Terminal Evaluation of the UNEP Project
GEF ID 5776: Supply Change: Securing Food, Sustaining Forests

Evaluation Office of the United Nations Environment Progamme

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(Supply Change: Securing Food, Sustaining Forests)
(GEF ID 5776)
(12/19)

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Maryline Guiramand is an independent expert with over 30 years agricultural commodities experience which includes 15+ years in building sustainable supply chains from agricultural producer to final consumer with a special focus on multi-stakeholder approach and international voluntary sustainability standards (VSS). Her work includes the different aspects of sustainability, with the design of multi-stakeholder standards and implementation (e.g.Bonsucro, Roundtable of Sustainable Biomaterials-RSB), the change of the enabling policy environment (e.g. advice to UNDP Green Commodities Programme, land use change planning in Ethiopia for RSB), the impact (e.g. Monitoring and Evaluation with SAI Platform, project evaluation), and knowledge management (e.g. SAI Platform, UNDP GCP). She has led several GEF terminal evaluations: the UNDP regional "biodiversity conservation in coffee" project in Central and Latin America, and the UNEP "Greening the cocoa industry" in 10 countries in West Africa, Asia and Latin America with field missions in Ivory Coast and Peru. She is an expert for the Consumer Goods Forum on their Global Equivalence Program (now Sustainable Supply Chain Initiative). Before, she managed the association of the food industry to promote sustainable agriculture, the Sustainable Agriculture Initiative (SAI) Platform, cofounded by Danone, Nestlé and Unilever from its creation in Geneva in 2002 until its move in 2005. Under her management, the Platform expanded its membership to 20 members, positioned itself as a strong partner on sustainability with many different institutions, and launched the Roundtable for Sustainable Palm Oil (RSPO). Before joining SAI Platform, she held different management positions in the food industry, with a strong focus on the trading of agricultural commodities as well as cereal specialist for F.A.O. She studied agricultural engineering in France (1980) and holds a Master of Science in agricultural economics from the University of Minnesota in the USA (1982) and an MBA from INSEAD, France (1989). She is fluent in English and French, and is proficient in Spanish, German and Italian.

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ABOUT THE EVALUATION

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Brief Description: This report is a terminal evaluation of a UNEP -GEF project implemented between 2015 and 2017.The project's overall development goal was to "inform and promote the integration of public policies and private finances in order to scale up and mainstream forest, biodiversity and ecosystem conservation in commodity production landscapes". The evaluation sought to assess project performance (in terms of relevance, effectiveness and efficiency), and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. The evaluation has two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP, the GEF and their executing partner Forest Trends and the relevant agencies of the project participating countries.

Key words: Commodities; Palm Oil; Soy; Cattle; Timber and Pulp; Deforestation; Corporate Commitments; Sustainable production; Forest financing; Financial mechanism; REDD+.

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AFOLU	Agriculture, Forestry and Other Land Use
BD	Biodiversity
BNDES	Banco Nacional de Desenvolvimento Econômico (National Bank for Economic and Social Development)
CBD	Convention on Biodiversity
CDP	Carbon Disclosure Project
CGF	Consumer Goods Forum
CI	Conservation International
CRA (CAR)	Cota de Reserva Ambiental (Environmental Reserve Quota)
EDF	Environmental Defense Fund
EII	Earth Innovation Institute
GEF	Global Environment Facility
GRSB	Global Roundtable on Sustainable Beef
IDESAM	Institute of Conservation and Sustainable Development of the Amazon
IFC	International Finance corporation
IKI	Internationale Klimaschutzeinitiative (The international Climate Initiative)
J-P Lab	Abdul Latif Jameel Poverty Action Lab
MDA	Mecanisimo de Desarollo Alternos
PFP	Payments for Performance (in REDD+) also called Result based Payments
POW	Programme of Work
PROFOR	Program on Forests (World Bank)
RBP	Result based Payments in REDD+ also called Payments for Performance
REDD+	Reducing Emissions from Deforestation and forest Degradation
RSPO	Roundtable of Sustainable Palm Oil
RTRS	Roundtable on Sustainable Soy
SEEG	Systems Gas Emissions Estimate (Brazil)
SMART	Specific Measurable Achievable Relevant Time-Bound
SPOTT	Sustainability Policy Transparency Toolkit
TFCD	Task Force on Climate related Disclosure
TFA 2020	Tropical Forest Alliance
TRASE	Transparent supply chains for sustainable economies
UN	United Nations
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
WBCSD	World Business Council for Sustainable Development
WEF	World Economic Forum
WRI	World Resource Institute
WWF	World Wildlife Fund

Table 1: Project Identification Table

GEF Project ID:	5776		
Implementing Agency:	UN Environment	Executing Agency:	Forest Trends
Sub-programme:	Ecosystem Management	Expected Accomplishment(s):	
UNEP approval date:	June 17 2015	Programme of Work Output(s):	2014-2017 EM (a) (2) EM (c) (2)
GEF approval date:	March 25 2015	Project type:	MSP
GEF Operational Programme #:	BD-2	Focal Area(s):	Biodiversity
		GEF Strategic Priority:	BD-2 GEF V
Expected start date:	March 29 2015	Actual start date:	March 29 2015
Planned completion date:	March 2017	Actual completion date:	November 30 2017
Planned project budget at approval:	US$ 4,625,000	Actual total expenditures reported as of [date]:	US$ 4,614,420
GEF grant allocation:	US$ 1,900,000	GEF grant expenditures reported as of [date]:	US$ 1,869,367
Project Preparation Grant - GEF financing:	US$ 180,500	Project Preparation Grant - co-financing:	NA
Expected Medium-Size Project/Full-Size Project co-financing:	US$ 2,725,000	Secured Medium-Size Project/Full-Size Project co-financing:	US$ 2,745,053
First disbursement:	16 Sept 2015	Date of financial closure:	July 2 2019
No. of revisions:	0	Date of last revision:	N/A
No. of Steering Committee meetings:	5	Date of last/next Steering Committee meeting:	Last: June 27 2015 / Next: 15.2.2018
Mid-term Review (planned date):	As 2 years project, PIR served as MTR	Mid-term Review (actual date):	As 2 years project, PIR served as MTR
Terminal Evaluation (planned date):	2018	Terminal Evaluation (actual date):	May - December2019
Coverage - Country(ies):	Global	Coverage - Region(s):	Global
Dates of previous project phases:	NA	Status of future project phases:	GEF Financing for next phase

EXECUTIVE SUMMARY

1. The Supply Change project aimed to address, and to contribute to, reducing the unsustainable production of palm oil, soy, cattle, tropical timber and pulp and paper which are amongst the main drivers of global deforestation and biodiversity loss. A Forest Trend report[1] found that 71% of tropical deforestation between 2000 and 2012 was caused by commercial agriculture, 49% of total tropical deforestation during the same time was due to illegal conversion for commercial agriculture. In a global effort to counteract industrial agriculture contribution to deforestation, private buyers' commitments to sustainably sourced commodities can be a powerful catalyst for global forest conservation. At the same time, finding financial mechanisms together with policy frameworks that support sustainable commodity production while conserving biodiversity, protecting forests and ecosystems is essential.
2. The "Supply Change: Securing food, Sustaining Forests" project's overall goal was to "inform and promote the integration of public policies and private finances to scale up and mainstream forest, biodiversity and ecosystem conservation in commodity production landscapes". The project will be referred to hereafter as "Supply Change" project.
3. Three specific objectives of the project were to:
    a. Create and maintain a global, state of the art, objective information and analysis platform to support both public and private sector decisions that favour sustainable commodity sourcing and production.
    b. Promote, through pilot projects, case studies and other mechanisms, the means by which to mainstream biodiversity, forest and ecosystem conservation into sustainable commodity production and supply chains.
    c. Enhance, through the power of knowledge sharing and convening, a more effective dialogue in the various commodities sectors.
4. In accordance with the UNEP Evaluation Policy (2016), the goal of the Terminal Evaluation is to assess project performance (in terms of relevance, effectiveness and efficiency), and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. Its main purposes are:
    - to provide evidence of results to meet accountability requirements,
    - to promote operational improvement, learning and knowledge sharing through results and lessons learned among UNEP and Forest Trends and its partners.

Overall Findings

5. The overall performance of the "Supply Change " Project was evaluated as **Satisfactory.** The Rating table is provided in detail in section VI, Table 11.
6. **The overall project was well designed**. Its strength was to leverage on the existing data and a network of partners for the project to design the supply change web platform publishing factual data on the companies' commitments as well as to publish reports and

1 Consumers Goods and Deforestation: an analysis of the extent and of the nature of illegality in forest conversion for agriculture, and timber plantations., Forest Trends, September 2014

articles on financial flows with REDD+ and jurisdiction scale landscape. It had a participatory design with the consultative partners.

7. The weaknesses of the project design were that while not required by GEF at the time, including a theory of change in addition to a threat, root causes and barrier analysis would better demonstrate the linkage between the outputs, outcomes and intended impact. Gender issues were not included in the Supply Change Platform although Forest Trends recognizes the role of women in supply chains. This could have pointed to how there were fewer companies' commitments reported and highlighted the needed focus on gender issues. Furthermore, financial information was scattered at project design. The Platform could have been extended to promote transparency and accountability for investors and banks to invest only in companies with deforestation-free supply chains.

8. **Relevance**

   The Supply Change project was highly relevant to UNEP, GEF and each of the commodity sectors: palm oil, soy, cattle and timber and pulp as these commodities are considered to be the main drivers for deforestation.

9. **Effectiveness**

   Overall, the project was effective in tracking 1201 companies engaged and researched, with 464 companies profiled during the project as well as designing or presenting some financial mechanisms that promoted deforestation-free supply chains in Colombia, Peru and Brazil.

10. Key features of the project are:

    - **Outcome 1**: The creation of a global database of corporate commitments towards deforestation-free supply chain was a "milestone" in the monitoring of commitments. It was viewed as a neutral, easy to use platform bringing new knowledge. It provided transparency on companies' commitments and led to mainstream "transparency" as a plurality of transparency tools were created with different objectives. With over 1200 companies, it is still the largest database of its kind. It showed that commitments alone are not sufficient to stop deforestation, implementation is key. Many companies realize that it is complex to implement the commitments - capacity building and/or resources on the ground may be necessary.
    - **Outcome 2**: The various studies brought new knowledge to support deforestation-free supply chains, especially exploring how REDD+ results-based payments and/or government funds could be used as a guarantee and/or for ecosystems services payments as part of new financial mechanisms. The Project has been effective in stirring changes in some banks (e.g. in Colombia, Peru) or the design of new financial mechanism (e.g. Brazil, Peru). Forest Trends is pursuing the implementation of an enhanced bond with the Brazilian Development Bank (BNDES) and had catalysed the design of compensation to farmers for avoidance of legal deforestation.
    - **Outcome 3**: The project has published the yearly assessment from the Corporate commitments assessments as well as numerous articles and blogs (see the list in Annex III), with some relayed by other media, a sign of effectiveness.

11. **Likelihood of impact**

    Several factors support the likelihood of impact. The Accountability Framework Initiative (AFI) started in 2017 and was launched in June 2019. It seeks to align existing tools and

instruments to provide greater transparency and accountability for companies utilizing these tools. Companies face increasing pressure from consumers, civil society, financial sector to commit to reduced deforestation supply chains. Furthermore, Signatories of the New York Declaration on Forests will face pressure to meet their target by 2020. Banks' and investors' awareness have grown on how corporate deforestation creates material risks in their portfolio. Innovative financial mechanisms linking REDD+ or other mechanisms to deforestation-free supply chains are being developed, but the process takes time (e.g. enhanced bonds in Brazil). Several collective initiatives for commodities are under discussion (the Soy Working group of Cerrado Group, the set-up of national and regional platforms through the Good Growth Partnership for palm oil in Indonesia and Liberia, cattle in Paraguay) and should foster more corporate commitments together with some innovative financial mechanisms to support deforestation-free supply chains.

12. **Efficiency**

    The project has been cost-effective. It relied extensively on partnerships for its implementation, which in addition to common research, resulted for many of them in providing co-finance. The project identified and mobilized these partners who were complementing Forest Trends expertise. Supply Change coordinated with the GEF6 Integrated Approach on Deforestation-free Commodity Supply Chains (renamed the Good Growth Partnership) through its Steering Committee Members who were common to both projects.

13. **Sustainability**

    The increasing demand for more transparency on both the companies and financial sector action taken against deforestation and climate, in general, is supportive to long term sustainability for monitoring commitments' needs. Such data tends to be considered as a public good. Finding the right business model for the Supply Change Platform is a necessity for its survival. Exploring technology use and better understanding of the users' needs to innovate are two areas to study. Design of financial mechanisms has been and remains the core activity for Forest Trends and as such, is more sustainable financially. The project has built capacities within Forest Trends as well as in the financial sector in Brazil, Colombia and Peru as some projects are being performed or being negotiated.

Conclusions

14. The Project contributed to its overall goal "to inform and promote the integration of public policies and private finances to scale up and maintain forest, biodiversity and ecosystem conservation in commodity production landscapes" by achieving successfully its 3 main objectives and partially to some of the 8 global environment benefits outlined in the ProDoc. It fills the information gap to support decision making for both the public and private sector. The issues with deforestation are very complex and the project alone is not enough to de-risk sustainable practices, make systematic improvements to policy and investments decisions, and reverse or limit the agricultural forest footprint. It requires a broadly inclusive approach that can act both at an international level as well as at a country level, in order to promote the necessary systemic approach.
15. Its major impact was to create the needed transparency on corporate commitments with a global, neutral database. It contributed to mainstream transparency for commodity supply chains. Transparency on corporate commitments has increased the awareness of

deforestation risks to the companies operating with the four key commodities as well as to the financial sector that has invested in the sector. Large public companies and those upstream in the supply chain are more likely to make commitments, probably due to higher reputational risk. Furthermore, factors such as well-established commodity certification, and/or the existence of collective initiative in tackling deforestation also elicit more commitments from companies. Tracking commitment is not enough to trigger their implementation, companies may need support as it is complex. Few are reporting on having a traceability system in place. The guidance provided by tools such as Accountability Framework Initiative or the Soy Tool Kit may help to build capacity, and resources may be needed on the ground for producers.

16. The project presented information on REDD+ funding and analysed its potential in terms of financing to support supply chains with reduced deforestation in Brazil. The REDD+ funding in Brazil was used mainly on Readiness activities so far, and not yet on the subsequent funding phases of implementation nor of result-based actions. The last phase could enable to structure project financing. Some new financial mechanisms building on REDD+ to support biodiversity have been designed, such as enhanced bonds. Financial mechanisms to provide incentives to producers to conserve more biodiversity or forest than the legal target are also being structured based on REDD+ potential results-based payments, but few are yet commercial. These may help better support sustainability efforts from farm to jurisdiction. There is no clear example yet.
17. The Protection-Production Compact presents a global framework that can support governments to meet its commitment to net zero deforestation while improving livelihoods through productive agriculture, but it depends on the financing system. For example, Athelia in Peru showed that both innovative policy and investment incentives can favour sustainable production.
18. Communicating the results to the targeted audience is important for awareness building and a potential uptake. While case studies are powerful to demonstrate the business case, the recommendations are limited to the few initiatives of the project. To scale them up, it would be good to track all existing projects and draw lessons on how to implement them and their impact on the ground.
19. The increasing demand for more transparency on both the companies and financial sectors' action taken against deforestation and climate, in general, is supportive of long-term sustainability for monitoring commitments' needs. Finding the right business model for the Supply Change Platform is a necessity for its survival and long-term sustainability.

Overall Project Rating

The overall "Supply Change: Securing Food, Sustaining Forests" has been rated as: **Satisfactory**. The detailed rating table is available in Section VI, table 11.

Lessons learned

20. **Lesson 1**: Partnerships play a key role to leverage expertise and co-financing for a project.

21. **Lesson 2:** Having a one-stop platform is powerful to promote the transparency of commitments and the convenience of use.
22. **Lesson 3:** Transparency of information is not enough to trigger a behavioural change, guidance or capacity building for implementation may be necessary.
23. **Lesson 4:** The Protection-Production Compact combined with an innovative financial mechanism provides an effective holistic approach to support the conservation of biodiversity and forest while promoting sustainable practices.
24. **Lesson 5:** REDD+ at Project level as part of the financing mechanism should be further explored.
25. **Lesson 6:** Design of financial mechanisms is a lengthy process subject to the political context.
26. **Lesson 7**: Agreeing on a standard to better define forest-based actions to meet the National Determined Country (NDC) goals would support the definition of the financial needs for forest based NDC activities.
27. **Lesson 8**: Explore the potential of greater collaboration and integration of the various transparency initiatives to increase the robustness of data and efficiency.
28. **Lesson 9**: Document stakeholder consultations.
29. **Lesson 10** Set up a documentation system for project to facilitate a smooth transition for staff.

Recommendations

Table 2: Summary of recommendations

Actor	N°	Recommendation	Timeline
Forest Trends	1	Define a strategy for a viable financial business model for the Supply Change Web Platform.	As soon as possible
UNEP / Forest Trends	2	Share lessons on the project and extract learning's from case studies/key research with pilot partners and governments.	early 2020
UNEP / Forest Trends	3	The case study is powerful for awareness but should include guidance for implementation in another context.	early 2020

I. INTRODUCTION

30. The "Supply Change: Securing food, Sustaining Forests" project's overall goal was to "inform and promote the integration of public policies and private finances to scale up and mainstream forest, biodiversity and ecosystem conservation in commodity production landscapes". The project will be referred to hereafter as the "Supply Change" project.

31. This document presents the terminal evaluation report of the Supply Change project. It is inscribed in GEF-5 Programming document (2010) and focuses on the Biodiversity Strategic Priority Number 2: mainstream biodiversity conservation and sustainable use into production landscapes/seascapes and sectors. It contributes to UNEP Programme of Work (Pow) 2014-2015; and 2016-2017 relating to the sub-programme Ecosystem Management, and its Medium-Term Strategy (2014-2017).

32. The United Nations Environment Programme through its Ecosystems Division was the implementing agency. Forest Trends (FT) was the executing agency. UNEP-FI within the UNEP Ecosystems Division has led part of Outcome 2 work.

33. GEF financing for the project has been US$ 1,884,751, realized co-financing was US$ 2,745,053, slightly above the set target. GEF approved the project on March 25 2015. Since the project was planned from April 2015 until April 2017 for a two years duration, no Mid-Term evaluation was performed given the short period. The project activities ran effectively from March 29, 2015, to November 30 2017, as planned. A second phase has started financed through a separate GEF funding in the 6th replenishment period. The project has a global geographical scope.

34. The goal of this evaluation as per the UNEP Evaluation Policy and UNEP Programme manual is to assess project performance (in terms of relevance, effectiveness and efficiency), and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. Its two primary purposes are: (i) to provide evidence of results to meet accountability requirements, (ii) to promote operational improvement, learning and knowledge sharing through results and lessons learned among UNEP, Forest Trends and the key project's partners. World Wildlife Fund (WWF), Carbon Disclosure Project (CDP), UNEP Finance Initiative (UNEP-FI), IDESAM (Brazil), Environmental Defense Fund (EDF), Earth Innovation Fund (EII), and International Union for Conservation of Nature (IUCN). The terminal evaluation is therefore expected to identify lessons of operational relevance for future project formulation and implementation, especially for the second phase of the project.

II. EVALUATION METHODS

35. The evaluation is the result of the analysis of a mix of project documents, interviews, and cross-checks of these data. It consisted of three phases (Figure 1), Desk phase, Data Collection and Synthesis phases.

Figure 1: Methodological phases for the Supply Change Project Terminal Evaluation

36. Secondary data collection: the Desk phase started with a briefing with UNEP task manager, Forest Trends project lead and the collection of project documents. The documents and initial discussions with the project team on the project were used to reconstruct the Theory of Change (TOC) at evaluation to assess the project's achievements, long term impact and sustainability; verify if any specific issues should be assessed during the evaluation, and prepare the evaluation tools. The stakeholders to be interviewed were identified through stakeholder analysis. This phase resulted in the elaboration and the submission of the Inception report including the work plan, the evaluation matrix (Annex I), key informants' interview guide, reconstructed Theory of Change, and stakeholders' analysis.
37. Primary data collection: The purpose of primary data collection was to validate information recorded and systematized by the project through feedback from key informants and was intended to contribute to the project accountability and learning both upstream and downstream. Primary data were collected from stakeholders through phone interviews. Given the global nature of the project, no field trip was done. The primary data collected were systematized in a data sheet presenting the key informant's answers comparatively.
38. 31 people were interviewed. A detailed list is provided in Annex II. A few external stakeholders who would have been benefited from the project's results were also interviewed (e.g. Government official in Brazil, companies).
39. The Synthesis phase: The study has been guided by the evaluation questions listed in the evaluation matrix as well as by the key questions included in the Terms of Reference. The findings were clustered by evaluation questions grouped under the UNEP criteria. The financial analysis is limited to the assessment of the consistency of actual vs. planned contributions and their correspondence to the project implementation needs (cost-effectiveness analysis). It is based on the project budget breakdown and connected, where feasible, to the main activities identified in the project's implementation.
40. Preliminary findings were presented on August 15, 2019, to the Project Management team by teleconferencing before the initial drafting of the report.
41. Limitations: The change of the Supply Change project manager at Forest Trends just at the start of the evaluation delayed the delivery of the evaluation by over a month. The project under review was held from 2015 until 2017. Several of the people who oversaw the project at that time have now moved to other professional careers and could not be

interviewed. The assessment of component 2 especially may have suffered due to these changes. The key partners and co-financers were contacted but many did not answer to the interview request.

42. Ethics and Human rights issues: The project had a global scope and was aiming at companies, policymakers and private finance to change their policies to better conserve forest, biodiversity and ecosystem in commodity supply chains, the focus was especially on environmental issues. Human rights and ethics issues were assessed as part of the analysis of companies and whenever possible, as part of the interviews with the various experts interviewed. This evaluation was carried out in accordance with the Ethical Code of Conduct as per the UNEP Evaluation policy, which includes the following key factors: (a) all interviews and information were provided in confidence and anonymously and no information can be traced back to a direct source/individual, (b) those involved in the evaluation have had the opportunity to review the evaluation findings as well as the main evaluation report, (c) the evaluator was sure to have empathy and sensitivity to different contexts and cultures in which stakeholders work.

III. THE PROJECT

A. The Context

43. The Supply Change project aimed to address, and to contribute to reducing the unsustainable production of palm oil, soy, cattle, tropical timber and pulp and paper, which are some of the main drivers of global deforestation and biodiversity loss. The Project document stated that "71% of tropical deforestation[2] between 2000 and 2012 was caused by commercial agriculture, 49%[3] of total tropical deforestation during the same time was due to illegal conversion for commercial agriculture. The value of agro-commodities produced in illegally converted land from tropical rainforests was estimated at US$ 61 billion[3] per year, of which 49%[3] was exported to EU, China, India, Russia and the USA. From a climate perspective, this equates to emissions of 1.47 gigatonnes[3] of CO2 per year on average between 2000 and 2012. According to the World Bank, the global carbon market was valued at US$176 billion[3] in 2011 compared to a turn-over of land-based commodities at more than US$ 10 trillion[4] in 2010-2011". This presented an enormous threat but also many opportunities to intervene.
44. In a global effort to counteract industrial agriculture's contribution to deforestation, private buyers' commitments to sustainably sourced commodities can be a powerful catalyst for global forest conservation. There was an important growing, but slow-placed, trend driven by 1) consumers, investors and policy-makers more conscious of supply chain impacts from grower to grocer; 2) corporate desires for security of supply and sound producer relationships; and 3) the international community's intensifying action at the intersection of communities, commodities, climate and the functioning of ecosystems. Despite some high-level commitments by both companies and governments, progress towards achieving them was too slow. There was an important gap in the information available about the nature of the goals, plans to meet them, and the progress made at the company level, country level and down to producer level.
45. One of the main aims of the project was to fill several critical knowledge gaps to provide decision-makers with answers on 1) the accountability for commitments, 2) the accountability for impacts, 3) effectiveness of commitments.
46. A key ambition of the project was to move from improving sustainable commodity production at the individual farm level to the landscape and country level, to secure supply, and from a REDD+ perspective, to ensure that certification tools are better linked with, and supportive of, achieving forest protection and forest-based greenhouse gas mitigation outcomes. There was limited primary data available on monetary and other incentives to producers and buyers. Another main aim was to use Forest Trends' expertise in structuring public and private finance to support sustainable landscapes, to provide additional knowledge on these financial mechanisms.

B. Objectives and components

47. The overall goal of the project was to "inform and promote the integration of public policies and private finances in order to scale up and mainstream forest, biodiversity and ecosystem conservation in commodity production landscapes".

2 Consumers Goods and Deforestation: an analysis of the extent and of the nature of illegality in forest conversion for agriculture, and timber plantations., Forest Trends, September 2014

3 State and Trends of the Carbon Market 201 , World Bank

48. Three specific objectives for fulfilling this goal were set. As per the approved results framework, they were to be achieved through seventeen outputs leading to three major objectives and eight outcomes.

Table 2: Project's Outcomes and Outputs

Objective: Component	Outcomes	Outputs
1 Create and maintain a global, state of the art, objective information and analysis platform to support both public and private sector decisions that favour sustainable commodity sourcing and production.	1.1 Increased awareness of corporate sustainability commitments to low or zero-deforestation in sectors with intensive land area impacts. 1.2 Increased transparency and accountability for corporate commitments to sustainable forestry and land use. 1.3 Illuminate intersection of commitments to certification of low deforestation ag/forest products, and regional REDD+ certification of and financing for reduced deforestation in production landscapes.	1.1.1 A global assessment of commodities/crops that derive value from assuring their positive environmental footprint, focusing on commodity sectors with an arguably significant forest footprint – palm oil, cattle, paper/pulp, and soy – and investigating associated corporate commitments to low or zero-deforestation/ degradation/conversion, social conflict mitigation and other sustainability indicators in these sectors. 1.1.2 For commodities under review, build a robust primary data set (tracking >75% of relevant programmes and proportion of commodity volume comparable to other tracking initiatives). 1.2.1 Secure corporate commitments to annually disclose performance data and/or support Forest Trends in the development of research products. 1.2.2 Develop mutually informative relationships with relevant supply chain actors and regional governments. 1.3.1 Rigorous data collection tracking REDD+ finance flows to and implementation of jurisdiction-scale programmes in relevant regions (piloting in Latin American states), identifying opportunities for optimizing jurisdictional REDD+

		activities/finance, corporate deforestation targets and on-farm certifications (also informing Project Component 2) findings made publicly available.
2. Promote, through pilot projects, case studies and other mechanisms, the means by which to mainstream biodiversity, forest and ecosystem conservation into sustainable commodity production and supply chains.	2.1 Uptake of financing mechanisms that encourage/support sustainable agricultural production. 2.2 Availability of models that mainstream biodiversity and ecosystem values in public and private sectors. 2.3 Public sector and investor awareness of regulatory frameworks or policies that account for biodiversity in financial systems.	2.1.1 Produce two case studies of existing financial mechanisms that encourage agricultural sustainability, including successes and lessons learned that can be applied in the development of new financial mechanisms. 2.1.2 Design one or more opportunities for new or modified financial mechanisms that can address agricultural sector barriers to sustainability while incentivizing improved practices and biodiversity conservation. 2.1.3 Conduct consultations on financing mechanisms with supply chain actors (4+), non profit or commercial credit institutions (2+), commodity roundtables (1+), tropical forest country institutions (3+), donor governments (2-4), and development finance institutions (2). 2.2.1 Development of one or more new sustainable funding models to support jurisdiction-scale sustainable production landscapes eg. 'Jurisdictional REDD+ Bonds'. Funding models could link global REDD+ values with ecosystem service values. 2.2.2 Conduct with UNEP FI stakeholder consultations (2+) on potential. 2.3.1 Develop guidance for the regulatory framework(s) and/or policy(ies) that effectively account for

		environmental and social risks in commodity supply chains as well as identify levers for change in current fiscal frameworks so that they support the removal of deforestation from commodity supply chains. 2.3.2 Conduct consultations on frameworks and policies with development financial institutions, private finance actors, and institutional investors.
3- Enhance, through the power of knowledge sharing and convening, a more effective dialogue in the various commodities sectors	3.1 New conservation policies and decisions in the public and agricultural sectors. 3.2 Increased visibility and incentives for voluntary public reporting and sharing best practice.	3.1.1 Forward-looking report outlining actionable steps for new conservation policies and decisions by producers, processors, policymakers and practitioners. 3.1.2 At least one "Katoomba-like" event focused on the theme of sustainable commodities to build inputs and awareness. 3.2.1 At least 6-8 articles/year and mainstream media coverage, with a target of 2-3 articles (or the equivalent) per year. 3.2.2 Reporting system to publicise achievements/commitments. 3.2.3 Dissemination of peer-reviewed findings via Katoomba event(s), and commitment relevant official gatherings. Host additional 2+ annually educational and inclusive reports/research launch events engaging public/private sector and producer community stakeholders in order to inform, involve and incentivize high profile stakeholder buy-in.

49. In addition, as per the Project Document, the project aimed to contribute to 8 global environmental benefits:

i. Promote clear, strategic decisions expanding conservation in critical sectors.
ii. De-risk sustainable practice change.
iii. Endow otherwise fragmented actors with momentum, capacity and confidence to act.
iv. Innovative policy recommendations and investment incentives that favour sustainable commodities.
v. Make improvements systematic to policy and investment decisions.
vi. Agility and appropriate incentives to sustainable producers, investors, shareholders, and ultimately to consumers.
vii. Expanded awareness of and demand for low-zero, or net zero-deforestation commodities; and
viii. Limit or reverse agriculture's forest footprint.

C. Stakeholders

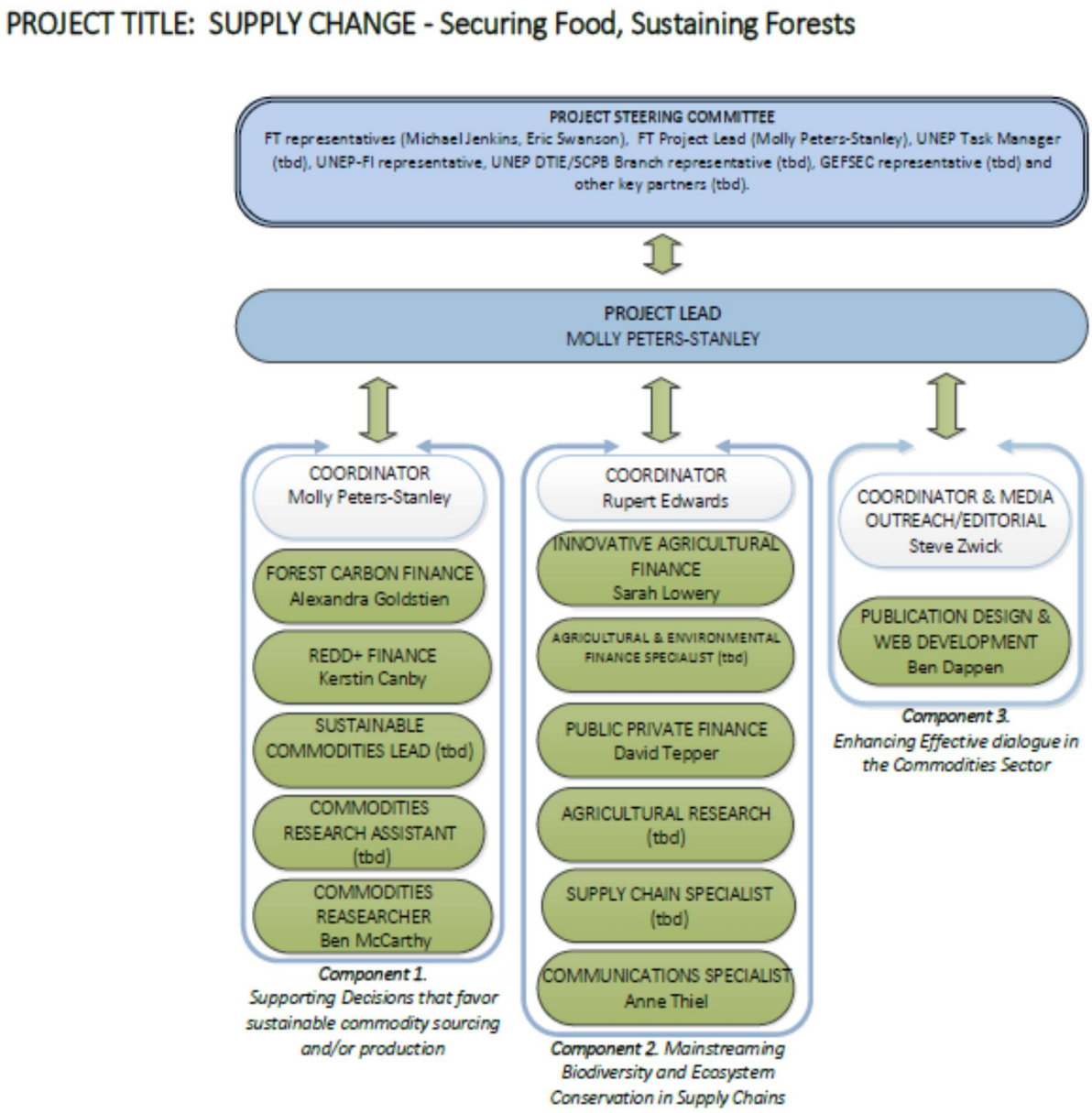
50. Forest Trends carried out its work in the area of deforestation and commodity supply chains with a broad range of partners and co-financing organizations.
51. The project objective was not to result in the creation of a new research program but to cut across and leverage the work, contacts and resources. The collaboration aim with **research and data tracking and analytical initiatives** was to collect objective information and build up the Supply Change information platform. While the CDP, WWF have shaped the design and been partnering throughout the project, other organizations like the Earth Innovation Institute, Climate Focus, Environment Defense were viewed as important to identify knowledge gaps, needs, and best practice.
52. The "**governments"** in the countries facing high deforestation in those commodity supply chains were target decision-makers to promote regulatory framework and policies that decrease the conserved forest, biodiversity and ecosystem in commodity supply chains.
53. Since sustainable sourcing for the commodities is mostly demonstrated through certification, **certification organizations** are a major information source for the project**.** This included the Forest Stewardship Council, the Programme for the Endorsement of Forest Certification, Rainforest Alliance and the agri-commodity roundtables (e.g. Roundtable on Sustainable Palm Oil, Roundtable on Responsible Soy, Global Roundtable on Sustainable Beef).
54. **Corporate organizations** were the primary target as the project should help them make commitments towards their deforestation policies in supply chains. The project chose to engage with the **business-facing programs or initiatives** to encourage corporate commitments and better scale the impact of the project. The Consumers Good Forum, the Tropical Forest Alliance were, therefore, key partners. They also sought the endorsement from more niche industry associations (e.g. The Sustainability Consortium, Innovation Forum). The project has also engaged directly with a few companies (e.g. Bunge as Steering Committee Member).
55. The Project Document indicates that the UNEP was in a position to ensure the appropriate linkages and coordination with relevant programs of the GEF, as well as with other **UN Agencies. UNDP,** the UN-REDD programme, were targeted as well as global environmental conventions focusing on climate such as United Nations Framework Convention on Climate Change (UNFCCC) and biodiversity such as the Convention on Biodiversity (CBD), the United Nations Convention to Combat Desertification (UNCCD).

56. Foundations (e.g. Mc Arthur Foundation), Governments (Norwegian Agency for Development Cooperation Norad, in Norway; International Climate Initiative, IKI Germany) and other institutions focusing on natural resources were identified to provide **co-finance** to support the project activities.
57. Institutions such as **Natural Resource Agencies** (e.g. Institute of Conservation and Sustainable Development of the Amazon, IDESAM, or the Abdul Latif Jameel Poverty Action Lab, J-PAL, in Brasil; Mecanisimo de Desarollo Alternos, MDA, in Peru and a range of engaged Non-Governmental Organizations including the Earth Innovation Institute, Climate Focus) were key partners for research studies.
58. The project had a global scope and did not target specifically women nor to underrepresented and marginalized groups. It promoted human rights on the Supply Change web platform by highlighting the issue through the creation of reporting categories on companies' profile for "Free Prior Informed Concern" as well as "Human Rights". No category for corporate commitment was predefined on gender which probably reflected the absence of corporate commitments.
59. All the stakeholders involved in the project, besides contributing as an expert, could also act as a promoter of the objectives of the project within their network, hence leveraging the potential for scale-up and mainstreaming the conservation of forest, biodiversity and ecosystem for commodity free supply chains.

D. Project implementation structure and partners

60. UNEP was the Implementing Agency. Forest Trends was the Executing Agency. A Project Steering Committee (PSC) has overseen project implementation. It was composed of Forest Trends (EM/Supply Change Director), the UNEP Task Manager, UNEP-Finance representative, a representative from the GEF Secretariat, a representative of Worldwide Fund (WWF) and a representative of Bunge for the private sector.
61. Forest Trends appointed a Project Manager to lead the Supply Change project and execute its activities. A team was appointed to perform each of the 3 components. The Project Manager was also directly in charge of Component 1. Project Organigram is provided in Figure 2 below.
62. The Project started in April 2015 and the Inception workshop was held on April 23, 2015. The hiring process for additional project staff was held during the period of June-August 2015. The Project Steering Committee met twice each year, once physically and one other time virtually during the period of June 23, 2015 and June 27 2017. The Steering Committee continued to meet after that date for the second phase of the project.

Figure 2: Decision-Making Flowchart and Organizational Structure at design



63. The key partners for the project and their role are provided in Table 5 below.

Table 3: Project Partners, their roles and contribution[4]

Partners	Role
UNEP and UNEP FI	Main implementing partner for the project; guided project development and implementation; guided development of follow-on project.

4 From Supply Change Final Report

Carbon Disclosure Project	CDP provided data for Supply Change; took an active role in project formulation; served on project Steering Committee.
World Wildlife Fund	WWF provided data for Supply Change; took an active role in project formulation; served on project Steering Committee; collaborated on reports and event.
UNDP	UNDP is the lead agency of the "Adaptive Management and Learning" and "Support to Production" child projects of the Commodities IAP. UNDP provided cohesion between Supply Change and the Commodities IAP; served on project Steering Committee.
IFC (World Bank)	Important partner with regard to finance-related work under Supply Change for data; assured alignment and synergy between the Commodities IAP's Transactions Child; served on project Steering Committee.
Consumer Goods Forum (CGF)	CGF is an active partner in Supply Change and provides a linkage between Supply Change and CGF's member companies. Partnered on analyzing CGF member commitments.
World Economic Forum (WEF)	Partnered on joint events to disseminate the project results through WEF organized events.
Tropical Forest Alliance (TFA2020)	Partnered on joint events to disseminate the project results through TFA2020 organized events.
Innovation Forum	Major event and outreach partner; have co-branding agreement.
Sustainable Brands	Partnered on knowledge dissemination events.
Climate Focus	Provided data and partnered on the New York Declaration on Forests Assessment reports in 2016 and 2017.
IDESAM (Brazil)	Partnered to collect REDD+ finance data in Brazil and to publish a report on the findings.
Environmental Defense Fund (EDF)	Collaborated on two separate reports, one analyzing the landscape of available REDD+ finance, and the other proposing potential synergies between corporate actions and government commitments to reduce deforestation in Brazil and Indonesia.
Earth Innovation Institute (EII)	Provided co-financing to support work and publications in support of the objectives of the GEF grant.
International Union for Conservation of Nature (IUCN)	Provided co-financing to support multiple publications, including the two mentioned above produced in collaboration with EDF.
Abdul Latif Jameel Poverty Action Lab (J-PAL)	Co-authored a report written by Forest Trends' Public-Private Finance Initiative, in support of the objectives of the GEF grant.
Mecanismos de Desarrollo Alternos (MDA, Peru)	Co-authored a report written by Forest Trends' Public-Private Finance Initiative, in support of the objectives of the GEF grant.

McArthur Foundation	Provided financing to support multiple publications, including reports analyzing the landscape of available REDD+ finance and forest carbon markets, and newsletters and articles covering the aforementioned topics.
IKI Germany	Provided financing to support REDDX tracking and analysis.
Program on Forests PROFOR -World Bank	Provided financing to support multiple publications, including reports analyzing the landscape of available REDD+ finance and forest carbon markets, and newsletters and articles covering the aforementioned topics.
Skoll Foundation	Provided financing to support REDDX tracking and analysis.
Good Energies Foundation	Provided financing to support multiple publications, including reports analyzing the landscape of available REDD+ finance and forest carbon markets.

E. Changes in design during implementation

64. No change affected the design of the project during its period of implementation. Some staff changed in the management of the project early in the project, but it did not impact the execution of the project. The component 1 and 3 were technically completed on June 30, 2017, and component 2 on November 30, 2017, given the initial delay in start. There was no request for a no-cost extension of the project.

F. Project financing

65. The project's total value was US$ 4,614,820 million. The project was financed with US$ 1,869,367 through the Global Environmental Facility (GEF) grant, and US$ 2,745,053 came from co-financing.

Table 4: Budget at Design and Actual Expenditures

Item **All figures as US$**		**Estimated cost at design (US$)**	**Actual Expenditure as at June 30 2017 (US$)**	**Difference (US$)**
Cost to GEF Trust Fund		**1,900,000**	**1,869,367**	**-30 633**
Co-finance Cash		**2,425,000**	**2,445,053**	**20, 053**
Co-finance In-Kind		**300,000**	**300,000**	**0**
Leveraged Financing				
Total Cost of Project		**4,625,000**	**4,614,420**	**-10 580**

66. The overall budget expenditure that includes GEF Trust fund and co-financing was allocated between the 3 project outcomes, the other remaining $125,000 are indirect costs for the project (Agency fee and terminal evaluation). Outcome 1 and outcome 2 were apportioned most of the total funding, 36 % and 33 % respectively, and outcome 3, 17%.

Table 5: Budgeted Expenditure by Outcome

Outcome	Budgeted Cost (US$)	Expenditure (US$)
Outcome 1	684,945	NA
Outcome 2	645,701	NA
Outcome 3	339,354	NA
Other indirect costs	125,000	NA
Total	1,900,000	1,884,751

IV. THEORY OF CHANGE

67. There was a need for a 'reconstructed Theory of Change -ToC- at evaluation' to assess the project impact. It was formulated using the approved results framework, through data collection and the analysis phases to come up with the current version, against which the project has been evaluated.
68. The Theory of Change (ToC) at evaluation explains the process of change from outputs (goods and services delivered by the project) through direct outcomes (changes resulting from the use of outputs by key stakeholders) through other "intermediate states" towards impact. It outlines the causal linkages between the intervention and longer-term outcomes as a set of interrelated pathways. Annex V provides the full overview of the output, outcomes, intermediate states and impact and changes from the initial log frame to a reconstructed ToC.
69. The intervention logic and causal links from activities to outputs presented in the project document and the results framework are coherent and thus have not been changed in the reconstructed Theory of change (see Figure 3). The project document identifies some assumptions and risks. Some can be influenced by the project, and would, therefore, be classified as drivers (See Table 14 in Annex IV).
70. Forest Trends estimated that commercial agriculture drives 71% of tropical deforestation, with palm oil, soy, cattle, timber and pulp being the main drivers to deforestation. The underlying logic of the project is based on the "leveraging power" of Forest Trends' work: leveraging the power of finance to impact resources; leveraging its partnerships with global organizations for the provision of data and finally leveraging of the Global Environment Facility's critical role in Biodiversity conservation with its network of Governments and NGOs. These are drivers for the project as they will reinforce the project's achievement toward the impact.
71. Outputs to Outcomes: The project outcomes are strictly connected, each of them contributing to the achievement of the project objective. The need for companies to **increase their commitments** is addressed by filling the major information gaps and enhancing the dialogue in the Commodities sectors.
72. **The first component** of the project aimed at creating and maintaining objective information and analysis on companies' commitments to support both private and public sector decisions that promote sustainable commodity sourcing. By designing a neutral platform presenting these commitments for the key commodities[5] in an easily readable way, this information aimed to i**ncrease the awareness, the transparency and accountability for commitments and impacts of companies towards sustainable commodity supply chain with low or zero deforestation.** It was expected that as the number of companies' commitments increased and the range of commitments widened, their effectiveness would be reinforced, thus contributing to their scale-up. Also, showing the **link between deforestation, REDD+ certification and finance mechanism** would reinforce the awareness of companies and further support their decision-making. While Forest Trends and World Bank provided more transparency around the structure and performance of carbon markets and price mechanisms, information on the drivers, impacts and infrastructure of sustainable forest commodity production was lacking. Knowledge of financing mechanisms is key to support sustainable sourcing as well as a **conducive regulatory framework.**

5 palm oil, soy, cattle, timber and pulp

73. **The second component** of the project aimed to promote, through the project, case studies and other mechanisms, how to mainstream biodiversity, forest and ecosystem conservation in commodity supply chains. **Sharing knowledge on the various financing mechanisms available, as well as designing new ones** can support sustainable agricultural production. In addition, guidance for **regulatory framework/policies to effectively take into account environmental and social risks in commodity supply chains** would also help the policymakers. The identification of 'levers for change' in fiscal frameworks would increase the public sector and investor awareness, and their integration in the framework/policies. Increased access to finance and a better understanding of the links between the project and jurisdiction scale of landscape would improve their incorporation into conservation and sustainable commodity production.
74. **Third component**: the publication and dissemination of reports, findings through media and the organization of events aimed to enhance the **dialogue in the commodity sector** and further support the **adoption of sustainable practices that conserve biodiversity.** This reinforced the other two components and contributed to the companies' commitments as well as more convergence of public policies and private finance to conserve biodiversity, forests and produce sustainable commodities.
75. The table outlining the difference between the outputs and outcomes as per the approved results framework and the reconstructed TOC at evaluation, and the justification for the changes can be found in Annex IV.
76. The overall project was based on the assumption that sustainable sourcing from companies would drive sustainable production on the ground which would promote zero deforestation. Major barriers to scaling up forest conservation are the lack of information and services and the lack of biodiversity incentives for producers at the landscape level. The lack of knowledge on financial mechanisms was viewed as a key barrier to scale up sustainable sourcing and production.

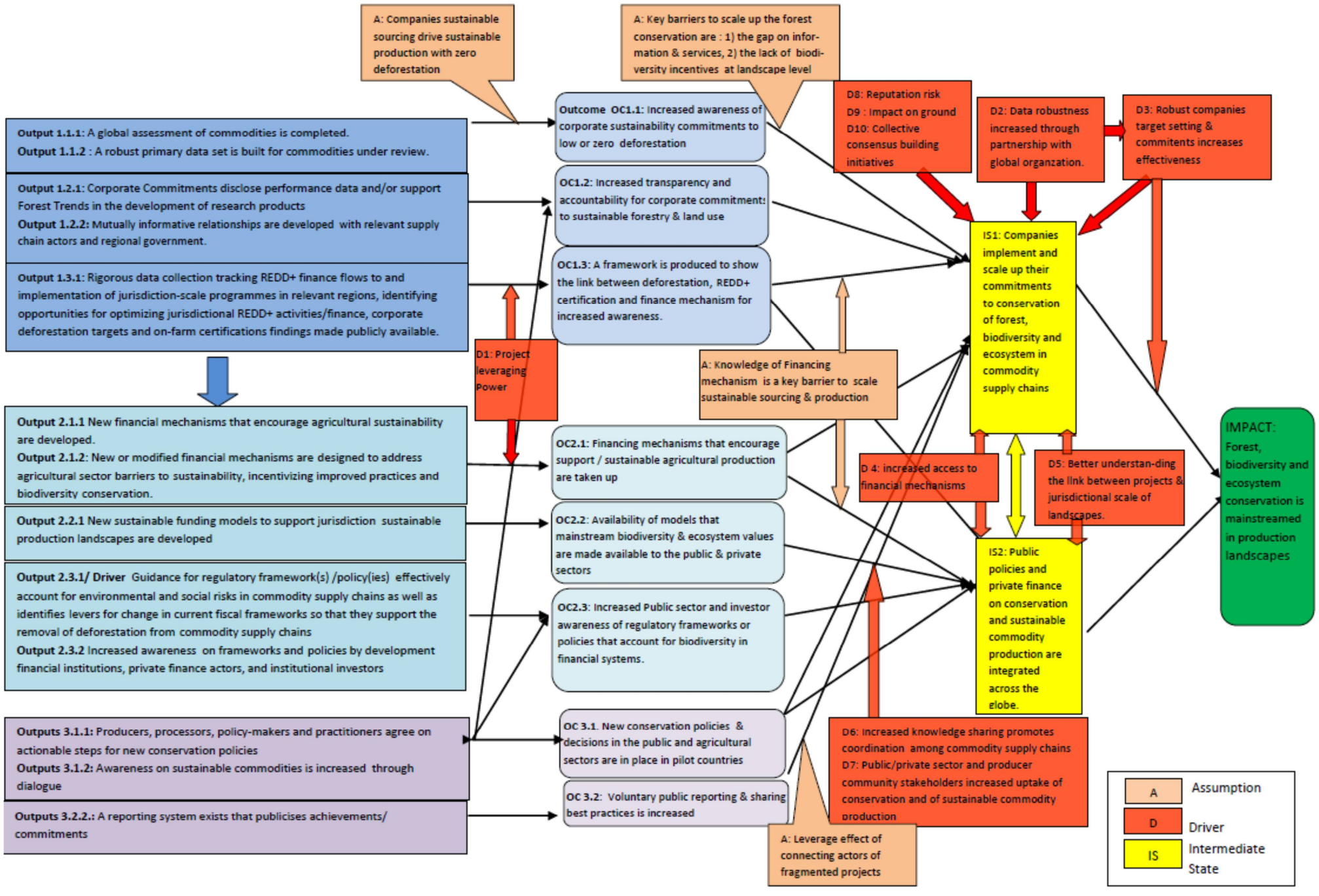
Reputation risk, impact on the ground, and collective consensus building initiatives were found to be important drivers during the evaluation to support commitments for conservation and sustainable commodity production.

77. The "leveraging" power acts as a driver to reinforce the outcomes. Outcomes to intermediate state and impact: The approved result framework did not identify intermediate states and impacts. To reconstruct the Theory of Change[6] at evaluation, two intermediate states were framed during the desk review phase. They are mutually reinforcing. The impact statement has been formulated based on the goals of the project and framed in line with OECD/DAC guidelines. 1) On one hand, the companies implement and scale up their commitments to conservation and forest, biodiversity and ecosystem in commodity supply chains. On the other hand, the integration of public policies and private finance is supportive of conservation and commodity production. There are several drivers. As the data is more solid, and as the enabling environment is more conducive, the companies' target setting is more robust, and the commitments are more effective. With the increased access to financial mechanism and the better understanding between projects and jurisdictional scales landscapes, this will have an

6 Project design at the time of this project did not require to reconstruct the theory of change.

increasing impact on the two intermediate states, leading to the impact. The increased knowledge sharing will increase the coordination among commodity sectors. This will contribute to the expected project Impact: forest biodiversity and ecosystem conservation is mainstreamed in production.

Figure 3: Theory of Change at Evaluation



V. EVALUATION FINDINGS

A. Strategic Relevance

78. The project was relevant to the UNEP Programme of Work (PoW) 2014-2015 relating to its subprogram Ecosystem Management, and its Medium-Term Strategy (2014-2017). Its objectives were aligned with the following selected focus areas:
    - climate change (e.g. SC focus on REDD+ production landscapes, climate resilience and uptake of financing mechanisms),
    - ecosystem management (e.g public sector and investor awareness of regulatory frameworks or policies that account for biodiversity in financial systems),
    - environmental governance (e.g public sector and investor awareness of regulatory frameworks or policies that account for biodiversity in financial systems, mainstreaming environment sustainability), and
    - resource efficiency (e.g. targeted commitments).

Alignment to MTS and PoW is rated as "Highly Satisfactory"

79. The project was relevant to Global Environment Facility (GEF) 5 and GEF 6 Programming Directions (e.g. Biodiversity 2: Reduce threats to Globally significant biodiversity, Biodiversity 4: Mainstream biodiversity conservation and sustainable use into production Landscapes and Sectors). It is especially aligned with the new GEF 6 Integrated Approach on deforestation-free supply chains.

Alignment to UNEP & GEF/Donor strategic priorities is rated as "Highly Satisfactory"

80. The project is also aligned with the multi-year plan of action on South-South cooperation (e.g. Identify market and trade-oriented mechanisms for innovations in technology to favour biodiversity (public-private partnerships), including the integration of biodiversity considerations into relevant regional trade agreements and mainstreaming biodiversity into productive landscapes, seascapes and sectors).

81. The project had a global scope and was relevant to regional, sub-national and national environmental priorities as it aims to support the convergence of regulatory frameworks and policies to conserve forest, biodiversity and ecosystem.

Relevance to regional/sub-regional and national issues and needs is rated as "Highly Satisfactory"

82. The project directly contributes to the GEF Forest Sustainable Forest Management Strategy, supports the GEF 6 Integrated Approach on deforestation-free commodity supply chains, and especially to its Commodities Integrated Approach Pilots involving several agencies (UNEP, UN Development Programme, International Finance Corporation, World Wildlife Fund, and Conservation International). The project, through the Supply Change platform, collects commitments data from other initiatives (CDP formally Carbon Disclosure Project, World Wildlife Fund scorecards, etc.) as well from publicly available information. The project was relevant to each of the commodities sectors: palm oil, soy, cattle and timber and pulp as these commodities are considered as the main deforestation drivers.

Complementarity with existing interventions is rated as "Highly Satisfactory"

Strategic Relevance is rated "Highly Satisfactory"

B. Quality of Project Design

83. Forest Trends' logic underlying the proposed project was to leverage the power of the financial markets to impact the resources and communities to protect forests and biodiversity. The overall project was well designed. Its strength was in leveraging existing data and networks for the project, to design the supply change web platform that enables to fill the information gap by publishing factual data on the companies' commitments, to publish reports and articles on financial flows with REDD+ and jurisdiction scale landscape. It had a participatory design with an extensive assessment of the context and stakeholders and contribution of partners in the definition of the intervention mechanisms and identification of activities with the consultative partners. The project document included a threat, root causes and barrier analysis.
84. The weaknesses of the project design were:
    - Although Forest Trends recognized the role of women in supply chains and the project focus is on deforestation and biodiversity, the reporting of companies' commitments were not differentiated towards gender needs. Including such a category in companies' profiles would have demonstrated how few companies' commitments were reported in this way. This would have highlighted the needed focus on gender issues.
    - While the information on companies' commitments and on finance mechanisms is key for companies to promote sustainable sourcing of deforestation-free commodities, it is also important to promote transparency and accountability for investors and banks to invest only in companies with deforestation-free supply chains. Similarly, the information was scattered for the financial sector at the design of the project, so reporting financial sector commitments may also have encouraged more commitments from the financial sector. A few investors/banks were already committing to deforestation-free investments, but progress was too slow[7].

The overall design of the project is rated as "Highly Satisfactory".

C. Nature of the External Context

85. The Supply Change project was global by nature without specific countries of implementation. Component 2 had planned some case studies in producing countries, including in Brazil. The political turmoil linked to the Impeachment of President Dilma Rousseff in 2016 and corruption scandals affected the country's political and economic stability and influenced some of the planned activities in Brazil.
86. At the time of the project design, the context was positive to track companies' commitments as there were several key initiatives: the Consumer Goods Forum declaration to move to zero net deforestation in 2012 and the New York Declaration on Forest's endorsement at the United Nations Climate Summit in September 2014. By October 2017, the New York Declaration on Forests was endorsed by over 191 organizations: 40 governments, 20 sub-national governments, 57 multi-national companies, 16 groups representing indigenous communities, and 58 non-government organizations. The project under its first phase under review saw positive growth for commitments. During its second phase then companies have slowed down making new commitments realizing the difficulty of its implementation and that the 2020 date was becoming close-by.

7 Global Canopy's Research Rogerson said that two-thirds of the financial institutions assessed in 2018 did not have any policies on deforestation, despite growing concerns that deforestation and related climate impacts pose a financial risk. http://www.ecosystemmarketplace.com/articles/evidence-companies-wont-meet-2020-deforestation-targets/

Nature of External Context is rated "Favourable".

D. Effectiveness

Delivery of Outputs

87. The project pursued its objectives through three major components towards its overall goal to inform and promote the integration of public policies and private finance to scale up and mainstream forest, biodiversity, and ecosystem conservation in commodity production landscapes.

Outputs for the delivery of Outcome 1

88. All the activities planned as part of the outputs were performed and several indicators were even exceeded. These were implemented by the Forest Trends' Supply Change team as well as by the REDDX[8] initiative from Forest Trends.
89. **Output 1.1.1 A global assessment of commodities is completed.** The Supply Change website[9] has been set-up to track the companies' commitments to reduce deforestation for palm oil, soy, cattle and pulp and timber. The target of data from 100 companies with forest-risk commodity commitments was largely exceeded as 1,201 companies were researched by the end of the project and 464 individual companies were profiled. The evolution of the number of companies tracked is provided in the table below.

Table 6: Evolution of number of companies with exposure researched and with commitments

	2015[10]	2016[11]	2017[12]	2018[13]	2019[14]
Total companies researched	243	807	1189	1209	
Companies with exposure being tracked	243	566	863	800	865
Companies with Commitments % from total companies researched	243	366 64	447 62	469 58	484 55
Total commitments across all commodities	307	579	760	774	

90. There were already 307 companies commitments reported in the first annual report in March 2015 on companies' commitments "Supply Change: Corporations, Commodities, and Commitments that count", 579 deforestation related commitments in the second report in 2016, and this had grown to 760 in 2017. The results of the analysis of the data to track progress on commitments and their implementation have been published in an annual report since 2015 in "Supply Change: Corporations, Commodities, and Commitments that count".
91. **Output 1.1.2 A robust primary data set is built for commodities under review.**
The Supply Change database, repository and web site (http://www.supply-change.org)

8 Forest Trends REDDX initiative is working in fourteen countries to track Reducing Emissions from Deforestation (REDD+) from donors to in-country recipients to REDD+ projects on the ground.

9 www.supply-change.org

10 "Supply Change: Corporations, Commodities, and Commitments that Count", March 2015

11 "Supply Change: tracking corporate commitments to deforestation free supply chains, 2016", June 2016

12 "Supply Change: tracking corporate commitments to deforestation free supply chains, 2017", March 2017

13 "Supply Change: tracking corporate commitments to deforestation free supply chains, 2018", 2018

14 "Supply Change: tracking corporate commitments to deforestation free supply chains, 2019", June 2019

comprises the largest [15] and most comprehensive global website for information on company commodities commitments. It covers palm oil, soybean, timber & pulp as well as the cattle sector. The project enabled the team to have an in-depth reflection on the definition of company commitments, how to rigorously track them, and present them in an attractive, easy to use mode on its web site.

92. There are as of September 2019[16], 493 entities profiled with risk exposure and having done a total of 1320 commitments. They are spread into 607 palm oil, 367 timber & pulp, 176 soy, 130 cattle, and 40 generals. This represents a total of 185,252,343 hectares, for an estimated value of US$ 96.8 billion.
93. **Output 1.2.1: Corporate Commitments to annually disclose performance data and/or support Forest Trends in the development of research products are secured.** The project has tracked companies' commitments from public data sources. It has also forged a formal 2 years agreement with CDP (formerly Carbon Disclosure Project) which runs the global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts. Some companies agreed to use a subset of their data for Supply Change. At the same time, some of the companies tracked by Supply Change were encouraged to disclose under CDP. Forest Trends had also a formal 2 year agreement with the World Wildlife Fund and UNEP Finance. During the time of the project, additional partnerships were formalized with an agreement with Earth Innovation Institute (EII), Environmental Defense (EDF), Institute of Conservation and Sustainable Development of the Amazon (IDESAM), International Union for Conservation of Nature (IUCN). In addition, the project had a strong cooperation with several organizations (e.g. World Economic Forum/Tropical Forest Alliance, Consumer Goods Forum, Global Canopy Program, Sustainable Brands, Innovation Forum).
94. **Output 1.2.2 Mutually informative relationships are developed with relevant supply chain actors and regional government.** Besides tracking corporate commitments, the project looked into the availability of Reducing Emissions from Deforestation and forest Degradation (REDD+) funding to highlight opportunities to optimize corporate targets setting and jurisdictional REDD+ activities and finance. The REDDX initiative from Forest Trends tracks REDD+ finance from donors to in-country recipients to REDD+ projects on the ground in fourteen countries, collectively representing around 1.1 billion hectares of tropical forest. Around US$ 10 billion were pledged to finance REDD+ activities in developing countries between 2009 and 2016
95. **Output 1.3.1 Rigorous data collection tracking REDD+ finance flows to, and implementation of, jurisdiction-scale programmes in relevant regions, identifying opportunities for optimizing jurisdictional REDD+ activities/finance, corporate deforestation targets and on-farm certifications findings made publicly available.** An in-depth study[17] was also performed in Brazil, the main REDD+ recipient with over US$2.2 billion committed to REDD+ in Brazil in that period. Donors and recipients prioritized REDD+ readiness activities in Brazil (e.g. stakeholder engagement, institutional strengthening and public policies) as the country was developing a legal framework for national REDD+. Only a small portion went towards implementation activities such as the provision of credit to producers, technical assistance and payments for environmental services. To move to subsequent REDD+ phases, the Pay-for-Performance (PFP) or Results-Based Finance, the country must establish the framework to equitably share REDD+ benefits across all levels of governance (local, state, national) and stakeholders (farmers, communities, indigenous populations, NGO's, etc). The Amazon Fund has been the main recipient of REDD+ fund, its disbursement efficiency had increased over the period. In 2016, Brazil was the 6th larger GHG emitter in the world[18], with Agriculture, Forestry and Other Land Use (AFOLU)

15 Transparency tools in commodity supply chains, an overview, December 2018 Proforest

16 www.supply-change.org accessed September 6 2019.

17 Bastida, Ana Crolina, Mariano Colini Cenamo and Gustavo Silva Chavez. 2017. Mapping Financial Flows for REDD+ and Land Use in Brazil: National and Sub national Analysis for the Period 2009 through 2016. (Washington, DC: Forest Trends, 2017)

18 US Environmental Protection Agency, 2016

accounting for 68 % of national emissions, compared to a world average of 24 %. The study [17] could track only US$ 80 million, mainly from international and national non-governmental nonprofit organizations to fund projects for low deforestation and zero-deforestation commitments. It focused on the dissemination of sustainable practices and development and implementation. In the absence of a consolidated national REDD+ strategy, the Amazon states had designed 2 states program level in Amazonas and Acres states to achieve jurisdictionally defined targets.

96. The REDD+ fund tracking for the 14 countries and the study on Brazil were key as it brought awareness on the mapping and potential volume of REDD+ finance both at the national and sub-national level. In Brazil, the use of SEEG[19] statistics instead of the national statistics was however contested by some government officials at the time of the study as well as the REDD+ approach of carbon offset use, which did not correspond to the government position as it would reduce their Nationally Determined Contributions (NDC) under the Climate Paris Agreement.

Outputs for the delivery of Outcome 2

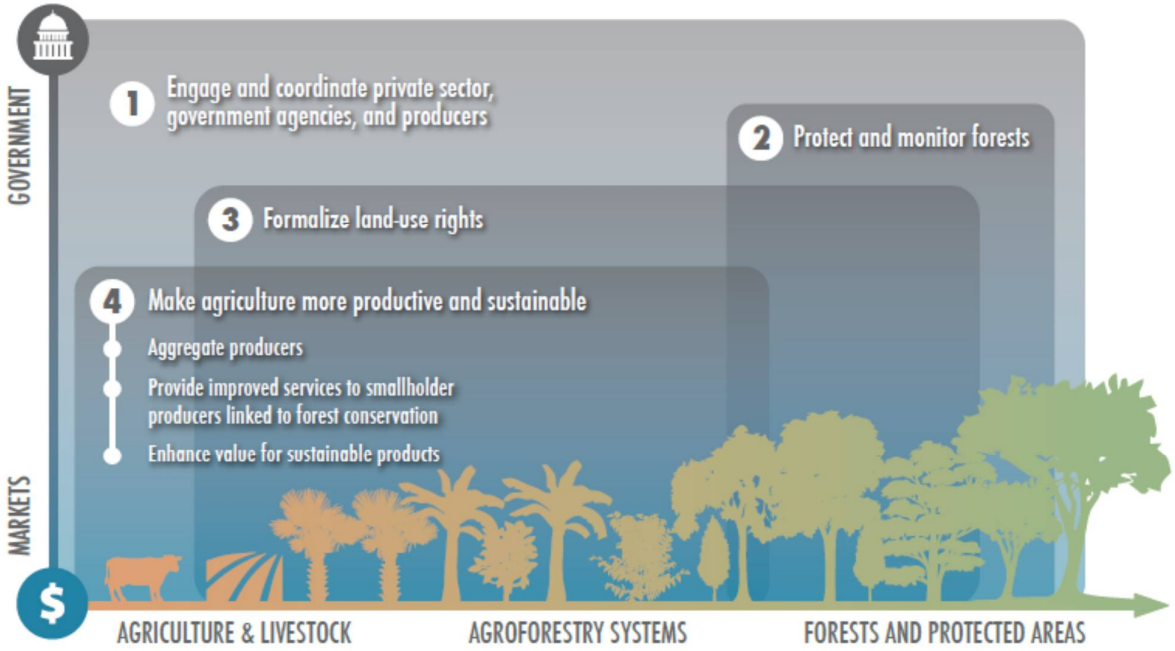
97. Outputs for Outcome 2 have been shared between Forest Trends and UNEP Finance to present case studies on a financial mechanism and to develop new innovative ones.
98. **Output 2.1.1. New financial mechanisms that encourage agricultural sustainability are developed.** An initial report[20] by Forest Trends was done in 2015 on available rural and sustainable agricultural credit in Brazil. It brought awareness in the banking sector of the importance of credit to sustainable agriculture. It prompted some capacity building within various banks to better assess credit to farmers.
99. The case study[21] done in Peru highlighted the protection-production compact framework as shown in Figure 4 below, as a key element of Peru's strategy to reduce deforestation. It provided a holistic approach as it aimed to improve farm productivity and rural incomes while reducing deforestation. The key challenge was how to finance climate-friendly practices. It has been applied by Fondo Crecer in Peru (US$ 400 million) together with the development bank. They could target smallholders and offer a 12 % interest rates compared to an initial 23 % for credit lines.

19 SEEG 2016, Plataforma SEEG Total de Emisoaes, Http://plataforma.seeg.eco.br

20Désirée Lopes and Sarah Lowery, Rural Credit in Brazil: Challenges and Opportunities for Promoting Sustainable Agriculture. ((Washington, DC: Forest Trends and Abdul Latif Jameel Poverty Lab, J-PAL, November 2015)

21 Szott, Lawrence, Gustavo Suárez de Freitas, Victor Galarreta, Daniel Coronel, and Frank Hicks. 2017. A Financial Strategy for the Production-Protection Compact in the Peruvian Amazon. (Washington, DC: Forest Trends, 2017)

Figure 4: Elements of the Protection-Production Compact[22]



100. Another case study23 described an innovative financing mechanism where Athelia Ecosphere, an environmental asset manager, structured a project in Madre de Dios, the "Tambopata-Bahuaja REDD+ Project". It combined funding from international and private investors, a guarantee from a development institution and co-financing from the Peruvian government to address deforestation and social development in a risk area of the Peruvian Amazon. The project demonstrated the value of the Production- and Protection approach and of working at a REDD+ project level. The innovative feature was to use the credits generated by the Tambopata REDD+ project as means of repayment and collateral of the loan from Athelia, using carbon credits sales proceeds and the total carbon asset value to collateralize the loan. This demonstrated that both innovative policy and investment incentives can favour sustainable production.
101. These two case studies in Peru showed how the potential of applying innovative mechanisms to the Production-and-Protection compact approach supports sustainable production while addressing deforestation. REDD+ at Project level as part of the financing mechanism should be further explored in future projects.
102. **Output 2.1.2 New or modified financial mechanisms are designed to address agricultural sector barriers to sustainability, incentivizing improved practices and biodiversity conservation.** A case study was planned for Colombia by the UNEP Finance Initiative. An internal report included the analysis of existing financial products, gap analysis from the perspective of the demand side, highlighting constraints and institutional barriers limiting access to finance to producers. Due to unforeseen requirements, the financial institution Finagro could not approve the project of the Case study on implementation within the agreed time frame of the project. Preliminary work brought through consultation with the bank in Colombia informed the integration of sustainability in some of their policies and design of new credit lines.

22 Danielle King, Frank Hicks, Gena Gammie, Victor Galarreta, Larry Szott, Daniel Coronel, Luis Miguel Ormeno and Monica Leal, October 2016.

23 Ormeño, Luis Miguel and Joshua Gregory. 2017. Financing Conservation and Sustainable Land Use in the Amazon: Althelia's Tambopata-Bahuaja REDD+ and Agroforestry Project. (Washington, DC: Forest Trends, 2017)

103. **Output 2.2.1 New sustainable funding models to support jurisdiction sustainable production landscapes are developed.** A major report was published with the World Bank[24] presenting eight different REDD+ Bond and finance mechanism. Three of them with the greatest potential were analyzed in more detail. There is no agreed standard for what constitutes forest-based actions to meet the National Determined Country (NDC) goals. There is a need to better define the financial needs for forest- based NDC activities as they generate mitigation or adaptation benefits. The study shows that the proposed enhanced bond structures could overcome several of the challenges to achieving NDC forest finance at scale. They would enable future results-dependent revenue streams from Results-based-payment (RBP) to be effectively used to source large-scale, low-cost upfront investment from capital markets.
104. **Output 2.3.1 Driver Guidance for regulatory framework(s) /policy(ies) effectively account for environmental and social risks in commodity supply chains as well as identifies levers for change in current fiscal frameworks so that they support the removal of deforestation from commodity supply chains.** Some work had been initiated in Brazil on models to link REDD+ Payments for performance (PFP) to support the implementation of the Forest Code with a focus on support at the sub-national state level for "Production and Protection " in Mato Grosso, to position as a jurisdictional source for legal and sustainable commodities. These models were designed to complement the work on Green Bonds. They could take the form either of Payment for Performance (PFP) supporting concessional credit to landowners for compliance with the Forest Code via reforestation or PFP supporting landowner compliance with the Forest Code via compensation with the Environmental Reserve Quota (Cota de Reserva Ambiental "CRA) and easements in Priority Conservation and Protected Areas. Unfortunately, changes at the Ministry of Environment did not enable these streams of work to be continued as planned during the life of the project. The approach[25] was nevertheless adopted by a local consortium (ICV, IPAM, EDF) to inform their work on compensating farmers for avoided legal deforestation.
105. The proposal for a financial architecture to protect forests[26] was to provide an integrated strategy linking three areas: enhancing the effectiveness of the REDD+, supporting the implementation of forest country policies and legislation and harnessing private sector funding for forest protection from commodity buyers, agribusiness, and consumers. This laid down an innovative view on the overall context applying it to the Brazilian case, linked to the Forest Code. Since it was prospective and took a different approach than the official Brazilian position in climate negotiations, it is difficult to appraise the potential long-term impact yet.
106. The Study on Trade Measures [27] looked into "a Forest Code measure" or "a sustainable territory measure" in Brazil which would involve a tariff reduction for a sustainable product, an increased tariff for unsustainable products, a prohibition of imports of unsustainable products. Such measures would infringe international trade rules. There could be scope for bilateral measures with China, to some extent the EU and with the USA, though the latter does not import much from Brazil. Bilateral trade measures might be difficult to implement given the legal, political and economic issues around them. Given the Doha failure, there might be nevertheless scope for forceful trade measures. This study was an interesting attempt to look into the fiscal mechanism. While it may not have so much potential at the time of the writing of the study, the current increasing trade war between the USA and China might provide additional opportunities to further increase Brazilian exports to China, but the integration of the sustainability criteria may still be weak.

24 Eis, Jason, Charlie Dixon, Edward Charles Day, Ronaldo Serroa da Motta, Rupert Timothy Guy Edwards, Gregor V Wolf, Klas Sander. 2017. The potential role of enhanced bond structures in forest climate finance. (Washington, DC: World Bank Group, 2017)

25 Edwards Ruperts, November 2016, Linking REDD+ t Support Brazil's Climate Goals and Implementation of the Forest Code.

26 Edwards, Rupert. 2018. Toward a financial architecture to protect tropical forests: The case of Brazil (Washington, DC: Forest Trends, 2018)

27 Gregory, Joshua. 2018. Trade Measures to Support Legal and Sustainable Agriculture in Brazil (Washington, DC: Forest Trends, 2018).

107. The work in Brazil was carried out by the partner IDEASAM, leading to two reports[28]. The first one as indicated above (Paragraph 105) highlighted how the REDD+ finance was so far allocated mainly to Preparedness as the country was setting the legal framework. The second one, written jointly with EDF looked into aligning corporate and national commitments in Brazil and Indonesia. While several companies committed to eliminating deforestation in their supply chains, their efforts are often in isolation of governments plans. The report has identified concrete recommendations for both private and governments in pursuing similar objectives. Extensive stakeholder engagement and consultation was performed by IDEADAM and Forest Trends PPFI in Brazil. Some participants indicated that the Amazon Fund, which was assessed, found the technical assessment robust, despite pointing to some of their weakness. It was nevertheless highlighted by one informant that these schemes are likely to be adopted by large companies, while the deforestation is mainly performed by small producers at the frontier of the forest. Projects focusing on these small-scale farmers are necessary.
108. The studies done for achieving outcome 2 were interesting and have the merit of providing case studies of models that work, as well as presenting innovative financial mechanisms based on REDD+ finance. They are a very important input but to prompt a change in decision making, they need to be made easily accessible to the targeted audience. Many stakeholder consultations were conducted to present the findings of these case studies and innovative mechanisms. While impacts have been presented anecdotally for most of the studies, there is no systematic evaluation report provided after the consultations, the evaluator could not assess the impacts of these consultations on the awareness of participants and how they used it in their decision making.

Outputs for the delivery of Outcome 3

109. **Output 3.1.1. Producers, processors, policymakers and practitioners agree on actionable steps for new conservation policies.** The yearly global analysis has been performed since 2015 and provides new insight into companies' commitments. The 2018 report[29] focused on traceability which is key for understanding supply chain risk. Less than half of the 800 companies reviewed with the " big four" commodity exposure have made a traceability intent. From those, only 47% (98 companies) made clear, actionable commitments to carry out traceability. Among these, few have included time-bound traceability ambitions as part of their commitment to avoid deforestation. This work on traceability sheds some light on the need to look into how the commitments are implemented. With the lack of a traceability system, there is no assurance of how such commitments can be implemented and monitored.
110. **Output 3.1.2 Awareness on sustainable commodities is increased through dialogue.** Forest Trends has, in the past, been known for setting up Katoomba events with wide participation of stakeholders, that could benefit from the sharing of knowledge and networking potential at such events. China is a key buyer of agricultural products and rarely requests for sustainability criteria. While during the design, there was the potential to organize one event in China, the conditions did not enable to do it as planned. So, a series of public events and webinars were organized with key partners. The evaluator could not evaluate the impact of the substitute public events and webinars compared to reaching the Chinese market. Evidence suggests that despite this change, there was some increased awareness. In 2018 there were 69 users of the Supply Change Platform from China compared to 35 the previous year of the website.
111. **Output 3.2.2. A reporting system exists that publicizes achievements/ commitments.** The reporting system was effective. A total of 58 articles, external media have been published

28 Report 1: Bastida, Ana Carolina, Mariano Colini Cenamo, and Gustavo Silva Chávez. 2017. Mapping Financial Flows for REDD+ and Land Use in Brazil: National and Subnational Analysis for the Period 2009 through 2016. (Washington, DC: Forest Trends, 2017) ; Report 2: Miller, Dana, Breanna Lujan, and Brian Schaap. 2017. Collaboration Toward Zero Deforestation: Aligning Corporate and National Commitments in Brazil and Indonesia.

29 Supplementary slides: Zooming in companies, commodities, & Traceability commitments that count, 2018.

during the project. Some of these articles have been relayed by other media. In addition, 4 launch events, 3 report-related webinars and 5 other webinars, as well as 36 speaking engagements, were performed during the two-year project. The first summary report (2015) for commitments was downloaded 30,000 times, the second one (the New York Declaration on Forests) was downloaded 37,000 times from the web site. At the end of the first year, there were a total of 42,000 visits on the web site with 8,500 distinct visitors with over 40% of the users returning. Furthermore, some of the major companies tracked in the website had substantial views after one year (Cargill: 556, Unilver:490; Marks & Spencer: 250; 3 M :211; Walmart:194).

112. All the statistics above show that the visibility was increased, and major efforts were made to communicate results but it is difficult to assess the concrete impact on the decision making for a deforestation-free supply chain.

Overall delivery of Outputs is rated "Satisfactory"

Achievement of project outcomes

Component 1: Create and maintain a global, state of the art, objective information and analysis platform to support both public and private sector decisions that favour sustainable commodity sourcing

113. **Outcome 1.1 Increased awareness of corporate sustainability commitments to low or zero-deforestation.** With 1201 companies researched to date and 464 companies profiled on its website (www.supply-change.org), the Supply Change has been successful in creating a **global database** for the palm oil, soy, cattle, timber and pulp companies' commitments towards deforestation-free supply chain. It is viewed as a **neutral platform bringing new knowledge and provides a clear and easy access** to companies' public commitments on deforestation-free supply chain.

114. When initiated in 2015, **Supply Change platform was a** "**milestone**" as there was limited infrastructure to monitor companies' commitments, and these were not on a continuous basis[30]. It led stakeholders and companies to reflect on the definition and how best to report commitments. It created awareness on the importance of corporate sustainability commitments. The Figure 5 below shows the structure of Supply Change information tracking.

30 Examples of monitoring of companies commitments are World Wildlife Fund's corporate commodity scorecards, States of Sustainability Initiatives. CDP was focusing more on the financial side and Carbon disclosure.

Figure 5: Structure of Supply Change data

115. **Outcome 1.2 Increased transparency and accountability for corporate commitments to sustainable forestry and land use.** The platform provided **transparency** on companies' commitments and a way to compare them more easily, with objective and neutral data. There was a steady increase of companies reporting their commitments during the time of the project from 307 to 447 in 2017 (+ 45 %) while the increase slowed down (484 in 2019, or + 8 % since 2017). The percentage of companies with commitments from the total number of companies researched has been steadily declining since 2016 to 2019 (see table 6).
116. **The Business structure and size have influenced the reporting, as the reputation risk is higher for large companies**. The analysis[31] of the companies with commitments indicates that they are twice as large as companies without commitments. 54% of companies with commitments and 36% of companies without commitments are publicly traded.
117. **Transparency has increased especially upstream**. As of 2017, retailers had the lowest rate of commitments (54%) in the supply chain. The rates were much higher for companies operating "upstream" within supply chains (producers, 71%, processors 72%, traders 70% and manufacturers 66%).
118. **The transparency on the commitments is not sufficient to promote the accountability of commitments**. In 2017, the analysis of the progress of these commitments shows that one in five commitments has a target rate that is past due (or without date). A third of the 447 companies with commitments have at least one commitment that is dormant. Nevertheless, companies seemed to increasingly incorporate policies that address on-the-ground impacts including biodiversity, wildlife, reduction of greenhouse gas emissions and improving water management.
119. What are other factors[32] that may support the reporting of commitments? Commitments on palm and timber and pulp have been the most important as there are **well-established certification** programs that require also some reporting. Commitments are considerably lower for soya and cattle, despite their large impact on deforestation. The lack of a strong

31 "Supply Change: tracking corporate commitments to deforestation free supply chains, 2017", March 2017

32 Analysis is especially based on the Supply Change 2017 report which corresponded to the time of the project. The results remain valid for the more recent years.

certification may be one of the main factors. Some shift towards a more direct impact on the ground is occurring within the use of the Roundtable for Sustainable Palm Oil (RSPO)[33] certification. The share of the RSPO credit trading has steadily declined since 2015 while increased use of mass balance chain of custody is seen. RSPO certification has been used as an indicator of sustainability for Palm Oil by the Supply Change Platform. It truly reflected a no-deforestation commitment after RSPO introduced a no-deforestation requirement in its RSPO revised standard in 2018.

120. The presence of **collective initiatives tackling deforestation is the main driver to promote deforestation-free commitments** among its members (e.g. members of the High Carbon Stock Approach Group, Tropical Forest Alliance 2020, Tropical Forest Trust). **Supply Change led to mainstream transparency on commitments**, as a plurality[34] of transparency tools were created with different objectives. Those with the closest objectives to Supply Change are Forest 500 (created by Global Canopy to rate how companies address their deforestation risk in supply chains) and the Sustainability Policy Transparency Toolkit (SPOTT) for Palm Oil. Forest 500 includes 350 companies with the greatest influence within global supply chains and 150 key financial institutions identified by Forest 500 as exposed to forest risk in commodity supply chains. SPOTT supports the financial sector and supply chain stakeholders to manage ESG risk through transparency assessments of soft commodity producers and traders, it focuses on 100 Palm oil companies as well as on the timber and pulp sector. While Supply Change remains **the most comprehensive database** with over 1201 companies analyzed, the data currently as presented provides an initial company overview, which is useful for the financial sector to analyze a company status in terms of deforestation-free supply chain, but **does not enable a detailed analysis which would be needed for an investor or a bank**. Several interviewees indicated that it would be interesting to see **how greater collaboration** could be done among the various tools and even, the creation of a Meta framework to pool them could be considered.
121. **Supply Change is limited by the quality of the data it must work with**. Therefore, the data in the profile does not show the strength of the commitments. Supply Change data is neutral, it does not "name and shame" companies. It is used by other organizations for advocacy purposes, which might put more pressure on companies to change behaviour. Data analysis was published in the Supply Change annual assessment. In addition, they partnered for research studies with some organizations valuing the objectivity of data to provide more in-depth view on the commitments. For example, the 2018 Supply Change assessment report done in partnership with Ceres analyzed the company's traceability commitments. An analysis was done also with Climate Focus[35] on the impact of company commitments.
122. **Commitments are not sufficient to promote clear and strategic decisions to better conserve biodiversity in critical areas**. First, very few companies reported their progress. While in 2017, there was 51% reporting on implementation, this is minimal in 2019, close to the 2020 target date. **Counting of commitments is not enough, it is important to see the impact on the ground**. There is little evidence that company commitments produce the necessary market signal to shift producer behavior. Many companies either do not have, or do not report, their traceability system which is a first step to identify where the commodities are sourced from. Commitments are not sufficient to stop deforestation; they have to be implemented.
123. Many companies realize that it is complex to set up sustainable supply chains and to monitor them. They need to have **capacity building and resources on the ground to train farmers**. The tools such as the Accountability Framework Initiative and the Soy Tool kit may provide some guidance. Companies such as Cargill and Cofco have publicly

33 https://www.rspo.org/impact

34 Transparency tools in commodity supply chains- an overview. Proforest, December 2018.

35 Thiago Chagas, Charlotte Streck, Hilda Galt, Steve Zwick, Ingrid Schulte, Alan Kroeger, Ashley Thompson, Impacts of Supply Chain Commitments on the Forest Frontier, Climate Focus, Forest Trends for TFA 2020, June 2018.

acknowledged their use of the Soy tool kit to support the design of their policies on deforestation.

124. **Outcome 1.3 A framework is produced to show the link between deforestation, REDD+ certification and finance mechanism for increased awareness**. The sources for the REDD+ funding were highlighted in some of these regions. The information is very good and a key input to decision-making, but it is difficult for a company to make a clear link with its own commodity sourcing, accessing such finance and how-to de-risk its sustainable practice.

Component 2: Promote, through pilot projects, case studies, and other mechanisms, the means by which to mainstream biodiversity, forest and ecosystem conservation in commodity production and supply chains

125. **Outcome 2.1 Financing mechanisms that encourage/support sustainable agricultural production are taken up.** The various studies brought new knowledge to support deforestation-free supply chains, especially exploring how REDD+ results-based payments and/or government funds could be used as a guarantee and/or for ecosystems services payments as part of new financial mechanisms.
126. The Project helped facilitate some private finance to support sustainable practices. For example, in Colombia, the Finagro bank integrated environmental and social criteria in their policies and designed new credit lines. The Peru case studies showed it is possible to structure an innovative financial mechanism with a protection-and-production approach. The key aspect for these financial mechanisms to be effective and scalable is their potential to generate market-rate financial returns. The monetization of the emission reduction in the carbon market is, therefore, a key factor.
127. **Outcome 2.2 Models that mainstream biodiversity and ecosystem values are made available to the public and private sectors.** The World Bank study provided some innovative options of enhanced bonds which are now being studied to be implemented. One option is still currently in discussion with the Brazil Development Bank (BNDES) in Brazil.
128. It is not possible to assess the impact of a prospective study such as the "financial architecture to protect forest", as there were no specific reports on the consultations done. Furthermore, the approach taken would require very large-scale REDD+ results-based funding commitments and linking the future results-dependent REDD+ revenue stream to current financing flows for forest protection. It has the merit of outlining a potential integrated framework to optimize REDD+ funding, implement forest policies and harness private funding in Brazil, but it is not aligned with the current Brazilian position as they do not wish to reduce their National Determined Contributions (NCD) under the Paris agreement by using carbon offset and furthermore they tend to just focus on zero illegal deforestation.
129. **Outcome 2.3 Increased Public sector and investor awareness of regulatory frameworks or policies that account for biodiversity in financial systems.** The case study on rural credit in Brazil analyzed the financial current practices and showed the importance of rural credit to promote sustainable agriculture. It was effective as it prompted capacity building in banks as they could integrate new screening criteria. This impacted directly commercial lending.
130. Several consultations were carried out, and only anecdotal impact was provided. The evaluator cannot assess their impact on awareness-raising and behavioural change, as there is no systematic report from these consultations.
131. The work has been effective in stirring some changes in some banks (e.g. in Colombia, Peru) or the design of new financial mechanism (e.g. Brazil, Peru). While such initial studies provided some case for innovative finance, they need to be implemented to verify if the commercial conditions make them attractive. Guidance to translate these studies into concrete steps for designing these financial mechanisms would be needed to ease their implementation. Forest Trends is pursuing the implementation of an enhanced Bond with BNDES and had catalyzed the design of compensation to farmers for avoided legal deforestation.

Component 3: Enhance, through the power of knowledge sharing and convening, a more effective dialogue in the various commodities sectors.

132. **Outcome 3.1 New conservation policies and decisions in the public and agricultural sectors are in place in pilot countries**. As indicated above, the project led some banks in Brazil, Colombia and Peru to have set policies or have developed financial mechanisms that are supportive of sustainable commodity production that conserve biodiversity, forest and ecosystem. The Production-protection model is being actively analyzed for implementation in some countries in Latin America, showing how this could influence some public policy decisions. The Supply Change reports on commitments also showed an increased number of corporate commitments during the period of the project. These are some evidence that the outcome is being achieved.
133. **Outcome 3.2 Voluntary public reporting and sharing of best practice is increased**. The project has published the yearly assessment from the Corporate commitments assessments as well as many numerous articles and blogs (see the list in Annex III), with some relayed by other media, a sign of the effectiveness of the communication. The work was presented in conferences via the Innovation Forum.
134. The conditions did not allow to organize a Katoomba event in China, a major importer of the 4 commodities being tracked. Changing the behaviour towards more sustainable procurement practices in China could have a huge impact. While there were workshops, webinars and aggressive media outreach, it is not possible to evaluate how they contributed to decision making to support deforestation-free supply chains. The communication done by Forest Trends is seen positively and as effective by some of their partners.

The overall achievement of the Outcomes is rated " Moderately Satisfactory"

Likelihood of impact

135. The project outcomes are directly contributing to the desired impact through the changes presented before. The impact should be scaled up further through the influence of the identified key drivers.
136. Data Robustness should be increased with the emergence of the **Accountability Framework Initiative (AFI**), which was started in 2017 and was launched in June 2019. It seeks to align existing tools and instruments to provide greater transparency and accountability for companies utilizing these tools. It was developed by leading NGOs in close coordination with relevant platforms such as the Consumer Goods Forum and Tropical Forest Alliance 2020 and with key transparency tools such as Global Forest Watch, Carbon Disclosure Project, TRASE, and Supply Change. This should guide companies for setting up **more robust commitments** and implementing them.
137. The Consumers Good Forum had set a **target for zero net deforestation by 2020**, which is almost there. Pressure will increase for its members to meet their target in the coming months to manage their reputation risk. For example, Greenpeace[36] has already shown that despite commitments, most have not implemented them. Many articles and other reports are already relaying similar messages. Companies, especially those that are public, will have to manage their risks linked to deforestation exposure (e.g. reputational risk, legality risks, reduced access to credit). Reputation risk is more likely to drive change.
138. Banks' and investors' awareness has grown on how corporate deforestation creates material risks in their portfolio. They are themselves under scrutiny from transparency tools (e.g. Forest 500, CDP) while they also benefit from information on companies' commitments. The UN Principles for Responsible Investment for Investors (PRI), and the just-released, Principle for Responsible Banking by UNEP-FI, help guide them on how to

36 Countdown to extinction, Greenpeace, 2019

better address corporate deforestation within banks. Many Banks and Investors in Europe and North America have integrated **Environment, Social and Corporate Governance (ESG) criteria** for their portfolio, and some work done is done in Asia and Latin America where they are more lagging. Companies exposed to deforestation risks will become even more pressured to address them in the future.

139. Innovative financial mechanisms linking REDD+ or other mechanisms to deforestation-free supply chains are being developed. The process is long but there are big hopes. For example, a 4-year financing for sustainable commodities backed by green bonds aimed at supporting Brazilian farmers to avoid the clearing of the country's grasslands has been launched on July 8 2019 with the support of UNEP FI Enhanced Bonds are likely to be launched by BNDES in the future.
140. The likely impact mainly depends on the studies held in the project. To scale them up, Forest Trends would need to be able to better track all existing projects (see Ecosystem Markets Maps[37]) and draw conclusions from them on potential lessons, and how they impact on the ground. Currently, there is no systematic integration of policy and investment decisions.
141. **Collective initiatives for commodities can be effective to stop deforestation**. The soy moratorium has been a success to stop deforestation but has created leakages in the Cerrado. 23 companies had signed a Statement of Support for the Cerrado Manifesto (SoS) Group in 2018. The Soy Working group of Cerrado Group found an agreement to stop deforestation in the Cerrado due to soya, but this is subject to proper financing
Work undertaken through the Good Growth Partnership with the set-up of platforms is also instrumental to find a consensus for commodities like Palm Oil in Indonesia, of cattle in Paraguay.
142. While some of these impacts cannot be attributed directly to Supply Change, having data and transparency on commitments is a starting point. This shows that the "collective action" and "reputation risk" act as a potential driver for setting commitments and drive impact on the ground.
143. Supply change has also recently diversified to initiate work on cocoa, another commodity viewed as a key driver of deforestation, so it should enhance the potential for impact.

Likelihood of Impact is rated "Likely"

Overall Effectiveness is rated "Satisfactory"

E. Financial Management

Completeness of financial information

144. All financial documents were provided to the evaluation team. The project expenditures by budget line and annual performance were presented but not detailed by component. All relevant legal agreements, including the Project Cooperation Agreement, as well as the proof of fund transfer, were given to the evaluator. No revision was made to the initial budget. There were 5 cash advances during the period of September 15 2015 and September 15 2017 for a total of US$ 1, 655,000. The last settlement of US$ 229,751.52 was not disbursed at the closing of the project, since the financial report for closing had not been finalized until July 1 2019, due to changes of staff both at Forest Trends and at UNEP.
145. A co-financing report with the details for each co-financer was provided. The table below provides a summary of the co-finance as reported on July 1st 2019. From the identified sources of co-finance at budget, USAID, CLUA, Moore Foundation and Credit Suisse did not materialize for this project. Co-finance was realized from other organisations not listed in

37 https://www.forest-trends.org/about-our-project-data/ Ecosystems Markets Maps

the project document such as the Consumer Good Forum, Skoll Foundation. The Norad Fund provides co-finance to Forest Trends as well as its work with several partners (WWF, EII, EDF, Good Energies). The ratio of co-finance to the GEF Fund was 128 % which is not high, but the co-finance was extremely strategic to the delivery of the outcomes of the project. The co-financing came from several organizations that brought their complementary technical expertise to Forest Trends to perform some research work for the project.

Table 7: Table showing realized co-finance

Co financing (Type/ Source)	UNEP own Financing (US$)		Forest Trends cofinancing received (US$)		Total (US$)	
	Planned	Actual	Planned	Actual	Planned	Actual
– Grants of which: Governments Others*			2,425,000	2,445,000 1,270,000 1,175,000	2,425,000	2,445,000
– In-kind support	300,000	300,000				300,000
Totals	300,000	300,000	2,425,000	2,445,000		**2,745,000**

Note 1: co-financing at budget includes World Bank, USAID, Germany/IKI, NORAD, CLUA, Moore Foundation, Mac Arthur Foundation and Credit Suisse.

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

146. Actual total expenditures from the GEF Grant almost balanced with the budget, with US$ 30, 633 underspent, which included US $ 30,000 for the evaluation. The initial budget has been revised as per the November 26 2019 version to reflect the changes in personnel, higher travel expenses, and a reduced administrative cost to include the evaluation cost. The table below shows that there has been a lot of reshuffling around the components and among budget lines for both the use of the GEF grant, as well as from the cash from co-finance. For example, from the total personnel cost, a larger share was included in the actual expenditure, and less personnel being co-financed. The co-financing analysis from budget lines shows that the administrative support and the cost of the premises were included as part of the project while it was not accounted for initially. Also, the participation in the cost of the evaluation of some of the funding agencies was included. Despite this reshuffling, the overall cost of the project has been 3% less than budgeted.

Table 8: Total project expenditures by budget component

US$	GEF Grant Budget initial	GEF Grant Budget revised	GEF Grant Actual	Cofinancing Budget	Cofinancing Actual	Total Project Budget	Total Project Actual
Personnel Component	1 524 404	1 702 630	1 702 630	2 217 500	1 624 883	3 741 904	3 327 513
Administrative Support	95 000	59 835	59 835	-	355 559	95 000	415 394
Staff Travel	29 808	92 300	92 300	70 000	59 011	99 808	151 311
Training/meeting component	173 108	1 449	1 449	207 000	9 597	380 108	11 046
Equipment& Premises	26 369	6 106	5 473	19 500	369 549	45 869	375 022
Miscelleaneous component	21 311	7680	7 680	61 000	16 453	82 311	24 133
Other(evaluation)	30 000	30 000	-	-	10 000	-	10 000
Subtotal	**1 900 000**	**1 900 000**	**1 869 367**	**2 575 000**	**2 445 052**	**4 445 000**	**4 314 419**

147. The table 9 below shows actual GEF grant expenditure, calculated by the evaluation consultant, based on the same proportion allocated in the budget for each component/outcome, in the absence of the data provided by the project's finance team.

Table 9: Expenditure by Outcome/Output

Component/sub-component/output All figures as US$	Estimated cost at design US$	Actual Cost/ expenditure (estimated) US$	Expenditure ratio (actual/planned) %
Component 1/ Outcome 1	789,945	1,034,531	131
Component 2 / Outcome 2	645,701	386,712	60
Component 3 / Outcome 3	339,354	147,095	43
Non allocated		301 029	16
Subtotal	1,870,000	1,869,367	
Others	30,000	30,000[1]	
Total	**1,900,000**	**1,899,367**	

Source: Project Document, GEF UNEP Final Financial Report with UNEP budget line.

148. The analysis of the actual expenditures for the GEF grant shows that funds have been redirected to the activities of component 1 (+ 31 %) and this figure could even be higher as 16 % of the expenditures had not been reallocated. As no Katoomba was done in China, a major source of these funds came from component 3. Since not all financial activities occurred as anticipated in Component 2, some reallocation has also been done towards Component 1.
149. Copies of the financial audits were provided for the evaluation. The final expenditure sheet was signed. There were no gaps in financial information, only the split between components was not presented. There was some delay in presenting the key financial information to finalize the project as well as to the evaluator due to changes in the project team.

Completeness of project information is rated "Moderately Satisfactory"

Communication between finance and project management staff

150. The Project Manager and the Task Manager were aware of the project's situation during the time of the project. There were several staff changes in Forest Trends [38] as well as in UNEP [39] which meant that the financial closure report of the project was sent only on July 1 2019 by Forest Trends. Interviews with the UNEP Fund Management Officer and Forest Trends Manager indicated that financial management during the period of the project implementation was sound. There were no specific financial issues during that period, with good communication. The last disbursement during the project was made in March 2017. For the last disbursement, there were some queries in 2018 on discrepancies in figures which had not been answered due to staff changes.

Communication between finance and project management is rated as " Satisfactory"

Table 10: Financial Management Table

NON-GEF AND GEF PROJECTS			
Financial management components:		**Rating**	**Evidence/ Comments**
1. Completeness of project financial information[40]:		MS	Documents were provided but lacked component detail. Delays occurred in the provision of documents due to staff change.
Provision of key documents to the evaluator (based on the responses to A-G below)		S	
A.	Co-financing and Project Cost's tables at design (by budget lines)	Yes	Cofinancing provided budget categories
B.	Revisions to the budget	No	
C.	All relevant project legal agreements (e.g. SSFA, PCA, ICA)	Yes	
D.	Proof of fund transfers	Yes	
E.	Proof of co-financing (cash and in-kind)	Yes	
F.	A summary report on the project's expenditures during the life of the project (by budget lines, project components and/or annual level)	Yes	The summary expenditure was by budget line, not by component
G.	Copies of any completed audits and management responses (where applicable)	Yes	
H.	Any other financial information that was required for this project (list):	No	
Any gaps in terms of financial information that could be indicative of shortcomings in the project's compliance[41] with the UNEP or donor rules		No	
Project Manager, Task Manager and Fund Management Officer responsiveness to financial requests during the evaluation process		MS	Project Manager was slow to respond as he had just taken the post and he was not provided all the necessary background information
2. Communication between finance and project management staff		S	Rated S although there were some delays in answering requests due to staff change

38 Project management changed once during the project time, and twice after the first phase of the project.

39 The manager directly in charge of the Project Management of component 2 has moved to new responsibilities. There was one change of the Financial manager.

40 See also document 'Criterion Rating Description' for reference

41 Compliance with financial systems is not assessed specifically in the evaluation. Nevertheless, if the evaluation identifies gaps in the financial data, or raises other concerns of a compliance nature, a recommendation should be given to cover the topic in an upcoming audit, or similar financial oversight exercise.

Project Manager and/or Task Manager's level of awareness of the project's financial status.	S	Awareness was good
Fund Management Officer's knowledge of project progress/status when disbursements are done.	S	Knowledge was good
Level of addressing and resolving financial management issues among Fund Management Officer and Project Manager/Task Manager.	S	Due to several Project Manager changes, there was some delay in addressing queries and with the last disbursement request
Contact/communication between by Fund Management Officer, Project Manager/Task Manager during the preparation of financial and progress reports.	S	Contacts was good
Overall rating	**S**	

The overall Financial Management is rated as "Satisfactory"

F. Efficiency

151. The project has been cost-efficient as it relied extensively for its implementation on partnerships, which in addition to common research, resulted for many of them in co-financing. The project identified and mobilized these partners who were complementing Forest Trends expertise. The financial management was cost-efficient as budget from outcome 3 was reallocated to outcome 1 which was the most resource-intensive component of the project. Structured partnerships with Memorandum of Understanding have been signed with World Wildlife Fund (WWF), CDP (formerly Carbon Disclosure Partner), UNEP -Fi, Institute of Conservation and Sustainable Development of the Amazon (IDESAM), Environmental Defense Fund (EDF), International Union for Conservation of Nature (IUCN), Earth Innovation Institute (EII).
152. The technical completion for the project was November 30, 2017 (June 30 2017 for outcome 1 and 3, and November 30 2017 for Outcome 2 which started later). The project did not require a no-cost extension, as there was GEF funding for a second phase of the project.
153. Supply Change coordinated with the GEF6 Integrated Approach on Deforestation-free Commodity Supply Chains (renamed the Good Growth Partnership) through its Steering Committee Members from IFC, WWF, UNEP-Fi, as they were also Steering Committee members of the Good Growth Partnership. Supply Change will provide data on Beef companies commitments to IFC Paraguay.
154. Given the nature of the activities, there was no specific environmental footprint, except for some travels, nor unintended consequences.

Efficiency is rated as " Highly Satisfactory"

G. Monitoring and Reporting

Monitoring Design and Budgeting

155. The Monitoring and Evaluation Plan set at project design is adequate. It includes all the necessary GEF requirements in terms of project reporting (e.g. Inception report, Half Yearly Progress reports, quarterly financial reports, Financial audit, Project Implementation Review (PIR), Project Terminal Report. The Project document indicated that, the first year PIR served as a Midterm Review, since the project is a two years project. The data collection frequency was set and appropriate. The Results Framework defined objectively verifiable indicators, a baseline and target, as well as the method of verification. Indicators in the Results framework were defined mainly in quantitative terms of product deliverable (e.g

database, case study) and were SMART[42]. Indicators were not disaggregated by relevant stakeholder groups including by gender and minority or disadvantaged groups. The monitoring was to be performed by the Project Manager.

156. The indicative GEF project budget for Monitoring and Evaluation at design was US$ 30,000 which basically corresponded to the budget of the evaluation, while it was anticipated that the monitoring and reporting activities would be financed from the project management budget. Financial management was financed from Forest Trends directly. There was no individual budget for the monitoring and reporting, except to cover the Terminal Evaluation expense. The budget was sufficient.

Monitoring Design and Budgeting is rated " Moderately Satisfactory"

Monitoring of Project Implementation

157. The monitoring of the implementation was performed by the Project Manager. The monitoring system was implemented from the start of the project and enabled the tracking of progress of most of the activities as well as the financial aspects of the project satisfactorily. The monitoring of the workshops was not done systematically, which did not enable to assess their impact. The necessary reporting requirements were met on time during the life of the project and shared with project managers and steering partners. Only the closing financial reports were delayed due to staff changes. Due to the global nature of the activities, data were not disaggregated by gender and vulnerable groups.
158. Adaptive management was used as the conditions did not allow to organize the Katoomba event in China as anticipated, so mini-events and intensive media communication were performed instead. The budget was also mainly reallocated to finance the Supply change platform activities.

Monitoring of Project Implementation is rated " Moderately Satisfactory"

Project reporting

159. Project reporting was outlined in Appendix 7 and 8 of the Prodoc. It was performed accordingly. Reports were concise and provided needed information on the delivery of the outputs to support the outcomes. Reports were written in a neutral manner and were not gender sensitive. There was effective collaboration and communication with UNEP colleagues.
160. Given the global nature of the activities, there was no specific data to support specific gender-sensitive reports, even though, if training attendance or stakeholder participation in seminars could have provided such information. In addition, the lack of data on workshop monitoring (attendance, feedback) did not allow to report on their impact. Donor reporting was provided for the overall funding without gaps.

Project reporting is rated "Moderately Satisfactory"

Overall Project Monitoring and Reporting is rated as "Moderately Satisfactory"

H. Sustainability

Socio-political sustainability

161. The project was global, so the "ownership" of stakeholders can only be assessed as a likelihood of companies to continue making commitments towards deforestation-free supply chains. Given the pressure from customers, civil society and the financial sector, and the increased transparency, the reporting on commitments is likely to continue.

42 Specific, Measurable, Achievable, Relevant, Time- bound

Furthermore, there is also more pressure to measure the impact of these commitments. More robust data and improved transparency tools (e.g. Accountability Framework Initiative, Global Forest Watch, Carbon Disclosure Project, TRASE, and Supply Change) should help tracking their impact on the ground, but additional research is still needed. The sustainability of the outcomes depends on the increased transparency on the impact of the commitments.

162. Brazil was viewed as one of the main case study countries. The Brazilian political context had already impacted the project. Deforestation had decreased by more than 80% during the period from 2004 to 2012. Since that date, deforestation had increased, especially in 2019. While Brazil had set a good legal framework to protect its biodiversity and forest with the Forest Code, the political turmoil[43] created uncertainty. The project could still mitigate its actions creating new contacts with the current government. Nevertheless, the political context[44] is now much less favourable and it could weaken or even change some of the environmental legislation, which is key.
163. The financial sector is facing increasing disclosure pressure (e.g. from Non-Governmental Organizations rating tools, from the Task Force on Climate-related Disclosure (TFCD)) which requires more scrutiny in their companies' portfolio. The increasing demand for more transparency on both the companies and financial sector action taken against deforestation and climate, in general, is supportive of the Supply Change commitment monitoring and desired outcome.

Socio-political sustainability is rated "Moderately Likely"

Financial sustainability

164. Supply Change data is using public information and can be considered as a public good. The platform needs to be maintained, and data have value only if they are updated.
165. GEF is currently financing the Supply Change Platform for a second phase. The new business model after this second phase was still not clear at the time of this evaluation. The project is currently exploring how to better serve the needs of the financial service by doing some specific research for UNEP Finance. They are expanding across the palm oil value chain in Indonesia to identify the variable that could explain why companies would be either champion or laggards, and whether this information could be of use for the financial sector. Finding the right business model for Supply Change is a necessity for its survival. Exploring technology use and better understanding of the user's needs to innovate are two areas to study. The research on users' needs should encompass the financial sector, as well as collective initiatives (e.g. Consumers goods forum, sustainability standards) as well as donor agencies, or individual companies. Discussion of collaborative models with other Transparency initiatives should also be explored
166. The financial activities (component 2) under the Supply Change have been rather disconnected to the Supply Change Platform and correspond to the core activity of Forest Trends. It seems easier to present new projects for additional funding of new innovative financial mechanisms. While it is not clear to the evaluator what are the current alternatives, the fact that discussions are still ongoing with Banco Nacional de Desenvolvimento Econômico (BNDES) for example, indicate that these financial activities are sustainable.

Financial sustainability is rated "Moderately Unlikely"

Sustainability of the Institutional Framework

43 The project has been impacted by the turmoil created with the impeachment of Dilma Rousseff.

44 The election of Jair Bolsonaro has created a different type of uncertainty on the project, as his political program is prioritizing the expansion of agriculture over the preservation of the forests and the biodiversity, as well as on the preservation of the Indigenous people habitat.

167. The project built capacity within Forest Trends for tracking and analyzing companies' commitments. Forest Trends already had in house financial expertise, but the project strengthened Forest Trends' position as a think tank on financial mechanisms to support a deforestation-free commodities supply chain.
168. The project is global, but nevertheless, it has built some capacities in the financial sector in Brazil, Colombia and Peru as some projects are being performed or being negotiated with banks and governments. There is no strong mechanism to sustain results at the institutional level. This is a sign of some sustainability in the institutional framework.

Sustainability of the Institutional Framework is rated as "Moderately Likely"

Overall Sustainability is rated as "Moderately Unlikely"

I. Factors affecting performance

Preparation and Readiness

169. The project started on March 29 2015 with the inception on April 23 2015. The staff were hired, and activities were set-up. The Steering Committee was created and had its first meeting on June 23, 2015. Discussions with key partners were done. The first disbursement occurred in September 2015.

The preparation and readiness is rated " Satisfactory".

Quality of Project Management and Supervision

170. Forest Trends has efficiently managed the project for achieving its target despite change early in the project of its Programme Manager. Nevertheless, since additional changes occurred in the project management after the end of this project, including at the time of the evaluation, it delayed the evaluation by over one month due to the absence of a project log that would have eased the search of information for the evaluator as well as the transition for the new Programme Manager. Closing of the project happened at that time
171. There was a lack of integration of the work for Outcome 2 as part of the Supply Change project during the period 2015-2017, as several members of the current Steering Committee did not know much of these financial activities and were focusing only on corporate commitments.
172. Management from UNEP was good. UNEP FI work was affected by the conditions in Colombia, but their management was good.

The quality of project management is rated " Satisfactory".

Stakeholder participation and Co-operation

173. There was strong co-operation with several organizations where some resulted in a formal partnership and helped achieve the project target. Corporate Organization, the main stakeholder group, was involved through the cooperation with the Consumer Goods Forum and the Tropical Forest Alliance. There were some consultations, webinars, events held during the project which allowed the participation of a wider range of stakeholders. Some partial evidence was provided to the evaluator on the stakeholders reached and the impact of these consultations. The project had a global scope to provide environmental, social and economic impact on the ground by promoting public and private commitments to conserve forest, biodiversity and ecosystem in commodity supply chains. This should contribute to poverty alleviation.

Stakeholder's participation and cooperation is rated "Satisfactory"

Responsiveness to human rights and gender equity

174. The project had a global scope and it should provide environmental, social and economic impact on the ground by promoting public and private commitments to conserve forest, biodiversity and ecosystem in commodity supply chains. Human rights were tracked in corporate commitments but not gender issues. Having a specific tracking would have highlighted the gender issue to companies and promoted companies' gender-sensitive policies and commitments. While Forest Trends cares about gender issues, other attempts to integrate the gender issue were not clear during the implementation of the project. For example, highlighting gender focus participation in training or stakeholder consultations could have been done.

Responsiveness to human rights and gender equity is rated " Moderately Unsatisfactory"

Country ownership and Drivenness

175. The project had a global scope, so country ownership does not as such apply. The work done under component 2 enabled local financial institutions to provide better financing conditions.

Country ownership and Drivenness is not rated

Communication and Public Awareness

176. The Project has published several studies and shared them through the website, articles, blogs, webinars, stakeholder consultations. Some have been relayed by media. Key audiences have been reached, but it is difficult to assess how effective they have been. Nevertheless, some of the learnings of the financial mechanism have been used in Colombia, Peru and as well currently in negotiation in Brazil. The studies on commitments have been well received by the people interviewed. Some of the Research organizations indicated they found the communication of Forest Trends very good.

Communication and public awareness is rated "Satisfactory"

VI. CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

177. The Project contributed to its overall goal "to inform and promote the integration of public policies and private finances in order to scale up and maintain forest, biodiversity and ecosystem conservation in commodity production landscapes" by achieving successfully its 3 main objectives and contributing partially to some of the 8 global environment benefits laid in the ProDoc. It fills a gap in information to support decision making for both the public and private sector. The issues with deforestation are very complex and the project is not sufficient to de-risk sustainable practices, to make systematic improvements to policy and investments decisions, and to reverse or limit the agriculture's forest footprint. It requires a broadly inclusive approach that can act both at an international level as well as at a country level, to promote the necessary systemic approach.

1- The Supply Change Platform project created the needed transparency on corporate commitments

178. The project has been successful in creating a global database for the palm oil, soy, cattle, timber and pulp companies' commitments towards deforestation-free supply chain (Objective 1). It is viewed as a neutral platform with clear and easy access bringing new knowledge. 1201 companies were researched and 464 companies with commitments profiled on its website as part of the project. The objectivity of its data makes it a trusted, neutral database.
179. The Platform creation in 2015 was a "milestone" as there was limited infrastructure to monitor companies' commitments. It led nongovernmental organization and companies to reflect on the definition of commitments and to the creation of other transparency tools. The project may have catalyzed transparency to be "mainstreamed" for the commodities supply chain as some transparency tools with different objectives were created. This may have been contributed to the creation of the Accountability Framework Initiative to harmonize commitments' definitions and guidance to companies. Nevertheless, more coordination between initiatives should be sought.

2- Transparency on corporate commitments increases awareness on deforestation risk and promotes strategic decisions towards commitments (Supports the expected Global environment benefit 1)

180. The transparency created by the portal and the yearly analysis done has been useful to show clearly to the commodity sector what is the strategy of the various companies towards deforestation-free supply chain. This has increased the awareness of the deforestation risk of companies dealing with the four key commodities, but also to the financial sector that invested in the commodity sector.
181. The transparency has put pressure for companies to increase their commitments especially as seen from 307 commitments in 2015 to 706 in 2017. The number of new companies making commitments slowed down after 2017, probably as the main 2020 target year was closer.
182. The yearly global assessments of the companies' commitments have shown that while commitments slowed downed, there was very little reporting of progress on implementation. Furthermore, one in five commitments has a target rate that is past due (or without date). A third of the 447 companies with commitments have at least one commitment that is dormant. **The transparency on the commitments is not sufficient to promote the accountability of commitments.** (does not contribute sufficiently to Global environment benefit 3)

3- Some factors influencing the uptake of corporate commitments

183. **Business structure** is one factor that supports corporate commitments. Large public companies, as well as those located upstream in the supply chain, were found in the Supply Change analysis to disclose more commitments. One reason that may explain this is that these companies want to mitigate their reputation risk.
184. **Certification** is one proxy for companies to demonstrate their commitments. Palm Oil and Timber & Pulp have recorded the highest number of commitments as they have well-established certification programs. It is however interesting that for palm oil, while certificates prevailed in 2015, it decreased then to the benefit of the other chain of custody modes which creates more on the ground impact. Commitments for soya and cattle are considerably lower despite their large impact on deforestation.
185. **The presence of collective initiatives** tackling deforestation is the main driver to promote deforestation-free supply chain commitments among its members acting as a peer pressure factor, as well as potentially a way to have a level playing approach.
186. With 2020 being close-by, there is now a lot of pressure from civil society pointing out how the corporate commitments have not been implemented. More announcements could be done from companies to mitigate their **reputation risk.**

4- Tracking commitment is not sufficient to trigger their implementation; companies may need support (contributed partially to Global Environmental Benefit 3).

187. Behavioural change is needed to implement commitments in the supply chain. The 2018 study of Supply Change shows how few companies committed to have a traceability system in place. Traceability is the first step to know the origin of the commodity and to identify risk areas. **In the absence of traceability systems, it is difficult to de-risk the supply chain** (not to Global Environmental Benefit 2)**.**
188. Companies may need capacity building and resources on the ground for the implementation of these commitments within their supply chain, especially for those who are further up the supply chain. The guidance provided by these new tools such as the Accountability Framework Initiative and the Soy Tool kit may help in the future.

5- REDD+ funding was used mainly on the REDD Readiness phase in Brazil so far but presents more potential with results-based payments at farm and jurisdiction level

189. The data collected on the REDD+ in Brazil provided a clear view of potential funds (objective 2). So far most of the funds during the period until 2016 were used for Readiness. A framework is necessary to equitably share the REDD+ at all levels of governance (local, state, national) and stakeholders (farmers, communities, indigenous populations, NGOs, etc.) before being able to do Payment for Performance.
190. The initial study on mapping financial flows for Brazil was interesting but was contested by government officials at that time especially due to the use of System Gas Emission Estimates (SEEG) statistics instead of national statistics.
191. The financial architecture study for Brazil had the merit to present an integrated approach linking, enhancing the effectiveness of the REDD+, supporting the implementation of forest country policies and legislation, harnessing private sector funding for forest protection. Since the use of offset was promoted, it did not fit the current position of the government officials.

6 - Potential of the Protection-Production Compact linking policies and finance to support sustainable commodities production (contribution to Global Environmental benefit 4)

192. The financial case studies on Peru and internal study on Columbia have been useful to support some change in the banking sector approach, by better integrating sustainable agriculture in their lending criteria.
193. The Protection-Production Compact presented a global framework to the government of Peru to meet its commitment to net zero deforestation while improving livelihoods through

productive agriculture but depends on the financing system. The Athelia presented an innovative mechanism which demonstrated that both innovative policy and investment incentives can favour sustainable production.

7 - Some new financial mechanisms linking with REDD+ to support biodiversity are designed, but few are yet commercial.

194. The financial study on the enhanced bond has been very well received. One type of bond is being structured currently with BNDES in Brazil. Developing new financial mechanisms takes time, which has been further delayed by the uncertainty in the political context in Brazil.
195. The number of examples of new financial mechanisms like the ones in Peru is increasing but they need to be scaled up (contribution to Global environment 4). The key to their success is their potential to decrease the risk and still offer viable commercial rates. Another area of potential uptake for combating deforestation is using some REDD+ funds to create a financial mechanism to provide an incentive for producers to conserve more biodiversity or forests than the legal target.

8 - Communicating the results to the targeted audience is important for awareness building. (contribution to Global Environment Benefit 7)

196. Communication is key to disseminate results for an uptake. The project has published many articles, blogs in addition to the studies on companies' commitments. While the planned Katoomba event in China could not be organized, using media and social media to communicate results is an effective way but probably not as much to the Chinese audience.
197. Financial studies have been shared through stakeholder consultations, but the impact should have been measured. The recommendations on innovative policy and investment incentives are limited to the few initiatives of the project.
198. To scale them, we would need to be able to better track all existing projects (see Ecosystem Market Place) and draw conclusions from them on potential lessons, and how they impact on the ground. There is no systematic integration of policy and investment decisions. The project did not contribute to global environmental benefit 5.

9- Efficiency

199. The project has been well managed both for achieving targets and financially. Working with partnerships has been extremely efficient to leverage additional expertise as well as co-financing.

10- Management

200. The changes in the management of the project did not affect the achievement of its target. The project seemed not well integrated as the work on corporate commitment was well known as Supply Change. The financial work of the project was known to the specialized financial audience who saw it more as "work as usual" of Forest Trends rather than a deliverable of the project. Some members of the Steering Committee did not know this work despite being there from the beginning.

10- Sustainability

201. The key question for the future is finding the right business model to ensure the financial sustainability of the Supply Change Platform.

Overall Project Rating

202. The overall "Supply Change: Securing Food, Sustaining Forests" project has been rated: **Satisfactory.**

Table 11: Detailed Evaluation Criteria, Assessment and Ratings

Criterion	Summary Assessment	Rating
A. Strategic Relevance	The Project was highly relevant to UN Environment, MTS and PoW GEF 5 and GEF 6 Programming directions, as well as to the commodities sector**.**	**HS**
1. Alignment to MTS and POW	The project is highly relevant to MTS and PoW	HS
2. Alignment to UNEP /Donor/GEF strategic priorities	Highly relevant to GEF 5 and GEF 6 Programming Directions (BD2 and BD4) as well as to UN Environment	HS
3. Relevance to regional, sub-regional and national environmental priorities	The project has a global scope. It was relevant to countries of case studies	HS
4. Complementarity with existing interventions	Contributed to GEF Sustainable Forest Management Strategy as well as to GEF 6 integrated approach on deforestation-free commodity supply chains.	HS
B. Quality of Project Design	The overall project was well designed, its strengths are to leverage on the existing data and wide network of partners to support the project implementation	**HS**
C. Nature of External Context	The project had a global scope. Component 2 had planned some case studies in producing countries, including Brazil where the political context was unstable. The context was very positive to track corporate commitments with several key initiatives started (Consumer Goods Forum declaration on Forest, the New York Declaration on Forests)	**Favourable**
D. Effectiveness[45]	Outputs were effective to the Outcomes. The supply change platform was a milestone in the transparency of commitments and in their mainstream. Commitments are not sufficient for their implementation. Nevertheless, despite little reporting on progress, some impact is likely. The financial studies supported some change.	**S**
1. Delivery of outputs	The Supply Change Platform creation was a milestone in the transparency of commitments and their mainstreaming. Targets were exceeded for corporate commitments. The Financial studies supported some changes in Colombia, Peru and Brazil, and highlighted new financial mechanism potentials with REDD+. Wide publicity was done of the studies' findings via consultation and aggressive communication	S

45 Where a project is rated, through the assessment of Project Design Quality template during the evaluation inception stage, as facing either an Unfavourable or Highly Unfavourable external operating context, ratings for Effectiveness, Efficiency and/or Sustainability may be increased at the discretion of the Evaluation Consultant and Evaluation Manager together.

Criterion	Summary Assessment	Rating
2. Achievement of project outcomes	While the project has been effective in tracking commitments, this is not sufficient for their implementation. Tracking the impact is necessary. The work on finance stirred some changes Colombia, Peru and Brazil, and highlighted new financial mechanism potentials with REDD+. such as incentives to conserve more than the legal deforestation. There were many publications and communication, but it is difficult to assess their impact.	MS
3. Likelihood of impact	While commitments have increased, little progress has been reported on implementation. Additional pressure from banks, as well as non-governmental organizations towards 2020, and some good progress on the Soy Cerrado discussion as well as from commodity national Platforms could stir some impact. Some new financial mechanisms are being designed.	Likely
E. Financial Management	The documentation was provided, some with fewer details and with some delays due to staff changes. This also caused delays in responding to queries from Financial Officer after the end of the project.	**S**
1.Completeness of project financial information	The project financial information has been presented but not with all the detail and with some delays due to staff changes. The expenses were kept within budgets but with several reshuffling among components. Financial management was sound.	MS
2.Communication between finance and project management staff	The communication between finance and project management staff was good during the project. Several staff changes created some delay in queries response and project closure.	S
F. Efficiency	The project was cost-efficient as it relied extensively for its implementation on partnerships.	**HS**
G. Monitoring and Reporting	Monitoring and reporting was performed by the Project Manager and include in the programme management budget	**MS**
1. Monitoring design and budgeting	The monitoring was designed and set-up during the first quarter of the project. The monitoring was performed by the project manager and was financed from the project management budget.	MS
2. Monitoring of project implementation	The monitoring of the implementation was performed by the Project Manager.	MS
3.Project reporting	The project reporting was performed as defined initially. Given the global nature of the project, no gender-disaggregated data could be reported.	MS
H. Sustainability	The pressure for more disclosure in the Financial sector and on impacts of companies continue to put pressure for corporate commitments. The political instability in Brazil may threaten the work done. The key is to find the right business model for the Supply Change platform for its long-term survival. Forest Trends capacities were strengthened.	**MU**
1. Socio-political sustainability	The project was global, but Brazil was anticipated as a case study. The political instability may threaten some of the work performed. The pressure for more disclosure for the financial sector is adding pressure for corporate commitments.	ML

Criterion	Summary Assessment	Rating
2. Financial sustainability	The Supply Change Platform has received some additional funding for a second phase, but it has to find the right business model for its financial sustainability in the long term. The financial activities are more business as usual for Forest Trends and funding can find more easily found.	MU
3. Institutional sustainability	The project enabled capacity to be built within Forest Trends for tracking and analysing corporate commitments and strengthened its financial expertise.	ML
I. Factors Affecting Performance[46]	The project partners were well prepared, and the project well managed to achieve its objective. It lacked good project guidelines instructions to help the transition of new staff. Given the global scope of the project, there was not country ownership. Human rights were tracked but not gender equity.	
1. Preparation and readiness	The activities could start being set up once the project was started	S
2. Quality of project management and supervision[47]	The project was well managed during the project for achieving the result. The absence of a project log to hand over to new staff created delays due to a longer transition period.	S
3. Stakeholders participation and cooperation	There was strong cooperation with several organizations where some resulted in a formal partnership and helped achieve targets. The absence of reporting after stakeholder consultations does not enable to evaluate their participation well beyond anecdotal impact.	S
4. Responsiveness to human rights and gender equity	The project had a global scope and focused on conserving forest, biodiversity and ecosystem in the commodities supply chain. Human rights were tracked in the commitments but not gender equity.	MU
5. Country ownership and drivenness	The project had a global scope, so country ownership does not apply as such.	NR
6. Communication and public awareness	The project published several studies and shared them through the website, articles, blogs, webinars, stakeholder consultation. It is difficult to assess its impact.	S
Overall Project Rating		**Satisfactory**

B. Lessons learned

203. The following is a summary of the main lessons learned from the project.

46 While ratings are required for each of these factors individually, they should be discussed within the Main Evaluation Report as cross-cutting issues as they relate to other criteria. Catalytic role, replication and scaling up should be discussed under effectiveness if they are a relevant part of the TOC.

47 In some cases 'project management and supervision' will refer to the supervision and guidance provided by UN Environment to implementing partners and national governments while in others, specifically for GEF funded projects, it will refer to the project management performance of the Executing Agency and the technical backstopping provided by UN Environment, as the Implementing Agency.

Table 12: Main lessons learned

Lesson1	Partnerships play a key role to leverage expertise and/or co-finance for a project.
Context	The project has been able to work with various other research organizations in partnership. This enables to leverage complementary expertise or data, as well as in some case co-finance. This was cost-effective.
Application	Projects should identify partners that could help leverage the impact of the project as well as potentially co-finance the project.
Lesson 2	A one-stop platform is powerful to promote the transparency of data and convenience of access
Context	Even though the project used only public data, it is extremely time-consuming to search for all individual information. Having them organized in one portal brought new knowledge and made it easy to access.
Application	Gathering much different information together in one point brings value to the information and transparency.
Lesson 3	Transparency on information is not sufficient to trigger a behavioural change -guidance and/or capacity building for implementation may be necessary
Context	Corporate commitments have been published, but the implementation has been slow or minimal. Implementing these commitments was not easy. Some guidance and capacity building for the companies to help them implement may have been necessary.
Application	The Project should allow for the targeted stakeholders to have guidance and/or capacity building to implement a target.
Lesson 4	The Protection-Production Compact combined with an innovative financial mechanism provides an effective holistic approach to support the conservation of biodiversity and forest while promoting sustainable practices.
Context	The case studies in Peru showed that innovative financing mechanisms could be structured using REDD+ funds to support biodiversity conservation and deforestation-free production practices.
Application	Projects should consider the Protection-Production compact framework when designing projects to conserve biodiversity and promoting deforestation-free commodity supply chains.
Lesson 5	REDD+ at Project level as part of the financing mechanism should be further explored.
Context	REDD+ financing was used as a mean of repayment and collateral to a loan in an innovative financing mechanism in Peru.
Application	Projects promoting deforestation-free supply chains should explore the potentials to use REDD+ finance at the project level as part of a financial mechanism.
Lesson 6	Design of financial mechanisms is a lengthy process subject to the political context
Context	The presentation of the initial enhanced bonds was done in 2017, the political context has slowed down the discussions, but there are still ongoing.
Application	The design of some project deliverable and their implementation may be done beyond the project timeline.

Lesson 7	Agreeing on a standard to better define forest-based actions to meet the National Determined Country (NDC) goals would support the definition of financial needs
Context	The World Bank report highlighted that there is no agreed standard for what constitutes forest-based actions to meet the National Determined Country (NDC) goals. There is a need to better define the financial needs for forest- based NDC activities as they generate mitigation or adaptation benefits.
Application	The design of a standard would facilitate the definition of the financial needs for forest based NDC and the design of innovative financiala mechanisms
Lesson 8	Explore the potential of greater collaboration and integration of the various transparency initiatives to increase the robustness of data and efficiency
Context	Several interviewees indicated that it would be interesting to see how greater collaboration could be done among the various tools and even, the creation of a Meta framework to pool them could be considered. This could bring some efficiency.
Application	Explore increased collaboration among transparency tools and the potential of a Meta framework
Lesson 9	Document the stakeholder consultations
Context	Several stakeholder consultations were performed on case studies and innovative financial mechanisms. Collecting feedback systematically from participants at the end of the consultation and writing a report would ensure any learning's, comments are integrated.
Application	When new consultations are planned
Lesson 10	Set up of a documentation system for project to facilitate a smooth transition for staff
Context	Staff change has left the new Programme Manager with little background information to transition and take over the responsibilities.
Application	For all projects

C. Recommendations

204. The following table is a summary of the main recommendations

Table 13: Main recommendations

Recommendation 1	Define a strategy for a viable financial business model for the Supply Change Platform.
Context	The Supply Change Platform needs future funding to maintain its work and staff. Furthermore, tracking commitments is not enough, monitoring their impact is the key information. Even though the overall context is changing in the way large companies are thinking about corporate commitments, the strategy should especially focus on the following areas: • explore the technology to reduce the cost of analysis of data (e.g. data mining), as well to link with the impact (e.g. geospatial data, TRASE portal), and how to better visualize the information (e.g. personal dashboard, the link between geography and finance)

	• identify which kind of new services could be provided to provide better value to clients (e.g. for financial sectors, e-learning for commitments implementation) • identify key potential clients for tailored service (e.g. GRSB, nascent rubber roundtable, donor agencies working on sustainable supply chains, Business organizations, etc) • explore partnerships alternatives
Responsible Agency	Forest Trends
Timeline	Conducting this study as soon as possible (Next Quarter) is imperative for Supply Change to initiate the recommendations before the end of the funding
Recommendation 2	Share Lessons including fact sheets on Case Studies with key financial partners in those countries who piloted them.
Context	Share the lessons from the project including on case studies/research on financial mechanisms performed. Extract the key lessons from them as factsheets to facilitate the uptake and share them as part of the wider UNEP Finance network and among policymakers.
Responsible Agency	UNEP /Forest Trends
Timeline	This should be done ideally early 2020
Recommendation 3	The case studies are powerful tool for awareness and should include a guidance for implementation
Context	The case studies on financial mechanisms have been extremely interesting to raise awareness on their feasibility. To replicate and scale them, a "how to design and implement guidance" should be created.
Application	The project should integrate a way to scale up case studies as a "how to design and scale-up " guidance

Annex I. **EVALUATION MATRIX**

N	Criteria	Evaluation questions	Indicators	Values	Sources / date
1	Strategic relevance	To what extent were e objectives and outcomes of the program relevant with UNEP MTS and PoW, and to the UNEP and GEF strategic priorities?	Alignment with UNEP / GEF priorities		Project document, UNEP MTS, PoW, GEF strategy. Interview UNEP.
2		To what extent were the objectives and outcomes of the program relevant to promote deforestation-free supply chains, and to the needs of different actors along with the value chain as well as policymakers? Did any country-specific context (e.g. Brazil) affect the outcome of the project?			Project documents, national strategies, Interviews
	Nature of external context	Did any country-specific context (e.g. Brazil) affect the outcome of the project?			Project document, Interviews
2	Effectiveness	How effectively did the project activities increase the awareness of corporate sustainability commitments to low or zero deforestation in sectors with intensive land area impacts	Number of agreements (MoUs, NDAs) with companies to provide supply chain data.	50 executed, 50 in negotiation	FT final report document analysis, Interviews
			Significant data collected from 100 or more entities with forest risk commodity commitments	Data on50 companies collected	FT final report document analysis
				Data from second 50 companies highly likely in 1 year	FT final report document analysis
3			Public sector commitment data collected and incorporated		FT final report document analysis, Interviews
			Supply-change.org platform is launched and fully-functional	Supply -Change.org designed, launched and supporting major visitation	Website content review Web site statistics
			Global Assessment completed, published and posted on Supply Change Org	Publication and dissemination of assessment	FT Final report Document analysis, outreach number for dissemination.
4		How effective was the project to increase transparency and accountability for corporate commitments to sustainable forestry and land use	Measured in number of data providers and number of actors engaged in research steering group (by sector); and number and quality of	Progress toward the target of 100 companies Engaged At least 20 new	FT final report, document analysis, Interviews

	private sector and policy citations of report findings	mutual relationships	FT final report, document analysis, Interviews
Has the project been effective to illuminate? intersection of commitments to certification of low deforestation ag/forest products, and regional REDD+ certification of and financing for reduced deforestation in production landscapes	Data collected on all REDD+ financial flows in at least one pilot country in Latin America (starting with jurisdictions in Brazil).	REDD+ financial data collected for one country Extensive data analysis carried out for one country	FT final report document analysis
	REDD+ financial flows data published on Forest Trends' REDDX website Summary analysis of REDD+ financial flows published.	One summary analysis of REDD+ financial flows published	FT final report document analysis Interviews
Has the project been effective to promote the uptake of financing mechanisms that encourage/ support sustainable agriculture production	2 case studies completed within a two-year time frame	Production of new case studies distributed-ted to wide audience of stakeholders;	FT final report document analysis Interviews
		Learning about financial alter-natives to support sustainable agriculture enhanced.	FT final report document analysis Interviews
	1 proposal for a new funding model or financial mechanism completed	Opportunities for building new financial mechanisms defined.	FT final report document analysis Interviews
		Financial mechanisms serve as proof of concepts for advancing discussions on financial incentives for promoting sustainably produced commodities	FT final report document analysis Interviews
	14 or more consultations with stakeholders on financing mechanisms completed	Consultations yield important new learning about needs, challenges and opportunities for advancing sustainable commodity production	FT final report document analysis Interviews
Has the project been effective to produce available models that Mainstream biodiversity and ecosystem values in public and private sectors	1 or more models or mechanisms launched within two years of grant completion	One or more financial models developed that serve as proofs of concept for	FT final report document analysis Interviews

	10 or more consultations conducted with UNEP FI	Jurisdictional REDD Bonds or similar concepts Consultations yield important new learning about needs, challenges and opportunities for advancing sustainable commodity production	FT final report document analysis Interviews
Has the project been effective to increase the awareness of the public sector and investor of regulatory frameworks or policies that account for biodiversity in financial systems	Production and distribution of new guidance materials	Availability of guidance materials adds to greater awareness by both public sector actors and private investors of the need for regulatory frameworks to promote sustainable production	FT final report document analysis Interviews
	Conduct10 or more consultations, as needed.	Consultations yield important new learning about needs, challenges and opportunities for advancing sustainable commodity production	FT final report document analysis Interviews
Has the project been effective in enabling new conservation policies and decisions in the public and agricultural sectors	One report issued with actionable steps	Government officials will receive and benefit from the learnings and also recommendations in action document	FT final report document analysis Interviews
	Major Katoomba meeting held, tentatively in China	Katoomba conference gathering will include high-level policy decision-makers from multiple countries as well as representatives from commodity companies, and will enhance understand- ding of the need for the country	FT final report document analysis Interviews
Has the project been effective in increasing the visibility and incentives for voluntary public reporting and sharing of best practice.	6 or more articles completed and internally published,	Extensive outreach utilizing new articles, additional factual	FT final report document analysis Interviews

			annually/ 2 or more articles by mainstream or otherwise external media outlets covering project developments, annually At least 8 workshops, webinars and other physical or virtual events held to share and disseminate knowledge	information, webinars, workshops and other events will reach hundreds of stakeholders and other interested parties	
5	Impact	How well was the project able to identify the "links" in the supply chain that have the most direct influence on both buyer and producer uptake of sustainable practices	The increasing breadth of the type of commitments published may be an indicator of how specific risks and their mitigation influence the uptake of sustainable practices & Type of learning from the consultation on the new financing mechanism	NA	FT final report documents analysis, interview
		To what extent was the project able to integrate private and public finance to: 1- Better support sustainable production and supply chains	The number of commitments reported through the period, and how many corporations achieved their target.	N/A	FT final report Analysis of the global assessment reports. Interviews
		2- Scale-up sustainability efforts from farm to jurisdiction (REDD +)	Type of learning from the consultation on the new financing mechanism	NA	FT final report Documents analysis (e.g. consultation reports) Interviews
		3- Mainstream biodiversity ecosystem conservation in the global financial system?	Number of new commitments on biodiversity/ecosystem made by in the global financial system	NA	FT final report Documents analysis (e.g. Forests 500) Interviews
		How well was the project able to support national/subnational strategies on reducing deforestation.	Type of new learning from consultations conducted on framework & policies with financial institutions, private finance actors, and institutional investors.	NA	FT final report Documents analysis (e.g. consultation reports) Interviews
		To what extent was the project able to catalyze innovations generated in technology, governance, financing and business models			Interviews, Document analysis
6	Financial Management	Was the project cost-effective? How efficient was the financial management of	GEF: US$ 1,900,000 disbursed Co-financing: US$ 2,425,000		FT final report Final evaluation report, interview

		the project including disbursements process?			
7	Efficiency	How efficient was the project? Was it cost-effective?	Number & List of research studies financed from other sources by Forest Trend project that benefited to the Supply change project	N/A	Document analysis Interview
		Did any factor affect the project efficiency (e.g. preparation and readiness, quality of project management, stakeholder participation)		N/A	Interviews Final evaluation report
8	Monitoring & Reporting	What M&E system was designed to track the project progress against SMART indicators?	M&E reliability	N/A	Final evaluation report
		Was the M&E System operational at the start of the project?	M&E reliability	N/A	Final evaluation report
		Were there additional project reporting linked to co-founders requirements?	M&E system	N/A	Final evaluation report
9	Sustainability	To what extent is the project able to support scaling up and replication of this approach?	Demonstrated value of the information generated by the project supports increased public and private commitments. This creates a strong interest by investors, donors who are ready to continue financing to constantly broaden information on the 4 commodities as well as on other commodity sector causing deforestation. The number of MoU of companies is constantly increasing	N/A	Final evaluation report
12		Which are the Lessons learned that might be relevant for the design of future initiatives?	Lessons learned that might be relevant for design of future initiatives	N/A	Final evalution report

Annex II. **LIST OF PEOPLE INTERVIEWED**

	Organization	Role	Name
1	UNEP Environment	GEF Task Manager	Ersin Esen
2	UNEP	Finance	Pooja Bhimjiani
3	UNEP-Fi	Head - Land Use Finance Unit	Ivo Mulder
4	UNEP Fi	Associate Programme Manager	Jacinto Coello
5	UNEP Fi	Ecosystems Management and Sustainable Land Use	Jonathan Geyssen
6	Forest Trends	Project Director	Stephen Donofrio
7	Forest Trends	Formerly Project Manager	Kelley Hamrick
8	Forest Trends	Project Manager	Patrick Maguirre
9	Forest Trends	Senior Carbon and Finance Adviser	Rupperts Edwards
10	Forest Trends	Managing Editor Ecosystems Market place	Steve Zwick
11	Forest Trends	Supply Change Analyst	Philip Rohtrock
12	Forest Trends	Former Supply change Analyst	Ben Mc Carthy
13	Forest Trends	Founding President and CEO	Michael Jenkins
14	GEF Secretariat		Paul Hartman
15	WWF		Liz Schueler
16	IFC	Retired	Bruce Wise
17	CDP		Jillian Gladstone
18	Bunge	VP Sustainability	Megan Weidmer
19	UNDP	Senior Partnerships Advisor	Charles O'Malley
20	Consumer Goods Forum	Manager Sustainability	Debora Dias
21	Tropical Forest Alliance (TFA 2020)	Head of operations	Petra Tanos
22	Innovation Forum	Director	Tobbias Webb
23	Climate Focus	Director	Charlotte Zweck
24	IDESAM Brazil		Mariano Cenamo
25	Abdul Latif Jameel Poverty Action Lab (J-PAL)		Désirée Lopes
26	Mecanismo de Desarollo Altemos(Peru)	Director	Victor Galvaretta
27	UNDP - UN REDD+		Tim Clairs
28	Cargill		Nick Martell-Bundock
29	Global Roundtable on Sustainable Beef	General Manager	Ruaraidh Petre
30	Former UN REDD Focus, Brazil		Leticia Guimarães
31	Abiove	Sustainability Manager	Bernardo Pires

Annex III. **LIST OF DOCUMENTS REVIEWED**

- Project Internalization
  - Annex 1: Supply Change ProDOc
  - Annex 2: CEO Endorsement letter
  - Annex 3: Definition of Terms
  - Annex 4: Contact Details
  - Annex 5: Project supervision plan
  - Annex 6: FT Procurement Policy
  - Annex 7: ToR for Project Steering Committee and key personnel
  - Annex 8A: Non-Expandable equipment
  - Annex 8B: Equipment transfer Letter
  - Annex 9A: Third Party Form Template
  - Annex 9B: Cash Advance Request Template
  - Annex 10: Half year progress report
  - Annex 11: PIR template
  - Annex 12: final report
  - Annex 13: Quarterly expenditures & unliquidated obligations
  - Annex 14: Co-finance report template
  - BAC Coding sheet
  - Decision sheet: Supply Change MSP
  - DGEF Routing Slip
  - UNEP Supply change Routing Slip
  - UNEP Project Action Sheet
  - Appendix 10: Co-financing letters from Forest Trends and UNEP.
- Project Implementation
  - UNEP FI MoU Signed,
  - UNEP Fi Letter requesting 150'000 $ transfer
  - Final Project Report 2017
  - Supply Change revised Public and private metrics
  - Half Year report 2015
  - Slides from July 8 2015 Webinar
- Project Steering Committee agenda & Notes (2015, March 2016, June 2016, Feb 2017, June 2017, Feb 2018)
- Financial documents:
  - detailed Budget
  - project expenditures
  - Cash advances requests & Disbursements
  - Co-financing: cash disbursements
  - all financial reports submitted internally and to donors
  - Email exchange to demonstrate joint (Project/Task Manager and Fund Management Officer) Decision making
- Technical deliverables: Reports

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49 This report was additional to scope and is intended to be funded with the balance of unspent funds from the UNEP-FI portion of the budget.

50 This report was additional to scope and is intended to be funded with the balance of unspent funds from the UNEP-FI portion of the budget.

Annex IV. LINK BETWEEN LOGICAL FRAMEWORK AND RECONSTRUCTED TOC

Table 14: Link between logical framework and reconstructed ToC (outputs to outcomes)

Wordings as per the logical framework	Reconstructed ToC	Justification
Component 1. Create and Maintain a global, state of the art, objective information and analysis platform to support both public and private sector decisions that favour sustainable commodity sourcing		
Outcome		
1.1 Increased awareness of corporate sustainability commitments to low or zero- deforestation in sectors with intensive land area impacts	1.1 Increased awareness of corporate sustainability commitments to low or zero- deforestation	No change
Outputs		
1.1.1 A global assessment of commodities/crops that derive value from assuring their positive environmental footprint, focusing on commodity sectors with an unarguably significant forest footprint – palm oil, cattle, paper/pulp, and soy – and investigating associated corporate commitments to low or zero deforestation/degradation/conversion, social conflict mitigation and other sustainability indicators in these sectors	1.1.1 A global assessment of commodities is completed.	The output as stated in the results framework are considered activities and thus had to be reconstructed as per the guidelines and definitions of OECD/DAC, GEF and UNEP on Theory of Change terminology.
1.1.2 For commodities under review, build a robust primary data set (tracking >75 % of relevant programs and proportion of commodity volume comparable to other tracking initiative results) with support from existing tracking and industry initiatives)	1.1.2 A robust primary data set is built for commodities under review.	The output as stated in the results framework are considered activities and thus had to be reconstructed as per the guidelines and definitions of OECD/DAC, GEF and UNEP on Theory of Change terminology
Outcome		
1.2 Increased transparency and accountability for corporate commitments to sustainable forestry and land use	1.2 Increased transparency and accountability for corporate commitments to sustainable forestry and land use	No change
Output		
1.2.1 Secure corporate commitments to annually disclose performance data and/or support Forest Trends in development of research products	1.2.1. Corporate Commitments to annually disclose performance data and/or support Forest Trends in the development of research products are secured.	The output as stated in the results framework are considered activities and thus had to be reconstructed as per the guidelines and definitions of OECD/DAC, GEF and UNEP on Theory of Change terminology
1.2.2 Develop mutually informative relationships with relevant supply chain actors and regional governments	1.2.2 Mutually informative relationships are developed with relevant supply chain actors and regional government.	The output as stated in the results framework are considered activities and thus had to be reconstructed as per the guidelines and definitions of OECD/DAC, GEF and UNEP on Theory of Change terminology
Outcome		
1.3 Illuminate intersection of commitments to certification of low deforestation ag/forest products, and regional REDD+ certification of and	1.3 A framework is produced to show the link between deforestation, REDD+	The outcome language has been made clearer to make the meaning clearer and in line with OECD/DAC guidelines.

financing for reduced deforestation in production landscapes	certification and finance mechanism for increased awareness.	
Outputs		
1.3.1 Rigorous data collection tracking REDD+ finance flows to and implementation of jurisdiction-scale programmes in relevant regions (piloting in Latin American states), identifying opportunities for optimizing jurisdictional REDD+ activities/finance, corporate deforestation targets and on-farm certifications (also informing Project Component 2) findings made publicly available.	1.3.1 Rigorous data collection tracking REDD+ finance flows to and implementation of jurisdiction-scale programmes in relevant regions, identifying opportunities for optimizing jurisdictional REDD+ activities/finance, corporate deforestation targets and on-farm certifications findings made publicly available.	Output has been restated to be in line with OECD/DAC, UNEP terminology on Theory of Change
Component 2. Promote, through pilot projects, case studies, and other mechanisms, the means by which to mainstream biodiversity, forest and ecosystem conservation in commodity production and supply chains		
Outcome		
2.1 Uptake of financing mechanisms that encourage/support sustainable agricultural production.	2.1 Financing mechanisms that encourage/support sustainable agricultural production are taken up.	
Outputs		
2.1.1 Produce two case studies of existing financial mechanisms that encourage agricultural sustainability, including successes and lessons learned that can be applied in the development of new financial mechanisms	2.1.1. New financial mechanisms that encourage agricultural sustainability are developed.	As per OECD/DAC definitions, an output is defined as a product or service that results from activity
2.1.2 Design one or more opportunities for new or modified financial mechanisms that can address agricultural sector barriers to sustainability while incentivizing improved practices and biodiversity conservation	2.1.2 New or modified financial mechanisms are designed to address agricultural sector barriers to sustainability, incentivizing improved practices and biodiversity conservation	The output as stated in the results framework are considered activities and thus had to be reconstructed as per the guidelines and definitions of OECD/DAC, GEF and UNEP on Theory of Change
2.1.3 Conduct consultations on financing mechanisms with supply chain actors (4+), non-profit or commercial credit institutions (2+), commodity roundtables (1+), tropical forest country institutions (3+), donor governments (2-4), and development finance institutions (2).		The original output is an activity that results as an input to outputs 2.1.1 and 2.1.2.
Outcomes		
2.2 Availability of models that mainstream biodiversity and ecosystem values in public and private sectors	2.2 Models that mainstream biodiversity and ecosystem values are made available to the public and private sectors	'Are made available' is emphasised to the outcome statement to make the meaning clearer and in line with OECD/DAC and UNEP guidelines on TOC.
Outputs		
2.2.1 Development of one or more new sustainable funding models to support jurisdiction-scale sustainable production landscapes e.g. 'Jurisdictional REDD+ Bonds'. Funding	2.2.1 New sustainable funding models to support jurisdiction-scale sustainable production landscapes are developed.	The output has been simplified and restated so that it has clearer meaning.

models could link global REDD+ values with ecosystem service values		
2.2.2 Conduct with UNEP FI stakeholder consultations (2+) on potential.		The original output is an activity that results as an input to outputs 2.2.1
Outcomes	**Outcomes**	
2.3 Public sector and investor awareness of regulatory frameworks or policies that account for biodiversity in financial systems.	2.3 Increased Public sector and investor awareness of regulatory frameworks or policies that account for biodiversity in financial systems.	'Increased awareness' has been added to the original outcome to frame the outcome as per the OECD/DAC guidelines.
Outputs		
2.3.1 Develop guidance for regulatory framework(s) and/or policy(ies) that effectively account for environmental and social risks in commodity supply chains as well as identify levers for change in current fiscal frameworks so that they support the removal of deforestation from commodity supply chains.	2.3.1 Guidance for regulatory framework(s) and/or policy(ies) that effectively account for environmental and social risks in commodity supply chains are developed;	The output as stated in the results framework are a mixture of activities and outputs and hence has been reconstructed in line with OECD/DAC and UNEP guidelines on TOC. The identification of 'Levers for change' in current fiscal frameworks so that they support zero deforestation in commodity supply chains is considered a driver in the reconstructed TOC at design.
2.3.2 Conduct consultations on frameworks and policies with development financial institutions, private finance actors, and institutional investors	2.3.2 increased awareness on frameworks and policies by Development financial institutions, private finance actors, and institutional investors	The output as stated in the results framework is considered an activity and thus had to be reconstructed as per the guidelines and definitions of OECD/DAC, GEF and UNEP on Theory of Change terminology
Component 3 Enhance, through the power of knowledge sharing and convening, a more effective dialogue in the various commodities sectors.		
Outcomes	**Outcomes**	
3.1 New conservation policies and decisions in the public and agricultural sectors.	3.1 New conservation policies and decisions in the public and agricultural sectors are in place in pilot countries.	'in pilot countries' added to define the boundaries of the outcome.
Outputs	**Outputs**	
3.1.1 Forward-looking report outlining actionable steps for new conservation policies and decisions by producers, processors, policy-makers and practioners	3.1.1 Producers, processors, policy-makers and practitioners agree on actionable steps to support their decisions for new conservation policies	The output as stated in the results framework is considered an activity and thus had to be reconstructed as per the guidelines and definitions of OECD/DAC, GEF and UNEP on Theory of Change terminology
3.1.2 At least one "Katoomba-like" event focused on the theme of sustainable commodities to build inputs and awareness.	3.1.2 Awareness on sustainable commodities is increased among supply chain actors and policy makers.	The output as stated in the results framework is considered an activity and thus had to be reconstructed as per the guidelines and definitions of OECD/DAC, GEF and UNEP on Theory of Change terminology
Outcomes		
3.2 Increased visibility and incentives for voluntary public reporting and sharing best practice.	3.2 Voluntary public reporting and sharing of best practice is increased.	The original outcome was not stated in line with OECD/DAC guidelines. The sentence has

		been restructured to assess the change in state/behaviour at outcome level.
Outputs		
3.2.1 At least 6-8 articles/year and mainstream media coverage, with a target of 2-3 articles (or the equivalent) per year.		The original output reads as an activity. The result of this activity (output in this case) is captured in the reconstructed output 3.2.2
3.2.2 Reporting system to publicise achievements/commitments	3.2.2 A reporting system exists that publicises achievements/commitments	'exists' was added to define the output as per OECD/DAC guidelines.
3.2.3 Dissemination of peer-reviewed findings via Katoomba event(s), and commitment relevant official gatherings. Host additional 2+ annually educational and inclusive reports/research launch events engaging public/private sector and producer community stakeholders in order to inform, involve and incentivize high profile stakeholder buy in.	3.2.3 Public/private sector and producer community stakeholders increased uptake of conservation and of sustainable commodity production.	The original output is a combination of activities. The reconstructed output that has been presented is similar to outputs described above. This output has been considered as a 'driver' in the reconstructed TOC at design because it is a factor that the project is able to influence.

Table 15: Link between logical framework and reconstructed ToC (intermediate states, impact)

Wordings as per the logical framework	**Reconstructed ToC**	**Justification**
Goal:	**IMPACT**	
Inform and promote the integration of public policies and private finance in order to scale up and mainstream forest, biodiversity, ecosystem conservation in commodity production landscapes	Forest, biodiversity and ecosystem conservation is mainstreamed in production landscapes	
	Intermediate State	
	1. Public Policies and Private Finance on conservation and sustainable commodity production are integrated across the globe.	For the purposes of the reconstructed TOC at evaluation, two intermediate states were formed, based on the goal of the project.
	2. Companies implement and scale up their commitments to conservation of forest, biodiversity and ecosystem in commodity supply chains	

Annex V. **MARYLINE GUIRAMAND CV**

Maryline Guiramand is an independent expert with over 30 years agricultural commodities experience of which over 15 years in building sustainable supply chains from agricultural producer to final consumer with a special focus on multi-stakeholder approach and international voluntary sustainability standards (VSS). Her work includes the different aspects of sustainability, with the design of multi-stakeholder standards and implementation (e.g.Bonsucro, Roundtable of Sustainable Biomaterials-RSB), the change of the enabling policy environment (e.g. advice to UNDP Green Commodities Programme, land use change planning in Ethiopia for RSB), the impact (e.g. Monitoring and Evaluation with SAI Platform, project evaluation), and knowledge management (e.g. SAI Platform, UNDP GCP). She led several GEF terminal evaluations: the UNDP regional "biodiversity conservation in coffee" project in Central and Latin America, and the UNEP "Greening the cocoa industry" in 10 countries in West Africa, Asia and Latin America with field missions in Ivory Coast and Peru. She is an expert for the Consumer Goods Forum on their Global Equivalence Program (now Sustainable Supply Chain Initiative). Before, she managed the association of the food industry to promote sustainable agriculture, the Sustainable Agriculture Initiative (SAI) Platform, cofounded by Danone, Nestlé and Unilever from its creation in Geneva in 2002 until its move in 2005. Under her management, the Platform expanded its membership to 20 members, positioned itself as a strong partner on sustainability with many different institutions, and launched the Roundtable for Sustainable Palm Oil (RSPO). Before joining SAI Platform, she held different management positions in the food industry, with a strong focus on the trading of agricultural commodities as well as cereal specialist for F.A.O. She studied agricultural engineering in France (1980) and holds a Master of Science in agricultural economics from the University of Minnesota in the USA (1982) and an MBA from INSEAD, France (1989). She is fluent in English and French, and is proficient in Spanish, German and Italian.

Annex VI. TERMS OF REFERENCE OF THE TERMINAL EVALUATION

TERMS OF REFERENCE

Terminal Evaluation of the UN Environment/Global Environment Facility project "Supply Change: Securing Food, Sustaining Forests GEF ID 5776"

Section 1: PROJECT BACKGROUND AND OVERVIEW

Project General Information

Table 1: Project Summary

GEF Project ID:	5576		
Implementing Agency:	UN Environment /UNEP FI	**Executing Agency:**	Forest Trends
Sub-programme:	Ecosystem Management	**Expected Accomplishment(s):**	(a) Enhanced capacity of countries and regions to integrate an ecosystem management approach into development planning processes; Output 2 and; (c) Strengthened capacity of countries and regions to realign their environmental programmes to address degradation of selected priority ecosystem services; Output 2.
UN Environment approval date:	June 17, 2015	**Programme of Work Output(s):**	2014-2017 EM (a) (2) EM (c) (2)
GEF approval date:	March 25, 2015	**Project type:**	MSP
GEF Operational Programme #:		**Focal Area(s):**	Biodiversity
		GEF Strategic Priority:	BD-2 GEF V
Expected start date:	March 2015	**Actual start date:**	March 29, 2015
Planned completion date:	March 2017	**Actual completion date:**	May 2018

Planned project budget at approval:	$4,625,000	**Actual total expenditures reported as of [date]:**		
GEF grant allocation:	$1,900,000	**GEF grant expenditures reported as of 31st March 2017:**	US$ 1,448,178	
Project Preparation Grant - GEF financing:	$180,500	**Project Preparation Grant - co-financing:**		
Expected Medium-Size Project co-financing:	$2,725,000	**Secured Medium-Size Project co-financing:**		
First disbursement:		**Date of financial closure:**		
No. of revisions:		**Date of last revision:**		
No. of Steering Committee meetings:		**Date of last/next Steering Committee meeting:**	Last:	Next:
Mid-term Review (planned date):	**n/a**	**Mid-term Review (actual date):**		
Terminal Evaluation (planned date):	**July 2018**	**Terminal Evaluation (actual date):**		
Coverage - Country(ies):	**Global**	**Coverage - Region(s):**	Global	
Dates of previous project phases:		**Status of future project phases:**		

Project rationale

- The unsustainable production of agricultural commodities such as palm oil, soy, cattle, tropical timber, and pulp and paper is one of the greatest drivers of global deforestation and biodiversity loss. A Forest Trend report found that 71% of tropical deforestation between 2000 and 2012 was caused by commercial agriculture. 49% of total tropical deforestation during the same time period was due to illegal conversion for commercial agriculture. The value of agro-commodities produce in illegally converted land from tropical rainforests is estimated at US$ 61 billion per year, of which 49% is for export markets, with the EU, China, India, Russia and the USA being the largest buyers of these commodities.

- From a climate change perspective, this equates to emissions of 1.47 gigatonnes of CO_2 per year on average between 2000 and 2012, caused by illegal conversion of tropical rainforests for large scale commercial agriculture, of which 0.72 gigatonnes is associated with exports. If international trade in agro-commodities from illegal deforestation were a country, it would be the 6th largest contributor to climate change in the world[51].

- According to the World Bank (2012), the global carbon market was valued at US $176 Billion in 2011 compared to the turnover of land-based commodities at more than US $10 Trillion in 2010-2011. This colossal level of investment and the associated volume of agricultural commodity production it supports, presents an enormous threat to forests and ecosystems around the world, and yet it also presents many opportunities for interventions to tackle deforestation and unsustainable farming

51 As per the Project Document Supple Change: Securing Food, Sustaining Forests

practices. One of these is to leverage the large consumer demand for positive change with the right mix of policy, trade and investment incentives.

- In a global effort to counteract industrial agriculture's contribution to deforestation, private buyers' commitments to sustainably-sourced commodities can be a powerful catalyst for global forest conservation. As per the Project Document, this is an important and growing, but slow-paced trend that is driven by: 1) consumers, investors and policy-makers more conscious of supply chain impacts from grower to grocer; 2) corporates' desire for security of supply and sound producer relationships; and 3) the international community's intensifying action at the intersection of communities, commodities, climate and the functioning of ecosystems.

- A broad range of conservation, finance, agriculture and consumer organisations have set ambitious goals to work more closely together to reduce deforestation and forest degradation in commodity supply chains. Despite a number of high level commitments by both companies and governments, progress towards achieving these goals were slow, while information about the nature of the goals, plans to meet them and the progress being made at company level, country level and down to producer level was lacking.

- One of the main aims of the project executed by Forest Trends was to make use of its multisectoral relationships to fill several critical knowledge gaps to provide decision makers with answers to these key questions:

    - Accountability for Commitments: Which companies and governments are making time-bound commitments to low-zero deforestation and how are they performing against those pledges? Based on entities average rate of progress toward target achievement, are they sufficiently equipped to meet significant common deadlines? How are companies in emerging economies (e.g. Brazil, China) addressing their contribution to domestic and international agricultural deforestation?
    - Accountability for Impacts: What is the total forest/land area and carbon stock associated with commitments to low-zero deforestation? Are entities primarily relying on agriculture roundtable and independent certifications to measure impacts and achieve compliance – if so, which certifications? Do roundtable/independent certifications sufficiently ensure sustainable forest use? How are entities measuring social and environmental impacts addressed in their commitment texts?
    - Effectiveness of Commitments: Which governments have committed to eliminate deforestation in-country, and by what means? Where is REDD+ finance helping governments to achieve their targets, and how and where is progress being monitored and reported? How can companies leverage progress in major agricultural regions to secure sustainable supply that meets their low forest risk procurement criteria? How does sustainable supply from REDD+ regions compare to and align with global demand from companies under commitment?

Project objectives and components

- The overall goal of the project was to inform and promote the integration of public policies and private finances in order to scale up and mainstream forest, biodiversity and ecosystem conservation in commodity production landscapes.

- Three specific objectives to fulfilling this goal were to:

    Create and maintain a global, state of the art, objective information and analysis platform to support both public and private sector decisions that favour sustainable commodity sourcing and production;

    Promote, through pilot projects, case studies and other mechanisms, the means by which to mainstream biodiversity, forest and ecosystem conservation into sustainable commodity production and supply chains;

    Enhance, through the power of knowledge sharing and convening, a more effective dialogue in the various commodities sectors.

- Table 2 below summarises the project by its components, outcomes and outputs, as per the Project Document Results Framework.

Table 2: Project Outputs and Outcomes

Component	Outcome	Output
1. Create and maintain a global, state of the art, objective information and analysis platform to support both public and private sector decisions that favour sustainable commodity sourcing and production	1.1 Increased awareness of corporate sustainability commitments to low or zero-deforestation in sectors with intensive land area impacts 1.2 Increased transparency and accountability for corporate commitments to sustainable forestry and land use 1.3 Illuminate intersection of commitments to certification of low deforestation ag/forest products, and regional REDD+ certification of and financing for reduced deforestation in production landscapes	1.1.1 A global assessment of commodities/crops that derive value from assuring their positive environmental footprint, focusing on commodity sectors with an arguably significant forest footprint – palm oil, cattle, paper/pulp, and soy – and investigating associated corporate commitments to low or zero deforestation/degradation/conversion, social conflict mitigation and other sustainability indicators in these sectors 1.1.2 For commodities under review, build a robust primary data set (tracking >75% of relevant programmes and proportion of commodity volume comparable to other tracking initiative 1.2.1 Secure corporate commitments to annually disclose performance data and/or support Forest Trends in development of research products 1.2.2 Develop mutually informative relationships with relevant supply chain actors and regional governments 1.3.1 Rigorous data collection tracking REDD+ finance flows to and implementation of jurisdiction-scale programmes in relevant regions (piloting in Latin American states), identifying opportunities for optimizing jurisdictional REDD+ activities/finance, corporate deforestation targets and on-farm certifications (also informing Project Component 2) findings made publicly available.
2. Promote, through pilot projects, case studies and other mechanisms, the means by which to mainstream biodiversity, forest and ecosystem conservation into sustainable commodity production and supply chains	2.1 Uptake of financing mechanisms that encourage/support sustainable agricultural production. 2.2 Availability of models that mainstream biodiversity and ecosystem values in public and private sectors 2.3 Public sector and investor awareness of regulatory frameworks or policies that account for biodiversity in financial systems.	2.1.1 Produce two case studies of existing financial mechanisms that encourage agricultural sustainability, including successes and lessons learned that can be applied in the development of new financial mechanisms. 2.1.2 Design one or more opportunities for new or modified financial mechanisms that can address agricultural sector barriers to sustainability while incentivizing improved practices and biodiversity conservation. 2.1.3 Conduct consultations on financing mechanisms with supply

		chain actors (4+), non-profit or commercial credit institutions (2+), commodity roundtables (1+), tropical forest country institutions (3+), donor governments (2-4), and development finance institutions (2). 2.2.1 Development of one or more new sustainable funding models to support jurisdiction-scale sustainable production landscapes e.g. 'Jurisdictional REDD+ Bonds'. Funding models could link global REDD+ values with ecosystem service values. 2.2.2 Conduct with UNEP FI stakeholder consultations (2+) on potential. 2.3.1 Develop guidance for regulatory framework(s) and/or policy(ies) that effectively account for environmental and social risks in commodity supply chains as well as identify levers for change in current fiscal frameworks so that they support the removal of deforestation from commodity supply chains. 2.3.2 Conduct consultations on frameworks and policies with development financial institutions, private finance actors, and institutional investors.
Enhance, through the power of knowledge sharing and convening, a more effective dialogue in the various commodities sectors	3.1 New conservation policies and decisions in the public and agricultural sectors. 3.2 Increased visibility and incentives for voluntary public reporting and sharing best practice.	3.1.1 Forward-looking report outlining actionable steps for new conservation policies and decisions by producers, processors, policy-makers and practioners. 3.1.2 At least one "Katoomba-like" event focused on the theme of sustainable commodities to build inputs and awareness. 3.2.1 At least 6-8 articles/year and mainstream media coverage, with a target of 2-3 articles (or the equivalent) per year. 3.2.2 Reporting system to publicise achievements/commitments. 3.2.3 Dissemination of peer-reviewed findings via Katoomba event(s), and commitment relevant official gatherings. Host additional 2+ annually educational and inclusive reports/research launch events engaging public/private sector and producer community stakeholders in order to inform, involve and incentivize high profile stakeholder buy in.

- In addition, as per the Project Document, the project aimed to contribute to 8 global environmental benefits:

ix. Promote clear, strategic decisions expanding conservation in critical sectors;
x. De-risk sustainable practice change;
xi. Endow otherwise fragmented actors with momentum, capacity and confidence to act;
xii. Innovative policy recommendations and investment incentives that favour sustainable commodities;
xiii. Make improvements systematic to policy and investment decisions;
xiv. Agility and appropriate incentives to sustainable producers, investors, shareholders, and ultimately to consumers;
xv. Expanded awareness of and demand for low-zero, or net zero deforestation commodities; and
xvi. Limit or reverse agriculture's forest footprint.

Executing Arrangements

- Forest Trends was the Executing Agency for this project. As noted in the ProDoc, it was responsible for completing the activities outlined in the results framework to help achieve the project's objective, including strengthening relationships with key stakeholders; collaboration with certification organisations; as well as, organising 'Katoomba' like events that bring together between 200-300 noted officials, presenters and practitioners – who are catalysts for extensive networking and follow-up activities. In addition, two representatives from Forest Trends were to serve on the Project Steering Committee.

- UN Environment was the Implementing Agency for this project. Responsibilities, per the ProDoc, included: overall project supervision to ensure consistency with GEF and UN Environment policies and procedures; provide linkages with related UN Environment and GEF funded activities; regular liaison with the executing agency on substantive technical and administrative matters and participation in meetings and workshops as appropriate; clearance and transmission of financial and progress reports; as well as ensuring appropriate linkages and co-ordination maintained with relevant GEF programmes, other UN agencies (UN Environment Finance Initiative, UN REDD Programme) and with global environmental conventions (United Nations Framework Convention on Climate Change, Convention on Biological Diversity, United Nations Convention to Combat Desertification and Intergovernmental Panel on Biodiversity and Ecosystem Services).

- A Project Steering Committee, made up of two representatives from Forest Trends, the UN Environment Task Manager, a representative from UN Environment Finance Initiative, a representative from the GEF Secretariat, and one to two representatives from the private sector and/or an international NGO, was to provide overall guidance on the project's implementation and alignment to

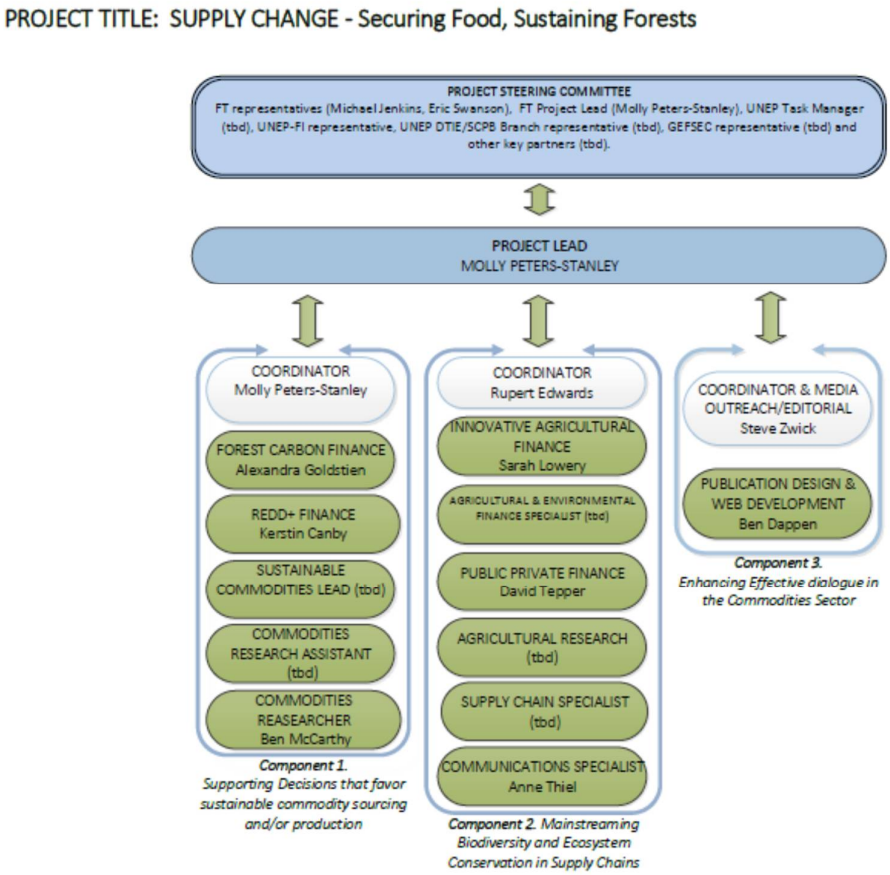

Figure 6: Decision Making Flowchart and Organisational Structure

the GEF-6 integrated approach on deforestation and commodity supply chains.

- **Error! Not a valid bookmark self-reference.** shows the decision-making flowchart and organizational structure as presented in Appendix 9 of the Project Document.
- Error! Reference source not found. shows additional partners, their role and the finance leveraged/received (if any) in the execution of the project as reported in the Final Report.

Table 3: Project Partners, their roles and contribution[52]

Partners	Role	Finance leveraged/received (if any)
UN Environment, and UN Environment -FI	Main implementing partner for project; guided project development and implementation; guided development of follow-on project.	$300,000 (in-kind)
Carbon Disclosure Project	CDP provided data for Supply Change; took active role in project formulation; served on project Steering Committee.	

52 From Final Report

World Wildlife Fund	WWF provided data for Supply Change; took active role in project formulation; served on project Steering Committee; collaborated on reports and event.	$210,000
UNDP	UNDP is the lead agency of the "Adaptive Management and Learning" and "Support to Production" child projects of the Commodities IAP. UNDP provided cohesion between Supply Change and the Commodities IAP; served on project Steering Committee.	
IFC (World Bank)	Important partner with regard to finance-related work under Supply Change for data; assured alignment and synergy between the Commodities IAP's Transactions Child; served on project Steering Committee.	
Consumer Goods Forum (CGF)	CGF is an active partner in Supply Change and provides linkage between Supply Change and CGF's member companies. Partnered on analysing CGF member commitments.	$47,323
World Economic Forum	Partnered on joint events to disseminate the project results through WEF organized events.	
Tropical Forest Alliance (TFA2020)	Partnered on joint events to disseminate the project results through TFA2020 organized events.	
Innovation Forum	Major event and outreach partner; have co-branding agreement.	
Sustainable Brands	Partnered on knowledge dissemination events.	
Climate Focus	Provided data and partnered on NYDF Assessment reports in 2016 and 2017.	
IDESAM (Brazil)	Partnered to collect REDD+ finance data in Brazil and to publish report on the findings.	
Environmental Defense Fund (EDF)	Collaborated on two separate reports, one analysing the landscape of available REDD+ finance, and the other proposing potential synergies between corporate actions and government commitments to reduce deforestation in Brazil and Indonesia.	$223,826
Earth Innovation Institute (EII)	Provided co-financing to support work and publications in support of the objectives of the GEF grant.	$247,634
International Union for Conservation of Nature (IUCN)	Provided co-financing to support multiple publications, including the two mentioned above produced in collaboration with EDF.	
Abdul Latif Jameel Poverty Action Lab (J-PAL)	Co-authored a report written by Forest Trends' Public Private Finance Initiative, in support of the objectives of the GEF grant.	
Mecanismos de Desarrollo Alternos (MDA, Peru)	Co-authored a report written by Forest Trends' Public Private Finance Initiative, in support of the objectives of the GEF grant.	
McArthur Foundation	Provided financing to support multiple publications, including reports analysing the landscape of available REDD+ finance and forest carbon markets, and newsletters and articles covering the topics.	$580,222
ICI Germany	Provided financing to support REDDX tracking and analysis.	$588,068

PROFOR	Provided financing to support multiple publications, including reports analysing the landscape of available REDD+ finance and forest carbon markets, and newsletters and articles covering the aforementioned topics.	
Skoll Foundation	Provided financing to support REDDX tracking and analysis.	$63,278
Good Energies Foundation	Provided financing to support multiple publications, including reports analysing the landscape of available REDD+ finance and forest carbon markets.	$341,653

Project Cost and Financing

- The total project budget was US$4,625,000, of which US$1,900,000 was from GEF Trust Fund, US$2,725,000 from co-finance from various partners as presented in Error! Reference source not found. above.
- The GEF Trust Fund and Co-finance project budget at design is presented in tables below broken down by components and UN Environment budget lines.

Table 4: Project Budget (GEF Trust Fund) by UN Environment Budget Lines

Components and Budget Categories	**Component 1 (US$)**	**Component 2 (US$)**	**Component 3 (US$)**	**Other (US$)**	**Total (US$)**
GEF Trust Fund					
Personnel	744,245	637,211	142,948	95,000	1,619,404
Travel	15,500	-	14,308	-	29,808
Training/Events	-	-	170,000	-	170,000
Equipment	21,200	810	4,359	-	26,369
Misc/Comm/Supplies	9,000	7,680	7,739	30,000	54,419
Total GEF Trust Fund	**789,945**	**645,701**	**339,354**	**125,000**	**1,900,000**

Table 5: Co-finance Budget at Project Design by UN Environment Budget Lines

Components and Budget Categories	**Component 1 (US$)**	**Component 2 (US$)**	**Component 3 (US$)**	**Total (US$)**
Cash:				
Personnel	1,179,000	751,500	287,000	
Travel	40,000	20,000	10,000	
Training/Events	57,000	30,000	120,000	
Equipment	10,000	9,500	0	

Misc/Comm/Supplies	24,000	24,000	13,000	
Sub-total	1,310,000	835,000	430,000	2,275,000
In-Kind (UNEP)				300,000
Administration (5%)				150,000
Total Co-financing				**2,725,000**

Implementation Issues

- As per the final report of the project, all activities as per the results framework were completed. No implementation issues were reported except for a missing component under objective 2, for which plans to roll out the credit lines were to take place later in the year. No midterm review was carried out due to the project's relatively short time frame and no major issues having arisen.

Section 2. OBJECTIVE AND SCOPE OF THE EVALUATION

Key Evaluation principles

- 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) as far as possible, and when verification is not possible, the single source will be mentioned (whilst anonymity is still protected). Analysis leading to evaluative judgements should always be clearly spelled out.

- The "Why?" Question. As this is a terminal evaluation and a follow-up project is currently under implementation, particular attention should be given to learning from the experience. Therefore, the "Why?" question should be at the front of the consultant's minds all through the evaluation exercise and is supported by the use of a theory of change approach. This means that the consultant needs to go beyond the assessment of "what" the project performance was, and make a serious effort to provide a deeper understanding of "why" the performance was as it was. This should provide the basis for the lessons that can be drawn from the project.

- **Baselines and counterfactuals**. In attempting to attribute any outcomes and impacts to the project intervention, 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, trends and counterfactuals in relation to the intended project outcomes and impacts. It 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, trends or counterfactuals 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.

- **Communicating evaluation results**. A key aim of the evaluation is to encourage reflection and learning by UN Environment staff and key project stakeholders. The consultant should consider how reflection and learning can be promoted, both through the evaluation process and in the communication of evaluation findings and key lessons. Clear and concise writing is required on all evaluation deliverables. Draft and final versions of the main evaluation report will be shared with key stakeholders by the Evaluation Manager. There may, however, be several intended audiences, each with different interests and needs regarding the report. The Evaluation Manager will plan with the consultant(s) which audiences to target and the easiest and clearest way to communicate the key evaluation findings and lessons to them. This may include some or all of the following; a webinar,

conference calls with relevant stakeholders, the preparation of an evaluation brief or interactive presentation.

Objective of the Evaluation

- In line with the UN Environment Evaluation Policy[53] and the UN Environment Programme Manual[54], the Terminal Evaluation (TE) is undertaken at completion of the project to assess project performance (in terms of relevance, effectiveness and efficiency), and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. The evaluation has two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote operational improvement, learning and knowledge sharing through results and lessons learned among UN Environment and World Wildlife Fund (WWF), Carbon Disclosure Project (CDP), UN Environment Finance Initiative (UNEP-FI), IDESAM (Brazil), Environmental Defense Fund (EDF), Earth Innovation Fund (EII), and International Union for Conservation of Nature (IUCN). Therefore, the evaluation will identify lessons of operational relevance for future project formulation and implementation especially for the second phase of the project.

Key Strategic Questions

- In addition to the evaluation criteria outlined in Section 10 below, the evaluation will address the **strategic questions** listed below. These are questions of interest to UN Environment and to which the project is believed to be able to make a substantive contribution:

(a) To what extent was the project able to contribute to the 8 global environmental benefits outlined in the project document (and in section 3 above)?

(b) How well was the project able to identify the “links” in the supply chain that have the most direct influence on both buyer and producer uptake of sustainable practices?

(c) To what extent was the project able to integrate private and public finance to:

(i) Better support sustainable production and supply chains;

(ii) Scale up sustainability efforts from farm to jurisdiction (REDD+); and

(iii) Mainstream biodiversity/ecosystem conservation in the global financial system?

(d) How well was the project able to support national/sub-national strategies on reducing deforestation from soft commodities production?

(e) To what extend was the project able to catalyze innovations generated in technology, policy, governance, financing, and business models?

Evaluation Criteria

- All evaluation criteria will be rated on a six-point scale. Sections A-I below, outline the scope of the criteria and a link to a table for recording the ratings is provided in Annex 1). A weightings table will be provided in excel format (link provided in Annex 1) to support the determination of an overall project rating. The set of evaluation criteria are grouped in nine categories: (A) Strategic Relevance; (B) Quality of Project Design; (C) Nature of External Context; (D) Effectiveness, which comprises assessments of the delivery of outputs, achievement of outcomes and likelihood of impact; (E) Financial Management; (F) Efficiency; (G) Monitoring and Reporting; (H) Sustainability; and (I) Factors Affecting Project Performance. The evaluation consultant can propose other evaluation criteria as deemed appropriate.

A. Strategic Relevance

- The evaluation will assess, in line with the OECD/DAC definition of relevance, ‘the extent to which the activity is suited to the priorities and policies of the target group, recipient and donor’. The evaluation will include an assessment of the project’s relevance in relation to UN Environment’s mandate and its

53 http://www.unep.org/eou/StandardsPolicyandPractices/UNEPEvaluationPolicy/tabid/3050/language/en-US/Default.aspx

54 http://www.unep.org/QAS/Documents/UNEP_Programme_Manual_May_2013.pdf . This manual is under revision.

alignment with UN Environment's policies and strategies at the time of project approval. Under strategic relevance an assessment of the complementarity of the project with other interventions addressing the needs of the same target groups will be made. This criterion comprises four elements:

i. Alignment to the UN Environment Medium Term Strategy[55] (MTS) and Programme of Work (POW)

- The evaluation should assess the project's alignment with the MTS and POW under which the project was approved and include, in its narrative, reflections on the scale and scope of any contributions made to the planned results reflected in the relevant MTS and POW.

ii. Alignment to UN Environment / Donor/GEF Strategic Priorities

- Donor, including GEF, strategic priorities will vary across interventions. UN Environment strategic priorities include the Bali Strategic Plan for Technology Support and Capacity Building56 (BSP) and South-South Cooperation (S-SC). The BSP relates to the capacity of governments to: comply with international agreements and obligations at the national level; promote, facilitate and finance environmentally sound technologies and to strengthen frameworks for developing coherent international environmental policies. S-SC is regarded as the exchange of resources, technology and knowledge between developing countries. GEF priorities are specified in published programming priorities and focal area strategies.

iii. Relevance to Regional, Sub-regional and National Environmental Priorities

- The evaluation will assess the extent to which the intervention is suited, or responding to, the stated environmental concerns and needs of the countries, sub-regions or regions where it is being implemented. Examples may include: national or sub-national development plans, poverty reduction strategies or Nationally Appropriate Mitigation Action (NAMA) plans or regional agreements etc.

iv. Complementarity with Existing Interventions

- An assessment will be made of how well the project, either at design stage or during the project mobilization, took account of ongoing and planned initiatives (under the same sub-programme, other UN Environment sub-programmes, or being implemented by other agencies) that address similar needs of the same target groups . The evaluation will consider if the project team, in collaboration with Regional Offices and Sub-Programme Coordinators, made efforts to ensure their own intervention was complementary to other interventions, optimized any synergies and avoided duplication of effort. Examples may include UN Development Assistance Frameworks or One UN programming. Linkages with other interventions should be described and instances where UN Environment's comparative advantage has been particularly well applied should be highlighted.

Factors affecting this criterion may include:

- Stakeholders' participation and cooperation
- Responsiveness to human rights and gender equity
- Country ownership and driven-ness

B. Quality of Project Design

- The quality of project design is assessed using an agreed template during the evaluation inception phase, ratings are attributed to identified criteria and an overall Project Design Quality rating is established (www.unep.org/evaluation). This overall Project Design Quality rating is entered in the final evaluation ratings table as item B. In the Main Evaluation Report a summary of the project's strengths and weaknesses at design stage is included, while the complete Project Design Quality template is annexed in the Inception Report.

55 UN Environment's Medium Term Strategy (MTS) is a document that guides UN Environment's programme planning over a four-year period. It identifies UN Environment's thematic priorities, known as Sub-programmes (SP), and sets out the desired outcomes, known as Expected Accomplishments (EAs), of the Sub-programmes.

56 http://www.unep.org/GC/GC23/documents/GC23-6-add-1.pdf

Factors affecting this criterion may include (at the design stage):

- Stakeholders participation and cooperation
- Responsiveness to human rights and gender equity

C. Nature of External Context

- At evaluation inception stage a rating is established for the project's external operating context (considering the prevalence of conflict, natural disasters and political upheaval). This rating is entered in the final evaluation ratings table as item C. Where a project has been rated as facing either an Unfavourable or Highly Unfavourable external operating context, and/or a negative external event has occurred during project implementation, the ratings for Effectiveness, Efficiency and/or Sustainability may be increased at the discretion of the Evaluation Consultant and Evaluation Manager together. A justification for such an increase must be given.

D. Effectiveness

i. Delivery of Outputs

- The evaluation will assess the project's success in producing the programmed outputs (products, capital goods and services resulting from the intervention) and achieving milestones as per the project design document (ProDoc). Any formal modifications/revisions made during project implementation will be considered part of the project design. Where the project outputs are inappropriately or inaccurately stated in the ProDoc, reformulations may be necessary in the reconstruction of the TOC. In such cases a table should be provided showing the original and the reformulation of the outputs for transparency. The delivery of outputs will be assessed in terms of both quantity and quality, and the assessment will consider their ownership by, and usefulness to, intended beneficiaries and the timeliness of their delivery. The evaluation will briefly explain the reasons behind the success or shortcomings of the project in delivering its programmed outputs and meeting expected quality standards.

Factors affecting this criterion may include:

- Preparation and readiness
- Quality of project management and supervision[57]

ii. Achievement of Direct Outcomes

- The achievement of direct outcomes (short and medium-term effects of the intervention's outputs; a change of behaviour resulting from the use/application of outputs, which is not under the direct control of the intervention's direct actors) is assessed as performance against the direct outcomes as defined in the reconstructed[58] Theory of Change. These are the first-level outcomes expected to be achieved as an immediate result of project outputs. As in 1, above, a table can be used where substantive amendments to the formulation of direct outcomes is necessary. The evaluation should report evidence of attribution between UN Environment's intervention and the direct outcomes. In cases of normative work or where several actors are collaborating to achieve common outcomes, evidence of the nature and magnitude of UN Environment's 'substantive contribution' should be

[57] In some cases 'project management and supervision' will refer to the supervision and guidance provided by UN Environment to implementing partners and national governments while in others, specifically for GEF funded projects, it will refer to the project management performance of the executing agency and the technical backstopping provided by UN Environment.

58 UN Environment staff are currently required to submit a Theory of Change with all submitted project designs. The level of 'reconstruction' needed during an evaluation will depend on the quality of this initial TOC, the time that has lapsed between project design and implementation (which may be related to securing and disbursing funds) and the level of any changes made to the project design. In the case of projects pre-dating 2013 the intervention logic is often represented in a logical framework and a TOC will need to be constructed in the inception stage of the evaluation.

included and/or 'credible association' established between project efforts and the direct outcomes realised.

Factors affecting this criterion may include:

- Quality of project management and supervision
- Stakeholders' participation and cooperation
- Responsiveness to human rights and gender equity
- Communication and public awareness

iii. Likelihood of Impact

- Based on the articulation of longer term effects in the reconstructed TOC (i.e. from direct outcomes, via intermediate states, to impact), the evaluation will assess the likelihood of the intended, positive impacts becoming a reality. Project objectives or goals should be incorporated in the TOC, possibly as intermediate states or long term impacts. The Evaluation Office's approach to the use of TOC in project evaluations is outlined in a guidance note available on the Evaluation Office website, https://www.unenvironment.org/about-un-environment/evaluation and is supported by an excel-based flow chart, 'Likelihood of Impact Assessment Decision Tree'. Essentially the approach follows a 'likelihood tree' from direct outcomes to impacts, taking account of whether the assumptions and drivers identified in the reconstructed TOC held. Any unintended positive effects should also be identified and their causal linkages to the intended impact described.

- The evaluation will also consider the likelihood that the intervention may lead, or contribute to, unintended negative effects. Some of these potential negative effects may have been identified in the project design as risks or as part of the analysis of Environmental, Social and Economic Safeguards.[59]

- The evaluation will consider the extent to which the project has played a catalytic role or has promoted scaling up and/or replication[60] as part of its Theory of Change and as factors that are likely to contribute to longer term impact.

- Ultimately UN Environment and all its partners aim to bring about benefits to the environment and human well-being. Few projects are likely to have impact statements that reflect such long-term or broad-based changes. However, the evaluation will assess the likelihood of the project to make a substantive contribution to the high-level changes represented by UN Environment's Expected Accomplishments, the Sustainable Development Goals[61] and/or the high level results prioritised by the funding partner.

Factors affecting this criterion may include:

- Quality of Project Management and Supervision (including adaptive management)
- Stakeholders participation and cooperation
- Responsiveness to human rights and gender equity
- Country ownership and driven-ness
- Communication and public awareness

E. Financial Management

- Financial management will be assessed under two themes: completeness of financial information and communication between financial and project management staff. The evaluation will

59 Further information on Environmental, Social and Economic Safeguards (ESES) can be found at http://www.unep.org/about/eses

60 Scaling up refers to approaches being adopted on a much larger scale, but in a very similar context. Scaling up is often the longer term objective of pilot initiatives. Replication refers to approaches being repeated or lessons being explicitly applied in new/different contexts e.g. other geographic areas, different target group etc. Effective replication typically requires some form of revision or adaptation to the new context. It is possible to replicate at either the same or a different scale.

61 A list of relevant SDGs is available on the EO website www.unep.org/evaluation

establish the actual spend across the life of the project of funds secured from all donors. This expenditure will be reported, where possible, at output level and will be compared with the approved budget. The evaluation will assess the level of communication between the Project/Task Manager and the Fund Management Officer as it relates to the effective delivery of the planned project and the needs of a responsive, adaptive management approach. The evaluation will verify the application of proper financial management standards and adherence to UN Environment's financial management policies. Any financial management issues that have affected the timely delivery of the project or the quality of its performance will be highlighted.

Factors affecting this criterion may include:

- Preparation and readiness
- Quality of project management and supervision

F. Efficiency

- In keeping with the OECD/DAC definition of efficiency the evaluation will assess the extent to which the project delivered maximum results from the given resources. This will include an assessment of the cost-effectiveness and timeliness of project execution. Focussing on the translation of inputs into outputs, cost-effectiveness is the extent to which an intervention has achieved, or is expected to achieve, its results at the lowest possible cost. Timeliness refers to whether planned activities were delivered according to expected timeframes as well as whether events were sequenced efficiently. The evaluation will also assess to what extent any project extension could have been avoided through stronger project management and identify any negative impacts caused by project delays or extensions. The evaluation will describe any cost or time-saving measures put in place to maximise results within the secured budget and agreed project timeframe and consider whether the project was implemented in the most efficient way compared to alternative interventions or approaches.

- The evaluation will 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. The evaluation will also consider the extent to which the management of the project minimised UN Environment's environmental footprint.

- The factors underpinning the need for any project extensions will also be explored and discussed. As management or project support costs cannot be increased in cases of 'no cost extensions', such extensions represent an increase in unstated costs to implementing parties.

Factors affecting this criterion may include:

- Preparation and readiness (e.g. timeliness)
- Quality of project management and supervision
- Stakeholders participation and cooperation

G. Monitoring and Reporting

- The evaluation will assess monitoring and reporting across three sub-categories: monitoring design and budgeting, monitoring implementation and project reporting.

i. Monitoring Design and Budgeting

- Each project should be supported by a sound monitoring plan that is designed to track progress against SMART[62] indicators towards the delivery of the project's outputs and achievement of direct

62 SMART refers to indicators that are specific, measurable, assignable, realistic and time-specific.

outcomes, including at a level disaggregated by gender, vulnerability or marginalisation. The evaluation will assess the quality of the design of the monitoring plan as well as the funds allocated for its implementation. The adequacy of resources for mid-term and terminal evaluation/review should be discussed if applicable.

ii. Monitoring of Project Implementation

- The evaluation will assess whether the monitoring system was operational and facilitated the timely tracking of results and progress towards projects objectives throughout the project implementation period. This should include monitoring the representation and participation of disaggregated groups (including gendered, vulnerable and marginalised groups) in project activities. It will also consider how information generated by the monitoring system during project implementation was used to adapt and improve project execution, achievement of outcomes and ensure sustainability. The evaluation should confirm that funds allocated for monitoring were used to support this activity.

iii. Project Reporting

- UN Environment has a centralised Project Information Management System (PIMS) in which project managers upload six-monthly status reports against agreed project milestones. This information will be provided to the Evaluation Consultant(s) by the Evaluation Manager. Some projects have additional requirements to report regularly to funding partners, which will be supplied by the project team (e.g. the Project Implementation Reviews and Tracking Tool for GEF-funded projects). The evaluation will assess the extent to which both UN Environment and donor reporting commitments have been fulfilled. Consideration will be given as to whether reporting has been carried out with respect to the effects of the initiative on disaggregated groups.

Factors affecting this criterion may include:

- Quality of project management and supervision
- Responsiveness to human rights and gender equity (e.g disaggregated indicators and data)

H. Sustainability

- Sustainability is understood as the probability of direct outcomes being maintained and developed after the close of the intervention. The evaluation will identify and assess the key conditions or factors that are likely to undermine or contribute to the persistence of achieved direct outcomes (ie. 'assumptions' and 'drivers'). Some factors of sustainability may be embedded in the project design and implementation approaches while others may be contextual circumstances or conditions that evolve over the life of the intervention. Where applicable an assessment of bio-physical factors that may affect the sustainability of direct outcomes may also be included.

i. Socio-political Sustainability

- The evaluation will assess the extent to which social or political factors support the continuation and further development of project direct outcomes. It will consider the level of ownership, interest and commitment among government and other stakeholders to take the project achievements forwards. In particular the evaluation will consider whether individual capacity development efforts are likely to be sustained.

ii. Financial Sustainability

- Some direct outcomes, once achieved, do not require further financial inputs, e.g. the adoption of a revised policy. However, in order to derive a benefit from this outcome further management action may still be needed e.g. to undertake actions to enforce the policy. Other direct outcomes may be dependent on a continuous flow of action that needs to be resourced for them to be maintained, e.g. continuation of a new resource management approach. The evaluation will assess the extent to which project outcomes are dependent on future funding for the benefits they bring to be sustained. Secured

future funding is only relevant to financial sustainability where the direct outcomes of a project have been extended into a future project phase. Even where future funding has been secured, the question still remains as to whether the project outcomes are financially sustainable.

iii. Institutional Sustainability

- The evaluation will assess the extent to which the sustainability of project outcomes (especially those relating to policies and laws) is dependent on issues relating to institutional frameworks and governance. It will consider whether institutional achievements such as governance structures and processes, policies, sub-regional agreements, legal and accountability frameworks etc. are robust enough to continue delivering the benefits associated with the project outcomes after project closure. In particular, the evaluation will consider whether institutional capacity development efforts are likely to be sustained.

Factors affecting this criterion may include:

- Stakeholders participation and cooperation
- Responsiveness to human rights and gender equity (e.g. where interventions are not inclusive, their sustainability may be undermined)
- Communication and public awareness
- Country ownership and driven-ness

I. Factors and Processes Affecting Project Performance

(These factors are rated in the ratings table, but are discussed within the Main Evaluation Report as cross-cutting themes as appropriate under the other evaluation criteria, above)

i. Preparation and Readiness

- This criterion focuses on the inception or mobilisation stage of the project (ie. the time between project approval and first disbursement). The evaluation will assess whether appropriate measures were taken to either address weaknesses in the project design or respond to changes that took place between project approval, the securing of funds and project mobilisation. In particular the evaluation will consider the nature and quality of engagement with stakeholder groups by the project team, the confirmation of partner capacity and development of partnership agreements as well as initial staffing and financing arrangements. (Project preparation is included in the template for the assessment of Project Design Quality).

ii. Quality of Project Management and Supervision

- In some cases 'project management and supervision' will refer to the supervision and guidance provided by UN Environment to implementing partners and national governments while in others, specifically for GEF funded projects, it will refer to the project management performance of the executing agency and the technical backstopping and supervision provided by UN Environment.

- The evaluation will assess the effectiveness of project management with regard to: providing leadership towards achieving the planned outcomes; managing team structures; maintaining productive partner relationships (including Steering Groups etc.); communication and collaboration with UN Environment colleagues; risk management; use of problem-solving; project adaptation and overall project execution. Evidence of adaptive management should be highlighted.

iii. Stakeholder Participation and Cooperation

- Here the term 'stakeholder' should be considered in a broad sense, encompassing all project partners, duty bearers with a role in delivering project outputs and target users of project outputs and any other collaborating agents external to UN Environment. The assessment will consider the quality and effectiveness of all forms of communication and consultation with stakeholders throughout the

project life and the support given to maximise collaboration and coherence between various stakeholders, including sharing plans, pooling resources and exchanging learning and expertise. The inclusion and participation of all differentiated groups, including gender groups should be considered.

iv. Responsiveness to Human Rights and Gender Equity

- The evaluation will ascertain to what extent the project has applied the UN Common Understanding on the human rights based approach (HRBA) and the UN Declaration on the Rights of Indigenous People. Within this human rights context the evaluation will assess to what extent the intervention adheres to UN Environment's Policy and Strategy for Gender Equality and the Environment.

- In particular the evaluation will consider to what extent project design, implementation and monitoring have taken 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.

v. Country Ownership and Driven-ness

- The evaluation will assess the quality and degree of engagement of government / public sector agencies in the project. While there is some overlap between Country Ownership and Institutional Sustainability, this criterion focuses primarily on the forward momentum of the intended projects results, ie. either a) moving forwards from outputs to direct outcomes or b) moving forward from direct outcomes towards intermediate states. The evaluation will consider the involvement not only of those directly involved in project execution and those participating in technical or leadership groups, but also those official representatives whose cooperation is needed for change to be embedded in their respective institutions and offices. This factor is concerned with the level of ownership generated by the project over outputs and outcomes and that is necessary for long term impact to be realised. This ownership should adequately represent the needs of interest of all gendered and marginalised groups.

vi. Communication and Public Awareness

- The evaluation will assess the effectiveness of: a) communication of learning and experience sharing between project partners and interested groups arising from the project during its life and b) public awareness activities that were undertaken during the implementation of the project to influence attitudes or shape behaviour among wider communities and civil society at large. The evaluation should consider whether existing communication channels and networks were used effectively, including meeting the differentiated needs of gendered or marginalised groups, and whether any feedback channels were established. Where knowledge sharing platforms have been established under a project the evaluation will comment on the sustainability of the communication channel under either socio-political, institutional or financial sustainability, as appropriate.

Section 3. EVALUATION APPROACH, METHODS AND DELIVERABLES

- The Terminal Evaluation 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 as appropriate to determine project achievements against the expected outputs, outcomes and impacts. It is highly recommended that the consultant(s) maintains close communication with the project team and promotes information exchange throughout the evaluation implementation phase in order to increase their (and other stakeholder) ownership of the evaluation findings. Where applicable, the consultant(s) should provide a geo-referenced map that demarcates the area covered by the project and, where possible, provide geo-reference photographs of key intervention sites (e.g. sites of habitat rehabilitation and protection, pollution treatment infrastructure, etc.)

- The findings of the evaluation will be based on the following:

(a) A **desk review** of:

- Relevant background documentation, inter alia the Carbon Disclosure Project's annual Global Forests Report, the State of Sustainability Initiative's semi annual State of Sustainability Initiatives reports, The World Wildlife Fund's corporate commodity scorecards and database;
- Project design documents (including minutes of the project design review meeting at approval); Annual Work Plans and Budgets or equivalent, revisions to the project (Project Document Supplement), the logical framework and its budget;
- Project reports such as six-monthly progress and financial reports, progress reports from collaborating partners, meeting minutes, relevant correspondence and including the Project Implementation Reviews and Tracking Tool etc.;
- Project outputs, including but not limited to: Supply Change database, global assessment reports (2015, 2016, 2017), financial mechanisms, consultation reports, articles published;
- Evaluations/reviews of similar projects.

(b) **Interviews** (individual or in group) with:

- UN Environment Task Manager (TM) Ersin Esen;
- Project management team (Forest Trends; UNEP FI, Steering Committee);
- UN Environment Fund Management Officer (FMO);
- Sub-Programme Coordinator;
- Project partners, including Carbon Disclosure Project, World Wildlife Fund, UNDP, IFC (World Bank), Consumer Goods Forum, World Economic Forum, Tropical Rainforest Alliance (TFA2020), Innovation Forum, Sustainable Brands, Climate Focus, IDESAM (Brazil), Environmental Defense Fund, Earth Innovation Institute, International Union for Conservation of Nature, Abdul Latif Jameel Poverty Action Lab, Mecanismos de Desarrollo Alternos (MDA, Peru), McArthur Foundation, ICI Germany, PROFOR, Skoll Foundation, Good Energies Foundation;
- Relevant resource persons.

(c) **Surveys** as deemed necessary and designed at the inception stage.
(d) **Field visits** as deemed necessary and designed at the inception stage.
(e) **Other data collection tools** as deemed necessary and designed at the inception stage.

Evaluation Deliverables and Review Procedures

- The evaluation team will prepare:
  - **Inception Report:** (see Annex 1 for links to all templates, tables and guidance notes) containing an assessment of project design quality, a draft reconstructed Theory of Change of the project, project stakeholder analysis, evaluation framework and a tentative evaluation schedule.
  - **Preliminary Findings Note:** typically in the form of a powerpoint presentation, the sharing of preliminary findings is intended to support the participation of the project team, act as a means to ensure all information sources have been accessed and provide an opportunity to verify emerging findings. In the case of highly strategic project/portfolio evaluations or evaluations with an Evaluation Reference Group, the preliminary findings may be presented as a word document for review and comment.
  - **Draft and Final Evaluation Report:** (see links in Annex 1) containing an executive summary that can act as a stand alone document; detailed analysis of the evaluation findings organised by evaluation criteria and supported with evidence; lessons learned and recommendations and an annotated ratings table.

- **Evaluation Bulletin:** a 2-page summary of key evaluation findings for wider dissemination through the EOU website.

- **Review of the draft evaluation report**. The evaluation team will submit a draft report to the Evaluation Manager and revise the draft in response to their comments and suggestions. Once a draft of adequate quality has been peer-reviewed and accepted, the Evaluation Manager will share the cleared draft report with the Project Manager, who will alert the Evaluation Manager in case the report contains any blatant factual errors. The Evaluation Manager will then forward revised draft report (corrected by the evaluation team where necessary) to other project stakeholders, for their review and comments. Stakeholders may provide feedback on any errors of fact and may highlight the significance of such errors in any conclusions as well as providing feedback on the proposed recommendations and lessons. Any comments or responses to draft reports will be sent to the Evaluation Manager for consolidation. The Evaluation Manager will provide all comments to the evaluation team for consideration in preparing the final report, along with guidance on areas of contradiction or issues requiring an institutional response.

- Based on a careful review of the evidence collated by the evaluation consultant and the internal consistency of the report, the Evaluation Manager will provide an assessment of the ratings in the final evaluation report. Where there are differences of opinion between the evaluator and the Evaluation Manager on project ratings, both viewpoints will be clearly presented in the final report. The Evaluation Office ratings will be considered the final ratings for the project.

- The Evaluation Manager will prepare a **quality assessment** of the first and final drafts of the main evaluation report, which acts as a tool for providing structured feedback to the evaluation consultant. The quality of the report will be assessed and rated against the criteria specified in template listed in Annex 1 and this assessment will be appended to the Final Evaluation Report.

- At the end of the evaluation process, the Evaluation Office will prepare a **Recommendations Implementation Plan** in the format of a table, to be completed and updated at regular intervals by the Task Manager. The Evaluation Office will track compliance against this plan on a six monthly basis.

The Evaluation Consultant

- For this evaluation, the evaluation team will consist of an Evaluation Consultant who will work under the overall responsibility of the Evaluation Office represented by an Evaluation Manager Ms Neeral Shah, in consultation with the UN Environment Task Manager, Ersin Esen, Fund Management Officer, Pooja Bhimjiani and the Coordinators of the Ecosystem Management Sub-programme. The consultant will liaise with the Evaluation Manager on any procedural and methodological matters related to the evaluation. It is, however, the consultant's individual responsibility to arrange for their visas and immunizations as well as to plan meetings with stakeholders, organize online surveys, obtain documentary evidence and any other logistical matters related to the assignment. The UN Environment Task Manager and project team will, where possible, provide logistical support (introductions, meetings etc.) allowing the consultant to conduct the evaluation as efficiently and independently as possible.

- The consultant will be hired for 6 months spread over the period March 2019 to September 2019 and should have: an advanced university degree in environmental sciences, international development or other relevant political or social sciences area; a minimum of 8 years of technical / evaluation experience, including of evaluating large, regional or global programmes and using a Theory of Change approach; a broad understanding of agricultural commodity supply chains, public and private finance as well as international climate finance (eg REDD+ and ecosystem payment systems); proficiency in English is required, along with excellent writing skills in English; and, where possible, knowledge of the UN system, specifically of the work of UN Environment.

- The consultant will be responsible, in close consultation with the Evaluation Office of UN Environment, for overall management of the evaluation and timely delivery of its outputs, described

above in Section 11 Evaluation Deliverables, above. The consultant will ensure that all evaluation criteria and questions are adequately covered.

In close consultation with the Evaluation Manager, the Evaluation Consultant will be responsible for the overall management of the evaluation and timely delivery of its outputs, data collection and analysis and report-writing. More specifically:

Inception phase of the evaluation, including:

- preliminary desk review and introductory interviews with project staff;
- draft the reconstructed Theory of Change of the project;
- prepare the evaluation framework;
- develop the desk review and interview protocols;
- draft the survey protocols (if relevant);
- develop and present criteria for country and/or site selection for the evaluation mission;
- plan the evaluation schedule;
- prepare the Inception Report, incorporating comments until approved by the Evaluation Manager

Data collection and analysis phase of the evaluation, including:

- conduct further desk review and in-depth interviews with project implementing and executing agencies, project partners and project stakeholders;
- (where appropriate and agreed) conduct an evaluation mission(s) to selected countries, visit the project locations, interview project partners and stakeholders, including a good representation of local communities. Ensure independence of the evaluation and confidentiality of evaluation interviews.
- regularly report back to the Evaluation Manager on progress and inform of any possible problems or issues encountered and;
- keep the Project/Task Manager informed of the evaluation progress and engage the Project/Task Manager in discussions on emerging findings throughout the evaluation process.

Reporting phase, including:

- draft the Main Evaluation Report, ensuring that the evaluation report is complete, coherent and consistent with the Evaluation Manager guidelines both in substance and style;
- liaise with the Evaluation Manager on comments received and finalize the Main Evaluation Report, ensuring that comments are taken into account until approved by the Evaluation Manager
- prepare a Response to Comments annex for the main report, listing those comments not accepted by the Evaluation Consultant and indicating the reason for the rejection; and
- prepare a 2-page summary of the key evaluation findings and lessons;

Managing relations, including:

- maintain a positive relationship with evaluation stakeholders, ensuring that the evaluation process is as participatory as possible but at the same time maintains its independence;
- communicate in a timely manner with the Evaluation Manager on any issues requiring its attention and intervention.

Schedule of the evaluation

- The table below presents the tentative schedule for the evaluation.

Table 3. Tentative schedule for the evaluation

Milestone	**Tentative Dates**
Inception Report	April 2019
Telephone interviews, surveys etc.	May 2019
Powerpoint/presentation on preliminary findings and recommendations	June 2019
Draft report to Evaluation Manager (and Peer Reviewer)	June 2019
Draft Report shared with UN Environment Project Manager and team	July 2019
Draft Report shared with wider group of stakeholders	August 2019
Final Report	September 2019
Final Report shared with all respondents	October 2019

Contractual Arrangements

- Evaluation Consultant will be selected and recruited by the Evaluation Office of UN Environment under an individual Special Service Agreement (SSA) on a “fees only” basis (see below). By signing the service contract with UN Environment/UNON, the consultant certifies that s/he 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, s/he will not have any future interests (within six months after completion of the contract) with the project’s executing or implementing units. All consultants are required to sigh the Code of Conduct Agreement Form.

- Fees will be paid on an instalment basis, paid on acceptance by the Evaluation Manager of expected key deliverables. The schedule of payment is as follows:

- Schedule of Payment for the Consultant:

Deliverable	Percentage Payment
Approved Inception Report (as per annex document 7)	30%

Approved Draft Main Evaluation Report (as per annex document 13)	30%
Approved Final Main Evaluation Report	40%

- Fees only contracts: Air tickets will be purchased by UN Environment and 75% of the Daily Subsistence Allowance for each authorised travel mission will be paid up front. Local in-country travel will only be reimbursed where agreed in advance with the Evaluation Manager and on the production of acceptable receipts. Terminal expenses and residual DSA entitlements (25%) will be paid after mission completion.

- The consultant may be provided with access to UN Environment's Programme Information Management System (PIMS) and if such access is granted, the consultants agree not to disclose information from that system to third parties beyond information required for, and included in, the evaluation report.

- In case the consultants are not able to provide the deliverables in accordance with these guidelines, and in line with the expected quality standards by the UN Environment Evaluation Office, payment may be withheld at the discretion of the Director of the Evaluation Office until the consultants have improved the deliverables to meet UN Environment's quality standards.

- If the consultant(s) fail to submit a satisfactory final product to UN Environment in a timely manner, i.e. before 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.

Annex VII. QUALITY ASSESSMENT OF THE EVALUATION REPORT

Evaluand Title:

GEF 5776: Supply Change: Securing Food, Sustaining Forests.

All UNEP evaluations are subject to a quality assessment by the Evaluation Office. This is an assessment of the quality of the evaluation product (i.e. evaluation report) and is dependent on more than just the consultant's efforts and skills.

	UNEP Evaluation Office Comments	Final Report Rating
Substantive Report Quality Criteria		
Quality of the Executive Summary: The Summary should be able to stand alone as an accurate summary of the main evaluation product. It should include a concise overview of the evaluation object; clear summary of the evaluation objectives and scope; overall evaluation rating of the project and key features of performance (strengths and weaknesses) against exceptional criteria (plus reference to where the evaluation ratings table can be found within the report); summary of the main findings of the exercise, including a synthesis of main conclusions (which include a summary response to key strategic evaluation questions), lessons learned and recommendations.	Final report: The Executive Summary covered the main required elements but required some editing for ease of reading and to ensure the meaning is conveyed. A reference to where the evaluation ratings table can be found is needed.	5
I. Introduction A brief introduction should be given identifying, where possible and relevant, the following: institutional context of the project (sub-programme, Division, regions/countries where implemented) and coverage of the evaluation; date of PRC approval and project document signature); results frameworks to which it contributes (e.g. Expected Accomplishment in POW); project duration and start/end dates; number of project phases (where appropriate); implementing partners; total secured budget and whether the project has been evaluated in the past (e.g. mid-term, part of a synthesis evaluation, evaluated by another agency etc.) Consider the extent to which the introduction includes a concise statement of the purpose of the evaluation and the key intended audience for the findings?	Final report: The introduction is brief although it does provide all the necessary introductory information.	5
II. Evaluation Methods A data collection section should include: a description of evaluation methods and information sources used, including the number and type of respondents; justification for methods used (e.g. qualitative/ quantitative; electronic/face-to-face); any selection criteria used to identify respondents, case studies or sites/countries visited; strategies used to increase stakeholder engagement and consultation; details of how data were verified (e.g. triangulation, review by stakeholders etc.). Methods to ensure that potentially excluded groups (excluded by gender, vulnerability or marginalisation) are reached and their	Final report:	4

experiences captured effectively, should be made explicit in this section. The methods used to analyse data (e.g. scoring; coding; thematic analysis etc.) should be described. It should also address evaluation limitations such as: low or imbalanced response rates across different groups; gaps in documentation; extent to which findings can be either generalised to wider evaluation questions or constraints on aggregation/disaggregation; any potential or apparent biases; language barriers and ways they were overcome. Ethics and human rights issues should be highlighted including: how anonymity and confidentiality were protected and strategies used to include the views of marginalised or potentially disadvantaged groups and/or divergent views. Is there an ethics statement?		
III. The Project This section should include: • Context: Overview of the main issue that the project is trying to address, its root causes and consequences on the environment and human well-being (i.e. synopsis of the problem and situational analyses). • Results framework: Summary of the project's results hierarchy as stated in the ProDoc (or as officially revised) • Stakeholders: Description of groups of targeted stakeholders organised according to relevant common characteristics • Project implementation structure and partners: A description of the implementation structure with diagram and a list of key project partners • Changes in design during implementation: Any key events that affected the project's scope or parameters should be described in brief in chronological order • Project financing: Completed tables of: (a) budget at design and expenditure by components (b) planned and actual sources of funding/co-financing	Final report: The context covers all that is needed, including a detailed summary of the wide range of partners involved in the project.	5
IV. Theory of Change The TOC at Evaluation should be presented clearly in both diagrammatic and narrative forms. Clear articulation of each major causal pathway is expected, (starting from outputs to long term impact), including explanations of all drivers and assumptions as well as the expected roles of key actors. This section should include a description of how the TOC at Evaluation[63] was designed (who was involved etc.) and applied to the context of the project? Where the project results as stated in the project design documents (or formal revisions of the project design) are not an accurate reflection of the project's intentions or do not follow UNEP's definitions of different results levels, project results may need to be re-phrased or reformulated. In such cases, a summary of the project's results hierarchy should be presented for: a) the results as stated in the approved/revised Prodoc logframe/TOC and b) as formulated in the TOC at Evaluation. The two results hierarchies should	Final report: Improvements made to this section have met the requirements, including a discussion of drivers. However, the formulation of outcomes remains at a level similar to outputs – 'awareness of', 'availability' etc.	5

63 During the Inception Phase of the evaluation process a TOC at Evaluation Inception is created based on the information contained in the approved project documents (these may include either logical framework or a TOC or narrative descriptions), formal revisions and annual reports etc. During the evaluation process this TOC is revised based on changes made during project intervention and becomes the TOC at Evaluation.

be presented as a two-column table to show clearly that, although wording and placement may have changed, the results 'goal posts' have not been 'moved'.		
V. Key Findings **A. Strategic relevance:** This section should include an assessment of the project's relevance in relation to UNEP's mandate and its alignment with UNEP's policies and strategies at the time of project approval. An assessment of the complementarity of the project at design (or during inception/mobilisation[64]), with other interventions addressing the needs of the same target groups should be included. Consider the extent to which all four elements have been addressed: v. Alignment to the UNEP Medium Term Strategy (MTS) and Programme of Work (POW) vi. Alignment to Donor/GEF Strategic Priorities vii. Relevance to Regional, Sub-regional and National Environmental Priorities viii. Complementarity with Existing Interventions	Final report:	5
B. Quality of Project Design To what extent are the strength and weaknesses of the project design effectively summarized?	Final report:	4
C. Nature of the External Context For projects where this is appropriate, key external features of the project's implementing context that limited the project's performance (e.g. conflict, natural disaster, political upheaval[65]), and how they affected performance, should be described.	Final report: Addressed appropriately.	5
D. Effectiveness **(i) Outputs and Project Outcomes:** How well does the report present a well-reasoned, complete and evidence-based assessment of the a) availability of outputs, and b) achievement of project outcomes? How convincing is the discussion of attribution and contribution, as well as the constraints to attributing effects to the intervention. The effects of the intervention on differentiated groups, including those with specific needs due to gender, vulnerability or marginalisation, should be discussed explicitly.	Final report: The discussion of findings against intended outputs is appropriate. The analysis of achievement of outcomes is limited by a lack of evaluability.	4

64 A project's inception or mobilization period is understood as the time between project approval and first disbursement. Complementarity during project implementation is considered under Efficiency, see below.

65 Note that 'political upheaval' does not include regular national election cycles, but unanticipated unrest or prolonged disruption. The potential delays or changes in political support that are often associated with the regular national election cycle should be part of the project's design and addressed through adaptive management of the project team.

(ii) Likelihood of Impact: How well does the report present an integrated analysis, guided by the causal pathways represented by the TOC, of all evidence relating to likelihood of impact? How well are change processes explained and the roles of key actors, as well as drivers and assumptions, explicitly discussed? Any unintended negative effects of the project should be discussed under Effectiveness, especially negative effects on disadvantaged groups.	Final report:	4
E. Financial Management This section should contain an integrated analysis of all dimensions evaluated under financial management and include a completed 'financial management' table. Consider how well the report addresses the following: • Adherence to UNEP's financial policies and procedures • completeness of financial information, including the actual project costs (total and per activity) and actual co-financing used • communication between financial and project management staff	Final report: The information on co-finance contributions is much appreciated.	5
F. Efficiency To what extent, and how well, does the report present a well-reasoned, complete and evidence-based assessment of efficiency under the primary categories of cost-effectiveness and timeliness including: • Implications of delays and no cost extensions • Time-saving measures put in place to maximise results within the secured budget and agreed project timeframe • Discussion of making use during project implementation of/building on pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities with other initiatives, programmes and projects etc. • The extent to which the management of the project minimised UNEP's environmental footprint.	Final report: All elements are covered in a concise manner.	5
G. Monitoring and Reporting How well does the report assess: • Monitoring design and budgeting (including SMART results with measurable indicators, resources for MTE/R etc.) • Monitoring of project implementation (including use of monitoring data for adaptive management) • Project reporting (e.g. PIMS and donor reports)	Final report:	5
H. Sustainability How well does the evaluation identify and assess the key conditions or factors that are likely to undermine or contribute to the persistence of achieved project outcomes including: • Socio-political Sustainability • Financial Sustainability	Final report:	5

• Institutional Sustainability		
I. Factors Affecting Performance These factors are <u>not</u> discussed in stand-alone sections but are **integrated in criteria A-H as appropriate**. Note that these are described in the Evaluation Criteria Ratings Matrix. To what extent, and how well, does the evaluation report cover the following cross-cutting themes: • Preparation and readiness • Quality of project management and supervision[66] • Stakeholder participation and co-operation • Responsiveness to human rights and gender equity • Environmental and social safeguards • Country ownership and driven-ness • Communication and public awareness	Final report: A summary is provided for each sub-category.	5
VI. Conclusions and Recommendations **i. Quality of the conclusions:** The key strategic questions should be clearly and succinctly addressed within the conclusions section. It is expected that the conclusions will highlight the main strengths and weaknesses of the project and connect them in a compelling story line. Human rights and gender dimensions of the intervention (e.g. how these dimensions were considered, addressed or impacted on) should be discussed explicitly. Conclusions, as well as lessons and recommendations, should be consistent with the evidence presented in the main body of the report.	Final report: The summary with regard to Global Environmental Benefits is appreciated.	5
ii) Quality and utility of the lessons: Both positive and negative lessons are expected and duplication with recommendations should be avoided. Based on explicit evaluation findings, lessons should be rooted in real project experiences or derived from problems encountered and mistakes made that should be avoided in the future. Lessons must have the potential for wider application and use and should briefly describe the context from which they are derived and those contexts in which they may be useful.	Final report:	5
iii) Quality and utility of the recommendations: To what extent are the recommendations proposals for specific action to be taken by identified people/position-holders 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) and specific in terms of who would do what and when. At least one recommendation relating to strengthening the human rights and gender dimensions of UNEP interventions, should be given.	Final report:	5

66 In some cases 'project management and supervision' will refer to the supervision and guidance provided by UNEP to implementing partners and national governments while in others, specifically for GEF funded projects, it will refer to the project management performance of the executing agency and the technical backstopping provided by UNEP.

Recommendations should represent a measurable performance target in order that the Evaluation Office can monitor and assess compliance with the recommendations.		
VII. Report Structure and Presentation Quality		
i) Structure and completeness of the report: To what extent does the report follow the Evaluation Office guidelines? Are all requested Annexes included and complete?	Final report: .	5
ii) **Quality of writing and formatting:** Consider whether the report is well written (clear English language and grammar) with language that is adequate in quality and tone for an official document? Do visual aids, such as maps and graphs convey key information? Does the report follow Evaluation Office formatting guidelines?	Final report: A considerable amount of time was spent to format the report as per the Evaluation Office guidelines	5
OVERALL REPORT QUALITY RATING		**Satisfactory**

A number rating 1-6 is used for each criterion: Highly Satisfactory = 6, Satisfactory = 5, Moderately Satisfactory = 4, Moderately Unsatisfactory = 3, Unsatisfactory = 2, Highly Unsatisfactory = 1. The overall quality of the evaluation report is calculated by taking the mean score of all rated quality criteria.

At the end of the evaluation, compliance of the evaluation process against the agreed standard procedures is assessed, based on the table below. All questions with negative compliance must be explained further in the table below.

Evaluation Process Quality Criteria	Compliance	
	Yes	No
Independence:		
1. Were the Terms of Reference drafted and finalised by the Evaluation Office?	✓	
2. Were possible conflicts of interest of proposed Evaluation Consultant(s) appraised and addressed in the final selection?	✓	
3. Was the final selection of the Evaluation Consultant(s) made by the Evaluation Office?	✓	
4. Was the evaluator contracted directly by the Evaluation Office?	✓	
5. Was the Evaluation Consultant given direct access to identified external stakeholders in order to adequately present and discuss the findings, as appropriate?	✓	
6. Did the Evaluation Consultant raise any concerns about being unable to work freely and without interference or undue pressure from project staff or the Evaluation Office?		✓
7. If Yes to Q6: Were these concerns resolved to the mutual satisfaction of both the Evaluation Consultant and the Evaluation Manager?		
Financial Management:		
8. Was the evaluation budget approved at project design available for the evaluation?	✓	
9. Was the final evaluation budget agreed and approved by the Evaluation Office?	✓	
10. Were the agreed evaluation funds readily available to support the payment of the evaluation contract throughout the payment process?	✓	
Timeliness:		
11. If a Terminal Evaluation: Was the evaluation initiated within the period of six months before or after project operational completion? Or, if a Mid Term Evaluation: Was the evaluation initiated within a six-month period prior to the project's mid-point?	✓	
12. Were all deadlines set in the Terms of Reference respected, as far as unforeseen circumstances allowed?	✓	
13. Was the inception report delivered and reviewed/approved prior to commencing any travel?	✓	
Project's engagement and support:		
14. Did the project team, Sub-Programme Coordinator and identified project stakeholders provide comments on the evaluation Terms of Reference?	✓	
15. Did the project make available all required/requested documents?	✓	
16. Did the project make all financial information (and audit reports if applicable) available in a timely manner and to an acceptable level of completeness?	✓	
17. Was adequate support provided by the project to the evaluator(s) in planning and conducting evaluation missions?	✓	
18. Was close communication between the Evaluation Consultant, Evaluation Office and project team maintained throughout the evaluation?	✓	
19. Were evaluation findings, lessons and recommendations adequately discussed with the project team for ownership to be established?	✓	

20. Did the project team, Sub-Programme Coordinator and any identified project stakeholders provide comments on the draft evaluation report?	✓	
Quality assurance:		
21. Were the evaluation Terms of Reference, including the key evaluation questions, peer-reviewed?	✓	
22. Was the TOC in the inception report peer-reviewed?	✓	
23. Was the quality of the draft/cleared report checked by the Evaluation Manager and Peer Reviewer prior to dissemination to stakeholders for comments?	✓	
24. Did the Evaluation Office complete an assessment of the quality of both the draft and final reports?	✓	
Transparency:		
25. Was the draft evaluation report sent directly by the Evaluation Consultant to the Evaluation Office?	✓	
26. Did the Evaluation Manager disseminate (or authorize dissemination) of the cleared draft report to the project team, Sub-Programme Coordinator and other key internal personnel (including the Reference Group where appropriate) to solicit formal comments?	✓	
27. Did the Evaluation Manager disseminate (or authorize dissemination) appropriate drafts of the report to identified external stakeholders, including key partners and funders, to solicit formal comments?	✓	
28. Were all stakeholder comments to the draft evaluation report sent directly to the Evaluation Office	✓	
29. Did the Evaluation Consultant(s) respond adequately to all factual corrections and comments?	✓	
30. Did the Evaluation Office share substantive comments and Evaluation Consultant responses with those who commented, as appropriate?	✓	

Provide comments / explanations / mitigating circumstances below for any non-compliant process issues.

Process Criterion Number	**Evaluation Office Comments**