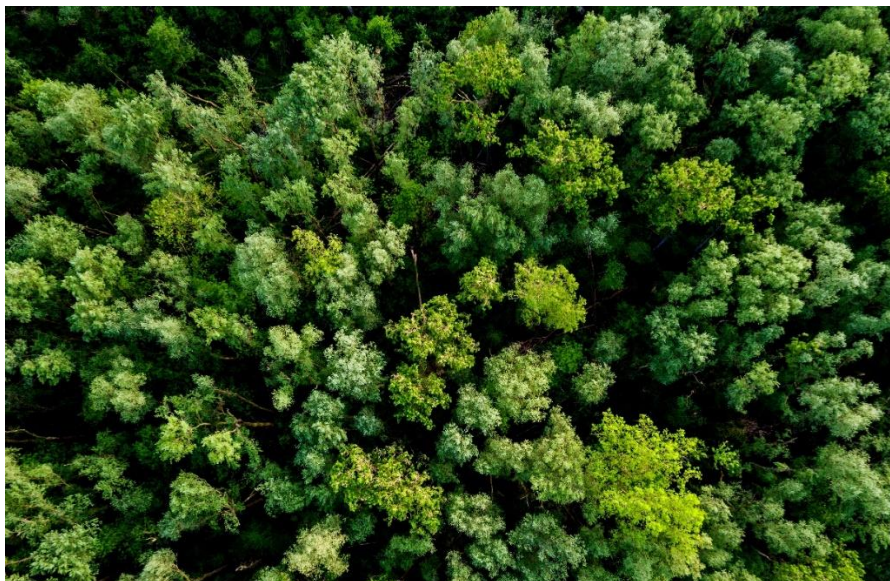


Terminal Evaluation of the UNEP/GEF Project ID 9696  
“Enabling Transactions – Market Shift to Deforestation  
Free Beef, Palm Oil and Soy.”  
(2018-2022)

GEF 9696 is also a Child Project under the GEF Program ‘Taking Deforestation out of  
Commodity Supply Chains’ (GEF ID 9072)

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**Evaluation Office of the  
United Nations Environment Program**

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Enabling Transactions – Market Shift to Deforestation Free Beef, Palm Oil and Soy.

UNEP/GEF ID 96/96

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## Acknowledgements

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This Terminal Evaluation Report was prepared for UNEP by Gonçalo Cavalheiro, as an external consultant.

The evaluator would like to express his gratitude to all persons who contributed to this report and all the open collaboration from project team and UNEP Evaluation Office, as well as of project stakeholders and beneficiaries, in particular in Brazil and Paraguay, including central banks and banking associations.

The evaluation consultant hopes that the findings, conclusions and recommendations will contribute to the successful finalization of the current project, formulation of a next phase and to the continuous improvement of similar projects in other countries and regions.

### **Evaluation team**

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Janet Wildish – Evaluation Manager

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## **Brief consultant biography**

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Gonçalo Cavalheiro is a specialist on climate change policy. He has nearly 25 years of experience in the provision of technical and policy support to governments and administrations across the world, including in Least Developed Countries. He has participated either as a national delegate or observer in more than 15 Conferences of the Parties of the United Nations Framework Convention on Climate Change.

Gonçalo Cavalheiro is also an experienced evaluator, having participated in several UNEP/GEF projects.

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## About the Evaluation

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**Joint Evaluation:** Yes

**Report Language(s):** English.

**Evaluation Type:** Terminal Evaluation

**Brief Description:** This is the Terminal Evaluation report of the UNEP/GEF project 9696 “Enabling Transactions – Market Shift to Deforestation Free Beef, Palm Oil and Soy” implemented between 2018 and 2022.

The project's overall goal was to **“to strengthen the financing environment for sustainable commodity production through design and pilot sustainable commercial transactions and risk management tools”**.

The evaluation seeks 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, and the relevant agencies of the project participating countries.

**Key words:** Deforestation, commodities, forest, beef, soy, palm oil, finance, banking, risk assessment, social and environmental risk assessment.

**Primary data collection period:** April – October 2023

**Field mission dates:** 9-18 August 2023

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## Table of Contents

---

Executive Summary .....	10
1. Introduction.....	19
1.1 The project .....	19
1.2 Institutional context of the project .....	19
1.3 Target audience for the evaluation findings.....	21
2. Evaluation methods.....	22
3. The project .....	28
3.1 Context .....	28
3.2 Results Framework.....	29
3.3 Stakeholders .....	31
3.4 Project implementation structure and partners .....	1
3.5 Changes in design during implementation .....	2
3.6 Project financing.....	3
4. Reconstructed Theory of Change at Evaluation.....	6
5. Evaluation Findings .....	12
5.1 Strategic Relevance.....	12
5.2 Quality of Project Design.....	13
5.3 The frail connection with the Program.....	13
5.4 Insufficient resources for project management and coordination .....	15
5.5 The approach to implementation of component 1, in isolation from the remaining components.....	15
5.6 Stakeholder engagement not sufficiently structured to, at least, identify that Liberia was not in a position to benefit from the project .....	16
5.7 Nature of the External Context .....	17
5.8 Effectiveness .....	17
5.9 Achievement of project outcomes .....	23
5.10 Likelihood of impact .....	27
5.11 Financial Management.....	28
5.12 Efficiency .....	30
5.13 Monitoring and Reporting.....	31
5.14 Monitoring of project implementation .....	32
5.15 Project reporting .....	32

---

5.16	Sustainability.....	33
5.17	Factors Affecting Performance and Cross-Cutting Issues.....	35
6.	Conclusions and Recommendations .....	39
6.1	Strategic Questions .....	39
6.2	Conclusions .....	42
6.3	Lessons Learned .....	51
6.4	Recommendations .....	52
7.	Annexes.....	56
	Annex A – Response to stakeholder comments received but not (fully) accepted by the evaluator. .....	56
	Annex B - Evaluation Itinerary.....	56
	Annex C - Summary of co-finance information and a statement of project expenditure by activity .....	57
	Annex D - List of documents consulted.....	57
	Annex E - Evaluation Framework.....	59
	Annex F – GEF Portal Inputs.....	69
	Annex G – Brief CV of the consultant.....	70
	Annex H – Evaluation ToRs .....	73
	Annex I - Quality Assessment of the Evaluation Report .....	100

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## List of acronyms and abbreviations

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A&L	Adaptive Management and Learning
EA	Expected Accomplishment
EOU	Evaluation Office of UNEP
FCAA	Forest Conservation and Agriculture Alliance
GE	Green Economy
GEF	Global Environment Facility
GGP	Green Growth Partnership
IAP	Integrated Approach Pilot
IFC	International Finance Corporation
MoU	Memorandum of Understanding
MTR	Mid Term Review
NGO	Non-Governmental Organisation
PoW	Programme of Work
PRC	Project Review Committee (internal UNEP committee that approves new projects)
ProDoc	Project Document (must be reviewed by PRC before any project can be undertaken, with the approval of the managing Division Director)
SC	Sustainable Consumption
SD	Sustainable Development
SDG	Sustainable Development Goals
ToC	Theory of Change
ToR	Terms of Reference
UNEP	United Nations Environment Programme



## Project Identification Table

Table 1- Project Identification Table

<b>GEF Project ID:</b>	9696	Enabling Transactions – Market Shift to Deforestation Free Beef, Palm Oil and Soy This is a Child Project under the GEF program ‘Taking Deforestation out of Commodity Supply Chains’ GEF ID 9072: Program Lead Agency: UNDP	
<b>Associated Projects</b>	<p>UNEP Project (PIMS 01969) UNEP Finance Initiative</p> <p>Other Child Projects under 9072:            GEF ID 9179 – Adaptive Management and Learning for the Commodities (UNDP – Program Coordinating Project)            GEF ID 9180 – Reducing Deforestation from Commodity Production (UNDP)            GEF ID 9182 – Generating Responsible Demand for Reduced Deforestation Commodities (WWF/UNDP)</p>		
<b>Implementing Agencies:</b>	<p>United Nations Environmental Program (UNEP)</p> <p>The World Bank</p>	<b>Executing Agencies:</b>	<p>International Finance Corporation (IFC)</p> <p>UNEP Finance Initiative (FI)</p> <p>World Wildlife Fund (WWF) - US</p>
<b>Relevant SDG(s) and indicator(s):</b>	<p><b>SDG Goals 2, 5, 11, 12, 15 and 17</b></p> <p><b>2.4.1</b> Proportion of agricultural area under productive and sustainable agriculture  <b>5.a.1(a)</b> Proportion of total agricultural population with ownership or secure rights over agricultural land, by sex; and (b) share of women among owners or rights-bearers of agricultural land, by type of tenure.  <b>11.3.1</b> Ratio of land consumption rate to population growth rate  <b>12.1.1</b> Number of countries with sustainable consumption and production (SCP) national action plans or SCP mainstreamed as a priority or target into national policies.  <b>15.1.1</b> Forest area as a proportion of total land area  <b>15.1.2</b> Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type  <b>15.2.1</b> Progress towards sustainable forest management  <b>15.3.1</b> Proportion of land that is degraded over total land area  <b>17.14.1</b> Number of countries with mechanisms in place to enhance policy coherence of sustainable development</p>		
<b>GEF Core Indicator Targets (identify these for projects approved prior to GEF-7<sup>1</sup>)</b>	<p>This is an Integrated Approach Pilot (IAP) Program that intersects multiple core indicators, with a strong emphasis on core indicators 1, 3 and 4. Due to its supportive nature, effects from the Enabling Transactions child project cannot be attributed to any direct change in the targets set for these indicators but rather indirectly contributes to their achievement by the other child projects, listed above, through the increased availability of financial instruments.</p>		

<sup>1</sup> This does not apply for Enabling Activities

	In accordance with the objectives of the Production and Demand child projects (9180 and 9182), priority has been given to indicators 1.2, 3.1, 4.3 and 4.4		
<b>Sub-program:</b>	<p>Sub-program 1 on climate change (accomplishments b and c) and</p> <p>Sub-program 3 on healthy and productive ecosystems (accomplishment b)</p>	<b>Expected Accomplishment(s):</b>	<p><b>SP 1 (b):</b> ii “Countries increasingly adopt and/or implement low greenhouse gas emission development strategies and invest in clean technology”</p> <p><b>SP1 (c):</b> i “Increase in climate finance invested by countries of institutions for clean energy, energy efficiency and/or amount of decarbonized assets”</p> <p><b>SP3 (b):</b> i “Policymakers in the public and private sectors test the inclusion of health and productivity of ecosystems in economic decision-making”</p>
<b>UNEP approval date:</b>	4 <sup>th</sup> June 2015	<b>Program of Work Output(s):</b>	The project contributes to the Program of Work (2018-2019), see above.
<b>GEF approval date:</b>	3 <sup>rd</sup> April 2017	<b>Project type:</b>	Full Size Project (Child Project)
<b>GEF Operational Program #:</b>	GEF-6	<b>Focal Area(s):</b>	Multiple Focal Areas
		<b>GEF Strategic Priority:</b>	BD 2 & 3
<b>Expected start date:</b>	8 Feb 2018	<b>Actual start date:</b>	8 Feb 2018
<b>Planned operational completion date:</b>	30 Sept 2021	<b>Actual operational completion date:</b>	31 Dec 2022
<b>Planned project budget at approval:</b>	USD 29,363,520 (of which, in kind cofinancing: USD 22,958,419)	<b>Actual total expenditures reported as of 31 Dec 2022:</b>	IFC: USD 26,048,307.55 UNEP FI: USD 3,821,100  TOTAL: USD 29,869,408
<b>GEF grant allocation:</b>	IFC: USD 4,279,644 UNEP FI: USD 2,125,457  TOTAL: USD 6,405,101	<b>GEF grant expenditures reported as of 31 December 2022:</b>	IFC: USD 3,916,699 UNEP FI: USD 1,996,694  TOTAL: USD 5,913,393
<b>Project Preparation Grant - GEF financing:</b>	N/A	<b>Project Preparation Grant - co-financing:</b>	N/A

<b>Expected Medium-Size Project/Full-Size Project co-financing:</b>	(in kind) IFC: (incl. FCAA): USD 21,258,419 UNEP FI: USD 3,778,419  TOTAL: USD 22,958,419	<b>Secured Medium-Size Project/Full-Size Project co-financing:</b>	IFC (incl. FCAA): USD 22,131,609 UNEP FI: USD 1,824,406  TOTAL: USD 23,956,015	
<b>Date of first disbursement:</b>	23 Feb 2018	<b>Planned date of financial closure:</b>	Dec 2023	
<b>No. of formal project revisions:</b>	2	<b>Date of last approved project revision:</b>	August 2020	
<b>No. of Steering Committee meetings:</b>	Global SC (2 x year) GGKP (quarterly)	<b>Date of last/next Steering Committee meeting:</b>	Last: w/c 20 <sup>th</sup> March 2023	Next: N/A
<b>Mid-term Review/Evaluation (planned date):</b>	December 2019	<b>Mid-term Review/Evaluation (actual date):</b>	June 2020	
<b>Terminal Evaluation (planned date):</b>	December 2021	<b>Terminal Evaluation (actual date):</b>	Jan – June 2023	
<b>Coverage - Country(ies):</b>	Indonesia, Liberia, Paraguay and Brazil	<b>Coverage - Region(s):</b>	Africa, Asia Pacific, Latin America	
<b>Dates of previous project phases:</b>	N/A	<b>Status of future project phases:</b>	A FOLUR global platform (WB as IA). GGKP partnership with UNDP and IUCN.	

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## EXECUTIVE SUMMARY

### Project background

1. The project 'Enabling Transactions – Market Shift to Deforestation Free Beef, Palm Oil and Soy' ('Transactions'; UNEP/GEF ID 9696) was completed in the fourth quarter of 2022. The Transactions project is a child project under the Integrated Approach Pilot (IAP) Program: 'Taking Deforestation out of Commodity Supply Chains' (GEF ID 9072)
2. The project was recommended for CEO endorsement by the Project Review Committee on March 9, 2017, being approved by the GEF on April 9, 2017.
3. With a total budget of USD 29,363,520 (of which in kind contributions amounted to USD 23,956,015), the project has been implemented by UNEP and the World Bank, with a start date of February 8, 2018 and an operational completion date of December 31, 2022.
4. The IAP Program as a whole, and the Transactions Child Project specifically, are consistent with GEF's strategic goals, as well as with global commitments made under different environmental Conventions and key agreements. The 2020 Strategy for the GEF emphasizes the importance of delivering integrated solutions by tackling underlying drivers of environmental degradation to establish synergies as well as greater and more sustained impacts.

### This evaluation

5. In line with the UNEP Evaluation Policy<sup>2</sup>, UNEP Program Manual<sup>3</sup>, 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 UNEP and the World Bank,

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<sup>2</sup> <https://www.unenvironment.org/about-un-environment/evaluation-office/policies-and-strategies>

<sup>3</sup> <https://wecollaborate.unep.org>

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as well as the executing agencies IFC, UNDP, UNEP FI, WWF-US, WWF Indonesia and Conservation International. Therefore, the evaluation identifies lessons of operational relevance for future project formulation and implementation.

6. The scope of this evaluation is the project itself, consisting of 3 Components. However, as Component 1 has already been evaluated in a separate process, the findings for that Component are incorporated into this TE as secondary data. This means that the primary data collection and analysis in this evaluation is focused on Components 2 and 3. However, at the level of Intermediate States and Impact, performance across 3 components needs to be considered (i.e. affecting the performance assessment under criteria such as Likelihood of Impact and Sustainability), as well as any interaction between all 3 components.

7. Beyond the evaluation criteria defined in the UNEP Programme Manual and the Guidelines for GEF Agencies in Conducting Terminal Evaluations, 7 strategic evaluation questions were specifically determined for this evaluation, in accordance with the GEF requirements for evaluations of Child Projects. These are addressed in section 6, Conclusions:

- **Q1:** To what extent, and in what ways, were recommendations from the Mid Term Review adopted and used to inform/support adaptive management of the project?
- **Q2:** To what extent, and in what ways, has the project contributed to the program's objectives?
- **Q3:** What are, if any, the additional benefits and costs of the project being part of a programmatic approach? This should include whether benefits accrued from the project being part of a program rather than a standalone project.
- **Q4:** To what extent was systems thinking used to maximise the potential for integration of this child project within its programmatic framework?
- **Q5:** How well did UNEP, as the GEF Agency, collaborate with other Agencies involved in the Program?
- **Q6:** How well was the project's M&E design aligned with that of the program? How did the M&E arrangements of the project contribute to the program level M&E and results reporting?
- **Q7:** What adjustments, if any, were made to the project to adapt to the effects of COVID-19 situation, and to what extent did the adjustments enable the project to effectively respond to the new priorities that emerged in relation to COVID-19? How did the adjustments affect the achievement of the project's expected results, as stated in its results framework?

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8. The project contributes to the Program's intermediate state and impact. However, in isolation of the Program and its other child projects, it cannot be evaluated against the likelihood of achievement of the intermediate states and impact. Most of the assumptions that need to be considered for the outcomes to contribute to Intermediate State and Impact are too broad for any credible association to be made between the scope of the work of this project and the higher-level results intended by the program.

### **Key findings**

9. The project was implemented in Brazil, Paraguay and Indonesia, whereas project activities foreseen for Liberia could not be implemented, except for partial implementation of output 3, when it was determined that further work would have little effectiveness. This was mainly due to the lack of suitable counterparts and beneficiaries that would be in a position to absorb the capacity building support provided.

10. The project was implemented, to a greater extent, during the COVID19 pandemic. However, stakeholders, including project team, consultants and beneficiaries did not highlight that circumstance as particularly impacting the capacity to implement the project as designed.

11. The project was granted two No Cost Extensions, extending the technical completion date by 12 months to 22 September 2022 and by three months to 31 December 2022. The budget was also formally revised twice to accommodate these extensions and to reallocate funds between activities.

12. The project made financial information available to the evaluator, both budget and expenditures. However, despite the fact that the required tables have been provided by the project management team, the information made available was originally not adequate to fulfil the full evaluation requirements. While noting this was the first time the project financial management team tracked expenditures by component, tracking of financial expenditures should be done in such a way as to allow for an easy fulfilment of this requirement.

13. Relevance: the project, determined to be relevant to GEF and UNEP priorities, through the extensive stakeholder engagement, in particular in Brazil and Paraguay, was aligned with, and complemented, the work and efforts being done by key stakeholders, namely the banking associations and the Central Banks.

14. **Quality of project design:** evidence collected shows that there were four main aspects that affected the quality of the project design: (1) the frail connection with the  
12

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Program; (2) insufficient resources for project management and coordination; (3) the approach to implementation of component 1, by IFC, in isolation from the remaining components; (4) stakeholder engagement not sufficiently structured to, at least, identify that Liberia was not in a position to benefit from the project.

15. Nature of external context: the nature of the external context was mostly country specific, and it has been determined to be favourable in all countries, as no conflict, natural disaster, or unanticipated political upheaval, occurred impacting project implementation.

16. Effectiveness – availability of outputs: the outputs under each component are found to have been made ‘partially available’. Some products (reports) under the outputs, as described in the 2022 PIR, are not consistent with the ProDoc and some of the products described in the PIR are not consistent with those made available to the evaluator through a Sharepoint folder. Some documents are not available (either because an error message persists or because the folders are empty). Some reports are in a draft status. Some additional outputs were made available during the draft report stage, filling some of the gaps mentioned above. However, the statement remains generically valid.

17. Effectiveness – achievement of project outcomes: Outcome 2 is achieved. The presumption is that more financial institutions being aware of deforestation risks and trained on risk assessment tools and more awareness of Central Banks will lead to more progressive regulations, which will lead to the adoption of risk assessment by more Banks, thus increasing the funds subject to enhanced deforestation risk policies. Outcome 3 is partially achieved. This assessment is stated with a special degree of uncertainty. Public incentives and financing are highly dependent on government changes and the political situation in each country.

18. Likelihood of impact: - likelihood of impact: Intermediate State and Impact have not been achieved and are unlikely to be achieved in the medium-term. It must be noted, however, that, at design, it was likely not foreseen that the project, in isolation of the Program, would have a significant contribution to the Impact.

19. Financial management: No evidence was brought to the attention of the evaluator that UNEP’s financial policies and procedures were not adhered to. Information made available was not sufficient to fulfil all the requirements of the TE. During the draft report stage, additional information was made available, contributing to improving the completeness and clarity of the information.

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20. Efficiency: The project was efficiently implemented, without meaningful delays, despite the no-cost extensions.

21. Monitoring: - design and budgeting: the design of the monitoring of the project follows good practice established by UNEP and GEF. The M&E plan is detailed and budgeted for, foreseeing both GEF resources and co-financing for its implementation.

22. Monitoring: - of project implementation: The evaluator found no evidence that the main adaptive management actions were a direct result of the analysis of the data formally collected in the context of the M&E set up. However, the evaluator notes that the PIR 2018 already identifies Liberia's context as potentially disruptive and volatile and the 2019 PIR clearly lays out the challenges the project is facing, indicating the high likelihood that project activities might not be implemented in the country as foreseen.

23. Project reporting: The evaluator notes that several of the reports foreseen in the monitoring design were not made available. The PIRs were completed within the foreseen time schedule and included relevant information regarding progress in project implementation.

24. Sustainability: (1) Socio-political sustainability - three main aspects have been considered to assess the socio-political sustainability: the political context (focusing on government policies, but also in the global regime), the social context from the perspective of the supply and from the perspective of the demand; (2) Financial sustainability - financial sustainability of the project outcomes is considered to be self-sustaining, being mostly dependent on the other two variables of sustainability described in this section; (3) Institutional sustainability - a range of evidence has been collected relating to the institutional sustainability of the outcomes. Most of this evidence supports sustainability, some other evidence shows that this is not without challenges. An important aspect related to the institutional sustainability stems directly from the fact that the project built upon pre-existing initiatives and cooperated and support existing and the most relevant institutions, namely the central banks and the banking associations.

## **Conclusions**

25. Deforestation is a key environmental challenge, contributing to the aggravation of climate change and to the loss of biodiversity.



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26. The causes and drivers for deforestation are extremely complex and include legal and illegal activities. The production of agricultural commodities, including soy and beef represent an important part of such causes and drivers.

27. These key agricultural commodities are part of global markets, which means that decisions with strong impacts on land use change, including deforestation, are made often in financial centres, by individual consumers or policy makers thousands of kilometres away, including in different countries.

28. National stakeholders, including policy makers, are often subject to the tensions between the need to preserve forest and the need to foster economic development through land conversion, often overlooking the potential synergies between both.

29. In many cases, lack of awareness and knowledge coupled with conflicting incentives and instruments are at the root of approaches to agricultural commodities production that result in permanent loss of forest area (deforestation).

30. Political willingness to tackle the problem is extremely volatile and even the most progressive governments often fail to achieve their own policy objectives. Command and control instruments have proven not to be effective, while market-based approaches (such as results-based payment or ecosystem services certificates) are yet to mature and to prove that they can actually be part of the solution.

31. The programmatic approach to address such a complex issue seems to be fundamental, as addressing the issues from either the demand, the production or the financing perspective in isolation will always be bound to be ineffective.

32. However, some issues regarding the design of both the Program and of the respective child projects, might have limited the accomplishment of the full potential of the Program and of the Transactions project.

33. The first design issue is related to the fact that no specific functions for coordination and sharing with other child projects and consequently no resources, were foreseen. This, as has been clearly noted in the TE Report of the Adaptive Management and Learning Child Project, reduced the opportunities to profit from synergies among child projects.

34. Despite these design flaws, given the complexity of the issue, it is assumed that the project benefited from being part of a programmatic approach, in the sense that only within a programmatic

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approach could a project aspire to (contribute to) achieving the ambitious impact expected of the Program.

35. In fact, these benefits might not have been immediately perceived by the project team in terms of contributing to availability of outputs and/or the achievement of outcomes, but the overall operating context might have been more favourable to the implementation of project activities.

36. The second design issue is again related to coordination, this time, within the Transactions project. The option to implement Component 1 in a silo, isolated from components 2 and 3 is questionable. This situation shows that collaboration between IFC and UNEP was below best practice, even though there is no evidence that this was the case with the other partner agencies.

37. Finally, the impossibility to implement the project in Liberia due to reasons that most likely were already clear at design, is also noteworthy.

38. The project management team however, showing great adaptive management skills, was, not without extraordinary effort, able to overcome most of these challenges.

39. The project was implemented during the COVID-19 pandemic, which required changes to be made (such as partially holding the trainings online). There is no evidence whatsoever that the pandemic had any significant negative impact on the project, given the adaptive management decisions.

40. In fact, one of the key aspects of the project is the adaptive management decisions. The project team invested a lot of effort in making sure that project activities were aligned with the interests and priorities of and, therefore, owned by the key stakeholders. The departure of some of the outputs made available from what was originally planned in ProDoc is noticeable in a few instances. However, this divergence has, taking into consideration the evidence collected during the missions, made a fundamental contribution to the level of achievement of project outcomes.

41. In this context, given the challenges in achieving outcomes, it is assumed that the project being part of a Program has been beneficial, in the sense that only in a programmatic approach could there be any likelihood of achieving the ambitious intermediate state and impact defined for the program and to which the project was designed to contribute through the achievement of its outcomes.

42. Finally, there is a concerning lack of clear evidence of specific significant efforts regarding effectively addressing concerns of gender, in particular women, and, most notably, of indigenous people in project implementation.

43. Nonetheless, it has become evident that an important factor for the project's effectiveness were the efforts put into engaging stakeholders / beneficiaries and ensuring their needs and priorities were the focus of the project.

44. The overall performance of the project is rated as Moderately Satisfactory and a full breakdown of performance ratings by evaluation criteria can be found in a Table 11 in the Conclusions section.

### Lessons Learned

<b>Lesson Learned #1:</b>	Complex issues are appropriately addressed in a programmatic approach.
<b>Lesson Learned #2:</b>	Innovative approaches can be effective, such as the value chain approach of the Program, bringing production, consumption and finance and knowledge as enabling factors together.
<b>Lesson Learned #3:</b>	Institutionalization of the coordination at Program level is necessary for any child project to clearly benefit, during the implementation period, from being part of a Program
<b>Lesson Learned #4:</b>	The lack of a formal project board or steering committee can result in decisions that fundamentally change the project (such as exclusion of Liberia) to be made in informal circumstances.
<b>Lesson Learned #5:</b>	A siloed approach to co-management between agencies (i.e. UNEP and World Bank) can lead to, <i>de facto</i> , two independent projects being implemented.
<b>Lesson Learned #6:</b>	The alignment and complementarity with other initiatives and efforts (by main stakeholders and beneficiaries) and adaptive management is necessary for the sustainable achievement of outcomes.

### Recommendations

<b>Recommendation #1:</b>	UNEP Project Review Committee Unit to review developing project proposals to reflect greater care in expressing outputs and, in particular, outcomes to ensure they are aligned with best practices and UNEP guidelines.
<b>Recommendation #2:</b>	UNEP Corporate Services Budget Unit to ensure templates for financial expenditures tracking systems allow, as close to automatically as possible, the financial information required for the TE to be documented. Financial managers to be trained on the TE financial information requirements.
<b>Recommendation #3:</b>	UNEP GEF Coordination Unit to ensure that provisions and resources for the programmatic approach to effectively reach and affect child project implementation are included in new GEF programme proposals.

<b>Recommendation #4:</b>	UNEP GEF Coordination Unit to review developing project proposals and all projects under its management to ensure that there is no ongoing silo implementation of project components, and that, when components are implemented by different agencies, that the coordination mechanisms are robust enough to promote collaboration.
<b>Recommendation #5:</b>	UNEP BD&LD Unit to review all projects under its management to ensure there is a formal project board or steering committee to provide oversight to project implementation and to anchor key decisions.
<b>Recommendation #6:</b>	UNEP BD&LD to take action (such as on boarding and regular coordination, knowledge sharing meetings) to enhance integration of teams across components and countries, so as to enhance cross-learning, dissemination of knowledge and good practices.
<b>Recommendation #7:</b>	UNEP BD&LD Unit to review all developing project designs to ensure stakeholder engagement at project design is adequate, including fact finding missions if necessary.
<b>Recommendation #8:</b>	UNEP BD&LD Unit to review developing project proposals to ensure sufficient resources are foresee for purely administrative tasks to be performed by non-technical staff.
<b>Recommendation #9:</b>	Government of beneficiary countries are urged to intensify policy development for the creation of incentives to avoid deforestation, such as ecosystem service certificates and carbon credits and to strengthen the regulatory framework to create enabling environments conducive to promoting financial flows towards low or zero deforestation economic activities
<b>Recommendation #10:</b>	Beneficiaries, such as banks, regulators and supervisors are urged to: <ul style="list-style-type: none"> <li>• Intensify the creation of ambitious norms and guidelines that increase the speed and depth of sectoral self-regulation</li> <li>• Build technical capacity to intensify the supervision of the activity of banks and other financial institutions regarding the financial flows to activities with the potential to cause deforestation</li> <li>• Continue enhancing cooperation within and outside associations so as to develop tools, mechanisms and procedures to effectively and efficiently screen the risks associated with deforestation and other social and environmental aspects of financial flows and transactions.</li> </ul>

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# 1. INTRODUCTION

## 1.1 The project

45. The project 'Enabling Transactions – Market Shift to Deforestation Free Beef, Palm Oil and Soy' ('Transactions'; UNEP/GEF ID 9696) was completed in the fourth quarter of 2022 and is being subject to Terminal Evaluation, for which this is the final report.. The Transactions project is a child project under the Integrated Approach Pilot (IAP) Program: 'Taking Deforestation out of Commodity Supply Chains' (GEF ID 9072)

46. The project, with a total budget of USD 29,363,520 (of which in kind contributions amounted to USD 23,956,015), has been implemented by UNEP and the World Bank, with a start date of February 8, 2018 and an operational completion date of December 31, 2022.

47. The project was recommended for CEO endorsement by the Project Review Committee on March 9, 2017, being approved by the GEF on April 9, 2017.

## 1.2 Institutional context of the project

48. This project contributes to UNEP's Programme of Work for the biennium 2019-2020, more specifically to Subprogram 1 (S1) on Climate Change and Subprogram 3 (S3) on Healthy and Productive Ecosystem.

49. For S1, the relevant Expected Accomplishments are b ("Countries increasingly adopt and/or implement low greenhouse gas emission development strategies and invest in clean technology", indicator ii) and c ("Increase in climate finance invested by countries of institutions for clean energy, energy efficiency and/or amount of decarbonized assets", indicator i). For S3, the relevant Expected Accomplishment is b ("Policymakers in the public and private sectors test the inclusion of health and productivity of ecosystems in economic decision-making", indicator ii).

50. The Integrated Approach Pilot (IAP) Program as a whole, and the Transactions Child Project specifically, are consistent with GEF's strategic goals, as well as with global commitments made under different environmental Conventions and key agreements. The 2020 Strategy for the GEF emphasizes the importance of delivering integrated solutions by tackling underlying drivers of environmental

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degradation to establish synergies as well as greater and more sustained impacts. This IAP is one of three IAPs supported by the GEF-6 programming strategy<sup>4</sup>.

51. The project was implemented in Brazil, Paraguay and Indonesia, whereas project activities foreseen for Liberia could not be implemented, except for partial implementation of output 3, when it was determined that further work would have little effectiveness.

### **1.3 Purpose and scope of the evaluation and relevant evaluations**

52. In line with the UNEP Evaluation Policy<sup>5</sup>, UNEP Program Manual<sup>6</sup>, the Terminal Evaluation 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 UNEP and the World Bank, as well as the executing agencies IFC, UNDP, UNEP FI, WWF-US, WWF Indonesia, Conservation International. Therefore, the evaluation will identify lessons of operational relevance for future project formulation and implementation<sup>7</sup>.

53. The project has been subject to a mid-term review (June 2020), which covered the three project components. A separate terminal evaluation for component 1 has been conducted (2022).

54. The scope of this evaluation is the project itself, consisting of 3 Components. However, as Component 1 has already been evaluated in a separate process, the findings for that Component are incorporated into this TE as secondary data. This means that the primary data collection and analysis in this evaluation is focused on Components 2 and 3. However, at the level of Intermediate States and Impact, performance across 3 components needs to be considered (i.e. affecting the performance

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<sup>4</sup> The other two being Sustainable Cities—Harnessing Local Action for Global Commons; and Fostering Sustainability and Resilience of Food Production Systems in Sub-Saharan Africa.

<sup>5</sup> <https://www.unenvironment.org/about-un-environment/evaluation-office/policies-and-strategies>

<sup>6</sup> <https://wecollaborate.unep.org>

<sup>7</sup> Terms of Reference for the Terminal Evaluation of the project.

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assessment under criteria such as Likelihood of Impact and Sustainability), as well as any interaction between all 3 components.

#### **1.4 Target audience for the evaluation findings.**

55. The target audience for the evaluation findings are:

- The GEF
- UNEP
- IFC
- UNDP
- Executing agencies
- Key stakeholders in beneficiary countries, in particular the financial sector

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## 2. EVALUATION METHODS

56. In line with the UNEP Evaluation Policy, the UNEP Programme Manual and the Guidelines for GEF Agencies in Conducting Terminal Evaluations, this TE has been carried out using a set of 9 commonly applied evaluation criteria which include: (1) Strategic Relevance<sup>8</sup>, (2) Quality of Project Design, (3) Nature of External Context, (4) Effectiveness (incl. availability of outputs; achievement of outcomes and likelihood of impact), (5) Financial Management, (6) Efficiency, (7) Monitoring and Reporting, (8) Sustainability and (9) Factors Affecting Project Performance and Cross-Cutting Issues (see Annex E: Evaluation Framework for more details on each evaluation criterion).

57. Most evaluation criteria are rated on a six-point scale as follows: Highly Satisfactory (HS); Satisfactory (S); Moderately Satisfactory (MS); Moderately Unsatisfactory (MU); Unsatisfactory (U); Highly Unsatisfactory (HU). Sustainability and Likelihood of Impact are rated from Highly Likely (HL) down to Highly Unlikely (HU) and Nature of External Context is rated from Highly Favourable (HF) to Highly Unfavourable (HU). The ratings against each criterion are 'weighted' to derive the Overall Project Performance Rating. The greatest weight is placed on the achievement of outcomes, followed by dimensions of sustainability.

58. The UNEP Evaluation Office has developed detailed descriptions of the main elements required to be demonstrated at each level (i.e. Highly Satisfactory to Highly Unsatisfactory) for each evaluation criterion. The evaluation team has considered all the evidence gathered during the evaluation in relation to this matrix in order to generate evaluation criteria performance ratings.

59. In addition to the 9 evaluation criteria outlined above, the TE addresses a number of strategic questions that were formulated in the Terms of Reference. These questions were posed by the UNEP Evaluation Office in conjunction with members of the Project Team. For projects funded by the GEF, findings from the evaluation are to be uploaded in the GEF Portal. To support this process, evaluation findings related to the 5 topics of interest to the GEF are summarised in Annex F. The intended

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<sup>8</sup> This criterion includes a sub-category on Complementarity, which closely reflects the OECD-DAC criterion of 'Coherence', introduced in 2019. Complementarity with other initiatives is assessed with respect to the project's design. In addition, complementarity with other initiatives during the project's implementation is assessed under the criterion of Efficiency.



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action/results on the 5 topics were described in the GEF CEO Endorsement and Approval documents. The 5 topics are: i) performance against GEF's Core Indicator Targets; ii) engagement of stakeholders; iii) gender-responsive measures and gender result areas; iv) implementation of management measures taken against the Safeguards Plan and v) challenges and outcomes regarding the project's completed Knowledge Management Approach.

60. The strategic questions included in the ToR and addressed in this TE are<sup>9</sup>:

- Q1: To what extent, and in what ways, were recommendations from the Mid Term Review adopted and used to inform/support adaptive management of the project?
- Q2: To what extent, and in what ways, has the project contributed to the program's objectives?
- Q3: What are, if any, the additional benefits and costs of the project being part of a programmatic approach? This should include whether benefits accrued from the project being part of a program rather than a standalone project.
- Q4: To what extent was systems thinking used to maximise the potential for integration of this child project within its programmatic framework?
- Q5: How well did UNEP, as the GEF Agency, collaborate with other Agencies involved in the Program?
- Q6: How well was the project's M&E design aligned with that of the program? How did the M&E arrangements of the project contribute to the program level M&E and results reporting?
- Q7: What adjustments, if any, were made to the project to adapt to the effects of COVID-19 situation, and to what extent did the adjustments enable the project to effectively respond to the new priorities that emerged in relation to COVID-19? How did the adjustments affect the achievement of the project's expected results, as stated in its results framework?

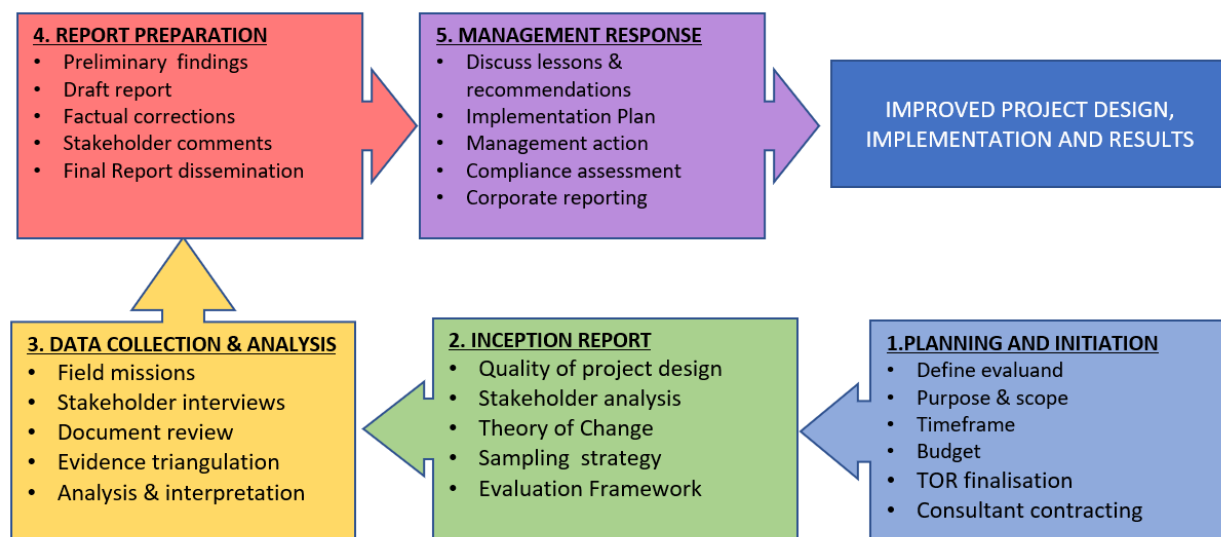
61. This evaluation adopted a participatory approach, consulting with project team members, partners and beneficiaries at several stages throughout the process. Central to the evaluation was the analysis (and reconstruction) of the project's Theory of Change. Consultations were held during the evaluation inception phase to arrive at a nuanced understanding of how the project intended to drive change and what contributing conditions ('assumptions' and 'drivers') would need to be in place to support such change. The (reconstructed) Theory of Change, supported by a graphic representation and narrative discussion of the causal pathways, was discussed further with respondents during the

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<sup>9</sup> Highlights of the answers to the strategic questions included in the conclusions chapter.

data collection phase, and refined as appropriate. The final iteration of the Theory of Change is presented in this final evaluation report and has been used throughout the evaluation process.

The Terminal Evaluation involved a series of stages with data collection through both primary and secondary sources.



**Figure 1 - UNEP Evaluation Process**

62. The primary data sources were key stakeholders engaged in the project including project team, project partners and beneficiaries.

63. The main data collection tool for these stakeholders were interviews, both in person and online. In person interviews were performed in a country mission to Brazil (São Paulo) and Paraguay (Asuncion). These two countries were selected for missions due to the project team and EOU’s perception that project activities had been more intense and with greater engagement of stakeholders. In addition, geographic proximity allowed for a visit to both countries within the budget allocated for the TE. Interviews with stakeholders in Indonesia and with additional stakeholders in Brazil and Paraguay, as well as with project team and managers, were performed online.

64. Throughout this evaluation process and in the compilation of the Final Evaluation Report efforts have been made to represent the views of a broad spectrum of project stakeholders. Data were collected with respect for ethics. All online interviews were recorded, and other information gathered after prior informed consent from people, all discussions remained anonymous, while stakeholders were made aware that they’re exact words could be used to illustrate a finding, and all information was collected according to relevant UNEG guidelines and UN standards of conduct.

65. Specific stakeholders invited for an interview were identified by the project team and selected by the evaluation consultant. This was complemented by the list of individual stakeholders that participated in the mid-term review. Additional stakeholders were identified by interviewees and, when possible, were also interviewed, often through simplified interviews focusing on a specific topic. Most interviews were individual, while in few interviews more than one person was present.

66. The list of interviewed stakeholders is included in Annex B. The UNEP Evaluation Office Evaluation Manager sent a formal letter to all relevant stakeholders asking for their participation in the evaluation and informing them of how data collected would be handled, namely in terms of attribution.

67. There was an overall balanced inclusion of men and women in the list of potential stakeholders, with the final list of stakeholders interviewed being composed of more women than man (particularly where beneficiaries are concerned). The list of potential stakeholders to be interviewed did not include representatives of indigenous people. No specific request has been made by the consultant to engage representatives of indigenous people as these were not direct stakeholders or beneficiaries of the project, even though these communities play an important role in deforestation and in combating it.

68. As a first step, a selection of stakeholders was reached based on recommendations from the project team and on overlap between the different stakeholder listings provided to the consultant. For Paraguay, in particular, given the lower-than-expected rate of response, a broader set of stakeholders was contacted, including stakeholders recommended by other stakeholders during the actual mission (i.e. using a snowball approach).

69. Efforts were made to increase the rate of response, namely by requesting the support of in-country stakeholders (including UN staff) and by following up interview requests individually.

**Table 2: Respondents' Sample**

		# people involved (M/F)	# people contacted (M/F)	# respondent (M/F)	% respondent
<b>Project team</b> (those with management responsibilities e.g. PMU)	Implementing agency	n.d.	M:1 F: 1	M:1	100%

				F: 1 <sup>10</sup>	
	Executing agency/ies	n.d.	M:1 F: 1	M:1 F: 1	100%
	<b># entities involved</b>	<b># entities contacted</b>	<b># people contacted (M/F)</b>	<b># respondent (M/F)</b>	<b>% respondent</b>
<b>Project (implementing/executing) partners</b> <i>(receiving funds from the project)</i>	2 (for components 2 and 3 only)	2	M:2 F: 6	M:2 F: 6	100%
<b>Project (collaborating/contributing) partners</b> <i>(not receiving funds from the project)</i>	n.a.	n.a.	n.a.	n.a.	n.a.
<b>Beneficiaries:</b> Direct beneficiaries  Follow up project	n.d.	16  1	M: 17 F: 12 M:1	M:4 F:6 M: 1	37%

70. Secondary data was also used to perform the evaluation of the project. Data was collected from a wide range set of documents, including: a) general background literature on financing of beef and soy production and impacts on forests; b) official project related materials such as the original project description (ProDoc), ongoing project supervision reviews (PIR's), monitoring and financial reports; c) the Mid-Term Review report; d) the program (the Adaptive Management and Learning child project) TE report; e) the component 1 TE report; and finally f) material generated by the project itself, including: final and technical reports and, project communications, outreach materials and plans, any project related presentations/publications, websites and media, training and event materials (e.g. attendant lists/surveys and agenda's), minutes of the board.

71. As is good practice and as required by the ToR, the evaluation focused on the WHY: exploring why the project was implemented the way it was and why the implementation approach was considered the most conducive to the sustainable achievement of outcomes (and intermediate state and impact).

<sup>10</sup> Includes UNDP as implementing agency of the IAP.

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72. The evaluation then assessed HOW the WHAT has contributed to the WHY, with a focus on project effectiveness and efficiency.

73. Evaluation judgments were based on the analysis of sound evidence, applying the Evaluation Office's "Evaluation Criteria Ratings Matrix", leading to the array of conclusions and recommendations as well as lessons learned included in this TE report. The analysis was built, to the maximum extent possible, on sound evaluation principles including integrity, honesty, confidentiality, systematic inquiry and cultural sensitivity. The evaluator tried to identify not only what happened in this project but, where possible, to explain underlying issues influencing why, exploring various complex dynamics related to project performance, presenting diverse perspectives about project challenges and successes.

74. While no limitations to the full carrying out of the evaluation were foreseen at inception, the sudden illness of the evaluator required the mission to Brazil and Paraguay to be postponed. The mission to Paraguay coincided with a national holiday and with the day the new president took office, which limited some of the stakeholders' availability to participate in in person interviews. While this may have slightly restricted the variety of views and perspectives on project implementation and impact, it is not believed to have impacted the soundness of the findings, conclusions, lessons learned, and recommendations included in this report.

75. A key limitation to this evaluation was the lack of access to suitable financial information as well as to a final report encompassing all project activities, deliverables and outputs, as well as difficulties in accessing information stored in the cloud (the latter, with smaller impact on the robustness of the TE than the former).

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## 3. THE PROJECT

### 3.1 Context

*Nearly three quarters of tropical deforestation in the past decade was driven by commercial agriculture. (PRODOC)*

76. Two things are expected to coincide by the year 2050; the world population is set to increase to 9 billion, and incomes are expected to rise. As a result, food consumption is predicted to double. More specifically, the size of the global middle class which has an increasing disposable income and consumption, is set to almost triple by 2030<sup>11</sup>. These projected increases are consequently responsible for the rise in demand for food and fiber commodities to meet the needs of a more urban, prosperous, and consumptive world. However, agricultural expansion and production of commodities has been identified as the primary driver of approximately 80 percent of deforestation worldwide<sup>12</sup>. Governments are thus concerned with both supporting commodity production and reducing deforestation which, if left unbridled, is likely to have a significant and global lasting impact.

77. In this regard, the global demand for soybeans for animal-feed and food consumption, use of oil palm as a key ingredient for food, soaps and biofuels, and beef for domestic and international markets, is at an all-time high. It is further projected that this increased demand will continue to grow as incomes and consumption increase globally.

78. In addition, agricultural commodities are a key element of economic development and prosperity in developing countries and emerging economies, accounting for upwards of 10 per cent of their Gross Domestic Product (GDP)<sup>13</sup>. With this level of growth, there are undoubtedly implications for the environment that will require management in order to maintain the natural capital upon which this desired growth is to be developed. As commodity expansion often outpaces clear analysis and careful

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<sup>11</sup> Forest Trends 2014.

<sup>12</sup> Boucher, D. et al (2011) The Root of the Problem : What's Driving Deforestation Today? Union of Concerned Scientists and Kissinger G. et al. (2012) Drivers of Deforestation and Degradation : A Synthesis Report for REDD+ Policy Makers. Lexeme Consulting.

<sup>13</sup> From World Bank online databank <http://data.worldbank.org>

planning, the lack of environmental, social, and food safety protections pose significant environmental, development and business risks.

79. In particular, palm oil, soy and beef are key components of national development plans of many developing countries due to them being among the fastest growing commodities in the national and international supply chain market. This growth is coupled with unsustainable practices, motivations and incentives spanning from farmer to final consumer, volatility inherent in these commodity sectors, low entry barriers, and start up investments. Compounding these unsustainable practices is that the expansion is often in locations where governance and technical capacity is already limited and cannot match the demand arising from the rapid increase in the production of these commodities.

*One of the key issues that needs to be addressed is the lack of understanding of the risk faced by financial institutions with a significant client base in sectors with high direct or indirect impacts or dependencies on forest ecosystems. (ProDoc)*

### 3.2 Results Framework

80. A comparison of the project Outputs and Outcomes in the ProDoc and in the last PIR (2022), shows that there have been no changes during project implementation. There is a slight editorial change in Outcome 3, which might have simply been a transcription issue (word “products” is missing).

81. The project performance has been evaluated against the Outputs and Outcomes as proposed in the ProDoc. Only a slight edit to outcome 3 was proposed, with the addition of the words “are provided” at the end of the sentence, so as to better express a change in behavior as outcomes should.

82. It must be noted that Component 1 and its respective outcome and outputs have been evaluated separately.

**Table 3 - Comparison of project outputs and outcomes as described in the Prodoc and in the last PIR (2022)**

Prodoc and the PIR (2022) are consistent	
Outcome	Output
<b>Component 1: Support to Commercial Transactions (IFC Only as Executing Agency)</b>	
Outcome 1.1: 15 Commercial transactions totaling a minimum of USD 100 million dollars of new investment per year facilitated through design and financing.	1.1.1 Innovative long-term financial products designed, promoted & utilized
	1.1.2 Trade finance products designed, promoted and utilized.

Prodoc and the PIR (2022) are consistent	
Outcome	Output
<b>Component 1: Support to Commercial Transactions (IFC Only as Executing Agency)</b>	
	1.1.3 Blended finance products designed, promoted & utilized (based on 1.1.1 analysis) and launched.
<b>Component 2: Support to Financial Markets &amp; Institutions</b>	
Outcome 2.1 Increased funds (loans and investments) subjected to enhanced deforestation risk policies	2.1.1 20 Financial Institutions (FI)/Investors trained in using risk management tools that reduce forestation.
	2.1.2 Technical capacity and operational modalities established among 50 FIs with significant deforestation exposure to implement deforestation-free, zero net deforestation, or equivalent policies.
	2.1.3 Provide guidance, tools and capacity building for effective application of major new emerging markets
	2.1.4 New financial products supporting the production of reduced deforestation commodities, identified and their potential role in funding the transition to zero-deforestation commodity production clearly delineated.
<b>Component 3: Support to Public Sector – Incentives and Co-Financing for Transactions</b>	
Outcome 3.1 Increased public incentives and public and private financing for reduced deforestation practices <i>are provided</i> .	3.1.1 Production country analysis developed on fiscal incentives (e.g. subsidies & taxes) including those targeting smallholders;
	3.1.2 Assessments on how to reinforce linkages between reduced deforestation commodity production (palm oil, soy & beef) and REDD+ national programs.

83. During the inception phase of the evaluation, an issue related to the division of responsibilities between IFC and UNEP regarding output 2.1.4 was identified, as the PIRs and the TE Report for Component 1 had conflicting information. This output was initially removed from UNEP’s PIRs, until it was reintroduced in PIR 2021-2022 with the following explanation: *Output has been reintroduced for this reporting cycle after discussion with IFC that led to an agreement that the activity was meant to be delivered jointly. However, no transfer of funds between the organizations is expected and UNEP FI is envisioned to have a limited and technical contribution (centered on leveraging resources of UNEP-supported sustainable finance facilities). UNEP FI did complete a review of deforestation risk products in Brazil in Q1 2020 and completed a review of financial products in Paraguay in Q2 2021.*

84. In component 1 TE report there is no specific reference to output 2.1.4. This is stated in the mentioned report:

*IFC had a limited role in Component 2, and these results are presented in this report so they can be incorporated by UNEP-FI in their TE.*

*IFC’s contribution to Outcome 2.1.1 was partially achieved and has been rated as “Moderately Unsatisfactory (MU)”.*



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85. During the main phase of the evaluation, it was finally determined that UNEP carried out activities under output 2.1.4. However, as is described in the effectiveness chapter, the output seemed to fall short of the intended results in the ProDoc.

86. The Mid-Term Review proposed a change to output 2.1.3 which was not taken up by the project team in the subsequent PIRs. This proposed change aimed at sequencing differently the outputs under outcome 1. However, in the consultant's opinion, neither the Results Framework nor the Theory of Change imply or require a specific sequencing of project activities and outputs as proposed by the MTR. As such, the proposed change is not taken up in the Terminal Evaluation and no additional changes to the Results Framework were made.

### 3.3 Stakeholders

87. The ProDoc describes the different types of stakeholders relevant to the project and proceeds to list nominally the key stakeholders.

88. The ProDoc has a brief generic statement about stakeholder engagement in the project preparation phase, but does not explicitly mention how they were engaged and how their views were incorporated into project design.

89. The following types of stakeholders and respective roles were envisaged in the ProDoc:

- **Consultative partners** are already working globally or nationally on removing deforestation from commodity and financial supply chains and will be consulted regularly in a collaborative context with respect to the roll out of the project. Some consultative partners are furthermore co-financiers globally and regionally.
- **Partner Executing Agency.** These are agencies at the national level, who have a lead role in joint decision-making regarding implementation of country level activities and participate in workshops and country level activities.
- **Partners.** These are agencies at the national level that are consulted and participate in workshops and country level activities.
- **CSOs and NGO.** NGOs at the national level are called upon to participate in and co-lead project activities.
- **Private Sector.** Multiple entities will be engaged in the identification of investment opportunities.

90. For the first three types of stakeholders, the following nominal list is included:

**Table 4 - List of stakeholders included in the ProDoc**

<b>Stakeholders</b>	<b>Role</b>
IFC	Lead Executing Agency
UNEP-FI	Executing Agency
WWF-US	Partner executing agency
Natural Capital Declaration	Consultative partner and co-financier
UNEP Inquiry	Consultative partner and co-financier
UN-REDD Program	Consultative partner and co-financier
Forest Conservation Agriculture Alliance (FCAA) – Partnership including USAID, WWF-US, IFC, Minerva, WCS, Neuland Coop & FIDEI	Consultative partner and co-financier
BEI	Consultative partner
Principles for Responsible Investment	Consultative partner
FEBRABAN	Consultative partner
Banco do Brazil	Consultative partner
OJK	Consultative partner
Global Canopy Program	Consultative partner
Roundtable on Sustainable Finance Paraguay	Consultative partner

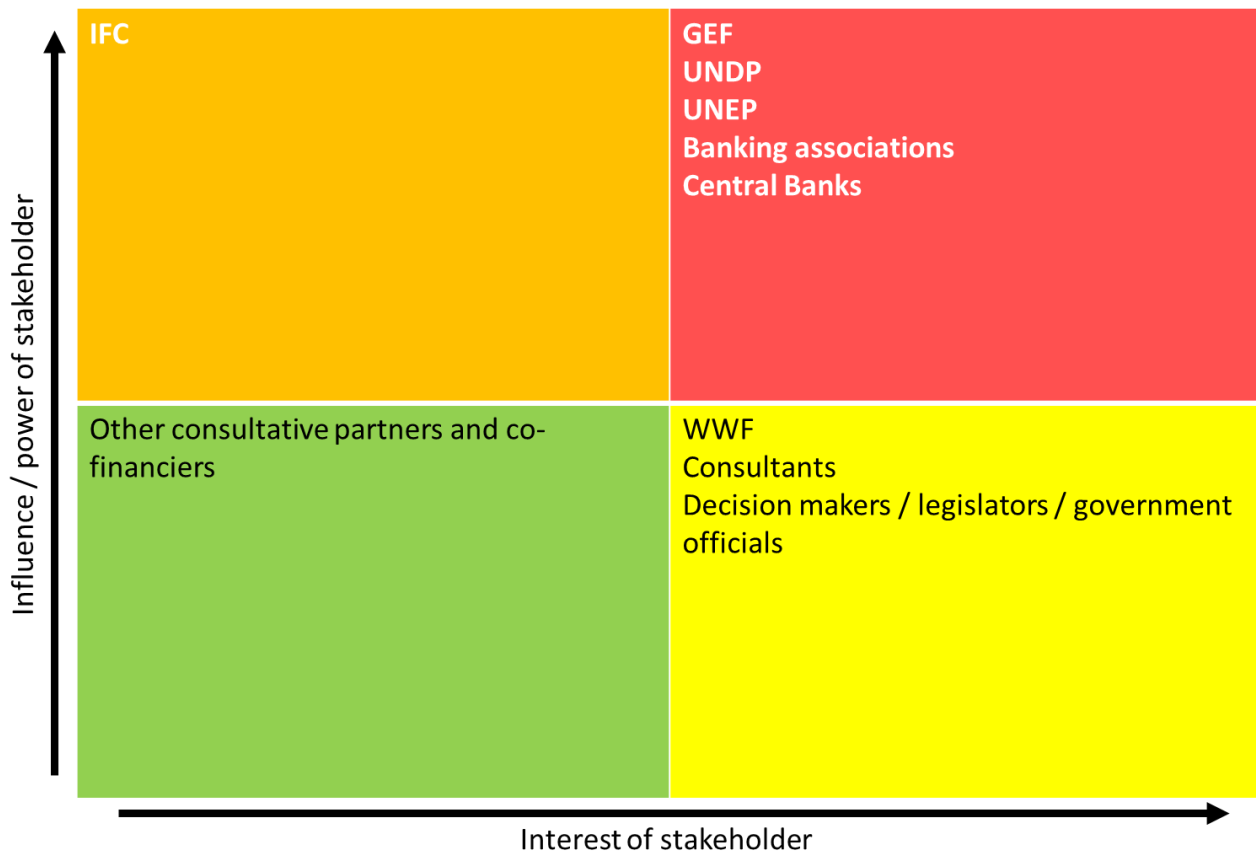
91. The ProDoc fails to clearly label and identify the beneficiaries of the project in the stakeholder engagement section. However, in other sections of the ProDoc, those are identified as the governmental institutions, in particular, the regulators; the financial institutions, including banks and asset managers, and finally, farmers who seek credit from banks.

92. With regards to gender issues, the ProDoc notes the different relationships men and women have with forests and lists a number of generic approaches to addressing gender equality in project implementation.

93. During the evaluation inception phase, information collected through an interview, allowed to add further details to stakeholder engagement during project implementation and their role and impact on the project and its outcomes.

94. It became apparent that executing partners played a key role in identifying and engaging stakeholders in the countries and whether or not UNEP had an office or some sort of in-country presence also played a role in this context.

95. The interest and power of each stakeholder varied greatly, which is a good testimony of the very different national circumstances, approaches and priorities in each of the four countries.



**Figure 2 – Stakeholder analysis (Johari window)**

96. In some countries, governmental and parliamentary stakeholders were actively engaged in, and benefited from, project implementation, in other countries, a more in-depth engagement of the regulator / central bank was noted. Networks or associations of commercial banks were also key stakeholders as most financing to the relevant commodities is channelled via these players.

97. This brief identification and analysis of key stakeholders was the basis for the selection of stakeholders interviewed during this main evaluation phase, in particular in the country missions to Brazil and Paraguay (see Table 2).

**Table 5 - Stakeholder analysis**

Stakeholders	Explain the power they hold over the project results/implementation and the level of interest	Did they participate in the project design, and how.	Potential roles and responsibilities in project implementation	Changes in their behavior expected through implementation of the project
<i>Type A: High power / high interest = Key player</i>				
GEF	GEF provided financing to the project as well as to the other child projects composing the program.	Yes, in accordance with GEF procedure, namely through the review committee and CEO endorsement	Steering.	n.a.
UNDP	Implementing agency of the IAP	n.d.	Steering	n.a.
UNEP	Implementing agency	Yes. Lead.	Implementing and executing agency.	n.a.
Banking Associations and Central Banks	<p>These were the two main categories of direct beneficiaries of the project. They have a high interest in the project as it is directly related to their core business and is aligned with their respective needs and priorities.</p> <p>These stakeholders had the capability to greatly influence the project, as all efforts were made to ensure that the project activities and outputs were strictly aligned with their respective interests and work plans.</p>	No evidence.	These beneficiaries were engaged in the design of the activities they participated, in particular the trainings.	Norms and procedures updated considering the best practices compiled through the project and conveyed, mostly, through the trainings.

Stakeholders	Explain the power they hold over the project results/implementation and the level of interest	Did they participate in the project design, and how.	Potential roles and responsibilities in project implementation	Changes in their behavior expected through implementation of the project
Type B: <i>High power/ low interest over the project =Meet their needs</i>				
IFC	IFC's power comes from it's executing agency role; it's low level of interest in the project is a result of its focus on component 1.	Yes.	IFC is a partner executing agency responsible for component 1, which was meant to be executed in close coordination with component 2 and 3.	n.a.
Type C: <i>Low power/ high interest over the project= Show consideration</i>				
WWF	As executing partner, WWF had a high interest on the project (and its successful implementation), but had a low influence on the overall project, which is reflected in its overall low visibility in key outputs.	No evidence.	Implementing project activities, with greater role in Indonesia, where it was faced with the particular challenge of loosing license to operate.	n.a.
Consultants	Hired by the executing partners, consultants had an interest and were committed to successful delivery of products and availability of outputs. The power held over project results was limited to the specific tasks they were hired for. In some cases, given their network in the countries they worked on, consultants were instrumental in engaging key stakeholders.	No	Implementation of specific activities in individual countries.	n.a.
Decision makers / legislators	In the specific case of Paraguay, the project worked more closely with legislators, providing them support in drafting legislation that would create an	No evidence.	Beneficiaries of support in drafting legislation to create an enabling environment for the use of financial instruments to reduced	Legislation adopted.

Stakeholders	Explain the power they hold over the project results/implementation and the level of interest	Did they participate in the project design, and how.	Potential roles and responsibilities in project implementation	Changes in their behavior expected through implementation of the project
/government officials	enabling environment for, and enhance sustainability of, the project outcomes. While their interest on project implementation was high, their respective influence on project results was extremely limited.		deforestation associated with agricultural commodities production.	
Type D: <i>Low power /low interest over the project= Least important</i>				
Other consultative partners and co-financiers	Other partners listed and consultative and/or co-financiers, were mostly invisible during the TE, testimony to their low power over project implementation. Generally speaking, as the project is aligned with the interest of these partners, it can be said that while their generic interest on the topics could be higher, their specific interest on the project was assessed to be low.	No evidence.	n.d.	n.a.

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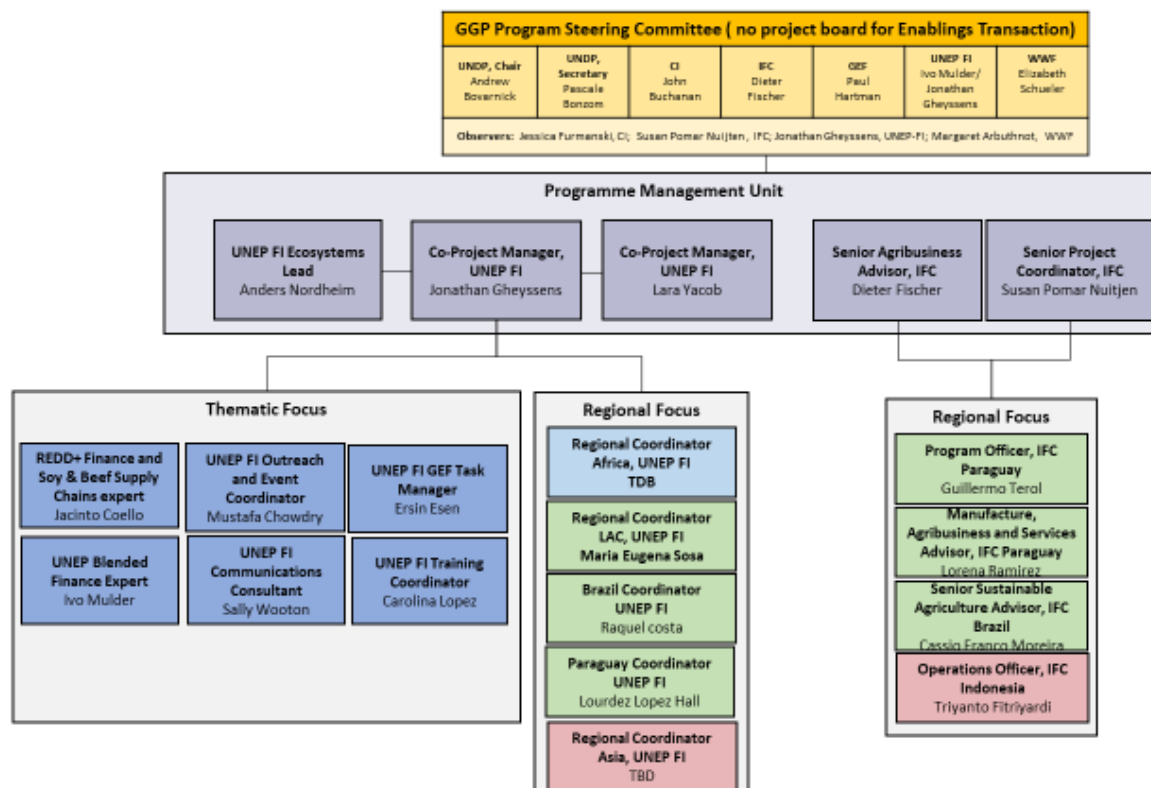
### **3.4 Project implementation structure and partners**

98. The project implementation structure has two fundamental features: the Program Steering Committee serving as the project board and the division of executing roles between UNEP and IFC, reflecting UNEP and the World Bank's roles as Implementing Agencies.

99. The ProDoc is silent with regards to steering responsibilities and the use of the Program Steering Committee as the project board, resulted in, as per usual practice in GEF projects, what is understood as a less than formal and structured decision-making process. During the TE it was possible to determine that key decisions (such as not implementing project activities in Liberia) were discussed in the context of Program Coordination / Steering meetings, but beyond that, there seemed to be a lack of a formal arrangement for such seemingly substantive decisions to be made.

## Transactions Project Organizational Structure

March 2020



**Figure 3 – Project implementation structure**  
Source: Mid-Term Review Report

100. In accordance with the Mid Term Review Report, WWF US did not have a Partner Executing Agency role as foreseen in the ProDoc. However, WWF Indonesia, WWF Paraguay and WWF Brazil were called to participate in, and co-lead, some activities.

### 3.5 Changes in design during implementation

101. The project was implemented, to a greater extent, during the COVID19 pandemic. However, unlike other projects implemented during the same period, stakeholders, including project team, consultants and beneficiaries did not highlight that circumstance as particularly impacting the capacity to implement the project as designed. In fact, this might have not been mentioned at all if not asked by the evaluator. Nonetheless, it has been noted that, for example, trainings were, to a certain extent, held online and later in the pandemic phase, in a hybrid mode. Some stakeholders mentioned this allowed for more stakeholders (namely those in less central locations) to participate in the trainings. The analysis of the impact of the COVID-19 pandemic on project implementation is included in PIRs and in the MTR report.



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102. The greatest change to project implementation in comparison to the ProDoc was the decision not to implement project activities in Liberia. This decision, finally reached in 2020, was due to the lack of suitable counterparts and beneficiaries that would be in a position to absorb the capacity building support provided, namely “owing to the nascent state of the sector, the lack of financial and sustainable finance regulations<sup>14</sup>”. This had no financial impact on the project, as specific budget had not been allocated to countries, but rather to components: [the decision to terminate activities in Liberia] *enabled more time and resources to be dedicate to projects and activities that could yield a concrete result in the remaining duration of the project. The remaining funds were re-allocated to capacity building activities in the three other GGP countries<sup>15</sup>.*

103. The project was granted two No Cost Extensions, extending the technical completion date by 12 months to 22 September 2022 and by three months to 31 December 2022.

### **3.6 Project financing**

104. The Enabling Transactions project’s total budget was GEF grant US\$ 6,405,101, of which US\$ 2,125,457 were to be executed by UNEP and US\$ 4,279,644 by the IFC, with additional co-financing of US\$ 22,958,419 from the partners (US\$ 19,180,000 from IFC and US\$ 3,778,419 from UNEP).

105. The project made financial information available to the evaluator, both budget and expenditures. However, despite the fact that the required tables have been provided to the project management team, the information made available was originally not adequate to fulfil all the full evaluation requirements, given the information provided is limited to UNEP spending (not including IFC spending). During draft report review, the evaluator had access to additional information which, given the compatibility with the evaluation requirements, allows for a more thorough understanding of project financing of the part of the projected implemented by UNEP (not of the full project).

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<sup>14</sup> Note provided to the evaluator describing the steps taken to attempt to carry out the planned activities in Liberia and the decision not to.

<sup>15</sup> idem

106. While noting this was the first time the project financial management team tracked expenditures by component, tracking of financial expenditures should be done in such a way as to allow for an easy fulfilment of this requirement. UNEP should ensure that to be the case.

**Table 6 - Expenditure by Component / Outcome (USD)**

Component/sub-component/output	Estimated cost at design	Actual Cost/ expenditure	Expenditure ratio (actual/planned)
Component 1 / Outcome 1	2,524,644	Not available	-
Component 2 / Outcome 2	2,835,457	Not available	-
Component 3 / Outcome 3	483,000	Not available	-
Project Management	305,000	Not available	-
M&E	257,000	Not available	-

**Table 7 – UNEP only expenditure by Component / Outcome (USD)**

Component/sub-component/output	Estimated cost at design	Actual Cost/ expenditure	Expenditure ratio (actual/planned)
Component 1 / Outcome 1	-	-	-
Component 2 / Outcome 2	1 415 457,00	1 551 426,50	109,61%
Component 3 / Outcome 3	483 000,00	287 515,52	59,53%
Project Management	100 000,00	75 374,58	75,37%
M&E	127 000,00	82 377,59	64,86%

107. The format of the data on co-financing made available is not conducive to a full understanding of the contributions made.

108. The table below (filled in directly by project management<sup>16</sup>), indicates USD 3,778,419 as UNEP in-kind planned co-financing. This is consistent with the ProDoc and the project ID table. As per the information included in the table by the project management, this co-financing was not made available.

109. The value for actual UNEP own financing (USD 1,905,677) as included in the table below provided by the project management, is not included in the planned co-financing raw data provided, nor was it foreseen in the ProDoc.

110. In accordance with the Component 1 TE report, IFC's actual in-kind contribution (USD 21,259,419) exceed the planned value (USD 19,180,000).

111. This re-constructed data is also not fully compatible with the data included in the project identification table in this report, which has been provided to the evaluator by the UNEP project team.

**Table 8 - Co-financing (US\$)**

Co-financing (Type/Source)	UNEP own Financing		Government		IFC		Total		Total Disbursed
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual	
Grants		1,905,677						1 905 677	1 905 677
Loans									
Credits									
Equity investments									
In-kind support	3,778,419				19,180,000	21,259,419	3,778,419		21,259,419
Other (*)									
<b>Totals</b>	<b>3,778,419</b>	<b>1,905,677</b>					<b>3,778,419</b>	<b>1,905,677</b>	<b>23,165,096</b>

<sup>16</sup> Except for co-financing for IFC which was filled in by the evaluator considering the information in the component 1 TE report.

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## 4. RECONSTRUCTED THEORY OF CHANGE AT EVALUATION

112. The ProDoc includes (Annex A) a detailed description of the key elements of the Theory of Change (ToC), namely by describing thoroughly the potential causal pathways between outputs and outcomes. However, the description of the causal pathways fails to identify the causality between outputs under component 1 and outputs under outcomes 2 and 3, which are deemed important for the achievement of these outcomes, the same way as it does not identify the causality between outputs under component 2 and outcome 3.

113. The description of the causal pathways at a higher level, namely between outcomes, intermediate state(s) and impact is also not provided. References are made to impact at the Program level. At evaluation inception phase, it was proposed that the Program Intermediate State and Impact were adopted by the project and included in the respective ToC. However, during the main phase of the evaluation, through deeper analysis of the outputs, greater understanding of the outcomes, and considering the stakeholder interviews, it was considered that this project, in isolation of the broader program, cannot be evaluated against the likelihood of achievement of the intermediate states and impact. Most of the assumptions that need to be considered for the outcomes to contribute to Intermediate State and Impact are too broad for any credible association to be made between the scope of the work of this project and the higher-level results intended by the program.

114. As such, and because this is a child project within a Program, the intermediate state and impact are kept in the ToC, but the respective likelihoods of achievement are not evaluated. This is depicted in the diagram through the dotted lines between outcomes and intermediate state.

115. The causal pathways described in this report are limited to components 2 and 3, with a very short reference to component 1, as this component has been evaluated separately.

116. The Theory of Change (ToC) at Evaluation fully uses the outputs and outcomes included in the ProDoc and adopts the Program overall objectives to describe the intermediate state and the impact (with the caveats described above). Additional assumptions to those included in the ToC at evaluation inception are now added, between outputs and outcomes, but most importantly between outcomes and Intermediate State.

117. It is noted that the expression of the outcomes would be clearer if there was a specific mention of the stakeholders to which the expected change in behaviour applies. In outcome 2, this would be financial institutions (including commercial banks) and in outcome 3, that would be the government

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and/or the regulatory bodies who would be expected to adopt such incentives for reduced deforestation practices.

118. Noting that the expression of these outcomes was neither changed in the Mid-Term Review nor in the TE of component 1, outcomes 2 will remain as per the ProDoc, while a verb is added to outcome 3 to ensure minimal understanding of the change expected (as proposed at evaluation inception).

119. The proposed assumptions and drivers in this revised ToC are based on the description of the causal pathways in Annex A to the ProDoc and in other information provided in that document, with additional assumptions proposed by the evaluator as a result of the findings during the main evaluation phase.

120. **Three causal pathways**<sup>17</sup>, each associated with one **outcome**, can be identified:

- Outcome 1: 15 Commercial transactions totaling a minimum of USD 100 million dollars of new investment per year facilitated through design and financing<sup>18</sup>
- Outcome 2: Increased funds (loans and investments) subjected to enhanced deforestation risk policies.
- Outcome 3: Increased public incentives and public and private financing for reduced deforestation practices are provided<sup>19</sup>.

121. The three project outcomes will lead to **a single intermediate state** – Growing supply and demand of palm oil, soy and beef are met through means that do not lead to deforestation, if, as assumed

- *IS Assumption 1*: greater alignment between private sector initiatives, public interventions and international cooperation and assistance is achieved.
- *IS Assumption 2*: social and societal changes that go beyond the financiers and commodity producers' scope of economic activities and social license to operate take place.
- *IS Assumption 3*: other child projects sustainably achieve their stated outcomes.
- *IS Assumption 4*: markets reject deforestation-based commodities.

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<sup>17</sup> Only 2 pathways (associated with outcomes 2 and 3) are described.

<sup>18</sup> This causal pathway will no further be elaborated.

<sup>19</sup> The underlined was added at evaluation inception to the expression of the outcome.

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- *IS Assumption 5*: follow up GEF projects take up lessons from this program.
  - *IS Assumption 6*: halting deforestation remains high on the international agenda.
122. The intermediate state, when achieved, leads directly to project **impact** - Global impacts of agriculture commodities on climate change and biodiversity are reduced.
123. **Causal pathway associated with outcome 2**: Increased funds (loans and investments) subjected to enhanced deforestation risk policies.
124. In this causal pathway, there are four outputs directly contributing to this outcome:
- Output 2.1: 20 Financial Institutions (FI)/Investors trained in using risk management tools that reduce forestation.
  - Output 2.2: Technical capacity and operational modalities established among 50 FIs with significant deforestation exposure to implement deforestation-free, zero net deforestation, or equivalent policies.
  - Output 2.3: Provide guidance, tools and capacity building for effective application of major new emerging markets.
  - Output 2.4: New financial products supporting the production of reduced deforestation commodities, identified and their potential role in funding the transition to zero-deforestation commodity production clearly delineated.
125. In addition, the three outputs under outcome 1 are also key to the outcome 2 causal pathway, as the increased funds expected under outcome 2 are certainly seeded, leveraged or inspired in the transactions of outcome 1.
126. In this causal pathway, at evaluation inception, two drivers and three assumptions were identified, based on information contained in Annex A:
- *Driver 2.1*: Policy makers and regulators adopt measures to ensure financial institutions consistently and systematically apply soft commodity policies across the board
  - *Driver 2.2*: leading financial institutions with high direct or indirect impacts or dependencies on forest ecosystems realize that they inappropriately capture the economic and financial risks created by deforestation in their investment portfolios and loan books (risks include potential delays in repayment of loans or bonds and changes in return on equity).
  - *Assumption 2.1*: Filling the existing "business case" information gap and enabling supply chain investors to better and more fully understand the value in reduced deforestation supply chains, will significantly increase the willingness of those actors to support and facilitate the necessary supply chains transformations.
  - *Assumption 2.2*: Actors will be willing to do medium-long term investments that, at least initially, have a less favorable risk-return profile than activities leading to deforestation.
  - *Assumption 2.3*: Regulators and supervisors publish and enforce stricter norms and guidelines.

- *Assumption 2.4:* financial institutions continue pursuing ambitious self-regulation.

127. **Causal pathway associated with outcome 3:** Increased public incentives and public and private financing for reduced deforestation practices are provided.

128. In this causal pathway, there are 2 outputs:

- Output 3.1: Production country analysis developed on fiscal incentives (e.g. subsidies & taxes) including those targeting smallholders;
- Output 3.2: Assessments on how to reinforce linkages between reduced deforestation commodity production (palm oil, soy & beef) and REDD+ national programs.

129. In addition, the three outputs under outcome 1 are also key to the outcome 3 causal pathway, as the expected increased public and private financing for reduced deforestation practices are certainly seeded, leveraged or inspired in the transactions of outcome 1. Likewise, outputs under component 1, are likely to be part of or to contribute to the availability of the public and private financing for reduced deforestation practices.

130. To ensure the transition from outputs 3.1 and 3.2 to outcome 3, one driver and two assumptions were identified:

- *Driver 3.1:* governments adopt aligned incentive structures (fiscal and other public policies) which enable and incentivize a new mode of operation by the financial sector and the private sector.
- *Assumption 3.1:* Political willingness remains across governments.
- *Assumption 3.2:* (Market) approaches are developed and matured (globally) to incentivize reduced deforestation.

**Table 9: Justification for Reformulation of Results Statements**

Formulation in original project document(s)	Formulation for Reconstructed ToC at Evaluation Inception (RTOC)	Justification for Reformulation
LONG TERM IMPACT		
	Global impacts of agriculture commodities on climate change and biodiversity are reduced	Adopted from the Program Objectives
INTERMEDIATE STATES		
	Growing supply and demand of palm oil, soy and beef are met through means that do not lead to deforestation.	Adopted from the Program Objectives
PROJECT OUTCOMES		
Outcome 1: 15 Commercial transactions totaling a minimum of USD 100 million dollars of new investment per year	No change	

facilitated through design and financing <sup>20</sup>		
Outcome 2: Increased funds (loans and investments) subjected to enhanced deforestation risk policies.	No change	
Outcome 3: Increased public incentives and public and private financing for reduced deforestation practices.	Outcome 3: Increased public incentives and public and private financing for reduced deforestation practices <u>are provided</u> .	Verb was added to more clearly express the expected behavioral change.
OUTPUTS		
	No changes	

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<sup>20</sup> This causal pathway will no further be elaborated.



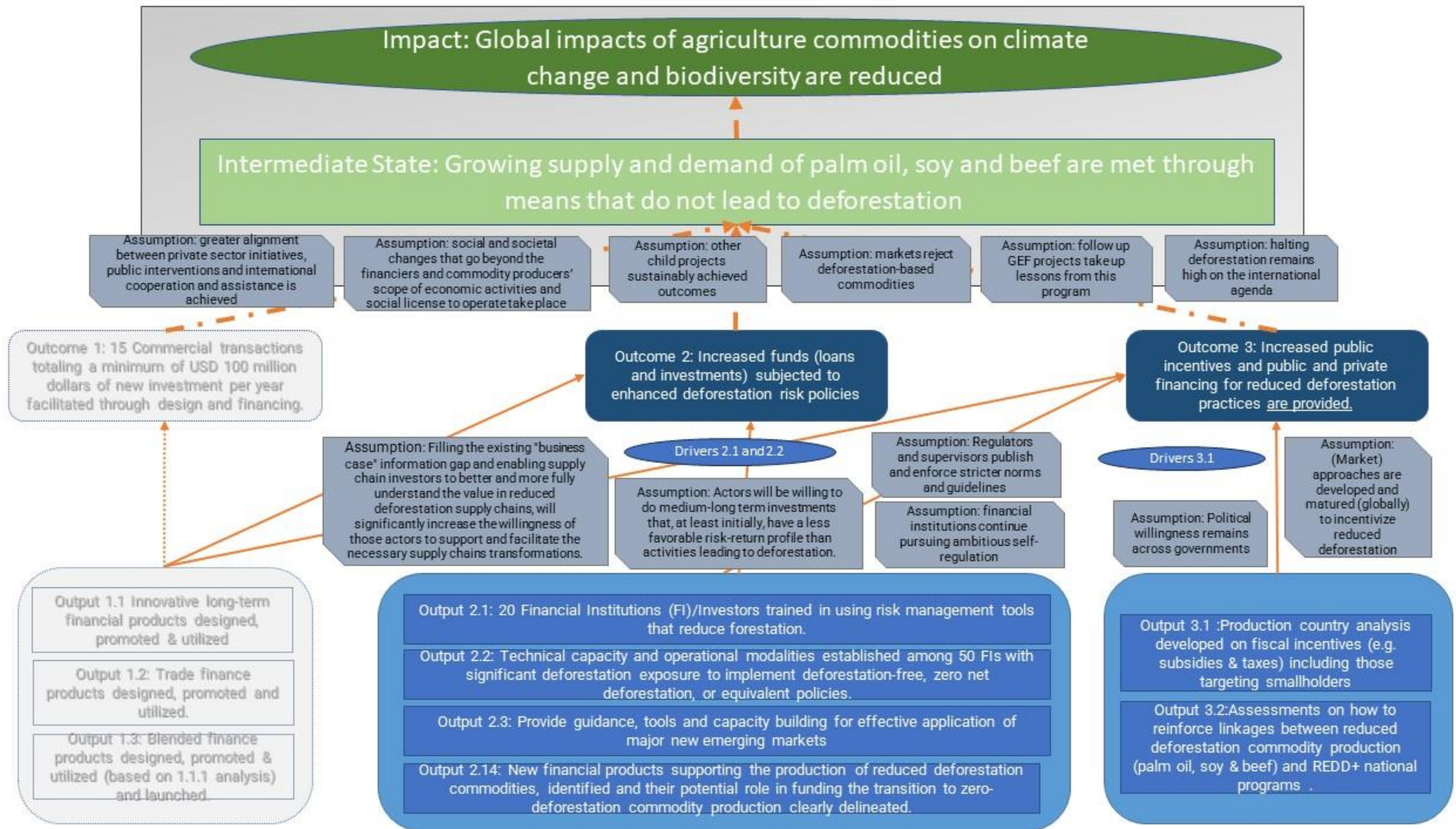


Figure 4- Diagram of the Theory of Change at Evaluation

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## 5. EVALUATION FINDINGS

### 5.1 Strategic Relevance

131. The project is relevant to GEF and UNEP priorities. It contributes to the Program of Work for the biennium 2019-2020, more specifically to Subprogram 1 (S1) on Climate Change and Subprogram 3 (S3) on Healthy and Productive Ecosystem.
132. For S1, relevant accomplishments are b (“Countries increasingly adopt and/or implement low greenhouse gas emission development strategies and invest in clean technology”, indicator ii) and c (“Increase in climate finance invested by countries of institutions for clean energy, energy efficiency and/or amount of decarbonized assets”, indicator i). For S3, the relevant accomplishment is b (“Policymakers in the public and private sectors test the inclusion of health and productivity of ecosystems in economic decision-making”, indicator ii).
133. The Integrated Approach Pilot (IAP) program as a whole, and the Transactions Child Project specifically, are consistent with GEF's strategic goals, as well as with global commitments made under different environmental Conventions and key agreements. The 2020 Strategy for the GEF emphasizes the importance of delivering integrated solutions by tackling underlying drivers of environmental degradation to establish synergies as well as greater and more sustained impacts. This IAP is one of three IAPs supported by the GEF-6 programming strategy.
134. The project is aligned with environmental concerns and priorities at national level, despite fluctuations across different governments and a lack of adoption and implementation of effective policies and measures to address the issue. However, the major causes of deforestation rank higher in national priorities (commodity production). For Liberia, however, the project was misaligned with national circumstances.
135. The project, through the extensive stakeholder engagement, in particular in Brazil and Paraguay, was aligned and complemented the work and efforts being done by key stakeholders, namely the banking associations and the Central Banks.

**Rating for Strategic Relevance:** **Highly Satisfactory**

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## 5.2 Quality of Project Design

136. Evidence collected shows that there were four main aspects that affected the quality of the project design:

- The frail connection with the program
- Insufficient resources for project management and coordination
- The approach to implementation of component 1, in isolation from the remaining components
- Stakeholder engagement not sufficiently structured to, at least, identify that Liberia was not in a position to benefit from the project

## 5.3 The frail connection with the Program

137. While there is a convincing logic that the integrated supply chain approach facilitated by the program could be successful and eventually become fundamental in driving change in the commodities world, the success of the pilot program in achieving this outcome was not apparent to the evaluator. Contradictory evidence has been identified on this matter. One interviewee mentioned that *“there was good collaboration, but that is a big step away from integration.”*

138. The Terminal Evaluation of the Adaptive Management & Learning (A&L) child-project, responsible for overall program management, revealed the following findings:

- The design of each child project did not include outcomes for funding for program-level coordination, M&E, communication and knowledge management connected to a central vision of how those processes should have played-out across the child projects.
- Often the Child projects staff perceived the extra time needed for M&E and knowledge products as a burden or outside of their scope of work. This is a probable consequence of the previous finding.
- The increase in the number of calls related to Green Growth Partnership (GGP) coordination for country teams was not well received and securing their participation in GGP Secretariat meetings was challenging.
- The design of the child projects did not facilitate the success of the A&L project. As a “connector” project, there was great desire but managers in each of the child projects had no common objectives for investing time and resources in program-level M&E, transfer of information, or knowledge management. This was a consistent criticism by all interviewed and recognized by the PMU.

139. Most of the data collected during this evaluation, both directly and indirectly, supported these findings for the A&L child project and its applicability to the links, coordination, and synergies created between the Enabling Transactions project and the remaining child projects under the program.

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140. The challenges in ensuring collaboration in implementing components 1, 2, and 3 of this child project highlighted the difficulties in managing knowledge across child projects, particularly in light of the findings of the A&L child project terminal evaluation.

141. Despite the above, some interviewees acknowledged the effort invested in coordination, noting that the project did not originally foresee a purely coordination role, and resources for it came from either extra time or time that was supposed to be devoted to outputs. Concrete examples of such coordination efforts included in-person program meetings, which continued until the COVID-19 pandemic emerged, somewhat contradicting the findings of the A&L Terminal Evaluation listed in paragraph 138 above.

142. The following statements were made:

*"...global managers did a really tremendous job of unifying the different child projects, sharing information, being very organized in terms of our regular calls, having an understanding of what was happening [...] so I felt I was part of a bigger program.*

143. The case for the integrated approach piloted in this program is well-documented in the knowledge product developed and published by the program. Among the several lessons learned, the following summarizes the overall findings included in this knowledge product:

*An integrated supply chain approach that addresses production, demand and financing aspects together significantly improves the ability of countries to generate change in commodity systems compared to more siloed approaches<sup>21</sup>.*

144. However, one interviewee raised concerns about whether a five-year program could effectively address demand, production, and financing, given the sequencing of changes required in these three dimensions and the time they take to materialize. The interviewee stated:

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<sup>21</sup> Reducing Deforestation from Commodity Supply Chains - Lessons and recommendations on an Integrated Approach from the Good Growth Partnership, in <https://goodgrowthpartnership.org/wp-content/uploads/Reducing-deforestation-GGP-Integrated-Approach.pdf>

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*...on the coordination between the child projects. The program was designed with an adaptive management and learning overarching component that was meant to provide this overarching coordination. The reality is that there is a temporal dynamic to do things. So, from the get go we had a sort of temporal discrepancy between this idea that we're going to essentially catalyze each child project with the sort of things that would be beneficial and supportive of the other projects. But the reality is that there is still a sequence of actions that need to take place, and that sequence of action is very easy to derail for many reasons. And so Production was doing their thing, Demand was doing their thing. Because demand is ultimately a big driver of the production change. But it's even slower to put into motion. Finance comes at the end, when you have basically structured the new model This was probably not compatible with a five-year program.*

145. Another interviewee confirmed: "this is a 10-15 year endeavour."

#### **5.4 Insufficient resources for project management and coordination**

146. Data collected during this evaluation, directly and indirectly point to the evidence that project design did not properly account for the resources required to properly manage the project technically and to coordinate with the remaining child projects at a program level. The findings of the A&L Terminal Evaluation are clear in this matter and so were some interviewees. The consultant notes that, however, this is in line with GEF rules.

An interviewee mentioned:

*"we didn't have the resources as a whole for project management because when GGP was designed, there wasn't a component for project management [...] The role was to develop specific tools [...], do research, do reviews and the management was sort of like somehow we were kind of meant to do it, but there wasn't a budget for it..."*

147. The same interviewee also mentioned that, concerningly, in the design of the follow up FOLUR project, resources for these coordination tasks are not specifically considered either.

#### **5.5 The approach to implementation of component 1, in isolation from the remaining components**

148. The evaluator found no indication in the ProDoc that component 1 of the project was to be implemented and terminally evaluated in total isolation from the remaining components.

149. Stakeholders engaged in components 2 and 3 were in ignorance of the activities being implemented and results being achieved under component 1. Interestingly, there was an overall

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perception that this detachment of component 1 had little impact on the implementation and delivery of outputs of components 2 and 3.

150. An interviewee mentioned that “in theory it would have made sense to work together, but in practice the realities and approaches are so different that it would have made better sense to have two separate child projects”. The consultant was made aware that the nature of the work of the two agencies fundamentally differs, with IFC being transactional and dependant on client / advisory services and UNEP’s normative. This should have been identified at design stage and eventually the decision to join such fundamentally different agencies is unlikely to have been made.
151. The evaluator finds this project design option unusual and not aligned with best practices as it undermines all causal and results-focused thinking.

#### **5.6 Stakeholder engagement not sufficiently structured to, at least, identify that Liberia was not in a position to benefit from the project**

152. The ProDoc omits any efforts made to engage stakeholders during design. None of the interviewees were in a position to properly clarify what the stakeholder engagement at that phase had been.
153. The evaluator found that, the fact the project was unable to implement activities in Liberia, due to the reasons discussed elsewhere in this report, was a clear indication of insufficient stakeholder engagement at design. This perception was corroborated by the following statement by an interviewee:

*“...the case of Liberia for instance, or Indonesia [the project] wasn't basically conceived, with a strong engagement from the government of those countries. And so, when we started the program, we basically had to re-explore what was possible and what was feasible and reengage the different stakeholders and the counterparts”<sup>22</sup>*

**Rating for Quality of Project Design: Satisfactory**

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<sup>22</sup> Statement from an interviewee.

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## 5.7 Nature of the External Context

154. The COVID-19 pandemic was the greatest external feature to impact project performance overall. It, of course, had impact on project activities, but it is not deemed as having a significant impact on project performance or in the capacity to achieve the project results as stated in the results framework. The adaptive management actions implemented, namely, carrying out the trainings virtually, at first, and then on a hybrid mode, seemed to have been sufficient to address the challenges. In fact, some stakeholders noted that the online training allowed for a broader participation of beneficiaries.
155. Otherwise, the nature of the external context was mostly country specific, and it has been determined to be favourable in all countries, as no conflict, natural disaster, or unanticipated political upheaval, occurred impacting project implementation.

**Rating for Nature of External Context: Favourable**

## 5.8 Effectiveness

### 5.8.1 Availability of outputs

156. The outputs under each component are found to have been made 'partially available'. Some products (reports) under the outputs, as described in the 2022 PIR, are not consistent with the ProDoc and some of the products described in the PIR are not consistent with those made available to the evaluator through a Sharepoint folder. Some documents are not available (either because an error message persists or because the folders are empty). Some reports are in a draft status. Some additional outputs were made available during the draft report stage, filling some of the gaps mentioned above. However, the statement remains generically valid.
157. The evaluator was made aware of the efforts required to deliver some outputs, namely associated with ensuring ownership, buy-in and enhanced absorption by the beneficiary stakeholders. The evaluator notes that the adaptive management approach to such challenges was key to a successful delivery of the outputs.
158. The evaluator also notes that finding a suitable approach to overcome these challenges was time- and resource-consuming. Nonetheless, this did not have an impact on the timeliness of project completion.

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159. In a few isolated cases, namely regarding output 2.1.4, the product available departs from what was foreseen in the ProDoc due to circumstances that do not seem related to the efforts mentioned above (the specific challenges related to output 2.1.4, regarding allocation of responsibility for its implementation, have been described elsewhere in this report).

### **5.8.2 Outputs under component 2 - Support to Financial Markets & Institutions**

#### **Output 2.1: 20 Financial Institutions (FI)/Investors trained in using risk management tools that reduce forestation.**

160. In accordance with the ProDoc this output consists of:

- A *training program* to allow risk managers within financial institutions, with a focus on banks with operational footprints in target countries, to identify, manage and reduce deforestation related risks associated with commodity production in their lending portfolio through enhanced screening and client engagement.
- The development of *technical briefs* with leading financial institutions on each of the targeted commodities, detailing existing practice for the identification, management, and integration of deforestation related risks relating to investments in the supply chains of these commodities
- Three deforestation *value at risk (DVaR) models*
- For each of the three commodities, a *business case report* that articulates the opportunities created by the risk mitigation options identified in the DVaR models – these mitigation options will highlight the financial case for adopting zero deforestation supply chain approaches.

161. In accordance with the 2022 PIR, “in total 173 financial institutions were trained in using risk management tools”.

162. Several documents have been made available to the evaluator to provide evidence of the availability of the output, including:

- Survey on Environmental and social risk assessment using quantitative methods: the scenario in Brazil
- The risk model
- The Business case for Reduced Deforestation Palm Oil in Indonesia (draft working document)
- Survey of Financial Institutions in Paraguay

163. During the evaluation mission to Brazil and Paraguay, the evaluator was exposed to extensive evidence of the availability of this output.



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164. In accordance with an interviewee in Brazil, the materials and the recording of the trainings has been made available to beneficiaries (namely Banco Central and the FEBRABAN banking association), which, given the opportunity for further use beyond project activities, may enhance the outputs contribution to outcomes.
165. The interviews with project stakeholders were also key for the identification of the adaptive management efforts made to address beneficiary concerns and priorities under this output. For example, a training on risks related to the loss of biodiversity (related but beyond deforestation risks) has been provided to Brazil's Central Bank.
166. One interviewee mentioned that, in Brazil, despite the efforts made by the project, it was not possible to engage the trading firms (key players in the value chain, including as providers of finance to farmers), as these are usually unwilling to participate in initiatives in conjunction with banks, as they see them as competition and are unwilling to cooperate closely. As such, only the banking sector was directly involved in the training and contributed to the development of the risk model.
167. Evidence that the technical briefs are available was brought to the attention of the consultant during draft report stage.

Output 2.2: Technical capacity and operational modalities established among 50 FIs with significant deforestation exposure to implement deforestation-free, zero net deforestation, or equivalent policies.

168. In accordance with the ProDoc, the aim of this output is to assist financial institutions in their adoption of new internal guidelines and policies advancing the consideration of deforestation and forest degradation risks in their agricultural investments. Training modules were to be developed and offered to the 50 FIs to familiarise them with the framework and tools and to accelerate their adoption of deforestation-free, Zero Net deforestation or equivalent policies.
169. In accordance with the 2022 PIR, over 170 financial institutions have been trained thus far in Brazil, Paraguay and Indonesia.
170. In accordance with the documentation made available to the evaluator, four training programs were made available: a global training program and three national programs for Brazil, Paraguay and Indonesia.

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171. The global training was not foreseen in the ProDoc and was created as a result of the adaptive management approach of the team, upon realization that this could be created and delivered efficiently. The national training programs had “more content on the local legal frameworks for the governance of forest risk commodities in the respective focus countries.” The global and national training programs complemented each other.

172. The global training program was composed of four modules:

- Module 1: Introduction to Deforestation Risks and Business Case
- Module 2: Deforestation Risk Identification, Screening and Assessment
- Module 3: Managing Financial Risk and Exploring Opportunities
- Module 4: Nature-Based Solutions.

173. In accordance with interviewees, training materials were deeply adapted to the national circumstances, needs and priorities. For example, in Paraguay, the training focused on technological solutions to support and enhance the robustness of the risk assessment methodologies already used (e.g. satellite imaging).

174. Extensive documentation on the training programs has been made available to the evaluator, including, syllabus, videos, presentations, registration and attendance lists, certificates, transcripts of the chats during the sessions, among other materials. Access to full set of documentation was only achieved at draft report stage, when issues related to cloud storage were finally solved.

### Output 2.3: Provide guidance, tools and capacity building for effective application of major new emerging markets

175. In accordance with the ProDoc, the following guidance (tools and knowledge sets) were to be prepared as part of output 2.3:

- For the financial regulators, a *best practice guidance note* on how changes in the 'financial rules of the game' such as policies, standards and regulations can enhance market transparency and support sustainable land use outcomes, by contributing to remove deforestation from the commodity supply chains of palm oil (Indonesia) and beef and soy (Brazil).
- Support the Indonesian Financial Services Regulator (OJK) on the development of lending guidance for palm oil and further support to the development of its overall sustainable finance regulations.

176. In accordance with the 2022 PIR, 2 comprehensive reports with roadmap and practical best practices have been produced, for Brazil and Paraguay. A review of the job creation law as it relates

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to deforestation risk was completed for Indonesia and incorporated into the training program that was delivered and concluded in June 2022. In total 3 guiding reports have been produced.

177. Several documents have been made available to the evaluator, including:

- For Brazil: Deforestation Risks and Financial Institutions – Analysis and Recommendations
- For Indonesia: Indonesian Job Creation Law / Omnibus Law and its impact towards Deforestation
- For Paraguay: Report on Existing Environmental Laws in Particular Forest Protection Laws and Policies as they Relate to the Financial Sector

178. While the document for Indonesia corresponds to the description included in the 2022 PIR, those for Brazil and Paraguay don't. These documents do not seem to include roadmaps and practical best practices, even if loosely defined.

Output 2.14: New financial products supporting the production of reduced deforestation commodities, identified and their potential role in funding the transition to zero-deforestation commodity production clearly delineated.

179. In accordance with the ProDoc, the following products were foreseen under output 2.1.4:

- Assessment of the feasibility and potential of innovative financial products
- Options assessment of potential for insurance products to support the removal of deforestation in production supply chains

180. The 2022 PIR mentions that UNEP FI did complete a review of deforestation risk products in Brazil in Q1 2020 and completed a review of financial products in Paraguay in Q2 2021.

181. The following documents have been made available to the evaluator:

- For Brazil: Financial products supporting restoration and zero deforestation
- For Paraguay: Productos financieros para apoyar la producción sustentable en el sector AFOLU (Agricultura, Forestación y otros usos de la tierra) en el Paraguay<sup>23</sup>

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<sup>23</sup> Financial Products to support the Sustainable Production in the Agriculture, Forestry and Other Land Use Sector in Paraguay.

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- For Indonesia: ESG Training Needs Assessment report for Financial Service Institutions (specifically chapter 6)<sup>24</sup>

182. These documents, rather than providing a prospective analysis of the potential for innovative financial and insurance products, have listed and reviewed existing products and analysed the contextual background, including barriers, regarding their effectiveness. While not aligned with the ProDoc, the analysis contained in these documents are assessed to be a relevant contribution for the achievement of the outcomes, as it filled a knowledge gap identified by stakeholders, denoting adaptive management.

183. A discussion on the coordination challenges related to the responsibilities over this output are discussed in the section on the Results Framework.

### **5.8.3 Outputs under component 3 - Support to Public Sector - Incentives and co-financing for Transactions**

Output 3.1: Production country analysis developed on fiscal incentives (e.g. subsidies & taxes) including those targeting smallholders.

184. In accordance with the ProDoc, the following products were foreseen under output 3.1: 4 analyses of the fiscal systems and instruments.

185. The 2022 PIR mentions “1 production country analysis for fiscal incentives in Paraguay resulting in the review of the environmental services law in Paraguay which will conclude in July 2022. Brazil and Indonesia will be completed in 2022. A baseline review of existing fiscal policy in Brazil relating to agricultural production was drafted in March 2022”.

186. During the draft report stage documents for Brazil, Indonesia and Paraguay were made available.

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<sup>24</sup> This document was made available to the consultant at draft report stage.

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Output 3.2: Assessments on how to reinforce linkages between reduced deforestation commodity production (palm oil, soy & beef) and REDD+ national programs.

187. In accordance with the ProDoc, the following products were foreseen under output 3.2: 4 assessments focused on how REDD+ finance could accelerate and or/promote the production and trade of reduced deforestation commodities.
188. The 2022 PIR mentions 4 reports finalized:
- One global report produced looking at the GCF RBPs window, in its capacity of first operational RBP instrument.
  - One report documenting best practices and important considerations in the context of GGP production countries planning to leverage RBPs to bring their activities to scale.
  - A third report taking stock of REDD+ opportunities in Liberia for commercial activities linked to drivers of deforestation was drafted as well.
  - A report analyzing the financial products and services needed to support the transition to zero deforestation production was concluded for Paraguay and the information used in the conception of the National Climate Fund under the GCF
189. The following documents were made available:
- Private Sector Financing of REDD+ in Liberia
  - REDD+ Result Based Payments (RBPs) preliminary research.

**Rating for Availability of Outputs: Satisfactory**

## 5.9 Achievement of project outcomes

190. As a general remark, the evaluator finds that the outcomes have not been formulated in accordance with best practice and in alignment with UNEP guidance, in the sense that the outcome statements do not specifically express an expected change in behaviour by specified stakeholders.
191. On the other hand, the way the outcomes have been formulated point to a potential quantifiable approach to the evaluation of the achievement of the outcomes, without a quantified baseline upon which to ground the assessment. For example, outcome 2 “increased funds” clearly requires a quantified baseline and a quantified situation at the end of the project or at evaluation. Data for such quantification does not exist.
192. These formal aspects in themselves hinder the capacity for a sound expression of an expert opinion based on verifiable and triangulated evidence.

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193. At evaluation inception, a preliminary decision not to fundamentally change the formulation of the outcomes was made, among other reasons because the issue had not been raised in the mid-term review. This decision is confirmed as discussed in the chapter related to the Theory of Change above.

194. However, in order to evaluate the achievement of outcomes, changes in the behaviour of relevant stakeholders that may lead to the results as expressed in the original formulation of outcomes will be used as a fundamental proxy. In particular, changes in the behaviour, triggered or supported by the uptake of the knowledge transferred through this project by the financial institutions, in particular banks and regulators will be assessed.

#### **5.9.1 Outcome 2: Increased funds (loans and investments) subjected to enhanced deforestation risk policies**

195. **Outcome 2 is achieved.** The presumption is that more financial institutions aware of deforestation risks and trained on risk assessment tools and that more awareness of Central Banks will lead into more progressive regulations will lead to the adoption of risk assessment by more Banks, thus increasing the funds subject to enhanced deforestation risk policies.

196. Two assumptions in the Theory of Change can be assumed to hold at this stage, in particular for Brazil and Paraguay, for which evidence collected in the mission is abundant:

- Regulators and supervisors publish and enforce stricter norms and guidelines
- Financial institutions continue pursuing ambitious self-regulation

197. For the other two assumptions in the Theory of Change (Filling the existing "business case" information gap and enabling supply chain investors to better and more fully understand the value in reduced deforestation supply chains, will significantly increase the willingness of those actors to support and facilitate the necessary supply chains transformations; and Actors will be willing to do medium-long term investments that, at least initially, have a less favourable risk-return profile than activities leading to deforestation), the evidence is unclear or not existing.

198. However, one interviewee in Brazil mentioned that "the financial risk is, at the moment, not the greatest concern of actors engaged in financing deforestation activities, but rather the litigation and reputational risks." This somehow shows that the business case is actually being understood by many actors.

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199. Also in Brazil, an interviewee mentioned that at least one bank was planning to enter into an agreement with trader companies, that have a direct contact and strong link with farmers, to promote agricultural practices that reduce deforestation. However, as mentioned elsewhere, traders are yet to embark on these types of partnerships, regardless of their own efforts on the matters.
200. On the other hand, the banking association in Brazil is working on a project for the development of self-regulation for the beef sector. While the norm would be the same for all banks, it will be up to each bank to decide the consequence of the client seeking finance not being in compliance with said norm. It has been mentioned that the soy sector is not as mature as the beef sector to embark on this type of self-regulation initiatives.
201. Also in Brazil, three banks have signed a mutual agreement aimed at avoiding deforestation, the so-called Plano Amazônia<sup>25</sup>.
202. As per the above, the evaluator finds that the evidence regarding the activation of the value chain is unclear, with both signs of movement and of stall.
203. Another interviewee mentioned that the Brazil Central Bank has been enhancing its norms, noting that self-regulations does not intend to be para-regulation and as such does not replace norms by Central Bank. In some instances, this interviewee mentioned, the Central Bank has now stricter norms than the traditionally progress self-regulation.
204. The Paraguay Central Bank was deeply engaged and committed to the training. As such, it has sent a mandatory invitation for all banks to participate in the training, thus ensuring that, all banks are aware of social and environmental risks and of tools for the respective assessment. An interviewee mentioned that the Central Bank was lagging behind in comparison with the best in class of the commercial banks (namely those members of the Mesa Finanzas Sostenibles). However, not all banks are part of this association and not all of its members are at the same level
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<sup>25</sup> For more information see, for example: <https://www.itau.com.br/sustentabilidade/estrategia-esg/amazonia/> [consulted in January, 2024]

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of application of tools to assess social and environmental risks. As such, action by the Central Bank, even if not surpassing the self-regulation of the Mesa Finanzas Sostenibles members, will lead to a raise in the number of banks applying any sort of risk assessment in Paraguay.

205. The Paraguayan Central Bank is working on regulation that is the minimum common denominator for all banks. For some, this regulation will not promote an improvement of their risk assessment practices, but for others, this will represent a giant leap. Work on taxonomy for sustainable financing is also taking place.

206. In addition, the Central Bank of Paraguay with the support of WWF created a tool (finalized in May 2023) to verify whether banks are applying the normative in relation to social and environmental risk assessment.

### **5.9.2 Outcome 3: Increased public incentives and public and private financing for reduced deforestation practices are provided.**

207. **Outcome 3 is partially achieved.** This assessment is stated with a special degree of uncertainty (please refer to the introductory remarks of this section, above).

208. Public incentives and financing are highly dependent on government changes and the political situation in each country. For example, during the project duration, Brazil had two administrations with different policies towards commodity production and towards deforestation. While, as stated by an interviewee, that had little impact on the work of the Central Bank on the matter, the incentives and the signals sent to the actors in the value chain are the opposite of each other.

209. During the mission to Brazil and Paraguay, Heads of State met in the Amazon Summit. While all countries presented their respective national deforestation policies and targets, they were unable to reach a common target, milestone or deadline. This requires that caution is used in the assessment of whether the assumption that “Political willingness remains across governments” holds, in particular across time.

210. Paraguay is working on a set of instruments aimed at providing an incentive to avoiding deforestation, such as environmental services certificates and carbon credits. However, the country is facing the challenges faced elsewhere in the world, namely with regards to the creation of a market, in particular in relation to the creation of demand and of a credible and sustainable offer. One interviewee mentioned that the basic framework for environmental certificates *“is in place since 2004, but the market is not working. There is no demand. The legislation says who should buy such*



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*certificates, but does not create a value creation mechanism. Some indigenous people and communities have certificates they could offer to the market, but as national legislation does not require them to have an ID number, they do not meet the legal requirement to participate in the market. The only buyers are large infrastructure projects, usually publicly funded.”*

211. Resolution 8, which the project supported, including in the context of Component 3, had not been able to secure approval in Congress, where it has been sitting for a while, at the time of the evaluation mission.
212. This shows that even if the assumption regarding political willingness holds, sometimes the instruments to implement those policies are not mature and cannot effectively produce the expected results. This is closely related to the assumption that “(Market) approaches are developed and matured (globally) to incentivize reduced deforestation” which does not seem to hold at the time of this Terminal Evaluation.

**Rating for Achievement of Outcomes: Moderately Satisfactory**

#### **5.10 Likelihood of impact**

213. **Intermediate State and Impact have not been achieved** and are unlikely to be achieved in the medium-term.
214. It must be noted again that the ProDoc did not include an Intermediate State (Growing supply and demand of palm oil, soy and beef are met through means that do not lead to deforestation) and an Impact (Global impacts of agriculture commodities on climate change and biodiversity are reduced) and that these were adopted from the Program ProDoc at evaluation inception. As such it is likely that, at design, it was not foreseen that the project, in isolation, would have a significant contribution to the Impact. The TE report of the Adaptive Management and Learning for the Commodities IAP, omits this specific aspect.

**Rating for Likelihood of Impact: Moderately Unlikely**

**Overall Rating for Effectiveness: Moderately Satisfactory**

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## 5.11 Financial Management

### 5.11.1 Adherence to UNEP's Financial Policies and Procedures

215. No evidence was brought to the attention of the evaluator that UNEP's financial policies and procedures were not adhered to.
216. The evaluator was not made aware of any delays in the availability of funds that had any impact on project implementation. In addition, the evaluator found that there was flexibility to adjust budgetary provision to changes in project implementation (adaptive management).
217. Budget reallocations (two budget revisions) took place, namely regarding unspent funds in the activities that did not take place in Liberia and to accommodate the project extensions. The evaluator was not made aware of the formal procedures adopted regarding the decision-making process for reallocation of such funds.

**Rating for Adherence to UNEP's Financial Policies and Procedures: Moderately Satisfactory**

### 5.11.2 Completeness of Financial Information

218. Information made available was not sufficient to fulfil the requirements of the TE. During the draft report stage, additional information was made available and an additional online meeting between the consultant and the financial management team took place. This contributed to improving the completeness and clarity of the information.
219. The evaluator notes that this difficulty in making available documentation which is aligned with the requirements for the TE guidelines is not limited to this project and that recommendations regarding the adoption of procedures to facilitate the provision of such information have been formulated in the context of a previous TE performed by the evaluator. UNEP should be in a position to easily provide the information required by the simple tables included in the Project Financing section of this report.

**Rating for Completeness of Financial Information: Moderately Satisfactory**

### 5.11.3 Communication Between Finance and Project Management Staff

220. Interviewees have referred to meaningful cooperation between the finance and project management staff. During the main phase of the TE, the evaluator witnessed such cooperation among the finance and project management, namely with regards to the approach relating the use

of funds initially allocated to activities Liberia. However, this cooperation was not able to produce the desirable result: the delivery of the required financial information.

**Rating for Communication between Finance and Project Management Staff: Satisfactory**

**Table 10 - Financial Management**

Financial management components		Rating	Evidence/ Comments
<b>1. Adherence to UNEP's/GEF's policies and procedures:</b>		<b>MS</b>	
Any evidence that indicates shortcomings in the project's adherence <sup>26</sup> to UNEP or donor policies, procedures or rules		No	No evidence has been brought to the attention of the evaluator. However, the lack of a sound and complete financial report does not allow for a complete assessment. No evidence of formal decision regarding reallocation of budget for activities in Liberia to other activities / countries.
<b>2. Completeness of project financial information<sup>27</sup>:</b>		<b>MS</b>	
Provision of key documents to the evaluator (based on the responses to A-H below)			The information on expenditures was not provided in a suitable format nor sufficient to fulfil the requirements.
A.	Co-financing and Project Cost's tables at design (by budget lines)	Yes	Information provided as required.
B.	Revisions to the budget	Yes	Information regarding budget revisions was clearly made available during draft report stage.
C.	All relevant project legal agreements (e.g. SSFA, PCA, ICA)	N/A	
D.	Proof of fund transfers	Yes	The evaluator did not request this information specifically, as no issues regarding transfers have been identified.
E.	Proof of co-financing (cash and in-kind)	Yes	Despite issues identified with the consistency of the information, the evaluator found evidence of the co-financing initiatives (namely by IFC), which should suffice to demonstrate co-financing at adequate levels.
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	Satisfactory information made available during draft report stage.
G.	Copies of any completed audits and management responses ( <i>where applicable</i> )	N/A	To the best knowledge of the evaluator audits have not been performed.
H.	Any other financial information that was required for this project (list):	No	(see section on project financing for detailed description of issues related to financial data made available to evaluator)

<sup>26</sup> If the evaluation raises concerns over adherence with policies or standard procedures, a recommendation maybe given to cover the topic in an upcoming audit, or similar financial oversight exercise.

<sup>27</sup> See also document 'Criterion Rating Description' for reference

Financial management components	Rating	Evidence/ Comments
<b>3. Communication between finance and project management staff</b>	<b>S</b>	No evidence was brought to the attention of the evaluator to any issues that would downgrade this rating.
Project Manager and/or Task Manager's level of awareness of the project's financial status.	HS	-
Fund Management Officer's knowledge of project progress/status when disbursements are done.	HS	-
Level of addressing and resolving financial management issues among Fund Management Officer and Project Manager/Task Manager.	HS	-
Contact/communication between by Fund Management Officer, Project Manager/Task Manager during the preparation of financial and progress reports.	HS	-
Project Manager, Task Manager and Fund Management Officer responsiveness to financial requests during the evaluation process	MU	Despite the efforts and apparent good will, the information required to perform the assessment of the financial performance of the project was not made available.
<b>Overall rating</b>	<b>S</b>	The rating of the financial management is determined by the lack of consolidated, suitably formatted and readily available financial information, which would increase transparency and accountability.

**Rating for Financial Management: Satisfactory**

**5.12 Efficiency**

221. The project was efficiently implemented, without meaningful delays, despite the no-cost extensions.
222. There is extensive evidence that the management team was able to implement and complete in a timely manner the activities of the project, considering the barriers found before some could be started (e.g. defining the appropriate angle and approach for the trainings in Brazil, but particularly in Paraguay).
223. The evaluator also notes and commends the management team for having been able to complete the project in a timely manner despite the extreme constraints posed by the COVID-19 pandemic.
224. The evaluator also notes the efforts and resources put into trying to implement project activities in Liberia and commends the decision by the management team to divert the resources to where they could be more effectively used.
225. The evaluator found extensive evidence, in particular during the missions to Brazil and Paraguay that the team made use of existing initiatives and institutions. This is particularly evident in the

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partnerships made with the banking associations (namely FEBRABAN in Brazil and Mesa de Finanzas Sostenibles in Paraguay). The project activities, in particular the trainings and the materials prepared for that effect, took due consideration of previous efforts made, results accomplished so far and needs and priorities for the future.

226. The evaluator also became aware, for example, of the efforts made by the project to support ongoing policy making and legislative processes, namely in Paraguay with regards to Resolution 8 that was being discussed in the Parliament.

227. The evaluator found no evidence of specific efforts to reduce the carbon footprint. Nonetheless, no evidence has been found either of superfluous plane travelling which would have the greatest impact on the project's carbon footprint.

**Rating for Efficiency: Satisfactory**

## **5.13 Monitoring and Reporting**

### **5.13.1 Monitoring design and budgeting**

228. The design of the monitoring of the project follows good practice established by UNEP and GEF.

229. The M&E plan is detailed and budget, foreseeing both GEF resources and co-financing for its implementation.

230. The M&E Plan foresees several different reports, such as an inception report; semi-annual Progress/ Operational Reports to UNEP; PIR; Project Final Report; Co-financing report. Of these, only the PIR was made available to the evaluator.

231. The M&E Plan also foresees a Mid-Term Evaluation and annual audits, besides this Terminal Evaluation.

232. The indicators associated with the results framework are deemed SMART. However, the evaluator finds that the baseline values were not carefully estimated (for example, the number of financial institutions trained using risk management that reduce deforestation was estimated zero in the baseline, where that was clearly not the case).

**Rating for Monitoring Design and Budgeting: Satisfactory**

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#### 5.14 Monitoring of project implementation

233. The evaluator found no evidence that the main adaptive management actions were a direct result of the analysis of the data formally collected in the context of the M&E set up. However, the evaluator notes that the PIR 2018 already identifies Liberia's context as potentially disruptive and volatile and the 2019 PIR clearly lays out the challenges the project is facing, indicating the high likelihood that project activities might not be implemented in the country as foreseen. Regardless, the evaluator stresses the effectiveness and efficiency of the adaptive management of the project.

**Rating for Monitoring of Project Implementation: Moderately Satisfactory**

#### 5.15 Project reporting

234. The evaluator notes that several of the reports foreseen in the monitoring design were not made available. In particular, the project final report and the co-financing reports could have provided important information for this TE. The reports of the foreseen audits as well as the minutes of the IAP Steering Committee meetings, could also contain information relevant for the effective performance of this TE. It was not investigated whether these reports were not prepared or simply not made available together with the remaining documentation.

235. The PIRs make mostly formal references to gender issues, while noting the project input to a gender knowledge product produced by the program. There are no references to other societal groups, including indigenous, marginalized or vulnerable people.

236. The PIRs were completed within the foreseen time schedule and included relevant information regarding progress in project implementation.

**Rating for Project Reporting: Moderately Satisfactory**

**Rating for Monitoring and Reporting: Satisfactory**

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## 5.16 Sustainability

### 5.16.1 Socio-political sustainability

237. Three main aspects have been considered to assess the socio-political sustainability: the political context (focusing on government policies, but also in the global regime), the social context from the perspective of the supply and from the perspective of the demand.

238. These reflections / findings are expressed generically and are presumed to apply to all countries, but of course, each country has specific circumstances which are highlighted when applicable.

239. With regards to the political context, on what the global regime is concerned, it is safe to presume that the political discourse and agenda is aligned and is expected to continue to be aligned with the expected results of the project, thus supporting them.

240. At national level(s), the signals found are mixed. Firstly, the political stance regarding climate change and land use (change), including deforestation for cropland or grazing land purposes, is becoming extremely polarized as already can be seen in some key countries. However, even in the most progressive countries and governments, the tensions between the agriculture section and the nature and biodiversity conservation sectors are high, with the former usually exerting a greater political influence.

241. In Paraguay, for example, the regulatory framework for certification of ecosystem / environmental services has been in congress for quite some time, with no signs of it being ready for approval soon.

242. It must also be noted that illegal deforestation plays an extreme important role on this topic. While the project focused on deforestation taking place within a specific regulatory framework, it is not safe to say that the whole challenge can be addressed through typical instruments, when often organized crime plays a role.

243. From the supply side, the risks associated with deforestation do not seem to be fully set on the awareness of the commodities producers. In this context, it seems likely that producers will continue to operate in a business-as-usual mode until the market provides them with stronger signals.

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244. This brings us to the last point: demand. There are some encouraging signs that the market, particular those most developed markets, are becoming more demanding in terms of the impacts of these commodities. However, it's feared this may be a long-term process before these demands have a significant and determinant impact on the whole value chain.

245. Bilateral commercial agreements (such as those between the EU and Mercosur), where this specific issue has been addressed may enhance the pace of change. However, even highly scrutinized agreements as the aforementioned was, have loopholes. In accordance with an interviewee, the definition of deforestation included in this agreement protects a specific ecosystem, creating greater pressures on others.

**Rating for Socio-Political Sustainability: Moderately Likely**

### 5.16.2 Financial Sustainability

246. The commodities market is mature, and agents have access to financing. It is also assumed that, as an outcome of this project, greater volumes of financing are being subject to deforestation is increasing. In this context, the financial sustainability of the project outcomes is considered to be self-sustaining, being mostly dependent on the other two variables of sustainability described in this section.

**Rating for Financial Sustainability: Likely**

### 5.16.3 Institutional Sustainability

247. A range of evidence has been collected relating to the institutional sustainability of the outcomes. Most of this evidence supports sustainability, some other evidence shows that this is not without challenges.

248. An important aspect related to the institutional sustainability stems directly from the fact that the project built upon pre-existing initiatives and cooperated and support existing and the most relevant institutions, namely the central banks and the banking associations.

249. In Paraguay, for example, banks have been working on social and environmental risk assessments since 2011, namely through the association Mesa Finanzas Sostenibles. The same is true for Brazil through FEBRABAN. The technological focus of the training in Paraguay provided the



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grounds for the Meza de Finanzas Sostenibles banking association to start working on the development of a platform.

250. After the training, the Paraguay Central Bank created a Working Group of supervisors on sustainable finance. It is now working on regulation that is the minimum common denominator for all banks. For some, this regulation will not promote an improvement of their risk assessment practices, but for others, this will represent a giant leap. Work on taxonomy for sustainable financing is also taking place.

251. The Central Bank is now in a position to continue working “alone” on these matters, but the support from UNEP will speed up changes as it promotes the uptake of international best practices, in accordance with an interviewee.

252. La Alianza Público Privada de Finanzas Sostenibles del Paraguay, established in 2021, is a public and private multidisciplinary and interinstitutional strategic coordination group to promote the development of sustainable finances.

253. Follow up-projects that can support the uptake and maintenance of the capacity building provided are already in the ground, with special focus on the FOLUR project. Other, non-exhaustive, relevant projects mentioned by stakeholders are a UNEP REDD+ project in Paraguay and the UNEP IFACC regional project (including Brazil and Argentina)– innovation in finance for Paraguay – El Chaco and Cerrado. This project aims at designing and implementing financial instruments aimed at improving forest conservation.

**Rating for Institutional Sustainability: Highly Likely**

**Overall rating for Sustainability: Moderately Likely**

### **5.17 Factors Affecting Performance and Cross-Cutting Issues**

254. Factors affecting performance have been discussed throughout. Below key highlights are presented for summary purposes.

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### Preparation and readiness

255. No evidence was found regarding lack of preparedness and readiness to start project implementation.
256. The situation regarding Liberia, however, shows an important failure of project design which impacted readiness to kick off activities in all countries.

**Preparation and Readiness: Satisfactory**

### Quality of project management and supervision

257. The project faced some challenges (e.g. the situation in Liberia, the loss of licence to operate of a partner in Indonesia, and the need to adapt scope of work to stakeholders' priorities to promote buy in and ownership), which were, as per evidence collected in interviews, appropriately managed.
258. The lack of a project board or steering committee, despite the program steering committee being charged with supervision of the board, has led to some important decisions being made on what is perceived by the evaluator as informal grounds. A more formal approach to steering and supervision would be a closer approximation to good practice.

**Quality of Project Management and Supervision: Satisfactory**

### Stakeholder participation and cooperation

259. While no evidence of meaningful stakeholder engagement during project design could be found, there is extensive evidence of working closely with stakeholders in the design and delivery of project activities. Stakeholders rather actively requested the project to adapt the scope of the activities to ensure alignment with interests and priorities.

**Stakeholder Participation and Cooperation: Satisfactory**

### Responsiveness to human rights and gender equity

260. The ProDoc foresaw a complementary activity focusing on gender issues and with the objective of promoting gender balance throughout investment and lending decision-making processes. This document was prepared, in accordance with the 2020 PIR, at the Program level, with the project actively contributing to it.

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261. Beyond this, there is no evidence the project made any specific consequential efforts in these regards, beyond trying to ensure a balanced participation of both genders in project activities. The lack of specific references to indigenous people on such a project was noted.

262. The ProDoc is silent with regards to engaging, targeting or considering the specificities of indigenous people. Likewise, there are no references to poverty and to the poor, when one interview mentioned that “a lot of people engaged in deforestation are poor.” There is no evidence of a special concern by the project regarding these vulnerable communities.

**Responsiveness to human rights and gender equity: Moderately Unsatisfactory**

### Environmental and Social Safeguards

263. No specific reference to safeguards in the ProDoc and no evidence of the application of environmental and social safeguards. In any event, given the nature of the project they seem unnecessary.

264. In this regard, the following is mentioned in the 2020 PIR: The CEO endorsed document doesn't identify a social and environmental safeguard action plan but rather refers to the importance of safeguards such as gender mainstreaming and promoting good governance among financial institutions and associated stakeholders. Through the national and global training programs, a robust risk management approach, including tools, methods and will be promoted which would encourage financial institutions to employ social and environmental safeguards in their financing approaches. In addition to this UNEP's Land Use Finance unit employs a dedicated team of social and environmental safeguard experts, which actively contribute to the project design and implementation of various projects.

**Environmental and Social Safeguards: Not rated.**

### Country ownership and driven-ness

265. There is extensive evidence of the projects efforts to promote country ownership and driven-ness, particularly in Brazil and Paraguay. The evaluator commends the project in this regard.

**Country Ownership and Driven-ness: Satisfactory**

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### Communication and public awareness

266. The website <https://goodgrowthpartnership.org/> is a good indicator of the efforts made to communicate the project (in the context of the program).

**Communication and Public Awareness: Satisfactory**

**Rating for Factors Affecting Performance: Satisfactory**

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## 6. CONCLUSIONS AND RECOMMENDATIONS

### 6.1 Strategic Questions

267. The strategic questions guided the data collection process and the drafting of the findings included in this report. As such, the answers can be found in the body of the report. For ease of reference, key highlights regarding the key questions are summarized below.

**Q1: To what extent, and in what ways, were recommendations from the Mid Term Review (MTR) adopted and used to inform/support adaptive management of the project?**

268. There was a mixed answer by the project management to the recommendations included in the MTR. For example, the general recommendations on governance to set an IFC-UNEP advisory board not followed. The recommendation to hold bi-monthly calls with IFC seems to have been followed, but with little effect on project implementation. No alternative measures were implemented that could have improved the coordination and synergies between IFC/component 1 and UNEP/Components 2 and 3.

269. With regards to substantive recommendations regarding outputs, several were aimed at enhancing cooperation between IFC and UNEP (such as IFC and UNEP FI: UNEP FI: Support banks to better understand producers; IFC (GTSF) and UNEP FI (VAR): explore possible synergies in mapping the actors; IFC and UNEP FI: Blended Finance and Innovative Financial products information), regarding which evidence suggests these were not followed. Other recommendations (such as “Continue to strengthen the support to banks by sharing example of innovative financial mechanisms”), which were only dependant on UNEP, evidence suggests they were followed and supported steering the project.

**Q2: To what extent, and in what ways, has the project contributed to the program’s objectives?**

270. The programmatic approach based on the value chain is deemed to be fundamental and appropriate to address an extremely complex issue such as deforestation. Financial flows are at the core of chain, having the very clear potential to, together with other financial and non-financial incentives, cause a 180° change of direction regarding deforestation and agricultural commodities production.

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271. The partial achievement and achievement of this child-project has, without a doubt, contributed to the program objectives, even though, these, including the program impact can only be achieved if all child projects sustainably achieve the respective outcomes.

**Q3: What are, if any, the additional benefits and costs of the project being part of a programmatic approach?** This should include whether benefits accrued from the project being part of a program rather than a standalone project.

272. Theoretically, the benefits, in terms of sustainably achieving an impact, are absolute, as this project, as a standalone project, would not achieve the expected program impacts.

273. However, both within the project and within the program, the resources available for the intense coordination required to reap these benefits were not available. As such, evidence suggest that potential synergies were not identified and profited from. The implementation of the project during the COVID-19 pandemic might have contributed to this, namely as the GGP-wide meetings were halted.

**Q4: To what extent was systems thinking used to maximise the potential for integration of this child project within its programmatic framework?**

274. As per the above, it can be said that the theoretical approach to the program was based on systems thinking, acknowledging and encompassing the complexities of a challenge driven by global markets, highly controversial national political decision making (recently attached to very strong ideological principles), by financial flows and local operators (including family farming).

275. However, evidence suggests that the practice of it fell short of the theoretical potential, for the reasons described in the previous question. In summary, systems thinking seems to have been used to maximize the potential for integration at design of the program, but less so in promoting integration during implementation.

**Q5: How well did UNEP, as the GEF Agency, collaborate with other Agencies involved in the Program?**

276. The collaboration with IFC has impacted the project. There is extensive evidence that the collaboration with IFC was below the minimum acceptable in any project management standards. There is also evidence of the efforts made by UNEP to establish proper working relationship with

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IFC, but, as stated by stakeholders “the corporate culture and approach to project implementation” were too far apart for a meaningful collaboration.

277. Relationship with other agencies was within expectations and that required to ensure a proper project implementation.

**Q6: How well was the project’s M&E design aligned with that of the program? How did the M&E arrangements of the project contribute to the program level M&E and results reporting?**

278. Evidence suggests that there was a disconnect between the project M&E approach and the program needs, with the project M&E system being focused on collecting relevant data in the context of its results framework.

279. The A&L project TE report, clearly describes the disconnect between the needs of the program and the capacities and priorities of the child projects: “Child project staff complained about the number of reports and reporting requested and that these were not part of their job and no financing available for data taking.”

280. This report notes that the program M&E system did not clearly define its information needs from child projects. In this circumstance, it would be very unlikely that child projects would have designed an M&E system that would cater to program needs: “The design of the M&E system did not establish common parameters that all child projects and countries would consider through the process.”

**Q7: What adjustments, if any, were made to the project to adapt to the effects of COVID-19 situation, and to what extent did the adjustments enable the project to effectively respond to the new priorities that emerged in relation to COVID-19? How did the adjustments affect the achievement of the project’s expected results, as stated in its results framework?**

281. The main change to project activities was related to trainings. Originally designed to take place in person, some training sessions were purely virtual, others were hybrid. Key stakeholders considered this did not impact the effectiveness of the training and noted that this allowed to reach a wider audience, as location was no longer a limiting factor.

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## 6.2 Conclusions

282. Deforestation is a key environmental challenge, contributing to the aggravation of climate change and to the loss of biodiversity.
283. The causes and drivers for deforestation are extremely complex and include legal and illegal activities. The production of agricultural commodities, including soy and beef represent an important part of such causes and drivers.
284. These key agricultural commodities are part of global markets, which means that decisions with strong impacts on land use change, including deforestation, are made often in financial centres, by individual consumers or policy makers thousands of kilometres away, including in different countries.
285. National stakeholders, including policy makers, are often subject to the tensions between the need to preserve forest and the need to foster economic development through land conversion, often overlooking the potential synergies between both.
286. In many cases, lack of awareness and knowledge coupled with conflicting incentives and instruments are at the root of approaches to agricultural commodities production that result in permanent loss of forest area (deforestation).
287. Political willingness to tackle the problem is extremely volatile and even the most progressive governments often fail to achieve their own policy objectives. Command and control instruments have proven not to be effective, while market-based approaches (such as results-based payment or ecosystem services certificates) are yet to mature and to prove that they can actually be part of the solution.
288. The programmatic approach to address such a complex issue seems to be fundamental, as addressing the issues from either the demand, the production or the financing perspective in isolation will always be bound to be ineffective.
289. However, some issues regarding the design of both the program and of the respective child projects, might have limited the accomplishment of the full potential of the program and of the project.



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290. The first design issue is related to the fact that no specific functions for coordination and sharing with other child projects and consequently no resources, have been foreseen to the effect. This, as has been clearly noted in the TE Report of the Adaptive Management and Learning Child Project, has reduced the opportunities to profit from synergies among child projects.
291. Despite these design flaws, given the complexity of the issue, it is assumed that the project benefited from being part of a programmatic approach, in the sense that only within a programmatic approach could a project aspire to (contribute to) achieving the ambitious impact expected of the program.
292. In fact, these benefits might not have been immediately perceived by the project team in terms of contributing to availability of outputs and/or the achievement of outcomes, but that the overall operating context might have been more favourable to the implementation of project activities.
293. The second design issue is again related to coordination, this time, within the transactions project. The option to implement Component 1 in a silo, isolated from components 2 and 3 is questionable. This situation shows that collaboration between IFC and UNEP was below best practice, even though there is no evidence that this was the case with the other partner agencies.
294. Finally, the impossibility to implement the project in Liberia due to reasons that most likely were already clear at design, is also noteworthy.
295. The project management team however, showing great adaptive management skills, was, not without extraordinary effort, able to overcome most of these challenges.
296. The project was implemented during the COVID-19 pandemic, which required changes to be made (such as partially holding the trainings online). There is no evidence whatsoever that the pandemic had any significant negative impact on the project, given the adaptive management decisions.
297. In fact, one of the key aspects of the project is the adaptive management decisions. The project team invested a lot of effort in making sure that project activities were aligned with the interests and priorities of and, therefore, owned by the key stakeholders. The departure of some of the outputs made available from what was originally planned in ProDoc is noticeable in a few instances. However, this divergence has, taking into consideration the evidence collected during the missions, made a fundamental contribution to the level of achievement of project outcomes.

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298. In this context, given the challenges in achieving outcomes, it is assumed that the project being part of a program has been beneficial, in the sense that only in a programmatic approach could there be any likelihood of achieving the ambitious intermediate state and impact defined for the program and to which the project was designed to contribute through the achievement of its outcomes.
299. Finally, there is a concerning lack of clear evidence of specific significant efforts regarding effectively addressing concerns of gender, in particular women, and, most notably, of indigenous people in project implementation.
300. Nonetheless, it has become evident that an important factor for the project's effectiveness were the efforts put into engaging stakeholders / beneficiaries and ensuring their needs and priorities were the focus of the project.
301. The table below provides a summary of the ratings of the different components of this evaluation. It includes the ratings for component 1 as included in the TE report for Component 1, an analysis by the Evaluation Office of the alignment of the rating with the UNEP guidance and, where relevant, a revised rating. The ratings for Component 1 were considered when rating components 2 and 3, but did not have any meaningful impact. The final project rating is a result of the weighted ratings of components 2 and 3.

**Table 11 - Summary Ratings, including ratings for Component 1 considering the respective TE report**

	IFC: Component 1			UNEP: Components 2 and 3	
Criterion	Rating from IFC Terminal Evaluation	Justification for any ratings' changes due to validation (completed by the UNEP Evaluation Office – EOU)	Current TE Rating	Summary of assessment	Rating
<b>Strategic Relevance</b>	<b>HS</b>	The rating appears consistent with UNEP's approach.	<b>HS</b>		<b>HS</b>
1. Alignment to UNEP MTS, POW and strategic priorities	<i>Not rated</i>	<i>Not relevant for IFC component.</i>	<i>Not rated</i>	The project is relevant to GEF and UNEP priorities. It contributes to the Program of work for the biennium 2019-2020, more specifically to Subprogram 1 on Climate Change and Subprogram 3 on Healthy and Productive Ecosystem	HS
2. Alignment to Donor/Partner strategic priorities	<i>Not rated</i>	Evidence of alignment given	HS	The Program and the Project are consistent with GEF's strategic goals, namely the 2020 Strategy for the GEF.	HS
3. Relevance to global, regional, sub-regional and national environmental priorities	<i>Not rated</i>	Country level relevance discussed, but commercial interests competing with environmental concerns is not reconciled? Pg 64 suggests low appetite on part of governments to enforce legislation on deforestation although one can say that there is provision for maintaining thresholds of native vegetation in legislation.	HS	The project is aligned with environmental concerns and priorities at national level, despite fluctuations across different governments	S
4. Complementarity with relevant existing interventions/coherence	<i>Not rated</i>	Evidence provided of other initiatives by IFC being leveraged.	S	Project aligned with efforts by key stakeholders.	HS
<b>Quality of Project Design</b>	<b>S</b>	When the UNEP template is applied, this might come down to MS – it seems as if the design of the 3 components was defensible even though the sequencing didn't work in practice. The UNEP project design tool is weighted.	<b>MS</b>	Evidence collected shows that there were four main aspects that affected the quality of the project design: (i)The connection with the program; (ii) Insufficient resources for project management and coordination; (iii) Approach to implementation of component 1; (iv) Stakeholder engagement not sufficiently structured to, at least, identify that Liberia was not in a position to benefit from the project	<b>S</b>

	IFC: Component 1			UNEP: Components 2 and 3		
Criterion	Rating from IFC Terminal Evaluation	Justification for any ratings' changes due to validation (completed by the UNEP Evaluation Office – EOU)	Current Rating	TE	Summary of assessment	Rating
<b>Nature of External Context</b>	<b>MU</b>	The project operated during COVID-19 and the countries involved were hard hit by the pandemic. Project activities could, however, continue.	<b>MU</b>		The project operated during COVID-19 and the countries involved were hard hit by the pandemic. Project activities could, however, continue without a negative impact.	<b>F</b>
<b>Effectiveness</b>	<b>S</b>	<b>Overall Effectiveness rating dependent on UNEP parts of Component 2 being included.</b>	<b>S</b>			<b>MS</b>
1. Availability of outputs	S	Given that 2 out of the 4 IFC outputs were rated as MU, a UNEP approach is likely to have rated outputs at no higher than MS. The IFC outputs performance related to Outcome 2 will need to be considered in the context of all the outputs (IF and UNEP-FI) contributing to Outcome 2 for the performance to be assessed.	MS		Outputs were generally available, noting the impact of the adaptive management decisions on the alignment of the outputs available with the design in the ProDoc. These changes, however, are deemed fundamental as a contribution to the achievement of outcomes, thus upholding a satisfactory assessment.	S
2. Achievement of project outcomes	HS	Sufficient evidence is provided to support a rating of HS for Outcome 1	HS		Outcome 2 is likely to have been achieved. The presumption is that more financial institutions aware of deforestation risks and trained on risk assessment tools and that more awareness of Central Banks will lead into more progressive regulations will lead to the adoption of risk assessment by more Banks, thus increasing the funds subject to enhanced deforestation risk policies. Outcome 3 is unlikely to have been achieved with a degree of significance at the end of the project.	MS
3. Likelihood of impact	S	A UNEP assessment of Likelihood of Impact would include an assessment of whether the assumptions and drivers were seen to 'hold'. As there are none of these in the TOC used in the TE of IFC's work, the rating on Impact cannot be confirmed.  Note pg 62, para 310 considers scale up and replication 'likely'	MU		Intermediate State and Impact (as per the Program ToC) have not been achieved and are unlikely to be achieved in the medium-term.	MU

	IFC: Component 1			UNEP: Components 2 and 3	
Criterion	Rating from IFC Terminal Evaluation	Justification for any ratings' changes due to validation (completed by the UNEP Evaluation Office – EOU)	Current TE Rating	Summary of assessment	Rating
<b>Financial Management</b>	<b>S</b>		<b>S</b>		<b>S</b>
1. Adherence to UNEP's financial policies and procedures	<i>Not rated</i>	<i>Not relevant for IFC component.</i>	<i>Not rated</i>	No evidence was brought to the attention of the evaluator that UNEP's financial policies and procedures were not adhered to.	MS
2. Completeness of project financial information	<i>Not rated</i>	<i>Not relevant for IFC component.</i>	<i>Not rated</i>	Information made available was not sufficient to fulfil the requirements of the TE. At draft report stage additional information was made available.	MS
3. Communication between finance and project management staff	<i>Not rated</i>	<i>Not relevant for IFC component.</i>	<i>Not rated</i>	Interviewees have referred to meaningful cooperation.	S
<b>Efficiency</b>	<b>S</b>	The analysis is consistent with UNEP's approach on cost effectiveness and timeliness	<b>S</b>	The project was efficiently implemented, without meaningful delays, considering the one 3 month no cost extension for the technical completion of the project.  The evaluator also notes and commends the management team for having been able to complete the project in a timely manner despite the extreme constraints posed by the COVID-19 pandemic.  The evaluator also notes the efforts and resources put into trying to implement project activities in Liberia and commends the decision by the management team to divert the resources to where they could be more effectively used.	<b>S</b>
<b>Monitoring and Reporting</b>	<b>MU</b>		<b>MS</b>		<b>S</b>
1. Monitoring design and budgeting	MU	<i>Inconsistent rating:</i> Table with GEF criteria gives MS, pg 32 Table with UNEP criteria gives MU, pg 33 TE text rates this MS, pg 58 Rating is consistent with the text.	MS	The M&E plan is detailed and budget, foreseeing both GEF resources and co-financing for its implementation.	S

	IFC: Component 1			UNEP: Components 2 and 3		
Criterion	Rating from IFC Terminal Evaluation	Justification for any ratings' changes due to validation (completed by the UNEP Evaluation Office – EOU)	Current Rating	TE	Summary of assessment	Rating
2. Monitoring of project implementation	MU	Numbers of farmers not disaggregated by gender Check indicator 2.1.1 on training (did UNEP-FI collect data?) pg 61	MS		The evaluator found no evidence that the main adaptive management actions were a direct result of the analysis of the data formally collected in the context of the M&E set up.	MS
3. Project reporting	<i>Not rated</i>	No suggestion that IFC's 6 monthly reporting system was not followed, but also no positive effects of reporting.	MS		The evaluator notes that several of the reports foreseen in the monitoring design were not made available.	MS
<b>Sustainability</b>	<b>MU</b>	<b>MU is consistent with UNEP's approach to aggregating sustainability</b>	<b>MU</b>			<b>ML</b>
1. Socio-political sustainability	MU	Analysis supports MU rating	MU		Three main aspects have been considered to assess the socio-political sustainability: the political context (focusing on government policies, but also in the global regime), the social context from the perspective of the supply and from the perspective of the demand.	ML
2. Financial sustainability	MU	Analysis supports MU rating	MU		The financial sustainability of the project outcomes is considered to be self-sustaining, being mostly dependent on the other two variables of sustainability.	L
3. Institutional sustainability	MU	Analysis supports MU rating	MU		An important aspect related to the institutional sustainability stems directly from the fact that the project built upon pre-existing initiatives and cooperated and support existing and the most relevant institutions, namely the central banks and the banking associations.	HL
<b>Factors Affecting Performance</b>	<b>S</b>					<b>S</b>
1. Preparation and readiness	MS	Analysis supports MS rating.	MS		No evidence was found regarding lack of preparedness and readiness to start project implementation.	S

	IFC: Component 1			UNEP: Components 2 and 3	
Criterion	Rating from IFC Terminal Evaluation	Justification for any ratings' changes due to validation (completed by the UNEP Evaluation Office – EOU)	Current TE Rating	Summary of assessment	Rating
2. Quality of project management and supervision	S	S is consistent with UNEP's approach to aggregating supervision	S	The project faced some challenges (e.g. the situation in Liberia, the loss of license to operate of a partner in Indonesia, and the need to adapt scope of work to stakeholders' priorities to promote buy in and ownership), which were, as per evidence collected in interviews, appropriately managed. The lack of a project steering committee downgrades the rating.	S
2.1 UNEP/Implementing Agency:	Not rated	IFC global staff	S	-	S
2.2 Partners/Executing Agency:	Not rated	IFC in country teams (Note, however, para 378, which suggests limited collaboration with UNEP-FI on execution)	S	-	S
3. Stakeholders' participation and cooperation	S	Analysis supports S rating.	S	Extensive cooperation with stakeholders during implementation.	S
4. Responsiveness to human rights and gender equality	S	Table with UNEP criteria gives S, pg 33 TE text rates this MS, pg 79 Analysis is consistent with MS	MS	There is no evidence the project made any <i>consequential</i> efforts in these regards, beyond trying to ensure a balanced participation of both genders in project activities.	MU
5. Environmental and social safeguards	Not rated		Not rated	-	Not rated
6. Country ownership and driven-ness	S	No analysis given.	Not rated	Extensive evidence of the projects efforts to promote country ownership and driven-ness, particularly in Brazil and Paraguay.	S
7. Communication and public awareness	S	Table on pg 33 has S rating. Text on pg 78 has MS rating Analysis supports S rating	S	The website <a href="https://goodgrowthpartnership.org/">https://goodgrowthpartnership.org/</a> is a good indicator of the efforts made to communicate the project (in the context of the program).	S
<b>Overall COMPONENT Performance Rating</b>	<b>S</b>	<b>Used UNEP's weighted ratings table</b>	<b>S</b>		<b>MS</b>

	IFC: Component 1			UNEP: Components 2 and 3	
Criterion	Rating from IFC Terminal Evaluation	Justification for any ratings' changes due to validation (completed by the UNEP Evaluation Office – EOU)	Current TE Rating	Summary of assessment	Rating
<b>Overall PROJECT Performance Rating</b>		<b>Moderately Satisfactory</b>			



### 6.3 Lessons Learned

<b>Lesson Learned #1:</b>	<b>Complex issues are appropriately addressed in a programmatic approach.</b>
<b>Context/comment:</b>	It has become abundantly clear that a complex issue such as deforestation driven by agricultural commodities production, cannot be addressed through a single, or narrow avenue, more typical of a project approach. A programmatic approach, pulling together larger volumes of resources and a greater pool of knowledge and expertise, building upon the comparative advantages of different agencies and partners, has proven to be appropriate, despite the challenges associated with effectiveness, typical of a pilot approach.
<b>Lesson Learned #2:</b>	<b>Innovative approaches can be effective, such as the value chain approach of the Program, bringing production, consumption and finance and knowledge as enabling factors together.</b>
<b>Context/comment:</b>	The approach followed to structure the program was innovative and seems to have been able to tackle the challenges from the most relevant perspectives: demand, production and finance. It remains undetermined whether the four child projects, together, managed to address appropriately and in a coherent manner key aspects related to policy and regulatory frameworks to support the production of deforestation-free agricultural commodities.
<b>Lesson Learned #3:</b>	<b>Institutionalization of the coordination at Program level is necessary for any child project to clearly benefit, during the implementation period, from being part of a Program</b>
<b>Context/comment:</b>	The Adaptive Management and Learning Child Project seems not to have sufficiently institutionalized the coordination mechanisms necessary to ensure that each child project could profit, during its implementation period, of the synergies potentially accruing from the program. The lack of specific resources being foreseen at the project level for this coordination, also contributed to this situation. In addition, the COVID-19 Pandemic also impacted the opportunities for the more effective in-person program meetings, which, regardless, seem to be a too weak instrument for a more consistent coordination.
<b>Lesson Learned #4:</b>	<b>The lack of a formal project board or steering committee can result in decisions that fundamentally change the project (such as exclusion of Liberia) to be made in informal circumstances.</b>
<b>Context/comment:</b>	While the program board was expected to act as the project board, some evidence showed that some of the key decisions of the project, such as not implementing project activities in Liberia and reallocating resources to activities in other countries, seemed to have been made in a less formal setting than good practice in project management would warrant.
<b>Lesson Learned #5:</b>	<b>A siloed approach to co-management between agencies (i.e. UNEP and World Bank) can lead to, <i>de facto</i>, two independent projects being implemented.</b>

<b>Context/comment:</b>	<p>One of the most peculiar aspects of the transactions project was the approach to implementation of component 1 by IFC. As evidence shows, there was little to no cooperation, coordination and communication between IFC and UNEP during project implementation.</p> <p>This clearly questions the design choice to make components 1 and components 2 and 3 part of the same project, when they were, de facto, implemented and evaluated as two independent projects. The logic and reasoning behind this remains unclear, beyond the statement that the methodological approaches by both organizations are very distinct from each other.</p>
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<b>Lesson Learned #6:</b>	<b>The alignment and complementarity with other initiatives and efforts (by main stakeholders and beneficiaries) and adaptive management is necessary for the sustainable achievement of outcomes.</b>
<b>Context/comment:</b>	<p>The project has made extensive efforts to align its activities to the needs and priorities of key stakeholders, complementing the efforts and initiatives they were implementing or planning to. This was particularly the case in relation to banking associations and central banks. The project team invested a lot of resources in making sure this was the case, thus acquiring buy-in and ownership.</p> <p>Evidence shows that this has allowed stakeholders to take one step forward in their preparedness regarding social and environmental risk assessment. The evidence also suggests that work supported by the project can continue, regardless of future support from GEF/UNEP.</p>

## 6.4 Recommendations

<b>Recommendation #1:</b>	<b>UNEP PPD PRC Unit to review developing project proposals to reflect greater care in expressing outputs and, in particular, outcomes to ensure they are aligned with best practices and UNEP guidelines</b>
<b>Challenge/problem to be addressed by the recommendation:</b>	Outputs were, in part, expressed as targets and outcomes were not expressed as changes in behavior by specific stakeholders.
<b>Priority Level:</b>	Opportunity for improvement
<b>Type of Recommendation</b>	UNEP wide
<b>Responsibility:</b>	UNEP PPD PRC Unit
<b>Proposed implementation time-frame:</b>	1 year
<b>Cross-reference(s) to rationale and supporting discussions</b>	Results Framework Theory of Change Effectiveness

<b>Recommendation #2:</b>	<b>UNEP CSD Budget Unit to review templates for financial expenditures tracking systems so that they allow, as close to automatically as possible, financial information required for the TE to be made available. Financial managers to be trained on the TE financial information requirements.</b>
<b>Challenge/problem to be addressed by the recommendation:</b>	Financial information has not been provided to satisfaction (this is not specific to this project, but to other UNEP projects)
<b>Priority Level:</b>	Opportunity for improvement
<b>Type of Recommendation</b>	UNEP wide
<b>Responsibility:</b>	UNEP CSD Budget Unit
<b>Proposed implementation time-frame:</b>	1 year

<b>Cross-reference(s) to rationale and supporting discussions</b>	Project Financing Financial Management
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<b>Recommendation #3:</b>	<b>UNEP GEF Coordination Unit to ensure provisions and resources are included in GEF/UNEP programmes for the programmatic approach to effectively reach and affect child project implementation.</b>
<b>Challenge/problem to be addressed by the recommendation:</b>	The coordination mechanisms at program level lacked a strong institutional framework and the child projects did not have the necessary resources to ensure an effective knowledge sharing with the other child projects. Synergies might have potentially been lost.
<b>Priority Level:</b>	Important
<b>Type of Recommendation</b>	UNEP wide
<b>Responsibility:</b>	UNEP GEF Coordination Unit
<b>Proposed implementation time-frame:</b>	1 year
<b>Cross-reference(s) to rationale and supporting discussions</b>	Project implementation structure and partners Quality of project design

<b>Recommendation #4:</b>	<b>UNEP GEF Coordination Unit to review developing project proposals and all projects under its management to ensure that there is no ongoing silo implementation of project components, and that, when components are implemented by different agencies, that the coordination mechanisms are robust enough to promote collaboration.</b>
<b>Challenge/problem to be addressed by the recommendation:</b>	The implementation of component 1 in isolation from components 2 and 3 and the lack of clarity in the responsibility with regards to outputs under components managed by other agencies
<b>Priority Level:</b>	Opportunity for improvement
<b>Type of Recommendation</b>	UNEP wide
<b>Responsibility:</b>	UNEP GEF Coordination Unit
<b>Proposed implementation time-frame:</b>	1 year
<b>Cross-reference(s) to rationale and supporting discussions</b>	Project implementation structure and partners Quality of project design

<b>Recommendation #5:</b>	<b>UNEP BD&amp;LD Unit to ensure projects under its management include a formal project board or steering committee to provide oversight to project implementation and to anchor key decisions</b>
<b>Challenge/problem to be addressed by the recommendation:</b>	The program board, which was not referred to in the project ProDoc, did not provide an institutionalized enough framework for decision making aligned with practice and UNEP policy.
<b>Priority Level:</b>	Important
<b>Type of Recommendation</b>	Project
<b>Responsibility:</b>	UNEP BD&LD Unit
<b>Proposed implementation time-frame:</b>	1 year
<b>Cross-reference(s) to rationale and supporting discussions</b>	Project implementation structure and partners Quality of project design

<b>Recommendation #6:</b>	<b>UNEP BD&amp;LD Unit to take action (such as on boarding and regular coordination, knowledge sharing meetings) to enhance integration of teams across components and countries, so as to enhance cross-learning, dissemination of knowledge and good practices.</b>
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<b>Challenge/problem to be addressed by the recommendation:</b>	Project staff, in particular local consultants, had little contact with and awareness regarding other project activities in the country and in other countries. Potential opportunities for cross-learning may be lost.
<b>Priority Level:</b>	Important
<b>Type of Recommendation</b>	Project
<b>Responsibility:</b>	UNEP BD & LD Unit
<b>Proposed implementation time-frame:</b>	1 year
<b>Cross-reference(s) to rationale and supporting discussions</b>	Effectiveness

<b>Recommendation #7:</b>	<b>UNEP BD &amp; LD Unit to ensure all developing project designs have adequate stakeholder engagement at project design, including fact finding missions if necessary</b>
<b>Challenge/problem to be addressed by the recommendation:</b>	Impossibility to implement the project in Liberia
<b>Priority Level:</b>	Opportunity for improvement
<b>Type of Recommendation</b>	Project
<b>Responsibility:</b>	UNEP BD&LD Unit
<b>Proposed implementation time-frame:</b>	1 year
<b>Cross-reference(s) to rationale and supporting discussions</b>	Quality of project design

<b>Recommendation #8:</b>	<b>UNEP BD &amp; LD Unit to review developing project proposals to ensure sufficient resources are foreseen for purely administrative tasks to be performed by non-technical staff.</b>
<b>Challenge/problem to be addressed by the recommendation:</b>	Technical experts, with the highest qualifications and experience are tasked with administrative tasks, thus taking up resources that would more efficiently be used contributing to the effectiveness of the project.
<b>Priority Level:</b>	Opportunity for improvement
<b>Type of Recommendation</b>	Project
<b>Responsibility:</b>	UNEP BD & LD Unit
<b>Proposed implementation time-frame:</b>	1 year
<b>Cross-reference(s) to rationale and supporting discussions</b>	-

<b>Recommendation #9:</b>	<b>Government of beneficiary countries are urged to intensify policy development for the creation of incentives to avoid deforestation, such as ecosystem service certificates and carbon credits and to strengthen the regulatory framework to create enabling environments conducive to promoting financial flows towards low or zero deforestation economic activities</b>
<b>Challenge/problem to be addressed by the recommendation:</b>	The likelihood of impact is dependent on several assumptions holding, including that of political willingness, on which this recommendation depends.
<b>Priority Level:</b>	Critical
<b>Type of Recommendation</b>	Partners
<b>Responsibility:</b>	Governments of beneficiary countries
<b>Proposed implementation time-frame:</b>	1 year

<b>Cross-reference(s) to rationale and supporting discussions</b>	Sustainability
<b>Recommendation #10:</b>	<p><b>Beneficiaries, such as banks, regulators and supervisors are urged to:</b></p> <ul style="list-style-type: none"> <li>• <b>Intensify the creation of ambitious norms and guidelines that increase the speed and depth of sectoral self-regulation</b></li> <li>• <b>Build technical capacity to intensify the supervision of the activity of banks and other financial institutions regarding the financial flows to activities with the potential to cause deforestation</b></li> <li>• <b>Continue enhancing cooperation within and outside associations so as to develop tools, mechanisms and procedures to effectively and efficiently screen the risks associated with deforestation and other social and environmental aspects of financial flows and transactions.</b></li> </ul>
<b>Challenge/problem to be addressed by the recommendation:</b>	Evidence shows that a lot has been accomplished by project beneficiaries that can continue even in the absence of support from GEF/UNEP and that can contribute to sustainability of outcomes and likelihood of achievement of intermediate state and impact.
<b>Priority Level:</b>	Critical
<b>Type of Recommendation</b>	Partners
<b>Responsibility:</b>	Beneficiaries (banks, regulators and supervisors)
<b>Proposed implementation time-frame:</b>	2 years
<b>Cross-reference(s) to rationale and supporting discussions</b>	Sustainability

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## 7. ANNEXES

### **Annex A – Response to stakeholder comments received but not (fully) accepted by the evaluator.**

All meaningful comments received have been accepted.

### **Annex B - Evaluation Itinerary**

Interviews with key stakeholders took place online both before and after the mission to Brazil and Paraguay.

In person interviews took place during the mission to São Paulo, Brazil (8-12 August) and Assuncion, Paraguay (13-17 August).

#### Online interviews

- Lara Yacob, UNEP
- Jonathan Gheysens, UNEP
- Ersin Esen. UNEP
- Pascale Bonzom, UNDP
- Raquel Costa, Consultant (UNEP)
- Leila Harfuch, Agroicone (Brazil)
- Luis Stancato (Brazil Central Bank)
- Fernando Diaz de Vivar, (WWF, Paraguay)
- Kiki, (WWF Indonesia)

#### Brazil

- Raquel Costa, Consultant (UNEP)
- Mariá Toledo (Consultant)
- Thaís Tannus Neves (Febraban)

#### Paraguay

- Lourdes Lopez Hall (UNEP)
- Victor Gonzales (Infona)
- Daniel Colonel, Consultant,
- Lorena Muñoz, Consultant,
- Larissa Fernandez, MESA DE FINANZAS SOSTENIBLES
- Maria Magdalena, MESA DE FINANZAS SOSTENIBLES
- Enrique Molas Gonzalez (FOLUR – Conservation International)
- Elena Acevedo (Banco Central de Paraguay)
- Sanie Magaly Ortiz Silvero (Banco Central de Paraguay)
- Maria Beatriz Sonoda (Banco Central de Paraguay)

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## **Annex C - Summary of co-finance information and a statement of project expenditure by activity**

Not available beyond the information included in the main body of the report. See sections on project financing and on financial management.

## **Annex D - List of documents consulted**

The following key documents have been consulted:

- TERMS OF REFERENCE: Terminal Evaluation of the UNEP/GEF project “Enabling Transactions – Market Shift to Deforestation Free Beef, Palm Oil and Soy” (GEF ID/Number 9696) - GEF 9696 is also a Child Project under the GEF Program ‘Taking Deforestation out of Commodity Supply Chains’ (GEF ID 9072)
- Revised CEO Endorsement Document (ProDoc) and Annexes
- Program Document
- Project Implementation Review (PIR) reports from 2018 to 2022
- Project Mid-Term Review Report
- TE report for component 1
- TE report for the program/ child project Adaptive Management and Learning for the Commodities IAP

Information included in the Good Growth Partnership website was also reviewed: <https://goodgrowthpartnership.org/>

Documents related to outputs were made available to through a sharepoint folder, where relevant project documentations seemed to have been available. However, as described in the main body of the report, it was not possible to access some documents.

The folders made available were related to:

- Forest trends report
- Gender, AML
- Output 2.1.1
- Output 2.1.2
- Output 2.1.3
- Output 2.1.4
- Output 3.1.1
- Output 3.1.2

Limited financial information was made available (see discussion on the project financing and financial management sections).

A memo on the decision-making process regarding Liberia was also made available.

No steering committee meeting minutes were available.





## Annex E - Evaluation Framework

The following acronyms are used in the Evaluation Framework Matrix:

- NFI – National Financial Institution
- NRI – National Regulatory Institution
- BBFA – Banks and Bank and Finance Associations
- GPS: Governmental and Parliamentary Stakeholder
- CSSA: Civil Society Stakeholder – Agriculture
- CSSE: Civil Society Stakeholder – Environment
- PTC: Project team and consultants
- TM: UNEP Task Manager
- FM: Finance Manager

**Table 12 - Evaluation Framework Matrix**

EVALUATION QUESTIONS	Respondents									Indicators / Examples of Evidence	Data Source / Mode of Verification
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM	FM		
<b>A. Strategic Relevance</b>											
To what extent were project objectives and implementation strategies consistent with the needs and priorities of the four beneficiary countries, including environmental priorities?										Respondent perceptions; review of relevant strategic documents.	Interviews and surveys; project materials (at output level); analysis of literature on baseline needs and priorities, namely REDD+ strategies.
To what extent were project objectives and implementation strategies consistent with (i) UNEP MTYS. POW and strategic priorities and (ii) the GEF Climate Change focal area, strategic priorities and operational program(s). To what extent was the project aligned with global priorities such as the SDGs and Agenda 2030.										Respondent perceptions, project design; description of baseline projects / initiatives	Review UN Env mandates and policies e.g. POW/ UN Environment Medium Term Strategy, Thematic Priorities and Program of Work/Final Report; South-South policy; GEF Strategy on Climate Change, Gender, Bali

EVALUATION QUESTIONS	Respondents									Indicators / Examples of Evidence	Data Source / Mode of Verification
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM	FM		
											Strategy Plan; Interviews
To what extent was the project aligned and complementary to relevant policies and to other interventions, namely REDD+?										Respondent perceptions, review of key REDD+ a forest protection policies.	Interviews, National Documents, including submitted to the UNFCCC.
<b>B. Effectiveness: Availability of Outputs, Achievement of Project Outcomes and Likelihood of Impact</b>											
How successful was the project in achieving its planned outputs, considering aspects such as quantity, quality, sequencing, timeliness, usefulness, ownership, and availability to intended beneficiaries?										Respondent perceptions, project delivery and level of achievement	Interviews, Final reports, PIRS Board meeting reports, Project articles, presentations and publications
To what extent have project outputs contributed towards the expected outcomes?										Respondent perceptions	Interviews
To what extent have project outcomes been achieved by the end of the project timeframe?										Respondent perceptions  Volume of funds subject to enhanced deforestation risk policies.  Availability public incentives and public and private financing for reduced deforestation practices	Interviews, project reports, national documents, including reports from finance institutions.
To what extent was the UNEP fundamental to the achievement of the outcomes (to which degree is the achievement of the outcomes attributed to the intervention)?										Respondent perceptions	Interviews
To what extent funds (loans and investments) subjected to enhanced deforestation risk										Respondent perceptions	Interviews, project reports, national documents, including reports from

EVALUATION QUESTIONS	Respondents									Indicators / Examples of Evidence	Data Source / Mode of Verification
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM	FM		
policies have a higher relative weight in overall funding compared to before the project?										Volume of funds subject to enhanced deforestation risk policies.	finance institutions.
To what extent have public incentives for reduced deforestation practices have been adopted and enacted?										Respondent perceptions Availability public incentives for reduced deforestation practices	Interviews, project reports, national documents, including reports from finance institutions.
To what extent has public and private financing for reduced deforestation practices been increased?										Respondent perceptions Volume of funds subject to enhanced deforestation risk policies. Availability public and private financing for reduced deforestation practices	Interviews, project reports, national documents, including reports from finance institutions.
Is there any evidence of a shift towards growing supply and demand of palm oil, soy and beef being met through means that do not lead to deforestation (program impact).										Respondent perceptions	Interviews National documents, including statistics.
<b>D. Sustainability</b>											
Socio-political: Are there any social or political factors that influence positively or negatively the sustenance of project results and impacts?										Respondent perceptions	Interviews, Literature review
Financial: To what extent is the continuity of project results and their impact dependent on continued financial support?										Respondent perceptions	Interviews.

EVALUATION QUESTIONS	Respondents									Indicators / Examples of Evidence	Data Source / Mode of Verification
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM	FM		
Institutional: To what extent is the sustenance of the results and progress towards impact dependent on national institutional frameworks and governance?										Respondent perceptions	Interviews
Catalytic Role & Replication: Has the project had a catalytic role in promoting institutional change, changes in behavior, policy changes, new opportunities or follow-up support?										Respondent perceptions Follow up projects	Interviews Concept notes and/ or ProDocs
<b>E. Efficiency</b>											
Did the project apply any time or cost-saving mechanisms in order to achieve results within the approved timeframe and budget?										Project expenditure and delivery trends, project work plans and budget revisions	Interviews, project unit documentation, signed budget revisions, PIRs, progress reports
Did the project face any obstacles (financial, administrative, managerial) and to what extent has this affected its efficiency?										Respondent perceptions, project expenditure and delivery trends, recruitment and procurement timelines	Interviews, MTR, PIRs, Steering Committee and technical panel minutes, Final Report
To what extent did any delays in implementation affect the delivery of the project outcomes?										Respondent perceptions, project delivery trends (recruitment, procurement, contracts) in comparison with planned timelines	Same as above.
To what extent did the project succeed in securing the necessary funds for										Co-financing is made available.	Project financial reports.

EVALUATION QUESTIONS	Respondents									Indicators / Examples of Evidence	Data Source / Mode of Verification
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM	FM		
implementation?											
Were the required progress and financial reports prepared satisfactorily and submitted on schedule?										Reports submitted on time and accepted.	PIRs, financial reports Interviews
To what extent has the project to make use of/build upon pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities with other initiatives, programs and projects?										Cooperation with other projects.	Reports, board meeting reports, interviews, MoUs
To what extent was the project affected by the COVID-19 pandemic and what were the key adaptive measures adopted?										Adaptive management	Interviews Steering committee meeting minutes
What factors underpinned the project no-cost extension?											PIR
<b>F. Factors affecting Project Performance</b>											
<i>Preparation and Readiness:</i>											
Were project objectives realistic, given the time and budget allocated to the project, the baseline situation, including complementarity and coherence with existing interventions, and institutional context?										Respondent perceptions, project delivery and level of achievement	Interviews, Reports associated with outputs, PIRs, Final Reports, steering committee meeting reports, as well as the Mid Term Review Report.
Where there any changes that impacted the context between project design and project implementation? If so, what measures were adopted?										Respondent perceptions Adaptive management measures	Interviews, PIRs, Midterm review report, Board meeting reports.
<i>Project Management and Supervision:</i>											
29. To what extent were the project implementation mechanisms outlined in the project document effective in delivering project outputs and outcomes?										Respondent perceptions, project performance and level of achievement of outputs/outcomes.	Interviews, PIRs, Midterm review report, steering committee meeting reports, Final Reports

EVALUATION QUESTIONS	Respondents									Indicators / Examples of Evidence	Data Source / Mode of Verification
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM	FM		
30. To what extent did the project management provide leadership towards achieving the planned outcomes; manage team structures; maintain productive partner relationships; maintain project relevance within changing external and strategic contexts; communication and collaboration among partners, risk management; use of problem-solving; project adaptation and overall project execution.										Same as above.	Same as above.
To what extent was project management able to adapt to changing circumstances?										Same as above.	Same as above.
To what extent did the Board provide guidance and contribute to effective project implementation?										Respondent perceptions, implementation of SC decisions/recommendations	Interviews, minutes of steering committee meetings
<u>Stakeholder Participation and Cooperation and Communication and Public Awareness</u>											
To what extent did UNEP engage stakeholders in project design, implementation, monitoring and reporting?										Respondent perceptions Number and type of stakeholders benefiting from /engaged in project activities	Interviews, Reports associated with outputs, PIRs, Final Report,
What approaches were used to identify and engage stakeholders in project design and implementation?										Respondent perceptions, evidence of workshops or other consultation mechanisms	Interviews, PDF reports, PIRs, Final Report
To what extent have project partners and stakeholders collaborated/interacted effectively during project design and implementation?										Respondent perceptions, documented interactions	Same as above.

EVALUATION QUESTIONS	Respondents									Indicators / Examples of Evidence	Data Source / Mode of Verification
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM	FM		
Did the project promote mechanisms for stakeholder participation in decision-making in the programs, plans and other initiatives that it generated? What were the progress, challenges and outcomes regarding engagement of stakeholders in the project/program as evolved from the time of the MTR?										Respondent perceptions, evidence of stakeholder participation in planning and decision-making	Same as above.
What were the challenges and outcomes regarding the project's completed Knowledge Management Approach, including: Knowledge and Learning Deliverables (e.g. website/platform development); Knowledge Products/Events; Communication Strategy; Lessons Learned and Good Practice; Adaptive Management Actions?										Stakeholder awareness with regards to project activities, knowledge products and knowledge management tools Participation in project initiatives / events	Interviews Data from website(s)  Reports from project initiatives / events.
<u>Responsiveness to Human Rights and Gender Equality</u>											
What were the completed gender-responsive measures and, if applicable, actual gender result areas?										Respondent perceptions, percentage of participants / beneficiaries by gender. Active promotion of gender sensitive outputs and outcomes.	Interviews, PIRs, Midterm review report, Board Meeting reports, reports of project events.
<u>Environmental and Social Safeguards</u>											
What was the progress made in the implementation of the management measures against the Safeguards Plan submitted at CEO Approval?										Social and Environmental risks identified  Measures planned and measures implement to safeguard risks.	Interviews, PIR, Midterm review.
<u>Financial Planning &amp; Management</u>											

EVALUATION QUESTIONS	Respondents									Indicators / Examples of Evidence	Data Source / Mode of Verification
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM	FM		
Were sufficient financial resources, including co-financing, made available and disbursed in a timely manner to the project and its partners?										Respondent perceptions, timeliness of disbursements, budget revisions	Interviews, PIRs, budget revisions, financial reports
Were administrative processes such as staff recruitment, procurement of goods and services (including consultants), and preparation/ negotiation of cooperation agreements conducted efficiently and in a timely manner?										Date of completion of project team Duration of process to hire consultant(s)	Same as above
Have any financial management issues affected the timely delivery of the project or the quality of its performance?										Respondent perceptions Delivery of outputs against schedule Project extensions	Same as above
Was the communication between the Project/Task Manager and the Fund Management Officer efficient and effective?										Respondent perceptions	Interviews
Were additional resources – financial, in-kind – leveraged by the project, beyond those that were already committed prior to the project’s approval?										Budget revisions, increased allocations to existing/new budget lines through co-financing	Interviews, PIRs, budget revisions, financial reports
<i>Monitoring and reporting</i>											
What was the performance at the project’s completion against Core Indicator Targets? (For projects approved prior to GEF-7, these indicators will be identified retrospectively and											PIRs



EVALUATION QUESTIONS	Respondents									Indicators / Examples of Evidence	Data Source / Mode of Verification
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM	FM		
comments on performance provided <sup>28</sup> )											
Did the project's design include a viable M&E plan that is based on outcomes and includes indicators?										Monitoring Plan is included in the project, is based on outcomes and includes indicators	Project document; CEO Endorsement document; PIRs
Did the project's design include a monitoring budget?										Project document includes monitoring budget line.	Project document.
Have monitoring findings influenced adaptive management and contributed towards resolving implementation problems?										Respondent perceptions, evidence of technical/management decisions based on monitoring findings	Interviews, PIRs, Midterm Review report, Board meeting report
Are there specific indicators for each of the project objectives? Are the indicators measurable, attainable (realistic) and relevant to the objectives? Are the indicators time- bound?										Indicators are included in Results Framework for each objective.	Project document. PIRS.
Have the responsibilities for M&E activities been clearly defined? Were the data sources and data collection instruments appropriate? Was the frequency of various monitoring activities specified and adequate? In how far were project users involved in monitoring?										Designated parties conduct monitoring activities periodically with inputs from project participants.	Interviews, Project document. PIRS, Midterm Review report.

<sup>28</sup> This is not applicable for Enabling Activities

EVALUATION QUESTIONS	Respondents								Indicators / Examples of Evidence	Data Source / Mode of Verification	
	NFI	NRI	BBFA	GPS	CSSA	CSSE	PTC	TM			FM
To what extent have both UNEP and GEF reporting requirements been met?											PIRs
How was monitoring and reporting for component 1 conducted and did that have any implication on M&R for the project as whole?											PIRs
To what extent, and with what success, were the recommendations from the mid-term review taken up in the latter part of the project's implementation?										Recommendations from mid term review were addressed.	Midterm review report, report on answers to recommendations.
To what extent did the M&R system representation and participation of disaggregated groups (including gendered, marginalised or vulnerable groups, such as those living with disabilities) in project activities?											PIRs
What was the performance at the project's completion against Core Indicator Targets?										Core indicator targets defined and respective data collected	Project Document and PIRS.

## Annex F – GEF Portal Inputs

<p><b>Question:</b> What was the performance at the project’s completion against Core Indicator Targets? (For projects approved prior to GEF-7<sup>29</sup>, these indicators will be identified retrospectively and comments on performance provided<sup>30</sup>).</p>
<p><b>Response:</b> <i>As per the 2022 PIR “This child project doesn't have a standalone GEF core target.”</i></p>
<p><b>Question:</b> What were the progress, challenges and outcomes regarding engagement of stakeholders in the project/program as evolved from the time of the MTR? <i>(This should be based on the description included in the Stakeholder Engagement Plan or equivalent documentation submitted at CEO Endorsement/Approval)</i></p>
<p><b>Response:</b> There is extensive evidence of working closely with stakeholders in the design and delivery of project activities. Stakeholders rather actively requested the project to adapt the scope of the activities to ensure alignment with interests and priorities. For example, the interviews with project stakeholders were key for the identification of the adaptive management efforts made to address beneficiary concerns and priorities under this output. For example, a training on risks related to the loss of biodiversity (related but beyond deforestation risks) has been provided to Brazil’s Central Bank.</p>
<p><b>Question:</b> What were the completed gender-responsive measures and, if applicable, actual gender result areas? (This should be based on the documentation at CEO Endorsement/Approval, including gender-sensitive indicators contained in the project results framework or gender action plan or equivalent)</p>
<p><b>Response:</b> <i>(Might be drawn from Factors Affecting Performance section)</i> There is no evidence the project made any consequential efforts in these regards, beyond trying to ensure a balanced participation of both genders in project activities. The lack of specific references to indigenous people on a such a project was noted.</p>
<p><b>Question:</b> What was the progress made in the implementation of the management measures against the Safeguards Plan submitted at CEO Approval? The risk classifications reported in the latest PIR report should be verified and the findings of the effectiveness of any measures or lessons learned taken to address identified risks assessed. <i>(Any supporting documents gathered by the Consultant during this review should be shared with the Task Manager for uploading in the GEF Portal)</i></p>
<p><b>Response:</b> <i>(Might be drawn from Factors Affecting Performance section)</i> The information contained in the 2022 PIR is transcribed here: “The CEO endorsed document doesn’t identify a social and environmental safeguard action plan but rather refers to the</p>

<sup>29</sup> The GEF is currently operating under the seventh replenishment period of the GEF Trust Fund covering the period July 1, 2018 to June 30, 2022. The GEF Portal Reporting Guide for FY20 Reporting Process indicates that GEF-6 projects that have yet to map existing indicators to GEF-7 Core Indicators need to do so at MTR stage or (if already there) at the time of the TE. (i.e. not GEF projects approved before GEF-6)

<sup>30</sup> This is not applicable for Enabling Activities

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importance of safeguards such as gender mainstreaming and promoting good governance among financial institutions and associated stakeholders.”

**Question:** What were the challenges and outcomes regarding the project's completed Knowledge Management Approach, including: Knowledge and Learning Deliverables (e.g. website/platform development); Knowledge Products/Events; Communication Strategy; Lessons Learned and Good Practice; Adaptive Management Actions? *(This should be based on the documentation approved at CEO Endorsement/Approval)*

**Response:** *(Might be drawn from Factors Affecting Performance section)*  
The website <https://goodgrowthpartnership.org/> is a good indicator of the efforts made to communicate the project (in the context of the program).  
The sister project Adaptive Management and Learning was mostly focused on these aspects concerning the program and the child projects.  
See, on adaptive management, response on stakeholder engagement above.

**Question: What are the main findings of the evaluation?** *(Draw from the Conclusions of the report, with a strong focus on findings related to effectiveness and sustainability).*

**Response:**  
The programmatic approach to address a complex issue such as deforestation driven by the production of agriculture commodities seems to be fundamental, as addressing the issues from either the demand, the production or the financing perspective in isolation will always be bound to be ineffective.  
The project was implemented during the COVID-19 pandemic, which required changes to be made (such as partially holding the trainings online). There is no evidence whatsoever that the pandemic had any significant negative impact on the project, given the adaptive management decisions.  
In fact, one of the key aspects of the project is the adaptive management decisions. The project team invested a lot of effort in making sure that project activities were aligned with the interests and priorities of and, therefore, owned by the key stakeholders. The departure of some of the outputs made available from what was originally planned in ProDoc is noticeable in a few instances. However, such discrepancies have, taking into consideration the evidence collected during the missions, been fundamental to promote the achievement of project outcomes.  
In this context, given the challenges in achieving outcomes and the even greater challenges related to achieving intermediate state and impact, it is assumed that the project being part of a program has been very beneficial, in particular in the longer-term.

## Annex G – Brief CV of the consultant

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With more than 24 years of experience on climate change, Gonçalo Cavalheiro has worked with more than 16 countries, as well as in regional and global projects. Over the years, he has provided consultancy services, technical assistance, training and facilitation of events. He has both lead teams larger than 30 members and delivered highly complex products working alone.

Throughout his career he has dealt with a wide array of topics related to climate change, including mitigation, adaptation, transparency and climate finance.

His tireless efforts to deliver effective products to clients and beneficiaries are driven by the urgent need to address the climate emergency.

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He is passionate about social issues, dedicating as much time as possible to social cause, namely corporate social responsibility, corporate volunteering and diversity and inclusion.

He works from his small home office in a tiny village in the center of Portugal to countries all over the world in, so far, 4 continents.

### Key qualifications and skills

- Technical assistance to the definition of strategies, plans, policies and measures on climate change and climate change related environmental issues
- Technical assistance, capacity building, training, and facilitation
- Stakeholder engagement in policy making process
- Support to decision making on selection of policies and measures based on multi-criteria analysis (MCA), including stakeholder led MCA
- Trainer and facilitator in international and multicultural environments
- Facilitation of meeting in a virtual context, including with international participants
- Negotiations in an international environment
- Excellent oral, and effective presentation and report-writing skills
- Ability to work in multi-disciplinary, multi-cultural and multi-scale (local, other sub-national levels, national, regional, and global)
- Expert on policy and technical climate change issues – development of systems for measurement, reporting and verification of GHG emissions, mitigation, adaptation, and support; identification and planning of policies and measures for reduction of GHG emissions.
- Project design, implementation, and Monitoring & Evaluation.
- Leadership and initiative
- Cultural, gender, religion, race, nationality and age sensitivity and adaptability

### Highlights from professional experience

- Review of and support to the preparation of the final drafts of the **Mozambique's Second National Communication and First Biennial Update Report to the UNFCCC (2022)**
- **Climate Strategy and Action Plan for Serbia (2017-2019)**, in the context of **EU accession**, including coordination of the study on assessment of social, economic and environmental impacts and **stakeholder-led multi-criteria analysis of mitigation scenarios and adaptation measures**;
- **Climate Strategy and Action Plan (adaptation component) for North Macedonia**, in the context of **EU accession**, including selection of measures through stakeholder-led multi-criteria analysis, focusing on priorities, needs and resources available.
- Elaboration of the **Just Transition Roadmap for Serbia**, aimed at providing a basis for the kick off of a tripartite dialogue (government, employers and employees) on the transition to a low carbon in the coal intensive regions of Serbia.
- **Facilitation of the Virtual Edition of the Annual Retreat of the Partnership on Transparency under the Paris Agreement (2020)**
- **Coordinating the team of over 30 experts**, from three Portuguese universities, for the preparation of the Portuguese autonomous region of the **Azores' Climate Change Plan** (with adaptation and mitigation components as well as a regional system for GHG inventory), in line with National Climate Plan and identifying financing opportunities, including European funds. Selection of mitigation scenarios and mitigation and adaptation policies and measures based on **multi-criteria analysis, focusing on effectiveness, cross benefits between mitigation and**

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**adaptation, cost-benefits, compatibility with existing programs and plans and eligibility for European Union financing.**

- **Terminal Evaluation** of UN Environment/GEF Project in Mexico and Brazil (2017-2019); UNDP/GEF Project in Serbia (2021) and UNEP/UNDP GEF (LDCs) (2022)
- Developing a NAMA and MRV Framework for Vietnam and provision of support on international negotiations (2014 – 2017);
- **Facilitator** of the Partnership on Transparency in the Paris Agreement’s Annual Retreats since 2015
- **Technical assistance and training** on MRV of climate change and international negotiations
- Training on BUR and ICA to Philippines Climate Change Commission and stakeholders
- Providing support to the European Commission on the **international negotiations on climate change**, regarding issues related to Measurement, Reporting and Verification (09/2011 – 03/2013); and to the Portuguese Delegation on several topics (1999 to 2008)
- Provision of **technical assistance** in 3 projects funded by the Portuguese cooperation, to the governments of Cape Verde, Mozambique and Sao Tome and Prince on integrating adaptation into development planning, designing and implementing local adaptation plans (only in Mozambique) and on the definition of low emissions development strategies, including the identification, selection based on **multi-criteria analysis**, and design of Nationally Appropriate Mitigation Actions (NAMAs), the design of the MRV system, including the national system for the elaboration of GHG emissions (2013-2016)
- Scoping study on **capacity building needs** in developing countries on monitoring and reporting on greenhouse gas emissions, policies and measures (09/ 2009 – 11/ 2010)
- Assessing **Feasibility of Emissions Trading Scheme in China, India and Brazil** (2011 – 2012);
- Designing and implementing the Portuguese GHG Inventory National System in accordance with the requirements of the Kyoto Protocol (2004-2008)
- Elaboration of several National Communications for Portugal and the EU as well as of Biennial Reports for the EU, focusing on MRV of support provided, including financial support and technology transfer (2000 to 2015)

## Annex H – Evaluation ToRs

### Terminal Evaluation of the UNEP/GEF project

#### “Enabling Transactions – Market Shift to Deforestation Free Beef, Palm Oil and Soy” (GEF ID/Number 9696)

GEF 9696 is also a Child Project under the GEF Programme ‘Taking Deforestation out of Commodity Supply Chains’ (GEF ID 9072)

### Section 1: PROJECT BACKGROUND AND OVERVIEW

#### 1. Project General Information

Table 1. Project summary

<b>GEF Project ID:</b>	9696	This is a Child Project under the GEF programme ‘Taking Deforestation out of Commodity Supply Chains’ GEF ID 9072: Programme Lead Agency: UNDP	
<b>Associated Projects</b>	UNEP Project (PIMS 01969) UNEP Finance Initiative  Other Child Projects under 9072: GEF ID 9179 – Adaptive Management and Learning for the Commodities (UNDP – Programme Coordinating Project) GEF ID 9180 – Reducing Deforestation from Commodity Production (UNDP) GEF ID 9182 – Generating Responsible Demand for Reduced Deforestation Commodities (WWF/UNDP)		
<b>Implementing Agencies:</b>	United Nations Environmental Programme (UNEP)  The World Bank	<b>Executing Agencies:</b>	1. International Finance Corporation (IFC) 2. UNEP Finance Initiative (FI) [as per the GEF CEO endorsement] 3. World Wildlife Fund (WWF) -US [as per the GEF CEO endorsement]
<b>Relevant SDG(s) and indicator(s):</b>	<b>SDG Goals 2, 5, 11, 12, 15 and 17</b> <b>2.4.1</b> Proportion of agricultural area under productive and sustainable agriculture <b>5.a.1(a)</b> Proportion of total agricultural population with ownership or secure rights over agricultural land, by sex; and (b) share of women among owners or rights-bearers of agricultural land, by type of tenure. <b>11.3.1</b> Ratio of land consumption rate to population growth rate <b>12.1.1</b> Number of countries with sustainable consumption and production (SCP) national action plans or SCP mainstreamed as a priority or target into national policies. <b>15.1.1</b> Forest area as a proportion of total land area <b>15.1.2</b> Proportion of important sites for terrestrial and freshwater biodiversity that are covered by protected areas, by ecosystem type <b>15.2.1</b> Progress towards sustainable forest management <b>15.3.1</b> Proportion of land that is degraded over total land area <b>17.14.1</b> Number of countries with mechanisms in place to enhance policy coherence of sustainable development		

<b>GEF Core Indicator Targets (identify these for projects approved prior to GEF-7<sup>31</sup>)</b>	<p>This is an Integrated Approach Pilot (IAP) Programme that intersects multiple core indicators, with a strong emphasis on core indicators 1, 3 and 4. Due to its supportive nature, effects from the Enabling Transactions child project cannot be attributed to any direct change in the targets set for these indicators but rather indirectly contributes to their achievement by the other child projects, listed above, through the increased availability of financial instruments.</p> <p>In accordance with the objectives of the Production and Demand child projects (9180 and 9182), priority has been given to indicators 1.2, 3.1, 4.3 and 4.4</p>		
<b>Sub-programme:</b>	<p>Sub-programme 1 on climate change (accomplishments b and c) and</p> <p>Sub-programme 3 on healthy and productive ecosystems (accomplishment b)</p>	<b>Expected Accomplishment(s):</b>	<p><b>SP 1 (b):</b> ii “Countries increasingly adopt and/or implement low greenhouse gas emission development strategies and invest in clean technology”</p> <p><b>SP1 (c):</b> i “Increase in climate finance invested by countries of institutions for clean energy, energy efficiency and/or amount of decarbonized assets”</p> <p><b>SP3 (b):</b> i “Policymakers in the public and private sectors test the inclusion of health and productivity of ecosystems in economic decision-making”</p>
<b>UNEP approval date:</b>	4 <sup>th</sup> June 2015	<b>Programme of Work Output(s):</b>	The project contributes to the Programme of Work (2018-2019), see above.
<b>GEF approval date:</b>	3 <sup>rd</sup> April 2017	<b>Project type:</b>	Full Size Project (Child Project)
<b>GEF Operational Programme #:</b>	GEF-6	<b>Focal Area(s):</b>	Multiple Focal Areas
		<b>GEF Strategic Priority:</b>	BD 2 & 3
<b>Expected start date:</b>	8 Feb 2018	<b>Actual start date:</b>	8 Feb 2018
<b>Planned operational completion date:</b>	30 Sept 2022	<b>Actual operational completion date:</b>	31 Dec 2022
<b>Planned project budget at approval:</b>	USD 29,393,520	<b>Actual total expenditures reported as of 31 Dec 2022:</b>	???

<sup>31</sup> This does not apply for Enabling Activities



<b>GEF grant allocation:</b>	USD 6,405,101 IFC: USD 4,279,644 UNEP FI: USD 2,125,457	<b>GEF grant expenditures reported as of []:</b>	??? USD July 2022: IFC 3,916,699 UNEP FI: ???
<b>Project Preparation Grant - GEF financing:</b>	N/A	<b>Project Preparation Grant - co-financing:</b>	N/A
<b>Expected Medium-Size Project/Full-Size Project co-financing:</b>	USD 22,958,419 IFC: (incl. FCAA): USD 21,258,419 UNEP FI: USD 3,778,419	<b>Secured Medium-Size Project/Full-Size Project co-financing:</b>	USD 22,958,419 IFC (incl. FCAA): USD 22,131,608.55 UNEP FI:???
<b>Date of first disbursement:</b>	23 Feb 2018	<b>Planned date of financial closure:</b>	Dec 2023
<b>No. of formal project revisions:</b>	2	<b>Date of last approved project revision:</b>	August 2020
<b>No. of Steering Committee meetings:</b>	Global SC (2 x year) GGKP (quarterly)	<b>Date of last/next Steering Committee meeting:</b>	Last: w/c 20 <sup>th</sup> March 2023 Next: ????
<b>Mid-term Review/ Evaluation (planned date):</b>	December 2019	<b>Mid-term Review/ Evaluation (actual date):</b>	June 2020
<b>Terminal Evaluation (planned date):</b>	December 2021	<b>Terminal Evaluation (actual date):</b>	Jan – June 2023
<b>Coverage - Country(ies):</b>	Indonesia, Liberia, Paraguay and Brazil	<b>Coverage - Region(s):</b>	Africa, Asia Pacific, Latin America
<b>Dates of previous project phases:</b>	N/A	<b>Status of future project phases:</b>	A FOLUR global platform (WB as IA). GGKP partnership with UNDP and IUCN.

## 2. Project Rationale

Two things are expected to coincide by the year 2050; the world population is set to increase to 9 billion, and incomes are expected to rise. As a result, food consumption is predicted to double. More specifically, the size of the global middle class which has an increasing disposable income and consumption, is set to almost triple by 2030<sup>32</sup>. These projected increases are consequently responsible for the rise in demand for food and fiber commodities to meet the needs of a more urban, prosperous,

<sup>32</sup> Forest Trends 2014.

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and consumptive world. However, agricultural expansion and production of commodities has been identified as the primary driver of approximately 80 percent of deforestation worldwide<sup>33</sup>. Governments are thus concerned with both supporting commodity production and reducing deforestation which, if left unbridled, is likely to have a significant and global lasting impact.

In this regard, the global demand for soybeans for animal-feed and food consumption, use of oil palm as a key ingredient for food, soaps and biofuels, and beef for domestic and international markets, is at an all-time high. It is further projected that this increased demand will continue to grow as incomes and consumption increase globally.

In addition, agricultural commodities are a key element of economic development and prosperity in developing countries and emerging economies, accounting for upwards of 10 per cent of their Gross Domestic Product (GDP)<sup>34</sup>. With this level of growth, there are undoubtedly implications for the environment that will require management in order to maintain the natural capital upon which this desired growth is to be developed. As commodity expansion often outpaces clear analysis and careful planning, the lack of environmental, social, and food safety protections pose significant environmental, development and business risks.

In particular, palm oil, soy and beef are key components of national development plans of many developing countries due to them being among the fastest growing commodities in the national and international supply chain market. This growth is coupled with unsustainable practices, motivations and incentives spanning from farmer to final consumer, volatility inherent in these commodity sectors, low entry barriers, and start up investments. Compounding these unsustainable practices is that the expansion is often in locations where governance and technical capacity is already limited and cannot match the demand arising from the rapid increase in the production of these commodities.

To stem the deforestation, governments are convening multi-stakeholder and multi-institutional dialogues, while supporting new forms of public-private partnerships that help to mainstream reduced deforestation production and trade because these supply chains also provide an opportunity to harness the power of the market to move commodity production away from its current unsustainable pathway and remove deforestation from commodity supply chains.

This project under evaluation, *Enabling Transactions – Market Shift to Deforestation Free Beef, Palm Oil and Soy* (GEF ID 9696, hereinafter Enabling Transactions project), is a child project of the 'Taking Deforestation out of Commodity Supply Chains' (GEF ID 9702) – see Annex 2 for overview of the Commodity Supply Chains programme.

### **3. Project Results Framework**

This project seeks to improve the resilience and competitiveness of financial institutions, enabling them to develop in a sustainable manner with improved risk management practices and innovative products to accelerate the production and supply of forest friendly commodities. The project's objective is: 'To

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<sup>33</sup> Boucher, D. et al (2011) *The Root of the Problem : What's Driving Deforestation Today?* Union of Concerned Scientists and Kissinger G. et al. (2012) *Drivers of Deforestation and Degradation : A Synthesis Report for REDD+ Policy Makers*. Exeme Consulting.

<sup>34</sup> From World Bank online databank <http://data.worldbank.org>

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*strengthen the financing environment for sustainable commodity production through design and pilot sustainable commercial transactions and risk management tools'* (CEO Endorsement, 2017).

The project had three components:

Component 1 – Support to Commercial transactions – Lead Partner IFC

Smallholder Intensification and Rehabilitation

Building on the capacity building work at the farm level, and that of others also working on smallholder intensification, the team will select suitable financial institutions as potential partners and firms that would potentially be interested in piloting innovative financial models.

At TOR stage it is noted that WWF-US was expected to work with IFC to apply the Global Map of Social and Environment Commodity Risk (GMAP).

*This component completed earlier than Components 2 and 3 and a Terminal Evaluation has already been carried out. Findings from the Terminal Evaluation report will be incorporated in this Terminal Evaluation as secondary data.*

Component 2 – Financial Markets and Institutions – Lead Partner UNEP FI

This component intended to focus on addressing barriers faced by financial institutions in adopting environmental and social risk management systems in their financial decision making. It aimed to do this through the provision of guidance directly to financial institutions providing funding for beef, palm oil and soya commodity supply chain companies and projects, and the regulators of these institutions. This guidance aimed to develop the business case for the adoption of net zero deforestation policies in investors' financial decision making practices, and enable the introduction of financial products and services that incentivise zero net deforestation production and supply.

Component 3 – Support to Public Sector – Incentives and Co-Financing for Transactions – Lead Partner UNEP FI

The first output of this component aimed at supporting governments in identifying the fiscal and other public incentives that can re-shape investment flows and enable and incentivise a new and more sustainable mode of operation by the private finance sector and that can support smallholders in their adoption of reduced deforestation practices. Connected to this, the second output was intended to focus on the strategic relationship between public and private finance with the goal of strategically combining public financing, specifically REDD+ financing, regulation, and private market participation to mobilise finance for achieving supply chain sustainability objectives over the long term, including via the provision of extension services.

Table 2. Enabling Transaction project results, (PIR Report, 2022)

Project Objective <sup>35</sup> : To strengthen the financing environment for sustainable commodity production through design and pilot sustainable commercial transactions and risk management tools			
Component 1:	Project Outcomes	Project Outputs <sup>36</sup>	Indicators
Support to Commercial Transactions (IFC Only as EA)	Outcome 1.1: 15 Commercial transactions totalling a minimum of <b>USD 100 million</b> dollars of new investment per year facilitated through design and financing.  <b>Note that the TE, pg 40, for the IFC Component records this outcome as 'USD 400m in investment facilitated'</b>	1.1.1 Innovative long-term financial products designed, promoted & utilized	# of studies published for beef & soy (Target: 6-8 business cases)  # of promotional workshops/seminars in-country  % of value of investors/companies/banks expressing interest in opportunities
		1.1.2 Trade finance products designed, promoted and utilized.	One new trade finance product developed (Soy Sustainable shipment – LC)  Existing trade finance products promoted
		1.1.3 Blended finance products designed, promoted & utilized (based on 1.1.1 analysis) and launched.	Indicator to be provided by IFC
Component 2:	Main Outcome	Project Outputs <sup>37</sup>	End of Project Targets/Indicators <sup>38</sup>
Support to Financial Markets & Institutions	2.1 Increased funds (loans and investments) subjected to enhanced deforestation risk policies  <b>Note that the TE for the IFC Component reports performance under this outcome. The outcome</b>	2.1.1 20 Financial Institutions (FI)/Investors trained in using risk management tools that reduce deforestation. IFC contributed to this output through the GMAP online tool.	20
		2.1.2 Technical capacity and operational	50

<sup>35</sup> Note the different wording of the Project Objective in the TE report for IFC's Component 1, pg 37: "improve the resilience and competitiveness of financial institutions, enabling them to develop in a sustainable manner with improved risk management practices and innovative products to accelerate the production and supply of forest friendly commodities. The aim is to support the development of investment transactions either via banks, investors or companies that reduce deforestation in key commodity supply chains on a commercial or blended finance basis."

<sup>36</sup> IFC Component outputs and indicators/targets derived from the CEO Endorsement, section B.

<sup>37</sup> From section 3.2 of PIR report, 2022.

<sup>38</sup> From section 3.1 of PIR report, 2022.

	target referred to in the TE, pg 52, is USD100m increased funds.	modalities established among 50 FIs with significant deforestation exposure to implement deforestation-free, zero net deforestation, or equivalent policies.	
		2.1.3 Provide guidance, tools and capacity building for effective application of major new emerging markets	4 toolkits (Paragua, Brazil, Indonesia)
		2.1.4 New financial products supporting the production of reduced deforestation commodities, identified and their potential role in funding the transition to zero-deforestation commodity production clearly delineated.	There was no indicator for this output. initially this was an IFC led deliverable and UNEP took it on. It involved the development of three country analysis (Paraguay, Brazil and Indonesia) to understand what products and services currently exist in each GGP country to support zero deforestation commodity production.
<b>Component 3:</b> Support to Public Sector – Incentives and Co-Financing for Transactions	Main Outcome	Project Outputs	Indicators
	3.1 Increased public incentives and public and private financing for reduced deforestation practices	3.1.1 Production country analysis developed on fiscal incentives (e.g. subsidies & taxes) including those targeting smallholders;	4 analyses (Paraguay, Brazil, Indonesia) including sensitization and outreach.
		3.1.2 Assessments on how to reinforce linkages between reduced deforestation commodity production (palm oil, soy & beef) and REDD+ national programs .	4 analyses (Paraguay, Brazil, Indonesia and Liberia) including sensitization and outreach.

#### 4. Executing Arrangements

Implementing Agencies: The World Bank and UNEP were the Implementing Agencies (IAs) which were responsible for the overall project supervision, overseeing the project progress through monitoring and evaluation of the project activities and progress reports, including periodic reports on technical issues and leveraging their experience in managing complex multi-country conservation-themed initiatives. On behalf of UNEP, the GEF Biodiversity and Land Degradation Unit of the Ecosystems Division implemented the project.

**Executing Agencies:** IFC, UNEP Finance Initiative (UNEP FI) and WWF were the executing agencies for this project. They provided administrative and technical supervision in the implementation of the project. UNEP FI (a UNEP project), as the executing agency for UNEP, executed, managed and was responsible for the project and its different activities on a day-to-day basis. It was also responsible for establishing the necessary managerial and technical teams needed for project execution. UNEP FI was also responsible for liaising closely with IFC and WWF and with any other partners that were likely to contribute to the technical and financial support of project implementation.

**Steering Committee:** The steering committee was chaired by IFC and included representatives from UNEP FI, UNEP, The World Bank, WWF, and a representative from the financial sector. The committee was responsible for providing overall guidance and strategic direction, to make management decisions by consensus, as well as recommendations for the executing agencies on potential project revisions.

**Project Management Unit (PMU):** This comprised a Project Coordinator with technical and project management responsibilities, a UNEP FI Project Manager, and an administrative and finance assistant. The PMU was responsible for technical outputs, with the project coordinator being responsible for running the project on a day to day basis, and also for the successful completion of project outputs and achievement of the project objectives, on behalf of the executing agency,

**Technical Advisors:** These supported the implementation of the project and provided specialist technical expertise such as financial risk modelling, environmental and social risk analysis financial products, financial policy, fiscal incentives, communications and knowledge management.

## 5. Project Cost and Financing

The overall Enabling Transactions project budget at the design stage was US\$ 29,393,520 comprising US\$ 6,405,101 ( IFC: USD 4,279,644; UNEP FI: USD 2,125,457) secured from the GEF and an estimated US\$ 22,958,419 expected from co-financing.

The breakdown for the total cost as recorded in the CEO Endorsement document (21<sup>st</sup> March 2017) is as indicated below:

	<b>Project Grant b</b>	<b>Total c = a + b</b>	<b>Agency Fee</b>	<b>For the record: Project Grant at PIF</b>
GEF	6,405,101	6,405,101	576,459	6,981,560
Co-financing	<b>22,958,419</b>	<b>22,958,419</b>	0	<b>22,958,419</b>
<b>Total</b>	<b>29,363,520</b>	<b>29,363,520</b>	<b>576,459</b>	<b>29,939,979</b>

<b>Name of co-financier (source)</b>	<b>Classification</b>	<b>Type</b>	<b>Project</b>	<b>Total</b>	<b>%</b>
IFC	Executing Agency	In-kind	10,180,000	10,180,000	44.35
UNEP	Implementing Agency	In-kind	300,000	300,000	1.30
UNEP FI	Executing Agency	In-kind	800,000	800,000	3.49

UNEP Inquiry	Executing Agency	In-kind	600,000	600,000	2.61
SECO	Donor Agency	In-kind	2,078,419	2,078,419	9.05
Forest Conservation Agriculture Alliance (FCAA)-Partnership including USAID, WWF-US, IFC, Minerva, WCS, Neuland Coop & FIDEI	Consultative partner and co-financier	In-kind	9,000,000	9,000,000	39.20
<b>Total Co-financing</b>			<b>22,958,419</b>	<b>22,958,419</b>	<b>100%</b>

## 6. Implementation Issues

The 2018 and 2019 Project Implementation Review (PIR) reports record the presence of risks that were also initially identified in the project design as risks or arose in the analysis of Environmental and Social Safeguards as follows:

- At the time of the 2018 PIR, the project had faced administrative and financial issues that had contributed to significant delays in the delivery of the activities.
- At the time of the 2019 PIR, UNEP FI's project management had been able to catch up on the delayed activities and managed to establish partnerships that laid the foundation for achieving the project's results.

The other implementation issue was the decision to cease activities in Liberia due to the activities not being viable in-country: (1) No IFC presence; (2) no viable private sector financial institutions; (3) lack of agri-finance in country; (4) lack of public institutional capacity to engage.

Other political related implementation issues at the country level were identified by the project team as: (1) Brazil elections impeded engagement with civil society and private sector for 2 years; (2) In Indonesia the key implementation partner, WWF lost their license to operate.

During the development of the evaluation TOR, the UNEP Evaluation Office established that whereas the original design of the project was based on Components 2 and 3 being implemented first, to be followed by Component 3, in reality Component 3 was implemented in advance of the other 2 components. Component 3, led by IFC, reached operational completion before the other components, has had a Terminal Evaluation and the findings from the TE of Component will be taken into the evaluation of the whole of the Enabling Transactions project as secondary data.

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## Section 2. OBJECTIVE AND SCOPE OF THE EVALUATION

### 7. Objective of the Evaluation

In line with the UNEP Evaluation Policy<sup>39</sup> and the UNEP Programme Manual<sup>40</sup>, the Terminal Evaluation is undertaken at operational 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 UNEP and the World Bank as well as the executing agencies IFC, UNDP, UNEP FI, WWF-US, WWF Indonesia, Conservation International.

Therefore, the Evaluation will identify lessons of operational relevance for future project formulation and implementation, especially where a second phase of the project is being considered. Recommendations relevant to the whole house may also be identified during the evaluation process.

### 8. Key Evaluation Principles

Evaluation findings and judgements will 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 likely [or similar interventions are envisaged for the future], particular attention will be given to learning from the experience. Therefore, the “why?” question should be at the front of the consultants’ minds all through the evaluation exercise and is supported by the use of a theory of change approach. This means that the consultant(s) 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 (i.e. what contributed to the achievement of the project’s results). This should provide the basis for the lessons that can be drawn from the project.

**Attribution, Contribution and Credible Association:** In order to attribute any outcomes and impacts to a project intervention, one needs to consider the difference between what has happened with, and what would have happened without, the project (i.e. take account of changes over time and between contexts in order to isolate the effects of an intervention). This requires appropriate baseline data and the identification of a relevant counterfactual, both of which are frequently not available for evaluations. Establishing the contribution made by a project in a complex change process relies heavily on prior intentionality (e.g. approved project design documentation, logical framework) and the articulation of causality (e.g. narrative and/or illustration of the Theory of Change). Robust evidence that a project was delivered as designed and that the expected causal pathways developed supports claims of

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39 <https://www.unenvironment.org/about-un-environment/evaluation-office/policies-and-strategies>

40 <https://wecollaborate.unep.org>



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contribution and this is strengthened where an alternative theory of change can be excluded. A credible association between the implementation of a project and observed positive effects can be made where a strong causal narrative, although not explicitly articulated, can be inferred by the chronological sequence of events, active involvement of key actors and engagement in critical processes.

**Communicating evaluation results.** A key aim of the Evaluation is to encourage reflection and learning by UNEP staff and key project stakeholders. The consultant(s) 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 consultant(s) will plan with the Evaluation Manager 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.

## 9. 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 typically questions of interest to UNEP and to which the project is believed to be able to make a substantive contribution. In this instance questions related to the contribution made by this child project to the Commodity Supply Chains programme will be addressed, as per GEF requirements:

Q1: To what extent, and in what ways, were recommendations from the Mid Term Review adopted and used to inform/support adaptive management of the project?

Q2: To what extent, and in what ways, has the project contributed to the programme's objectives?

Q3: What are, if any, the additional benefits and costs of the project being part of a programmatic approach? This should include whether benefits accrued from the project being part of a programme rather than a standalone project.

Q4: To what extent was systems thinking used to maximise the potential for integration of this child project within its programmatic framework?

Q5: How well did UNEP, as the GEF Agency, collaborate with other Agencies involved in the Programme?

Q6: How well was the project's M&E design aligned with that of the programme? How did the M&E arrangements of the project contribute to the programme level M&E and results reporting?

Q7: What adjustments, if any, were made to the project to adapt to the effects of COVID-19 situation, and to what extent did the adjustments enable the project to effectively respond to the new priorities that emerged in relation to COVID-19? How did the adjustments affect the achievement of the project's expected results, as stated in its results framework?

Also included below are five questions that are required when reporting in the GEF Portal and these must be addressed in the TE. Address the questions required for the GEF Portal in the appropriate parts of the report and provide a **summary of the findings in the Conclusions section of the report**:

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Under Monitoring and Reporting/Monitoring of Project Implementation:

What was the performance at the project's completion against Core Indicator Targets? (For projects approved prior to GEF-7, these indicators will be identified retrospectively and comments on performance provided<sup>41</sup>).

Under Factors Affecting Performance/Stakeholder Participation and Cooperation:

What were the progress, challenges and outcomes regarding engagement of stakeholders in the project/program as evolved from the time of the MTR? *(This should be based on the description included in the Stakeholder Engagement Plan or equivalent documentation submitted at CEO Endorsement/Approval)*

Under Factors Affecting Performance/Responsiveness to Human Rights and Gender Equality:

What were the completed gender-responsive measures and, if applicable, actual gender result areas? (This should be based on the documentation at CEO Endorsement/Approval, including gender-sensitive indicators contained in the project results framework or gender action plan or equivalent)

Under Factors Affecting Performance/Environmental and Social Safeguards:

What was the progress made in the implementation of the management measures against the Safeguards Plan submitted at CEO Approval? The risk classifications reported in the latest PIR report should be verified and the findings of the effectiveness of any measures or lessons learned taken to address identified risks assessed. *(Any supporting documents gathered by the Consultant during this review should be shared with the Task Manager for uploading in the GEF Portal)*

Under Factors Affecting Performance/Communication and Public Awareness:

What were the challenges and outcomes regarding the project's completed Knowledge Management Approach, including: Knowledge and Learning Deliverables (e.g. website/platform development); Knowledge Products/Events; Communication Strategy; Lessons Learned and Good Practice; Adaptive Management Actions? *(This should be based on the documentation approved at CEO Endorsement/Approval)*

## **10. Evaluation Criteria**

All evaluation criteria will be rated on a six-point scale. Sections A-I below, outline the scope of the criteria. A weightings table in excel format will be provided by the Evaluation Manager 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 availability of outputs, achievement of outcomes and likelihood

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<sup>41</sup> This is not applicable for Enabling Activities

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of impact; (E) Financial Management; (F) Efficiency; (G) Monitoring and Reporting; (H) Sustainability; and (I) Factors Affecting Project Performance. The Evaluation Consultant(s) can propose other evaluation criteria as deemed appropriate.

#### **A. Strategic Relevance**

The Evaluation will assess the extent to which the activity is suited to the priorities and policies of the donors, implementing regions/countries and the target beneficiaries. The Evaluation will 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. 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 UNEP Medium Term Strategy<sup>42</sup> (MTS), Programme of Work (POW) and Strategic Priorities**

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. UNEP strategic priorities include the Bali Strategic Plan for Technology Support and Capacity Building<sup>43</sup> (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.

##### **ii. Alignment to Donor/GEF/Partner Strategic Priorities**

Donor, including GEF, strategic priorities will vary across interventions. GEF priorities are specified in published programming priorities and focal area strategies. The Evaluation will assess the extent to which the project is suited to, or responding to, donor priorities. In some cases, alignment with donor priorities may be a fundamental part of project design and grant approval processes while in others, for example, instances of 'softly-earmarked' funding, such alignment may be more of an assumption that should be assessed.

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

The Evaluation will assess the alignment of the project with global priorities such as the SDGs and Agenda 2030. 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 will be considered. Examples may include: UN Development Assistance Frameworks (UNDAF), national or sub-national development plans, poverty reduction strategies or Nationally Appropriate Mitigation Action

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<sup>42</sup> UNEP's Medium Term Strategy (MTS) is a document that guides UNEP's programme planning over a four-year period. It identifies UNEP's thematic priorities, known as Sub-programmes (SP), and sets out the desired outcomes, known as Expected Accomplishments (EAs), of the Sub-programmes. <https://www.unenvironment.org/about-un-environment/evaluation-office/our-evaluation-approach/un-environment-documents>

<sup>43</sup> <http://www.unep.fr/ozonaction/about/bsp.htm>

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(NAMA) plans or regional agreements etc. Within this section consideration will be given to whether the needs of all beneficiary groups are being met and reflects the current policy priority to leave no one behind.

**iv. Complementarity with Relevant Existing Interventions/Coherence<sup>44</sup>**

An assessment will be made of how well the project, either at design stage or during the project inception or mobilization<sup>45</sup>, took account of ongoing and planned initiatives (under the same sub-programme, other UNEP sub-programmes, or being implemented by other agencies within the same country, sector or institution) 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 UNDAFs or One UN programming. Linkages with other interventions should be described and instances where UNEP'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 equality
- 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. The complete Project Design Quality template should be annexed in the Evaluation Inception Report. Later, the overall Project Design Quality rating<sup>46</sup> should be entered in the final evaluation ratings table (as item B) in the Main Evaluation Report and a summary of the project's strengths and weaknesses at design stage should be included within the body of the report.

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

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

**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<sup>47</sup>). This rating is entered

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<sup>44</sup> This sub-category is consistent with the new criterion of 'Coherence' introduced by the OECD-DAC in 2019.

<sup>45</sup> 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.

<sup>46</sup> In some instances, based on data collected during the evaluation process, the assessment of the project's design quality may change from Inception Report to Main Evaluation Report.

<sup>47</sup> 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

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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. Availability of Outputs<sup>48</sup>**

The Evaluation will assess the project's success in producing the programmed outputs and making them available to the intended beneficiaries as well as its success in 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 Theory of Change (TOC). In such cases a table should be provided showing the original and the reformulation of the outputs for transparency. The availability 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 provision. It is noted that emphasis is placed on the performance of those outputs that are most important to achieve outcomes. 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.

##### **ii. Achievement of Project Outcomes<sup>49</sup>**

The achievement of project outcomes is assessed as performance against the project outcomes as defined in the reconstructed<sup>50</sup> Theory of Change. These are outcomes that are intended to be achieved by the end of the project timeframe and within the project's resource envelope. Emphasis is placed on the achievement of project outcomes that are most important for attaining intermediate states. As with outputs, a table can be used where substantive amendments to the formulation of project outcomes is necessary to allow for an assessment of performance. The Evaluation should report evidence of attribution between UNEP's intervention and the project outcomes. In cases of normative work or where several actors are collaborating to achieve common outcomes, evidence of the nature and magnitude

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*part of the project's design and addressed through adaptive management by the project team. From March 2020 this should include the effects of COVID-19.*

<sup>48</sup> *Outputs are the availability (for intended beneficiaries/users) of new products and services and/or gains in knowledge, abilities and awareness of individuals or within institutions (UNEP, 2019)*

<sup>49</sup> *Outcomes are the use (i.e. uptake, adoption, application) of an output by intended beneficiaries, observed as changes in institutions or behavior, attitude or condition (UNEP, 2019)*

<sup>50</sup> *All submitted UNEP project documents are required to present 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 formal changes made to the project design.*

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of UNEP's 'substantive contribution' should be included and/or 'credible association' established between project efforts and the project outcomes realised.

### **iii. Likelihood of Impact**

Based on the articulation of long-lasting effects in the reconstructed TOC (i.e. from project 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-lasting impacts. As this is a Child Project, the project TOC for Enabling transactions (9696) should include how the project contributes to the Commodity Supply Chains program (9072) objectives. In this instance the Project Team has noted that there was an established TOC for the Programme (9072) but not for the Project (9696). The Evaluation Office's approach to the use of TOC in project evaluations is outlined in a guidance note available and is supported by an excel-based flow chart, 'Likelihood of Impact Assessment Decision Tree'. Essentially the approach follows a 'likelihood tree' from project 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 (e.g. will vulnerable groups such as those living with disabilities and/or women and children, be disproportionately affected by the project?). Some of these potential negative effects may have been identified in the project design as risks or as part of the analysis of Environmental and Social Safeguards.

The Evaluation will consider the extent to which the project has played a catalytic role<sup>51</sup> or has promoted scaling up and/or replication as part of its Theory of Change (either explicitly as in a project with a demonstration component or implicitly as expressed in the drivers required to move to outcome levels) and as factors that are likely to contribute to greater or long-lasting impact.

Ultimately UNEP 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-lasting or broad-based changes. However, the Evaluation will assess the likelihood of the project to make a substantive contribution to the long-lasting changes represented by the Sustainable Development Goals and/or the

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<sup>51</sup> The terms catalytic effect, scaling up and replication are inter-related and generally refer to extending the coverage or magnitude of the effects of a project. Catalytic effect is associated with triggering additional actions that are not directly funded by the project – these effects can be both concrete or less tangible, can be intentionally caused by the project or implied in the design and reflected in the TOC drivers, or can be unintentional and can rely on funding from another source or have no financial requirements. Scaling up and Replication require more intentionality for projects, or individual components and approaches, to be reproduced in other similar contexts. Scaling up suggests a substantive increase in the number of new beneficiaries reached/involved and may require adapted delivery mechanisms while Replication suggests the repetition of an approach or component at a similar scale but among different beneficiaries. Even with highly technical work, where scaling up or replication involves working with a new community, some consideration of the new context should take place and adjustments made as necessary.

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intermediate-level results reflected in UNEP's Expected Accomplishments and the strategic priorities of funding partner(s).

#### ***E. Financial Management***

Financial management will be assessed under three themes: adherence to UNEP's financial policies and procedures, completeness of financial information and communication between financial and project management staff. The Evaluation will 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/component level and will be compared with the approved budget. The Evaluation will verify the application of proper financial management standards and adherence to UNEP'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. The Evaluation will record where standard financial documentation is missing, inaccurate, incomplete or unavailable in a timely manner. 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.

#### ***F. Efficiency***

Under the efficiency criterion 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.

Focusing 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 made by the project teams during project implementation to make use of/build upon pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities<sup>52</sup> with other initiatives, programmes and projects etc. to increase project efficiency.

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.

#### ***G. Monitoring and Reporting***

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<sup>52</sup> Complementarity with other interventions during project design, inception or mobilization is considered under Strategic Relevance above.

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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<sup>53</sup> results towards the provision of the project's outputs and achievement of project outcomes, including at a level disaggregated by gender, marginalisation or vulnerability, including those living with disabilities. In particular, the Evaluation will assess the relevance and appropriateness of the project indicators as well as the methods used for tracking progress against them as part of conscious results-based management. 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 assessment will include consideration of whether the project gathered relevant and good quality baseline data that is accurately and appropriately documented. This should include monitoring the representation and participation of disaggregated groups (including gendered, marginalised or vulnerable groups, such as those living with disabilities) in project activities. It will also consider the quality of the information generated by the monitoring system during project implementation and how it 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.

The performance at project completion against Core Indicator Targets should be reviewed. For projects approved prior to GEF-7, these indicators will be identified retrospectively and comments on performance provided.

***iii. Project Reporting***

UNEP has a centralised project information management system (Anubis) in which project managers upload six-monthly progress 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 UNEP 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.

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<sup>53</sup> SMART refers to results that are specific, measurable, achievable, relevant and time-oriented. Indicators help to make results measurable.



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## **H. Sustainability**

Sustainability<sup>54</sup> is understood as the probability of the benefits derived from the achievement of project 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 endurance of achieved project outcomes (i.e. '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 project 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 the benefits derived from project 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 project 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 project 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 natural 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 a project's outcomes 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.

## **I. Factors Affecting Project Performance and Cross-Cutting Issues**

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<sup>54</sup> As used here, 'sustainability' means the long-lasting maintenance of outcomes and consequent impacts, whether environmental or not. This is distinct from the concept of sustainability in the terms 'environmental sustainability' or 'sustainable development', which imply 'not living beyond our means' or 'not diminishing global environmental benefits' (GEF STAP Paper, 2019, Achieving More Enduring Outcomes from GEF Investment)

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(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. If these issues have not been addressed under the evaluation criteria above, then independent summaries of their status within the evaluated project should be given.)

**i. Preparation and Readiness**

This criterion focuses on the inception or mobilization stage of the project (i.e. 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 mobilization. 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' may refer to the supervision and guidance provided by UNEP to implementing partners and national governments while in others, specifically for GEF funded projects<sup>55</sup>, it may refer to the project management performance of the executing agency and the technical backstopping and supervision provided by UNEP. The performance of parties playing different roles should be discussed and a rating provided for both types of supervision (UNEP/Partner/Executing Agency) and the overall rating for this sub-category established as a simple average of the two.

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.); maintaining project relevance within changing external and strategic contexts; communication and collaboration with UNEP 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 UNEP and the Executing Agency. 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.

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<sup>55</sup> For GEF funded projects, a rating will be provided for the Project Management and Supervision of each of the Implementing and Executing Agencies. The two ratings will be aggregated to provided an overall rating for Quality of Project Management and Supervision

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The progress, challenges and outcomes regarding engagement of stakeholders in the project/program occurring since the MTR should be reviewed. (This should be based on the description included in the Stakeholder Engagement Plan or equivalent documentation submitted at CEO Endorsement/Approval).

**iv. Responsiveness to Human Rights and Gender Equality**

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 UNEP's Policy and Strategy for Gender Equality and the Environment

In particular the Evaluation will consider to what extent project-implementation and monitoring have taken into consideration: (i) possible inequalities (especially those related to gender) in access to, and the control over, natural resources; (ii) specific vulnerabilities of disadvantaged groups (especially women, youth and children and those living with disabilities) to environmental degradation or disasters; and (iii) the role of disadvantaged groups (especially those related to gender) in mitigating or adapting to environmental changes and engaging in environmental protection and rehabilitation.

The completed gender-responsive measures and, if applicable, actual gender result areas should be reviewed. (This should be based on the documentation at CEO Endorsement/Approval, including gender-sensitive indicators contained in the project results framework or gender action plan or equivalent).

**v. Environmental and Social Safeguards**

UNEP projects address environmental and social safeguards primarily through the process of environmental and social screening at the project approval stage, risk assessment and management (avoidance, minimization, mitigation or, in exceptional cases, offsetting) of potential environmental and social risks and impacts associated with project and programme activities. The Evaluation will confirm whether UNEP requirements<sup>56</sup> were met to: review risk ratings on a regular basis; monitor project implementation for possible safeguard issues; respond (where relevant) to safeguard issues through risk avoidance, minimization, mitigation or offsetting and report on the implementation of safeguard management measures taken. UNEP requirements for proposed projects to be screened for any safeguarding issues; for sound environmental and social risk assessments to be conducted and initial risk ratings to be assigned are evaluated above under Quality of Project Design).

The Evaluation will also consider the extent to which the management of the project minimized UNEP's environmental footprint.

Implementation of the management measures against the Safeguards Plan submitted at CEO Approval should be reviewed, the risk classifications verified and the findings of the effectiveness of any measures or lessons learned taken to address identified risks assessed. Any supporting documents gathered by the Consultant should be shared with the Task Manager.

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<sup>56</sup> For the review of project concepts and proposals, the Safeguard Risk Identification Form (SRIF) was introduced in 2019 and replaced the Environmental, Social and Economic Review note (ESERN), which had been in place since 2016. In GEF projects safeguards have been considered in project designs since 2011.

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#### **vi. 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, i.e. either a) moving forwards from outputs to project outcomes or b) moving forward from project outcomes towards intermediate states. The Evaluation will consider the engagement 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 (e.g. representatives from multiple sectors or relevant ministries beyond Ministry of Environment). This factor is concerned with the level of ownership generated by the project over outputs and outcomes and that is necessary for long-lasting impact to be realized. Ownership should extend to all gendered and marginalized groups.

#### **vii. 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 behavior 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 marginalized 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.

The project's completed Knowledge Management Approach, including: Knowledge and Learning Deliverables (e.g. website/platform development); Knowledge Products/Events; Communication Strategy; Lessons Learned and Good Practice; Adaptive Management Actions should be reviewed. This should be based on the documentation approved at CEO Endorsement/Approval.

### **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) will 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 desk review of:

- Relevant background documentation, *inter alia* CEO Approval/Endorsement, PIRs;
- 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 deliverables:
  - a. **Output 2.1.1:** 20 Financial Institutions/Investors trained using risk management tools that reduce deforestation.
  - b. **Output 2.1.2:** Technical capacity and operational modalities established among **50 financial institutions** with significant deforestation exposure to implement Deforestation-Free, Zero Net Deforestation or equivalent policies.
  - c. **Output 2.1.3:** Provide guidance, tools and capacity building for effective application of major new emerging markets
  - d. **Output 2.1.4:** New financial products supporting the production of reduced deforestation commodities identified and their potential role in funding the transition to zero-deforestation commodity production clearly delineated
  - e. **Output 3.1.1:** Production country analyses developed on fiscal incentives, including those targeting smallholders
  - f. **Output 3.1.2:** Assessments on how to reinforce linkages between reduced deforestation commodity production and REDD+ national programs
- Mid-Term Review of the project;
- Evaluations/reviews of similar projects.

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

- UNEP Task Manager (TM);
- Project management team, including the Project Manager within the Executing Agency, where appropriate;
- UNEP Fund Management Officer (FMO);
- Portfolio Manager and Sub-Programme Coordinator, where appropriate;
- Project partners, including: IFC, UNEP FI, WWF-US, WWF-Indonesia, CI, Natural Capital Declaration, UNEP Inquiry, UN-REDD Programme, FCAA, BEI, Principles for Responsible Investment, FEBRABAN, Banco do Brazil, OJK, Global Canopy Programme, Roundtable on Sustainable Finance Paraguay ([Note that several of these are 'consultative partners', see CEO Endorsement, pg 42 for table](#));
- Relevant resource persons;
- Representatives from civil society and specialist groups (such as women's, farmers and trade associations etc.).

**Surveys** [to be determined]

**Field visits** [to be determined in the evaluation inception stage]

Other data collection tools [to be determined]

## 11. Evaluation Deliverables and Review Procedures

The Evaluation Team/Consultant will prepare:

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- **Inception Report:** (see Annex 1 for a list of 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:** containing an executive summary that can act as a stand-alone document; detailed analysis of the evaluation findings organized by evaluation criteria and supported with evidence; lessons learned and recommendations and an annotated ratings table.
  - An **Evaluation Brief**, (a 2-page overview of the evaluand and key evaluation findings) for wider dissemination through the UNEP website may be required. This will be discussed with the Evaluation Manager no later than during the finalization of the Inception Report.

**Review of the Draft Evaluation Report.** The Evaluation Consultant(s) 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 Task Manager and Project Manager, who will alert the Evaluation Manager in case the report contains any blatant factual errors. The Evaluation Manager will then forward the revised draft report (corrected by the Evaluation Consultant(s) 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 Consultant(s) 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 Consultants 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 draft of the Main Evaluation Report, which acts as a tool for providing structured feedback to the Evaluation Consultant(s). The quality of the final 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 for a maximum of 12 months.

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## 12. The Evaluation Consultant

For this Evaluation, the Evaluation Team will consist of an Evaluation Specialist who will work under the overall responsibility of the Evaluation Office represented by an Evaluation Manager, (Janet Wildish), in consultation with the UNEP Task Manager, (Ersin Esen), Fund Management Officer, (George Saddimbah) and the Sub-programme Coordinators of the climate change and on healthy and productive ecosystems sub-programmes. The consultant will liaise with the Evaluation Manager on any procedural and methodological matters related to the Evaluation, including travel. It is, however, each consultant's individual responsibility (where applicable) 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 UNEP Task Manager and project team will, where possible, provide logistical support (introductions, meetings etc.) allowing the consultants to conduct the Evaluation as efficiently and independently as possible.

The Evaluation Specialist will be hired over a period of eight (8) months and should have the following:

- a university degree in Environmental Sustainable Financial Inclusion, Environmental Finance or Environmental Economics is required and an advanced degree in the same areas is desirable;
- a minimum of 7 years of technical / evaluation experience is required, preferably including evaluating large, regional or global programmes and using a Theory of Change approach; and a good/broad understanding of environmental financial inclusion is desired.

English and French are the working languages of the United Nations Secretariat. For this consultancy, fluency in oral and written English is a requirement. Working knowledge of the UN system and specifically the work of UNEP is an added advantage.

The work will be home-based with possible field visits.

The Evaluation Specialist will be responsible, in close consultation with the Evaluation Office of UNEP for overall management of the Evaluation and timely provision of its outputs, described above in the Section on Evaluation Deliverables. The Evaluation Specialist will make substantive and high- quality contributions to the evaluation process and outputs, and ensure that all evaluation criteria and questions are adequately covered.

In close consultation with the Evaluation Manager, the Evaluation Specialist will be responsible for the overall management of the Evaluation and timely provision 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.

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
- (where agreed with the Evaluation Manager) prepare an Evaluation Brief (2-page summary of the evaluand and 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.

### 13. Schedule of the Evaluation

The table below presents the tentative schedule for the Evaluation.

Table 3. Tentative schedule for the Evaluation

Milestone	Tentative Dates (tbc)
Evaluation Initiation Meeting	1 <sup>st</sup> February, 2023
Document Review	6 <sup>th</sup> February, 2023
Inception Report	20 <sup>th</sup> February, 2023
Evaluation Field Mission & Stakeholder Interviews	27 <sup>th</sup> February to 14 <sup>th</sup> April 2023
Evaluation report writing	15 <sup>th</sup> April to 12 <sup>th</sup> May 2023
Submission of 1 <sup>st</sup> draft of final report	15 <sup>th</sup> May 2023
Internal review of final report (EM, peer reviewer & project team)	16 <sup>th</sup> May to 16 <sup>th</sup> June 2023
Submission of updated draft final report	10 <sup>th</sup> July 2023
PPT presentation on preliminary findings and recommendations (validation meeting)	17 <sup>th</sup> July 2023
Updating of draft final report based on feedback from validation meeting	18 <sup>th</sup> July to 31 <sup>st</sup> July 2023
Submission of updated report	1 <sup>st</sup> August 2023
Final internal review/management responses received (EM, peer reviewer & project team)	15 <sup>th</sup> August 2023
Consultant's reaction to management responses	16 <sup>th</sup> to 30 <sup>th</sup> August 2023
Plan for recommendations plan submitted by project team	15 <sup>th</sup> September 2023
Wider dissemination of final report	30 <sup>th</sup> September 2023



## 14. Contractual Arrangements

Evaluation Consultants will be selected and recruited by the Evaluation Office of UNEP under an individual Special Service Agreement (SSA) on a “fees only” basis (see below). By signing the service contract with UNEP /UNON, the consultant(s) certify that they have not been associated with the design and implementation of the project in any way which may jeopardize their independence and impartiality towards project achievements and project partner performance. In addition, they will not have any future interests (within six months after completion of the contract) with the project’s executing or implementing units. All consultants are required to sign 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 Evaluation Specialist:

Deliverable	Percentage Payment
Approved Inception Report (as per annex document #9)	30%
Approved Draft Main Evaluation Report (as per annex document #10)	30%
Approved Final Main Evaluation Report	40%

Fees only contracts: Where applicable, air tickets will be purchased by UNEP and 75% of the Daily Subsistence Allowance for each authorized 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 consultants may be provided with access to UNEP’s information management systems (e.g. PIMS, Anubis, SharePoint etc.) 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 UNEP 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 UNEP’s quality standards.

If the consultant(s) fail to submit a satisfactory final product to UNEP 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 I - Quality Assessment of the Evaluation Report

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
<b>Report Quality Criteria</b>		
<p><b>Quality of the Executive Summary</b>  <b>Purpose:</b> acts as a stand alone and accurate <u>summary</u> of the main evaluation product, especially for senior management.  <b>To include:</b></p> <ul style="list-style-type: none"> <li>• concise overview of the evaluation object</li> <li>• clear summary of the evaluation objectives and scope</li> <li>• overall evaluation rating of the project and key features of performance (strengths and weaknesses) against exceptional criteria</li> <li>• reference to where the evaluation ratings table can be found within the report</li> <li>• summary response to key strategic evaluation questions</li> <li>• summary of the main findings of the exercise/synthesis of main conclusions</li> <li>• summary of lessons learned and recommendations.</li> </ul>	<p><b>Final report :</b></p> <p>The Executive Summary covers all the required elements and provides a summary of the relationship between the project and the Program as well as limitations to the effectiveness of the project design (i.e. separate agencies implementing different project components)</p>	<b>5</b>
<p><b>Quality of the 'Introduction' Section</b>  <b>Purpose:</b> introduces/<u>situates</u> the evaluand in its institutional context, establishes its main parameters (time, value, results, geography) and the purpose of the evaluation itself.  <b>To include:</b></p> <ul style="list-style-type: none"> <li>• institutional context of the project (sub-programme, <b>Division, Branch</b> etc)</li> <li>• <b>date of PRC approval, project duration and start/end dates</b></li> <li>• <b>number of project phases (where appropriate)</b></li> <li>• results frameworks to which it contributes (e.g. POW Direct Outcome)</li> <li>• <b>coverage of the evaluation (regions/countries where implemented)</b></li> <li>• <b>implementing and funding partners</b></li> <li>• <b>total secured budget</b></li> <li>• whether the project has been evaluated in the past (e.g. mid-term, external agency etc.)</li> <li>• concise statement of the purpose of the evaluation and the key intended audience for the findings.</li> </ul>	<p><b>Final report :</b></p> <p>All elements are appropriately covered.</p>	<b>5</b>
<p><b>Quality of the 'Evaluation Methods' Section</b>  <b>Purpose:</b> provides reader with clear and comprehensive description of evaluation methods, demonstrates the <u>credibility</u> of the findings and performance ratings.  <b>To include:</b></p> <ul style="list-style-type: none"> <li>• description of evaluation data collection methods and information sources</li> <li>• justification for methods used (e.g. qualitative/ quantitative; electronic/face-to-face)</li> <li>• number and type of respondents (<i>see table template</i>)</li> <li>• selection criteria used to identify respondents, case studies or sites/countries visited</li> <li>• strategies used to increase stakeholder engagement and consultation</li> <li>• methods to include the voices/experiences of different and potentially excluded groups (e.g. vulnerable, gender, marginalised etc)</li> </ul>	<p><b>Final report :</b></p> <p>All elements are covered well, including the provision of a stakeholder table.</p>	<b>6</b>

	UNEP Evaluation Office Comments	Final Report Rating
<b>Report Quality Criteria</b>		
<ul style="list-style-type: none"> <li>• details of how data were verified (e.g. triangulation, review by stakeholders etc.)</li> <li>• methods used to analyse data (scoring, coding, thematic analysis etc)</li> <li>• evaluation limitations (e.g. low/ imbalanced response rates across different groups; gaps in documentation; language barriers etc)</li> <li>• ethics and human rights issues should be highlighted including: how anonymity and confidentiality were protected. Is there an ethics statement? E.g. <i>Throughout the evaluation process and in the compilation of the Final Evaluation Report efforts have been made to represent the views of both mainstream and more marginalised groups. All efforts to provide respondents with anonymity have been made.</i></li> </ul>		
<p><b>Quality of the 'Project' Section</b>  <u>Purpose:</u> describes and <u>verifies</u> key dimensions of the evaluand relevant to assessing its performance.</p> <p>To include:</p> <ul style="list-style-type: none"> <li>• <i>Context:</i> 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)</li> <li>• <i>Results framework:</i> summary of the project's results hierarchy as stated in the ProDoc (or as officially revised)</li> <li>• <i>Stakeholders:</i> description of groups of targeted stakeholders organised according to relevant common characteristics</li> <li>• <i>Project implementation structure and partners:</i> description of the implementation structure with diagram and a list of key project partners</li> <li>• <i>Changes in design during implementation:</i> any key events that affected the project's scope or parameters should be described in brief in chronological order</li> <li>• <i>Project financing:</i> completed tables of: (a) budget at design and expenditure by components (b) planned and actual sources of funding/co-financing</li> </ul>	<p>Final report :</p> <p>All elements are covered well.</p>	6
<p><b>Quality of the Theory of Change</b>  <u>Purpose:</u> to set out the TOC at Evaluation in diagrammatic and narrative forms to support consistent project performance; to articulate the causal pathways with drivers and assumptions and justify any reconstruction necessary to assess the project's performance.</p> <p>To include:</p> <ul style="list-style-type: none"> <li>• description of how the <i>TOC at Evaluation</i><sup>57</sup> was designed (who was involved etc)</li> </ul>	<p>Final report:</p> <p>This section provides a good discussion and illustration of the TOC and its causal pathways. The relationships between results are complex due to the inclusion of this project within the Program and this is well-articulated. The limitations in assessing the project's results at the</p>	5.5

<sup>57</sup> 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),

	UNEP Evaluation Office Comments	Final Report Rating
<b>Report Quality Criteria</b>		
<ul style="list-style-type: none"> <li>confirmation/reconstruction of results in accordance with UNEP definitions</li> <li>articulation of causal pathways</li> <li>identification of drivers and assumptions</li> <li>identification of key actors in the change process</li> <li>summary of the reconstruction/results re-formulation in tabular form. <i>The two results hierarchies (original/formal revision and reconstructed) should 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'.</i> This table may have initially been presented in the Inception Report and should appear somewhere in the Main Evaluation report.</li> </ul>	intermediate state and impact levels are explained well. The TOC did not manage to include gender considerations within the assumptions and drivers.	
<p><b>Quality of Key Findings within the Report</b></p> <p><u>Presentation of evidence:</u> nature of evidence should be clear (interview, document, survey, observation, online resources etc) and evidence should be explicitly triangulated unless noted as having a single source.</p> <p><u>Consistency within the report:</u> all parts of the report should form consistent support for findings and performance ratings, which should be in line with UNEP's Criteria Ratings Matrix.</p> <p><u>Findings Statements (where applicable):</u> The frame of reference for a finding should be an individual evaluation criterion or a strategic question from the TOR. <b>A finding should go beyond description and uses analysis to provide insights that aid learning specific to the evaluand.</b> In some cases a findings statement may articulate a key element that has determined the performance rating of a criterion. Findings will frequently provide insight into 'how' and/or 'why' questions.</p>	<p>Final report :</p> <p>The report sets out the ratings assigned to Component 1 in its earlier Terminal Evaluation, which were validated by the UNEP Evaluation Office in order to make sure the ratings were consistent enough with UNEP's approach, that they could be combined with performance ratings assigned to the 2 components implemented by UNEP. Table 11 on pg 45 summarises this approach.</p> <p>The report incorporates quotations from respondents in an appropriate way, which lends insight to the evaluation's findings. The source of evaluative evidence is provided throughout the report.</p>	5
<p><b>Quality of 'Strategic Relevance' Section</b></p> <p><u>Purpose:</u> to present evidence and analysis of project strategic relevance with respect to UNEP, partner and geographic policies and strategies at the time of project approval.</p> <p>To include:</p> <p>Assessment of the evaluand's relevance vis-à-vis:</p> <ul style="list-style-type: none"> <li>Alignment to the UNEP Medium Term Strategy (MTS), Programme of Work (POW) and Strategic Priorities</li> <li>Alignment to Donor/GEF/Partners Strategic Priorities</li> <li>Relevance to Regional, Sub-regional and National Environmental Priorities</li> <li>Complementarity with Existing Interventions: complementarity of the project at design (or during</li> </ul>	<p>Final report :</p> <p>The four sub-categories are discussed together and ratings for each sub-category is only given in the ratings table on pg 45</p>	4

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*.

	UNEP Evaluation Office Comments	Final Report Rating
<b>Report Quality Criteria</b>		
inception/mobilisation <sup>58</sup> ), with other interventions addressing the needs of the same target groups.		
<p><b>Quality of the 'Quality of Project Design' Section</b></p> <p><u>Purpose:</u> to present a summary of the strengths and weaknesses of the project design, on the basis that the detailed assessment was presented in the Inception Report.</p>	<p><b>Final report :</b></p> <p>The report provides a good summary of the assessment of the quality of the project design.</p>	<b>6</b>
<p><b>Quality of the 'Nature of the External Context' Section</b></p> <p><u>Purpose:</u> to describe and recognise, when appropriate, key <u>external</u> features of the project's implementing context that limited the project's performance (e.g. conflict, natural disaster, political upheaval<sup>59</sup>), and how they affected performance.</p> <p>While additional details of the implementing context may be informative, this section should clearly record whether or not a major and unexpected disrupting event took place during the project's life in the implementing sites.</p>	<p><b>Final report :</b></p> <p>The report notes that the project took place during COVID-19, but that its implementation was not negatively affected by the pandemic.</p>	<b>5</b>
<p><b>Quality of 'Effectiveness' Section</b></p> <p><b>(i) Availability of Outputs:</b></p> <p><u>Purpose:</u> to present a well-reasoned, complete and evidence-based assessment of the outputs made available to the intended beneficiaries.</p> <p>To include:</p> <ul style="list-style-type: none"> <li>• a convincing, evidence-supported and clear presentation of the outputs made available by the project compared to its approved plans and budget</li> <li>• assessment of the nature and scale of outputs versus the project indicators and targets</li> <li>• assessment of the timeliness, quality and utility of outputs to intended beneficiaries</li> <li>• identification of positive or negative effects of the project on disadvantaged groups, including those with specific needs due to gender, vulnerability or marginalisation (e.g. through disability).</li> </ul>	<p><b>Final report :</b></p> <p>In this section the evaluator provides details of what was made available, along with reflections from beneficiaries in the two countries that were visited. Considerations of quality and timeliness are implied within the text.</p>	<b>5.5</b>

<sup>58</sup> 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.

<sup>59</sup> 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.

	UNEP Evaluation Office Comments	Final Report Rating
<b>Report Quality Criteria</b>		
<p><b>ii) Achievement of Project Outcomes:</b>  <u>Purpose:</u> to present a well-reasoned, complete and evidence-based assessment of the uptake, adoption and/or implementation of outputs by the intended beneficiaries. This may include behaviour changes at an individual or collective level.  To include:</p> <ul style="list-style-type: none"> <li>• a convincing and evidence-supported analysis of the uptake of outputs by intended beneficiaries</li> <li>• assessment of the nature, depth and scale of outcomes versus the project indicators and targets</li> <li>• discussion of the contribution, credible association and/or attribution of outcome level changes to the work of the project itself</li> <li>• any constraints to attributing effects to the projects' work</li> <li>• identification of positive or negative effects of the project on disadvantaged groups, including those with specific needs due to gender, vulnerability or marginalisation (e.g. through disability).</li> </ul>	<p><b>Final report :</b></p> <p>The discussion of the achievement of outcomes is both interesting and informative as it includes reflections from beneficiaries, which illuminates the state of play within the targeted stakeholders. The discussion also considers the assumptions necessary to bring about change.</p>	<b>6</b>
<p><b>(iii) Likelihood of Impact:</b>  <u>Purpose:</u> to present an integrated analysis, guided by the causal pathways represented by the TOC, of all evidence relating to likelihood of impact, including an assessment of the extent to which drivers and assumptions necessary for change to happen, were seen to be holding.  To include:</p> <ul style="list-style-type: none"> <li>• an explanation of how causal pathways emerged and change processes can be shown</li> <li>• an explanation of the roles played by key actors and change agents</li> <li>• explicit discussion of how drivers and assumptions played out</li> <li>• identification of any unintended negative effects of the project, especially on disadvantaged groups, including those with specific needs due to gender, vulnerability or marginalisation (e.g. through disability).</li> </ul>	<p><b>Final report :</b></p> <p>The report provides an assessment here, as well as cautioning that the project could not be expected to reach these high level results alone.</p>	<b>5</b>
<p><b>Quality of 'Financial Management' Section</b>  <u>Purpose:</u> to present an integrated analysis of all dimensions evaluated under financial management and include a completed 'financial management' table (may be annexed).  Consider how well the report addresses the following:</p> <ul style="list-style-type: none"> <li>• <i>adherence</i> to UNEP's financial policies and procedures</li> <li>• <i>completeness</i> of financial information, including the actual project costs (total and per activity) and actual co-financing used</li> <li>• <i>communication</i> between financial and project management staff</li> </ul>	<p><b>Final report :</b></p> <p>All elements are covered as well as possible given the financial information made available and the table on financial management is included here.</p>	<b>5</b>
<p><b>Quality of 'Efficiency' Section</b>  <u>Purpose:</u> to present an integrated analysis of all dimensions evaluated under efficiency (i.e. the primary categories of cost-effectiveness and timeliness).  To include:</p> <ul style="list-style-type: none"> <li>• time-saving measures put in place to maximise results within the secured budget and agreed project timeframe</li> <li>• discussion of making use, during project implementation, of/building on pre-existing institutions, agreements and partnerships, data sources, synergies and</li> </ul>	<p><b>Final report :</b></p> <p>This criterion is appropriately and adequately covered.</p>	<b>5</b>

	UNEP Evaluation Office Comments	Final Report Rating
<b>Report Quality Criteria</b>		
<p>complementarities with other initiatives, programmes and projects etc.</p> <ul style="list-style-type: none"> <li>• implications of any delays and no cost extensions</li> <li>• the extent to which the management of the project minimised UNEP's environmental footprint.</li> </ul>		
<p><b>Quality of 'Monitoring and Reporting' Section</b>  <u>Purpose:</u> to present well-reasoned, complete and evidence-based assessment of the evaluand's monitoring and reporting.  Consider how well the report addresses the following:</p> <ul style="list-style-type: none"> <li>• quality of the monitoring design and budgeting (<i>including SMART results with measurable indicators, resources for MTE/R etc.</i>)</li> <li>• quality of monitoring of project implementation (<i>including use of monitoring data for adaptive management</i>)</li> <li>• quality of project reporting (<i>e.g. PIMS and donor reports</i>) \</li> <li>•</li> </ul>	<p><b>Final report:</b></p> <p>This criterion is appropriately and adequately covered.</p>	<b>5</b>
<p><b>Quality of 'Sustainability' Section</b>  <u>Purpose:</u> to present an integrated analysis of all dimensions evaluated under sustainability (i.e. the endurance of benefits achieved at outcome level).  Consider how well the report addresses the following:</p> <ul style="list-style-type: none"> <li>• socio-political sustainability</li> <li>• financial sustainability</li> <li>• institutional sustainability</li> </ul>	<p><b>Final report :</b></p> <p>This criterion is appropriately and adequately covered.</p>	<b>5</b>
<p><b>Quality of Factors Affecting Performance Section</b>  <u>Purpose:</u> These factors are not always discussed in stand-alone sections and may be integrated in the other performance criteria as appropriate. However, if not addressed substantively in this section, a cross reference must be given to where the topic is addressed and that entry must be sufficient to justify the performance rating for these factors.  Consider how well the evaluation report, either in this section or in cross-referenced sections, covers the following cross-cutting themes:</p> <ul style="list-style-type: none"> <li>• preparation and readiness</li> <li>• quality of project management and supervision<sup>60</sup></li> <li>• stakeholder participation and co-operation</li> <li>• responsiveness to human rights and gender equality</li> <li>• environmental and social safeguards</li> <li>• country ownership and driven-ness</li> <li>• communication and public awareness</li> </ul>	<p><b>Final report :</b></p> <p>This criterion is appropriately and adequately covered.</p>	<b>4</b>

• <sup>60</sup> 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. This includes providing the answers to the questions on Core Indicator Targets, stakeholder engagement, gender responsiveness, safeguards and knowledge management, required for the GEF portal.

	UNEP Evaluation Office Comments	Final Report Rating
<b>Report Quality Criteria</b>		
<p><b>Quality of the Conclusions Section</b></p> <p><b>(i) Conclusions Narrative:</b>  <u>Purpose:</u> to present summative statements reflecting on prominent aspects of the <u>performance of the evaluand as a whole</u>, they should be derived from the synthesized analysis of evidence gathered during the evaluation process.            To include:</p> <ul style="list-style-type: none"> <li>• compelling narrative providing an integrated summary of the strengths and weakness in overall performance (achievements and limitations) of the project</li> <li>• clear and succinct response to the key strategic questions</li> <li>• human rights and gender dimensions of the intervention should be discussed explicitly (e.g. how these dimensions were considered, addressed or impacted on)</li> </ul>	<p><b>Final report :</b></p> <p>The strategic questions, including issues relating to the inclusion of this Child Project in the Program, are provided in this section.</p> <p>The conclusions section could have provided a more interesting and useful narrative summary of the project's performance – achievements and ways in which it converted its project inputs into successful actions.</p>	4.5
<p><b>ii) Utility of the Lessons:</b>  <u>Purpose:</u> to present both positive and negative lessons that have potential for wider application and use (replication and generalization)            Consider how well the lessons achieve the following:</p> <ul style="list-style-type: none"> <li>• are rooted in real project experiences (i.e. derived from explicit evaluation findings or from problems encountered and mistakes made that should be avoided in the future)</li> <li>• briefly describe the context from which they are derived and those contexts in which they may be useful</li> <li>• do not duplicate recommendations</li> </ul>	<p><b>Final report :</b></p> <p>The lessons offer useful considerations to be applied in a similar context.</p>	5
<p><b>(iii) Utility and Actionability of the Recommendations:</b>  <u>Purpose:</u> to present 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.            Consider how well the lessons achieve the following:</p> <ul style="list-style-type: none"> <li>• are feasible to implement within the timeframe and resources available (including local capacities) and specific in terms of who would do what and when</li> <li>• include at least one recommendation relating to strengthening the human rights and gender dimensions of UNEP interventions</li> <li>• represent a measurable performance target in order that the Evaluation Office can monitor and assess compliance with the recommendations.</li> </ul> <p><u>NOTES:</u>  <b>(i)</b> In cases where the recommendation is addressed to a third party, compliance can only be monitored and assessed where a contractual/legal agreement remains in place. Without such an agreement, the recommendation should be formulated to say that UNEP project staff should pass on the recommendation to the relevant third party in an effective or substantive manner. The effective transmission by UNEP of the recommendation will then be monitored for compliance.  <b>(ii)</b> Where a new project phase is already under discussion or in preparation with the same third party, a recommendation can be made to address the issue in the next phase.</p>	<p><b>Final report :</b></p> <p>Recommendations are appropriately addressed to a) central offices of UNEP, b) the project management team and c) partners.</p>	5
<p><b>Quality of Report Structure and Presentation</b></p> <p><b>(i) Structure and completeness of the report:</b>            To what extent does the report follow the Evaluation Office structure and formatting guidelines?            Are all requested Annexes included and complete?</p>	<p><b>Final report :</b></p> <p>The report is complete and follows UNEP's guidance.</p>	5



	UNEP Evaluation Office Comments	Final Report Rating
<b>Report Quality Criteria</b>		
<b>(ii) Writing and formatting:</b> 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?	<b>Final report :</b>  The report is written in a professional tone and in a concise manner.	<b>5</b>
<b>OVERALL REPORT QUALITY RATING</b>		<b>5</b>

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
<b>Independence:</b>		
1. Were the Terms of Reference drafted and finalised by the Evaluation Office?	Y	
2. Were possible conflicts of interest of proposed Evaluation Consultant(s) appraised and addressed in the final selection?	Y	
3. Was the final selection of the Evaluation Consultant(s) made by the Evaluation Office?	Y	
4. Was the evaluator contracted directly by the Evaluation Office?	Y	
5. Was the Evaluation Consultant given direct access to identified external stakeholders in order to adequately present and discuss the findings, as appropriate?	Y	
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?		N
7. If Yes to Q6: Were these concerns resolved to the mutual satisfaction of both the Evaluation Consultant and the Evaluation Manager?	N/A	
<b>Financial Management:</b>		
8. Was the evaluation budget approved at project design available for the evaluation?	Y	
9. Was the final evaluation budget agreed and approved by the Evaluation Office?	Y	
10. Were the agreed evaluation funds readily available to support the payment of the evaluation contract throughout the payment process?	Y	
<b>Timeliness:</b>		
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?	Y	
12. Were all deadlines set in the Terms of Reference respected, as far as unforeseen circumstances allowed?	Y*	
13. Was the inception report delivered and reviewed/approved prior to commencing any travel?	Y	
<b>Project's engagement and support:</b>		
14. Were the project team, Sub-Programme Coordinator and identified project stakeholders given an opportunity to provide comments on the evaluation Terms of Reference?	Y	
15. Did the project make available all required/requested documents?	Y	
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?	Y	
17. Was adequate support provided by the project to the evaluator(s) in planning and conducting evaluation missions?	Y	
18. Was close communication between the Evaluation Consultant, Evaluation Office and project team maintained throughout the evaluation?	Y	
19. Were evaluation findings, lessons and recommendations adequately discussed with the project team for ownership to be established?	Y	
20. Were the project team, Sub-Programme Coordinator and any identified project stakeholders given an opportunity to provide comments on the draft evaluation report?	Y	

<b>Quality assurance:</b>		
21. Were the evaluation Terms of Reference, including the key evaluation questions, peer-reviewed?	<b>Y</b>	
22. Was the TOC in the inception report peer-reviewed?	<b>Y</b>	
23. Was the quality of the draft/cleared report checked by the Evaluation Manager and Peer Reviewer prior to dissemination to stakeholders for comments?	<b>Y</b>	
24. Did the Evaluation Office complete an assessment of the quality of both the draft and final reports?	<b>Y</b>	
<b>Transparency:</b>		
25. Was the draft evaluation report sent directly by the Evaluation Consultant to the Evaluation Office?	<b>Y</b>	
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?	<b>Y</b>	
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?	<b>Y</b>	
28. Were all stakeholder comments to the draft evaluation report sent directly to the Evaluation Office?	<b>Y</b>	
29. Did the Evaluation Consultant(s) respond adequately to all factual corrections and comments?	<b>Y</b>	
30. Did the Evaluation Office share substantive comments and Evaluation Consultant responses with those who commented, as appropriate?	<b>Y</b>	

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

<b><u>Process Criterion Number</u></b>	<b><u>Evaluation Office Comments</u></b>
12.	The field mission had to be delayed/re-scheduled as the evaluation consultant had been exposed to potentially contagious virus during other travel. This had a knock on effect on the overall timing of the evaluation process.