of December 2010 (June 2010 reports do not have volume data) 3-RA will undertake a productivity study during project
Outcome 3		
Existence of productivity criteria in	Additional productivity criteria defined and	Priority is to incorporate productivity into training rather than the Standard

Standard	applied in training programs EOP target changed to: Productivity criteria applied systematically in training and proposed to SAN for incorporation in Standard. SOV changed to training records	Adjusted to correspond to emphasis on training Adjusted to correspond to emphasis on training
Existence of electronic online system for traceability	% certified cocoa transactions recorded in traceability system	Places emphasis on performance rather than existence of system
Outcome 4		
Status of M&E system implementation	Baseline changed to Strategy for incorporating M&E system into technical assistance activities devised.	Project monitoring and evaluation must be core activities of project implementation plan.
Status of biodiversity target indicators and study results	1-Added- in selected site in Indonesia 2- Additional region specific metrics added to baseline	Clarification that biodiversity impact study will be conducted in Indonesia because of resource limitations.
Status of cost benefit analysis study results	Status of farm level cost benefit analysis study results	Cost-benefit analysis study will only be conducted on a sample of technical assistance participating and non-participating farms (200-400 farms).

Annex 10. Inception Report Outline

Section	Notes	Data Sources	Approx No. of pages
1. Introduction	Brief introduction to the project and evaluation.		1 max
2. Project Background	Summarise the project context and rationale. How has the context of the project changed since project design?	Background information on context	2 max
3. Review of Project Design	Summary of project design strengths and weaknesses. Complete the Template for assessment of the quality of project design (Annex of the Terms of Reference).	Project document and revisions, MTE/MTR if any.	2 Max + Completed template in Annex of inception report
4. Theory of Change Analysis	The 'theory of change' should be developed using the process described in Annex 7 (Introduction to Theory of Change/Impact pathways, the ROtI Method and the ROtI results score sheet) of the TORs. The Evaluation Office can provide examples of TOC diagrams on request. The diagram can be represented horizontally or vertically. The diagram should be explained in a narrative.	Project document narrative, logical framework and budget tables. Review of other project related documents.	-Diagram(s) - Narrative 2 pages max
5. Evaluation Process Plan	This section should include: -The evaluation framework- • Detailed evaluation questions (including new questions raised by review of project design and theory of change analysis). • Data Sources and Indicators This can be presented as a matrix for ease of use, showing which data sources will be used to answer which questions. - Distribution of roles and	Review of all project documents. Discussion with project team on logistics.	8 max

	responsibilities among evaluation consultants (in case of larger evaluation teams). If needed, can be expanded in Annex - Revised timelines (dates of travel and key evaluation milestones).		
6. Annexes	- Completed table of the overall quality of project design -List of individuals and documents consulted for the inception report - List of documents and individuals to be consulted		

Annex 9: World Cocoa Bean production 2007- 2012

	2007-2008 Total	2008-2009 Total	2009-2010 Total	2010-2011 Total	2011-2012 Total	07/08 to 11/12 % Change
Total Production (000 tonnes)	3,667	3,507	3,569	4,197	3,987	8.73%
% Change	**7.2%**	**-4.4%**	**1.8%**	**17.6%**	**-5.0%**	
Total Africa	2,603	2,451	2,428	3,076	2,801	7.61%
% Change	**9.5%**	**-5.8%**	**-0.9%**	**26.7%**	**-8.9%**	
Cameroon	188	210	205	230	220	17.02%
Côte d'Ivoire	1,431	1,234	1,184	1,668	1,400	-2.17%
Ghana	730	730	740	860	870	19.18%
Nigeria	200	210	230	240	230	15.00%
Other Africa	55	67	69	78	81	47.27%
Asia & Oceania (Total)	614	596	642	563	6.23	1.47%
% Change	**-3.3%**	**-2.9%**	**7.7%**	**-12.3%**	**10.7%**	
Indonesia	500	490	530	450	500	0.00%
Malaysia	32	25	20	18	18	43.75%
Other Asia	82	81	92	95	105	28.05%
Total Americas	450	459	499	558	563	25.11%
% Change	**10.7%**	**2.1%**	**8.5%**	**12.0%**	**0.8%**	
Brazil	170	155	159	197	185	8.82%
Ecuador	115	130	150	160	170	47.83%
Other Latin-America	165	174	189	201	208	26.06%

Annex 10a: Budget balances held by project Executing Agency as at 20th February 2012

Items	**Amount (US$)**
Cash disbursed by UNEP to Executing Agency (EA) to date (US$)	**974,415.05**
Less Executing Agency expenditures	**565,745.00**
Unspent cash advances/UNEP receivables	**408,670.05**

Annex 10b: Balance of Approved Budget not yet disbursed

Items	**Amount (US$)**
Executing Agency budget	**4,880,000.00**
Less cash disbursed to Executing Agency	**974,415.05**
Executing Agency budget not yet disbursed by UNEP	**3,905,584.95**

Annex 11: Country Report-Indonesia

Mid-term Evaluation of the Project "Greening the Cocoa Industry"

Country Project: Indonesia

By Mohamed Faisal Bin Mohd Noor

September 2013

Table of Contents

Acronyms

BACP	Biodiversity in Agricultural Commodities Project
BUPATI	District office in Indonesia
CPB	Cocoa Pod Borer
CIFOR	Centre International Forestry Research
CSP	Cocoa Sustainability Partnership
CPO	Crude Palm Oil
DINAS	District Crops Department
EA	Executing Agency
FMO	Financial Management Officer
GEF	Global Environmental Facility
GERNAS	Gerakan Nasional (National Movement) initiative
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit, the German Society for International Cooperation;
GIS	Geo Informatic System
GOI	Government of Indonesia
ICRAF	International Centre of Research Agroforestry
ICCRI	Indonesia Cocoa and Coffee Research Institute
IGA	Internal Group Auditing
IPM	Integrated Pest Management
MTE	Mid-term Evaluation
M&E	Monitoring and Evaluation
NETCOM	Network Communication UK
Olam	International commodity trader
PES	Payment for Environmental Services
PIR	Project Implementation Review
RA	Rainforest Alliance
ROtI	Review of outcomes to impact
SAN	Sustainable Agricultural Network (Standards setting group of organizations)
SYM	Sustainable Yield Model (SYM)
UNHAS	Univesitas Hassanuddin Sulawesi
UNEP	United National Environmental Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
USAID	United States Agency for International Development
UTZ	Label and program for certification of agriculture products
WILKOM	Wilayah Kommuniti (Community Division Initiative)

1. Introduction

1. Cocoa is an important commodity in Indonesia, especially because the livelihoods of about 1.6 million smallholder farmers depend on this commodity. However, in the last two decades the cocoa sector in Indonesia has been impacted by problems, mainly lack of good agricultural practices that have decreased the productivity and production from cocoa farms.

2. According to the international cocoa organisation's quarterly bulletin of cocoa statistics, cocoa production in Indonesia fell from 550000 tons in 2009/10 to 450000 tons in 2011/12, while recent reports state that Indonesia's grinding capacity has expanded from 250,000 tons in 2009 to 480,000 tonnes in 2012.

3. In Indonesia, the project "Greening the Cocoa Industry" is a five year project that started in 2011 to mainstream market driven acceptance of Rainforest Alliance (RA) certification with a commitment to sustainability and integration of biodiversity conservation in the cocoa value chain and improve farmers practice.

4. This report covers the Mid-term evaluation of the project activities in Indonesia, commissioned by the Evaluation Office of UNEP. It is part of the general evaluation of the project "Greening the Cocoa Industry." The Rainforest Alliance, an international non-profit organisation (interested in transforming land-use and business practices and consumer behavior) is the executing agency for this project and together with UNEP have been developing a strategic global initiative to transform production practices in cocoa production so that cocoa farmers can increase productivity through improved sustainable agricultural practices instead of using more land.

5. The Rainforest Alliance (RA) aims to conserve biodiversity and promote sustainable livelihoods by changing cocoa cultivation and land-use practices, business practices and consumer behavior through a certification scheme. To obtain RA certification, a farm (or group of farms) has to be in compliance with the Sustainable Agriculture Network (SAN) Standard(s) and be evaluated on an annual basis during a three-year certification cycle. The SAN standard is a global standard for the sustainable production of certain agricultural commodities such as coffee, banana and cocoa. The SAN standard was written and is revised through a public consultation process, led by an international group of SAN members, which are mostly from Central and South America (more recently members from Africa and Asia have joined).

6. The RA is a member of the SAN and is providing the Rainforest Alliance Certified™ seal which is recognized by consumers especially in Western European and North American countries. It is an initiative established by non-state actors, and recognized by businesses involved in the production, processing and retail of cocoa. Since 1992, more than 1,500

certificates have been issued to more than 950,000 farms - including small family farms of cooperatives, as well as plantations - in over 40 countries that have met the SAN standards on more than 2,500,000 ha for more than 70 crops including coffee, cocoa, banana, tea, pineapple, flowers and foliage and citrus. Others include aloe-vera, apple, avocado, cattle, cherry, grapes, heart of palm, kiwi, macadamia, mango, oil palm, pear, rubber and vanilla. The "Greening the Cocoa Industry" Project is an effort to mainstream the application of the standards developed by the SAN into the cocoa industry and to market cocoa certified against these standards and carrying the trade mark of the RA.

7. The rational for the certification scheme is that a wide adoption of the SAN standard will lead to a shift in the normative order from purely economic towards a more environmental and socially orientated production of cocoa, leading to higher income for cocoa farmers, long-term sustainable yields and a greater biodiversity both within cocoa farms and in cocoa producing landscapes.

8. Indonesia, with an annual production of 580,000 metric tons of cocoa, is the world's third largest producer, after Côte d'Ivoire and Ghana with approximately 380,000 tons of cocoa exported annually and an estimated production of 450,000 tons in 2011/2012. In terms of cocoa beans export, Indonesia exported 614 million US$ or 6.7 percent of world total export in 2011 (Amzul Rifin, 2013). With a total of 1,677,300 million ha of cocoa it has more area under cocoa than Ghana (Figure 1). Smallholders grow approximately more than 90% of the cocoa. Within Indonesia, Sulawesi contributes approximately two thirds of total cocoa production. This production is concentrated across four provinces; South Sulawesi, South East Sulawesi, Central Sulawesi and West Sulawesi (NAFED, 2010).

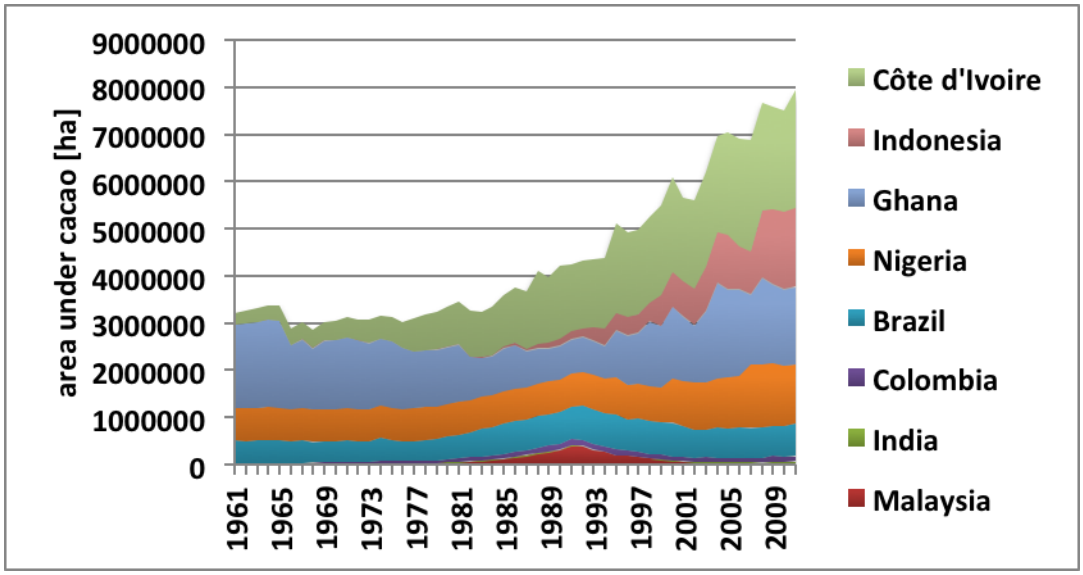


Figure 1: Cocoa expansion 1961 to 2011 by country (source FAO)

9. Since the 1970's Sulawesi has been the main cocoa production area for Indonesia. Today a total of 360,000 ha are under smallholder cocoa production (Dinas South Sulawesi (District Crop Department). In 1990, Indonesia, was the first developing country where the RA *"SmartWood certified"* carried out certification on Perum Perhutani's *teak* forest operation. Today many other certification systems operate in Indonesia, such as organic, fair trade and UTZ Certified. The RA started their cocoa certification efforts in Indonesia in 2009. As at the end of 2012 a total of 46,514.7 metric tons of certified cocoa beans had been produced under the RA label, and RA certified Cocoa Farms have received 25 certificates (+ 3 pending), covering a total area of 49,447 ha and 41,165 farmers (Rainforest Alliance, Indonesia).

10. The main stakeholders in the cocoa industry in Indonesia among others are the farmer groups, traders (e.g. Olam International Limited, ECOM, Armajaro and many other local traders), certification programs like the RA and UTZ Certified), NGOs like the Cocoa Sustainability Partnership (CSP), as well as international development agencies like the USAID, AusAID, The Ford Foundation and SwissContact. Local governmental agencies which are supporting the cocoa industry of Indonesia are the semi-privatized Indonesian Cocoa and Coffee Research Institute (ICCRI), the Department of Forestry and Farm), Dinas (District Crop Department)), and the Universities, mainly Universitas Hassanuddin (UNHAS) Makassar in South Sulawesi. Also being active in cocoa development and market value in Indonesia are international and major retailers like Mars, Blommer and new comers like Mondelez (previously known as Kraft Foods) which are mainly from the United States.

11. A UNEP representative during his visit to Sulawesi claimed that GEF funding for the project in Indonesia was made up of $140,000 for field program plus an additional $350,000 for research investments to be conducted in Indonesia[31]. However, more co-financing funds could be made available during the course of the project implementation, as well as through additional fundraising activities of RA[32].

12. Mars has temporarily stopped providing funds to RA to work in Indonesia but RA Bali office is very optimistic that the issue can be resolved since more retailers and branded name companies like Mondelez and Unilever coming to Indonesia have expressed their interest in the RA certification project. While funding from Mondelez is still under the discussion, recent development in Sulawesi shows that the involvement of the Ford Foundation and Toyota has been encouraging. The RA is convinced that funds provided by the Ford Foundation and Toyota will compensate for the co-funding aspect of the project for the next two years. In Central Sulawesi the issue of forest encroachment is more serious with a much stronger conservation goal and higher demand for training services than in southern Sulawesi.

[31] Interview with Max Zeiren, UNEP, 2012
[32] Personal with Peter Sprang,.

The evaluation

13. The evaluation of the project is based on a critical assessment of both the underlying *theory of change* and *impact pathways* of the project as well as an attempt to provide an assessment of the progress of the project in terms of the implementation of project activities until this mid-point.

14. The analysis contains:

- Assessment of the thoroughness and degree of realism demonstrated in the impact pathway descriptions regarding the constraining and facilitating factors on which success for outcomes and impacts may depend.
- Comments on the project milestones are described as they relate to the mechanisms of change.
- Recommendations on how the alignment from programme activities to the expected outcomes can be improved.

Theory of change

15. The next section lays out a brief introduction to the theoretical background of the approach and the key concepts used in this evaluation (adopted from Bachelors and Goodman, 2012):

16. **logic models**– Since its debut over thirty years ago, the logical model approach and its product, the logic framework, have become popular fixtures in the development sector. Evolving slightly over three decades of mainstream use, logic models typically consist of a listing of:

- **outputs** (the product from activity delivered, e.g. how many people received training?)
- **outcomes** (the change that occurs as a result of the activity within the lifetime of the program, also called variously as objective or purpose, e.g. farmers are able to use new technology to grow crops).
- **impacts** (what will the end result be in the wider context, e.g. farmers use new technology to increasing productivity in crop growing, also called goal). In its classic form the logical model does not provide insight into causality, that is, why a given output would lead to a given outcome and, in turn, a given impact.
- **impact pathways** – the language and concepts of impact pathways built on the *logic model*. As planning tools they describe the intended chain of events in slightly more detail to show the contribution of each activity or action on its path to impact. They often extend the logic beyond the program of intervention (i.e. unpacking the link between outcome and impact in a traditional logic model). The language of 'impact pathways' has been helpful over and above logic models as it has drawn attention to the outcomes and impact – the logic models often get bogged down in the detail of the activity and outputs. This has been particularly useful in research as it has drawn the researchers' attention to the ultimate use of their research rather than the details of their work itself.

17. **Theory of Change** – although the idea of theories of change has been around for decades, the language and ideas of a Theory of Change (TOC) has gained mainstream ground in development circles in the last 5 years. There is a growing literature of opinion on how to do theories of change (or drivers of change) and what constitutes their essential components but a single method/presentation agreed among the research/development community is yet to emerge. Because of this lack of consensus, theories of change tend to vary considerably in the extent they differ from a logic model, from a few annotations to a clear explanation of the mechanisms of change expected within the programme. Although TOC has its roots in the logic model approach, the TOC differs from the classic logic model by questioning the *assumptions* underlying the relationship between a given output/outcome and impact and (-as in this case the most important aspect) the explicit identification of the mechanisms by which change is expected to occur.

Sources of Information

18. The evaluation is based on information extracted from project documents, a field visit to Sulawesi and key informants interviews.

Field visits

19. A project site visit was conducted to Pinrang and Bantaeng between July 15th - 19th 2013, both sites are located in South Sulawesi, East Indonesia. Cocoa is produced by Farmer Groups (smallholder farmers registered as a group) which have been established through Dinas Forestry and Farm of Indonesia since the early times of cocoa cultivation in the area. Cocoa has been cultivated in the area since the 1980s. Many farmers gained experience in cocoa production while working as labourers in Sabah, East-Malaysia, during the cocoa boom in the late 1980s. The agricultural landscapes in Sulawesi are typical remittance landscapes[33]

Limitations of the evaluation

20. The evaluation was conducted by two independent consultants, each focusing on different geographic locations of the project activities. An evaluation officer from the UNEP Evaluation Office accompanied the evaluation team leader on the field missions to Ghana and Côte d'Ivoire. The project documents provided to the consultants provided information about the progress of the project as a whole. Country specific information is available within the reporting matrix, making it possible to evaluate the activities and milestones at a country level. The relevant documents this evaluation is based on were all written by the RA as part of their deliverables. For Indonesia the information provided in the reports could only be verified during a 2–day meeting with the Indonesian project coordinator.

[33] Remittance land - farmer remittances in the form of cash from overseas are initially used as capital for new commercial agricultural crops in an attempt to diversify livelihoods and increase household livelihood security at original country. Investment in agriculture appears to be particularly frequent in Sulawesi, Indonesia where men supplement agricultural labour force in Malaysia to send money home to develop agricultural lands..

21. Field visits were limited to two districts in South Sulawesi. The project is actually implemented in six focal sites. In Lembang, in the district of Pinrang only one group out of 31 farmer groups was interviewed. About 8-12 farmers were available for the interview, whereas in Bantaeng only the head of one farmer group was introduced. Bantaeng has a total of 5,000 cocoa smallholders (RA), very few belong to strong farmer groups. Due to the time constraint, it was not possible to have a face to face interview with other project partners such as Mars, Mondelez and Armajaro. The consultant was only able to speak to Olam ground staff including the country manager, as well as to UTZ Certified country manager and field coordinator later on in Denpasar, Bali.

22. During the evaluation visit, it was rather difficult for the Olam staff and the RA coordinator and staff to show documentation of the implementation of project activities. At the time of writing this report no detailed financial documentation from the RA office in Bali was made available, because this information is made available through a well-controlled and centralized financial department. In fact, RA office admitted that the reporting part of the project has been a challenge due to lack of human resources. At this mid-term however, a number of manuals, flip charts, brochures and simple handouts have been produced together with different partners like Olam and the government of Indonesia which are available in Bahasa Indonesia to farmers including the SAN standard online (Olam.sustainableagriculturetraining.org). Majority of these brochure and posters were identified as training materials of the SAN and could be seen at the farmer groups' offices as well as those distributed widely among farmer groups and their members on the ground.

The Project

Context (incl. changes during implementation)

23. The project forms part of a larger RA program initiative to achieve larger environmental and social sustainable production of cocoa by implementing global standards for the sustainable production of cocoa along its value chain and by marketing this sustainable cocoa under its own (RA) Certification scheme. The criteria are defined in the SAN Standard, which has been developed over fifteen years by specialists from tropical agriculture organizations. The standards are based on 10 principles as follows:

i. Social and Environmental Management System
ii. Ecosystem Conservation
iii. Wildlife Protection
iv. Water Conservation
v. Fair Treatment and Good Working Conditions for Workers
vi. Occupational Health and Safety
vii. Community Relations
viii. Integrated Crop Management
ix. Soil Management and Conservation
x. Integrated Waste Management

24. The project's broad objective is "*to change production and business practices in major cocoa producing countries and cocoa companies, such that they conserve biodiversity in cocoa production landscapes, provide greater long-term stability to the cocoa and chocolate industry and increase income for smallholders*".

25. UNEP is the GEF-designated Implementing Agency (IA) for the project, and RA the Executing Agency. The responsibilities are divided as follows: UNEP is responsible for overall project supervision to ensure consistency with GEF and UNEP policies and procedures, and is expected to provide guidance on linkages with related UNEP and GEF funded activities, whereas RA is expected to approve and implement activities through and in conjunction with its local conservation and development partners in the SAN and/or with other local partner organizations or individuals.

26. In the cocoa sector the SAN has the following members and public consultation contributors:

(a) Market Partners: this will include Mars, Kraft (now Mondelez) and additional buyers to be identified and brought in during the life of the project. It also includes traders and processors such as ADM, Barry Callebaut, Blommer, ECOM, Touton and Amajaro;
(b) International and National entities; International Cocoa Organisation, Ghana Cocoa Board (COCOBOD), the World Agroforestry Centre (ICRAF);
(c) Private Sector: manufacturers, processors and traders
(d) Non-Governmental Organizations (NGOs): Techno-serve, World Cocoa Foundation; Rainforest Alliance; SwissContact, VECO;
(e) Professionals: researchers, sociologists, environmental managers, extension officers, biologists; and,
(f) The Public: traditional rulers, farmers, women, hunters, etc.

Project Components

27. The project objective is achieved through four project outcomes:

1. Long-term sustainability of environmentally responsible cocoa farming demonstrated through mainstream market acceptance of RA certification and its integration into the cocoa and chocolate value chain;
2. Cocoa farmers in project countries have access to quality training, extension and relevant support services that enable them to adopt sustainable agricultural practices cost effectively
3. A credible global RA certification programme that is tailored for participating countries provides measurable benefits for cocoa farmers, and
4. Sustainable cocoa production enables mainstreaming biodiversity conservation and natural resource management in line with national policies.

Local contextualisation of the project

28. Cocoa in Sulawesi is almost exclusively grown by smallholders, and most of it on land formerly occupied by coffee agroforestry. Traditionally cocoa has been grown as an agroforestry system whereby shaded trees were an integrated part of the cocoa farms. Farmers claimed that they have no understanding of the nature of cocoa planting which requires 50:50 ratios between shade and sunlight, but the mixed cropping system is more on the aspect of crop diversification or as security measure in case there is a crop failure. Even though they offer habitat to only part of the original forest fauna and flora, diverse shaded cocoa agro forests are relatively species rich. The last decade, however, has seen a rapid and widespread intensification of management practices, including removal of shade trees and frequent weeding.

29. The Indonesian cocoa sector has been in decline recently, primarily due to lack of good agricultural practice, disease, aging tree stock, and lower fertility. Sulawesi has seen a 45% decline in production largely due to cocoa pod borer (CPB) problems, which was only partially offset by a doubling of production in the relatively pest free Sumatra. Despite the intension of the Indonesia government to increase the area for cocoa cultivation, currently the main threat to the spread of cocoa amongst cocoa farmers in the region is the conversion of cocoa fields into oil palm. In the island of Ambon close to Sulawesi, it was claimed by the UTZ Certified coordinator that farmer groups have started to join the oil palm industry in a large scale (personal communication). Farmers prefer oil palm due to its less labour intensiveness and easy field maintenance as claimed by the oil palm developers and from experiences shared among the farmers. The same scenario happened in Luwu, Sulawesi where oil palm infrastructure such as the availability of crude palm oil (CPO) mills has speeded up the process of cocoa field conversion.

30. This has galvanized action from both the Indonesian government and various public and private sector actors. The plans and programs introduced by the Indonesian government are all based on centralized control and strict regulations, rather than the RA principle of voluntary certification. The two main governmental initiatives are:

a) the establishment of the Indonesian Cocoa Board (Dewan Kakao Indonesia), with the mandate to provide advice to the Government of Indonesia (GOI) on the cocoa industry, at this stage no central marketing role is envisaged and,
b) The Indonesian Cocoa Board was launched by the Estate Crops General Directorate, in the Ministry of Agriculture, the Gerakan Nasional (GERNAS) or National Cocoa Programme for improving productivity and quality from 2009 through to 2014. The programme aims to improve 450,000 hectares of smallholder cocoa through rejuvenation, rehabilitation and intensification (Directorate General of Estate, 2008). For Sulawesi the programme aims to replace up to 70,000 ha of cocoa, rehabilitate another 140,000 ha and intensify farming on 300,000 ha - bringing the total planted area to around 900,000 ha of productive cocoa. This is being done through the Ministry of Agriculture (MOA), Jakarta.

31. Regarding private/public partnership, the Cocoa Sustainability Partnership (CSP) was established. It is a public-private forum for the advancement of communication and collaboration between stakeholders actively engaged in cocoa development initiatives in Indonesia, which slowly merged into a stakeholder forum aimed at "encouraging a profitable and sustainable cocoa industry". The CSP exists to increase communication, coordination and collaboration between public and private stakeholders engaged in cocoa sustainability activities in Indonesia for the mutual benefit of all cocoa sector players. It is the greatest achievement so far in the "Greening the Cocoa Industry project" partnerships in Indonesia.

32. The introduction by government of a progressive export tax on cocoa bean since April 2010 has encouraged investment in cocoa in different regions. For example, a joint venture between Barry Callebaut and PT Comextra Majaro will create a new company PT Barry Callebaut Comextra Indonesia, which will be constructing a new processing facility in Makassar, Sulawesi. Cargill (USA based) and JB cocoa (Malaysia based) have also set up a cocoa processing unit in Makassar, while Nestlē has set up a new plant in Karawang, West Java to produce chocolate drinks and baby food.

33. All these facilities have contributed to the expanded grinding capacity for Indonesia from 250,000 tons in 2009 to 480,000 tonnes in 2012.

Relevance of the project in the local context

34. With their commitment to reduced greenhouse gas emissions from deforestation the Indonesian government strongly encourages agroforestry development. The implementation of the project via farmer groups fits nicely into the Indonesia "*Pancasilah*" concept proposed during President Sukarno's time. Dinas (District Crop Department) farm and forestry officers stated that they are under staffed and the extension services provided are not enough to cater for all farmer groups. These have resulted in poor cocoa knowledge among these farmers. Dinas (District Crop Department) welcomes NGO's to assist with training and capacity building of the farmers. In Pinrang district it was clear that this role has been taken intensively by Olam and that significant advances have been made through the joint training efforts with RA ground staff. The project links well with both the Wilayah Kommunitas (WILKOM) initiative or (District Community) introduced by the Dinas to help boost the cocoa industry, as well as the follow up of the GERNAS programme.

35. The Indonesian government has expressed interest to have their own Indonesian cocoa standard, following similar developments in the oil palm sector. RA has to be credited for being instrumental in catalyzing a global dialogue between cocoa producers, traders and consumers about environmental and social issues along the cocoa value chain, especially through their strong collaboration with the Cocoa Sustainability partnership (CSP).

Description of Project Sites in Sulawesi

36. In Indonesia the project is implemented in the six main cocoa growing areas of Sulawesi (refer to Table1). Cocoa is primarily an important smallholder crop. Generally most farmers have less than 2 ha of cocoa (Neilson et al., 2011)

37. Sulawesi contributes approximately two thirds of total cocoa production in Indonesia from Southeast, Central, and West Sulawesi (Ministry of Agriculture, 2009). The cocoa is mainly traded on the global market as unfermented bulk bean (USAID, 2006), processors and manufacturers use Sulawesi bean as a 'filler' and blend it with other fermented beans that add flavor.

Table 1: Summary of the project areas in Sulawesi

	Central		South			South East
District	Parigi Mountong	Poso, South Pamona sub district	Bantaeng	Pinrang, Lembang sub district	Luwu	Kolaka and Konawe
Partner	Mars and RA	Mars and RA	BACP project, RA	Olam, Dinas, Amartha	Mars, Swiss Contact, Veco, RA	Ford Project, PT Suburin
Target	1089	39	750	1000	2000	44

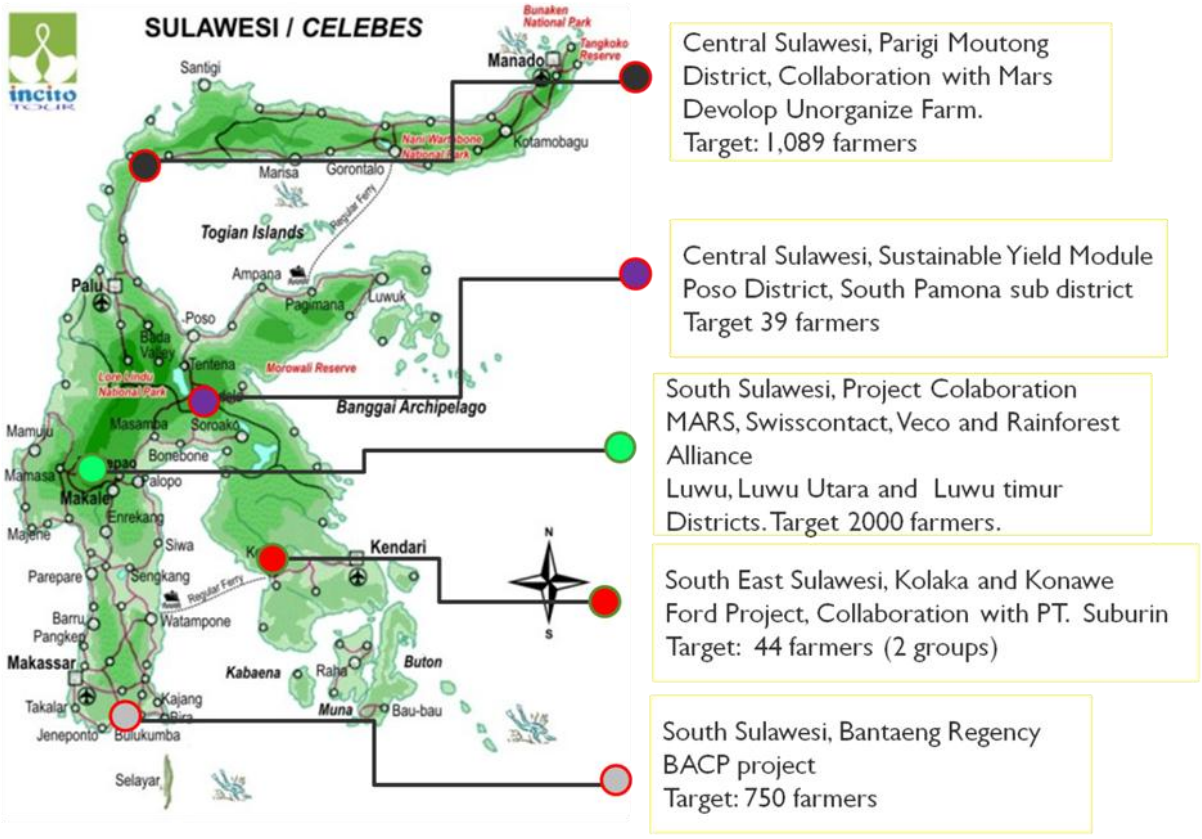


Figure 2: Map of the Rainforest Alliance project target areas in Sulawesi.

South Sulawesi

38. In South Sulawesi the project focuses on three different areas. In Pinrang, RA targeted the Olam cocoa growing areas. The two main areas in Pinrang district are Lembang and Betu Lemppe. There are 31 farmer groups in Pinrang which are currently certified with Olam and fully engaged with SAN standard's practices. Olam started their cocoa improvement programme in the area in 2005 and was joined by RA in 2009. The area benefitted from the GERNAS programme as Dinas provided grafting material in 2009. The main role of RA in Pinrang is to strengthen the stakeholder network via improved market and value chain development and by building capacity in SAN in both traders and farmers. Most people in Pinrang had returned from abroad during the cocoa booming era in the Asian economic crisis in 1998.

Table 2: Project focal sites in South Sulawesi

Trader	Site/ partner	Area (ha)	Production kg
PT Olam	Indonesia-Palopo III	2,934	3,081,089
PT Olam	Farmer Group Indonesia Jaya 101 – Palopo Luwu	2,868	3,155,361
PT Olam	Farmer Group Palopo	1,005	1,030,930
PT Olam	Farmer Group Indonesia Jaya 200 – Mamuju	1,578	1,675,230
PT Olam	Pinrang I Group	985	1,034,084

39. The second and the main focal site for the RA is located in Bantaeng regency, South Sulawesi. This area is part of the Biodiversity Agricultural Commodity Programme (BACP). Cocoa farmers in Bantaeng are located close to a 200 ha Forest Reserve and there have been incidences of encroachment and forest clearing in the past. The project's ambition is to train at least 750 farmers in the adoption of the SAN Standard on 1,500 ha of cocoa farms downhill from the remaining intact forests, such as the Gunung Lampobatang Protection Forest. This forest is an Alliance for Zero Extinction (AZE) site and home to the last remaining population of the Lompobatang Flycatcher (*Ficedula bonthaina*), believed to contain fewer than 10,000 individuals. In addition Bupati Bantaeng (district authority) launched the programme '*Hutan-Desa*' as a strategy to protect the forest from further encroachment by the community, this involved functional crops' zonation in agricultural landscape in Bantaeng established by the Bupati.

40. Bantaeng South Sulawesi is the main GEF project area for Indonesia. The site's suitability assessment included inception meetings held with other stakeholders mainly discussions with the District Office (Bupati Bantaeng) as well as socioeconomic and biophysical baseline surveys. Recent update from the Bali office confirmed that the activity and development in Bantaeng is a big success. The station is now becoming the training centre for the R A for training young professionals and the model in Bantaeng

will be replicated in Central Sulawesi and many other suitable areas. The cocoa landscape in Bantaeng consists of agroforestry, kitchen vegetable garden, and wet rice cultivation.

41. There are many stakeholders currently working actively with the forest community in the '*Hutan Desa'* area in Bantaeng including the World Agroforestry Center (ICRAF), Dinas Farm and Forestry, and agricultural traders mainly for cocoa and cloves. The main activity in Bantaeng includes the tree germplasm programme by ICRAF and Dinas as well as Hutan Desa [34]concept.

Central Sulawesi

42. The two focal areas in Central Sulawesi are Parigi Moutung and Palu. The field activities implementation in Central Sulawesi focus on services related to the Sustainable Yield Model (SYM), which was co-funded through Mars. RA will deliver crop yield improvement techniques and provide training to cocoa farmers and important stakeholders and partners. Mars' interest is to ensure sustainable and predictable bean volumes through a certification scheme that in the future, can be managed and run by the traders and farmers themselves. The RA project of 'Greening the Cocoa Industry' project in Central Sulawesi targeted cocoa fields that are cultivated without shade trees. Shade trees have now been introduced as part of the training.

43. Central Sulawesi is also home to the Lore Lindu National Park, a forested protected area in the province of Central Sulawesi with an area of 2,290 km^2, covering both lowland and mountainous forests with an altitude range of 200-2,610m. Some of its more popular inhabitants include the Red-Knobbed Hornbill and the giant Civet, 227 bird species have been observed in the park, 77 of which are endemic to Sulawesi. In addition to the rich wildlife, the Bada Valley located in the park also contains stone megaliths dating from ca.1300. The national park is also an official Biosphere Reserve of the United Nations Educational, Scientific and Cultural Organization (UNESCO).

44. The RA with strong support from the Ford Foundation is hoping to shift its training programme and focus in the near future from South East Sulawesi to Central Sulawesi due to a big demand for training in Central Sulawesi, as well as stronger conservation goals. In addition, the RA will then also increase the momentum of their operation to support this important site by allocating more trained staff to participate in Central Sulawesi cocoa operation.

[34] The '*Hutan-Desa'* concept has been developed by the Indonesian government within the country to empower the forest community within the forest reserve and to stop further encroachment of protected forest reserve, and Bantaeng forest is the first site in Indonesia declared as the Hutan Desa.

Table 3: Project focal sites in Central Sulawesi.

Trader	Site/ partner	Area (ha)	Production kg
PT. Nedcommodities Makmur Jaya	Parigi, Palu	1,184	706, 370

South East Sulawesi, Kolaka, Konawe (2011-2013)

45. The project activities are implemented on the Olam cocoa farming areas, which are located close to the Rawa Aopa Watumohai National Park. The park was declared in 1989, and has an area of 1,050 km^2. It ranges from sea level to an altitude of 981m and has varied vegetation: sub-montane rain forests, mangrove forests, coastal forests, savanna and freshwater swamp forests. It is home to pigs and deer species, both species of endangered Anoa – essentially miniature Water Buffaloes and 155 bird species of which 37 are endemic to Sulawesi, and 323 species of plants.

Table 4: Project focal sites in South East Sulawesi

Trader	Site/ partner	Area (ha)	Production kg
PT Olam	Farmer Group Indonesia Jaya 102	3,450	3,625,513
PT Olam	Farmer Group Indonesia Jaya 110	1,035	1,082,120
PT Olam	Wolo Kolaka III	623	654,150
PT Olam	Kolaka IV Group	2,070	654,150
PT Olam	Farmer Group Indonesia Jaya 100	1,697	1,813,840
PT Olam	Farmer Group Indonesia Jaya 111	3,993	3,774,470
PT Olam	Farmer Group Indonesia Jaya 201 – Ampana	2,500	2,516,771

Partners & Project implementation

46. From the interviews held and the material shared by RA it appears that sustainable cocoa production in Indonesia is addressed by a range of different programmes and project activities and led by a variety of actors. Stakeholders that work closely with RA either directly or indirectly are the central government Dinas, cocoa traders such as Olam International Limited, Amartha, Armajaro, Mars, Blommer and Indonesia cocoa and coffee research Institute (ICCRI) and the Universitas Hasanuddin Makassar (UNHAS), as well as NGOs, such as Swiss Contact and ICRAF.

47. After consultation with the Indonesian government through Dinas it was decided to implement the project. On the producer side it is through governmental farmer groups (Kelompok farmers). These groups were set up in the early 1980s. The number of groups varies for each cocoa growing area, with groups usually consisting of 25-33 farmers.

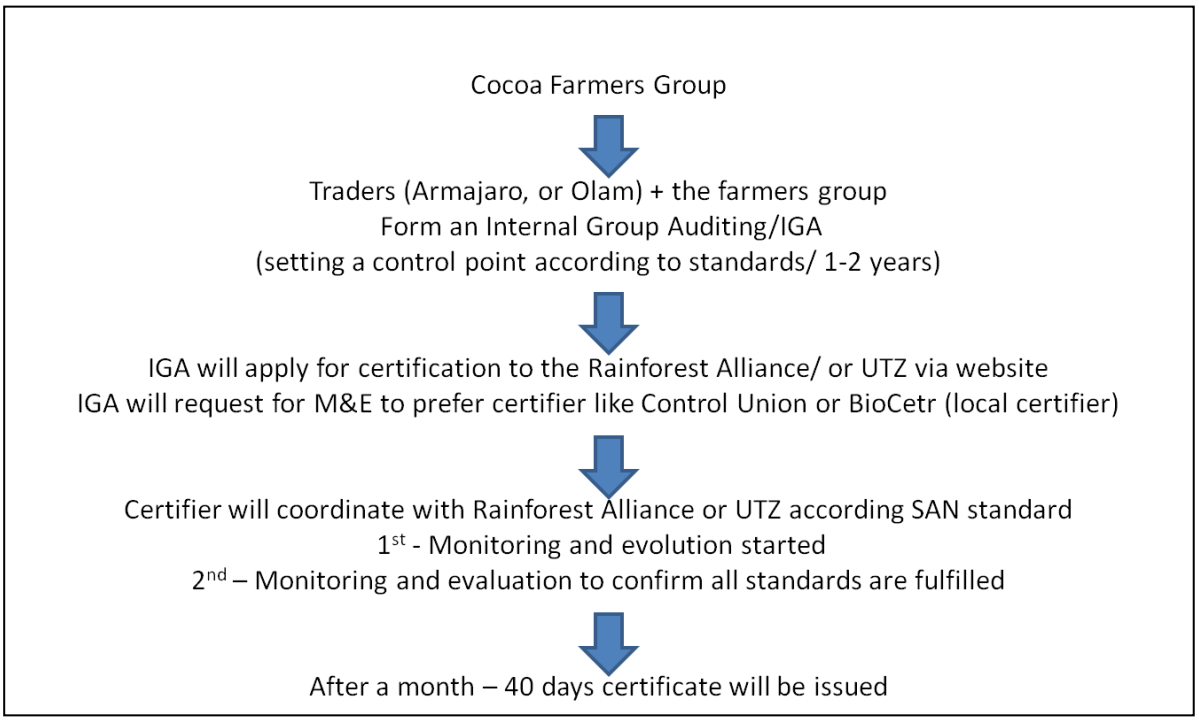
Farmer groups are thought to improve *collective actions* among farmers (gotong-royong) and improve farming efficiency. For gotang-royong, groups are organised in smaller units of 5-6 farms that are located in close vicinity to jointly conduct field work. The 'gotong-royong' system is an old Indonesian tradition that has been reinvented under the "Pancasilah" concept.

48. In Pinrang district there are 31 farmer groups, which have been certified with Olam as a group administrator and practicing the SAN standard introduced by the RA. In Lembang, district of Pinrang cocoa farmers appeared to be relatively well off, with their main livelihood stemming from off farm employment. Cocoa farms are relatively small, between 0.5 to 2.0 ha. Farmers have land tenure and fields are located very close to the main road. The cocoa growing areas in South Sulawesi are typical remittance landscapes; most farmers worked in East Malaysia during the cocoa boom in the 1980's and gained considerable experience in cocoa production. It is still very common for household members to go and work in Malaysia.

49. In central Sulawesi farmer groups are less common and RA is working with unorganized smallholders in Parigi Moutong.

50. With regards to traders in the cocoa industry, RA used the Cocoa Sustainability Partnership (CSP) and Universitas Hasanuddin Makassar (UNHAS) to establish trader and stakeholder networks. Since the RA initiative is based on the principle of voluntary certification, traders decide whether they will buy certified cocoa beans from the RA or UTZ Certified labels. Trader decision-making is mainly driven by downstream market preference for a particular label and the costs of the certification process. The Olam National Manager of Indonesia stated that they prefer to work with RA because of the available infrastructure and services provided by RA which makes the certification process cheaper. The Olam offices in Makassar are only one hour's flight from the RA Bali office and the cocoa areas can be reached from there within four hours. The RA coordinator always works closely with Olam staff in the field. Olam also appreciated RA's efforts to explore new potential markets for certified beans, especially in North America. Below is the diagram showing the process of certification.

Figure 3: Certification Process



51. When interested farmer groups in Indonesia decide to join a trader administered certification scheme for their produce, the most important factor to be considered is the available market demand for the certified produce. Usually traders (Olam or Armajaro) which are working with the farmer groups will lead this process by looking first at whether the volume that can be produced from the area is enough for the available market demand.

52. In Indonesia, farmers so far are not willing to pay for the certification cost. The process is financed by a trader, who starts by forming the internal group auditing (IGA) between the group administrator and the farmers group. The IGA formed then sets guidelines or control points in order to reach standard and best practices. The process to shape the production field to required standards may take 1-1.5 years depending on the condition of the field. When the field is ready for evaluation and all the control points are met, IGA will then start applying for the certification via the internet from either the RA or UTZ Certified webpage depending on who they prefer to do the work. Further IGA can request for quotation on the monitoring and evaluation audit from available certifier, which in this case is the Control Union (for UTZ) or from a local certification body like BioCert (for UTZ and SAN standard) or through RA Certification (for SAN standard). This certifier is the one that will coordinate with the SFC (Sustainable Farm Certification) or UTZ on the monitoring and evaluation work according to the standard, which in this case of RA Certification is according to the SAN standard. A first evaluation does not

guarantee that a second will not be necessary. Sometimes the second evaluation is still needed to ensure the field has fulfilled the requirements of the standard. In the SAN, standards are critical criteria, which have to be fulfilled before a certificate can be issued. After passing the internal audit score, which must be above 80%, farmers can work with the traders to further improve the condition of the field. Once internal compliance is documented for all members, the group can apply for an external audit, which looks at the group SAN standard and a sample of farms to be in compliance with the SAN farm standard. A certificate is usually issued 40 days after finalized report submission.

53. Recent RA data in December 2013 showed that in Indonesia there are 54,666 ha of cocoa fields and about 52,670,950 kg of cocoa beans that had been certified by the end of 2013.

Changes during the project implementation

54. In Indonesia cocoa certification is still relatively new and the project started without having adequate baseline data to quickly select the most feasible pilot district and/or sites. The criteria for site selection were of a strong private sector interest, being suitable for monitoring and evaluation and research work, as well as having potential for up-scaling of small-holder sustainable cocoa. While multiple field sites in different provinces were proposed the funding only allowed for one site only. Aceh, Sumatra was chosen first as the field site. A full baseline assessment for monitoring and evaluation was carried out in 2011 in Aceh, Sumatra, West Indonesia. After completion of the baseline survey RA realised that a certification project in this particular region of Aceh was unlikely to be successful as traders were not interested in it, due to the low quality of cocoa beans produced in this region. Subsequently, the project was shifted to Bantaeng, South Sulawesi in East Indonesia.

    Later in the project RA has signed an MOU with conservation NGO SwissContact. SwissContact is active in raising awareness through farmer training packages on best management practices (BMP). While the baseline that was conducted by RA in Aceh is no longer of direct use to the project activities in Sulawesi it is hoped that SwissContact will continue to pursue work in sustainable cocoa development in Aceh, Sumatera so that the baseline can be of used in a meaningful way.

Evaluation Results

55. Main findings

1. Most of the cocoa in Indonesia is grown on land formerly occupied by coffee agroforestry. Traditionally it has been grown as an agroforestry system whereby shaded trees were an integral part of the cocoa farms. The last decade has however seen a rapid and widespread intensification of management practices, including removal of shade trees and frequent weeding especially in Central Sulawesi.

2. In these last two decades, the cocoa sector in Indonesia has been impacted by problems that have decreased the productivity and production of cocoa.

3. The cocoa sector in Indonesia has suffered some setbacks primarily due to diseases or pest (CPB), ageing cocoa trees, low fertility status of the farms and lack of good agricultural practices. The government has introduced central control and strict regulations to improve the situation such as, providing grafting material through a three year program called GERNAS, research collaboration between ICCRI and UNHAS as well as working together with international NGOs on certification through farmer groups.

4. On the producer side it appears that farmers are very satisfied with the results of using the SAN standards. Experience has shown that the good news of success stories, especially in Asia, travel fast from one farmer group to another. Thus, if the SAN standard proves to benefit producers a take-up of the standards by non- project farmers is likely.

5. At present the project has not yet been able to collect data that show the real cost of certification and the benefits of certification for all actors.

6. All farmers interviewed belonged to farmer groups which compared to individual farmers, have been exposed to much better governmental extension services and support. It is thus unlikely that the socio-economic conditions will be similar between these groups.

7. Even more important the sites visited are remittance landscapes[35] and cocoa is not the main livelihood activity of the community.

8. The cocoa farmers in Bantaeng, the project focal site, are seriously monitored by the enforcement of the "Hutan Desa" that prevents encroachment by the government programme through agricultural intensification. There is strong evidence that agricultural intensification is not leading to sparing of forest, but that sparing of the forest is strongly linked to a functional enforcement.

9. Mars has temporarily relocated funds from Indonesia to West Africa and so the project is currently not benefiting from that support.

[35] Remittance land – land owned by an individual or a family where the owner of the land or part of the family members are migrated or travelled and send money back in order to develop the land.

10. New faces have shown interest in the cocoa industry of Indonesia, the main one being Mondelez (formerly Kraft).

11. Prevailing conflicts over land in Central Sulawesi was observed as well as poor infrastructure connecting the cocoa producing areas which is making the scaling up of the project into these parts of Sulawesi more costly and much more difficult.

12. On the private/public site the Cocoa Sustainability Partnership (CSP) was established in Indonesia with the main aim of "encouraging a profitable and sustainable cocoa industry", through good linkage between stakeholders (NGOs, donors, and government) which so far is the greatest achievement in this project partnerships in Indonesia.

13. Indonesian government is very committed to improving the cocoa industry in Indonesia. The two main governmental initiatives are:

    - the establishment of the Indonesian Cocoa Board (Dewan Kakao Indonesia), with the mandate to provide advice to the Government of Indonesia (GOI) on the cocoa industry and at this stage no central marketing role is envisaged and,
    - Implementation of a 3-year cocoa revitalization project 'GERNAS'. Implemented in mid-2008 GERNAS aims to provide inputs for tree rehabilitation on a large scale. For Sulawesi the program aims to replace up to 70,000 ha of cocoa, rehabilitate another 140,000 ha and intensify farming on 300,000 ha - bringing the total planted area to around 900,000 ha of productive cocoa. This is being done through the Ministry of Agriculture (MOA), Jakarta.

14. It was observed that too many parties are involved in the cocoa business in Indonesia mainly Sulawesi. Therefore, the possibility of measuring the impact of the GEF project in the future remains questionable. More recently some of these players (Armajaro, Nedcommodities) have stopped their cocoa business in Indonesia.

15. The project has concentrated largely on South Sulawesi where shaded cocoa fields are still common. The implementation of the SAN standards and subsequently the certification of cocoa farms will face greater challenge in terms of cost when it reaches the non-shaded cocoa growing areas, such as in Central Sulawesi.

Reconstructed TOC (project logic)

56. Progress made towards the achievement of project impacts is examined using a Review of Outcomes to Impacts analysis (ROtI) as described in the TOR (Annex 1). The exercise describes the impact pathways "intermediate states" which are the transitional conditions between the project's immediate outcome and the intended impact (i.e. Sustainable quality cocoa produced and available for industry using improved biodiversity conservation practices and ensuring increase in farmers' income) and which are necessary conditions for the achievement of the intended impacts. The overall impact

of the project is to contribute to a shift in the normative order from a purely economic towards a more environmental and socially orientated production of cocoa.

57. This overall impact can be unpacked into three main, interlinked components as follows:
a) increase in farmers income,
b) improved biodiversity conservation,
c) change in production and business practices.

58. The main impact pathways for these three components is as follows:

Increased income is primarily achieved through increased cocoa yields and premium paid for certified cocoa. Increases in cocoa yields are mainly achieved through the adoption of SAN standards. Capacity building via training of trainers is an integrated part of the project and seems to have resulted in a widespread adoption of SAN standard practices amongst project farmers. However, it must be clearly understood that the factors which affect the yield performance of cocoa under field conditions are not only dependent on farmers' practices but also on soil types, micro climatic condition, rainfall and water table, planting material, and possibly the pressure from pest and diseases which are beyond the control of the farmers in the open system. Major yield limiting factors in Sulawesi are ageing trees and infection with cocoa pod borer (CPB).

59. SAN is recommending the use of organic pesticide and fertilizer in combination with chemical products. The SAN standard is not an "organic" standard. The concentrations of major nutrient needed to support optimal yields are difficult to achieve with organic fertilizer, and the effect from organic pesticide used is not well documented yet and agreed to by farmers since they still complain of the severe attack from the pod borer.

In the two project sites visited, farmers stated that the main yield determining factor was planting material. In 2009, the GERNAS program introduced the grafting of new germplasm onto old unproductive cocoa trees. The farmers stated that yield increased as a result. On the other hand they also cited dissatisfaction with a new variety introduced by ICCRI. The new variety was showing a poor tree structure and branching, making it unsuitable for optimal management. Certified farmers in Pinrang claimed that they get two kinds of premium for their dried beans from Olam. Dried certified cocoa beans at present are sold at 19,000 IDA Rupiah per kg, and fermented dried certified cocoa beans are sold at 21,000 IDA Rupiah per kg. In other words, the premium that farmers get is Indonesian 500 IDA Rupiah per kg, and if farmers have good quality beans the farmers get additional Indonesian 300 IDA Rupiah per kg. So the total premium farmers get is Indonesian 800 IDA Rupiah per kg, which is 5% premium.

60. Premiums are paid by the bean processor to the trader, who will pay the farmers. The processor markets the processed cocoa to the food producing companies like Mars or Nestlē. In the case of Olam the processor is American based, called Blommer. The amount of premium paid however is strictly dependent on the investment cost by traders to improve the production system on cocoa farms. If the investment costs for

implementing the SAN standards are too expensive the premium value may get smaller in return or down to nothing. The Indonesian RA regional manager explained that the premium is being used at the moment as an incentive for both traders and farmers to adopt the SAN standard. The expectation is that once the SAN becomes a normal practice for farmers it will result in an increase in yield, which will make the production of certified cocoa more attractive than the mere expectation of a premium.

61. **Improved biodiversity** is achieved through limiting the expansion of cocoa fields into new previously forested areas and by increasing the biodiversity of the cocoa fields themselves by planting and management of shade trees. Tree planting within the cocoa field is one of the main priorities of the project. In South Sulawesi shaded cocoa is still widely practiced. Farmers are trained to increase the species diversity on the cocoa landscape. In Bantaeng there are several nurseries/ germplasm projects from different organisations, such as the World Agroforestry Centre (ICRAF), and Dinas (District Crop Department, and the RA, which are all offering tree seedlings and cocoa seedlings. RA is distributing tree seedlings free of charge through their programs in central Sulawesi to reintroduce shade trees into cocoa landscape. The RA country manager claimed that farmers are beginning to understand the benefit of having shade trees on the farms since they have witnessed their cocoa fields yielding better during drought seasons[36]. Dinas is giving specific allocations to each farmer group to establish cocoa nurseries. Seedlings produced by farmer groups are purchased back by Dinas and redistributed to the farmers again free of charge[37].

62. The farmers stated that they have begun to increase the amount of shade trees in their fields. Trees observed in the fields were fruit trees like durian ((*Durio species*), rambutan (*Nephelium lappaceum*), coconut (*Cocos nucifera*) and duku-langsat (*Lansium domesticum*), and shade legume species like *Gliricidia*, white teak as well as seasonal crops, mainly maize. In Pinrang and Bantaeng it was possible to stop at cocoa farms that were not part of the project area but did not differ much from the project farms in terms of number of shaded trees. When asked about the project, the farmers stated that they were not aware of it and have not heard about it.

63. Central Sulawesi has seen a shift from shaded to full sunlight cocoa in the past. Under the project thousands of shade trees were given out to farmers who in the past had not practiced shade cocoa cultivation[38]. Farmers have provided positive feedback about benefits of shade trees during drought and allegedly demands for more tree planting material are increasing, according to the RA Coordinator.

[36] Interview with Peter Sprang of Rainforest Alliance, Indonesia
[37] Interview with the head of a farmer group in Bantaeng Indonesia.
[38] This information is based on a power point presentation shared with the RA Bali Office

64. The project's messages on good agricultural practices are delivered to cocoa farmers and not only do farmers feel that they are not allowed to cut shade trees under the RA certification scheme, RA also claims that the farmers understand the benefits of keeping the shade trees because they have witnessed their neighbours' (who are members of the farmer groups) farms producing better yield during drought seasons. While the project seems to be successful in increasing biodiversity in existing cocoa fields, there is little evidence at the moment that it prevents expansion of new cocoa fields. The RA country manager pointed out that farmers who extend into forest areas could not get RA certification. The training with farmers is making a contribution to the awareness of conserving the remaining forest landscape for various community benefits.

65. To achieve high biodiversity in cocoa growing landscapes a fundamental question is whether the cocoa growing landscape can be preserved, or replaced by another crop that might have a more negative impact on biodiversity. In Bantaeng it was observed that cocoa cultivation was threatened by other profitable cash crops, mainly cloves, which were supported by a strong domestic market or a multi-million dollar cigarette business (Dji Sam Soe and Gudang Garam).

66. The RA coordinator stated that the factors guiding farmers in decision making were strongly influenced by regional and global markets. For example, farmers in Bantaeng are attracted by the present high market price for cloves and the low labour requirements of the crop. At present the price of cloves has reached 135,500 IDA Rupiah (13.50 USD) per kg for processed dry clove seeds and 36,500 IDA Rupiah (3.50 USD) for fresh cloves per kg compared to well fermented certified dry cocoa beans at 2.1 USD only. The head farmer in Bantaeng explained that 1 ha of clove field can compensate easily for the income of 1 ha of cocoa field because one clove tree can yield 3 million IDA Rupiah (300 USD) per year and with a minimum 30 clove trees planted per ha, a farmer can obtain 9000 USD per year whereas 1 ha of cocoa under the best management will only yield a maximum of 900 kg of dry bean per year, which is equivalent to about 2000 USD per year.

67. The head farmer also claimed that taking into account the constant battle with diseases and insects in the cocoa field the farmers are now considering replacing their cocoa trees with cloves. In addition, they favour cloves as it is harvested once a year and has a stable regional market that does not show the same price fluctuations as the international cocoa market.

68. In Luwu, one of the main cocoa areas in South Sulawesi, cocoa farmers have ventured into oil palm development. Oil palm is known in South East Asia as a *golden crop*, and Indonesia being the largest producer of oil palm in the world still has a great potential to expand on smallholder oil palm which is currently only limited by infrastructure availability, especially crude palm oil (CPO) mills in Sulawesi. The sustainability of

cocoa, whether certified or not, is heavily dependent on the political economy of oil palm and cloves in Sulawesi. If more oil palm companies start to invest in infrastructure of Crude Palm Oil (CPO) mills in Sulawesi and the support of the business model through government policy continues, the sustainability of cocoa cultivation in Sulawesi could be in jeopardy.

69. Through the interviews during the evaluation, most farmers gave the absence of oil palm infrastructure as the only reason why they are still cultivating cocoa. In the case of Luwu district where oil palm mill is available, oil palm cultivation is gaining popularity among local cocoa farmers. This is clearly demonstrated by the farmer groups in Ambon Island[39].

70. Farmers' cocoa input includes rent payment for the land which is 120,000.00 Indonesian Rupiah (IDA) per year, fertilizers at the subsidized prize of 90,000 per bag (4 bags compounds fertiliser required), and 100,000 IDA Rupiah for pesticides per year, which is a total of 580,000.00 IDA Rupiah or 58.00 USD per year per hectare which will give the cocoa farmer a net of 1500.00 USD per year. Assuming this farmer ventures into oil palm cultivation instead of cocoa this figure can be doubled with the current price of oil palm fruits or FFB at 150.00 USD per ton. In fact, oil palm price fluctuates based on the fluctuation of other edible oils in the market, mineral oil market and the price speculation by the palm oil traders of which the price of FFB can reach up to 260.00 USD per ton.

71. The income from cocoa and the labour requirements of cocoa fields when compared to other cash crops such as cloves or oil palm could drive farmers' decision away from cocoa. The project has limited control over these external factors and the threat from other cash crops has to be regarded as a serious risk factor for the sustainability of the project.

72. Changes **in production and business practices** changing the business norm can only be expected if there is a sufficient attractive incentive for stakeholders to do so. For farmers the main incentive is increased income. Increased income can be achieved by having higher returns on labor, higher yield, higher price due to certification premium payment, less labor required or a combination of all these. Initially certification schemes reduce the returns on labor as the producer is required to do considerable upfront investment in terms of time spent on training and capacity building as well as implementing costly management standards. In Indonesia most of these costs are absorbed by the group administrators (traders).

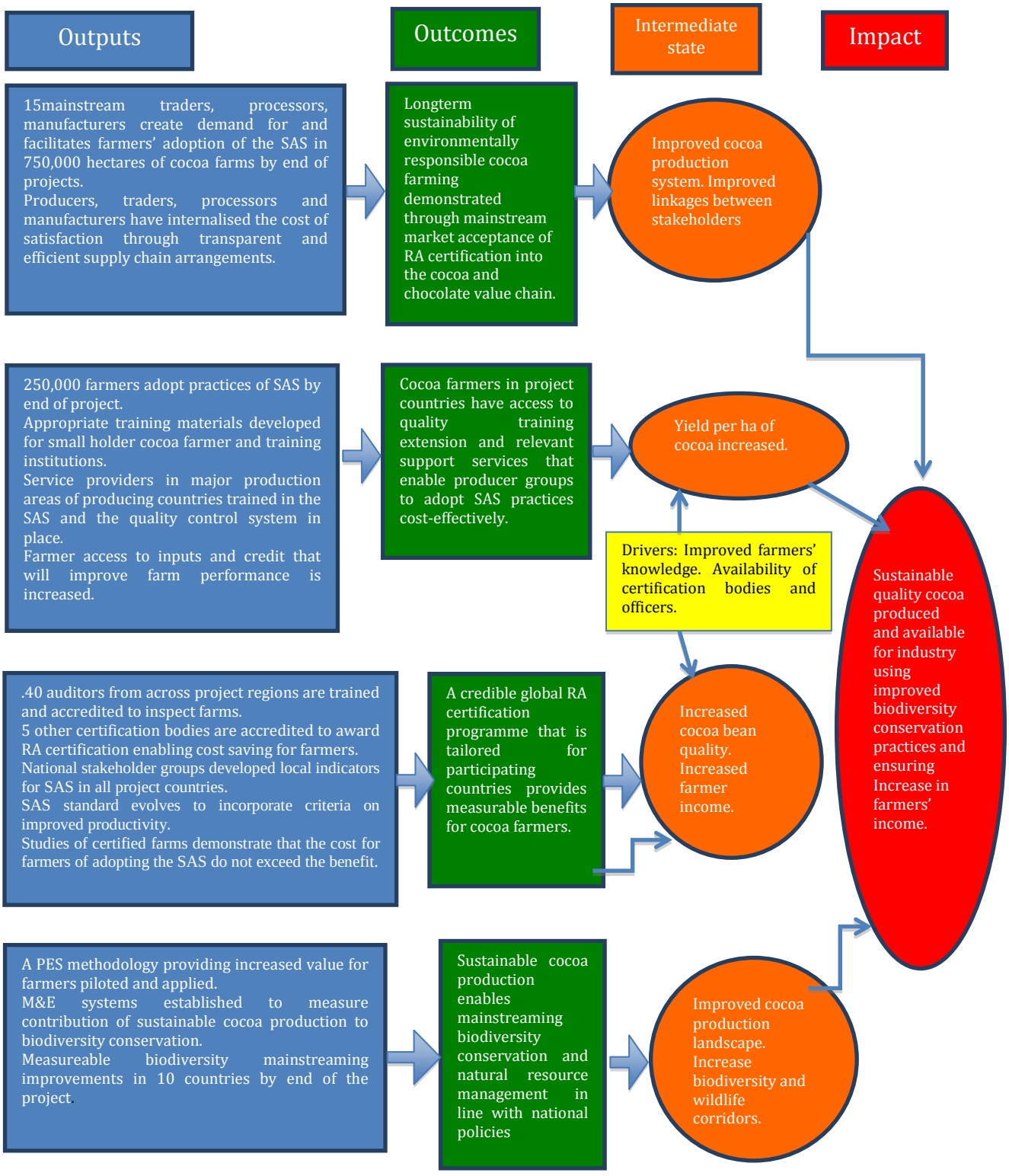
73. For the traders, who have to invest in training farmers the incentive is two folds: higher quality beans and more volume. Given the global shortage of quality cocoa beans at present it seems that volume is one of the most important drivers of business decisions at

[39] Interview with UTZ representative.

the moment. This has also been confirmed in discussions with various stakeholders. Food manufactures like Mars and Nestlé are less interested in the added environmental sustainability of cocoa production. Their main interest is to have a sustainable and predictable cocoa beans production. It is therefore essential that the certification standards (SAN standards) do deliver on higher and better yields in order to keep the interest of the manufacturers alive.

74. Alternatively, the interest can be forest via consumer pressure. Here certification is based on two assumptions: one that there are sufficient social and environmental considerations, such that the concerned consumer will not buy a product from a retailer who is known to violate the accepted set standard or cannot fully account for its supply chain. Secondly, that there are enough consumers who are willing to pay a premium for a product that is produced according to that standard. It is generally agreed that the ethically concerned consumer prevails in markets shaped by western liberalism, like the USA and the EU market, whereas for growing markets such as China and India these types of consumers are yet to emerge. Thus, whether cocoa certification can be the right driver to force manufacturers to support social and environmental standard depends strongly on the global cocoa market.

75. Even where the market is shaped by concerned consumers, certification schemes can only achieve legitimacy if the consumer can trust that the product he buys is produced according to the accepted norm (the certification standard). This in return requires additional costs for independent audits.



Assumptions: Political stability, favourable land policies. Farmers are not enticed to increase farm areas. National policies/plans reflect mainstreaming biodiversity conservation in national resources management.

Figure 4: Reconstructed Theory of change (TOC)

Table 5: Review of the likelihood of outcomes being translated into intended impacts (see Annex 3 above for explanation of ratings)

Component	Findings	Review of outcomes to Impacts
1.Mainstream market development	With 25 stakeholders involvement and mainstream cocoa and chocolate companies are expected to commit to Rainforest Alliance certification by the end of the project. As at mid-term these organisations (Olam, Blommer, Armajaro, Ecom, Cargill, Mars, Nestlé, RA, ADM Cocoa, SwissContact, Australian Government, IFC, The sustainable Trade Initiative, Mercy Corps, and eight other local partners) had positively responded to RA certification and integration of biodiversity conservation in the cocoa and chocolate value chain. In fact, all the stated stakeholders are coordinated and linked together under an umbrella of cocoa organisation known as the Cocoa Sustainable Partnership (CSP) Indonesia. In 2012, a total of 46,514,666 kg of certified cocoa beans have been produced under the RA label. However, RA does not keep records of accumulated volumes over the years but this amount would be larger if in 2013 volumes were included. This is covering a total area of 49,447 ha and 41,165 farmers.	Highly Satisfactory
Component 2: Training, extension and business services for farmers	203,100 farmers currently apply sustainable management practices compared to a mid-term target of 100,000 and an end of project target of 250,000 in all the countries. In Indonesia, at present there are 25 RA certified Cocoa Farms with certificates (+ 3 pending), covering a total area of 49,447 ha and 41,165 farmers. All certificates were given through farmer group organisations and only one to a private farm located in Bali via UTZ Certified.	Highly likely
	During the inception of the project there were no training materials developed for small holders in certified cocoa production. At mid-term however, a number of manuals, flip charts, brochures and handouts have been produced together with different partners like Olam and the government of Indonesia. These are also available in Bahasa Indonesia. These copies were mostly training materials which can be seen at the farmer groups' offices as well as distributed widely among farmer	Highly likely

	groups and their members. An on- line (Olam.sustainableagriculturetraining.org) training platform has been launched on a website in English and Bahasa Indonesia, and is used by administrators and lead farmers (including technicians).	
	The number of partnerships established with Government and other institutions stood at 25 at midterm compared to a target of 8 at midterm and 10 at the end of the project.	Highly Likely
	Even though discussions with farmers at Pinrang and Bantaeng areas in South Sulawesi, Indonesia indicated an increase in yield of over 100% in some cases (700 kg/ha in 1990, in 2000 it dropped to 200-250 kg/ha due to old trees and up again to 700 kg/ha after grafting was introduced by GERNAS initiative in 2009). Data collected on yields are currently being held by the traders involved in the programme, mainly Olam in Pinrang. However, no study has been done yet to confirm that the increase in yield resulted from the SAN practice by the farmers or from the new grafting material provided by the GERNAS program by the Indonesian government in 2009.	Moderately Likely
	Almost all certified farmers in Sulawesi have evolved through the farmer groups. This is in line with the mid-term target set. According to the PIR July 2012 to June 2013, any increase in this number is not foreseen in the next year to ensure the quality assurance of the programme.	Highly Likely
	On the producer side it appears that farmers are very satisfied with the results of using the SAN standards. Experience has shown that the good news of success stories, especially in Asia, travel fast from one farmer group to another. Thus, if the SAN standard is proven to benefit the producer a take up of the standards by non- project farmers is likely.	Likely
Component 3: Upgrading the RA certification programme	Of an expected 40 local auditors to be accredited to inspect farms by the end of the project 11 had been accredited by mid-term on SAN and Group Standards in Indonesia. The quality of auditors in Indonesia is an area which needs to be improved in order to have quality outcomes of the project.	Moderately Likely
	The number of certification bodies authorized to award Rainforest Alliance certification at midterm was 5 compared to a midterm target of 2 and an end of project target of 3. These are SFC (Sustainable	Highly Likely

	Farm Certification), Imaflora, Productos Olam Procesos Sustentables (PPS), Africert and NaturaCert.	
	SAN based Local Interpretation Guidelines had reached its third and final draft stage for cocoa/coffee as well as one for tea and another one for spices. Also one local indicator document had been published in May 2010 with full contribution from RA and UTZ called National Indicator for Certification Criteria on Sustainable Cocoa (a National Reference Group on Cocoa Indonesia).	Likely
	Additional productivity criteria to the SAN standards are being defined and applied in training programmes in Indonesia. This standard is used to train trainers and was adopted and developed by SwissContact.	Moderately Likely
	There was no traceability system for certified cocoa at the inception of the project. However, RA London office mentioned that they would need to refer to their existing traceability database to know which companies are buying certified Indonesian beans.	Moderately Likely
Component 4: Biodiversity Conservation and increased income for farmers (M&E)	The '*Hutan-Desa'* concept has been developed by the Indonesian government and being implemented in Bantaeng and some other districts within the country to empower the forest community within the forest reserve and to stop further encroachment of protected forest reserve. The "Greening the Cocoa Industry" project through the advice from the Indonesian government has integrated the project into the Hutan Desa in Bantaeng to mainstream the biodiversity conservation effort into the cocoa landscape which is adjacent to the forest reserve. Local government (Bupati) wants to expand Cocoa production from 5,000 ha to 15,000 ha, but most of the land in and around Bantaeng does not have any significant biodiversity values. However, so many parties involved in cocoa programmes in Bantaeng may confuse cocoa farmers in the area and the impact assessment of the project may be very difficult. The RA management in Bali where the training program in South East Sulawesi has just been shifted to Central Sulawesi where the demand for training is higher and conservation and issues of forest encroachment are more significant.	Moderately Likely
	At inception of the project a baseline study showed that a strategy for incorporating M&E system into technical assistance activities is devised. Currently	Highly Likely

	Project performance monitoring indicators for tracking cocoa productivity and quality, livelihoods, social and working conditions, environmental sustainability and means of verification are contextualized for Indonesia in Bantaeng district, South Sulawesi and ready for incorporation into technical assistance programmes once the performance tracking tool is formalized. The Rainforest Alliance Bali office claimed that the outstanding results in Bantaeng have raised their commitment to replicate the Bantaeng model in Central Sulawesi and Papua New Guinea.	
	Status of farm level cost benefit analysis shows that the first of two studies have been undertaken. Data for this study is available and the results have been published (http://Olam.rainforest-alliance.org/climate/projects/ulu-masen)	Highly Likely

As a result of the review of outcomes to impacts (ROtI) the overall likelihood of impact achievement, the Project is expected to achieve most of its major global environmental objectives. Effectiveness is consequently evaluated as **Satisfactory.**

Achievements of outputs

76. Overall it appears that for Indonesia the four objectives of project have not progressed evenly. Activities under Component 1 that concentrated on the promotion of market growth and incentives to improve the cocoa industry and build relationships with major chocolate manufacturing companies and other users of cocoa seem to be well advanced, so are activities under Component 2, which focused on tools training material development, extension and support services.

77. Component 3 that focuses on ensuring certification integrity and viability has been addressed only partly via stakeholder consultation. The indicator development has not been sufficiently addressed yet as the data from the baseline collection are in the process of being analysed. Also data collection and methodology development to address component 4 was yet to make progress.

78. Overall at this mid-point stage of project implementation it appears that RA has focused more on the "soft" parts of the project that is the promotion of the SAN standards and the engagement with various cocoa actors on mainstreaming the RA certification logo. While two baselines have been carried out in two different parts of Indonesia, data collected has not been fully analysed or documented to address the questions of certification legitimacy. It was also noted that very little documentation on the various activities exist, making it

difficult to evaluate how many farmers have been trained through the training of trainers efforts, or the total number of traders that were invited to participate in the project.

79. Table 6 provides an overview of the project activities carried out for Indonesia.

80. The project 'Greening the Cocoa Industry' in Indonesia has received very little GEF funding and its success is based on the assumption that it can be used to leverage more co-funding. Given the difficulties of funding since the economic crisis in Asia the expected funds may not be realised. However, given the low amount of funding RA Indonesia received for implementing the project it has to be stated here that the project has made an impressive amount of progress in catalysing the debate on social and environmental issues around the cocoa value chain.

Table 6: Summary of project activities carried out in Indonesia

Output 1: Industry relations developed and managed		
Activity 1:Manage relationships with companies working with RA	Dec 2016	A diverse range of partners have been engaged in Indonesia: central government through Dinas (District Crop Department), Forestry and Farms, also via Cocoa traders mainly Olam and Armajaro, Mars, and national research agencies, Indonesia Coffee Cocoa Research Institute (ICCRI), Universitas of Hasanudin Makassar, as well as social and environmental NGOs (SwissContact). It is evident that there are strong collaborations between stakeholders and government institutions. Due also to the high demand for cocoa beans, there is a strong competition between traders to engage farmers the certification bodies. In Indonesia, Olam claimed that the RA is preferred by traders and farmers because of the services and support they have provided to make partnerships and businesses much more efficient. During the course of the project RA developed a strong link with SwissContact, which works closely with UTZ Certified. Clearly there was competition between the RA and UTZ Certified. Mars mentioned that they will help the RA to improve cocoa production and the industry in Sulawesi, but have temporarily relocated their funding to West Africa. Olam was the first to work with the RA and coordinate their program in Sulawesi. ECOM has also been studying the market and has now started to invest in Sulawesi. Nedcom is doing likewise.

Activity 2: Develop dialogue with target companies in priority markets	Dec 2016	Negotiations are underway with target companies in all major markets of the cocoa value chain. Emphasis is given to new major companies like Mondelez (formerly Kraft) which is interested in the prospect of a large cocoa market in Indonesia.
Activity 3: Follow up inquiries and opportunities from new leads	Dec 2016	RA has been very proactive in securing co-funding from private sectors. Mars invested $72,000 in 2011 and $107,000 in 2012 directly in Indonesia as part of its support to RA's capacity building work. Additionally Mars and other companies invested some funding in the BACP project. The RA is optimistic that using the baseline data obtained in Aceh, Sumatra, West Indonesia it can initiate partnerships with Swiss Contact to pursue and explore more cocoa improvement work in Sumatra and potential funders. Firm baseline survey results from the RA from the pilot district and/or site in Bantaeng, South Sulawesi, East Indonesia is crucial and will provide reliable indicators for the improvement in sustainable cocoa production in Indonesia, mainly in Sulawesi. The RA has a big interest in the development of partnerships and receiving of funds from big potential new comers to the cocoa business in Indonesia by contemplating RA certification for its value supply chain. The RA also expressed large interest to attract Magnum ice cream to work with and get the RA labeling (the green frog) on the ice cream sheet. This is because the RA has identified a big potential market for Magnum ice cream in Indonesia. The RA is more and more attracted to large food product manufacturers like Mondelez and Unilever (cookies, cereals, bars, drinks, etc.) that use cocoa powder to facilitate the growth in the powder market.
Activity 4:Take part in company promotional activities	Dec 2016	Many large food manufacturers like Unilever, Mondelez were engaged in RA's second annual "*Follow the Frog*" activities heavily oriented toward promoting certification. Recently RA has been involved in commercial television program for the marketing of ice cream products by Unilever in the United Kingdom. It is the intention of RA in the Bali office to introduce this type of commercial adverts to grab Indonesian consumers and create awareness. The RA is interested in courting Indonesian consumers and engaging them in the RA movement.
Activity 5: Provide market information on Rainforest Alliance	2014	Dissemination of information material for the cocoa movement and development is achieved via the Cocoa Sustainable Partnership (CSP). In 2010/2011, CSP was not

Certified products to exporters		fully committed; however in 2012 internal problems were solved, resulting in high information exchange and promotion of RA certified products directly to retailers and large food processors. **onesia.**
Output 2: Sourcing of certified cocoa is planned and facilitated		
Activity 6: Maintain updated pipeline projections of certified supply	2016	Volume tracking and number of certified farmers is conducted jointly by the Rainforest Alliance, Bali office and traders (Olam). It was observed that the data monitored by Olam includes the 'block level yield' data which represents the "before and after" project intervention. This is valuable data to show the impact of the project and numbers of certified farmers under the project
Activity 7: Prepare proposals for and negotiate companies' contributions to certified supply building	June 2013	Investments at origin have been secured from all major brands with a new one in Madagascar. Four proposals are pending to expand work in West Africa, Indonesia and Ecuador. But, the Rainforest Alliance through the IFC has managed to secure funds from BACP in Bantaeng and the recent approach is via the Ford Foundation.
Activity 8: Work with brand companies, processors and traders to plan certified volumes	June 2014	The RA is interested to meet Mondelez's supply plans for Indonesia. Details of this activity are not available but discussions are being carried out officially through conferences and personal meetings with potential stakeholders on the cocoa improvement project in Sulawesi, Indonesia and its prospect.
Activity 9: Maintain dialogue between program managers and audit team to track supply building	June 2013	The RA has recently employed two additional staff in Bali for data harmonization, documentation and report writing, which resulted in a significant improvement in services provided to clients. One of the most significant is the Senior Project Associate, Asia Pacific Region. The RA region manager raised the issue of initial challenges with auditor capacity, which has now been solved through sufficient auditors based in Indonesia.
Output 3: Value chain costs are analyzed		
Activity 10: Intelligence gained from industry is recorded and certification costs estimated	June 2013	The cost for certification in agricultural fields varies but, it is usually below forest certification at about USD$3000-10,000. Auditor costs are usually around USD$350-450 per day whereas in Forest Certification it is from USD$600-750 per day due to larger forest coverage and the need for in depth mapping exercise. However, the cost for M&E can be increased simply because the criteria questions were not completed during the first M&E which resulted in a second M&E to ensure that standards are maintained.
Output 4: Consumers and stakeholders engaged		

Activity 11: Support companies to promote Rainforest Alliance seal through products and promotions	June 2012 (modified)	In the UK Mars candy bar has started marketing their dark chocolate with the RA seal known as the "green frog commercial" as seen on the television.
Activity 12: Give talks to stakeholders and presentations at selected conferences and meetings	Dec 2016	This has taken place at important meetings or seminar where RA has participated in since December 2012. RA Certification Auditor & Trainer Training 7 -11 January 2013, Sanur (Bali). From the cocoa team Peter Sprang (Regional manager), Muhammad Agra Rivay (Cocoa coordinator), Hearuddin (Southeast Sulawesi farmer trainer consultant), Ery (East Indonesia Coordinator) and Benedictus (RA Cert., Associate) participated. Peter presented a paper on the importance to identify applicable criteria for smallholder farmers and the SAN standard revision process to include crop management and productivity criteria. RA Regional Representative Meeting, 14 – 17 January Sanur (Bali). From the cocoa team Peter Sprang, Petra Tanos (senior associate), Benedictus, Dwi Person and Bonar Matondang (both Monitoring & Evaluation consultant) and Muhammad Agra Rivay participated. Dwi, Bonar and Agra presented a paper on the M&E work in Bantaeng. Asia Cocoa Congress, 26 – 28 March 2013, Jakarta (organized by IMAPAC). Peter Sprang and Petra Tanos participated at the congress and did a presentation on "Certification Value Cycle from Producers to Consumers" as well as moderating a panel titled "The 'Big Players' Ethical Responsibility". Cocoa Sustainability Partnership (CSP) General Assembly Meeting, 23 March 2013 in Jakarta, including executive board meeting attended by Peter Sprang. He presented ideas for the "CSP Vision 2020" and the CSP agreed to include the key indicator of "500,000 young people return to rural areas for cocoa farming". Woman in Agriculture "Integrating Gender for Better Agriculture Development Outcome" workshop, 3-4 June 2013 in Jakarta (organized by IFC). Attended by Peter Sprang and Petra Tanos. Petra presented the outcome of group work which identified the advantages of scheduling farmer trainings based on woman's preferences: less hours per day stretched over several days. Cocoa Sustainability Partnership (CSP) Meeting, 10 June

		2013 in Jakarta attended by Peter Sprang to discuss the "Cocoa and Green Prosperity Project". 5th Technical Training Summit (TTS), 10 -13 June near Ubud (Bali) with Intan (country coordinator), Reiko Enomoto (training manager), Michelle Deugd (senior manager, sustainable agriculture practices), Muhammad Agra Rivay, Petra Tanos and Peter Sprang (11 till 13 June only), participating among others. SAN Public Consultation Workshop, 14 June in Sanur with 40+ stakeholders (including ICRAF) participating and providing comments on the current revision of the SAN standard. Peter Sprang presented the opening speech with a call to make sure that the SAN 2014 standard will be a standard that is more applicable to the challenges (for example low productivity and farm diversified income) faced by smallholder farmers in countries like Indonesia. Cocoa Sustainability Partnership (CSP) General Assembly Meeting, 24 June 2013 in Makassar, including executive board meeting attended by Peter Sprang. Questions raised during the presentation by Budi Kuncoro (Millennium Challenge Cooperation). Sulawesi International Seminar on Cocoa (SISCO), 27 June 2013 in Makassar (organized by the Cocoa Research Group, Faculty of Agriculture, Hasanuddin University). Agra Rivay and Petra Tanos participated with a presentation on "A Value Chain Approach to Sustainable Cocoa". 3rd and Final Local Interpretation Guideline (LIG) workshop for cocoa and coffee in Jakarta on July 3-4. Facilitated by Kathrin Rezak (Standards Consultant from the Sustainable Agriculture Network Secretariat) facilitated the workshop. Stefanus Laksayuda (Sustainable Agriculture Assistant), Petra, Ery among others participated.
Activity 13: Publish information about cocoa sustainability on blogs, websites, fact sheets	Dec 2016 (changed to include farmers audience)	Inputs on blogs keep increasing; nine stories were published on our German blog http://thefrogblog.de/tag/kakao/; six on our UK blog http://thefrogblog.org.uk/; and, three stories on the US blog http://rafrogblogus.wordpress.com. The Rainforest Alliance seal commercial for dark chocolate in the UK and the local bulletin of Indonesian cocoa monthly published through the CSP.
Activity 14: Undertake media outreach to	Dec 2012	The UK conducted extensive media outreach as part of UK Chocolate Week.

support market development		
Output 5: Certification model is made financially sustainable		
Activity 15: Design participation fee for cocoa		Not addressed in Indonesia
Activity 16: Operate and manage participation Royalty		Not addressed in Indonesia
Output 6: Capacity building materials created		
Activity 17: Make written materials on Sustainable Agriculture Standard and Group Standard available in local languages	March 2012	The SAN standards manual and brochure have been translated fully into Bahasa Indonesia. Both in Pinrang and Bantaeng many posters and fliers as guidelines for herbicide and pesticide uses, as well as the SAN document standard were seen in farmers' houses. This activity has been carried out in partnership with traders (Olam).
Activity 18: Complete online platform and translate from English into Spanish, French, and Bahasa Indonesia	March 2012 for core Standard	For Pinrang, South Sulawesi or mostly overall Indonesia, information has mostly been translated into Bahasa Indonesia and disseminated to farmers. (Olam.sustainableagriculturetraining.org)
Activity 19: Train stakeholders on how to use online tools	March 2013	In Indonesia this activity has not been introduced yet. However, on the biophysical baseline level the RA has been implementing free available software through their GIS application in the baseline survey in Aceh and recently in Bantaeng.
Activity 20: Produce training materials on business and market management	June 2014	For Indonesia pilot work has started with Mars but no final manual has been released yet. The current training material is adapted from the training material developed by the SwissContact, unfortunately the material could not be shared with the consultant during the visit.
Output 7: Trainer quality control systems Implemented		
Activity 21: Develop and present trainer approval system to SAN Directors		The RA staff (coordinators) are trained on the SAN standard through partnership with the SwissContact. For example, the extension and training work in the Flores Island.
Output 8: National capacity built for training, technical and business services		
Activity 22: Develop commitment of industry to invest in building capacity	June 2013	Presently commitment from stakeholders is increasing due to the improvement in networking through CSP but other issues like tribal conflict in Central Sulawesi forced Mars to temporarily withdraw funds from Central Sulawesi. Mars has transferred it funds from Indonesia to a West

		African country.
Activity 23: Built capacity of technical staff of traders in sustainable agriculture	June 2012	There is a shortage of trainers to conduct training at project sites throughout Sulawesi. Currently SwissContact is on board but so far the RA has only one coordinator (Muhamad Agra) who has been seriously involved in training with the SwissContact
Activity 24: Coordinate the developing of new productivity module with SAN partner	June 2014)	Many workshops and seminars have been launched in the past two years through Cocoa Sustainability Partnership (CSP) networking which is routinely documented in the quarterly cocoa bulletin.
Output 9: Links built with other service providers		
Activity 25: Develop relationships with National and public institutions	March 2012	Memorandum of Understanding (MOU) was signed with ICCRI. Involvement by the Bupati (district office) in the decision making process for the focal site identification in Bantaeng is crucial and has resulted in good relations between stakeholders in the area.
Activity 26: Develop relationships with NGOs to seek synergies in their communities/landscape work	June 2013	Discussion has been restarted with PanSu (local NGO) to train two technicians in Aceh; an agreement has also been signed with VECO (Belgian NGO) in Flores Coffee that may lead in 2013 to an agreement in South Sulawesi for cocoa.
Output 10: Model for operating ICS with unorganized farmers developed		
Activity 27: In coordination with traders identify opportunities for strengthening group structures	June 2012	SwissContact has started to train farmers in Aceh; groups have started with Mars (Central Sulawesi with 1089 farmers). Olam has trained farmers in South Sulawesi since 2005 (South Sulawesi target is 3,500 farmers). In fact, the RA first started in Aceh with SwissContact, but relocated to Sulawesi in 2009 after it completed the baseline work in Aceh. Olam also has a programme called "*Jaya Mandiri Farmer Group*". In this programme, Olam gives priority to women farmers to benefit from the program by training them on the proper way of fermentation and to help them buy certified wet cocoa beans. After the beans have been fermented properly Olam buys the seeds with an additional premium and the women's group earns the extra cash.
Output 11: Local indicators developed for the Sustainable Agricultural Std.		
Activity 28 Undertake stakeholder consultation and publish indicators	Dec 2013 (modified)	Indonesia National reference group on cocoa was developed through the cocoa partnerships entitled 'National Indicator for Sustainable Cocoa certification

for cocoa		criteria' which was developed through cocoa partnerships. The RA is fully involved in the development process of this National Reference of cocoa indicators for Indonesia. It is available in English and Bahasa Indonesia. In addition, frequent CSP seminars and meetings and quarterly chocolate bulletin and magazines are published by CSP.
Activity 29 Undertake evaluation of high conservation value ecosystem (HVE)	Dec 2013 (modified)	The RA is currently finishing the baseline in Bantaeng, South Sulawesi, Indonesia – baseline work in Bantaeng includes tree species and wildlife identification in the '*Hutan Desa*" forest reserve.
Output 12: Standards are aligned with key cocoa sustainability issues		
Activity 30 Produce report recommending practices for sustainable yield increases.	100%	Documentation on the Sustainable Yield Module (SYM) project activity in Central Sulawesi was not presented during the July 2013 evaluation visit. However, the training program carried out towards monitoring and evaluation (M&E) and auditing was presented and explained by the RA field coordinator. PowerPoint presentation that demonstrated that the field activity took place in Central Sulawesi and Flores Island, was also provided.
Activity 31 Pilot recommended practices in training activities	June 2013	Decided to move the project from Aceh (West Indonesia to East Indonesia) to Sulawesi. Bantaeng district, South Sulawesi became the focal site for the RA based on assistance and strong recommendation by Dinas (District Crop Department) including the Bupati (district office) During the midterm evaluation it was found that the baseline survey is still ongoing with 70% completion. But the socioeconomic baseline has been reported and documented, and farmers cocoa practices baseline is at the processing stage and the spatial data assessment is 70% complete.
Activity 32 Provide learning for consultation of next version of Sustainable Agriculture Standard	June 2013	In Central Sulawesi, the Sustainable Yield Model (SYM) project in cocoa will manage field work through a consultant who will execute activities and services related to it, with strong emphasis on cocoa. In order to achieve established goals and deliverables in the Palu area, Central Sulawesi, Indonesia, a consultant has also been hired to deliver crop yield improvement techniques and to provide training to cocoa farmers and important stakeholders and partners in cocoa growing in Central Sulawesi Indonesia. In Central Sulawesi, the RA is working closely with Mars. Mars' long term goal in the Central Sulawesi site is to develop a certification scheme that can be managed and run by the traders and farmers. In Central Sulawesi the main focus of the RA on the project is to diversify the tree species on the cocoa landscape as it is targeting cocoa fields that are cultivated without shade trees. This

		approach in Central Sulawesi was recently upgraded where more input and resources were shifted from South East Sulawesi to Central Sulawesi due to an issue of forest encroachment which is more serious with a much stronger conservation goal and higher demand for training services.
Activity 33 Evaluate training and certification system for robustness on child labor issue	June 2015 (modified to account for new pilot)	This was not fully addressed at the time of the evaluation visit, however when asked, the farmers stated that children provide basic help in the field during school holiday to show their support to the family.
Output 13: Network built of accredited auditors		
Activity 34 Hold courses to train auditors and plan their accreditation in accordance with SAN system	Dec 2016 (now on-going every year)	The RA expressed slight disappointment on the quality of monitoring and evaluation (M&E) carried out so far by the auditors. The main reason was on the filling of M&E question sheets or form given to them. Indonesia – previous course in M&E training was held in January 2013
Activity 35 Hold technical summits between trainers and auditors to calibrate interpretation of standard	Dec 2016 (now on going every year)	Indonesia – previous session held in June 2013
Output 14: SAN certification system strengthened and expanded		
Activity 36 Introduce new group standard.		Training on new 2013 policy was to start in spring of 2013 in Indonesia
Activity 37 Introduce and apply accreditation system for SAN certification bodies	June 2012	Completed
Activity 38 Engage with potential new members to join SAN from cocoa producing countries	Dec 2015	Potential new partners – Mondelez and Unilever Funding from Modelez is currently under discussion
Activity 39 Hold meetings of International Standards Committee	Dec 2015	Most members within the international standards committee are also members of the Cocoa Sustainability Partnership (CSP). The CSP is a public-private forum for the advancement of communication and working together between stakeholders actively engaged in cocoa development initiatives in Indonesia. The CSP exists to increase communication, coordination and collaboration between public and private stakeholders engaged in cocoa sustainability activities in Indonesia for the mutual benefit of all cocoa sector players. After several meetings and

		workshops through the CSP networking, there is sufficient stakeholder awareness and government commitment especially in Bantaeng, South Sulawesi.
Output 15: Cocoa traceability system developed and upgraded		
Activity 40 Introduce and operate chain of custody (CoC) certification system in cocoa and chocolate	Dec 2013	The chain in custody is still poorly addressed in Indonesia. UTZ Certified has mentioned this issue during the ESP International symposium in Bali (24-30 August 2013). But, in order to know which companies are buying certified Indonesian beans one would need to refer to the traceability database that is currently not accessible or available.
Activity 41 : Operate traceability system and issue transactions certificates for certified cocoa	Dec 2013 (modified including Web-based system)	Database for farmer certification system within the RA is well recorded by Olam in Pinrang and Central Sulawesi however, the record is confidential to third parties. Currently, there are no systems to operate a traceability system between the stakeholders.
Output 16: PES Methodology developed for carbon cocoa		
Activity 42: Analyze the impacts of different cocoa farming systems and select farming practices that have effects on the climate	Dec 2014	Through the partnerships with the Bupati (local district office) and Dinas (District Crop Department) in Bantaeng a land use functional zonation for suitable agricultural and tree crop areas was developed and has been introduced in Bantaeng. This landscape zonation was developed based on the site-specific climatic condition of Bantaeng district.
Activity 43: Test tools and guidance for GHG emissions and carbon storage quantification for use with the SAN Climate Module in Indonesia	Dec 2014	The restoration of natural ecosystems and reforestation of marginal farm areas also increases carbon stocks on farms and by not allowing the cutting of natural forest or burning of land, emissions of associated greenhouse gases are avoided. This has been the main theme for RA to work with farmers in reintroducing the cocoa shade system in Central Sulawesi.
Activity 44: Increase capacity for cocoa farmers in Indonesia to reduce emissions, increase carbon storage, and improve adaptive capacity on their farms	Dec 2016	A Tree programme was launched in Central Sulawesi and tree seedlings have been distributed and planted in cocoa fields. In Bantaeng, so many agencies are involved such as, ICRAF, Dinas (District Crop Department), and some other NGOs in providing tree seedling to farmers.
Activity 45: Facilitate the applicability of certified farms conforming to the SAN Climate Module within emerging PES and REDD+ programs in Indonesia	Dec 2016	REDD+ was not being addressed during the evaluation visit in July 2013.

Output 17: Monitoring and Evaluation for the project implemented		
Activity 46: Define baseline project environmental, socio-economic and operational indicators in 4 initial countries	100%	The baseline data collection for Aceh and Bantaeng have been completed and can be delivered to GEF for this reporting period.
Activity 47: Baseline biodiversity significance for all 10 countries	100%	The mapping of areas of biodiversity significance has been completed in Aceh, in Bantaeng the biodiversity parameters activity was completed near the beginning of the project.
Activity 48 Pilot methodology for mapping extent of conservation and restoration set-asides on farms (natural ecosystem assessment) in Indonesia	100%	Natural Ecosystem and land-use for the Lala area adjacent to Ulu Masen National Park, Sumatra have all been completed.
Activity 49 Gather and map cocoa growing regions and other general selection criteria for all 10 countries	100%	The mapping exercise has been completed.
Activity 50 Refine selection criteria for initial 4 countries	June 2012	Olam and RA are fully aware of some of the issues on the principle and criteria of the certification standard, which is not fully applicable to smallholder field conditions.
Output 18: Biodiversity impacts measured		
Activity 51 Define biodiversity criteria / methodology for Indonesia landscape		Comparative measure of tree species identification between forest reserves, cocoa landscape and animal wildlife population is monitored through farmer groups based on citing observation.
Activity 52 Define baseline biodiversity metrics for Indonesia landscape	70%	This activity is completed for Ulu Masen, Aceh. Activity is now on going in the Bantaeng, South Sulawesi.
Output 19: Cost-benefit analysis undertaken		
Activity 53 Refine with COSA (Committee on Sustainability Assessment) their survey methodology		Not for Indonesia
Activity 54 Organize COSA study in Indonesia		Not for Indonesia

Evaluation of the projects monitoring and evaluation framework

81. The baseline assessment consists of 3 main components:
    a. A household level survey using the Household Economic Approach
    b. A plot level assessment of farmers practices
    c. A within plot biodiversity assessment

82. The methodology was implemented in two different districts. In 2011 baseline data were collected over 7 months for Aceh. In Bantaeng the baseline started only in 2013. In February 2013 the household level survey was implemented by interviewing a total of 246 project farmers and 234 non-project framers. The farmers practice and the biodiversity survey are 70% completed. Data has been collected and the data entry and verification process is on-going.

83. Apart from the socio-economic baseline report no methodological documentation was shared with the consultant although all methodologies implemented to date (Household Economy Approach (HEA), Natural Ecosystem Assessment (NEA), farm Performance Monitoring Tool (FPMT) and COSA were supposed to be available. This made it difficult to evaluate the monitoring and evaluation (M&E) framework.

84. Given the very different environmental and socio-economic settings of the different focal areas it is unlikely that the baseline data collected in Bantaeng will be representative for the cocoa areas in central or south-east Sulawesi. Even for the other two focal areas in south Sulawesi a careful evaluation is needed to see whether the results can be extrapolated beyond the Bantaeng area. However, the RA has recently taken a big step and shifted their training programme, allocation of funds and focus from South East into Central Sulawesi. One of the reasons for this transfer is to work in an area without many NGOs and governmental agencies. In fact, more funding from the Ford Foundation and Toyota to support this change is expected. This will make the data collection and field operation much more feasible.

85. Given the low amount of funding RA Indonesia received for implementing the project it has to be stated that the project has made impressive progress in catalysing the debate on social and environmental issues around the cocoa value chain. However, given that UTZ is another certification programme in Indonesia and the fact that the Indonesian government itself implemented programmes to support the cocoa sector it is difficult to judge if the dialogue would have advanced the same way without the GEF funding.

86. In a number of RA project areas the current cocoa improvement programme is overlapping with other conservation efforts especially in Bantaeng, it will be difficult to design a monitoring and evaluation framework that would allow the measurement of changes as a result of GEF funding only. In order to overcome this however, the project is in dialogue with the World Cocoa Foundation (WCF) to provide input and data into the cocoa map. This platform intends to facilitate standardization of indicators and

methodologies for monitoring status and trends in cocoa productivity and social, market and environmental outcomes. A good forum to initiate this could be the Cocoa Sustainability Partnership (CSP).

Cost effectiveness & financial soundness

87. The total GEF allocation for Indonesia was $140,000 for field programmes plus an additional $350,000 for research investments to be conducted in Indonesia[40]. The funding under the GEF-UNEP project is flexible- RA assigned it per country each year according to the suitability of the project activity to be implemented and other funding available. RA may have spent more than $140,000 in Indonesia over the six years. Given the six year duration of the project the GEF funding can be seen mainly as seed funds that need to be invested strategically in order to leverage co-funding. Mars invested RA $72,000 in 2011 and $107,000 in 2012 directly in Indonesia as part of its support to RA's capacity building work. Additionally, Mars and other companies invested some funding in the BACP project in Bantaeng, South Sulawesi.

88. RA was successful in attracting co-funding from BACP, Mars and Ford Foundation during the first phase of the project. Exact figures were not shared with the consultant. In July 2013 Mars had sharply reduced its contribution and the BACP funding was expected to come to an end half way through the financial year. Recent development in Sulawesi shows that the RA is convinced that the funds provided by the Ford Foundation and Toyota will compensate the co-funding aspect of the project for the next two years. The Ford Foundation may provide the core of USD$370,000 as grant to the RA (May 2014 till May 2016) in Central Sulawesi.

89. Financial information shared with the consultant consisted of money spent from the GEF funds for the last 12 months (see Table 2). Over the last year the project spent 20% of its overall field programme allocation. More than 80% of the expenditure can be attributed to the two baseline data collections in Ulu Masen, Aceh and Bantaeng, South Sulawesi.

90. Without a complete financial overview of the full costs of the project implementation against the activities since 2011 it is difficult to estimate the cost efficiency of the project. However, given that RA has been able to secure co-funding from BACP, Mars and the Ford Foundation, managed to engage Olam into farmer training activities. It seems that GEF funds spent until now have leveraged considerable co-funding.

[40] Interview with Max Zieren, UNEP representative in Indonesia.

Table 7[41]: Total spending of the GEF funds in Indonesia to date

Components	Activity	Rupiah (Indonesia)	USD
1. Capacity building materials created	LIG Cocoa (4 July 2013)	4,686,335.00	493.30
2. Trainer quality control systems Implemented	Training Mars Jul12 (9-13 July 2013)	2,836,597.00	298.59
	Baseline data collection on ecosystems and cocoa in Aceh (Sep., 2012-Jan., 2013) by Dwi Person	91,631,700.00	9,645.44
	Bantaeng baseline assessment of natural ecosystems. Actual field data collection and preparation of landscape datasets (May-July 2013)	123,866,234.00	13,038.55
3. National capacity built for training, technical and business services	Asia Cocoa Congress (26-28 March 2013)	15,548,695.00	1,636.70
4. Links built with other service providers	CSP Meeting (24 June 2013)	6,906,763.00	727.03
5. Model for operating ICS with unorganized farmers developed	Central Sulawesi unorganized farmer training	20,262,346.00	2,132.88
Total			27,972.49

Sustainability and replication (scaling-up)

91. Given the low amount of funding RA Indonesia received for implementing the project it has to be stated that the project has made impressive progress in catalysing the debate on social and environmental issues around the cocoa value chain. However, without a full evaluation of the successes of other programmes such as the GERNAS programme by the Dinas, Olam, Armajaro, the Ford Foundation, ICRAF and IDA, Swiss Contact or UTZ Certified, it is very difficult to judge what difference the RA project has brought to the Indonesian cocoa sector.

92. There is anecdotal evidence, both from traders as well as the Dinas that the training for trainers program has been well received and strengthened the extension support to cocoa farmers. However, given the lack of capacity within the Indonesian government (Dinas) it is unlikely that these kinds of training could be sustained and scaled out to new farmers without external funding. On the other hand, RA's networking with other NGO's such as Veco and SwissContact might ensure that more actors will be engaged in similar training approaches.

93. So far the project has concentrated largely on South Sulawesi where shaded cocoa fields are still common. The implementation of the SAN standards and subsequently the

[41] figures stated in the Table 3 are not including the payment of salary for enumerators and project managers.

certification of cocoa farms are much less expensive than in non-shaded cocoa growing areas, such as in Central Sulawesi. In addition, the prevailing conflicts over land as well as poor infrastructure make the scaling up of the project into these parts of Sulawesi more costly and much more difficult.

94. On the producer side it appears that farmers are very satisfied with the results of using the SAN standards. Experience has shown that the good news of success stories, especially in Asia, travel fast from one farmer group to another. Thus, if the SAN standard proves to benefit one producer, a take-up of the standards by non-project farmers is likely. However, it has to be noted that the main limiting factor in cocoa production is ageing trees and that the most important factor for increased production and productivity is the rejuvenation of the cocoa trees. Thus, it appears that the implementation of the SAN will only be successful if combined with rejuvenation programs such as, the GERNAS or the Vision for Change program in Côte d'Ivoire.

95. All the farmers interviewed belonged to farmer groups. In comparison to independent and non-project farmers, the farmer groups have been exposed to much better governmental extension services and support. It is thus unlikely that the socio-economic conditions can be assumed to be similar between these groups. Furthermore, all the farmers interviewed had received significant exposure to the cocoa industry by working in Malaysia during the Malaysian cocoa boom. Thus, the farmers have to be regarded as having both strong entrepreneurial spirit as well as strong foundation in cocoa cultivation. Even more important, the sites visited are remittance landscapes and cocoa is not the main livelihood activity of those communities.

96. Preventing forest encroachment and deforestation through agricultural intensification is the old sparing and sharing debate. There is strong evidence that agricultural intensification is not leading to sparing of forest, but that sparing of forest is strongly linked to a functional enforcement. The cocoa farmers in Bantaeng are closely monitored by the enforcement of the "Hutan-Desa" that prevents encroachment. Without such an enforcement it cannot be predicted what the outcomes of the project would be achieved.

Factors affecting project performance

97. **Strong dependence on co-funding:** The Indonesian part of the 'Greening the Cocoa Industry' project received very little GEF funding and its success is based on the assumption that it can be used to leverage co-funding. Given the difficulties of funding since the economic crisis, the funding may not be realised.

98. **Under supply of cocoa beans:** Ageing cocoa trees and under performance of most cocoa producing countries coupled with an increasing demand in emerging countries is resulting presently in an under supply of high quality cocoa beans. Given the shortage of

cocoa beans in the global market at the moment, the industry has little problem with selling uncertified cocoa beans.

99. **Ethical concern of consumers.** It is generally agreed that the ethically concerned consumers prevail in markets shaped by western liberalism, like the USA and the EU market, whereas for growing markets such as China and India these kinds of consumers are yet to emerge. Thus, whether cocoa certification can be the right driver to force manufacturers to support social and environmental standards depends strongly on the global cocoa market.

100. **Cost benefit of certification**. The production and marketing of RA certified cocoa beans and product has to result in a net benefit at all stages of the value chain for the industry to accept and to implement the SAN standards. At present the project has not yet been able to collect data that show the real cost of certification and the benefits of certification for all actors.

101. **Economic viability of cocoa farming**. The long-term sustainability of cocoa landscapes depend strongly on the opportunity costs of producing cocoa, both for farmers as well as for regional and national governments. The competiveness of small holder cocoa farms depends largely on external macroeconomic factors that are beyond the control of the project.

102. **Internal communication between RA HQ and regional office**. As in all large organisations there is a strong divide between a coordinating global headquarters and an implementing regional office. The success of the project in Indonesia will largely depend on the ability of the regional office to convince both the headquarters as well as the global cocoa stakeholders of the importance of the Indonesian shaded cocoa systems (cocoa agroforestry).

Conclusions, lessons learned and recommendations

Conclusions

103. In conclusion and up to the midterm, overall achievement for the project in Indonesia for the four objectives of project has not progressed evenly. Activities under Component 1 that concentrated on the promotion of market growth and incentives to improve the cocoa industry and build relationships with major chocolate manufacturing companies and other users of cocoa seem to be well advanced. So are activities under Component 2, which focused on tools training material development, extension and support services. Component 3, which focuses on ensuring certification integrity and viability, has been addressed only partly via stakeholder consultation. The indicator development has reached a final third draft document. Also data collection and methodology development to address Component 4 is yet to take place.

104. Overall it appears that RA has focused more on the "soft" parts of the project which are the promotion of the SAN standards and the engagement with various cocoa actors on mainstreaming the RA certification logo. While two baselines have been carried out in two different parts of Indonesia, data collected has not been interpreted or documented to address the questions of certification legitimacy (Component 3). It was also noted that very little documentation on the various activities exist, making it difficult to evaluate how many farmers have been trained through the training of trainers effort, or the total number of traders that were invited to participate in the project.

105. The Indonesian part of the 'Greening the Cocoa Industry' project received very little GEF funding and its success is based on the assumption that it can be used to leverage co-funding. Given the difficulties of funding since the economic crisis this fund may not be realised. However, given the low amount of funding RA Indonesia received for implementing the project it has to be stated here that the project has made an impressive amount of progress in catalysing the debate on social and environmental issues around the cocoa value chain.

106. The long-term sustainability of cocoa landscapes depend strongly on the opportunity cost of producing cocoa, both for farmers as well as for regional and national governments. The competiveness of small holder cocoa farms depends largely on external macroeconomic factors that are beyond the control of the project. This project must address the main threat in the cocoa industry, for example, the strong momentum of the oil palm industry in Sulawesi requires an indicator if this project is worth investing in. Whether cocoa certification can be the right driver to force manufacturers to support social and environmental standards depends strongly on the global cocoa market.

Lesson learned

107. The following are the lessons learned from the implementation of the 'Greening the Cocoa Industry' project as at midterm;
    1. Due to diverse cocoa production landscapes and political economy in Indonesia it is crucial that in depth market analysis is performed before an introduction of a community agricultural project. For the cocoa production project in Indonesia one must look into the aspect of market value chain and the threat from other agricultural commodity crops especially oil palm in order to have sustainable impact from project.
    2. The collaboration and understanding between partners (stakeholders, donors and governmental agency) are likely to be achieved through structured organisations like the Cocoa Sustainable Partnership (CSP), a body sponsored by partners to improve coordination between partners, which has resulted in speeding up project

implementation activities in Indonesia as well as mutual understanding between partnerships and governmental agencies on the ground.

3. Similar to other cocoa production landscapes, in Indonesia working with farmer groups provides a more efficient and cost effective means of training and providing support to farmers. Using trained farmers as trainers allows for more farmers to be reached with few lead trainers.
4. Certification on agricultural commodity production works when it brings environmental awareness to farmers about the importance of sustainable production of their crop production and knowledge development on good agricultural practices.
5. Comparative study between the ten project countries and sharing of experiences will reveal the cocoa business model and investment flow which can provide relevant and useful information to improve the production of sustainable cocoa between different countries and increase world cocoa volume as a whole.

Recommendations

108. Based on the findings, the evaluation team makes the following recommendations;

1. Although the process will have a big financial implication, the project should evaluate the successes of other programmes such as GERNAS (National Movement) and Community Division/ Wilayah Komuniti (WILKOM) through the Indonesian government initiatives, Olam, Armajaro, the Ford Foundation, ICRAF, Swiss Contact or UTZ Certified previous projects to be able to measure the impact of the 'Greening the Cocoa Industry' project into the Indonesian cocoa sector.
2. It must be clearly understood that the factor which is affecting cocoa yield performance on the field condition is not only dependent on the farmers' practice which can be influenced by the SAN standard but also influenced by soil types, micro climatic condition, rainfall and water table, planting material and pressure from pest and diseases which are beyond the control of farmers in the open system. The project should assess these factors at the inception of the project on the preferred location of the project site.
3. Gender issues must be considered as one of the project's desired impacts. It is recommended that women participation in the project be assessed separately in the project focal site in Bantaeng. Questionnaire for women must be developed separately from that of men participants.
4. Project documentation and reporting activities are the key for replication of the project in the future. The RA must invest time and funds to provide reports to the London office and to disseminate results to relevant farmers.
5. The cocoa landscape in Indonesia is very diverse in terms of political, socioeconomic, and even the structure of the landscape. It is highly recommended that the baseline produced on Aceh be fully utilised and further studied to have comparative results between project sites within Indonesia.

Annex 1: Financial expenditure since September 2012

Components	Activity	Item of expense	Estimated cost at design (IDR)	Actual Cost (IDR)
1. Capacity building materials created	LIG Cocoa (4 July 2013)	Lodging/Meals		299,839
		Ground Transport		130,000
		Workshop Materials		495,000
		Ws Other (airport tax)		192,500
		Ws Facility Rental		2,080,000
		Ws Airfare		1,488,996
		Katrin time (not RA)		data not available
				4,686,335
2. Trainer quality control systems Implemented	Training Mars Jul12 (9-13 July 2013)	Lodging/Meals		235,000
		Ground Transport		220,000
		Travel Other		50,000
		Agra time of 5 days		2,331,597
				2,836,597
	Baseline data collection on ecosystems and cocoa in Aceh (Sep., 2012-Jan., 2013) by Dwi Person	Consultants Fee		55,000,000
		Consultants Expense		33,500,000
		Lodging/Meals		1,265,000.00

		Ground Transport		1,491,700.00
		Travel Other		375,000.00
				91,631,700.00
	Bantaeng baseline assessment of natural ecosystems. Actual field data collection and preparation of landscape datasets (May-July 2013)	Lodging/Meals		25,733,075.00
		Ground Transport		2,380,000.00
		Travel Other		159,000.00
		Equipment (Printer)		850,000.00
		Postage and Shipping		15,000.00
		Internet Fees		370,339.00
		Facilitator/Trainer Fee		25,130,000.00
		Consultant fee 3 month		27,500,000.00
		Bonar Consultant fee 3 month		30,000,000.00
		Airfare		543,000.00
		Meals for Training		370,000.00
		Facility Rental		10,267,720.00
		Materials/Supplies		548,100.00
				123,866,234.00
3. National capacity built for training, technical and business services	Asia Cocoa Congress (26-28 March 2013)	Airfare		537,300
		Lodging/Meals		314,308
		Ground Transport		395,000

		Travel Other		1,835,000
		Peter's time of 4 days		12,467,087
				15,548,695
4. Links built with other service providers	CSP Meeting (24 June2013)	Airfare		181,200
		Lodging/Meals		492,020
		Peter's time of 2 days		6,233,543
				6,906,763
5. Model for operating ICS with unorganized farmers developed	Central Sulawesi unorganized farmer training	Ground Transport		1,160,000.00
		Lodging/Meals		1,785,000.00
		Materials/Supply		9,537,000.00
		Agra's time of 23 days		10,725,346.00
				12,482,000.00

Currency conversion 1USD = 10,000 IDR

Current main employee and payment:

a. Dwi Person;- GIS consultant = USD50 daily for 110 days. Additional expenses of USD 4000 for the total of 110 days
b. Mohamed Agra Putra;- Field coordinator in Bantaeng and Central Sulawesi- USD900 monthly and potentially increase to USD1000
c. Ms. Intan; Field coordinator (National Coordinator);- USD1500/month (she was paid under GEF in 2010-2011). Now she is in charge of coffee in Lampung South Sumatra.
d. Field assistant or consultant (Non English speaker); – USD500 monthly (no coordinating with Project Manager)
e. A portion of the Regional Manager (Peter Sprang) salary is also paid through GEF funds.

Annex 4: Key informant interviews

Interviews with key informants were both held in Nairobi and Indonesia. The interviews in Nairobi were organised by UNEP, and the interviews and meeting schedules in Indonesia by Rainforest Alliance. The following people listed in Annex were interviewed:

Rainforest Alliance (executing agency of the GEF Cocoa greening project)
- Peter Sprang (Manager AP region, Rainforest Alliance, Indonesia)
- Petra Tanos (Senior Projects Associate RA, Asia Pacific Region)
- Muhamad Agra Putra (Coordinator Rainforest Alliance)
- Dwi Person (RA GIS Manager)

Olam International Limited (main trader)
- Nikhil Chandan (Manager Indonesia - Olam); 16th July 2013
- Hardi Sewa (Sustainability Officer - Olam)
- Badaruddin (Staff - Olam)
- Nurhaedah (Coordinator - Olam)
- Basri Amin (Staff Amarta)
- Toto Melarto (Staff - Olam)

UTZ Certified (Certification body)
- Mercedes Chavez (UTZ Country Representative)
- Florindo Michael Bell (UTZ Certification Coordinator)

Communication Cocoa Partnership Sulawesi (CSP)
- Ms. Rini Indrayanti (CSP General Secretary)

Staff Universitas Hasanuddin Makassar/UNHAS (Partners)
- Prof. Dr. Ir. Sylvia Sjam (Cocoa Research Group UNHAS)
- Ade Rosman (Cocoa Research Group UNHAS)

Staff Ministry of Agriculture (DG Quarantine), staff Ministry of Environment (section EIA) (Local Partners)
- Asaduddin Ralehman (Head of Dinas Farm and Forestry or Kehutanan& Perkebunan)
- Wanar (Dinas; KabidBudidayu Perkebunan)

ICRAF, Bantaeng Office
- Praktiknyo Purnomo Sidhi (Agroforestry Specialist/ South Sulawesi Coordinator)

Farmer Group (Olam certified farmers)
- Sakka (KT KLP Tani)
- Nurhidayah (KT KLP Tani)
- Mada (KT KLP BinaBersama)
- Abadi (KT BT Pandang Meter)
- Ambo Tuo (KT BT Nanna)

Annex 5: Desktop study of project documents

All relevant documents reviewed for this evaluation were provided by UNEP

1. GEF-UNEP Project: Greening the Cocoa Industry (Report on Inception Workshops)
2. UNEP GEF PIR Fiscal Year 12 (1 July 2011 to 30 June 2012)
3. United Nations Environment Programme (Half Yearly Progress Report December 2011)
4. United Nations Environment Programme (Half Yearly Progress Report December 2012)
5. United Nations Environment Programme, Medium-term Strategy 2010–2013, Environment for Development
6. Cocoa Sustainability Partnership (CSP) monthly bulletin
7. UNEP GEF PIR Fiscal Year 10 (1 July 2010 to 30 June 2011)

In addition, the Rainforest Alliance team provided the following additional documents during the field visit:

8. Report on the Socioeconomic baseline survey in Bantaeng
9. The socioeconomic baseline instrument

- Report provided by Dinas(District Crop Department)

10. Kajian Industri dan Perdagangan Kakao (Komisi Pengawas Persaingan Usaha 2009)

Annex 6: Consultant background

Dr. Faisal Mohd Noor (Supporting Consultant)

Contact:
IRMAC (Malaysia) Sdn. Bhd.
Banana Road, Tigoni
00100-Nairobi
Email:faisalnoor@irmacmalaysia.org

Dr. Faisal Mohd Noor is an agronomist and rural development specialist with 12 years' experience in South East Asia, 4 years in Africa and 3 years in Germany. I have extensive experience in smallholder producer management and large scale plantation development (oil palm, rubber, cocoa and coffee) in South East Asia mainly in Malaysia and Indonesia. I have work closely with rural and forest community development through the agricultural scheme program and for the international development within the CGIAR, the World Bank and in United Nations program management engaging governments and the private sector. I also have experience in multi stakeholder program and initiative development as well as sustainability certification in the cocoa, coffee and the oil palm sectors.

Professional Experience

1993 - 1995	Cadet planters (Sabah, Malaysia): Management of oil palm estate
1997 - 1999	Graduate student and research assistant (USA), Colorado State University, Fort Collins, CO. Experimental design and data analysis, documenting and interpreting research results
2000 - 2002	Consultant (Germany/ Finland): Kemira Agro OY, Espoo: Fertiliser modeling; Development of N (nitrogen) -sensor for cereals; Planning, coordinating, and implementing research work, Farmers on-field training
2000 - 2002	Researcher and guest scientist (Brunswick, Germany), Institute for Plant Nutrition and Soil Sciences, Brunswick, Federal Agricultural Research Centre (FAL): Precision Farming application, Remote sensing and GIS modeling, Chemical analysis of plant and soil samples
2003 - 2006	Lecturer (Sabah, Malaysia), University Malaysia Sabah (UMS), Kota-Kinabalu The Head of the Plant Technology Programme; Lecturing on: Soil science; Plant nutrition; Agroforestry application for the graduate level; Plant physiology; GIS and Remote Sensing; Survey design and Participatory research methods; Development of research proposals; Supervision of graduate and undergraduate projects, Developed the proposal and curriculum module for the new "School of Sustainable Agriculture" in Sandakan, Coordinating and supervision of practical training for undergraduate students, Planning, coordinating, and implementing research work and results, Administration work.
2007 to present	Director (Kenya/ and Malaysia), IRMAC (M) Sdn. Bhd. – International Resource Management Consultancy (Malaysia) Sdn. Bhd.: Planning, coordinating, and implementing rural development projects; Technical advice to the Sabah State Government, East Malaysia; Bridging stakeholders; Proposal development; Logistic management; Human resource management (2 office staffs, 1 technical assistant, 10 field workers)

Recent assignments

(Since April 2013 – Apr. 2016) - Working for Sabah Land Development Board (SLDB) on book (5 chapters) development on 'Agriculture Development in Sabah' based on SLDB story; Advising SLDB on database management for structuring new approach in plantation management; Developing the curriculum module for the Agricultural Academy in Keningau for SLDB.

(Since Nov. 2012) - Consultant to CRP 6 on Sentinel Oil Palm Landscape, Centre International Olam (CIFOR), Bogor, Indonesia.

(March 2011- March 2012) - Advisor for remote sensing to CRP 7 Climate Change, Agriculture and Food Security (CCAFS), CGIAR Programme, World agro-forestry Centre/International Livestock Centre (ICRAF), Nairobi, Kenya.

(Dec. 2011 – Dec. 2012) - Aqua ecotourism development, Southwest Coast Sabah, Ministry of Agriculture and Food production Malaysia, Kota Kinabalu, Sabah, East Malaysia.

(May - July 2012) - Advisor to the World Bank for preparing GEF proposal on coffee sector study in Timor Leste, Jakarta, Indonesia.