TERMINAL EVALUATION

Final Report Draft

Innovative Use of a Voluntary Payment for Environmental Services Incentive Program to Avoid and Reduce Greenhouse Gas Emissions and Enhance Carbon Stocks in the Highly Threatened Dry Chaco Forest Complex in Western Paraguay (PROMESA)

CI-GEF Project ID 5668

Acknowledgements

AAE would like to thank the Conservation International, the Ministry of Environment of Paraguay and World Wildlife Fund Paraguay for their excellent support as well as for the detailed information and feedback provided during the Terminal Evaluation process. Your efforts greatly facilitated our team in the development of this report. We would also like to extend a special thank you to Dr. Karim Musalem and Ing. Andrea Garay of WWF Paraguay for their kind support during our evaluation mission to the Chaco Seco region and to the Siracua, Pikasu, and Ygnapui pueblos, local consultants and experts for your hospitality, dedication, and good work. Without your support, this evaluation would not be possible.

TABLE OF CONTENTS

Acronyms

AWP	Annual Work Plan
CI	Conservation International
DSA	Directorate of Environmental Services
EA	Executing Agency
ESR	Environmental Service Regime
FAO	Food and Agriculture Organization
FREL	Forest Reference Emission Levels
FPIC	Free Prior Informed Consent
GEF	Global Environment Facility
GHG	Greenhouse Gases
Ha	Hectare
IA	Implementing Agency
IEO	Independent Evaluation Office (GEF)
INDI	Paraguayan Indigenous Institute
INFONA	National Forestry Institute
MADES	Ministry of Environment and Sustainable Development
MTE	Mid-term Evaluation
NGOs	Non-Governmental Organizations
PES	Payment for Environmental Services
PIR	Project Implementation Report (for its acronym in English)
PRODOC	Project Document
REDD +	Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
tCO_{2eq}	Tons of Carbon dioxide equivalent
ToR	Term of Reference
UNEG	United Nations Evaluation Group
WWF	World Wildlife Fund

1. EXECUTIVE SUMMARY

1.1. Project Summary

PROJECT INFORMATION			
PROJECT TITLE:	Innovative Use of a Voluntary Payment for Environmental Services Incentive Program to Avoid and Reduce Greenhouse Gas Emissions and Enhance Carbon Stocks in the Highly Threatened Dry Chaco Forest Complex in Western Paraguay		
PROJECT OBJECTIVE:	To prevent and reduce greenhouse gas emissions resulting from deforestation, and increase the carbon stocks within the Dry Chaco Forest Complex of western Paraguay through the establishment of an incentives program for Payment for Environmental Services		
PROJECT OUTCOMES:	The Outcomes with post Mid/term Review modifications are: *1.1* "A PES Incentive Scheme for Carbon is established and fully operational" modified to: *The existing Environmental Service Regime (ESR) of Paraguay has met all enabling conditions needed to fully operate the Natural Forests category.* *1.2* "At least 21 million tons of verified CO_2e emissions avoided or reduced from deforestation or forest degradation or through enhanced carbon stocks" modified to: *40,000 ha. Certified hectares under the Environmental Services Regime* *1.3* "Policies and plans targeted to avoided deforestation and enhancement of carbon stocks are under implementation" (eliminated post MTR) *2.1* "At least 30 priority areas for certification under the project are identified and the value of their respective carbon stock assessed" modified to: *Identification of priority areas relevant for certification in the Environmental Services Regime* (*At least 20 properties)* *2.2* "A monitoring scheme is implemented in all landholdings enrolled in the PES incentive program" modified to: *Monitoring scheme for natural forests modality in ESR updated and operational*. *3.1* "At least 15% increase in the knowledge of target stakeholder representatives on various aspects of PES Incentive Scheme" modified to: *Capacity of institutional stakeholders to participate in the Environmental Services Regime strengthened* *3.2* National PES Online Platform fully functional (eliminated post MTR)		
COUNTRY(*IES*):	Paraguay	**GEF ID:**	5668
GEF AGENCY(*IES*):	Conservation International	**CI CONTRACT ID:**	
OTHER EXECUTING PARTNERS:	Ministry of the Environment and Sustainable Development Guyra Paraguay WWF-Paraguay	**DURATION IN MONTHS:**	82
GEF FOCAL AREA(*S*):	Climate Change	**START DATE:**	May 2016
INTEGRATED APPROACH PILOT:	N/A	**END DATE:**	May 2020 extended to March 2023
PARENT PROGRAM:	N/A	**PRODOC SUBMISSION DATE:**	September 18, 2015
PRODOC RESUBMISSION DATE(*S*):	November 13, 2015; March 03, 2016		
GEF GRANT FUNDING	Name		**AMOUNT** (*US$*)
GEF PROJECT FUNDING:	CCM−5		2,201,614

PPG FUNDING:	CCM−5	90,263
TOTAL GEF GRANT:		**2,291,877**
CO-FINANCING SOURCE	Name	**AMOUNT** (*US$*)
GOVERNMENT	Ministry of Environment and Social Development (MADES)	450,000
CIVIL SOCIETY	CI Global Conservation Fund	160,000
CIVIL SOCIETY	Guyra Paraguay	850,000
FOUNDATION	World Land Trust	280,000
FOUNDATION	World Land Trust	12,460
PRIVATE SECTOR	Swire Pacific Offshore	280,000
PRIVATE SECTOR	Swire Pacific Offshore	75,000
PRIVATE SECTOR	Smith & Werber	10,000
TOTAL CO-FINANCING :		2,117,460
TOTAL PROJECT COST:		**4,409,337**

This report is a final Terminal Evaluation Report in response to comments received. It concludes an independent technical and financial Terminal Evaluation (TE) of the GEF Project *Innovative Use of a Voluntary Payment for Environmental Services Incentive Program to Avoid and Reduce Greenhouse Gas Emissions and Enhance Carbon Stocks in the Highly Threatened Dry Chaco Forest Complex in Western Paraguay (GEF ID 5668)*. In adherence to GEF requirements, Conservation International (CI), the GEF implementing agency (IA), contracted *Asesoramiento Ambiental Estratégico* −AAE− an independent consulting firm to execute the TE.

The following report presents the results of the TE in response to key evaluation questions and developed through a methodology previously approved by CI and partners. The contents of this document are in response to comments received on 24 December 2022. As outlined in the TE Terms-of-Reference (TOR) (Annex 6.1), this report is the 6th and final deliverable of the TE consultancy.

1.2 Summary Project Description

The project addressed deforestation in Paraguay's Gran Chaco Ecoregion where the average yearly loss of forest cover exceeds 286,000 ha, among the highest forest conversion rates globally. The Government of Paraguay sought to create incentives for forest owners to maintain cover through an innovative Payment for Environmental Services (PES) concept. The scheme was, however, challenged by a lack of clarity, inconsistent and incompatible regulations, uneven application among stakeholders, low levels of compliance and enforcement and transactional difficulties. These barriers were driven by policy, technical and capacity gaps identified during the Project's design phase. The project sought to address the barriers by improving the enabling environment for incentives supporting sustainable land and landscape management.

The Project's goal was to prevent Greenhouse Gases (GHG) emissions in line with the GEF-5 Climate Change Mitigation Strategy. The Project's objective was *to establish a fully operational Environmental Service Regime (ESR) resulting in the avoidance of at least 5.75 million metric tons of carbon dioxide*

equivalent (tCO_2e) of GHG emissions within the project area.[1]

The Project's objective is fulfilled through three technical components:

(i) strengthened policies and decision-making procedures and associated institutional structures and mechanisms, mainstreaming sustainable land and forest management, low carbon development, and ecosystem accounting into the government's budget and actions.

(ii) strengthened capacities to carry out the technical assessments and monitoring procedures to certify forest lands for carbon sequestration.

(iii) strengthened institutional and individual capacities to support the PES scheme.

In the period following the Mid-term Review (MTR), the project faced significant COVID-related delays, changes in political administration, and slow delivery of outputs, amongst other factors described herein. In response, Conservation International (CI), the Implementing Agency (IA) and the MADES, reformulated the Project's Results Framework (RF) with new targets, re-programmed the remaining project funds, changed the Executing Agency (EA), and obtained GEF approval for a 9-month no-cost extension to allow the new EA, World Wildlife Fund – Paraguay (WWF-PY) time to deliver the Project's outputs.

The Project was launched on 15 May 2016, with a GEF investment of $ 2,201,214 U.S. and estimated co-financing of $2,117,460 U.S. for a total project value of $4,319,074 U.S. The project concluded programmatic activities in November 2022. The administrative closing is scheduled for March 2023.

1.3 Summary of Project Progress and Results

At the Project's inception in 2016, the Paraguayan PES scheme known as *Environmental Services Regime* (ESR) was operational based-on procedures in-force through Ministerial Resolutions and Decrees regulating Law No. 3001/06 titled "Valuation and Compensation of Environmental Services". However, the baseline situation was characterized by significant gaps limiting operational effectiveness.

In its first year, the project assessed the institutional gaps upon which Guyra, the Executing Agency (EA), reformulated several of the proposed outputs and activities to enhance the operability of the ESR. The project also extensively promoted the ESR through locally hired consultants, workshops with key stakeholders and potential beneficiaries, and promotion through diverse media and local events. The Project also developed thorough Social and Environmental Framework including Stakeholder Engagement, Gender Mainstreaming and Indigenous Participation Plans in addition to Grievance Mechanisms compliant with GEF Policy and National policy on Free and Prior Informed Consent.

In 2018, the Environment Secretariat was elevated in status to the Ministry of the Environment and Sustainable Development (MADES), which implied institutional changes of government staff, procedures, and priorities. Further changes resulted from electoral changes in political administration and within the EA, which experienced constant turn-over in leadership and key staff. Together, these factors generated significant delays and inconsistency in the Project's execution. The situation deteriorated throughout 2019 and, despite promotional efforts, little progress was made towards the realization of expected results. The core activity of the ESR is certification of forest lands in exchange for compensation payments from entities violating the Forest Law's policy limitations on forest cover change. By the end of 2019, no lands had yet been certified. Applications were disqualified due to regulatory inconsistencies and bottlenecks. By 2020, only one area covering 2,923 hectares of forest out of the 38,061 hectares submitted were successfully certified. Simultaneously, no new certificates were in the pipeline due to low

[1] This was revised downward from 1 million $mtCO_2eq$. of GHG emissions following the MTR.

demand and technicalities, such as improper land title, weak enforcement of land infractions, trust issues, and no proven case studies to generate interest. Equally important, no progress was made in achieving the enabling conditions, such as the capacity building and the monitoring system needed for certified areas.

In hopes of generating interest in the ESR program, the Project expanded the geographic area to cover most of the Chaco region. Regardless, efforts continued to identify new areas for certification without success.

In essence, the project was focusing on the objective without having produced the key outcomes needed to resolve the limiting factors stemming from regulatory and trust issues. This indicates issues in design, planning and sequencing of project activities. Attempts by the EA to focus attention on the regulatory environment were also ineffective and reflected problems in the Project's governance function.

In December 2019, the Project's governors effectively engaged. During the GEF Council meeting, MADES and CI-GEF met with GEF Secretariat representatives to address the situation and agreed to restructure the project, modify the Project's execution modality and to extend the Project's timeline. The coordinated effort improved the Project's governance and fomented critical adaptations.

In 2020, MADES requested a change in the EA and selected World Wildlife Fund Paraguay (WWF-PY), who assumed responsibility for the Project's execution and with CIGEF developed a restructured Results Framework, FY21 workplan, and budget. Unfortunately, the process was significantly delayed due to the onset of the COVID 19 pandemic and restrictions in Paraguay. The execution of the restructured process, herein referred to as "Stage 2" began in earnest in October 2020.

From that point forward, using documentation and lessons from Stage 1, the Project streamlined the approach by scaling-down the focus from three ecosystems (Natural Forests, Grasslands, and Scenic Landscapes) to a singular focus on the Natural Forest category. MADES also approved resolutions that enabled the inclusion of largely forested indigenous lands into the ESR process and adapted the requirements and conditions to promote the access of indigenous communities to the ESR, greatly increasing the potential amount of forest land available for conservation.

The reengineered process was effective in creating outcomes that facilitated an operational ESR. By 2021, several portfolios of private properties and indigenous communities interested were identified; 116,993 hectares of forests were certified under the ESR leading to an amount of 7,975 metric tons per hectare per year of CO (mtCO2eq.). Over 200 people received training on issues related to the functionality of the ESR. Among the beneficiaries were Magistrates and Prosecutors developing the tools needed to process violations to Paraguay's forest reserve quotas. In addition, institutions such as MADES and INDI were strengthened through training and equipment for monitoring and safeguards. The result is a complete deployment of the monitoring and tracking system for certified properties and environmental services, partially addressing a previous bottleneck to the process. Training by the Supreme Court showed early results with an increase in sentencing ordering the acquisition of certificates thereby addressing one of the factors contributing to low demand and low sale of certificates.

With a full cycle of ESR activity, the Project revealed the remaining gaps in the system that affect the sustainability of the ESR process: the low number of certificates in the pipeline and the chronic low volume of sales. In the former case, the Project revealed the bureaucratic obstacles both within MADES and between agencies that limit the access to publicly offered certificates by government agencies. Specifically, a standard public bidding process for large pools of certificates treats the exchange as a standard government procurement for large infrastructure with requirements unreachable by private producers and prohibitive for indigenous communities. The system does not allow for the purchase and resale of certificates by third party institutions that can meet stringent requirements, such as the purchase

of insurance for the value of the certificate. With regards to the demand for certificates, during the reengineering process CO2 trading as a market option within the ESR was reduced to a "cover-for-cover" compensation scheme, which significantly reduces the potential value of the transactions, especially when the landowner bears the cost of calculating the carbon value of the certificate. Another potential value that is currently unrealized is the right of the landowner to extract non-timber forest values from certified land without altering the ecosystem. The identification of these and other issues presented in this report is an important result of the project, which have provided a new and clear baseline for new GEF and GCF projects working to improve the function and sustainability of the system.

Through a slow progression throughout the entire project, meaningful stakeholder engagement was achieved. Stakeholders indicated they could participate to the degree they wanted, their suggestions and concerns were taken into consideration, they had trusted avenues to voice their concerns, and that women could access opportunities and participate to the degree they wanted. The overall satisfaction with the project was positive, rated as 8.5 on a scale of 10.

.1. Monitoring & Evaluation (M&E)	Rating
M&E design at entry	S
M&E Plan Implementation	HS
Overall Quality of M&E	S
2. Implementing Agency (IA) Implementation & Executing Agency (EA) Execution	Rating
Quality of CI-GEF Implementation/Oversight	S
Quality of WWF Execution	S
Governance	MS
Risk Management	MS
Financial Management	S
Overall quality of Implementation/Execution	S
3. Assessment of Outcomes	Rating
Relevance	HS
Effectiveness	S
Efficiency	S
Overall Project Outcome Rating	S
4. Sustainability	Rating
Financial sustainability	ML
Socio-political sustainability	L
Institutional framework and governance sustainability	L
Environmental sustainability	ML
Overall Likelihood of Sustainability	ML

L= Likely; ML= Moderately Likely; MU=Moderately Unlikely; U=Unlikely (U/A=Unable to Assess)

(HS) Highly Satisfactory; (S) Satisfactory; (MS) Moderately Satisfactory; (MU) Moderately Unsatisfactory; (U) Unsatisfactory; (HU) Highly Unsatisfactory

Table 1: Evaluation Ranking

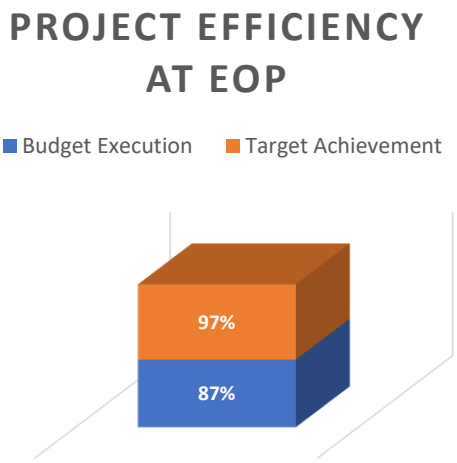


Figure No. 1: Overall Rating of Efficiency

The Project had achieved 97% of the expected targets and executed 87% of the GEF CEO endorsed Budget.

Allocated budget by component was as follows:

GEF BUDGET CEO endorsement	
Component 1	$ 1,328,379
Component 2	$ 413,911
Component 3	$ 349,711
PMC	$ 109,614
Grand Total	**$ 2,201,614**

Table No. 2 GEF Budget at CEO Endorsement

Up to the third year of project implementation, project had achieved only **32%** of its target indicator with a budget execution of **61%.** (See Fig. 2)

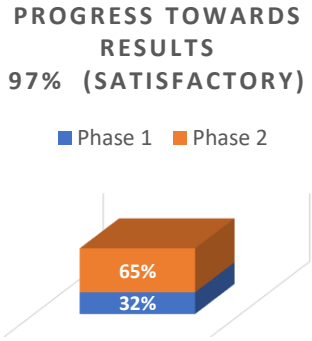
After GEF approval, the project implemented the following changes:

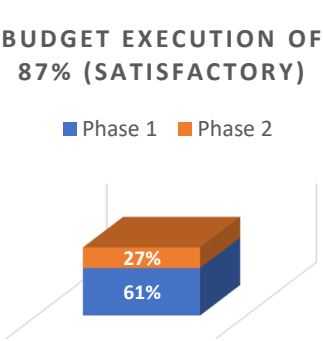
Phase 2 Approved Budget	
Component 1	$ 361,741
Component 2	$ 176,936
Component 3	$ 238,316
PMC	$ 34,007
Total	**$ 811,000**

Table No. 3 Budget for Phase 2

- Changed the Executing Agency
- Update the Project Results Framework
- Assigned the following budget for the remaining period of the project, with a no-cost extension of 9 months.

Fig. 2 Effectiveness and Efficiency of Outcomes





During this second stage of project implementation, the project achieved **97%** of updated targets, which represents **65%** of the overall with a budget execution that represents **27%** of CEO endorsement budget.

Therefore, evaluators rate the overall efficiency of the project as **Satisfactory (S)**

1.4. Summary of Conclusions, Recommendations, and Lessons Learned

Summary of Conclusions

1. Project Design: The project remains justified. The project responds to clearly articulated problems that remain priority. Several key barriers such as the time and cost to develop trust and the ability to assimilate new concepts in traditional societies were underestimated. The Project's Theory of Change did not include a market mechanism within an integrated triad between producers of conservation lands and buyers of conservation certificates. The absence of a functioning market space and of pre-project testing of assumptions caused problems in implementation. Elements such as trust, advocacy and strategic communication needs were not adequately assessed during the PPG phase leading to inadequate financing of critical outputs within the enabling environment. Overall, the design is effective as a pilot-type initiative and produced valuable lessons that are facilitating other ongoing projects as described herein.

2. Relevance: The Project remains aligned with national priorities and supports the operational capacity of MADES and other partners to execute Paraguay's updated National Determined Contribution and sector plans, such as capacities to implement Paraguay's forest law and regulations as well as establishing a PES mechanism in support of Climate Change legislation. The Project is an important element within a suite of GEF-funded initiatives to reduce the effects of commodity driven deforestation by providing a baseline experience upon which other projects in support of MADES were/are implemented. The Project's impacts support GEF-5 Climate Change Strategy indicators by securing land under *sustainable land management* and avoidance of greenhouse gases (See Results to Impact).

3. Effectiveness: Once redesigned, the project was effective in producing 100% of the stated outputs and outcome/level targets. Most importantly, the project did achieve a full cycle ESR which is the principal objective. The Project therefore produced experience in promotion, land capture, approval, monitoring, and sale now provides the best picture on how the regulatory environment needs to evolve to assure sustainability. The comparatively low level of sales of certificates to the number of hectares of lands certified indicates remaining gaps in the full regulatory environment that require action to facilitate sustainability. The de-linkage of environmental services, such as CO_2 from Certificates came with an opportunity cost that could have affected the profit margin of conservation forest producers. MADES and partners were strengthened by the process which is positioned to perform in future stages of development. The decision to simplify the scope of the Project to Natural Forests was correct. By having progressed through a full cycle from certification to market, the project was effective in uncovering new regulatory obstacles and opportunities for improving the volume of certificates and sales, which are now being addressed by other projects.

4. Efficiency: The stage 1 project execution was inefficient, producing 33% of the outputs on almost 70% of the Project's budget. Stage 2 was highly efficient in producing 67% of the outputs on 30% of the total project budget. Given a short timeframe for stage 2, several key products were not delivered until the end of the project limiting their usefulness.

5. Implementation and adaptive management: This was Paraguay's first GEF experience with a mixed Government/non-government implementation modality. The arrangement was ineffective for stage 1 which was terminated in favor of a restructured effort. Adaptations to the project and new execution arrangements were effective in enabling the realization of the Project's execution outcomes. Likewise, the Project's governance structure was ineffective in responding to the challenges faced until the decision to restructure. From that point forward, the Project's board and steering committee functioned strategically rather than on tasks for approvals. The new arrangement was effective in engaging upstream and downstream communication and response.

6. Cross-cutting areas: Attention was paid to the conformity of the project to environmental and social safeguards, gender mainstreaming and stakeholder engagement and in managing a free and prior informed consent (FPIC) process with indigenous communities and with multiple agency grievance mechanisms deployed. Although ongoing assessments and reporting were compliant with GEF policy and guidance, the levels of advocacy and accompaniment needed to promote new concepts were insufficient. As a result, the project was not able to make the necessary financial and time investments in messaging and trust-building. This led to a slower uptake and unintended opportunity costs, such as indigenous populations foregoing the use of non-timber resources from certified lands to which they may be entitled. This latter point was not vetted during implementation.

7. Sustainability: The ESR process is not yet financially sustainable due to structural issues related to the certification process. Work is needed to streamline procedures and add functionality to the efficient exchange between buyers and sellers. The current situation of unsold certificates is creating a lack of trust in the model. Institutionally, MADES and project partners are strengthened by the project and the policy framework is much better now than at project inception. Many problems referred to in this document were discovered because of the Project's experience of which several new GEF and GCF projects are taking advantage.

Summary of Recommendations:

Rec #	Recommendation	Entity Responsible
A.	Project Design	
A.1	The Theory of Change between producers and buyers of environmental services will not produce an effective result without a market mechanism. MADES is encouraged to further develop the market mechanism. Consider registered brokers, third-party transfers, and purchase of outstanding certificates.	MADES
A.2	A strong and continued advocacy, communications, and knowledge dissemination work is necessary. Consider these elements in the design of all projects with new concepts or technology.	MADES, INDI, WWF-PY, CI
B.	Effectiveness	
B.1	Develop the functionality of SIAM with regards to the reality of indigenous communities. SIAM could greatly inform buyers and sellers but more clear information is needed on the availability of certificates projected into the future	MADES
B.2.	The pricing structure should be updated or eliminated in favor of market negotiations	MADES

B.3.	Consider enabling a registry system for brokers to trade certificates as commodities with registration in SIAM	MADES
B.4.	Consider also contracted monitoring of properties to streamline the approval process .	MADES
B.5.	Consider an inter/institutional working group to harmonize regulatory criteria to facilitate the exchange of certificates consistent with landowners' abilities and inclusion of indigenous communities	MADES, Obras Publicas, INDI
C.	Efficiency	
C.1	Apply testing and back testing in the Design phase would enable a more realistic scenario for project architecture and a better estimate of output costs and time estimates thereby increasing efficiency	Non-actionable for future GEF projects
D	Implementation and Adaptive Management	
D.1	Implementing agency oversight should flag governance issues early and involve active relationship building to engage the board. Consider more regular board meetings as relationship building exercises and extraordinary board meetings to solve problems critical to the progress and success of the Project.	Non-actionable for future GEF projects
		for future GEF projects
E	Cross Cutting Areas	
E.1.	In pilot type projects, the risk and effects of failure or rejection of the proposals must be considered, and the environmental impact assessed	Nonactionable for future GEF projects
F.	SUSTAINABILTY	
F.1.	To enhance the financial sustainability, explore public and private avenues to purchase all outstanding certificates. The sale of outstanding certificates is critical to maintaining trust in the ESR.	MADES, CI, WWF
F.2	For future certificates, consider a more agile market mechanism, use of brokers, or third-party transfers through charitable donations or for resale. Work out the legal aspects of transferability.	MADES
F.3.	Work out the legal aspects of transferability.	MADES
F.2.	Address the gap between institutional needs for transparency in public calls for certificates and the ability of landowners or indigenous communities. Follow recommendation B.5. and/or enable third party transactions with capable firms.	MADES, INDI, OBRAS PUBLICAS
F.4.	Address the potential bottleneck in monitoring certificates by liberalizing the Monitoring framework to include private sector professionals. Establish an audit mechanism for their performance.	MADES
F.5.	Clarify the legality of additional trading of carbon values to determine who owns the right to sell the carbon	MADES

Table 4: Summary of Recommendations

Summary of Lessons Learned

1. An effective PPG phase should include testing of assumptions, especially where a new process or market mechanism is concerned. The design of the phase must include the costs of key survey instruments, such as willingness to Pay or KAP Surveys that will enable the proper effort and costing of outputs.

2. When a new concept or technology is considered, strong knowledge management, communications and advocacy components must be included. The costs of effective outreach must be included in that mix. The lesson learned is that complex concepts take a long time before comprehension occurs. Constant testing of messages is needed.

3. The indigenous communities valued accompaniment above all other factors. A local staff is an asset, and the project design must consider this factor and costs. With the private sector, the city council was willing and able to support the project. This was not fully explored and probably cost the project visibility and connectedness as well as co-financing.

4. The change in EAs is a complicated process. It was well managed by all parties with an open dialogue.

5. There is a wide difference of opinion about the legal aspects pertaining to certificates. Government representatives felt these were to be strictly controlled and non-transferrable while private sector legal counsel felt it these were fully transferable. Messages and perceptions must be tested throughout the project and if necessary second and third opinions sought.

2. TERMINAL EVALUATION PURPOSE, SCOPE, AND METHODOLOGY

The Terminal Evaluation process was defined in an Inception Report submitted to CI in response to comments from the IA and EA partners on 04 November 2022. The process is summarized in the following sections.

2.1. Purpose and Scope of the Terminal Evaluation

The Terminal Evaluation (TE) is an independent, technical and financial evaluation of the Project's performance against expectations. In adherence to GEF requirements, CI the GEF IA, contracted Asesoramiento Ambiental Estratégico (AAE), an independent consulting firm, to assess the Project's relevance, effectiveness, and efficiency, and to gauge achievement of the outcomes, impacts (actual and potential) and their sustainability per a contracted Terms-of-Reference (TOR, annex 6,1).[2]

The TE provides GEF Agencies and project partners with a comprehensive and systematic account of the Project's performance by assessing its design, implementation, progress towards objectives, attention to cross-cutting themes and the likelihood of long-term impacts.[3] The evaluation promotes accountability and transparency and facilitates synthesis of lessons. The feedback provided allows the GEF Independent Evaluation Office (IEO) to identify recurring issues across the GEF portfolio; and contribute to GEF IEO

[2] Global Environment Facility. June 2019. Policy on Monitoring, GEF/C.56/03/Rev.01 URL: https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.56.03.Rev_.01_Policy_on_Monitoring.pdf ; accessed 15 October 2022

[3] Effectiveness of gender mainstreaming, stakeholder engagement, scoping for environmental issues, etc.

databases for aggregation and analysis and informing future program and project design.

The objective of the evaluation is realized through the following TE Report that determines whether the Project achieved its objectives through the attainment of the expected outcomes and assesses the likelihood of realizing the long-term impacts. It draws lessons aimed to improve the sustainability of the Project's benefits. The TE is guided by the CI-GEF Agency evaluation criteria and guidance.[4] [5]

The scope of the TE is defined by temporal, geographic and programmatic aspects of the Project as specified in the TOR and as defined in the approved Evaluation Methodology presented in Annex 6.3.

The temporal dimension covers the Project from CEO endorsement in March 2016 to November 2022, the limit of the technical and financial information provided.

The geographical dimension of the evaluation is "national" with consultation focused on the localized activities within the Gran Chaco region and national-level policy and fiduciary aspects of interest to MADES. Map 1 (Annex 6.2) indicates the original geographic dimension of the project and the expanded dimension of the TE.

The thematic or programmatic dimension covers the following: (a) the Project´s foundation as described in its justification, strategy and design; (b) the Project´s progress towards expected results and impacts; (c) Project implementation and adaptive management; and (d) lessons learned, conclusions and recommendations. The TE assessed project performance against indicators established in both the project's original and modified Results Frameworks. The evaluation methodology, key questions and criteria were developed through a participative process and agreed during an inception meeting held on 02 November 2022 and presented in an Inception Workshop Report approved on 06 December 2022.[6]

2.2. Methodology

The GEF Evaluation Criteria are lenses through which the information gleaned from information collection and other activities was processed. These are: (i) relevance, (ii) effectiveness, (iii) efficiency; (iv) the ranking of overall Progress to Impact (v) Project Implementation and Adaptive Management; (vi) cross-cutting aspects: (vii) sustainability; and (viii) conclusions, recommendations and lessons learned. See Annex 6.4 for a full description of TE criteria and ratings scales. For each, key evaluation questions were developed and are presented in the TE Matrix (Annex 6.5).

The data collection and analysis methodology combined qualitative (interviews and focus group meetings) and quantitative methods (data collection, processing, analysis), which allowed evaluators to draw conclusions relative to the Project's achievement of the outputs and the relative strengths, weaknesses and opportunities. The methodology (see also Annex 6.3) is summarized as follows:

Desk Review of project and sector information from internal and external sources (Annex 6.6.). The information collected was analyzed for the quality and relevance of the information provided, gaps, coherence, and correlation between documents, etc. This was the primary source of information for gauging effectiveness in the completion of outputs and attainment of targets per indicators. Quarterly

[4] As specified in Annex 1 and Annex 2 of the Terms of Reference; and incorporating any new or modified guidance by GEF and/or CI. All published GEF guidance and policies apply.
[5] Conservation International. July 2020. Monitoring and Evaluation Policy for GEF-Funded Projects. Version 03. URL: https://www.conservation.org/docs/default-source/gef-documents/ci-gef-evaluation-policy.pdf?sfvrsn=722e3751_0 . Accessed 15 October 2022.
[6] Put link to Inception Workshop Report here.

financial reports were analyzed to inform the efficiency analysis. There were gaps in the information base presented that required effort during the triangulation phase.

Focus Group Discussions (FGDs) were utilized to reduce the number of interviews, to inform the Evaluation Mission, to indicate the need for follow-on interviews and to foment dialogue on future project actions and recommendations. An FGD was executed for each project component and for Project Implementation and Adaptive Management. Annex 6.7 provides a list of interviews.

Key Informant Interviews: A Semi-structured Interview Guide (Annex 6.9) facilitated consistency between interviews. The questions were derived from the TE Matrix (Annex 6.5) and applied according to the expertise of each interviewee. IA and EA managers and consultants were targeted as were selected individuals to triangulate information from the FGDs.

Triangulation: Information from the desk survey was triangulated through KIIs and FGDs. An online questionnaire was posted to provide context on findings and in response to a CI request to gauge satisfaction. Additional information was also requested and exchanged via email. Third party consultation of web resources were used to triangulate information related to best practices.

An invitation to respond to an online survey with structured questions common to all groups was sent to project stakeholders and beneficiaries to gauge overall satisfaction and qualify results obtained through interviews. The invitation was sent via email and WhatsApp and promoted during interviews and FGDs. Results from the Survey are included in Annex 6.11

Presentation of Findings: A feedback loop was established between AAE, CI and the respective EAs to validate the preliminary findings. A webinar implemented on 02 December 2022 shared the preliminary results and the opportunity to exchange feedback.

A draft TE Report was submitted on 12 December 2022. A final report was submitted on 16 January 2023 in response to comments and was approved on 16 January 2023.

The results per key evaluation criteria were scored using a "traffic light system," a color code ranging from Red (Not Achieved) to Green (Achieved) using the stated MTE targets and End-of-Project (EOP) targets as benchmarks. The ranking is complemented by a numerical rating associated with GEF evaluation categories ranging from "Highly Unsatisfactory" (HU) to "Highly Satisfactory" (HS). The ranking system and scales are described in Annex 6.4.

The following evaluation categories received rankings:

- Relevance/Coherence of the Project Strategy focused on the strategic formulation and design of the project, its coherence with the situational analysis and the problems raised; the degree of participation of the beneficiary population in the construction of the project, considering its link with the priority areas of the GEF, IAs and international priorities.
- Effectiveness: An analysis of progress towards achieving results at the Outcome-level as defined in the indicators within GEF-approved project Results Framework. A second layer of analysis was tested progress against the stated outputs thereby testing the quality of the indicators. Inconsistencies between the two activities enabled evaluators to identify problems with design, the indicators or problems in execution.
- Efficiency is the agility of the Project Implementation and Adaptive Management processes in executing the programmed activities within the times frames and budget established. Evaluators analyzed the administrative/financial actions, the application of the work planning approach and adaptations based on monitoring of results.

- Sustainability was analyzed from four perspectives: financial risks, socio-economic feasibility, institutional and governance risks, and environmental risks. Evaluators examined the cross-cutting tools provided to enhance Sustainability including safeguards e.g., Stakeholder Engagement, Gender Action Planning and the presence of a functional Grievance Mechanism of the project.

Selected categories, such as Project Implementation, received multiple rankings for sub-categories. Based-on the TE results, the Report provides Conclusions, Recommendations and Lessons Learned.

Limitations to the Evaluation Methodology

The evaluation was executed as planned and without technical difficulties in executing the work plan. However, the dichotomy between the stages of the modified Results Framework significantly challenged Evaluators in assigning a ranking for the Project's total experience. Hence, in the following report, evaluators often present two rankings for given category of Project development with an overall assessment for the project.

3. PROJECT CONTEXT AND DESCRIPTION

3.1 The Development Context

The project addressed deforestation in Paraguay's Gran Chaco Ecoregion where the average rate of forest cover loss exceeds 286,000 ha/year among the greatest forest conversion rates globally. This represents a deforestation rate of 1,508 hectares (3,726 acres) per day in June. The loss of Chaco Forest, which covers parts of Argentina, Bolivia, and Paraguay, was proceeding at a rate of 63 hectares per hour, or 1.05 hectares per minute.[7] This implies an annual loss of 65 million tons of carbon due to deforestation in the Gran Chaco (since 2004) where deforestation in the Dry Chaco Forest complex resulted in the emission of 158 million tCO2e (2011-2013).

Paraguay's dry forests are habitat for global biodiversity and provide well documented regulating and sustaining ecosystem services as well as vital provisioning services for indigenous communities.

Under Forest Law 422-73, a change in land-use on private property is not considered as "deforestation." Landowners may legally utilize up to 75% of their lands and the remaining 25% must remain forested. When lands change hands, that area could be reduced by a new landowner. Land conversion is not coordinated across the landscape. The remaining areas therefore do not resemble contiguous forest ecosystems, resulting in a disconnected patchwork of agriculture, grazing and dry forest. If the total cover-change exceeds the 25% limit or if cover is removed without a reserve, such as in a power line clear-cut, landowners are required to purchase offsets from conservation farmers that have certified forest lands above their 25% quota, or they must reforest lands to the 25% target. This innovative process was challenged by a lack of clarity, inconsistent and incompatible regulations, uneven application among stakeholders, and low levels of compliance and enforcement.

[7]Guyra, 2019 citing URL: https://www.worldlandtrust.org/ accessed 15 October 2022

The economy is the primary driver of forest conversion. The increase in global food demand and favorable soy and beef prices have contributed to the expansion of the agricultural frontier in Western Paraguay. This scenario is complicated by a low rate of prosecutions and sentencing for cover change exceeding the 25% quota. The suite of barriers is underscored by policy, technical and capacity gaps identified during the Project Design phase.

3.2 Project Strategy

The project sought to address the barriers to effective conservation of forest ecosystems by creating the enabling environment for incentives supporting sustainable land and landscape management. The initiative supported a Payment for Environmental Services (PES) concept as a policy for climate change mitigation aimed to counteract the conversion of forest cover to other productive land-uses. The project is relevant for the Government of Paraguay because it strengthens its capacities to implement the Law N° 3,001-06 which created an Environmental Services Regime (ESR) for deforestation reduction and forest conservation, creating incentives for landowners to conserve surpluses of native forest exclusive of the 25% required by Law N° 422-73 through a certification with approval by the Ministry of Environment and Sustainable Development (MADES). This process is distinct from Reduction of Emissions Certificates and includes a more comprehensive set of natural resource values for the multiple environmental services provided. Certificates are court-ordered or voluntarily negotiated on a per-hectare basis and registered through MADES' Environmental Information Service (SIAM).

The Project's Theory of Change (TOC) revolves around 3 assumptions:

- If an ESR mechanism is established for carbon, and
- If institutions are strengthened (equipped and trained) and if an analytical capacity for monitoring is established,
- then GHG emissions from deforestation will be reduced in the Chaco Seco.

The Project Goal: Prevent Greenhouse Gases (GHG) emissions in line with the GEF-5 Climate Change Mitigation Strategy.

The Project Objective: To establish a fully operational ESR that will result in the reduction of at least 5.75 million metric tons of carbon dioxide equivalent (tCO2e) of greenhouse gas (GHG) emissions within the project area in four (4) years of implementation.

The Project's strategy is to establish and ensure that the ESR mechanism works and operates properly, that carbon quantification and their respective monitoring can be conducted while the institutions are strengthened around the mechanism by specific training.

3.3 Project Framework

As explained below in Section 4.4 Adaptive Management, the project framework was re-dimensioned a year following the MTR. A side-by-side comparison between the two Results Frameworks, referred to herein stage 1 vs stage 2, is presented in Annex 6.12. For reference, the current operational Results Framework is presented in Annex 6.13. The current framework builds upon results obtained up to FY2020. The expected results are illustrated as follows:

Component	Outcomes/Outputs
1. Strengthened policies and decision-making procedures and associated institutional structures and mechanisms, mainstreaming sustainable land and forest management, low carbon development, and ecosystem accounting into the government's budget and actions	1.1. The existing ESR of Paraguay has met all enabling conditions needed to fully operate in the "Natural Forests" category 1.1.1. An ESR assessment report identifying the enabling conditions needed to fully operate the Natural Forests Modality 1.1.2. A ministerial resolution submitted for MADES approval to update requirements for the incorporation of indigenous peoples' territories into the ESR. 1.2. 20,940 ha. Certified under the ESR 1.2.1. Analysis of areas owned by private sector by private and indigenous communities that are eligible for certification completed and presented to MADES. 1.2.2. 3 eligible private sector casefiles and 2 indigenous casefiles for certification (including FPIC documentation and field verification) are prepared and submitted to MADES. 1.2.3. One best production Manual to reduce emissions and enhance carbon stocks updated and published.
2. Strengthened capacities to carry out the technical assessments and monitoring procedures to certify forest lands for carbon sequestration.	2.1. Identification of priority areas relevant for certification in the ESR 2.1.1. Priority areas to meet ESR certification requirements identified and assessed including private landowners and indigenous territories. 2.2. Monitoring scheme for natural forests modality in ESR updated and operational 2.2.1. Proposal to update ministerial resolution 756-16 for the monitoring process updated and presented to MADES. 2.2.2. 12 MADES staff trained in monitoring processes.
3. Strengthened institutional and individual capacities to support the PES scheme	3.1. Capacity of institutional stakeholders to participate in the ESR strengthened. 3.1.1. Report on analysis of training needs. 3.1.2. 100 key persons from government institutions and key stakeholders trained. 3.1.3. 100% of required equipment purchased to operationalize the ESR.

3.4. Project Geography

The project´s sites for intervention were selected based-on scientific criteria[8] and stakeholder consultation during the Project Preparation Grant (PPG) phase. The PIR 2019 reports that a technical

[8] Appendix 9, Project Document: *To define the project area, Landsat 8 satellite images and AVHRR−TreeCover products were used. All data were managed in the UTM Zone 21 South, Datum WGS1984 coordinate system. Images with displacements were corrected using reference Landsat 5 TM and 7 ETM+ images from the USGS, which have L1T level corrections (ground−level corrections). The L1T data provide systematic radiometric and geometric precision through the incorporation of ground control points, while using a digital elevation model*

justification to expand the project area to cover most of the Chaco region was presented by the EA and approved by CI GEF. See Project Map Annex 6.2.

3.5 Implementation Arrangements and Governance

The GEF IA is Conservation International through their GEF Project Agency (CI-GEF) who supports project implementation by maintaining oversight of Project's technical and financial management aspects and ensures that the project´s execution is compliant with GEF policies and guidelines. CI-GEF monitors (i) the project's execution of activities; (ii) achievement of results; (iii) proper use of GEF funds; and (iv) reviews and approves procurement plans, budgets and workplans. The IA also ensures execution of the project´s monitoring and evaluation plan by approving quarterly technical and financial reports and the annual Project Implementation Reports (PIRs) prior to GEF submission. Finally, CI-GEF recommends actions to optimize project performance, and is an arbitrator to resolve any conflicts between executing partners as warranted.

Project execution is through a shared Government/Non-Government execution modality. The Ministry of Environment's Director for Environmental Services is the National Project Director whose staff provides government-level support and coordination and guides for the Government the direction of the project. The fiduciary execution is through a national Foundation, currently WWF Paraguay, who manages the work planning, budget, implementation, and reporting functions. In that sense, WWF-PY functions as a Project Management Unit. This arrangement has evolved throughout the project lifecycle and is discussed further in the Findings Section of this report.

Upstream and downstream communications and decision-making are situated within the following three-tiered coordination structure.

1. The **Project Board** has oversight responsibility for project management and the strategic direction to achieve or maintain the parties' commitments. The Board reviews progress reports, approves programmatic modifications in accordance with the CI and GEF procedures and provides programmatic recommendations. It is a high-level body meeting once per year. It is comprised of the Minister of the Environment (The GEF Political Focal Point), the Director of DSA, an IA representative, and the Director of WWF-PY.
2. The **Project Steering Committee** is a subsidiary coordination mechanism created by delegated authority of the Board members to supervise the implementation and adaptive management of the project. The Committee meets regularly and is chaired by the MADES' GEF Technical Focal Point. The Committee provides direction and operational policies and seeks synergies with other environmental projects funded by the GEF and led by MADES. Early in the project, a variety of actors were invited to participate in a yearly steering committee meeting.
3. **The Technical Working Group / Advisory Committee** was proposed as a group of academic representatives to support technical aspects that was considered in the design phase but was never constituted.

The Project was launched on 15 May 2016, with a GEF investment of $ 2,201,614 U.S. and estimated co-financing of $ 2,117,460 U.S. for a total project value of $4,319,074 U.S.

(DEM) for topographic precision. These tools were all important for determining the project area as, after consultation with experts, it was considered important to take into consideration the tree–top– carbon ratio, available through Tree Cover. Socio–economic aspects were also considered, to take into account other types of land tenure and to evaluate possible carbon – deforestation relationships.

In the period following the Mid-term Review (MTR), the project faced significant delays because of COVID, changes in political administration, and slow delivery of outputs, amongst other factors described herein. In response, Conservation International (CI), the Implementing Agency (IA) and MADES, reformulated the Project's Results Framework (RF) with new targets, re-programmed the remaining project funds, changed the Executing Agency (EA), and obtained GEF approval for a 9-month no-cost extension to allow the new EA, World Wildlife Fund – Paraguay (WWF-PY), to deliver the Project's outputs. The project concluded programmatic activities in November 2022. The administrative closing is scheduled for March 2023.

4. FINDINGS

4.1 Relevance of Project to GEF and National Priorities

Project justification was evaluated by determining the completeness of the argument, a clearly established and articulated problem, and relevance/ conformity to the suite of national and local policies and programs, consistency with agency agendas, and conformity with the GEF focal area.

Evaluators conclude that the project responds to clearly articulated problems that remain priorities for the Paraguayan government and partners. The project is aligned with national priorities and supports the operational capacity of MADES and other partners to execute national policies as defined by legislation and regulatory instruments. The Project remained an important element within a suite of GEF-funded initiatives to reduce the effects of commodity driven deforestation. The project remains aligned with GEF-5 Climate Change Strategy indicators supporting 116,993 ha. under improved management and 159,482 tCO2eq. of GHGs avoided and sequestered over a 20-year period. Therefore, the relevance of the Project's Design is considered Highly Satisfactory (HS) based-on the following justification:

1. The Project is aligned with national priorities and policies.

At endorsement, CI-GEF presented an extensive list of national plans and priorities justifying the Project. These were confirmed at MTR. The strengthening of MADES' capacity for monitoring and evaluation (Outcomes 2.1 and 2.2) supports the DSA operational capacity for Law No. 3001/2006 on the Valuation and Remuneration of Environmental Services with structure and tools and supports the function of an established a market for owners with environmental liabilities obliged by Law to reforest or to buy Certificates of Environmental Services. The project supported MADES in approval of the Ministerial Resolution No. 193/2020 that incorporates indigenous people's territories in to the ERS, Resolution No. 176/2021 exemption from payment of fee, and the Resolution No. 220/2022 Exoneration Condition of Domain contribute to strengthen the process of the Environmental Services Regime by Law No. 3001/2006 of Valuation and Remuneration of Environmental Services.

These policies are central to the Updated National Determined Contributions for Paraguay's Mitigation UT.4. actions on Certification of Forests and dynamization of the market by increasing 72,313 ha. (60%) the amount of forest certified.in western Paraguay including potential beneficiaries (indigenous populations and Campesinos).[9] The Project also supports the National Strategy on Forests for Sustainable Growth, measure 3 by contributing to the following:[10]

[9] DNCC/MADES (2021). Actualización de la NDC de la República del Paraguay al 2030. Asunción, Paraguay. 128 p.
[10] MADES, 2019. Estrategia Nacional De Bosques Para el Crecimiento Sostenible. Tabla 2, Medida 3; p. 12.

- Identify potential areas for the certification of environmental services.
- Support to indigenous communities in the process for certifying environmental services.
- Prioritize payment for environmental services in indigenous communities.
- Regulate the different modalities of Law 3001/06.
- Develop regulations that permit forest management in certified for environmental services.

Finally, the project supports the Indigenous Climate Action and Risk Reduction Plan's strategic line 5.1.2. promoting synergies between adaption and mitigation in the departments of the western Chaco by creating PES generated income that can fund needed investments such as wells, water pumps, implements, training, etc. to foster resilience.

The Project is also aligned and supports other GEF Funded actions by MADES to address forest cover loss driven by commodities:

- "Reducing Deforestation from Commodity Production" child project under the UNDP-GEF 6 Integrated Approach Pilot (IAP) program "Taking Deforestation out of Commodity Supply Chains". GEF Project ID 9180.[11] The "Production" Project piloted a suite of Best Practices for the Private Sector Beef production practices demonstrating the returns on the investments and positive impacts on the environment. This aspect was de-emphasized by the PROMESA Project, thus eliminating overlap. The Production Project defined High Conservation Value (HCV) and High Carbon Value Forests (HCVF). The maps produced provide MADES with a valuable tool and opportunity to combine the results of both projects in developing a coordinated system for prioritizing lands within HCV and HCVF areas for certification, enabling a landscape approach. The Project also supported PROMESA in developing trust with the same stakeholders within the same geographic areas and through complimentary actions in developing market mechanisms that favor sustainable production modalities and a regional Chaco roundtable for sustainable production.
- Green Production Landscapes: "Green BAAPA" GEF ID 4860.[12] The Green BAAPA project was the first to develop GIS capacities and analyze the effects of the soy and beef interaction on land-use change that affected the Western Chaco region. The staff trained were integrated into the the "Production" Project. It was Paraguay's first experience in addressing the land-use cover change dynamics leading to the justification for the PROMESA project.

With PROMESA, these actions have facilitated other active initiatives with MADES working to complete remaining gaps. These are:

- Proyecto Pagos Basados en Resultados de REDD+ de Paraguay.[13] The REDD mechanisms and experience in the trade of CO_2 and analytical mechanisms are important to MADES in following-up on the recommendations in this report.

[11] The Global Environment Facility. URL: https://www.thegef.org/projects-operations/projects/9180
[12] _____. URL: https://www.thegef.org/projects-operations/projects/4860
[13] _____. URL: https://www.unep.org/es/events/online-event/lanzamiento-redd-pagos-basados-en-resultados-en-paraguay

- Proyecto Paraguay + Verde.[14] This GCF initiative is addressing the gaps that are hindering the trade of certificates as defined in this report.
- Proyecto Paraguay FOLUR will be incorporating the lessons learned from the PROMESA and Production and Green BAAPA projects in follow-on activities addressing beef and soy-related land-use change.[15]

The mentioned actions confirm the priorities for Paraguay's approach to commodity-driven Land Use Cover Change, illuminated by the PROMESA experience. All the listed projects respond to the problems articulated in the PROMESA GEF preapproval documents and confirmed through KIIs to be persistent and priority problems. These initiatives are further discussed within the context of Sustainability in Section 5.

2. The project support to GEF-5 Focal Area CCM-5 objectives and indicators is confirmed.[16]

The Project's design remained throughout its evolution aligned with the GEF 5 Objective to *Promote conservation and enhancement of carbon stocks through sustainable management of land use, land-use change, and forestry*. The certificate program and inclusion of indigenous lands contributes to good management practices in Land Use, Land Use Change and Forestry (LULUCF) adopted both within the forest land and in the wider landscape. As such, Paraguay should be considered in the tally of the number of countries adopting good management practices in LULUCF. The Progress Towards Impacts reported below indicates 116,993 hectares under improved management with an estimated 159,482 tCO2 eq. of GHG emissions avoided and carbon sequestered.

3. Alignment with IA and EA agendas and priorities is confirmed

KIIs from IAs and EAs all indicated that the project was fully aligned with their climate change and biodiversity agendas and the project strengthened their abilities by creating important first experiences in working within a government/non-government partnership, was the first experience in working with each other, and the first direct experience in tackling the barriers and inner workings of the certification process as it moved from theory to practice.

4 In an online survey, evaluators confirmed this conclusion with 81% agreeing that the project was fully aligned with national priorities and 19% somewhat agreed.

4.2 Project Strategy: Theory of Change & Project Design

4.2.1. Theory of Change

The project strategy was tested by comparing the Progress Towards Results, presented in the next section, and through KIIs to determine if the low performance reported at the MTR stage was a performance or a design issue. Evaluators studied the results through reports and triangulated the results through KIIs both project-related and seeking second opinions from outside experts.

Whereas the MTR concluded that the overall strategy was sound but lacked components to catalyze the effective operation of the ESR, the TE finds that

the Theory of Change was based on a well-defined and documented problem and root causes. The TOC

[14] _____. URL: https://www.undp.org/es/paraguay/noticias/inicia-proyecto-paraguay-verde-de-lucha-contra-el-cambio-climatico
[15] _____. URL: https://www.thegef.org/projects-operations/projects/10464
[16] Global Environment Facility, September 2014, The GEF 5 Climate Change Strategy, pp. 26-36. URL https://www.thegef.org/sites/default/files/documents/GEF-5_FOCAL_AREA_STRATEGIES.pdf

was questioned during the MTR for not including a market mechanism to bring the process full circle. Evaluators concurs with that assessment and find that the TOC was developed without taking into consideration several barriers that were unidentified and subsequently not thoroughly assessed. The barriers listed in the PRODOC are:

- Low use of technology, limited management capacity, low education levels, no access to credits, limited organization, and/or limited participation in existing initiatives.
- Limited technical and financial capacity to implement Sustainable Forest Management and Sustainable Land Management.
- Limited incentives for farmers to protect or conserve forests.
- Land tenure issues remain unresolved.
- Lack of awareness of activities negative impact to climate change
- Large distances and lack of road infrastructure limit access to technical assistance and technology transfer

In essence, these are policy, technical and financial gaps. The TOC correctly addresses these, but as indicated in the MTR, does not address the willingness and ability of buyers and sellers to enter a voluntary and negotiated exchange, an important element upon which the ESR-based TOC rests. The element of willingness brings into the formula the elements of price and opportunity. Taking these elements into account, the TOC should resemble the following:

- If landowners are provided with competitive incentives, then they will conserve land.
- If the government's capacity to identify and process infractions is increased, then sentencing of infractions will increase and the demand for offsets will also increase.
- If there is a mechanism for exchange at a competitive price, then exchanges or offsets will occur, and negative forest cover change would be reduced.

Or, more plainly stated:

- If landowners can make money from incentives, they will be willing to conserve forests.
- If landowners that do not conserve forests are obligated to do so, they will buy certificates.
- If sellers and buyers are willing and able to trade, then deforestation will be averted.

This TOC recognizes that the market is an equally important part of a triad in addition to the characteristics relating to the situation of the buyers and sellers of Certificates. Within that context, several additional barriers surfaced that explain very low levels of sale of certificates (presented in the next section). These are:

- Distrust in government and underestimation of the effort, time, cost needed to gain trust of both buyers and sellers.
- Underestimation of the effort, time and cost of presenting new concepts and assimilating messages relating to the PES and Certificate concepts
- Contradictions in regulations that create barriers to the willing exchange between buyers and sellers of PES options.

The Project's goal and objective rely squarely on the certification of lands on the seller's side and on the purchase of certificates on the buyer's side to reach the targeted number of hectares and tons of CO_2

equivalent avoided. By disregarding the market element, the results of the project were limited and have created an undesirable situation of landowners covering the transaction costs of certification without enough demand leading to the risk of buyers uncompensated for creating a positive externality and ultimately threaten the sustainability of this and other PES schemes (See also Sustainability).

Evaluators feel that as a pilot initiative and given the information available at the design stage it would have been possible to survey beneficiaries, assess willingness to pay/trade, and test the proposed Certification process through a simulation exercise, or back test, that might have uncovered many regulatory inconsistencies that are now barriers. This was a flaw in the design process. Secondly, as recommended by the MTR, the market element should have been solidified during the restructuring process in an updated TOC. Thirdly, although not originally explicit in the TOC, the original Results Framework included outputs to address the market situation within Component 3 that could have improved the situation. These were unfortunately eliminated in restructuring. The Paraguay + Verde is now working on the market elements.

4.2.2. Project Structure and Design

To analyze the Project's Design, evaluators began with an analysis of the Project's underlying assumptions taking into consideration the spectrum of adjustments required of the TOC. The key assumptions are:

1. Parties are willing to cooperate with Government in sale and purchase of certificates is **not validated** with the information provided. The difference between the demand and surplus indicates a structural problem.
2. Preference for other programs or offers affects the willingness to pay for certificates **is validated** for the private sector. Private growers have expressed interest in paying higher transaction costs to gain higher rents for carbon trading rather than selling or buying certificates. This does not nullify the market for certificates but will limit the interest by the Private sector if nominal prices are not adjusted to meet market conditions.
3. The reward and-or willingness to sell or pay will be sufficient to stimulate conservation is **not validated** to this point. Indigenous communities are interested in the model contingent on the sale of their existing certificates.
4. Linkage between training of magistrates and increased sentencing **is validated**.
5. Willingness to conserve in exchange for incentives **is validated**, but not necessarily in exchange for certificates.

With the assumptions in mind, evaluators determined that the Project Design has most of the elements needed to address the TOC as it was originally presented but not enough to achieve the Project's goal and objective. That would require an additional outcome and outputs oriented to streamlining obstacles to an effective market. This is the underlying reason for the low proportion of certificates sold. The technical elements contributing to these problems are further developed below in the Progress Towards Results section.

It is important to remember that PROMESA is a pilot initiative promoting obligated offsets in a nation with a very strong cultural tradition of private sector individualism, distrust of government and combined with the need for a very different type of approach to develop the program within indigenous communities. The Project was successful in establishing a complete ESR System. The entire cycle from identifying lands, monitoring conditions, certifying forests, and selling certificates was achieved. In doing so, the Project has exposed the problems and bottlenecks remaining for other projects currently online.

All KIIs indicated that the Project was too ambitious. Evaluators agree simplifying the re-engineered project was a good adaptation and as a result, the project was successful in moving the process as far forward as could be expected.

Given the assumptions and the stakeholders' complexities, a Pilot project of this nature should have had a heavier communications footprint with a strong advocacy component. The EAs did traditional communications in the form of videos, publications etc. which does not respond to the long and sometimes costly process of establishing trust and promoting unfamiliar messages in very traditional communities. This aspect of the project was not well dimensioned during the design of the project. A dedicated communications and advocacy strategy was underestimated and underfunded.

Annex 6.6 presents a side-by-side comparison of the Results Framework for before and after the MTR. The MTR provides a critical analysis of the outcomes, indicators, and targets.[17] In addition to those points mentioned, evaluators have the following general technical observations.

1. The project design contributes to the project objectives through 3 components and 5 outcomes, which is a manageable number. The principal objective and the first component are exactly the same. It might have been better to focus the project on 3 distinct components dealing with Policy, Capacity, and a Fiduciary or a Market Mechanism. This would have better focused the distinct strategies, stakeholders, and outputs.

2. The Outcomes in Components 2 and 3 are often written as outputs and not as Results. For example, Outcome 3.1. states "Capacity of institutional stakeholders to participate in the Environmental Services Regime strengthened. From the outputs and indicators, evaluators could sense where the Project was heading but did not explicitly understand the expected result. What does "involved in ESR mean?" We know that 100 persons were trained. From KIIs we know that these were Magistrates and Prosecutors, and from records we know that the number of sentences ordering the purchase of certificates has increased as a result of training. Why not state that the outcome is to increase the purchase of certificates (or hectares) set aside as a result of prosecution or other scenarios such as state-owned offsets, charitable purchases, etc.?

3. Because of the weakness in the design of outcomes, the indicators and targets are also misaligned and do not tell the story of the project. An indicator/target of "100 persons trained" is an output or even an activity and does not indicate the expected result of training. What are the trainees supposed to do with this information? Using the previous example, we learned that they are Magistrates and Prosecutors, and they need to learn the nuances of the law and how to apply it. Training by the Supreme Court of Paraguay did exactly that and the number of sentences indicating a mandatory purchase of certificates increased. A better indicator could have been, "the number of prosecutions leading to sentences by persons trained after 1 year following training etc." That type of indicator would focus on measuring an expected result.

4. There are no process indicators. All indicators are structure indicators based on, for example, a number of reports, trainees, etc. There were no indicators of satisfaction or qualitative criteria, which is important to better understand the results of the project and an innovative initiative. As we report below, the stakeholders are generally satisfied with the results of the project, however, one would not know this from the established indicators.

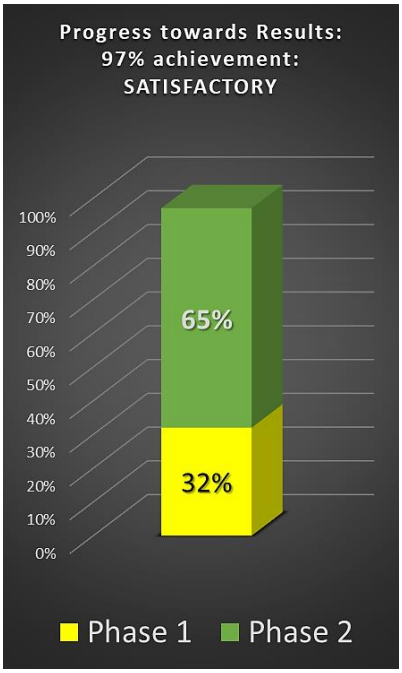
Based-on these findings, evaluators value the fact that an operational ESR system was obtained and that

[17] Conservation International, 2018. Mid-term Review. Innovative Use of a Voluntary Payment for Environmental Services Incentive Program to Avoid and Reduce Greenhouse Gas Emissions and Strengthen Carbon Stocks in the Highly Threatened Dry Chaco Forest Complex in Western Paraguay. GEF 5668. P38.

the reformulated project was successful in enabling the system to go through a full cycle (promotion, certification and sale) and provide important lessons learned for other projects currently online to complete. The system is operational. For that reason and taking the described weaknesses into account, the Project Strategy and Design is **Moderately Satisfactory (MS)**.

4.3 Effectiveness: Progress towards Results

This section examines the effectiveness, efficiency and relevance of the Project´s results in producing the expected outcomes. The justification for the conclusions presented is further developed in the subsequent sections by component. A detailed analysis is provided for each component in Annex 6.14, Annex 6.15, and Annex 6.16. Evaluators analyzed the performance of the Project's implementation from inception in 2016 to QR1FY23 (September 2022). The following results show the execution of outputs between Stage 1 executed by Guyra Paraguay from FY17 to FY20 and Stage 2 executed by WWF-PY from FY21 to FY23.



- Stage 1: after 3 years the project achieved 32% of expected results.
- The results framework was modified, outputs eliminated and modified and EOP targets adjusted.
- Stage 2 achievement represents 65% for the overall project performance from Inception (2016) to TE.
- 97% of expected results for Stage 2 were achieved.

The Project's expected objective and outcomes were achieved.

Fig. 3 Progress towards Results based on Outputs realized

The analysis presented demonstrates an achievement of 97% of intended Outputs and of 100% of targets for the established indicators.

Project Execution by Component	Rating
Component 1:	S
Component 2:	HS
Component 3:	HS

Table No. 5 Overall Rating of Effectiveness in Delivery by Component

Through Component 1, the project established the enabling conditions to support both private owners and indigenous communities to certify their forests. However, due to an inefficient market mechanism, significant challenges remain for both private sector and indigenous communities in receiving returns on their certified land. The Project did however meet its established target through a late but accelerated process.

For Component 2, the Project was successful in solidifying MADES' capacity for the monitoring

mechanisms supporting certification of areas under the National Forest modality through the approval of key regulations and through the provision of equipment and training.

Component 3 strengthened the capacities of both MADES and the Supreme Court System at the institutional and individual levels to support the PES regime, in particular the identification and successful prosecution of infractions to the Forest Law.

Based on the results and despite challenges, the ERS is operational and the objective was achieved. However, taking into consideration that the project was significantly modified and given the remaining unanswered challenges to the successful transfer of certificates, the evaluation team gives an overall rating result of "**Satisfactory**" (S).

Based on the established Outcome Indicators, the project met its re-engineered targets for all three components. Stage 2 performance was theoretically "**Highly Satisfactory**" in attaining the established indicators and targets as illustrated in the following Table. Because the targets were re-aligned and as discussed previously in the Project Design section, do not tell the full story of the project, the overall rating for Progress to Results was adjusted downward to better reflect the total experience of the project across both stages. The following table illustrates the combined Progress for both stages. Stage 1 outcomes are presented with a grey background and illustrate their level of achievement prior to the Project's restructuring.

OUTCOMES TARGETS/INDICATORS	END OF PROJECT INDICATOR TARGET	Unit	Achieved at TE	%	PROGRESS RATING[4]
Outcome indicator 1.1: Indicator 1.1: Number of ESR modalities fully operational to oversee the certification of forests lands under Law 3001/06	Target 1.1: 1 category - Natural Forests modality - fully operational	# Operational ESR	1	100%	HS
Outcome indicator 1.1: A PES Incentive Scheme for Carbon is established and fully operational.	A PES Incentive Scheme for Carbon is established and fully operational	One PES Incentive Scheme for Carbon	0	0%	HU
Outcome indicator 1.2.: Indicator 1.2: Number of hectares certified under ESR	40,000 ha	# ha	116,993	>100%	HS
Outcome indicator 1.2: Amount of verified metric tons of CO2e emissions avoided or reduced from deforestation or forest degradation or through enhanced carbon stocks	At least 5.25 million tCO2e avoided or reduced	tCO2e	82,67 tons of CO2e (2.923 hectares)	0%	U

Outcome indicator 1.3: Implementation of government policies and plans directly contribute to sustainable landscape management best practices that result in avoided deforestation and enhancement of carbon stocks	Policies and plans targeted to avoided deforestation and enhancement of carbon stocks are under implementation	# Policies	Outcome has been deleted as the ESR already exists. Adjustments needed in the ESR are included as outputs.	100%	HS
Outcome indicator 2.1: Indicator 2.2: Number of areas identified for ESR certification.	Target 2.1: At least 20 properties identified and analyzed	# Properties	29	>100%	HS
Outcome indicator 2.1: Number of priority areas identified and the value of their respective carbon stock assessed	At least 30 priority areas for certification under the project are identified and the value of their respective carbon stock assessed	#30 priority areas	0	0%	HU
Outcome indicator 2.2.: Indicator 1.2: Number of ministerial resolutions for monitoring natural forests modality	Target 2.2.: One ministerial resolution proposal	# Resolution proposed	1	100%	HS
Outcome indicator 2.2: Number of priority areas identified and the value of their respective carbon	A monitoring scheme is implemented in all landholdings enrolled in the PES incentive program	# Monitoring schemes	0	0%	HU
Outcome indicator 3.1: Indicator 3.1.: Number of institutional stakeholders strengthen their capacities in ESR	100 people from different MADES directions and institutions involved in the ESR	# People	367	>100%	HS
Outcome indicator 3.1 High percentage of target stakeholder representatives reflects an average increase of at least 15% in knowledge on various aspects of PES Incentive scheme	At least 15% increase in the knowledge of target stakeholder representatives on various aspects of PES Incentive Scheme	%	program was not designed	0%	HU

Outcome indicator 3.2: National Online Platform is operating cost−effectively and efficiently	National PES Online Platform fully functional	# Platforms	This outcome is no longer needed. The platform is underdeveloped by another project. Deleted from the updated results framework.	0%	HU

Table No. 6 Progress Rating by Outcomes

The following sections the justification for the ranking and summarize the findings.

4.3.1. Results of Component 1:

Component 1 originally sought to create an operational PES scheme for carbon and laid the groundwork on identifying areas, feasibility studies, and establishing MOUs and promotion of the PES concept based on CO_2 across all areas listed in the Environmental Services Law (Natural Forests, Grasslands, and Scenic Beauty). In Stage 1, significant effort was dedicated to evaluating and ranking the CO_2 sequestration potential of these areas to identify those with the highest potential for offsetting within the ESR. Unfortunately, in Stage 2, the Project de-emphasized the CO_2 aspects in favor of a more basic modality focused on fomenting transactions between landowners conserving above their 25% limit and those who either removed beyond the legal limit or businesses or projects that lack qualified forest reserves. The project was marginally effective in certifying lands, especially in gaining participation of indigenous lands with large tracts of forest. The project demonstrated progress in increasing the demand for certificates but fell short of procuring sufficient buyers to effectively "seal the deal."

According to CI, over half of the applications for certification were deemed ineligible by MADES indicating that not all requirements were met before submitting the casefiles. In fact, of the 73,000 hectares submitted for certification in FY18, only 38,000 ha were under review. The remainder were deemed ineligible due to land tenure issues. The issues faced are complex and were determined to be outside of the scope of this project. In that regard, the Project missed an opportunity for an inter-ministerial dialogue on how to address a critical and relevant barrier affecting the supply of certificates and, hence, the operational effectiveness of the ESR model. Understandably, during this period, no new areas entered the certification pipeline. CI reported the following challenges:

1. Landowners did not have the documents required to certify their land.
2. A lack of interest for certification given no guaranteed buyers or demand for certificates.
3. A lack of trust in the process, landowners want to see project results before participating in the ESR themselves.

The mentioned factors should have been discovered during the Project Formulation Stage and through effective stakeholder engagement. Attempts were made by the EA to shed light on these issues with no tangible response from MADES during a period of administrative changes and frequent personnel changes within the EA itself. The project was re-purposed to reduce its scope and focus specifically on the ESR´s Natural Forest category and inclusion of indigenous lands which are both abundant and presided by communities with great economic needs. Actions in Components 2 and 3 were also targeted to streamline

the process and increase the success of prosecution of infractions to the Forest Law, thereby increasing the number of certificates needed. To execute the changes, a new MADES administration and CI changed the EA to WWF-PY.

Outcome 1.1. is a restatement of the component which is also a restatement of the Project's objective, "*a fully operational ESR Modality*." Following restructuring, this was reduced to focus on the Natural Forests category which was effective in helping the Project focus on obtaining at least one operational modality by EOP. Stage 1 was not entirely abandoned. Eight of 12 outputs were fully realized, and the others were eliminated as illustrated in the comparative analysis of Component 1 stages (Annex 6.14) The five output indicators updated for Stage 2 were successfully realized (96%) despite setbacks by COVID-19 and lag time following EA changes. Also, the ESR process was catalyzed by three Ministerial resolutions that enabled participation of indigenous communities to the ESR, established an exemption of payment of fees, and exonerated the "Condition of Domain." All of which expanded the offer of certificates and addressed some of the mentioned gaps.[18] [19] [20]

Outcome 1.2. During Phase 1, efforts were made to identify new beneficiaries and in developing a technical justification to expand the project area to cover most of the Chaco region, which was presented and approved by CI GEF. Based on the extended project area, inclusion of the indigenous communities and continued promotion to identify new areas to certify, the project, which sought to certify 20,940 ha. through 3 casefiles from indigenous communities and 2 casefiles from the private sector, was successful in certifying 116,993 ha. of which 58,140 ha. (49%) were effectively traded. The inclusion of indigenous lands was clearly effective in increasing the number of hectares under improved management.

In the transition between stages, the project dropped its emphasis on the trading of CO_2 values in favor of certifying the number of hectares of forest reserved. In doing so, the exchange between sellers and buyers was reduced to a simple "cover-for-cover" exchange where an entity, for example a power company purchases certificates to offset a determined number of hectares of forest cover lost in a powerline clear-cut. Although MADES has established prices for PES by ecoregion, the per-hectare price of the transaction is negotiated directly between the parties.

During the TE, the following challenges and questions emerged:

- The value of the CO_2 does not enter the equation. The seller is obligated to cover the transaction costs of measuring CO_2 values but does not receive any added value in exchange. Who owns the CO_2? The renter of the cover or the owner of the land? This is an issue for MADES to address that could add value and increase demand for the certificates.
- Sellers complained about the low price obtained in exchange for certificates and expressed concern over the potential lapsing of the certificates, which are valid for up to 5 years. At which point a complete and relatively expensive certification process must be repeated. Sellers could lose confidence in the system and decline renewal.
- Private sector owners expressed a preference for paying higher transaction costs to enter the CO_2 markets which they felt were more private and safer in comparison to ESR.
- Indigenous communities had difficulty in registering their certificates. Streamlined certification measures recognized by the DSA encountered inter-departmental regulatory roadblocks, such as having updated tax information, bank accounts, or notarized identities underscoring the need to

[18] Ministerial Resolution No. 193/2020 incorporates indigenous people's territories in to the ERS.
[19] Resolution No. 176/2021 exemption from payment of fee
[20] Resolution No. 220/2022 Exoneration Condition of Domain

harmonize and further streamline criteria within MADES.

- Indigenous communities could not qualify for public bidding of purchase of certificates from Public Entities. The Public Works Ministry offers large quantities of certificates but requires bidding with the same government procurement protocol as used in procurement of public infrastructure works. Requirements, such as documented assets, insurance, etc. are simply out of reach of indigenous communities. There is a need to harmonize criteria or create a special category for procurement of certificates across all government agencies to enable greater private sector and indigenous forest owners to participate in the process.
- There are mixed messages on the right of forest owners to use non-timber forest products once the certificates are issued. Since the buyer is technically renting the forest cover for a specified period, does the owner have the right to extract wild game, honey, medicinal products etc. in accordance with tradition? Indigenous communities believe they cannot and may be leaving critical resources on the table.
- In addition to the certificate, can the landowner sell the CO_2 on a secondary exchange in the case that this is not part of the original negotiation? This aspect will be critical in harmonizing between the preferences of sellers and buyers. If not, then why saddle the seller with the costs of measuring it? Environmental services are implicit in setting aside forests, is it necessary to bear the costs of measuring them if they are not transacted?
- If the pricing structure published by MADES is not used in negotiations, why have it? If the CO_2 is not traded, then the cost of measuring it has the effect of a tax or additional fee.
- There is no linkage to other GEF-financed tools, such as maps of High Carbon Value Forests and High Conservation Value areas. If these are now considered priorities, shouldn´t the certificates have preferential pricing for these areas, fee reductions, lower transaction costs, etc.?
- Given the present scenario, the Eco-region pricing structure for a certificate does not make sense. In some cases, the certificate is more costly than the purchase of a Ha. of land
- Within the “Forest Areas” category, the Project does not actually prioritize lands for certification. Lands within the Jaguar corridor, or within HCV or HCVF areas as mapped by other GEF projects are not utilized. These could be useful in prioritizing the application of PES in critical landscapes.

The Project’s focus on “best practices” was inconsequential. The project produced a Manual on Best Practices in the final month without sufficient time for distribution to support the ESR process within the Project’s lifecycle. MADES and WWF-PY should decide how to best disseminate and deploy the information with other organizations with experience and best practices from the Paraguay Green Production and Green BAAPA projects referenced earlier and others as applicable. This action could support MADES with a unified mid-term vision.

4.3.2. Results of Component 2:

The second component focused on strengthening the capacities to carry out the technical assessments and monitoring procedures required to certify forest lands. The expected outcomes of identifying priority areas relevant for certification in the ESR and an updated and operational monitoring scheme for natural forests modality were modified from Stage 1, which was focused on mapping potential areas for CO_2 sinks by forest type which provided MADES and INFONA with data upon which the tCO_2eq. calculations could be extrapolated in combination with Paraguay’s Forest Inventory and Emission Reference Level.

The stage 1 outputs of "monitoring tools and methodologies identified and adapted to the Paraguayan context" and, "GHG certificates prepared and marketed for at least 21 million tCO_2eq" which was later adjusted downward to 5.7 million tCO_2eq were modified to "a monitoring scheme for "Natural Forests" modality in ESR updated and operational" which was defined by "areas identified for certification" Under the redesign, a preliminary analysis was carried out for each potential or eligible property before entering the formal certification process. Twenty-nine properties were identified and analyzed relevant for certification in the ESR. This is done through a revision of documentation with the Geomatics Directorate Support, which emits a case-by-case report on the potentially certifiable areas.

A proposal for updating resolution 756-16 and in filling MADES' operational gaps was concluded along with a final report of the socialization process and results for the technical proposal, guide of procedures for monitoring and auditing processes and aspects related to the operation of the environmental services regime and included training for actors involved. Training MADES staff in GIS (e.g. QGIS, Arc GIS, GPS fix loading, GLAD Alerts, Global Forest Watch) for prioritization of deforestation alerts took place in April 2022 and August 2022. In addition, capacity building with calculation of avoided carbon emissions with ExAct Tool to DSA technicians was provided by an independent consultant in October 2022 who also delivered the final report with the calculation of the avoided carbon emissions in November 2022.

The changes in outputs reduced the focus from three ecosystems to the focus on Natural Forests greatly simplified the GEF increment by eliminating two CO2 sequestering areas: "scenic beauty" and "natural grasslands" from the target areas. The decision did not change the PES scheme but did focus better the project and reduced the cost and effort needed for science in three ecosystems. The Natural Grasslands ecosystem would require a dedicated full-size project to determine the dynamics of CO2 sequestration and other ecosystem values under different scenarios of land management.

Evaluators understand and agree with the move to address the capacity gaps. However, it is unfortunate that CO_2 trading was de-linked from the PES discussion. This element could have added value to the sellers of certificates or provided other trading options attached to the certificates. This is not overly problematic because there are other commercially available options for Carbon trading that are preferred by private sector landowners. The current trading status for the certificates is basically a cover-for-cover scheme and has its own dynamics. These markets are complementary rather than competing. Other projects, such as REDD+, are working towards that end. As mentioned earlier, it is important for MADES to define how these concepts can work together. For now, the operational needs of MADES' monitoring plan have been completed.

The project achieved 100% of the expected outputs of the redesigned Component 2 and 100% of the targets per indicators for Outcome 2.1 and 2.2 with 84% budget execution. WWF-PY did a good job post COVID in reviving Component 2 that previously, in Stage 1, executed 59% of budget with 0% completion of outputs. Therefore, the Efficiency of the component is rated as Satisfactory (S).

Please refer to Annex 6.15 for more detailed information

4.3.3. Results of Component 3:

Component 3 focuses on the capacity of institutional stakeholders to participate in the ESR. Based on an analysis of Training needs in 2018, training was undertaken for government institutions and key stakeholders in PES, use of SIAM, and certificate management processes with support from WWF-PY,

MADES, the National University of Asuncion and the Paraguayan Supreme Court targeting training authorities, Magistrates and Prosecutors to understand and act on forestry and environmental service laws, regulations, and certificates. A total of 424 authorities participated in training implemented throughout both stages. The process included private sector landowners based on the "Needs assessment and identification priority and key stakeholder techniques, including the basic knowledge of stakeholders." Within Component 3, 33% of output targets were reached during stage 1 increasing to 100% by EOP.

With reference to the findings presented for the Project's Design, the language of Outcome 3.1 was not results based and therefore did not guide the EAs in specifically what was to be achieved. In stage 2, emphasis was placed on increasing the number of sentences by increasing the number of Magistrates and Prosecutors trained. This effort was successful and is, according to MADES's data, increasing the number of sentences ordering the acquisition of certificates to compensate for infractions to the Forest Law. In that case, the investment in capacity building is producing a clear result supporting the Project's objective. Although not stated, Evaluators surmise that the intended result was to increase the demand for certificates and the Project's actions are clearly doing that.

The lack of focus leads to missed opportunities. The component did not have an outlet for neither long-term consciousness-raising activities nor for advocacy which are characteristic of new and complex programs with traditional stakeholders. The former could have addressed trust issues that take time to resolve, and the latter would have resolved messaging problems experienced, such as indigenous communities not using non-timber products. Communications is equally important aspect of capacity-building.

A Stage 1 Outcome promoting a "*PES incentive scheme for carbon is fully supported by an internet based National Online Platform*" was eliminated in the Project's restructuring effectively de-linking carbon trading from the ESR scenario thereby missing an opportunity to make decisions on how the Certificate concept and benefits from CO_2 could work together. The effort to launch the SIAM platform is a step in the right direction and training on how to access the information will be beneficial. With improvements, the platform could be used to facilitate a more fluid exchange of certificates in the market and reduce the surplus of certificates.

- The SIAM platform shows active and lapsed certificates. It is not clear in the system if the lapsed certificates are from a one-off purchase (a purchase for x hectares for 1 year) or if these are expired having remained unsold for 5 years).
- A fluid exchange of certificates would require transferability. Evaluators received mixed messages between private sector legal counsel and government representatives and were not able to determine if certificates are transferable. Transferability would enable a more dynamic brokerage process enabling opportunities for buyers to acquire certificates for resale or the trading of derivative products.
- Consultants are actually playing quasi-intermediary roles. Brokers could be certified by MADES and made responsible for paying MADES' fees. Enabling brokerage could dynamize the process.
- Involving private sector technicians in the Monitoring and Evaluation process could also streamline the certification and re-certification process. MADES could then focus on a regulatory role and execute random audits of certifier performance. At present, the renewal process forces sellers to repeat a costly certification process rather than simply extending the expiration date for an existing investment. An agile platform should signal all certificates available for sale on a given day.

Please refer to Annex 6.16 for more detailed information.

4.4. Project Implementation, Execution, Adaptive Management and Governance

Project Implementation and management was evaluated through parameters associated with the managerial functions required for successful project execution ranging from the successful recruiting of quality staff and contractors to sound financial management. The management effectiveness is reviewed from the perspective of the IA, EA and executing partners within the established governance structure.

Table 7 summarizes the rankings by management category. The TE recognizes weaknesses in governance and in risk management in stage 1 that were rectified and led to a productive stage 2. The overall ranking for Project Implementation, Adaptive Management and Governance is ranked as **Satisfactory (S)**.

Project Implementation, Execution, and Adaptive Management Assessment	Rating
Quality of Implementing Partner Execution	S
Quality of Implementing Agency Oversight	S
Governance	MS
Risk Management	MS
Financial Management	S

Table 7: Ranking of Project Implementation, Execution and Governance

4.4.1. Adaptations to the Project Execution Modality

The Project attained the expected results through an adaptive process involving project restructuring and a change in the Project's execution modality. In 2018, following the third year of project implementation, the progress towards expected results was limited and declining. Political changes during FY18 led to changes in government authorities further complicating the Project's implementation scenario which, despite the efforts of the PMU had difficulty in adapting. By the end of FY19, no areas had yet been certified and no new areas were in the pipeline. The PMU within Guyra and MADES discussed options to address the salient issues within the scope of the project. This was a challenging proposition given that the bottlenecks were not the full responsibility of the project, such as, land tenure issues, conflicting regulations, excessive requirements to provide government services[21], and mandates involving agencies not involved in the project in addition to the following issues:

(1) Confusion over the role of the PMU team within the project. This was the first NGO execution modality for a GEF project in Paraguay. Hence, it was difficult to harmonize between internal rules of each institution and expectations.

(2) Consultants hired for project certification did not deliver as expected.

[21] Many certificates are sought by government agencies, such as public works, to offset deforestations resulting from public works. This action follows the same procurement protocols as for providers of large infrastructure, which forest owners are simply not able to provide, such as insuring the value of the certificates.

(3) The PMU did not work closely with the MADES to establish a tested format for certification. Hence, the casefiles submitted for certification were incomplete and required numerous amendments. This deepened trust issues with the target beneficiaries.

(4) Neither Guyra nor MADES cultivated a fluid and mutually productive relationship complicating the coordination and implementation process and eventually leading to a rupture of the Implementation modality.

(5) The Project's governance structure was ineffective in identifying and adapting to the issues facing the project until there was a crisis. From that point going forward, the governance structure began to function and achieved productive adaptations. There was no Project Steering Committee meeting between July 2018 and 2021.

Once the governance structure of the project engaged, corrective measures were taken to adapt to the situation. MADES and CI established three potential courses of action: (i) a complete restructuring into a new project; (ii) cancellation or (iii) continue with the existing project with a focus on certification. By December 2019, MADES, CI and GEFSEC met during a GEF Council meeting and agreed to the third option. The GEF Grant agreement with Guyra Paraguay was closed on February 2020, and WWF-PY was incorporated for an adjusted Stage 2 of the project with modified outputs and targets for the remaining 1.5-year period. Because of a late start of WWF-PY and given a successful start achieving the first certifications, GEF granted a no-cost extension extending the project close from December 2021 to November 2022.

As presented further in this section, the adaptations were successful in increasing the efficiency of the Project's delivery and building upon the actions from Stage 1, effective in completing all of the established outputs and ultimately demonstrating a functional ESR. Granted, there are still problems to be addressed as indicated in this report, but the most important point to consider is that the ESR system is established and operational, which is the most difficult step in a multi-stakeholder process rooted in strong traditions. Evaluators conclude that the Project's management was adaptive after a certain point and the adaptations were successful in obtaining the main objective of the Project.

4.4.2. Efficiency

The differences in management efficiency are witnessed in the following set of figures. Figure 4 illustrates the relatively unstable delivery in Component 1, which is the majority investment of the project. Execution of the Project's budget declined steadily until FY20 when project activities ceased. Later in that quarter, the Pandemic, illustrated by a vertical yellow line, was declared and all activities ceased until after project restructuring period, which is indicated by black, vertical lines. From that point, the new EA needed to manage an accelerated process to be able to complete the outputs by EOP, which is evident in the sharp upturn of the budget execution in the final two quarters.

.

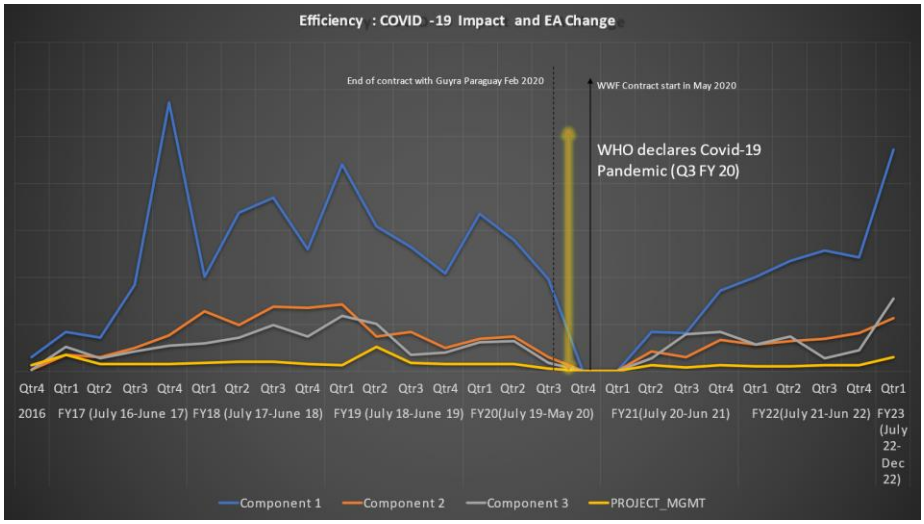


Figure No.4: Project Budget Execution by Component

Figure 5 demonstrates the efficiency of production of outputs within the established budget for each component and for the two stages of the project. For each component, Stage 2 outperformed Stage 1 in terms of implementation progress vs. the budget expended.

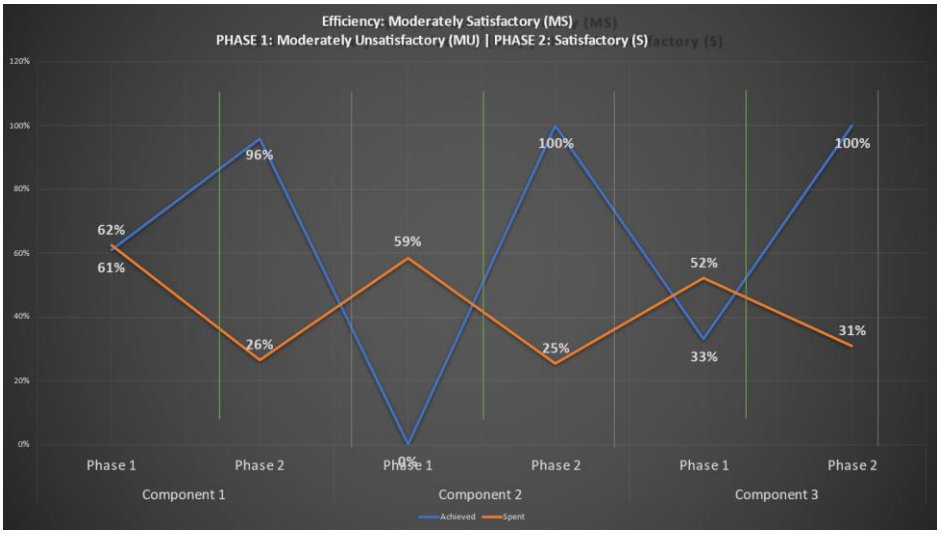


Figure No.5: Comparison of Stage 1 and Stage 2 Project Execution Efficiency

Figure 7 demonstrates underperformance in stage 1 through FY2020 and how the remining funds were executed in stage 2. The Blue series illustrates the Project's projected available budget. The orange series demonstrates the actual budget execution. The difference between the two sets between FY2017 and FY2020 is notable. The blue trend line indicates the remaining funds available for the execution of the outputs. During the second stage, the EA was able to execute all outputs on the project concluded as

cost-effective with an overall budget execution of 87% with 97% of outputs obtained by September 2022.

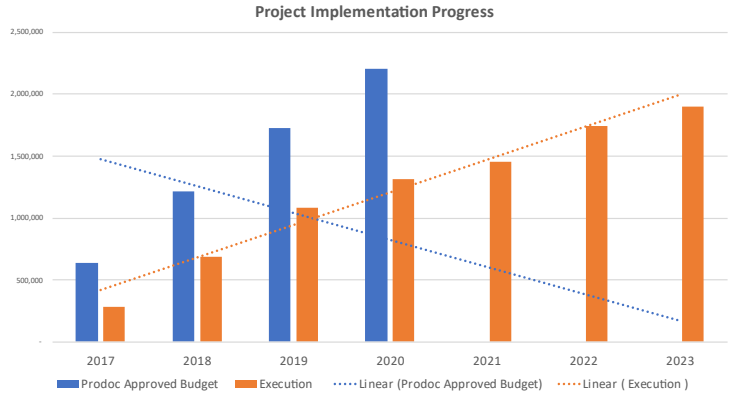


Figure 7: Planned vs. Executed Budget and Disbursements

The result demonstrates that the restructuring of the project produced an increased level of efficiency that was Moderately Unsatisfactory (MU) in stage 1 and resulted in a Highly Satisfactory (HS) by the EOP. When taken together, **the overall project Efficiency rating is "Satisfactory" (S).**

4.4.3 Implementing Agency Oversight

Throughout the first stage, the partnership between CI-GEF and the EAs did not create the necessary synergies to obtain acceptable achievement of the Project's targets. KIIs and a virtual survey examined the quality of CI-GEF oversight. The consensus is that the IA could have had a heavier presence and taken a more proactive role in changing the course of the project. KIIs also indicated that once changes were made to the project, the process was effective and complimented executing partners and vice versa. The upstream and downstream communication with CI-GEF was indicated as ineffective in stage 1 and improved to very good in Stage 2 as the experience and relationships between all sides matured.

For all involved, the PROMESA project was the first GEF experience between an INGO IA, an NGO EA and a reconfigured MADES. The relationship required time to develop and evolved with experience into an effective process. The partners knew that a successful stage 2 required cooperation and communication to produce the expected results. Unfortunately, due to COVID restrictions, the number and types of oversight visits planned were not possible with the majority of oversight handled virtually. For stage 1, IA performance was rated as Moderately Satisfactory taking into consideration strong administration and work planning systems deployed and other strengths discussed below. The problem in stage 1 was nested in the broken feedback loop and is therefore considered a governance problem rather than an implementation or execution issue. With regards to the concept of adaptive management, the Project's adaptations that proved successful are linked to a shift in the Project's governance. For stage 2, evaluators recognize that the IA oversight was Highly Satisfactory in both implementation and adaptation. The composite for the **Project IA Oversight is considered "Satisfactory" or (S).**

The IAs and EAs selected were leaders in their fields and all participants indicated positive benefits for having been associated with the project.

CI-GEF's skills in deploying strong administrative and financial systems were signaled as highly beneficial to improving WWF-PYs project management capacities. The oversight process was "rules-based" The ability and availability of CI-GEF in providing guidance, especially in procurement and financial matters was well appreciated. The templates and format for planning and reporting were internalized by partner organizations leading to an increase in local capacity. Evaluators were particularly impressed with the Environment Management Framework documents produced at project design for relevance to the Project´s context and overall quality. The EA, WWF-PY met all expectations in terms of compliance and in executing an expedited process on a low remaining budget and managed to execute their annual workplans and provide adequate reporting.

Evaluators confirmed that the staff and consultants active in stage 1 were proactive in identifying solutions to the underperforming aspects of the project. The project coordinator developed a proposal to adjust the project in 2019 which was rejected by MADES because the proposed measures were not immediately viable and depended on external entities. The EA, Guyra, did complete important outputs upon which the success of stage 2 depended and maintained close lateral relationships with local stakeholders in the Chaco. However, as presented, these were neither executed efficiently nor within a collaborative framework in consonance with the Project's board. Evaluators also recognize that weaknesses in project design were equally impactful and that these were not effectively addressed by the Board or steering committee. The shortcomings of stage 1 are therefore governance issues that impacted project execution. Taking these factors into consideration, EA performance is ranked as "Moderately Satisfactory." For stage 2, for the reasons stated previously, the quality of the Execution by WWF-PY is ranked as "Highly Satisfactory." The overall **EA performance is therefore "Satisfactory" (S).**

4.4.4. Risk Management

The PMU was responsible for identifying, reporting, and responding to risks as well as identifying new risks. To do so, the PMU implemented a Project Risk Mitigation Plan, a basic tracking sheet in which risks were evaluated and reported to CI-GEF on a quarterly basis. Risks which are no longer relevant were closed, management measures updated, and the project team followed-up on actions responsive to ongoing risks which were reported in all PIRs. A total of 11 risks were tracked by the project through 2020. These were reduced to 5 by 2022. Annex 6.17 demonstrates the risks along with the TE risk rating as compared to that of the project.

KIIs indicated that the PMU did discuss risks and presented proposals for responding to risks. However, the board did not always internalize these into action, especially the more complicated ones requiring policy actions to avoid derailing the ERS process. When surveyed as to whether the Project took all risks into consideration, 56% indicated yes and 19% moderately. Twenty-five percent indicated "no." Evaluators feel that the risks were not correctly assessed or addressed. To that point, the following describes 2 risks that are noted for their impact on the sustainability of the ESR process.

As described earlier, the PMU for stage 1 was not successful in engaging the Project Board in responding to institutional challenges that created risks for the project. Many of the significant challenges to the project were identified during the design phase and should have been tested and, if warranted, included as action areas integrated within the design of the project. One notable risk, for example, the "lack of interest among potential beneficiaries in participating in the project," is a pre-condition rather than a risk.

Interest by potential beneficiaries is the basis for their willingness to pay/trade. In two instances, risks were considered "no longer applicable…given that no work will be done." In the first instance, a high risk indicated was that "potential buyers may not be sufficiently interested in buying the certificates." This risk was discarded because the market-based output 3.2 was eliminated from the re-engineered project. The possibility of not selling enough certificates is the biggest risk to the financial and environmental sustainability of the ERS model. If certificates are not sold, then conservation farmers will lose the money invested in transaction costs and will never trust the system again. This will enable the pre-project changes in land-use to continue with associated negative environmental impacts. Removing the output from the Results Framework amplifies the risk in both probability of occurrence and in potential impact.

The second example is the "nonrealization of the carbon market and expected financing." The same comment as the previous example applies. The sale of $tCO_2eq.$ is a remedy to be considered in response to the previous risk. Removing CO_2 from the discussion amplifies the previous risk. De-linking the carbon market from the process could make the certificates less valuable leading to more unsold certificates. In that case, a remedy to the risk of unsold certificates is taken off the table.

The TE evaluation of risks presented in Annex 6.17 indicates that the highest risk to PES is the block of unsold certificates for which actions are required at two different levels: First, urgent structural adjustments to the ESR process to improve transferability and the ease of entry into the market are needed. These must be discussed by MADES both internally and externally. This process logically will take time. In the meantime, the existing certificates must be sold to safeguard any remaining trust in the system. This could be undertaken either by the Paraguayan Ministry of Hacienda, NGOs or INGOs, such as CI and WWF, in a purchase of certificates for a future CO_2 sale, as a CO_2 offset program for foreign or domestic businesses, or for eventual resale as certificates. These possibilities are only possible if the transferability question can be answered. To avoid the risk of rejection of the concept and of losing trust of the landowners and indigenous communities, immediate action is necessary to ensure that the certificates will not lapse unsold. Evaluators also caution that international interventions should not replace an organic process to ensure that the national market functions as intended.

4.4.5. Governance

The design and performance of the Project's governance mechanism has been described throughout this report. Despite being the first time that the principal stakeholders participated together in both implementation and execution, the Project Board did not fully assimilate its role in decision/making and providing guidance on solving difficult issues that can only be addressed by government. The Governance structure did not perform through stage 1 of the project as an entity dedicated to adaptive management of the project. Once the project activities slowed to a critical point, the principal actors came together, adapted the project framework and execution modality, and created the enabling conditions for strong performance which achieved most of the Project's principal outputs. From that point forward, the governance structure was effective with good upstream-downstream communication and relationships.

Throughout both stages, lateral relationships with partners were good. KIIs agreed that the effectiveness of the Project's governance improved with time and was highly valued once the decision was made to redirect the project. Given the options presented earlier, evaluators agree that the Project's Board chose the correct course of action and positioned the Project for success.

The current board members are also actors in ongoing GEF and GCF initiatives and can still play an important role in addressing the mentioned risks to this important initiative. The key lessons learned from this experience to be considered for future projects are:

1. EA selection criteria should include the ability to work apolitically through changes in

administrations.

2. The board and Project Steering Committees should sign off on a common TOR for the board and Project Steering Committee or affirm modifications as changes occur so that the roles and responsibilities are understood and remain consistent throughout the process.

3. Minutes of the key decisions and discussions should be kept in the Project's archives.

4. Ad hoc committees or working groups can be convened to tackle complex problems, especially those of an inter-institutional nature.

Given the justification provided throughout this report, Evaluators conclude that the governance aspects of the project were Unsatisfactory (U) for Stage 1 and Highly Satisfactory in Stage 2. Overall, evaluators are recognizing the growth and evolution of the process in assigning a ranking of **Moderately Satisfactory (MS)** for the overall process.

4.4.6. Financial Management

The PMU submitted to the evaluators the quarterly and annual financial reports. These were complete and enabled the analysis presented above. The Key Informants interviewed were satisfied with the financial management of the project´s resources as was the IA. The EAs felt that the tools provided by CI-GEF were complete and provided an effective assessment of the management of the project´s financial resources.

The overall financial management of the project´s $ 2,201,614 U.S. budget is considered sound and compliant with GEF and international standards.

4.5 Project Financing and Co-Financing

4.5.1. GEF Financing

The overall deployment of project financing to the end of the 1st Quarter of Fiscal year 2023 (July - September 2022) is estimated at $1,958,837 U.S. or 89% of the total project budget of $2,201,614 U. S. (GEF Grant).

Figure No. 8 demonstrates accumulated budget execution by quarter and by component and presents a moving average for the total expenditures. A flat trend line such as Project Management and Coordination (PMC) in yellow demonstrates a consist and low level of budget execution. This is typical of a dedicated staff with consistent fixed costs. A trend line such as C2 in orange, indicates that the total budget deployment increased consistently quarter over quarter. This usually indicates a healthy and progressive budget execution scenario. When the slope of the line is very steep, such as above 100% or 45 degrees, it generally indicates a period of low performance with several quarters of accelerated performance towards the end of the project, or either a "catch-up" scenario or risky behavior, the latter of which is clearly not the case. However, when the slope of the line is too gentle over time, such as below 45 degrees, it generally indicates low performance and delayed or overdue deliveries.

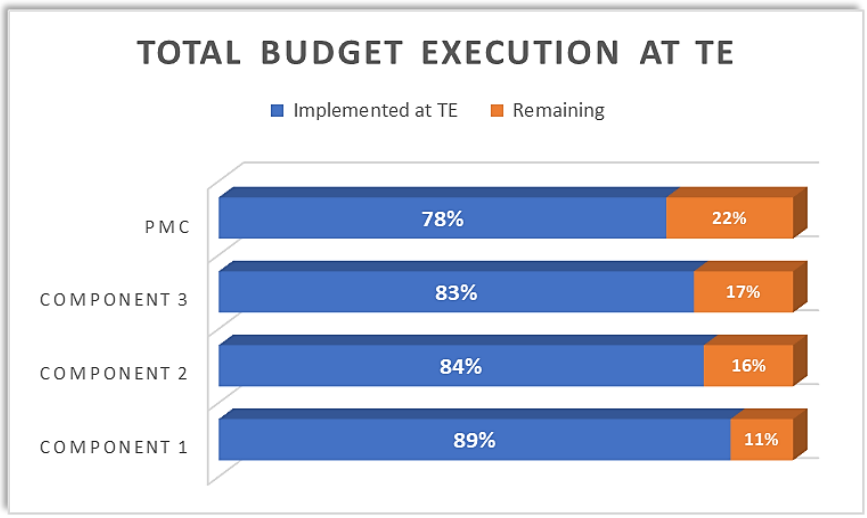


Figure No.7: Budget execution at TE by component

	GEF BUDGET (CEO Endorsement)	Utilized as of September 30, 2022	Remaining Balance
Component 1	1,328,379	1,222,438	105,940
Component 2	413,911	359,764	54,147
Component 3	349,711	291,266	58,445
PMC	109,614	85,368	24,245
Grand Total	**2,201,614**	**1,958,837**	**242,777**

Table No.8 Budget Execution by Component

The trend lines for the PROMESA Chaco project demonstrate shortcomings and low performance, compromising an efficient delivery of the outputs. As shown earlier in Figure No. 6 (Efficiency), after changing the EA, there was a flurry of activities but the trending lines in Figure 8 remain without showing any deep changes because 60% of the total budget was already executed at the time of the change.

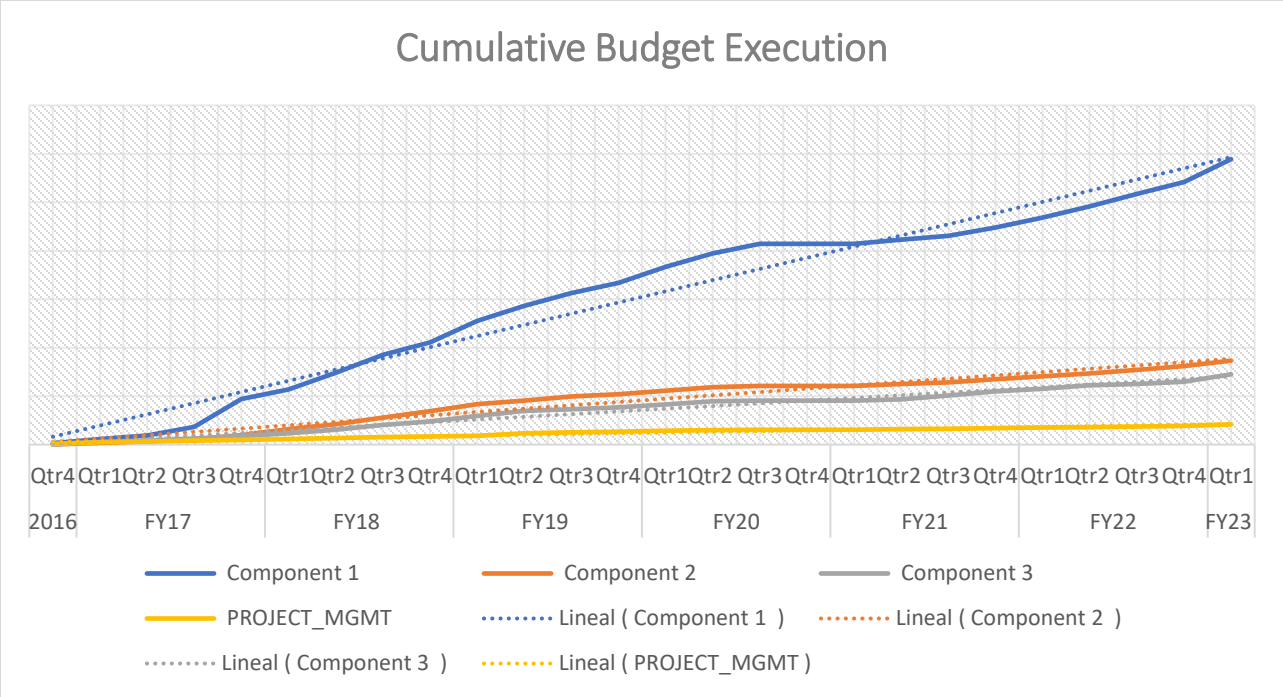


Figure No. 8. Cumulative Budget Execution

Despite Covid-19 and the poor performance of stage 1, the project is cost-effective with an overall budget execution of 87% by September 2022. The project will execute all GEF funding by its close in Q3FY23.

4.5.2. Cofinancing

Of $2,117,460 U.S. in cofinancing pledged, $575,500 U.S. (27%) was mobilized at the time of the MTR. An additional $533,000 U.S materialized by the end of year 3 for a total of $1,108,500 U.S (52%). Due to changes of the EA in 2020, the remaining $1,036,960 (49%) pledged by Guyra Paraguay and partners did not materialize. During Phase 2, WWF-PY contributed an additional $194,000 U.S. Also, SEAM and CI Global Conservation Fund exceeded pledged amounts by end-of-project.

Co-financing valued at TE was $1,394,500 U.S. or 66% of the pledged amount at CEO endorsement.

From Prodoc			At MTR		End of Phase 1		At TE	Total	
Source	**Type**	Amount at the date of CEO Endorsement (US$)	Actual amount contributed at stage of MTR	Actual % of expected amount	Actual amount contributed at end of Phase 1	Actual % of expected amount	Actual amount contributed at stage of TE	Total co-financing amount	Actual % of expected amount
Ministry of Environment	In-kind	450,000	300,000	67%	450,000	100%	92,000	542,000	120%
Conservation International Global Conservation Fund	In-kind	160,000	40,000	25%	188,000	118%		188,000	118%
Guyra Paraguay/Paraguay Forest Conservation Project	Cash	850,000	235,500	28%	470,500	55%		470,500	55%

World Land Trust	In-kind	280,000	-	0%		0%		-	0%
World Land Trust	In-kind	12,460	-	0%		0%		-	0%
Swire Pacific Offshore	In-kind	280,000	-	0%		0%		-	0%
Swire Pacific Offshore	In-kind	75,000	-	0%		0%		-	0%
Smith & Werber	In-kind	10,000	-	0%		0%		-	0%
WWF Paraguay	In-kind	86,361	-	0%		0%	194,000	194,000	225%
TOTAL		**2,117,460**	**575,500**	**27%**	**1,108,500**	**52%**	**286,000**	**1,394,500**	**66%**

Table No. 9, Co-Financing at Terminal Evaluation[22]

4.6. Monitoring and Evaluation

This section evaluates the Monitoring and Evaluation Plan's design and implementation. The design stage did not provide an adequate baseline to serve as a basis of validation of Project Results. Other aspects of design such as the M&E tracking system are considered adequate. The quality of the information and reporting provided in implementation meets expectations and facilitated decision-making and evaluations garnering a Highly Satisfactory (HS) ranking. The composite ranking is Satisfactory (S).

Monitoring & Evaluation (M&E)	Rating
M&E design at entry	**S**
M&E Plan Implementation	**HS**
Overall Quality of M&E	**S**

Table 10: Monitoring and Evaluation Rating

4.6.1. M&E Design at Entry

At the project design stage, a fully costed M&E Plan compliant with GEF M&E policy and guidance was included in the CEO endorsement package. The M&E plan includes: a Project Results Framework aligned with GEF focal area results. The endorsed Results framework as well as the modified framework provide difficulty for M&E due to outcome language and indicators that were generally not SMART with unrealistic targets. There were no process indicators or baseline information derived from a KAP[23] survey that should have established the baseline understanding of the beneficiaries to accept the ESR concept. The KAP information could have identified the trust issues described earlier. In addition, within the same exercise, a willingness to pay/trade survey could have been conducted and repeated in the target areas of the project as an indicator of the effectiveness of messaging. Process indicators, using a sliding scale for understanding, satisfaction, etc. should have complimented the structure indicators presented.

The CEO endorsement package included GEF-5 CCM-5 Focal area tracking tools. The project also provided for an independent Mid Term Review, a Terminal Evaluation, and requisite financial audits. The Plan clearly outlines roles and responsibilities and was validated at the inception workshop held prior to both

[22] WWF-PY 2022. Internal Document received: <<FY23 Q1 Report Implementation Ext WWF_M16NOV22 (1)>>
[23] Knowledge, Attitudes and Practices (KAP) range from having heard of the concept to understanding the concept to putting the concept into practice.

stages. Furthermore, the plan includes, in addition to the inception workshop, the reporting requirements, annual work plans, quarterly reporting, and annual reporting. A total of $121,000 U.S., about 5% of the total GEF grant, was allocated for M&E activities.

Given the limitations, the M&E Framework's design provided the foundation for information collection and reporting and is considered **Satisfactory (S)**.

4.6.2. Implementation of the M&E Plan

The Results Framework is the reference point for the development of Annual Work Planning process, Quarterly Reports, and the annual Project Implementation Reports which also capture risk analysis and mitigation strategies as well as analysis of cross cutting themes such as gender, safeguards, knowledge management, etc. The reporting system is effective because it provides periodic results and accumulated results in the same report in a complete, concise format which facilitates tracking and decision-making. The IA deserves credit for implementing an agile reporting format that is not overly burdened with extraneous information. KIIs indicated that these greatly informed decision-making.

The GEF Focal area tracking tool was not finished by WWF-PY at the time of the TE.

There were 4 oversight missions during Phase 1. Due to Covid-19 restrictions, the first oversight mission for stage 2 was not scheduled until the end of November 2022. Mission reports are available and informative. Tracking of the implementation of the Project Results Monitoring Plan is reported in Quarterly Reports (QRs). The Project Results Monitoring Plan was updated at the start of stage 2 (QR2 FY2021) The first meeting of the Steering Committee members for stage 2 took place in October 2021.

The only criticism of the M&E system is the lack of an accessible SharePoint with updated and complete information available to IA and EA partners. This aspect was corrected during the TE. It is recommended that all data be further systematized and transferred to MADES at the close of the project.

4.7. Environmental and Social Safeguards

The Project's crosscutting issues were reviewed through desk review of key documents and project reports and through KIIs and FGDs and site visits with private sector and the indigenous communities. Stakeholders were also invited to participate in an electronic survey. In indigenous communities, participants were queried during town committee meetings and confirmed in individual interviews with Pueblo leaders by Guarani speakers. Annex 6.11 presents survey results. Annex 6.18 presents the complete Safeguards Analysis, summarized as follows:

As a GEF Project Agency, CI adopted the GEF Standards on Environmental and Social Safeguards and Gender Mainstreaming into their Environment and Social Management Framework (ESMF). Stakeholder consultations were realized during the project preparation phase (meetings, roundtables, and workshops). These consultations highlighted the stakeholder's concerns and expectations and informed the Project's strategy and design. MADES and Guyra Paraguay developed the following plans:

1. A Stakeholder Engagement Plan outlining the social location of the various stakeholders that are potentially affected by the project, identifying their key issues and priorities as well as where and how to engage them.
2. An Indigenous Peoples Policy including safeguards to be applied with reference to protect the individual and collective rights of indigenous peoples and communities.
3. A Gender Mainstreaming plan to achieve gender equality in all aspects of the project.

4. Accountability and Grievance Compliance. The ProDoc indicated the development of a web-based tool to receive comments and complaints. The project however directed potential complaints to MADES' official website and set up an email and a mobile phone number to facilitate the exchange of opinions and/or complaints.

Within the scope of CIs ESMF, The PROMESA Chaco project was classified as Category C indicating any adverse environmental and social impacts were unlikely. All risks were considered minimal, thus obviating the need for an environmental and social impact assessment. As presented in the previous risk management section, CI discussed the plans with both EAs during inception workshops and provided ongoing assurance and oversight to their implementation.

Evaluators confirmed that the four safeguards' plans, and their related documentation are compliant with GEF policies and Guidance.

Throughout stage 1, stakeholders were engaged in the process and consulted in the decision-making as invited guests during Project Steering committee meetings. The EA followed closely the established plans with dedicated budgets and actions that were documented in annual reports. In the expedited and reengineered stage, these areas were less systematically monitored. Regardless, the safeguards were taken into consideration in operations. Within stage 2, WWF-PY was confronted with time and budget restrictions making it impossible to cover travel, lodging and per Diem for remote participants to converge in a steering committee meeting at a common location. Rather than invest scarce funding in *fora*, the PMU held bilateral consultations and built strong relationships using Guarani speaking staff and local consultants trusted by the stakeholders. The consultation process was an integral part of their operations. The stakeholders validated that they were adequately consulted; they had the opportunity to participate; the project responded to their suggestions and concerns; they were able to equally access opportunities without gender bias; and had trusted channels for redress. Stakeholders expressed overall satisfaction with the project scoring 8.5 of 10 points.[24])

The Accountability and Grievance Mechanisms were established, understood, and accessible. The process was inclusive and created opportunities and engagement for women. The plan for involvement of indigenous peoples involved the competent authorities and the Free and Prior Informed Consent (FPIC) was given priority by all actors involved. The Project did not identify the issue of access to non-timber forest resources within certified lands.

As mentioned earlier in this report, several key aspects relating to stakeholder engagement, such as the willingness to pay/trade, trust issues, etc., did not seem to find their way into the decision-making process of the project. For example, the issue of non-timber forest products and their use by indigenous communities was not uncovered within the stakeholder engagement process. For that reason, the effectiveness of the overall process was ranked as Satisfactory (S).

Overall Project Safeguard Implementation Rating at Terminal Evaluation

SAFEGUARDS TRIGGERED BY THE PROJECT	RATING
Accountability and Grievance Mechanisms	HS
Gender Mainstreaming Plan (GMP)	S
Stakeholder Engagement Plan (SEP)	S
Indigenous Peoples	S
OVERALL SAFEGUARDS IMPLEMENTATION RATING	S

Table No. 11: Overall Project Safeguards Ratings

[24] On a scale of 1 (Complete disagreement) to 10 (Complete Agreement). See Annex 6.11 for questions and responses.

For further information and justification for the rankings, please consult Annex 6.18

4.8. Knowledge Management

The project does not have a knowledge management strategy which was not a GEF 5 design requirement. However, communication materials to share the project objectives were produced in the first two years of the project and two videos were produced to explain the ESR and its requirements.[25] [26]

Evaluators validated that a draft synthesis document of lessons learned from the project was being prepared. Also, KM activities are taking place throughout the project's outputs to continue engaging stakeholders in the ESR. A KM product to summarize the results of the project is part of the FY23 workplan.

To the broader issue of knowledge management, the suite of lessons learned between GEF funded initiatives responding to commodity related deforestation is not taken into consideration. For example, the Green BAAPA and Green Production projects produced important information on low carbon production techniques. The Best Management Practices Manual produced by the project does not provide producers with practices and returns. This information is however available from the Paraguay GGP project. The project missed an opportunity to pull these elements together. These could have been simply disseminated as part of the Best Management Practices process under this project. With new GEF and GCF initiatives underway, it is now the time for MADES to undertake a collective analysis of the knowledge gained from all of the mentioned initiatives and PROESA and publish the collective knowledge products, results, conclusions and lessons learned to this stage. This exercise could be repeated as new initiatives conclude to enable the development and efficient execution of future initiatives.

4.9. GEF Incremental Reasoning and Additionality

Evaluators analyzed the GEF additionality according to the GEF/ME/C.55/inf. 01 *An Evaluative Approach to Assessing GEF's Additionality*[27] of 2018 which simplifies the additionality concept based-on 6 factors reflected in the TE Incremental Reasoning Analysis, Annex 6.19, Table 6.19.1. The summary findings are as follows:

Environmental: The Project's progress to impact demonstrates CO_2 avoided and new forests under conservation would reduce negative land-cover change that would otherwise not have happened. The incremental benefits in terms of CO_2 sequestering potential have been calculated (see GEF Increment & Benefits). Other environmental provisioning, supporting, regulating, etc. are intuitive but not specifically calculated within this Project's design.

Legal and Regulatory: The project has produced legal and regulatory reforms that have improved the regulatory environment, especially permitting indigenous areas to participate in ESR which did exist in the baseline and would not have happened without the project. More importantly, as a result of implementing a full ESR cycle, the Project uncovered new intra and inter-agency regulatory obstacles have

[25] Guyra, 2018. Proyecto PROMESA Chaco, URL: https://www.facebook.com/watch/?v=1694937733875108 ; accessed 01 December 2022.
[26] RCC Noticias, 2019. Interview Dr. Carlos Monges, PROMESA Project Director. URL: https://www.youtube.com/watch?v=hbGbPGgLe9E . Accessed 03 January 2023.
[27] GEF/ME/C.55/inf. 01 An Evaluative Approach to Assessing GEF's Additionality- https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.55.inf_.01_Additionality_Framework_November_2018.pdf

been discovered. These are catalyzing action by MADES and other GEF and GCF projects.

Institutional and Governance, Ministerial resolutions facilitated Monitoring and qualification of lands for certification have also filled an important gap. MADES, INGOs, NGOs, and CBOs have achieved improved levels of cooperation and understanding of how to work with each other. Support to MADES in monitoring and Evaluation of certified areas has improved operationality. The experience has increased the understanding by all stakeholders of PES mechanisms and the work needed to continue to increase their effectiveness.

Financial: the involvement of the GEF has led to greater flows of financing than would otherwise have been the case from private or public sector sources. At the Project Level, although lower than expected, certificates have been sold for a direct return to landowners. The project has also had a catalytic role in developing other projects mentioned in this report as a direct result of the PROMESA project.

Socio-Economic: The Project improved the living standard among population groups affected by environmental conditions. In both private sector and indigenous communities, returns were invested in productive activities, such as fencing, pump repair for watering crops, etc. that resulted from income from the sale of certificates. Greater expectations have been expressed if the remaining certificates can be sold.

Innovation: The Project led to an adoption of new technology and demonstrated the degree of market-readiness for technologies that had not previously demonstrated their market viability. This process is now at a critical stage with the variables understood. Measures in place will lead to an increase in demand for certificates and the conditions needed to increase sales of certificates are now understood. The knowledge from the project has already informed proposals to improve markets.

The TE concludes that GEF has produced important additionality over the baseline situation that has and will continue to produce associated incremental benefits.

4.10. Progress to Impact & Incremental Benefits

The MTR evaluator analyzed the GEF-5 tracking tool completed at CEO approval and at the MTR in 2018. According to the information provided by the PMU and CI-GEF in the GEF tracking tool, the project made progress in relation to the GEF's goal 5 (CCM-5) on Soil, Land Use Change and Forests in effect at CEO endorsement. In addition, the linkages to GEF-7 Core indicators are presented as applicable in Table 12 based-on the following justifications:

1. The area of land under good management practices in LULUCF adopted in forest landscapes (CCM-5, GEF 5). This indicator is compatible with the GEF-7 Core Indicator no.4, "area of landscapes under improved practices." The parameter used to define improved practices utilized at MTR included more ecotypes. For stage 2, the project was simplified and focused on the Forest Landscapes category and included indigenous lands, which were not validated in stage 1. Evaluators used the number of certificates approved in MADES' register as the Means of Verification (MOV). This MOV is valid because the areas certified are assured for at least 5 years and therefore support regulated forest management and lead to the Global Environmental Benefits expected of the project and provide the basis for the calculation of GHGs avoided.[28] The area under improved land management is 116,993 ha. which is slightly lower than the value presented at MTR with three possible explanations: improper understanding and use of the EX ACT-tool[29], reduction of the Project's scope from 3 categories to 1 (Natural Forests), or a lapse in the number of pre-existing certificates in the private sector.

[28] WWF Paraguay, 2023. Carbono unpublished report for the PROMESA project. pg. 6
[29] Nelley Carbajal, Nov. 2022, GHG consultant, pers. Communication.

2. The concept of "Good Management Practices" points to the GEF-5 objective on Soil, Land-use Change and Forests to increase the number of with improved management. The adoption of good management practices is measured by a status legend presented in Table 14. The stage 2 effort to promote multiple good practices was simplified, therefore, evaluators chose the MOV indicated above as the only verifiable indicator of good practices that also linked to GHG reductions. Using the MTR sliding scale, presented in Table 14, national standards for the certification process are firmly established for a score of "3." At TE, evaluators felt the MTR rating was overrated because of the policy gaps in national regulations that remain have reduced the sale of certificates. For GEF 5, Paraguay can be considered a country that achieved the establishment of good practices.

3. The monitoring system for Carbon Reserves is established and was implemented in all the certified areas visited. MADES still does not have the resources for measuring all future certificates in the expanded project area, which is an opportunity for growth in the future or the development of private sector engagement to complete the coverage of service. As indicated in Table 15, there is an improved situation since the MTR evaluation.

4. Mitigation potential, or the amount of carbon avoided, was calculated by the project through an independent consultancy report.[30] To derive the sequestration ability, the area certified was adjusted for deforestation rates for each ecoregion as presented in Table 15. Carbon sequestration values for each ecoregion were then applied for a yearly, 5-year and 20-year projection. The estimated mitigation potential for a 5-year period is 39,875 tCO2e.

KIIs indicated that during the stage 1 process, errors in calculations from a misunderstanding of the mechanics of the EX ACT tool led to a significant overestimation of the CO2 mitigation estimates. These differences are reflected in table 12.

5. Beneficiaries disaggregated by gender were not tracked under the GEF 5 Indicators. In stage 2, the Project tracked beneficiaries of training events associated with the certification process as presented in Table 12.

Progress to Impact Per GEF Indicators[31]	**Quantity**		
	During approval	**Mid Term[32]**	**Terminal Evaluation**
Conservation and improvement of carbon in forests, including agroforestry (ha.) (GEF-5) Area of landscapes under improved practices (GEF-7, #4)	300,000	120,000	116,993
Avoided deforestation and forest degradation (GEF 5)	10.000 ha	0	116,993

[30] WWF Paraguay, November 2022, Balance De Carbono. Innovative Use of a Voluntary Payment for Environmental Services Incentive Program to Avoid and Reduce Greenhouse Gas Emissions and Enhance Carbon Stocks in the Highly Threatened Dry Chaco Forest Complex in Western Paraguay (PROMESA); pp 6,7.

[31] Area of activity resulting from the project

[32] Conservation International, 2018. Mid Term Evaluation: Innovative Use of a Voluntary Payment for Environmental Services Incentive Program to Avoid and Reduce Greenhouse Gas Emissions and Enhance Carbon Stocks in the Highly Threatened Dry Chaco Forest Complex in Western Paraguay (PROMESA). Pg. 34

Good management practices developed and adopted (See Table 14)	5	4	4
Monitoring system for carbon reserves established (See Table 15)	4	3	4
GHG emissions avoided directly (tCO2eq) (GEF-5) GHG emissions mitigated (GEF-7, #6)	21.000.000	965,830	159,482 (20 yrs.)
Direct Beneficiaries by gender (GEF-7, #11)[33]			424 total 245 Women 179 Men

Table 12. GEF-5 Impact Tracking Tool values and GEF-7 Core Indicators

0	1	2	3	4	5
It is not a goal	No activity	Developing guidelines for sustainable management	Development of national standards for certification	Part of the certified project area	More than 80% of the certified project area

Table 13: Good Practices Legend

0	1	2	3	4	5
It is not a goal	No activity	Developing guidelines for sustainable management	Development of national standards for certification	Part of the certified project area	More than 80% of the certified project area

Table 14: Carbon Monitoring System Legend

Ecoregions	Total certified (ha)	Deforestation rates 2019-2020*	Mitigation potential per year (tCO_2e)	Mitigation potential 5 years (tCO2e)	Mitigation potential 20 years (tCO2e)
CHACO SECO	43032.71	1.51%	-5462	-27310	-109238
CERRADO	411	1.26%	-754	-3770	-15071
MÉDANOS	24,938.99	1.51%			
PANTANAL	42,952.48	1%	-1759	-8795	-35173
CHACO HÚMEDO	5,657.88	1%	-591	-2955	-11811
Total	**116993.06**		**-7975**	**-39875**	**-159482**

Table 15: Mitigation Potential reported by WWF-PY November 2022[34]

Given that this was a first effort, tangible impacts were realized and that other projects are now capitalizing on this effort, the Impacts are considered **Satisfactory (S)**.

[33] Beneficiaries disaggregated by gender were reported for persons trained in Stage 2 per PIR, 2022.
[34]WWF Paraguay cite reference sensu INFONA, 2022 Report URL: https://www.baseis.org.py/wp-content/uploads/2022/10/Reporte-Nuestros-Bosques-REV01-03-low_compressed.pdf. accessed 25 November 2022.

4.11. Assessment of Catalytic Role

The project played a catalytic role in improving the operational capacity to approve ERS related certificates, approval of key regulations opening the indigenous areas to participate in PES schemes, and in providing baseline experiences for the development of new projects and baseline characteristics for improving the capture and sale of certified lands. The catalytic effect is illustrated in the following graphic:

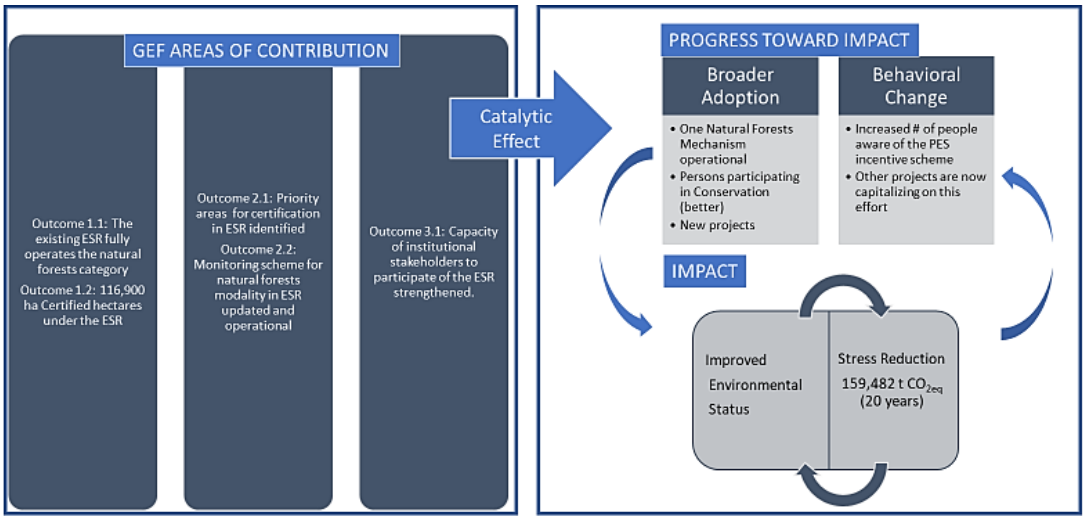


Figure no. 9 Catalytic Effect

Using the criteria presented in table 16, the current Catalytic Potential is at the "demonstration stage" and will require further maturity by MADES and through other projects to advance to the "replication stage."

Scaling up	Approaches developed through the project are taken up on a regional / national scale, becoming widely accepted, and perhaps legally required
Replication	Activities, demonstrations, and/or techniques are repeated within or outside the project, nationally or internationally
Demonstration	Steps have been taken to catalyze the public good, for instance through the development of demonstration sites, successful information dissemination and training
Production of public good	The lowest level of catalytic result, including for instance development of new technologies and approaches. No significant actions were taken to build on this achievement, so the catalytic effect is left to 'market forces'

Table No. 16 Catalytic Role

1. The project has surpassed the level of "Production of Public Goods." The initial system is established, has functioned in all stages, and the Project's reforms positioned the ERS system at a basic level of function.

2. The Project is firmly situated in the "Demonstration Stage." Clear steps have been taken to catalyze the public good with the first certificates having been issued and some sold. The custom of setting aside land is now developing with remaining trust issues to overcome. This will be solidified if the partners can achieve the sale of outstanding certificates and harmonization of regulations across all areas of MADES that facilitate communication.
3. To progress to the Replication stage, the policy and regulatory framework require further adjustment to address the transferability of certificates, define how environmental values can also be traded, and a more fluid oversight process that can remove bottlenecks. These adjustments, that can be made by MADES with inter-agency cooperation for Natural Forests and can then be expanded to all conservation lands in Paraguay, such as grasslands, as these become better defined through ongoing projects.
4. The collaboration and exchange of experiences among government agencies, in addition to the participation of the private sector and NGOs will facilitate the dissemination of the project's efforts. Systematization of P roject experiences and lessons learned will help act as a guide to MADES in moving from Demonstration towards Replication.
5. Once these structural measures are moved into the Replication stage, the possibility of moving into the "scaling-up" stage will be within reach. The capacities developed under the project will also offer an opportunity of extending the payment for ecosystem services and the issuance of Certificates of Environmental Services to other forest stands managed by private landowners in other parts of Paraguay, and into the other categories of Natural Grasslands. even to those in indigenous lands beyond the national jurisdiction.

4.12 Sustainability

The GEF M&E Policy 2010 defines sustainability as "the likely ability of an intervention to continue to deliver benefits for an extended period of time after completion; projects need to be environmentally as well as financially and socially sustainable." Throughout this document and especially in the previous section, references alluding to the overall sustainability of the initiatives have been presented. Those perspectives are summarized and ranked in this section. Sustainability is based on environmental, financial, socio-political and institutional.

Environmental:

Environmental sustainability is threatened by unsold certificates. If certificates lapse unsold, then the ESR process will lose credibility. If that were to happen, then stakeholders would lose faith in PES schemes which would ensure negative land-use cover change. The key to sustainability is to engage all parties in funding the purchase the certificates in the short run can happen while the process is maturing through other projects. CI and WWF might consider using their fundraising capabilities to identify buyers or fund actions with WWF PY being the buyer. The outstanding certificates must be sold immediately.

Where certificates have been sold, landowners are earnestly protecting those lands from change. The short duration of a certificate, which can range from 1 year to 5 years does not ensure that the process will be continued on the same land. In fact, the practice of forcing landowners interested in re-certification to bear full costs of repeating all studies is counterproductive in comparison to a process that recognizes the previous investment or that extends the certification for a longer period of time with simply a renewal fee and an inspection. If these issues can be addressed, MADES will have an environmentally sustainable process. When queried, if the environment better thanks to the Project, 82% responded yes, 6%, moderately and 12% no. When queried if the Project improved PES, 94% responded yes and 6% no.

Financial

Currently, the ESR model is not financially sustainable. All KIIs interviewed with knowledge of the structure agree that the nominal cost structure of transactions, currently differentiated by ecoregion, needs to be revised. Evaluators could not determine to what degree official prices are an influence on decisions to buy and sell. Prices are negotiated directly between buyers and sellers, often below official prices. Indigenous communities indicated that they do not have any advantages in the negotiations because the number of certificates available for sale exceeds the demand. The TE team also listened to unconfirmed stories of fraudulent activity by some community leaders.

A delicate balance exists between regulating to protect users from inappropriate behavior and overburdening the function of the market with regulations. The financial sustainability of the ESR model will depend on the ability to remove the Impediments to the free trading of certificates.

Evaluators urge MADES to consider certifying brokers licensed to promote transactions. It is also recommended that certificates be fully transferrable, enabling banks, investors, farmers etc. to freely trade certificates and register those transactions with SIAM. The third recommendation for financial sustainability is to enable additional trading of the CO_2 associated with the properties. To do so would require clarification of the ownership of the carbon rights and enable a registered process that could add value for the conservation farmers. Finally, enable owners to use non-timber values, such as hunting, honey, medicinal plants, etc. to increase value of the properties.

Once the barriers to transferring certificates is removed, the market will dynamize and prices should trend upwards to a level that works for both sides.

Barriers to entry, such as requirements by Public Works to acquire certificates must be revised. This may require a working group or commission between the key institutions to define which policy changes and how this could legally occur. Perhaps trading by third parties or brokers that can qualify might be the answer.

Socio-political

The project has taken great care to ensure socio-political sustainability. As mentioned, trust issues remain and will take time to work out. MADES must form a coalition of all institutions working in the area with consultants, producers and indigenous communities to disseminate information to target audiences and other ongoing projects to continue messaging. Work with INDI on a long-term communications strategy and to harmonize procurement requirements with the capacity of indigenous communities. INDI can work with indigenous communities to fulfill basic regulations by with exploring the registry of indigenous communities through the ECO and Bueno programs for micro businesses.

Institutional

Internally, MADES has a greatly improved process and DSA, having accompanied a full cycle, is in a good position to now work internally to harmonize requirements between DSA and SIAM. In terms of streamlining policies, MADES is now also prepared for monitoring of certificates and future registration. This leads to a point of concern over MADES' available human resources. As the Magistrates and Prosecutors improve their performance and dictate more certificates, will MADES become a bottleneck and cause long delays in processing certifications? There is no analysis of the human resources needed for any predictable level of certificates. There is an availability of consultants and foresters in Paraguay that could be certified to manage the registry process. MADES could maintain its posture as a regulatory agency and perform statistical audits of the performance of contract foresters or environmental scientists. MADES will need to prepare for an expansion of activities in a way that creates efficiency in the process. Almost 70% of persons polled indicated that the government is able to manage the process.

The rankings for the four areas are presented in the following table:

Sustainability	Rating	Justification
Financial resources	ML	The financial structure of the ESR requires adjustments to dynamize the market
Socio-political	L	Long-term work is needed to build trust and maintain messaging.
Institutional framework and governance	L	MADES is able to manage the process. Structural adjustments in the regulatory environment are still needed to dynamize the sale of certificates.
Environmental	ML	The rejection of the ESR process because of unsold certificates must be avoided. Ideas for the short-term purchase of all certificates and long-term strategies for internal demand for certificates will eventually improve. Rejection of ESR will have a negative long-term environmental impact.
Likelihood of Sustainability: (HL) Highly Unlikely; (U) Unlikely; (ML) Moderately Likely; (L) Likely; (HL) Highly Likely		

Table No. 17 Sustainability Assessment Summary

5. CONCLUSIONS, RECOMMENDATIONS AND LESSONS LEARNED

5.1. Conclusions

1. Project Design: The project continues to be justified. The project responds to clearly articulated problems that remain priorities. Several key barriers such as the time and cost to develop trust and the ability to assimilate new concepts in traditional societies were underestimated. The Project's Theory of Change did not include a market mechanism as part of a triad between producers of conservation lands and buyers of conservation certificates. The absence of a functioning market space and pre-project testing of assumptions caused problems in implementation as elements such as trust, and communication needs were not adequately assessed during the PPG phase and hence were underestimated within the Project's architecture. The design is appropriate for a pilot-type initiative and produced valuable lessons.

2. Relevance: The Project remains aligned with national priorities and supports the operational capacity of MADES and other partners to execute national policies as defined by legislation and regulatory instruments. The Project is an important element within a suite of GEF-funded initiatives to reduce the effects of commodity driven deforestation. The project's impacts support GEF-5 Climate Change Strategy indicators in increasing the amount of land under Sustainable Land Management and in CO_2 avoidance.

3. Effectiveness: The Project was not effective in producing the desired outputs until a redesigned framework was agreed upon. The project produced 100% of the stated outputs and reached the redesigned outcome/level targets. Although the project did realize a full cycle ESR, the low level of sales of certificates for certified properties illustrates remaining gaps in the regulatory environment and thereby threatens sustainability. The de-linkage of environmental services from the sale of Certificates

came with an opportunity cost that could have affected the profit margin of conservation forest producers. MADES and partners were greatly strengthened by the process and are able to lead in future stages of development. The decision to simplify the scope of the Project to Natural Forests was correct.

4. Efficiency: The stage 1 project execution was inefficient, producing 33% of the outputs on almost 70% of the Project's budget. Stage 2 was highly efficient in producing 67% of the outputs on 30% of the total project budget. Given a short timeframe for stage 2, several key products were not delivered until the end of the project limiting their usefulness.

5. Implementation and adaptive management: This was the first GEF experience with a mixed Government/non-government implementation modality. The arrangement was ineffective for stage 1 which was terminated in favor of a new execution arrangement. The problems facing the Project were identified and signaled by the EA and did not receive an adequate or effective response. Therefore, the status of the Project was due to in part to problems in design, execution and most definitely to problems in governance. The IA was also ineffective in fomenting an effective response until all sides defined the options and aligned around the necessary adaptations. The adaptations to the project and new execution arrangements were effective in enabling the realization of the Project's outcomes.

6. Cross-cutting areas: Great attention was paid to the conformity of the project to environmental and social safeguards, gender mainstreaming and stakeholder engagement and in managing a free and prior informed consent process with indigenous communities and a grievance mechanism. Although assessments and reporting were compliant, levels of advocacy and accompaniment needed to promote new concepts were missing. As a result, the project was not able to understand early on investments in messaging and trust-building. This led to unintended opportunity costs, such as indigenous populations foregoing the use of non-timber resources from certified lands.

7. Sustainability: The ESR process is not yet financially sustainable due to structural issues related to the certification process. Work is needed to streamline procedures and add functionality to the efficient exchange between buyers and sellers. The current situation of unsold certificates is creating a lack of trust in the model. Institutionally, MADES and project partners are strengthened by the project and the policy framework is much better now than at project inception. Many problems referred to in this document were understood as a result of the Project's experience of which several new GEF and GCF projects are taking advantage.

5.2. Recommendations

Project Design: The Theory of Change between producers and buyers of environmental services will not produce an effective result without a market mechanism. Pre-design (PPG) activities should include Knowledge, Attitude and Practice surveys and Willingness to Pay/Trade assessments to define the Project's activities. A new endeavor must include a costed advocacy and communications and outreach outputs throughout the life of the project. Pre-project assessments should include testing or back testing of different scenarios for certification and for market exchanges. Include Process indicators within the Project's suite of indicators to provide qualitative information on the Project's processes from the perspective of different stakeholders.

Effectiveness: MADES should further develop the functionality of the certification process for all phases of approval including SIAM with regards to the capacity and reality of indigenous communities. SIAM could

greatly inform buyers and sellers, but complete and clear information is needed on the availability of certificates projected into the future. The pricing structure should be updated or eliminated in favor of market negotiations. Consider enabling a registry system for brokers to trade certificates as commodities with registration in SIAM. Consider also outsourcing the monitoring of properties to streamline the approval process with regulatory oversight by DSA. Consider an inter-institutional working group to harmonize regulatory criteria to facilitate the registry and sale of certificates within both private sector and indigenous communities.

Efficiency: Testing of scenarios in the Design phase would enable a more realistic scenario for project architecture and a better estimate of output costs and time estimates thereby increasing efficiency.

Implementation Arrangements: Selection of the EA should involve criteria such as previous experience in promoting new processes, advocacy, and grass roots promotion within similar stakeholder groups. Implementing agency oversight should flag issues early and involve active relationship building. Consider an agreed TOR for the Project Board and Steering Committee with yearly revisions. Regardless of challenges, regular board meetings must be convened and documented. These are capacity building exercises. It is incumbent on both IAs and EAs to build relationships with Board and Steering Committee members.

Cross-cutting areas: A more thorough risk assessment is needed at Project Design. In pilot type projects, the risk and effects of failure or rejection of the proposals must be considered, and the long-term environmental impact of that risk assessed.

Sustainability: To enhance the financial sustainability, explore public and private avenues to purchase all outstanding certificates. For future certificates, consider a more agile market mechanism, use of brokers, or third-party transfers through charitable donations or for resale. Define the legal aspects of transferability. Address the requirements for acquiring public calls for certificates. Address the potential bottleneck in monitoring certificates by liberalizing the monitoring framework to include private sector professionals. Establish an audit mechanism for their performance. Clarify the legality of additional trading of carbon values to determine who owns the right to sell the carbon.

5.3. Lessons Learned

1. An effective PPG phase should include testing of assumptions, especially where a new process or market mechanism is concerned. The design of the phase must include the costs of key survey instruments, such as willingness to Pay or KAP Surveys that will enable the proper effort and costing of outputs.

2. Ehen a new concept or technology is considered, strong knowledge management, communications and advocacy components must be included. The costs of effective outreach must be included in that mix. The lesson learned is that complex concepts take a long time before comprehension occurs. Constant testing of messages is needed.

3. The indigenous communities valued accompaniment above all other factors. A local staff is an asset, and the project design must consider this factor and costs. With the private sector, the city council was willing and able to support the project. This was not fully explored and probably cost the project visibility and connectedness as well as co-financing.

4. The project board and steering committees exist to provide consultation and solve problems. The problem-solving function is often overlooked. The relationships with the board must be actively and consistently cultivated by both the IAs and EAs. Extraordinary board meetings are necessary when obstacles that limit the performance of the project require action by government. The change in EAs is a complicated process. It was well managed by all parties with an open dialogue.

5. There is a wide difference of opinion about the legal aspects pertaining to certificates. Government representatives felt these were to be strictly controlled and non-transferrable while private sector legal counsel felt it these were fully transferable. A best practice in limiting risk is to continually test messages and perceptions throughout the project and if necessary, seek second and third expert opinions.

6. ANNEXES

Annex 6.1: Terms of Reference

Terminal Evaluation

The Global Environment Facility (GEF) requires Terminal Evaluations (TEs) for full-sized projects and encourages TEs for medium-sized projects. TEs are conducted by independent consultants and are used as an adaptive management tool by GEF Agencies and as a portfolio monitoring tool by the GEF Secretariat. TEs are primarily a monitoring tool to identify challenges and outline corrective actions to ensure that a project is on track to achieve maximum results by its completion. **All reports that are submitted must be in English.**

Scope of Work:

1. Kick off meeting to introduce team, and provide project related documents for evaluations, based on the submitted proposal.
2. The evaluator will conduct a desk review of project documents (i.e. PIF, Project Document, plans related to the Environmental and Social Safeguards [including Accountability and Grievance Mechanism, Gender Mainstreaming, and Stakeholder Engagement], Work plans, Budgets, Project Inception Report, Quarterly Reports, PIRs, documents with project results, Finalized GEF Focal Area Tracking Tools, policies and guidelines used by the Executing Agency, CI-GEF Evaluation Policy, GEF Evaluation Policy, Project Operational Guidelines, Manuals and Systems, etc.), and develop draft Key informant Questionnaire and draft terminal evaluation inception report to be reviewed by CI-GEF team. The report will contain the initial information on the following:
    a. Initial subject of the review, and relevant context
    b. Purpose of the evaluation: why is the evaluation being conducted at this time, who needs the information and why?
    c. Objectives of the evaluation: What the evaluation aims to achieve (e.g. assessment of the results of the project, etc.)
    d. Scope: What aspects of the project will be covered, and not covered, by the evaluation
    e. Identification and description of the evaluation criteria (including relevance, effectiveness, results, efficiency, and sustainability)
    f. Key evaluation questions
    g. Methodology including approach for data collection and analysis, and stakeholder engagement
    h. Rationale for selection of the methods, and selection of data sources (i.e. sites to be visited, stakeholders to be interviewed)

i. Proposal on the system for data management and maintenance of records
j. Intended products and reporting procedures
k. Potential limitations of the evaluation

3. The evaluator will host a workshop (in person/virtual) with the Executing Agencies to clarify understanding of the objectives and methods of the Terminal Evaluation.

The conclusion of the workshop will be summarized in a Terminal Evaluation Workshop Report with the following information:

a. Final subject of the review, and relevant context
b. Purpose of the evaluation: why is the evaluation being conducted at this time, who needs the information and why?
c. Objectives of the evaluation: What the evaluation aims to achieve (e.g. assessment of the results of the project, etc.)
d. Scope: What aspects of the project will be covered, and not covered, by the evaluation
e. Identification and description of the evaluation criteria (including relevance, effectiveness, results, efficiency, and sustainability)
f. Key evaluation questions
g. Methodology including approach for data collection and analysis, and stakeholder engagement
h. Rationale for selection of the methods, and selection of data sources (i.e. sites to be visited, stakeholders to be interviewed)
i. Final system for data management and maintenance of records
j. Intended products and reporting procedures
k. Potential limitations of the evaluation

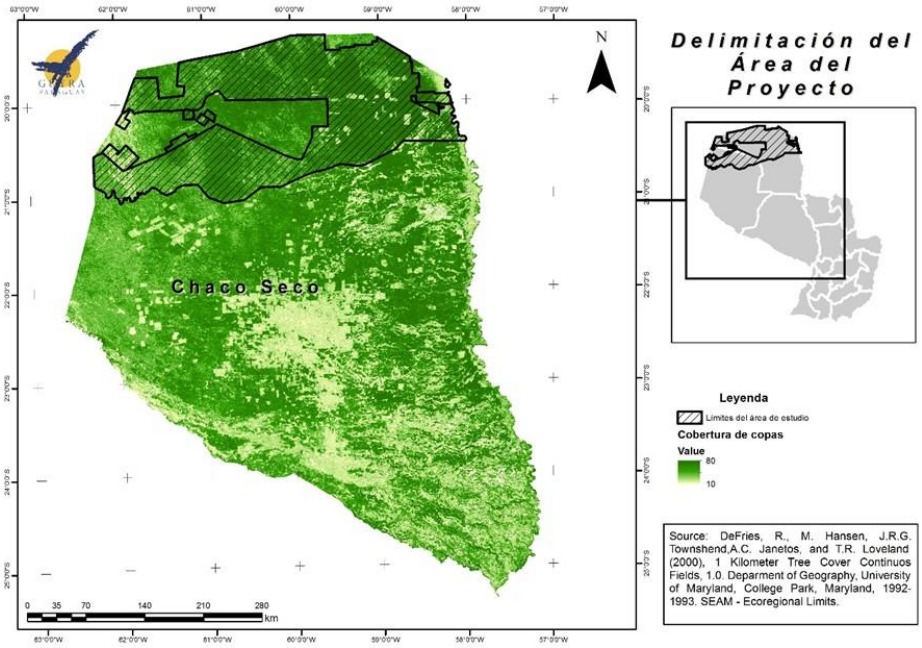
4. The evaluator will undertake the evaluation of the project, including any interviews and in- country site visits, based on the Guidelines for the Evaluator/s section II. The evaluator will Present initial findings to the Executing Agency, CI's General Counsel's Office (GCO) and CI-GEF Agency at the end of TE mission.
5. Based on the document review and the in-country interviews/site visits, the evaluator will prepare a draft evaluation report following the outline in Annex 1. The report will be shared with the Executing Agencies and the CI-GEF Agency. Each party can provide a management response, documenting questions or comments on the draft evaluation report.
6. The evaluator will incorporate comments and will prepare the final evaluation report. The evaluator will submit a final evaluation report in word and PDF and will include a separate document highlighting where/how comments were incorporated.

Guidelines for the Evaluator(s):

- implementation and execution. Evaluators will familiarize themselves with the GEF programs and strategies, and with relevant GEF policies such as those on project cycle, M&E, co-financing, fiduciary standards, gender, and environmental and social safeguards.
- Evaluators will take perspectives of all relevant stakeholders (including the GEF Operational Focal Point[s]) into account. They will gather information on project performance and results from multiple sources including the project M&E system, tracking tools, field visits, stakeholder interviews, project documents, and other independent sources, to facilitate triangulation. They will seek the necessary contextual information to assess the significance and relevance of observed performance and results.
- Evaluators will be impartial and will present a balanced account consistent with evidence.
- Evaluators will apply the rating scales provided in these guidelines in Annex 2.
- Evaluators will abide by the GEF Evaluation Office Ethical Guidelines.

Annex 6.2. Project Geography

Figure No. 6.2.1 Project Area



Regarding the project area, in its first Board of Directors held on June 13, 2017, it is indicated that the area coincides in part with the Biosphere Reserve area declared by SEAM.

The geographic scope of the project was determined by various surveys, assessments, and consultations with a number of stakeholders during the PPG phase and outlined in section 2A and Appendix 10 in the PRODOC. A multi−criteria analysis was used for the delimitation of the study area, the following factors were considered: SEAM Resolution # 614 where Paraguayan Chaco ecoregions were set; the canopy of forests according to the analysis by the University of Maryland, considering that the area with the highest canopy cover and greater amount of carbon stored, the areas occupied by indigenous peoples and deforested areas were also considered (up to 2014). Also, Satellite Images Landsat 8 were used, as well as the AVHRR−Tree Cover products. All data were used in the Coordinate System UTM Zone 21 South Datum WGS1984. For a first approach, the canopy cover (Tree Cover) product AVHRR sensor was used to identify the areas of greatest density of coverage. Using carbon storage as the main ecosystem service, all the data required for the development of this analysis were available, also with expert consultation and GIS tools.

A technical justification to expand the project area to cover most of the Chaco region was presented to the IA and approved by CI GEF. Based on this extended project area, efforts continued to identify new areas to certify. Figure 6.2 2

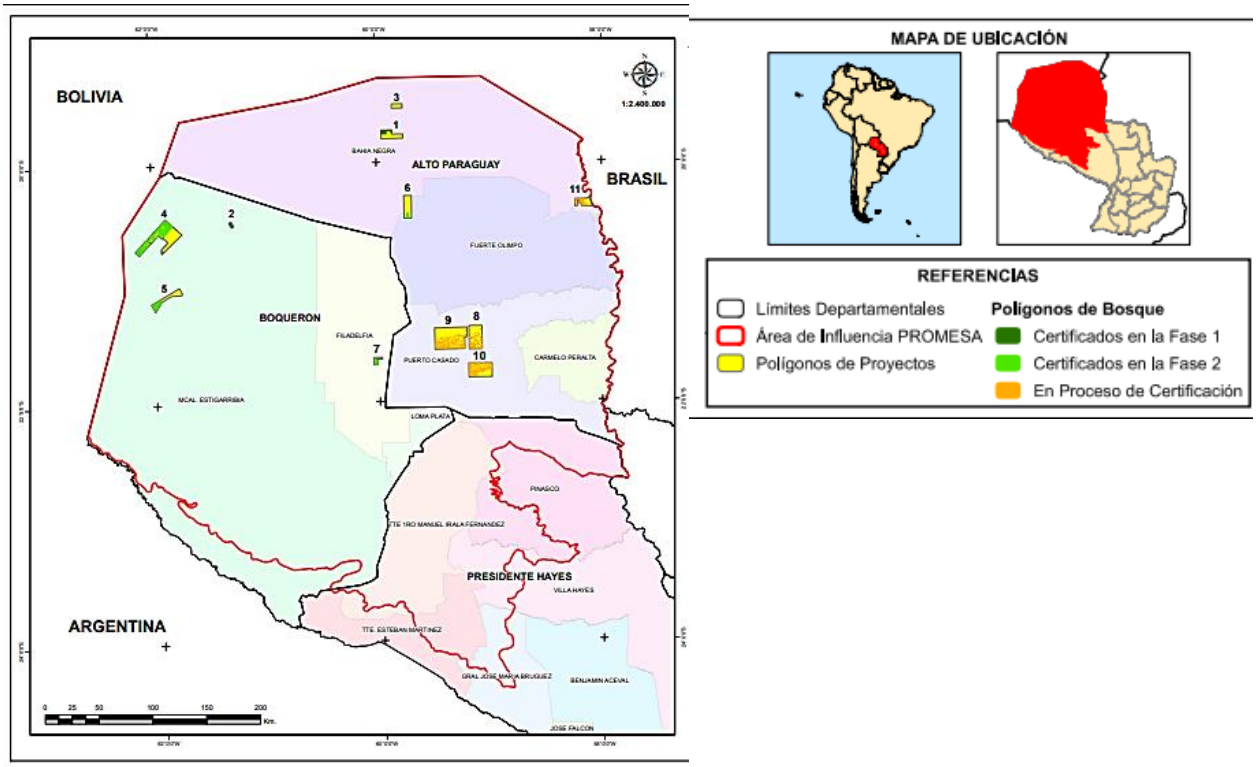


Figure 6.2.2 Project Area Extended

Annex 6.3. Terminal Evaluation Methodology

The following complements the information provided in Section 2: The Mid-term Evaluation Process.

The Evaluation Team:

Asesoramiento Ambiental Estratégico (AAE)

Mr. Diego Martino, Team Leader

Mr. Robert W. Crowley, Lead Evaluator, Redaction

Mr. Roberto Lopez Iraola, Paraguay Evaluator

Ms. Sara Marchena, Logistics, Research and Cost analysis, Redaction

Ms. Enora Philippe, Support

Mid-term Evaluation Timeline of Key Deliverables:

Kick-off meeting: 13 October 2022

Inception Report: 02 November 2022

Evaluation Mission 2-26 November 2022

Presentation of Preliminary Findings 02 December 2022

Draft TE Report Submitted: 12 December 2022

Comments Received: 18 December 2022

Draft (2) TE Report in response to comments submitted: 16 January 2023

TE Report approved: [Date of Approval]

The Purpose of the Evaluation

The evaluation is an independent technical and financial TE of the Innovative Use of a Voluntary Payment for Environmental Services Incentive Program to Avoid and Reduce Greenhouse Gas Emissions and Enhance Carbon Stocks in the Highly Threatened Dry Chaco Forest Complex in Western Paraguay (PROMESA) GEF Project ID 5668. In adherence to GEF requirements[35], the GEF lead Implementing Agency (IA), Conservation International, contracted *Asesoramiento Ambiental Estratégico* (AAE) to execute the TE.

The Objective(s) of the Evaluation

The TE provides GEF Agencies and partners with a systematic account of a project´s performance by assessing its design, implementation, results and the likelihood of long-term impacts. The feedback and lessons learned allows the GEF Independent Evaluation Office (IEO) to identify recurring issues across the GEF portfolio and contributes to GEF IEO databases for aggregation and analysis. For the GEF Secretariat, the TE is a portfolio monitoring tool and facilitates learning from good practices and stakeholder participation. For the IAs: CI and executing partners, MADES and WWF-PY, the evaluation informs learning and improvement; accountability; evidence-based management and decision-making; and adaptations in project implementation based-on evaluation results and lessons learned. The TE is a cornerstone of the Project´s Monitoring and Evaluation Plan. The TE enhances GEF and IA programming by informing future project design and implementation.

The TE Report is the principal product that assesses the Project´s accomplishments and progress against expectations as outlined through on a Results-based Management Framework established within the Program and Project Results Framework and draws lessons aimed to improve the sustainability of project benefits and enhances GEF and IA programming by informing future project design and implementation. In adherence with the specifications outlined in the Terms of Reference (TOR) for the TE consultancy (Annex 1), this TE Report analyzes aspects and results of the project according to GEF and CI criteria[36] [37]for

[35] Global Environment Facility. June 2019. Policy on Monitoring, GEF/C.56/03/Rev.01 URL: https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.56.03.Rev_.01_Policy_on_Monitoring.pdf; accessed 20 March 2022.

[36] Global Environment Facility. Independent Evaluation Office, 2010. GEF Monitoring and Evaluation Policy Pg. 35; par 81. URL: http://gefieo.org/sites/default/files/documents/reports/gef-me-policy-2010-eng.pdf. Accessed 26.04.2022

[37] Conservation International. July 2020. Monitoring and Evaluation Policy for GEF-Funded Projects. Version 03. URL: https://www.conservation.org/docs/default-source/gef-documents/ci-gef-evaluation-policy.pdf?sfvrsn=722e3751_0 . Accessed 15 October 2022

monitoring and evaluation including Relevance, Effectiveness, Efficiency, Adaptive Management, Sustainability and cross cutting issues, such as Gender Management, Safeguards, among others. The report outlines Conclusions, Recommendations and Lessons Learned, as well as challenges to project implementation and corrective actions to ensure maximum results by the Project´s completion. The Report promotes accountability, transparency, sustainability, as well as effective and adaptive management of GEF resources.

Ethics

The TE process adhered to all pertinent professional and ethical guidelines and codes. The evaluation was conducted in accordance with the norms, standards, ethical and conduct guidelines defined by the cited GEF guidance and CI Policies. The TE also sought commonality between the different EA regulations for M&E. The TE process was based on evidence-based management focused on reliable data and observations, relevance to the needs of the users, meaningful stakeholder engagement and focused-on learning, improvement and accountability. AAE provided a signed declaration of adherence to Cis Code of Conduct and fully endorses the United Nations Evaluation Guidelines (UNEG) Code of Conduct for evaluations.

Adherence to Guidelines and Evaluation Criteria:

The TE follows the CI and GEF guidance for Mid-term Evaluations of GEF-financed Projects[38] [39]. It also embraces the OECD (DAC) concepts for Results Based Management which are also internalized in the CI Evaluation System. The Findings are presented with respect to the following categories and criteria:

- Relevance: The conformity of the project to GEF objectives and to the national environment and development policies as well as sector strategy.
- Effectiveness: The extent to which the expected objective and outcomes been achieved.
- Efficiency: Efficiency in project implementation per international / national norms and standards.
- Sustainability: The financial, institutional, socio-political and environmental risks to sustaining long-term project results.
- Safeguards: Provisions for active stakeholder engagement, gender equality and women´s empowerment, management of grievances, etc.
- Progress to Impact: Indications that the project has enabled progress towards reduced environmental stress and/or improved ecological status.

The TE scoped qualitative markers for adaptive management, safeguards, sustainability and others according to the criteria outlined in the cited guidance in consultation with the following GEF guidance on Monitoring including but not limited to the following:

[38]. Conservation International. July 2020. Monitoring and Evaluation Policy for GEF-Funded Projects. Version 03. URL: https://www.conservation.org/docs/default-source/gef-documents/ci-gef-evaluation-policy.pdf?sfvrsn=722e3751_0 . Accessed 15 October 2022..

[39] Global Environment Facility. June 2019. Policy on Monitoring, GEF/C.56/03/Rev.01 URL: https://www.thegef.org/sites/default/files/documents/gef_environmental_social_safeguards_policy.pdf ; accessed 15 October 2022.

- Environmental and Social Safeguards (SD/PL/03) [40] and Guidelines[41]
- Gender Equality Policy (SD/PL/02)[42] and Guidelines[43]
- Stakeholder Engagement (SD/PL/01)[44] and Guidelines[45]
- Minimum Fiduciary Standards (GA/PL/02)[46].

The Scope of the Evaluation:

The Scope or Systems Boundary of the evaluation is defined by temporal, geographic and thematic aspects of the Tri Global Child Project.

The temporal dimension covers the Project from CEO endorsement in June 2016 to November 2022, the limit of the technical and financial information provided. The TE was launched in June 2022 at 72 months from endorsement with 5 months remaining in the extended Project lifecycle. The information contained herein includes results as reported by November 30, 2022. Any remaining updates should be included in the Project's final Quarterly Report.

The geographical dimension of the evaluation is "national" with consultation focused on the localized activities within the Gran Chaco region and national-level policy and fiduciary aspects of interest to MADES. The evaluation focused on national-level consultations with international stakeholders from the IA providing clarifications. Map 1 (Annex 2) indicates the original geographic dimension of the project and the expanded dimension following MTR.

The thematic or programmatic dimension covers the following: (a) the Project´s foundation as described in its justification, strategy and design; (b) the Project´s progress towards expected results and impacts; (c) Project implementation and adaptive management; and (d) lessons learned, conclusions and

[40] _____. GEF/C.54/11/Rev.02 URL: http://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.C.54.11.Rev_.02_Results.pdf ; accessed 15 October 2022.

[41] _____. December 2019. Guidelines on GEF´s Policy on Environmental and Social Safeguards. GEF/SD/GN/03 URL: https://www.thegef.org/sites/default/files/documents/guidelines_gef_policy_environmental_social_safeguards.pdf ; accessed 15 October 2022.

[42] _____. November 2017. Policy on Gender Equality URL: https://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf ; accessed 15 October 2022.

[43] _____. June 2017. Guidelines on Gender Equality. URL: https://www.thegef.org/sites/default/files/documents/Gender_Equality_Guidelines.pdf; accessed 15 October 2022.

[44] _____. November 2017. Policy on Stakeholder Engagement. GEF/SD/PL/01. URL: https://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy_0.pdf; accessed 15 October 2022.

[45] _____. December 2018. Guidelines on the Implementation of the Policy on Stakeholder Engagement. URL: https://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Guidelines.pdf ; accessed 15 October 2022.

[46] _____. December 2019. Minimum Fiduciary Standards for GEF Partner Agencies. GEF/GA/PL/02. URL: https://www.thegef.org/sites/default/files/documents/gef_minimum_fiduciary_standards_partner_agencies_2019.pdf ; accessed 15 October 2022.

recommendations. The TE assessed project performance against indicators set out in both the project's original and modified Results Frameworks. The evaluation methodology, key questions and criteria were developed through a participative process and agreed during an inception meeting held on 02 November 2022 and presented in an Inception Workshop Report approved on 06 December 2022.[47] The following Evaluation Matrix (Annex 5) presents the criteria and key evaluation questions.

The content or programmatic scope of the evaluation responded to the Terms of Reference (TOR) for the TE (Annex 2). Thematically, the TE evolved from the following aspects: (a) the Project´s foundation as described in its justification, strategy and design; (b) the Project´s progress towards expected results and impacts; (c) Project implementation and adaptive management; (d) cross-cutting issues *e.g.*, the feasibility of the project strategy and mechanisms for assessing and mitigating risks and (e) conclusions, recommendations and lessons learned. These areas were examined across evaluation categories illustrated as follows:

1. Project justification: a review of the project context (problem, country/child project priorities, etc.) to understand if the project strategy responds to a well-conceived problem with adequately understood baseline and context. The main development assumption, that a central support unit will create synergies and benefits to IAs and to child projects was examined. Evaluators examined PPG products, validated the underlying development assumptions and identified any changes in the baseline, context, national and global priorities to assess the Project´s continued relevance.
2. Theory of Change: The Project´s hypotheses underpinning the internal logic of the Project´s architecture[48] was reviewed.
3. Project Strategy: an analysis of the Results Framework and the Project´s architecture or the relationship between the Project´s components (outputs, indicators and targets) to Outcomes and the Project´s objective, their SMART[49] characteristics, relevance of the strategy to reaching the stated outcomes, and potential for realization of the desired outcomes by the end of the project to inform any adjustments in the Project´s monitoring plan. Evaluators also analyzed the validity and likelihood of outcome-level assumptions proving true or changed given any changes in international priorities or the pertinent needs of client Child Projects.
4. Risks: an updated review of the Project´s risk assessment profile and review process.
5. Progress Towards Results: The Project's progress at the MTE was ranked based on prognosis of the Project's likelihood to achieve expected Outcomes by the end of the project. Progress is gauged by analyzing the realization of the stated composite outputs and on the indicators presented in the Project´s Results Framework. The ranking scale follows the traffic light system with a numerical ranking from Highly Unsatisfactory (HU) to Highly Satisfactory (HS) described below. Annex 3 also provides a description of the ranking system. Evaluators also identified remaining barriers and bottlenecks to achieving the project´s objective and results.
6. Progress Towards Impact: the likelihood of the project contributing to the environmental stress indicators as outlined in the Project´s objective in addition to a comparative review of GEF 7 core indicators[50].

[47] Put link to Inception Workshop Report here.

[49] Specific, Measurable, Attainable, Relevant, Time-bound

[50] Including tracking of updated GEF 7 core indicators

7. Safeguards: assessment of the quality of stakeholder engagement, changes in risks and compliance with approved safeguard mechanisms and the need for additional safeguards and the grievance mechanism.
8. Project Implementation and Adaptive Management: An analysis of the technical and financial execution of the outputs, oversight, and the M&E functions and Project Management budget execution informed an analysis and ranking of Effectiveness and Efficiency respectively. In addition, evaluators probed the Project Management functions, e.g., Project planning, monitoring and reporting, and determine quality of the management experience and effects on achieving project outputs in a timely and cost-effective manner.
9. Sustainability: the financial, institutional, socio-political and environmental risks to sustaining long-term project results focused on the programme and global levels.
10. Project Governance: the effectiveness of the management modality, governance, decision-making, and value added to the Child Projects. This included an assessment of the effectiveness of the relationships between Implementing agencies and executing agencies, changes in administration and related effects.
11. Lessons learned, Conclusions and Recommendations to foment discussion by management and, if applicable, to guide future adaptations and project execution.

Evaluation Methodology

The evaluation used a mixed methodological approach, combining quantitative and qualitative methods and took a participatory approach combining the evaluator's external assessment with the experience of internal and external stakeholders.

Evaluation Criteria and Questions

The GEF Evaluation Criteria are lenses through which the information gleaned from evaluation, interviews or other activities were processed. These are Relevance/Coherence, Effectiveness in achieving results, efficiency, and sustainability. For each of the following criteria, key evaluation questions aligned with those provided in the TOR have been developed and are presented in the Evaluation Matrix.

The key evaluation criteria received a ranking using the “traffic light system,” a color code ranging from “Red” (not likely to meet expectations) to “Green” (likely to meet expectations) from two viewpoints: the actual achievement per the stated MTR and End-of-Project (EOP) targets. The ranking is complemented by a numerical rating associated with evaluation categories ranging from “Highly Unsatisfactory” (HU) to “Highly Satisfactory” (HS). A description of the ranking system and scales is presented in Annex 3. Each of the following evaluation categories received rankings.

Relevance/Coherence of the Project Strategy

The relevance analysis focused on the strategic formulation and design of the project, its coherence with the situational analysis and the problems raised; the degree of participation of the beneficiary population in the construction of the project, considering its link with the priority areas of the GEF, IAs and pertinent international priorities, such as Climate Change. This analysis was carried out through a document review and Key Informant Interviews (KIIs). Relevance aspects also emerged from the elements gathered from the different interviews and focus groups carried out with Project stakeholders. Additional areas related to new barriers, new problems, or completeness of the baseline situation were also queried in KIIs and cross-referenced with the project context sections of related projects. The Theory of Change and the continued relevance of project activities in producing the desired outputs and outcomes within the

context of the project´s logic is analyzed. Any assumptions not identified during the formulation stage was reviewed. Evaluators examined if the proposed support from non-GEF sources critical to achieving the outputs and outcomes materialized and to what effect. Evaluators seek other strategies not considered that could present opportunities for project partners.

Effectiveness: Progress Towards Achieving Results.

The evaluators analyzed the progress of the project towards achieving the results at the Outcome-level as defined in the GEF-approved project document package. To do so, the evaluators used a Progress Towards Results Matrix which compared and analyzed the GEF targets for the TE against the baselines defined in the Results Framework per indicator. A second layer of analysis was undertaken using progress against the stated outputs. Inconsistencies between the two activities enable evaluators to identify problems with design, the indicators or problems in execution. In addition, this allowed the evaluators to identify persisting or new barriers to the achievement of the objectives and likewise, identify successful aspects of the project. KIIs triangulated the information gleaned from Annual Workplans, Progress reports and minutes from key meetings. The Progress Matrix is Presented in Annex 6.

Efficiency: Project Implementation and Adaptive Management

The efficiency analysis examined the agility of the administrative processes in executing the programmed activities within the times frames established. It determines the results of the work planning process, feedback loops and the fluidity of the financial processes and delivery systems. Evaluators looked closely at the analysis of the administrative/financial actions and at the application of the work planning approach and adaptations based on monitoring of results. This includes the efficiency and effectiveness of the monitoring systems in supporting decision-making and governance.

The analysis considers the budget revisions and changes that have been made during implementation. To this end, programmatic and financial monitoring tools, monitoring reports from CI, operational plans and programmatic reports were reviewed. The results were triangulated with KIIs.

The results revealed the trends in budget execution, changes between the pre and post COVID project execution, and costs of the attainment of outputs to the midpoint of the project. These compared with the results of the effectiveness analysis provide a picture of the overall management results and enable recommendations for adaptations on different levels.

Evaluators analyzed the management efficiency required to execute the remaining budget to the end of the project, as well as the effect of COVID within the context of GEF Guidance for support to post-COVID-19 economies. Both are important factors in analyzing the need for an extension, an important factor in recovering the project from a low performance status. Evaluators also investigated efficiencies in compliance with guidelines, safeguards and how the project has adapted to different situations that might have occurred during implementation as well as how effectively the team mitigated for the effects of COVID. An additional key question is, “how have the different layers of stakeholders been engaged to create efficiencies of scale?”

Sustainability

Sustainability is analyzed from four perspectives: financial risks, socio-economic feasibility, institutional and governance risks and environmental risks. The effects of COVID-19 were analyzed as environmental threats to both project implementation and sustainability. The consultants analyzed the actions carried out to strengthen individual and institutional capacities.

The tools provided to enhance Sustainability includes safeguards including the cross-cutting issues of Stakeholder Engagement, Gender Action Planning and the presence of a functional Grievance Mechanism

of the project. Evaluators reviewed the safeguards presented at CEO endorsement and related documentation, including monitoring reports, assessments, PIRs etc. to determine whether the related management measures are being effectively implemented. The team probed the level at which stakeholder and gender-specific views and concerns are considered and integrated into the project management process.

Finally, the financial sustainability of the mechanisms presented are examined to determine if the mechanisms in-force by the close of the project will be sustained at an acceptable level of quality into the foreseeable future.

Evaluators were also observant of any changes to the sustainability outlook from CEO endorsement to the present. Evaluators probe changes in safeguards related to the changes in the target regions of the project through direct stakeholder consultation as well as through virtual focus group meetings.

Lessons Learned, Conclusions and Recommendations

According to the reporting requirements expressed in the TOR (Annex 2) for the evaluation, the evaluators draw conclusions and present recommendations to improve project management, implementation, and to assure the delivery of the outputs based on a validated set of indicators in-line with GEF focal area indicators, international priorities and IA objectives. Recommendations include actions required to rectify the problems encountered.

Information collection methods

Given the nature of the object of study, the methodology of data collection and analysis combined qualitative (including participatory techniques) and quantitative methods (data collection, processing, analysis, and presentation of information), which allow the evaluators to draw conclusions related to the outputs. The different techniques for collecting and analyzing information used during the TE are detailed as follows.

TE Coordination/ Kick-off meeting: Expectations were clarified.

Desk review: AAE established a SharePoint for the dissemination of information between the IA and EAs. The main documents related to the Project were reviewed and analyzed from different perspectives such as the quality and relevance of the information provided, identification of gaps, coherence, and correlation between documents, etc. Many of the documents provided were reviewed beginning on 16 October 2022 until the time of this report. The process continued through the month of November. The list of documents reviewed is presented in Annex 6.

Key Informant Interviews: A list of key informants from each IA and EAs at the national level including key international stakeholders has been provided. organization/institution, authorities, heads of partner organizations, heads of public institutions, local authorities, project managers; will be interviewed in a minimum duration of 40 minutes, depending on the relevance and amount of information the interviewee can offer. A Semi-structured Interview Guide (Annex 8) has been produced to facilitate the conduction of the interviews. The Semi-structured interview questions are derived from the TE Matrix (Annex 5), which presents all the dimensions of the evaluation by criteria.

Focus Groups: Focus groups are considered to reduce the number of individual interviews. Based-on the results of the focus group, the evaluators will ascertain the need for targeted, follow-on interviews with selected individuals to either confirms, inform or to triangulate information received. The same process can be used to foment dialogue on future project actions and to test recommendations. A FGD was executed for each project component and for Project Management

Processing and systematization of all the information collected and analyzed. The synthesis will be

organized in a previously prepared Excel matrix based on the evaluation questions presented.

Triangulation of Information from Data Sources: Quantitative and qualitative information from different data collection tools were processed according to different levels of analysis and by stakeholder characteristics using the key evaluation questions as parameters. AAE completed a final evidence-based process through data analysis that compared primary data against the secondary data obtained through the desk review to ensure reliability of information. Triangulation included follow-on interviews, consultation of third-party sources of information, and additional information requested of the project team. This process enabled the evaluators to extrapolate arguments and assessments and appreciate lessons learned from different perspectives. The evaluators were particularly interested in the qualitative lessons learned in relation to the different components, gender, safeguards, project management, etc.

Presentation of Findings: At the end of the implementation period, a feedback loop was established between AAE, CI and the respective EAs to validate the preliminary findings. A webinar was implemented on 02 December 2022 to present the results and solicit feedback to inform the drafting of the TE Report.

A draft TE Report was submitted on 12 December 2022. A final report was submitted on 16 January 2023 in response to comments and was approved on [date] by CI on January 2023

Evaluability and Challenges:

"Evaluability" is the extent to which a program can be reliably evaluated, i.e., maintaining consistency between data, information, and evaluation judgements so that these judgements can be relied upon. Evaluability refers to the quality of the results framework and/or effects map (coherence and alignment between effect, outcome, output, indicator) and the monitoring system in place, to enable an effective evaluation. Based on the information provided, the project was deemed "evaluable" with sufficient conditions to support the evaluation process.

The evaluation was implemented as planned with no setbacks. Several minor setbacks in transfer of information did occur but were ultimately rectified and did not affect the delivery of the evaluation.

In general, the IAs, EAs both past and present, and country teams were cooperative, responsive and forthcoming in responding to evaluators requests.

Annex 6.4. Terminal Evaluation Rating Scales

The main dimensions of project performance on which ratings are first provided in terminal evaluation are outcomes, sustainability, quality of monitoring and evaluation, quality of implementation, and quality of execution. The CI-GEF Agency also includes ratings for environmental and social safeguards.

Outcome Ratings:

The overall ratings on the outcomes of the project will be based on performance on the following criteria:

a. Relevance
b. Effectiveness
c. Efficiency

Project outcomes are rated based on the extent to which project objectives were achieved. A six-point rating scale is used to assess overall outcomes:

- Highly satisfactory (HS): Level of outcomes achieved clearly exceeds expectations and/or there were no short comings.
- Satisfactory (S): Level of outcomes achieved was as expected and/or there were no or minor short comings.
- Moderately Satisfactory (MS): Level of outcomes achieved more or less as expected and/or there were moderate short comings.
- Moderately Unsatisfactory (MU): Level of outcomes achieved somewhat lower than expected and/or there were significant shortcomings.
- Unsatisfactory (U): Level of outcomes achieved substantially lower than expected and/or there were major short comings.
- Highly Unsatisfactory (HU): Only a negligible level of outcomes achieved and/or there were severe short comings.
- Unable to Assess (UA): The available information does not allow an assessment of the level of outcome achievements.

The calculation of the overall outcomes rating of projects will consider all the three criteria, of which relevance and effectiveness are critical. The rating on relevance will determine whether the overall outcome rating will be in the unsatisfactory range (MU to HU = unsatisfactory range). If the relevance rating is in the unsatisfactory range, then the overall outcome will be in the unsatisfactory range as well. However, where the relevance rating is in the satisfactory range (HS to MS), the overall outcome rating could, depending on its effectiveness and efficiency rating, be either in the satisfactory range or in the unsatisfactory range.

The second constraint applied is that the overall outcome achievement rating may not be higher than the effectiveness rating. During project implementation, the results framework of some projects may have been modified. In cases where modifications in the project impact, outcomes and outputs have not

scaled down their overall scope, the evaluator should assess outcome achievements based on the revised results framework. In instances where the scope of the project objectives and outcomes has been scaled down, the magnitude of and necessity for downscaling is considered and despite achievement of results as per the revised results framework, where appropriate, a lower outcome effectiveness rating may be given.

Sustainability Ratings:

The sustainability will be assessed considering the risks related to financial, sociopolitical, institutional, and environmental sustainability of project outcomes. The evaluator may also take other risks into account that may affect sustainability. The overall sustainability will be assessed using a four-point scale.

- Likely (L): There is little or no risk to sustainability.
- Moderately Likely (ML): There are moderate risks to sustainability.
- Moderately Unlikely (MU): There are significant risks to sustainability.
- Unlikely (U): There are severe risks to sustainability.

The rankings of Progress to Results and Progress to Impact are also given a color code based-on progress and separately on the possibility of reaching the established outcomes by the TE. The color code is illustrated as follows:

Completed	On track for completion	Not Completed

Table 6.4.1.: Traffic lights color Rating Scale

Annex 6.5. Terminal Evaluation Matrix

Table 6.5.1 : Evaluation Matrix, PROMESA CI-GEF 5668

Key Evaluation Questions	Indicators	Sources	Methodology
Relevance: Was the Project strategy relevant to international, national and indigenous priorities and policy?			
Were the project outcomes congruent with the GEF focal areas/operational program strategies? Have the indicators been updated to align with GEF 7 indicators?	The contribution of impact results to GEF CCM-5 Focal Area objectives	● GEF CCM-5 Focal Area Core Indicators ● GEF 7 Indicators if applicable ● Results of TE Analysis of Progress to Impact ● Project M&E docs. PIRs.	● Document analysis ● TE Assessment of the Results to Impact (see below) and contribution to GEF Core CCM-5 indicators.
How have the Project's impacts contributed to Paraguay´s country priorities and national CC Objectives? Alignment with new policies? Has the country developed capacities to further their agenda?	Contribution of the project results to national priorities and existence of national analytical documents incorporated in the analysis section of the PRODOC that feed into this analysis.	● CEO Endorsement docs, National Communications to the UNCCD, NDC and national CC capacity analysis. ● KIIs GEF Focal Point and sector representatives (REDD+, IOs).	● Document analysis ● Validate matching Impacts with NDC, and CC and Ministry priorities and indigenous priorities. ● KIIs, research, information triangulation and interviews
How has the project strengthened alignment and created capacities for IA and EAs to match their priorities and further their CC agendas?	IA and EA assessment of benefits generated.	● KIIs with IA and EA authorities.	● Assessment of benefits and opportunities by IA and EA
Relevance of Project Design: Did the Project´s Theory of Change adequately address the causal pathways for the long-term impacts?			
Is the Project still justified?	Presence or absence of other projects or initiatives producing similar or improved benefits Continued interest in PES in the Dry Chaco.	● KIIs Producers and indigenous communities. ● Analysis	● Test for relevance of the strategy against other strategies to provide incentives to keep forest cover. ● Test for interest in continuing the PES strategy.
Were the problems addressed by the project the correct ones? Did the problems evolve over time?	Presence/absence of unforeseen, unidentified, or ignored problems that influenced the Project´s Theory and the Project´s impacts	● KIIs with Project authorities and/or authorities involved in the design of the project. ● CEO Endorsement documents	● Desk Survey ● Comparative analysis of Progress to Impact vs. Theory of Change

		● STAP Review Documents and responses ● MTR Assessment	
Did the Project´s Outcomes respond to clearly articulated and well-defined gaps or barriers?	Evidence of alignment with barriers Evidence of new or emerging barriers.	● Project documents ● REDD+ documents of assessments ● Country Climate Change assessments ● MTRs and TEs of related GEF projects (GGP, Chaco Verde)	● Literature Review of barriers and current situation. Test for changes in the policy landscape pre and post project.
Did the Impacts of the Project validate the Theory of Change?	Presence/absence of alternative strategies towards desired impacts. KIIs to validate results vs. ToC.	● KIIs with sector experts involved with or close to project design.	● Alignment between the problems the Project Objective(s) and the outcomes of the project
Were the suite of project objectives sufficient to address the problem	Progress to Impact per Outcome indicators	● CEO Endorsement documents ● Mid-term Review ● PIRs ● KIIs with authorities	● Analyze the linkage between the Project´s impacts and the
Are the Project's architecture (outcomes, outputs, indicators) aligned with the Project´s TOC?	Degree of integrity between project internal logic and ToC	● GEF Approved Project Document, Results Framework ● Modified Results Framework ● Focus Group Discussion (FGD) of Project authorities ● KIIs	● Document Review ● Test alignment between the TOC and the outcomes, outputs and indicators in the logframe
Relevance: Did the Project´s strategy deliver the expected Impacts?			
Were the assumptions (implicit & explicit) correctly assessed?	● Number of assumptions validated. ● Presence/absence of unforeseen assumptions that may have influenced results.	● Project Document ● PIRs ● FGDs with Project officials	● Document Review ● Triangulation between approved project documents and Progress to Impact
Does the Project's strategy reflect a deep identification of environmental and social risks? Are there adequate mitigation measures?	ESMF	● Project Document ● ESMF ● FGDs with IAs and EA officials	● Document analysis ● Compare TE risk assessment to risk assessments at inception and in yearly reports.
Did the Project´s linkages support the Outcomes	● The number of linkages that supported the project	● Project endorsement package ● KIIs government authorities,	● Analysis of effects of proposed project linkages and

	● New linkages developed during implementation	EAs and project partners	actual linkages at TE
Do the results developed during Project formulation still represent the best strategy to achieve the objectives?	● Acceptance of the Project strategy by part of the main actors.	● KIIs	● Analyzing the degree of acceptance of the strategy different stakeholder sat TE.
Effectiveness: Was the project design appropriate for delivering the expected Impacts?			
Has the Project avoided or reduced GHG emissions from deforestation and enhanced carbon stocks in the Dry Chaco Forest Complex through the establishment of a stakeholder Payment for Environmental Services (PES) Incentive Scheme for Carbon Sequestration?	● At least 5.7 million tons of verified CO2e emissions avoided or reduced from deforestation or forest degradation or through enhanced carbon stocks	● PIR ● Technical Reports ● Certificates	● Technical assessment based on the number of Ha. Declared in Certificates
	● At least 1 PES System operational	● Records of the number of certificates granted and the number of certificates in the pipeline. ● FGDs with beneficiaries, rate the process on a 1 to 5 scale.	● Analysis for presence or absence of operational elements. ● Quality of operation as expressed by participants
To what degree were the GEF Core Indicators Realized?	● Level of achievement reported in the GEF monitoring tools	● GEF Tracking Tool ● PIR ● Quarterly reports	● Documents revision ● KIIs
Effectiveness: What is the progress towards the expected results?			
Is the ESR Operational for the Chaco Forest Complex?	At least one ESR Report	ESR Report	Completeness of ESR Reports based on criteria
	At least 1 Ministerial resolution drafted	Text of Ministerial resolution	Text of Ministerial Resolution submitted for approval.
	The number of Hectares Certified under ESR	● Certificates ● FPIC documentation ● Field Verification	Accounting of the number of hectares eligible for certification
	Published BMPs to reduce emissions	Manual	Verification of publication(s)
Identification of priority areas relevant for ESR Certification	At least 20 properties identified for ESR certification	Reports presented to MADES with certification recommendations.	Audit of certifications

Monitoring scheme for natural forests modality in ESR updated and operational	At least one ministerial resolution for monitoring natural forests modality	Ministerial resolution submitted	Audit of submission of resolution
Capacity of institutional stakeholders to participate of the Environmental Services Regime strengthened.	Number of institutional stakeholders with strengthened their capacities in ESR	Number of MADES staff trained in the ESR mechanism. Number of key staff changed with changes in Political Administration	Validation of increased capacities
In terms of the definition of the theory of change, how were the factors of gender and human rights considered?	• Levels of data disaggregation based on gender that are registered. • Degree to which the Program invested in specialized technical assistance in these areas.	● PRODOC ● PIRs ● AWPs ● Key informants	Document analysis, interviews with project staff
Does the Project budget include financing for results, products and activities with gender relevance?	Amount of money allocated to results, products and activities.	● Prodoc budget ● AWP ● Substantive revision	Documents revision and semi structured interviews.
Were gender specialists consulted or hired during the Project preparation phase?	Number of meetings; number of workshops	Interviews with key actors	Documents revision and semi structured interviews.
Is the results framework coherent and adequately reflects the theory of change to which the Program intends to contribute?	Adequacy in the description of the different components of the results framework and adequate hierarchy among them.	PRODOC	Documents revision and semi structured interviews to key informants (CI, Government, International Organizations) as indicated in this report.
Are the project's Outcomes and outputs Aligned?	Did the completion of the outputs produce the expected result? Presence or absence of needed outputs. Presence or absence of extraneous outputs.	● Results framework ● M&E Matrix ● AWP vs. PIR	● Documents revision ● Comparison of progress to results using indicators vs. progress to completion of outputs.
Are the indicators well designed or SMART. Do they tell the story of the project? Do they facilitate monitoring and evaluation? Can they be measured?	Degree to which indicators are be considered SMART	● Results framework ● M&E Plan ● substantive reviews.	● Documents revision ● Comparative analysis to test the alignment between Progress towards results by

			indicators and Progress towards completion of outputs.
What have been the main obstacles, as well as the facilitating factors that have limited and / or enhanced the achievement of the expected results?	Extent to which the external factors / risks were considered in the definition of the lines of work.	● Stakeholder engagement plan ● Safeguards; ● Prodoc; ● AWPs; ● QRs	Document Revision
Is the Partner Strategy appropriate, effective and viable for the achievement of the products?	● % Achievement of results by stakeholder group ● Technical Performance by executing partners	● Stakeholder engagement plan ● safeguards; ● Prodoc; ● AWPs; ● QRs ● KIIs	Assessment of the partnership strategy
Efficiency: Have the project´s resources been efficiently applied in the delivery of the outputs?			
To What degree was the Project´s budget executed?	Budget execution level in relation to the programmed	● PIRs ● AWPs ● Annual and Quarterly Financing reports	Audit of budget execution by component and by quarter
Were the Project´s Outputs delivered within the budgeted amounts? In the expected timeframes?	Budget execution level in relation to the programmed	● PIRs ● AWPs ● Annual and Quarterly Financing reports	Audit of budget execution by component and by quarter
Did the expected cofinancing materialize as projected?	Declared co-financing National counterpart funds are made effective in time and manner provided in AWPs	● Co-financing declarations ● PIRs ● AWPs	Assessment of Cash and In-kind co-financing
Was co-financing applied efficiently	Distribution of Co-financing	● Co-financing declarations ● PIRs	Assessment of Cash and In-king Co-Financing
Are the available human & technical resources adequately applied to the achievement of activities and products within the times and amounts foreseen?	• Degree to which the substantive reviews have applied the optimization criterion in the investments	● AWPs ● PIRs ● Financial Reports generated by Guyra and WWF/Py revised and approved by CI ● Substantive revisions ● Oversight Mission Reports	Comparative review between planning and execution. Then determine the resource allocation aspect of project management.

		● KIIs	
Project Implementation and adaptive management:			
Has the Project´s Governance Structure been effective in guiding the Project´s implementation	Decisions reorienting the project	Minutes from Steering Committee meetings PIRs	Governance analysis
How has Monitoring and Evaluation information informed decision-making?	The degree to which monitoring, and evaluation information influenced decisions. Alignment of M&E information with decision-making…the right information? Level at which the implementing partners actively participate in the planning of committed activities.	● KIIs Steering Committee and Focal Points ● KIIs IA and EAs	● Qualitative analysis of the application of M&E information. ● Completeness and relevance of M&E information
Has there been effective coordination between the different actors in the implementation of the project? What have been your specific roles and responsibilities?	Existence of a stakeholder participation strategy; Participation of other actors in the Project Steering Committee	● PRODOC ● Minutes Key meetings and Project Steering Committee ● KIIs	● Document review ● Sample opinions from stakeholder groups.
Has there been duplication of efforts between the Chaco PROMESA Project interventions and those carried out by other projects? Complementarity?	Perception of the stakeholders involved on the level of efficiency in relation to the different projects.	● PRODOC ● Minutes Key meetings and Project Steering Committee ● KIIs	● Document review ● Sample opinions from stakeholder groups.
What was the effect of changes in institutional arrangements on the implementation of the project?	Capacity of the executing agency and national counterparts to execute the project	● PRODOC ● Progress Reports (presented to Donors) ● AWPs ● Reports generated by Guyra for financial monitoring ● KIIs	Comparative analysis of Phase I and Phase II performances, linkages and continuity.
Has the IA Oversight and technical assistance provided supported the execution commitments?	• Level of turnover / substitution of the staff of CI country offices; • Favorable / unfavorable perception of the national partners	● PRODOC ● Progress Reports (presented to Donors) ● AWPs ● Oversight Mission Reports	Analysis of Implementation Modality

	on the roles played by the CI experts and the contracted consultants.		
Has there been a systematic practice of monitoring achievements based on outputs and, where appropriate, has such monitoring contributed to improving the efficiency of the program?	Level of adequacy of SMEs for making operational and management decisions.	Project monitoring reports = and Follow-up actions to the missions.	Document review and interviews
Sustainability: To what extent are there financial, institutional, socio-economic and / or environmental risks for the long-term sustainability of the project's results?			
Is the fiduciary mechanism supporting the PES sustainable?	Are the mechanics of the PES financing susceptible to de-capitalization?	● Statutes ● Regulations ● KIIs	
What are the trends outside the control of the Project that influence the products (including the opportunities and risks that affect the achievement of the products)?	Degree of inclusion of trends in the analysis of environmental and social risks	● PRODOCs ● ESMF ● PIRs ● KIIs	● Document review ● TE Risk Assessment
To what extent can it be affirmed that the appropriation of the Program at the national level can ensure the continuity of the services that in climate matters were achieved with the support of the Program?	To what extent can it be affirmed that the appropriation of the Program at the national level can ensure the continuity of the services that in climate matters were achieved with the support of the Program?	● National Plans evidence with clear emphasis on CC. ● Legislation / National regulations. ● Key informants	● Documentary analysis ● Semi-structured interviews to beneficiaries and government representatives.
What level of dependence on the resources of the CI represents for the countries to settle their plans / policies on climate matters?	• Levels of national investment • National partners' perception of financing gaps in the short and medium term		

Annex 6.6. List of Documents Reviewed

CI GEF Project 5668 PROMESA Paraguay
Terminal Evaluation
List of Requested Documents to Support Desk Review Process

Color Codes

Received (R)	Pending (P)	Incomplete

	Folder	Status	Subfolders	WWF-PY Comments	AAE Evaluation Team Comments
#	Item		Item		
1	Approved GEF Project Documents		Approved Project Identification Form (PIF)	We think we didn't have access to this document. Can you request to CI?	
			Approved PPG Documents and Products	We think we didn't have access to this document. Can you request to CI?	
			Approved GEF Project Document and all Annexes	We think we didn't have access to these documents. Can you request to CI?	
			Approved CEO Endorsement Request	We think we didn't have access to this document. Can you request to CI?	

			Letters of Endorsement	We think we didn't have access to these documents. Can you request to CI?	
			STAP Review documents and subsequent STAP interventions if applicable	We think we didn't have access to these documents. Can you request to CI?	PRODOC Appendix 12
2	Results Framework and Indicators		GEF Approved Results Framework or modified at inception	We included the last framework version and added a communication of CI where they confirm the last version.	
			GEF approved changes to the Results Framework or Modified RF w/ dates and approval documentation	Not sure we have access to this file	PIR 2020 was approved by GEF when changes to the Results Framework were proposed
			GEF Core Indicators assessments at Inception, MTR, and TE	Not sure we have access to this file	
			Applicable GEF Tracking Tools at MTR and TE	Not sure we have access to this file	
3	Environment and Social Management Framework		Approved Agency ESM Framework in-force		
			ESMF Reports	Included in Technical Reports	
			Grievance Mechanism	Included in Technical Reports	
			Stakeholders Engagement Plan	unsure we have one	Included in the ESMF Document

			Gender Mainstreaming Plan	tenemos pero de la FASE I	Its OK
			Evidence of FPIC information if applicable	ccpli	
			Evidence of safeguards actions and responses as applicable	FPIC is the evidence?	FPIC is part of the evidence, as well as information included in the PIR and Tech. Reports
4	Project Inception		Approved Project Inception Report	esto sería de la FASE I?	Si, el arranque del proyecto. Pero si hubo cambios al inicio de la segunda fase y existe un documento que lo avale, favor de compartir.
			Approved Project Inception Report		Phase 2 Inception
5	Mid Term Review		Approved MTR Report	N/A	
			Management Response matrix and/or documents	N/A	This is very important. Please submit.
6	Project Technical Planning and Reporting		Project Implementation Reports	annual report?	
			Quarterly Reports		2021, 2022. Missing 2017, 2018, 2019 and 2020
			Annual Workplans		2020, 2021 and 2022. Missing 2017, 2018, 2019
7			Annual Budgets	ok	

	Project Financial Planning and Reporting		Quarterly Financial Reports	ok	
			Annual Summary Financial Reports	tenemos por trimestre	
			GEF Approved Budget Revisions to Project Total Workplan and Budget		
			Audit Reports	no tenemos	
8	Project Cofinancing		Project Cofinancing Agreements, MOUs, letters, etc.	ok tenemos por año fiscal	
			Project Cofinancing at Mid Term by Type		
			Project Cofinancing Final by Type		
9	Project Governance		Project Steering Committee Meeting Minutes and Presentations per year		Only two minutes from 2021
			Project Technical Working Group Advisory Committee Meeting Minutes	No contamos con esto	
			Original + Updated Organizational Charts		Only the one in the ProDoc and the one included in the MTR. Nothing from Phase 2
			Project Board Meetings Minutes		From 2021 only
			Other relevant meeting minutes with GEF Focal Point or justifying key governance and		

			implementation or execution decisions.		
10	Implementing Agency Oversight		Inter Agency Agreements, MOUs, Contracts		MOU between WWF and MADES
			Implementing Agency Reports		
			Oversight Mission Reports	no estoy segura que tengamos	
			Quality Assessments of Executing Agencies	no comprendo	
			Written agreement between MADES and WWF-PY	Hay un MOU general con el MADES, no es especifico para el proyecto	
			Written Guyra Grant agreement closure	N/A	
11	Project Evidence on Progress on Outcomes/Outputs		**Outcome 1.1: The existing environmental services regime of Paraguay has met all enabling conditions needed to fully operate the natural forests category**		
			ESR evaluation report(s) submitted to MADES	tenemos estas evaluaciones https://drive.google.com/drive/folders/1Dn3U1AyM93XvvdV19fc5gj8tNTNHvzE_, no sé si es lo que están solicitando	

	Ministerial Resolution drafts submitted to MADES for approval		
	Outcome 1.2: Certified hectares under the Environmental Services Regime		
	Number of hectares eligible for certification	se incluye en los reportes trimestrales y anuales	
	Files/Portfolios with complete requirements submitted for MADES approval		
	Updated and published manuals	a que se refiere?	Draft received
	Outcome 2.1: Identification of priority areas relevant for certification in the Environmental Services Regime		
	Reports on identified priority areas including a list of properties with potential to be certified presented to MADES	se realizó un solo reporte sobre expedientes de la FASE I, se incluye una carpeta con reportes de factibilidad realizado en base a propietarios o comunidades que solicitaron adherirse al régimen en el marco del proyecto	
	Outcome 2.2: Monitoring scheme for		

		natural forests modality in ESR updated and		
	Proposal of updated ministerial resolution submitted to MADES	La propuesta de actualización de procedimientos y metodología del esquema de monitoreo todavía se encuentra en proceso, la consultoría finaliza en la segunda semana de noviembre.		
	Evidence of people trained on monitoring processes			
	Outcome 3.1: Capacity of institutional stakeholders to participate of the Environmental Services Regime strengthened			
	Training needs assessment report submitted to MADES	las necesidades de capacitación y necesidades de equipos se evaluaron en reuniones entre el equipo de WWF y MADES y no hay un documento consolidado		
	Persons trained (disaggregated by sex F/M			

			Evidence of purchases of the required equipment to strengthen the ESD	las necesidades de capacitación y necesidades de equipos se evaluaron en reuniones entre el equipo de WWF y MADES y no hay un documento consolidado	
12	Project Implementation and Adaptive Management		Project Operations Manual		
			TORs of key staff persons (If not in manual)		
			CVs of key staff persons		
			Monitoring and Evaluations Plan		
			Monitoring or summary reports on progress towards results and progress towards impact		
			Communications Plan		
			Key promotional information and/or publications.		
13	Sustainability		Financial: New funding Commitments/Funding Mechanisms		
			New Institutional arrangements		
			Concept notes for parallel funding		
			Technical Feasibility		
			Policy		

14	Other Relevant Documents		Risks Management control or log		
15	Other Documents Requested during Desk Survey		To be communicated to the IA and EA during the course of the TE		

Table No. 6.6.1 Documents Reviewed

Annex 6.7: TE Agenda Executed

Date/Time	Monday, November 14, 2022	
	Activity	**Participants**
8:00	Virtual Interview	Susana Escudero Shanon Wiecks
17:00	Virtual Interview	Viviana Villalba
Date/Time	**Tuesday, November 15, 2022**	
	Activity	**Participants**
8:00	Virtual Interview	Maria Jose Mendoza
9:00	Virtual Focus Group: Component 1	Catherine Alonso Karita Machaco Alba Guillén Marcos Mareco Anibal Cuevas Verónica Moralez Claudia Giménez
16:00	Virtual Interview	Jorge Martinez
Date/Time	**Wednesday November 16, 2022**	
	Activity	**Participants**
9:00	Virtual Focus Group: Component 2	Catherine Alonso Amelia Ramírez Juan Enrique Pintos Marcos Mareco Alba Guillén Verónica Moralez

		Claudia Giménez Nadia Colmán Victor Fariña
11:00	Virtual Interview	Daniela Carrion
Date/Time	**Thursday November 17, 2022**	
	Activity	**Participants**
9:00	Virtual Focus Group: Component 3	Catherine Alonso Amelia Ramírez Verónica Moralez Anibal Cuevas Stella Marys Amarilla Anaya Arrua José Serafini
Date/Time	**Friday November 18, 2022**	
	Activity	**Participants**
10:00	Virtual Interview-Carbon Calculation	Nallely Carvajal
14:00	Virtual Interview-Safeguards	Ian Kissoon, CI
Date/Time	**Monday November 21, 2022**	
	Activity	**Participants**
6:00	Meet WWF-PY Team – Travel to Filadelfia	Karim Musalem Andrea Garay
	Meeting with the Representatives of the Government of Boquerón	Edwin Pauls
	Meeting with representatives of the City of Filadelfia	Rudolf Hildebrandt
17:00	Travel to Parque Teniente Enciso	
Date/Time	**Tuesday November 22, 2022**	

	Activity	Participants
	Meeting with leaders from indigenous communities	Pycasu, Siracua, Ynapui
	Travel to Filadelfia	
	Meeting	Milciades Pacce
Date/Time	**Wednesday November 23, 2022**	
	Activity	**Participants**
	Meeting	Monica Centron
	Travel to Asuncion	
Date/Time	**Thursday, November 24, 2022**	
	Activity	**Participants**
	Meeting	Lucy Aquino, WWF-PY
Date/Time	**Friday November 25, 2022**	
	Activity	**Participants**
	Meeting	Guyra Paraguay
	Meeting	Daniel Kovacs
Date/Time	**Tuesday November 29, 2022**	
	Activity	**Participants**
8:00	Virtual Meeting	Graciela Miret, Focal Point

Annex 6.8 TE Participants List

Agencia Implementadora		
Daniela Carrion	Gerente del proyecto CI -GEF	
Shannon Wiecks	Líder de Finanzas del proyecto CI - GEF	
Susana Escudero	Directora de operaciones CI-GEF	
Agencia(s) Ejecutadora(s)		
Catherine Alonso	Directora - DSA - MADES	Asunción
Graciela Miret	Directora - Dirección de Planificación Estratégica - MADES	Asunción
Amelia Ramírez	Encargada de despacho - DSA - MADES	Asunción
Aida Luz Aquino	Directora País - WWF	Asunción
Karim Musalem	Director de Coservación - WWF	Asunción
Andrea Garay	Oficial GIS - WWF	Asunción
Natalia Benítez	Oficial administrativo - WWF	Asunción
Componente 1		
Catherine Alonso	Directora - DSA - MADES	Asunción
Karita Machaco	Directora de Planificación - INDI	Asunción
Alba Guillén	Técnico - INDI	Asunción
Marcos Mareco	Jefe del Depart. de Mecanismos Técnicos - DSA - MADES	Asunción
Andrea Garay	Oficial GIS - WWF	Asunción
Anibal Cuevas	Consultor PROMESA	Asunción
Verónica Moralez	Consultor PROMESA	Asunción
Claudia Giménez	Consultor PROMESA	Asunción
Componente 2		
Catherine Alonso	Directora - DSA - MADES	Asunción
Amelia Ramírez	Encargada de despacho - DSA - MADES	Asunción
Juan Enrique Pintos	Jefe del Depart. de Mecanismos Administrativos - DSA - MADES	Asunción
Marcos Mareco	Jefe del Depart. de Mecanismos Técnicos - DSA - MADES	Asunción
Alba Guillén	Técnico - INDI	Asunción
Andrea Garay	Oficial GIS - WWF	Asunción
Verónica Moralez	Consultor PROMESA	Asunción
Claudia Giménez	Consultor PROMESA	Asunción
Nadia Colmán	Consultor PROMESA	Asunción
Victor Fariña	Consultor PROMESA	Asunción
Componente 3		
Catherine Alonso	Directora - DSA - MADES	Asunción
Amelia Ramírez	Encargada de despacho - DSA - MADES	Asunción
Andrea Garay	Oficial GIS - WWF	Asunción
Natalia Benítez	Oficial administrativo - WWF	Asunción
Verónica Moralez	Consultor PROMESA	Asunción
Anibal Cuevas	Consultor PROMESA	Asunción
Stella Marys Amarilla	Coordinadora - ACADEMIA	Asunción

Anaya Arrua	Directora, Dirección Ambiental - Corte Suprema de Justicia	Asunción
José Serafini	Consultor	Asunción
Otros Actores relacionados al proyecto		
Elí Francisco León	Director, Dirección de ASP - MADES	Asunción
José Luís Cartes	Director, Guyra Paraguay	Asunción
Mónica Centrón	Consultor independiente	Asunción
Luvys Cañete	Consultor independiente	Asunción
Daniel Kovacs	Consultor independiente	Asunción

* *There were 6 KII interviews from the listed sectors that requested strict anonymity. Those sources and interview times, sector, and any records remain strictly conficential.*

Annex 6.9 Semi-Structured Interview Guide

Interview Guide for Terminal Evaluation with Key Stakeholders

[Note: The following is a guide to Key Questions. Prior to each interview, depending on the KII or FGD, select 2 to 3 questions from the appropriate sections. The responses will be recorded in a master. Follow-on interviews can be scheduled to add or dig deeper into the responses.]

Interview Date:		
Participants Names	Organization	Role

Introduction: Note to Interviewers:

- ✓ Thank the participants for their availability for the interview.
- ✓ Brief presentation.
- ✓ Brief introduction of the main objective of the evaluation: their input will be used to inform the design of future projects, verify and evaluate execution and the results, identify opportunities for improvement for the achievement of objectives, and lessons learned.
- ✓ To streamline the interview process, we will ask multiple choice questions combined with some open-ended questions.
- ✓ Clarify that the information collected will be strictly confidential.
- ✓ Ask participants for their consent to record the interview; indicate that the interview will be recorded to better capture the information. If the interviewee does not feel comfortable make sure that the interview will not be recorded.

Part I: General Information:

1. Ask the KI(s) to introduce themself briefly and explain their relationship to the project
2. Since when has s/he/they been involved in the Project?

Part II: Project Strategy

1. Please briefly explain if you consider the project was well designed and aligned with national objectives and global goals by establishing its three components such as commitments to NDCs, international policy goals including the SDGs, and the national policy frameworks and development objectives of Paraguay?

2. Do you understand that any of these are no longer a priority or there are new priorities?
3. Did you or someone from your unit/organization participated in the project formulation process? Please describe the process
4. Do you think the Project has considered potential externalities (environmental, economic or political in the design of the project?)
5. What are the risks to the project? [check off The following risks were identified at the start of the project in the box below] :

Countries are not sufficiently committed to make necessary policy reforms
Knowledge products generated by the Project do not meet the direct needs of intended audiences
Stakeholders are not sufficiently motivated to attend trainings and other supported events
Project outputs lack sufficient means for reaching target stakeholders and fail to cut through information flow to have a sizable impact.
Lack of producers suitable for accreditation identified, thus making development of bankable projects challenging
Limited interest from producers in developing certification projects
Current and future climate change impacts threaten the sustainability of restoration investments
Others:

6. Have new risks arisen during the implementation of the project? Is there documented evidence of contingency measures in the face of the new risks identified?
7. Do you consider that the results and indicators of the products were well defined and could be easily measured/evaluated?
8. Do you consider that the project will contribute significantly to the plans and/or goals of your organization?
9. Has GEF approved any modification to the results framework?

Part III: Progress towards results

General (for all components, agencies, and country teams)

1. Were the targets for each outcome or product achieved? What do you think is working exceptionally well and why?
2. What do you think have been the main obstacles, as well as facilitating factors for the achievement of the results? Please explain
3. What are you considering as successful? Leaving indicators aside, what would you say is good enough to call the overall project successful at the end? How might you assess whether this success is appropriate for upscaling and replicating?
4. How has Covid-19 impacted efforts? Was more time sufficient to achieve the expected targets at the current end of the project date?
5. Do you consider that the project is completed its activities on time and without delay?
6. What do you think are one or two key assumptions of the project and which knowledge product or other methodologies will provide concrete value for testing those assumptions?
7. Are there factors outside the project that influence the expected results for your Component(s)?

8. What were the most important achievements of the project so far?

Part IV: Project Implementation and Adaptive Management

Governance

1. How is partnership helping you to strengthen the programmatic approach? Can you share some concrete stories?
2. What benefits have you obtained by working in coordination with the other agency partners? What is working? What could be done better?
3. How you characterize the communication with the steering committee(s)? Are you receiving useful guidance or information? [Ask the same question for upstream communication].
4. Is the steering committee receiving the right information to make decisions about the project?

Oversight

1. Did the project have enough human and technical staff and resources to achieve the results? Were there any setbacks due to shortcomings in this regard?
2. Do you think that the structure and organization of the Project were adequate to facilitate the execution of the project? Any opportunities for improvement?
3. How has the project created safe and supportive spaces? Concretely, what has failed and is it easy to talk about it?
4. Has there been any substantial change in the project between its implementation (staff turnover)?
5. To what extend has the steering committee helped guide and provided oversight of the project?
6. Do you understand that Covid-19 affected the project in general? What measures were taken to adapt to the impact of the pandemic?
7. On a scale of 1 to 5, being 5 EXCELLENT, how do you assess the coordination between the different committees of the Project? How has the coordination between actors been? Can it be improved?
8. How is the project providing value in your work?
9. What adaptive management method is working for you? Can you share some examples of adaptive management stories?
10. Is the Project financial reporting, and planning allowing management to make informed decisions regarding the budget and allow for timely flow of funds?
11. Is co-financing being used strategically to help the objectives of the project? Is the Project Team meeting with all co-financing partners regularly to align financing priorities and annual work plans?
12. Do the outcomes of the program represent value for money? To what extent is the relationship between inputs and outputs timely, cost- effective and to expected standards?
13. Are responsibilities and reporting lines clear? Is decision-making transparent and undertaken in a timely Manner?
14. Joint monitoring missions?

15. Are surveys performed? (MEL Framework means of verification)

Part V. Sustainability

1. Are there new risks that have arisen and were not previously foreseen?
2. Are sustainability elements cross-cutting in the implementation of the project?
3. Socio-economic risks (safeguards) have been monitored?
4. Are there other global environmental benefits that are occurring now or expected by the end of the project?
5. To what extent have the knowledge products and tools brought by the global child project have been taken up and harnessed by national child projects and other stakeholders?
6. To what extent has the Project's approach led to the most effective use of GEF resources and efficiencies of scale in the provision of coordination and technical support?
7. Which partnership opportunities were leveraged by the Project linked to financing, planning, implementation and monitoring?
8. Are there any unintended consequences (positive or negative) as a result of the actions of the Project and its partners?
9. Are there any barriers or risks that may prevent future progress towards and the achievement of the Project's longer-term objectives?

Part VI. Gender and Safeguards

1. Did the project contribute to advancing gender equality and women's empowerment?

Part VII. Recommendations

1. Do you have any recommendations for the Evaluation Report?
2. Do you have any other inputs so the evaluators can better tell the story of the project?

Annex 6.10 Online Survey Questionnaire

Asesoramiento Ambiental Estrategico (AAE) created an Assessment Survey with the main objective of complementing stakeholders' interviews with an anonymous set of multiple selection questions to triangulate information, the effectiveness, relevance and efficiency of the outputs, as well as the quality of their experiences, preference, needs, and lessons learned.

The survey was created in https://freeonlinesurveys.com/ and the invitation to participate was sent via email 24 participants (See Annex List of Participants). We received 16 responses (67% response rate)

Survey was not sent to the indigenous communities.

Online Survey Questions:

1. What is your relationship with the Project?
2. Gender
3. How do you classify your level of participation or benefit in the project? Please indicate the most appropriate.
4. Do you agree with the following statement? "The Project is highly aligned with the plans/programs/and development goals of my organization/ministry/community"
5. Do you agree with the following statement? "The project contributed significantly to the Plans/Programs/ and/or goals of my organization/ministry/community."
6. ¿Do you agree with the following statement? "The actions of the project were appropriate for me and/or our situation, culture and skill level."
7. ¿Do you agree with the following statement? I was/We were properly consulted during the execution of the project"
8. Do you agree with the following statement? "The project delivered what it promised.".
9. Do you agree with the following statement? "The project usually completed its activities on time and without delays.".
10. Do you agree with the following statement? "Information and explanations about the project were available if/or when I/we needed it."
11. Do you agree with the following statement? "The project responded to

my/our suggestions and concerns."

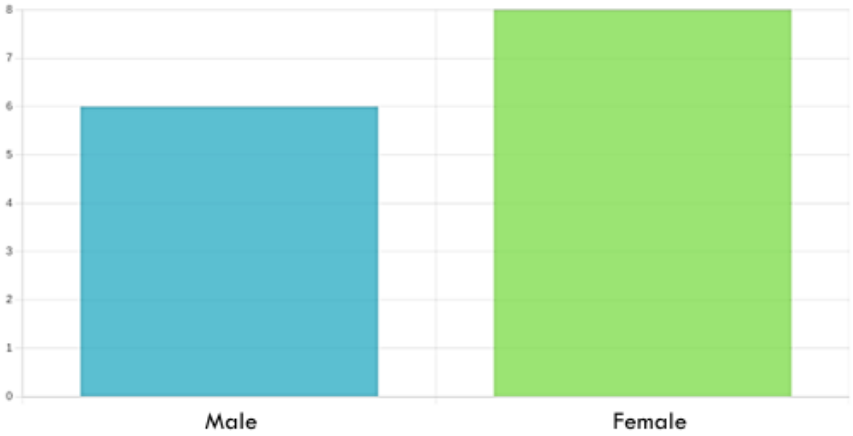
12. Do you agree with the following statement? "Women and men had equal access to the benefits of the project"?
13. Do you agree with the following statement? "Were women given the opportunity to participate"?
14. Do you agree with the following statement? "The project had sufficient technical and human resources to meet its objectives"?
15. What has been your level of satisfaction with the project?
16. Do you agree with the following statement? "The government will continue to promote training, monitoring and certification activities after the project is concluded.
17. Do you agree with the following statement? "The environment is better because of the actions of the project".
18. Do you agree with the following statement? "The actions of the project have contributed to improving the Environmental Services Regime"
19. Do you agree with the following statement "The Project has considered all risks?
20. How do you rate the level at which the project has taken into account your opinions and concerns?

Annex 6.11 Survey Results

1 What's your relationship with the Project?

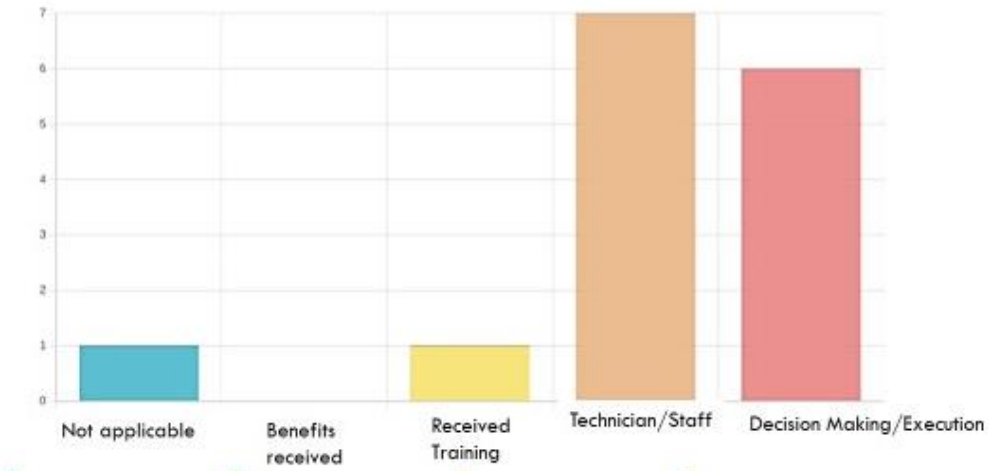
40% (6) Not affiliated	0% Member of the Community
33% (5) Executing Agency	7% (1) Local Government
20% (3) National Government	
(2.28) Standard Deviation	(15) Responses

2 Gender



43% (6) Male	57% (8) Female

3 How do you classify your level of participation or benefit in the project? Please indicate the most appropriate



7% (1) Not applicable

0% Benefits received

7% (1) Received Training

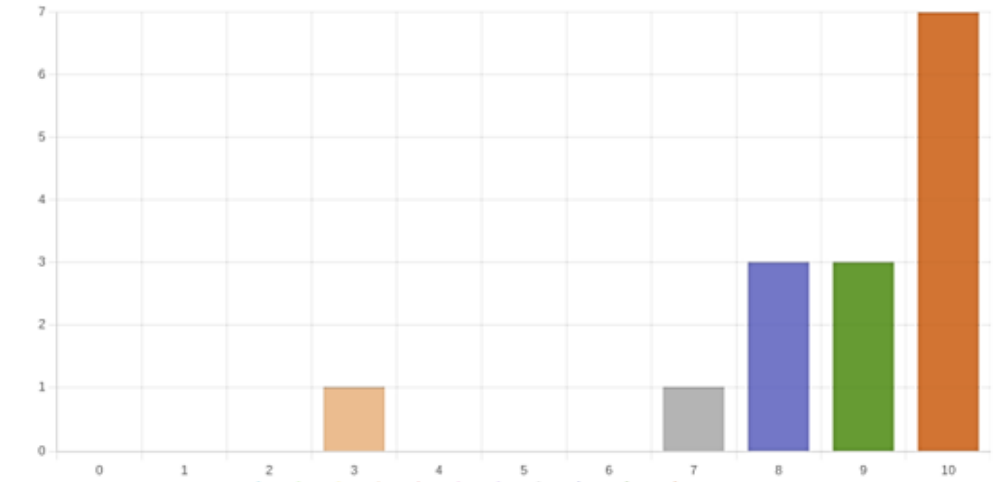
47% (7) Technician/Staff

40% (6) Decision Making/Execution

4 Do you agree with the following statement? "The Project is highly aligned with the plans/programs/and development goals of my organization/ministry/community"

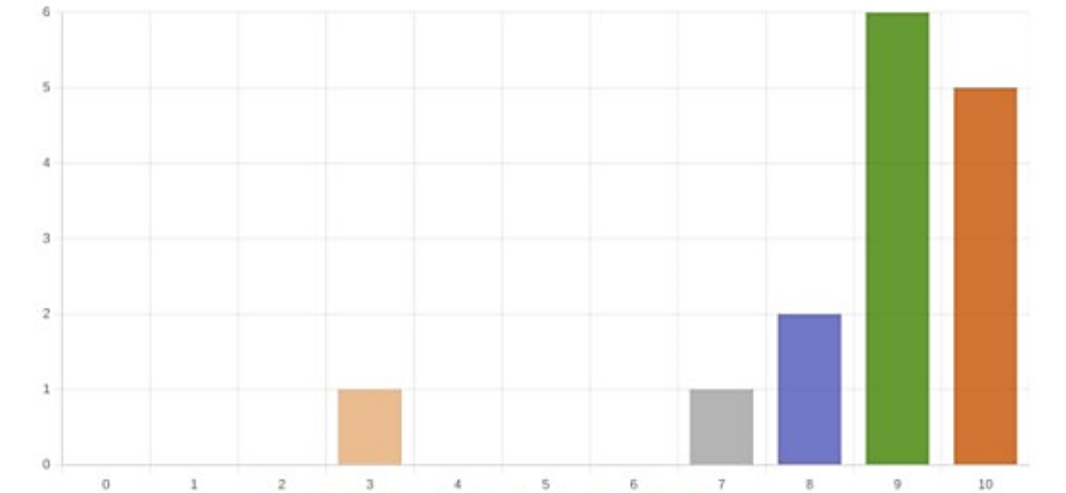
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	2 (13%)	3 (20%)	**10 (67%)**	2.9	15	9.53 / 10
														9.53 / 10

5 Do you agree with the following statement? "The project contributed significantly to the Plans/Programs/ and/or goals of my organization/ministry/community."



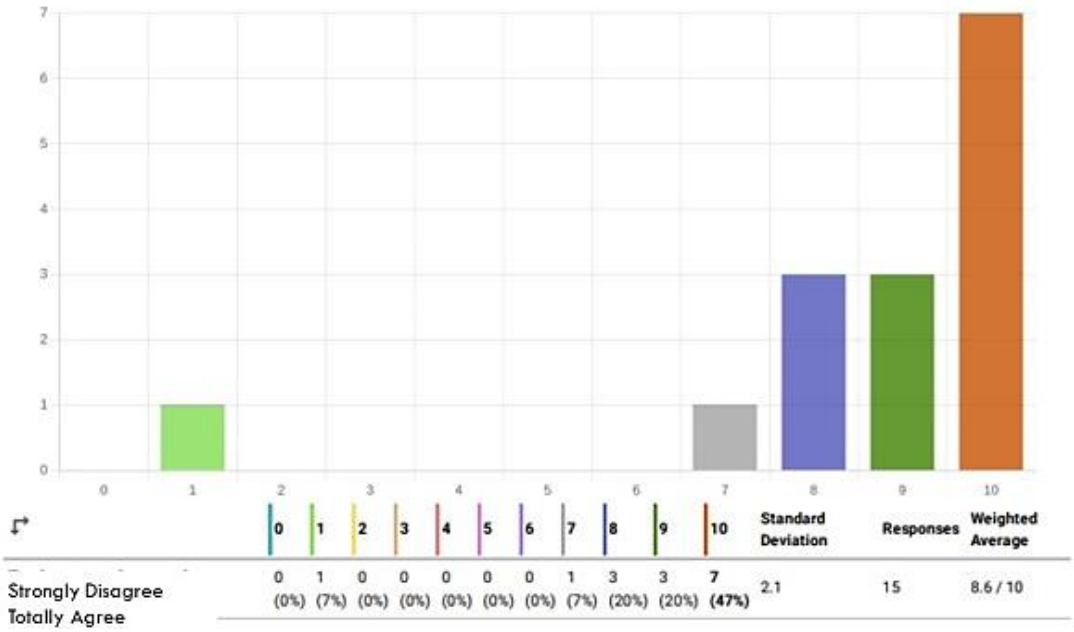
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	0 (0%)	0 (0%)	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	3 (20%)	3 (20%)	**7 (47%)**	2.1	15	8.73 / 10
														8.73 / 10

6 Do you agree with the following statement? "The actions of the project were appropriate for me and/or our situation, culture and skill level."



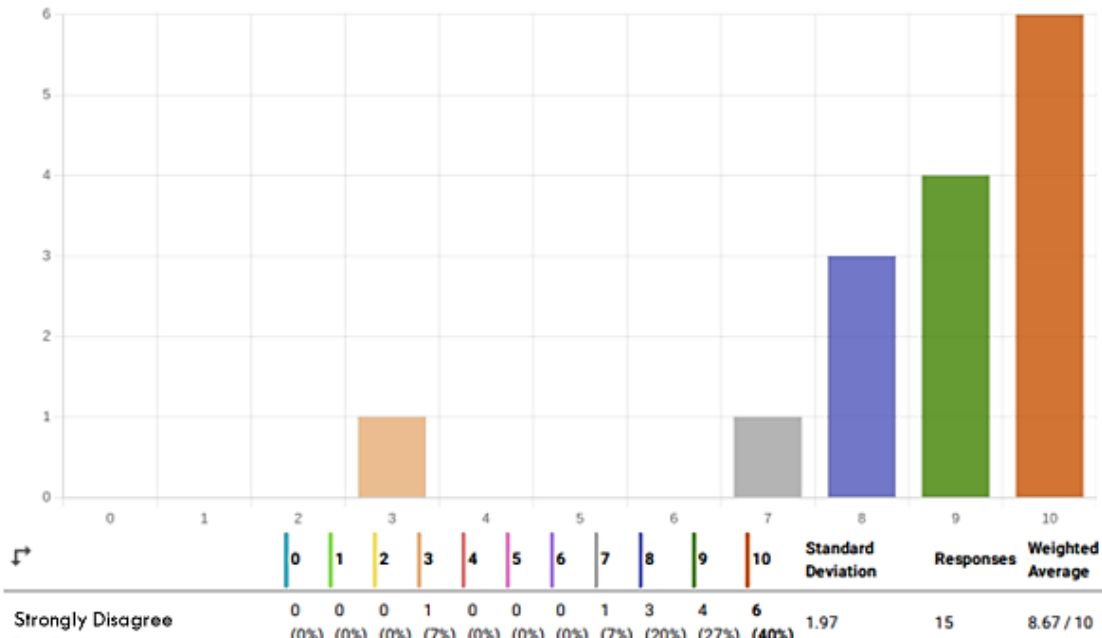
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	0 (0%)	0 (0%)	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	2 (13%)	**6 (40%)**	5 (33%)	2.06	15	8.67 / 10
														8.67 / 10

7 Do you agree with the following statement? I was/We were properly consulted during the execution of the project"



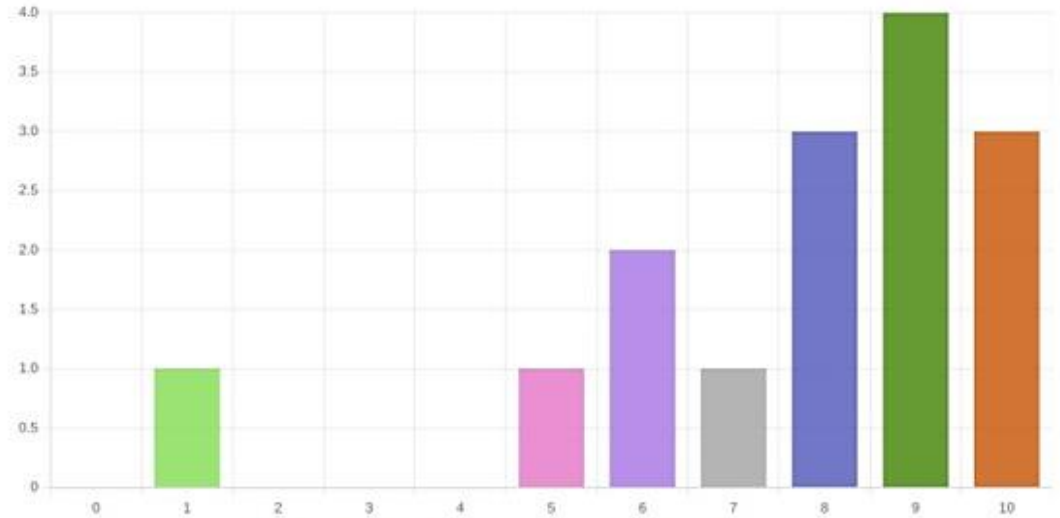
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	3 (20%)	3 (20%)	**7 (47%)**	2.1	15	8.6 / 10

8 Do you agree with the following statement? "The project delivered what it promised."



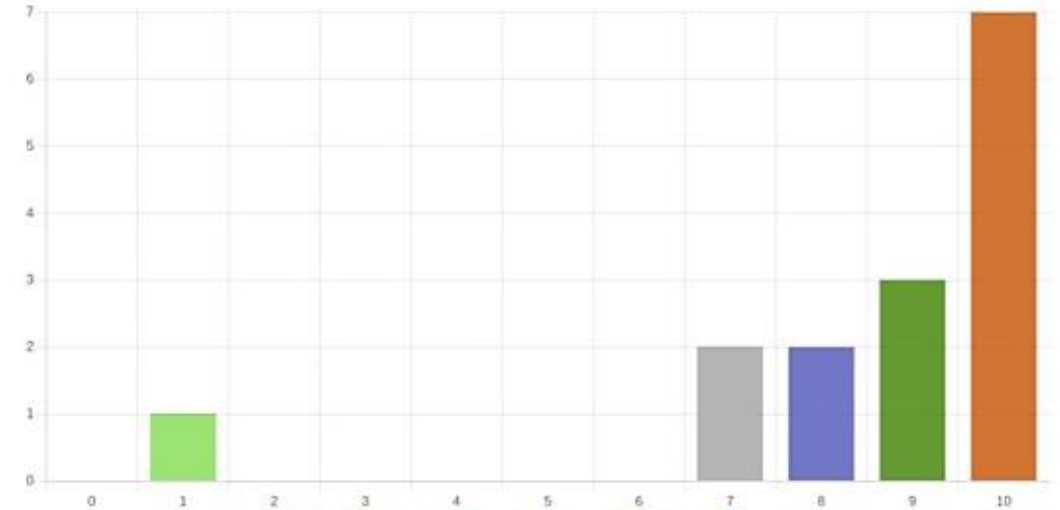
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	0 (0%)	0 (0%)	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	3 (20%)	4 (27%)	**6 (40%)**	1.97	15	8.67 / 10
														8.67 / 10

9 Do you agree with the following statement? "The project usually completed its activities on time and without delays.".



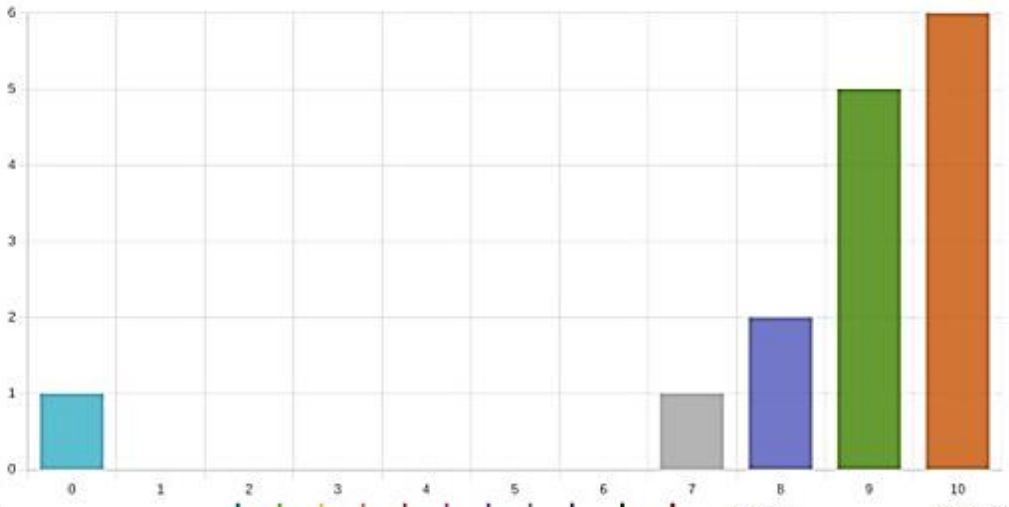
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	2 (13%)	1 (7%)	3 (20%)	**4 (27%)**	3 (20%)	1.37	15	7.67 / 10
														7.67 / 10

10 Do you agree with the following statement? "Information and explanations about the project were available if/or when I/we needed it."



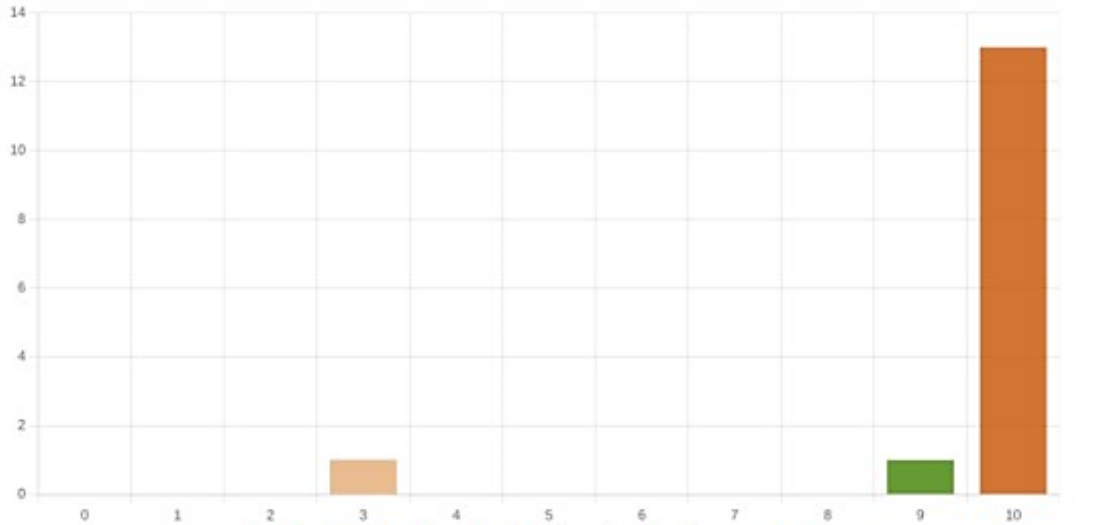
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	2 (13%)	2 (13%)	3 (20%)	**7 (47%)**	2.06	15	8.53 / 10
														8.53 / 10

11 Do you agree with the following statement? "The project responded to my/our suggestions and concerns."



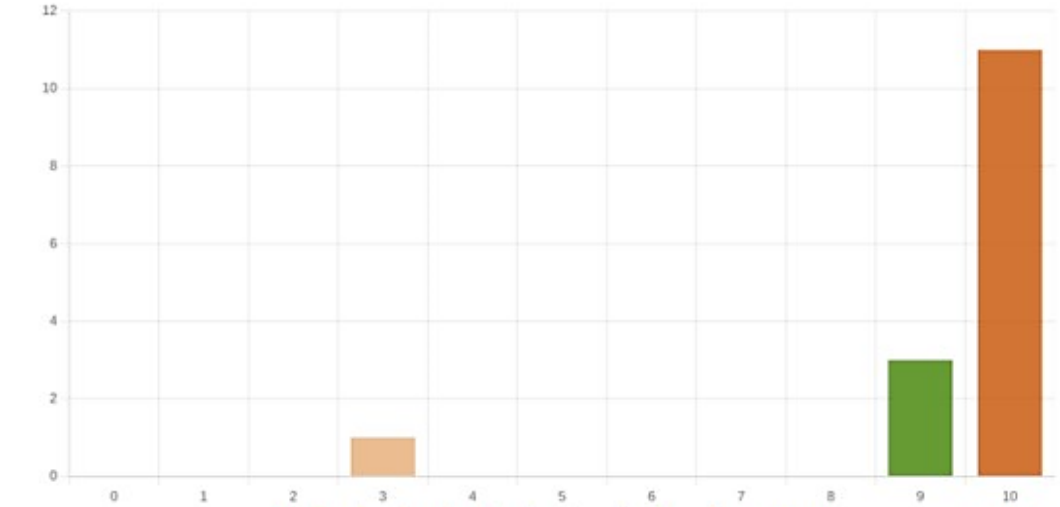
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	1 (7%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	2 (13%)	5 (33%)	6 (40%)	2.06	15	8.53 / 10
														8.53 / 10

12 Do you agree with the following statement? "Women and men had equal access to the benefits of the project"?



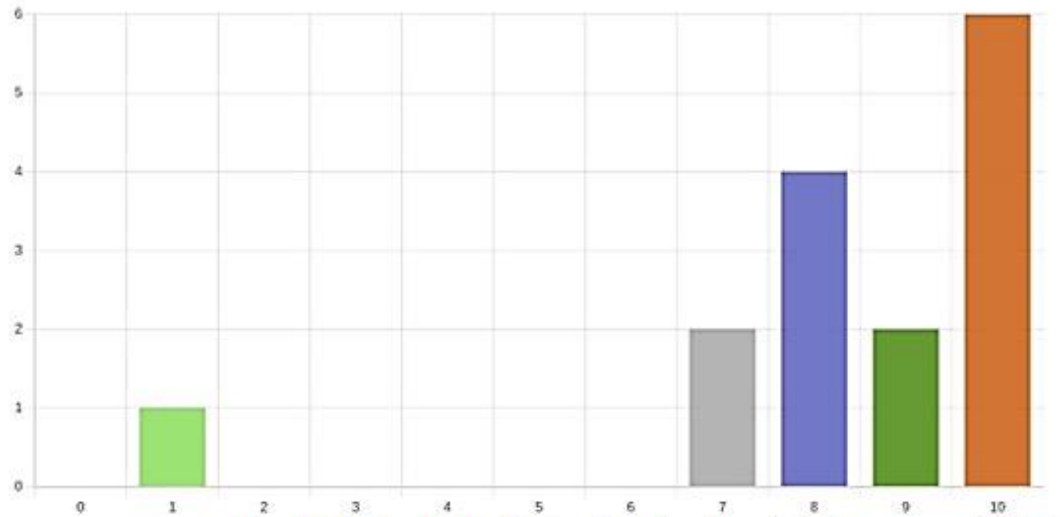
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	0 (0%)	0 (0%)	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	13 (87%)	3.7	15	9.47 / 10
														9.47 / 10

13 Do you agree with the following statement? "Were women given the opportunity to participate"?



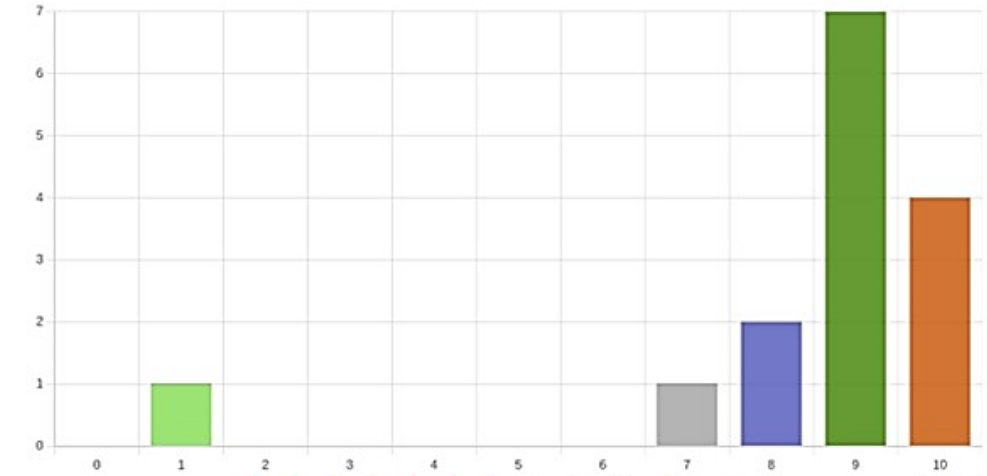
	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree / Totally Agree	0 (0%)	0 (0%)	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	3 (20%)	**11 (73%)**	3.17	15	9.33 / 10
														9.33 / 10

14 Do you agree with the following statement? "The project had sufficient technical and human resources to meet its objectives"?



	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree / Totally Agree	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	2 (13%)	4 (27%)	2 (13%)	**6 (40%)**	1.92	15	8.33 / 10
														8.33 / 10

15 What has been your level of satisfaction with the project?

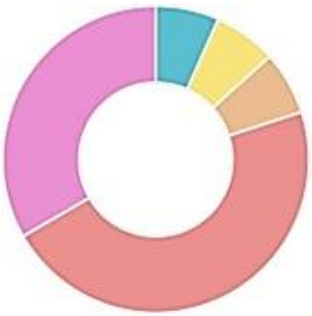


	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Strongly Disagree Totally Agree	0 (0%)	1 (7%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	2 (13%)	7 (47%)	4 (27%)	2.14	15	8.47 / 10
														8.47 / 10

16 Do you agree with the following statement? "The government will continue to promote training, monitoring and certification activities after the project is concluded.

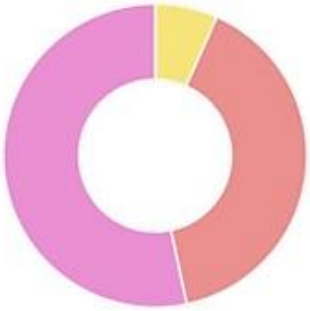
20% (3) I don't know	7% (1) Strongly Disagree
0% Disagree	7% (1) Moderately agree
40% (6) Agree	27% (4) Totally Agree
(2.06) Standard Deviation	(15) Responses

17 Do you agree with the following statement? "The environment is better because of the actions of the project".



7% (1) I don't know	0% Strongly Disagree
7% (1) Disagree	7% (1) Moderately agree
47% (7) Agree	33% (5) Totally Agree
(2.57) Standard Deviation	(15) Responses

18 Do you agree with the following statement? "The actions of the project have contributed to improving the Environmental Services Regime"

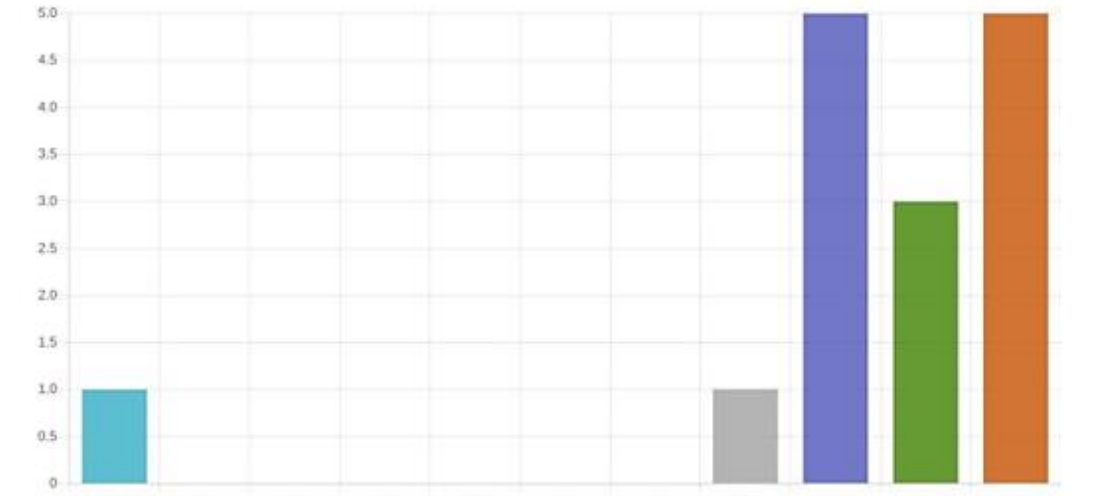


0% I don't know	0% Strongly Disagree
7% (1) Disagree	0% Moderately agree
40% (6) Agree	53% (8) Totally Agree
(3.25) Standard Deviation	(15) Responses

19 Do you agree with the following statement "The Project has considered all risks?

7% (1) I don't know	7% (1) Strongly Disagree
13% (2) Disagree	20% (3) Moderately agree
33% (5) Agree	20% (3) Totally Agree
(1.38) Standard Deviation	(15) Responses

20 How do you rate the level at which the project has taken into account your opinions and concerns?



	0	1	2	3	4	5	6	7	8	9	10	Standard Deviation	Responses	Weighted Average
Extremely low Extremely High	1 (7%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	1 (7%)	**5 (33%)**	3 (20%)	5 (33%)	1.92	15	8.27 / 10
														8.27 / 10

Annex 6.12 Results Framework Comparison

PHASE 1 (PRODOC)	PHASE 2 (FY21, FY22, FY23)
• At least 21 million tons of verified CO2e emissions avoided or reduced from deforestation or forest degradation or through enhanced carbon stocks	Indicator a: Number of PES incentive systems operational in Paraguay
• A PES Incentive Scheme for Carbon is established and fully operational	Indicator b: Number of people aware of the PES incentive scheme
• At least 15% increase in the knowledge of target stakeholder representatives on various aspects of PES Incentive Scheme	Indicator c: Number of CO2 emissions avoided or reduced associated to forests are identified and eligible for certification
COMPONENT 1	COMPONENT 1
Outcome 1.1:1.1 A PES Incentive Scheme for Carbon is established and fully operational	Outcome 1.1: The existing environmental services regime of Paraguay has met all enabling conditions needed to fully operate the natural forests category
Output 1.1.1: Design of the legal, institutional, and technical aspects of the PES Incentive Scheme for Carbon	Output 1.1.1: ESR assessment report identifies the enabling conditions needed to fully operate the natural forests modality
Output 1.1.2: Institutionalization of the PES Incentive Scheme for Carbon	Output 1.1.2: Ministerial resolution drafted and submitted for approval by MADES with the updated requirements for the incorporation of indigenous peoples' territories into the Environmental Services Regime
Output 1.1.3: Promotion video on PES for carbon	Output 1.1.3: Discarded for Phase 2
Outcome 1.2 At least 21 million tons of verified CO2e emissions avoided or reduced from deforestation or forest degradation or through enhanced carbon stocks	Outcome 1.2: Certified hectares under the Environmental Services Regime
Output 1.2.1: Landowners identified and enrolled in PES Incentive Scheme for Carbon	Output 1.2.1: Analysis of areas owned by private landowners and indigenous communities that are eligible for certification completed and presented to MADES
Output 1.2.2: Sustainable Forest and land management best practices in priority sites	Output 1.2.2: Documents from eligible private landowners and indigenous communities to apply for certification (including FPIC documentation and field verification) are prepared and submitted to MADES
Output 1.2.3: None	Output 1.2.3: Best production practices (BMP'S) to reduce emissions and/or enhance carbon stocks manual updated and published
Outcome 1.3: Key government ministries and secretariats adopt and mainstream low carbon development, ecosystem accounting, and sustainable landscape management into their operations and budgets	Outcome 1.3: Eliminated in Phase 2

Output 1.3.1: Assessment of institutional capacities for low carbon mainstreaming	
Output 1.3.2: Institutional reforms to implement PES Incentive Scheme for Carbon	
COMPONENT 2	COMPONENT 2
Outcome 2.1: At least 30 priority areas for carbon sequestration identified and carbon stocks and additional values assessed in the field	Outcome 2.1 Identification of priority areas relevant for certification in the Environmental Services Regime
Output 2.1.1: Identification of PES priority sites	Output 2.1.1: Priority areas to meet ESR certification requirements identified and assessed, including private landowners and indigenous peoples' territories
Output 2.1.2: Assessments of carbon stocks in priority sites	Output 2.1.2: Discarded for Phase 2
Outcome 2.2 A monitoring scheme is implemented in all landholdings enrolled in the PES incentive program	Outcome 2.2 Monitoring scheme for natural forests modality in ESR updated and operational
Output 2.2.1: Monitoring and certification tools and methodologies for carbon	Output 2.2.1: Proposal to update ministerial resolution 756/16 for the monitoring process updated and presented to MADES
Output 2.2.2: Carbon emission certificates	Output 2.2.2: Operational needs of MADES monitoring plan completed
COMPONENT 3	COMPONENT 3
Outcome 3.1: Significantly improved understanding and knowledge on various aspects of carbon assessments, certification and monitoring processes, and sustainable forest and land management best practices for carbon sequestration	Outcome 3.1: Capacity of institutional stakeholders to participate of the Environmental Services Regime strengthened.
Output 3.1.1: Assessment of training needs	Output 3.1.1: Analysis of Training needs Assessment report
Output 3.1.2: Training program on REDD+ best practices	Output 3.1.2: Training for government institutions and key stakeholders conducted
Output 3.1.3: None	Output 3.1.3: Required equipment to operate ESR obtained
Outcome 3.2: Implementation of the PES Incentive Scheme for Carbon is fully supported by an Internet− based National Online Platform	Outcome 3.2: Eliminated in Phase 2
Output 3.2.1: National online platform for PES	

Table No. 6.12.1

Annex 6.13: Results Framework Phase 2

Objetivo del proyecto:	Avoid and reduce GHGs from deforestation and increase carbon stocks in the Chaco Forest Complex (see current project area) by establishing an incentive system for carbon sequestration by stakeholders in payment for environmental services **Project indicators by the end of 2021** - Indicator a: Number of PES incentive systems operational in Paraguay - Target: One mechanism (Environmental Services Regime) is fully operational - Indicator b: Number of people aware of the PES incentive scheme - Target: At least 100 people, government officials and stakeholder representatives are made aware of the PES incentive scheme. - Indicator c: Number of CO2 emissions avoided or reduced associated to forests are identified and eligible for certification - Target: At least 5.7 million tons of CO2 emissions avoided or reduced	
Project Components	**Expected Outcomes/Targets**	**Expected Outputs**
Component 1: **Establishment of the Environmental Services Regime in Paraguay for the Chaco Forest Complex**	**Outcome 1.1:** The existing environmental services regime of Paraguay has met all enabling conditions needed to fully operate the natural forests category. **Indicator 1.1:** Number of ESR modalities fully operational to oversee the certification of forests lands under Law 3001/06 **Target 1.1:** 1 category - Natural Forests modality - fully operational	**Output 1.1.1**: ESR assessment report identifies the enabling conditions needed to fully operate the natural forests modality **Indicator 1.1.1:** Number of ESR evaluation report submitted to MADES **Target 1.1.1:** One report submitted **Output 1.1.2**: Ministerial resolution drafted and submitted for approval by MADES with the updated requirements for the incorporation of indigenous peoples' territories into the Environmental Services Regime. **Indicator 1.1.2:** Number of Ministerial Resolution drafts submitted to MADES for approval **Target 1.1.2:** At least 1 draft for a Ministerial Resolution

	Outcome 1.2: Certified hectares under the Environmental Services Regime **Indicator 1.2:** Number of hectares certified under ESR **Target 1.2:** 20,940[51] ha certified	**Output 1.2.1:** Analysis of areas owned by private landowners and indigenous communities that are eligible for certification completed and presented to MADES **Indicator 1.2.1:** Number of hectares eligible for certification **Target 1.2.1:** At least 20,940 ha **Output 1.2.2:** Documents from eligible private landowners and indigenous communities to apply for certification (including FPIC documentation and field verification) are prepared and submitted to MADES **Indicator 1.2.2:** Number of folders with complete requirements submitted for MADES approval **Target 1.2.2:** At least 3 folders from private owners and at least 2 folders from complete indigenous communities submitted **Output 1.2.3:** Best production practices (BMP'S) to reduce emissions and/or enhance carbon stocks manual updated and published **Indicator 1.2.3:** Number of manuals updated and published **Target 1.2.3:** One manual
Component 2: Field assessments and monitoring mechanisms for the certification of areas	**Outcome 2.1** Identification of priority areas relevant for certification in the Environmental Services Regime **Indicator 2.1:** Number of areas identified for ESR certification **Target 2.1:** At least 20 properties identified and analyzed	**Output 2.1.1**: Priority areas to meet ESR certification requirements identified and assessed, including private landowners and indigenous peoples' territories **Indicator 2.1.1**: Number of reports on identified priority areas including a list of properties with potential to be certified **Target 2.1.1**: One report presented to MADES

[51] Project certified hectares target was increased from 20,000 to 40,000 given the landowners interest in certification in PIR 2022

	Outcome 2.2 Monitoring scheme for natural forests modality in ESR updated and operational **Indicator 2.2:** Number of ministerial resolutions for monitoring natural forests modality **Target 2.2.:** One ministerial resolution proposal	**Output 2.2.1:** Proposal to update ministerial resolution 756/16 for the monitoring process updated and presented to MADES **Indicator 2.2.1:** Number of updated ministerial resolution submitted to MADES **Target 2.2.1:** One proposal to update Ministerial Resolution 756/16 submitted for approval by MADES **Output 2.2.2:** Operational needs of MADES monitoring plan completed **Indicator 2.2.2:** Number of people trained on monitoring processes **Target 2.2.2:** At least 12 MADES staff
Component 3: **Institutional strengthening and training**	**Outcome 3.1**: Capacity of institutional stakeholders to participate of the Environmental Services Regime strengthened. **Indicator 3.1.1:** Number of institutional stakeholders strengthen their capacities in ESR **Target 3.1.1**: 100 people from different MADES directions and institutions involved in the ESR	**Output 3.1.1**: Analysis of Training needs Assessment report. **Indicator 3.1.1**: Number of training needs assessment report submitted to MADES **Target 3.1.1**: One report submitted to MADES **Output 3.1.2**: Training for government institutions and key stakeholders conducted **Indicator 3.1.2**: Number of persons trained (disaggregated by sex F/M) **Target 3.1.2**: 100 persons trained **Output 3.1.3:** Required equipment to operate ESR obtained **Indicator 3.1.3:** % or required equipment that has been achieved **Target 3.1.3:** 100% of required equipment purchased

Annex 6.14 Results of Component 1

For Component 1, the evaluation concludes that the outputs have been achieved and are functioning as planned and effective in producing the desired outcome. In FY22, the necessary conditions have been met to operate in the natural forest modality; several portfolios of private properties and indigenous communities interested in this modality were identified and evaluated; 116,993 hectares of forests have been certified under the RSA. More than 200 people have received training on issues related to RSA and the complete implementation of the monitoring system. In addition, institutions such as MADES and INDI have been strengthened through equipment donations, a fundamental element for a more efficient operation.

The justification to support the conclusions and recommendations is as follows:

Outcome 1.1	Project Outputs	Achieved	Progress Rating	
(Phase 2) The existing environmental services regime of Paraguay has met all enabling conditions needed to fully operate the natural forests category	Output Indicator 1.1.1: (Phase 2) Number of ESR evaluation report submitted to MADES	1	**100%**	100%
	Output Indicator 1.1.2: (Phase 2) Number of Ministerial Resolution drafts submitted to MADES for approval	1	100%	
(Phase 1): A PES Incentive Scheme for Carbon is established and fully operational	Indicator 1.1.1a: Project Inception Workshop on PES incentive schemes and carbon sequestration	1	100%	86%
	Indicator 1.1.1b: Validated and approved PES feasibility study	1	100%	
	Indicator 1.1.2a: Memoranda of agreement among stakeholder institutions to collaborate and coordinate efforts to implement the PES Incentive Scheme for Carbon	1	100%	
	Output Indicator 1.1.2b: Staffed and operational institutional structures and mechanisms in Mariscal Estigarribia	1	100%	
	Output Indicator 1.1.2c: PES Certificates that reflect the avoidance of an estimated 5.52 million metric tCO2e	0	0%	
	Output Indicator 1.1.2d: Lessons learned on early implementation of PES Incentive Scheme for Carbon	1	100%	
	Output Indicator 1.1.3: Promotional video shown at key fundraising venues	1	100%	

Table No. 6.14.1 Outcome 1.1 Results

Output 1.1.1. Specialists were hired to reinforce the DSA team, and the inter-institutional working

group between INDI (Paraguayan Indigenous Institute) and MADES was reactivated. As a result, joint work strategies were coordinated to facilitate the CCPLI (Spanish for Free, Prior and Informed Consent) of the indigenous communities in the certification process. Natural Forest modality ESR has been achieved by 1) the reactivation of the inter-institutional working group between the Paraguayan Indigenous Institute (INDI) and MADES, 2) the resolution regulating the requirements for indigenous communities to adhere to the Environmental Services Regime mechanism approved and 3) a resolution to exempt the National Forestry Institute (INFONA) from paying taxes for the registration of forests to indigenous communities was developed. All these regulations will expedite the certification processes of properties of indigenous communities that express interest in joining the regime.

Output 1.1.2. Three Resolutions approved by MADES:

- Ministerial Resolution No. 193/2020[52] incorporates indigenous people's territories in to the ERS
- Resolution No. 176/2021 exemption from payment of fee
- Resolution No. 220/2022 Exoneration Condition of Domain

Output 1.1.3. Two promotional Videos

Outcome 1.2	Project Outputs	Achieved	Progress Rating	
(Phase 2) Certified hectares under the Environmental Services Regime	Output Indicator 1.2.1: Number of hectares eligible for certification	>116,000	100%	93%
	Output Indicator 1.2.2: Number of folders with complete requirements submitted for MADES approval	5	100%	
	Output Indicator 1.2.3: Number of manuals updated and published	0.8	80%	
(Phase 1) At least 21 million tCO2e emissions from deforestation and forest degradation in priority areas effectively avoided or reduced through natural ecosystems conservation and/or sustainable land use practices	Output Indicator 1.2.1: Number of participating and registered landowners in the PES Incentive Scheme for Carbon	19	63%	32%
	Output Indicator 1.2.2: Best practice sustainable forest and land management efforts are being pursued in at least 10,000 ha of new priority sites by month 42nd	0	0%	

Table 6.14.2 Outcome 1.2 Results

Achievement of the outputs in support of Outcome 1.2 is summarized as follows:

Output 1.2.1. The following activities were implemented to submit a complete analysis of areas owned

[52] http://www.mades.gov.py/wp-content/uploads/2020/07/RESOLUCI%C3%93N-N%C2%B0-193-Requisitos-Comunidades-Ind%C3%ADgenas.pdf

by private landowners and indigenous communities that are eligible for certification to MADES:

- Report with an analysis of the five eligible properties already in process of certification of the project's first phase, 3 from private owners and 2 from indigenous communities. It was decided to resume the certification process of 2 areas owned by indigenous communities (Pykasu and Siracua) with a proposed area to be certified of 21,000 hectares and 5 private land owned areas with a proposed area to be certified of approximately 3,900 hectares which still have to be reviewed.

- Field trips were made to accompany new private owner interested in entering ESR: DASCA SAGASI, Toldo Cue and Resch, and Kurusu Ñu, as well as new indigenous communities that may enter the ESR scheme in completing the required documents such as Totobiegosode, Novoctas, San Agustín, Manjui and Nivacle, Pykasu and Sirakua, Ignapui and Karcha Balut

- Elaborate an audiovisual material for indigenous communities to support community processes, both digital, printed and orally in Spanish, as well as and in Guarani and Yshir

- A report has been prepared with the evaluation of potential properties for certification. This evaluation is very important to define the feasibility of concluding the certification processes during the execution of the Project.

Output 1.2.2. More than 5 files that were prepared for eligible private landowners and indigenous communities to apply for certification were submitted to MADES.

Output 1.2.3. The development of a Guide to strengthen the component of Good Agroforestry Practices in cattle farms that adhere to the environmental services regime has been partially developed by WWF and would be adapted to this project needs. Due to administrative issues, this activity was delayed until August 2022 that the consultant team edited the existing guide on best management practices, which will include a chapter on the current environmental services regime. At the time of the TE Report, it was still under review and has not been published.

Outcome 1.3	Project Outputs	Achieved	Progress Rating	
(Phase 1) Key government ministries and secretariats adopt and mainstream low carbon development, ecosystem accounting, and sustainable landscape management into their operations and budgets	Output Indicator 1.3.1: SWOT and gap analysis of Paraguay's forest governance, with particular reference to avoided deforestation, enhancement of carbon stocks, and participation in carbon trading markets	1	100%	67%
	Output Indicator 1.3.2a: Staffed and operational institutional structures and mechanisms in Mariscal Estigarribia	1	100%	
	Output Indicator 1.3.2b: Government ministries and secretariats' operational plans and budgets reflect new and improved policies, standards, and budget allocations for the pursuit of avoided deforestation and enhancement of carbon stocks by month 42	0	0%	

Table No. 6.14.3 Outcome 1.3 Results

Achievement of the outputs in support of Outcome 1.3 is summarized as follows:

Output 1.3.1. A gap analysis of Paraguay's forest governance, with particular reference to avoided deforestation, enhancement of carbon stocks, and participation in carbon trading markets was completed in 2018.

Output 1.3.2. Staffed and operational institutional structures and mechanisms in Mariscal Estigarribia in 2017. The Technical Steering Committee was created in 2019. Five agreements signed. A framework agreement was signed between both executing agencies, and the following four have been signed by MADES:

a. Specific framework agreement with the Governorate of Boquerón

b. Framework agreement with INDERT (National Institute of Land Development)

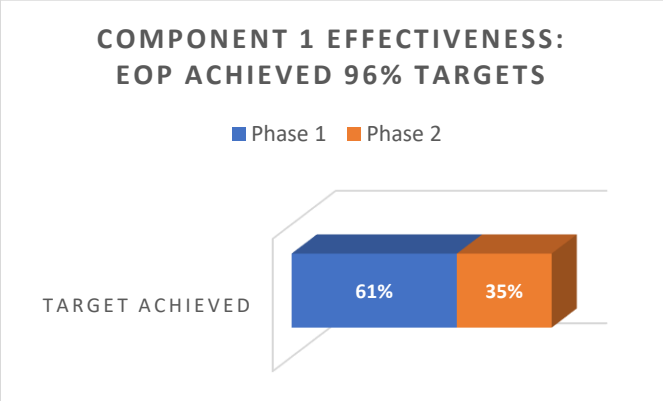
c. Framework agreement with Supreme Court of Justice.

d. Framework agreement with the State´s Public Notary

The last 3 agreements were signed with the objective of regularizing the Ministry's protected areas documents wise. This is an important issue for the project since some of the project of adhesion to the ESR had been delayed due to superposition with protected areas.

Output 1.3.3. MADES started applying an online tracking tool that will enable the collection, analysis, access and visualization of information concerning environmental license on Q3 FY19 knows as SIAM for its acronyms in Spanish. On Q4 MADES had a meeting with INFONA to evaluate the incorporation of SIAM with this institution. This is particularly very important because it will connect MADES and INFONA during the process of granting environmental licenses (which is a requirement for the adhesion to the ESR).

PHASE 1: Moderately Satisfactory (MS)	61%
PHASE 2: Satisfactory (S)	96%



Component 1 achieved 61% of output targets by the third year of implementation. After EA change and output targets were updated, it achieved 96% of new targets.

Component 1 effectiveness has been rated Satisfactory (S)

Fig. No. 6.14.1

Efficiency Results of Component 1: Based on Outputs indicators achieved at EoP

	Percent of EoP target Achieved	Budget Execution
Component 1	96%	89%
Up to End of Phase 1	61%	62%

Up to TE	35%	26%

Component 1 maintained a straight continuous trend executing the budget and achieving outputs in both project phases 1 and 2. (Figure 6.13.2 below shows budget execution trendline)

At the end-of-project it achieved 96% of outputs indicators (Satisfactory) spending 89% of the GEF allocated budget for this Component**. Efficiency is rated Satisfactory.**

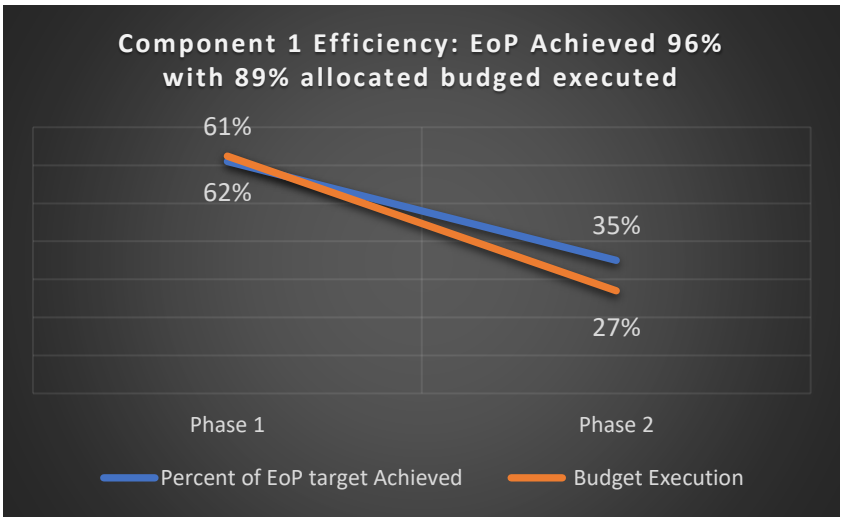


Fig. 6.14.2

In terms of budget execution efficiency, the next graph Figure. No. 6.13.1 shows

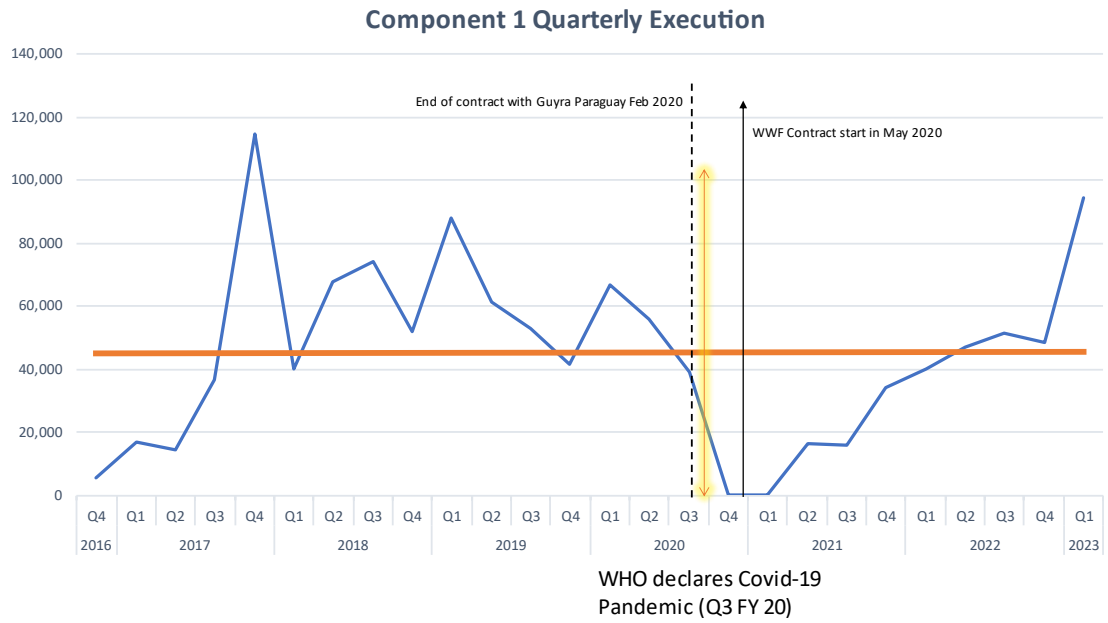


Figure No. 6.14.3 Component 1 Quarterly Implementation

At Terminal Evaluation (TE) reporting, 89% of the funds allocated to C1 were executed.

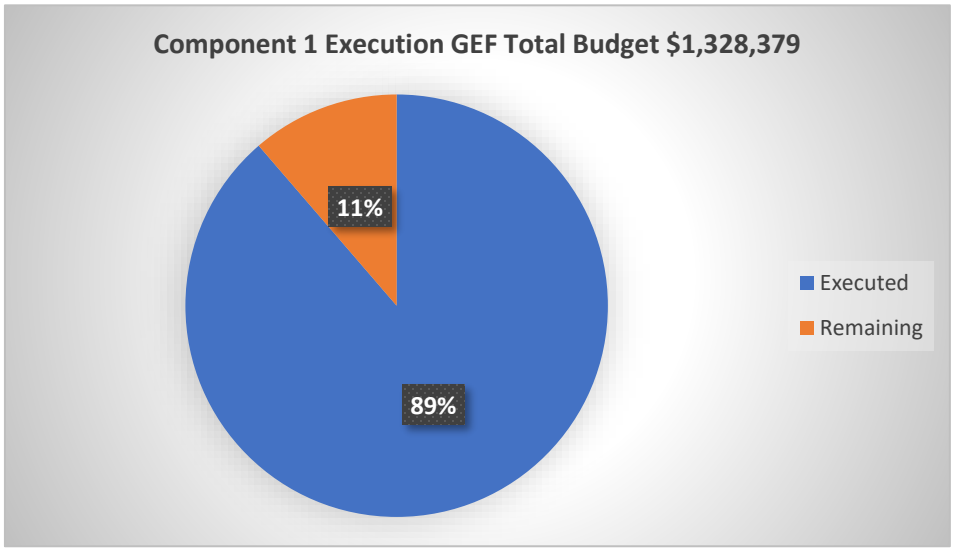


Fig. 6.14.4

Annex 6.15 Results of Component 2

Overall Component 2 Execution: Phase 1 and Phase 2 Comparison

Outcome 2.1	Project Outputs	Achieved	Progress Rating	
(Phase 2)Identification of priority areas relevant for certification in the Environmental Services Regime	Output Indicator 2.1.1: Number of reports on identified priority areas including a list of properties with potential to be certified	1	100%	100%
(Phase 1) Priority areas for carbon sequestration identified and carbon stocks and additional values will be assessed	Output Indicator 2.1.1: Final reports and maps of each priority area	0	0%	0%
	Output Indicator 2.1.2a: (Phase 1) Final reports of field assessments and results disseminated and validated by landowners, government, civil society, and other key stakeholders	0	0%	
	Output Indicator 2.1.2b: PES Certificates that reflect the avoidance of an estimated 5.52 million metric tCO2e	0	0%	

Outcome 2.2	Project Outputs	Achieved	Progress Rating	
(Phase 2) Monitoring scheme for natural forests modality in ESR updated and operational	Output Indicator 2.2.1: Number of updated ministerial resolution submitted to MADES	1	100%	100%
	Output Indicator 2.2.2: Number of people trained on monitoring processes	12	100%	
(Phase 1) Monitoring scheme implemented in all landholdings enrolled in the PES incentive program	Output Indicator 2.2.1: Monitoring and certification tools and their associated best practice methodologies developed by month 18 and piloting initiated by month 24	0	0%	0%
	Output Indicator 2.2.2: PES Certificates that reflect the avoidance of an estimated 5.77 million tCO2e	0	0%	

Output 2.1.1. A preliminary analysis is carried out for each property, before passing to the formal certification process. This is done by a revision of documentation and with the Geomatics Direction Support, which emits a case-by-case report on the potentially certifiable areas. Link to access the feasibility reports.

Output 2.1.2. One proposal to update Ministerial Resolution 756/16 was submitted for approval by MADES on October 24, 2022. It includes a final report of the socialization process and results for the technical proposal, guide of procedures for monitoring and auditing processes and aspects related to the operation of the environmental services regime, as well as evidence of the training of actors involved. (4 workshops)

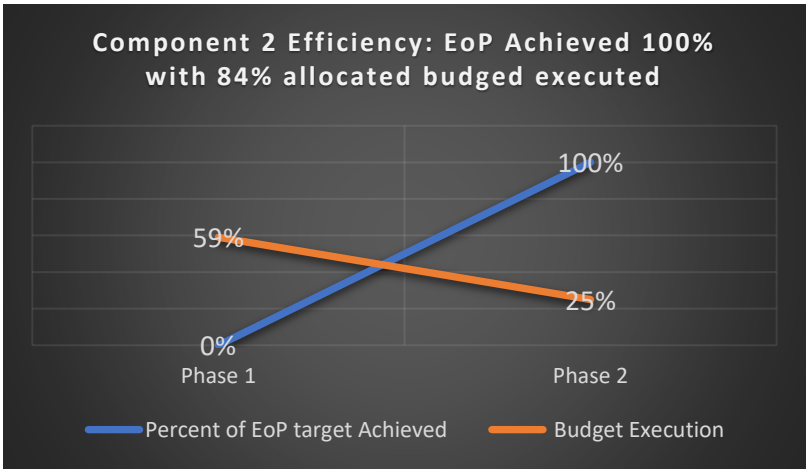
Output 2.2.1. The operational needs of the MADES monitoring plan have been completed. Training MADES staff in GIS (e.g. QGIS, Arc Gis, GPS fix loading, GLAD Alerts, Global Forest Watch) for prioritization of deforestation alerts took place in April 2022 and August 2022.

Output 2.2.2. Capacity building with Calculation of avoided carbon emissions with ExAct Tool to DSA technicians was provided by independent consultant in October 2022 who also delivered the final report with the calculation of the avoided carbon emissions in November 2022.

PHASE 1: Highly Unsatisfactory (HU)	0%
PHASE 2: Highly Satisfactory	100%

Efficiency Results of Component 2: Based on Outputs indicators achieved at EoP

As seen in Figure No. 6.15.1 below, at the end of Phase 1, 59% of the budged had been executed with 0% targets achieved. However, with an expenditure of 25%, at the end-of-project adjusted outputs targets for Phase 2 were 100% achieved.



Efficiency is rated Moderately Satisfactory (MS)

The justification is that during Phase 1, budget was not efficiently executed as per 0% results, and Phase 2 was able to achieve a 100% with lower expenditure because the carbon concept was eliminated from the outputs.

Fig. 6.15.1 Component 2 Efficiency

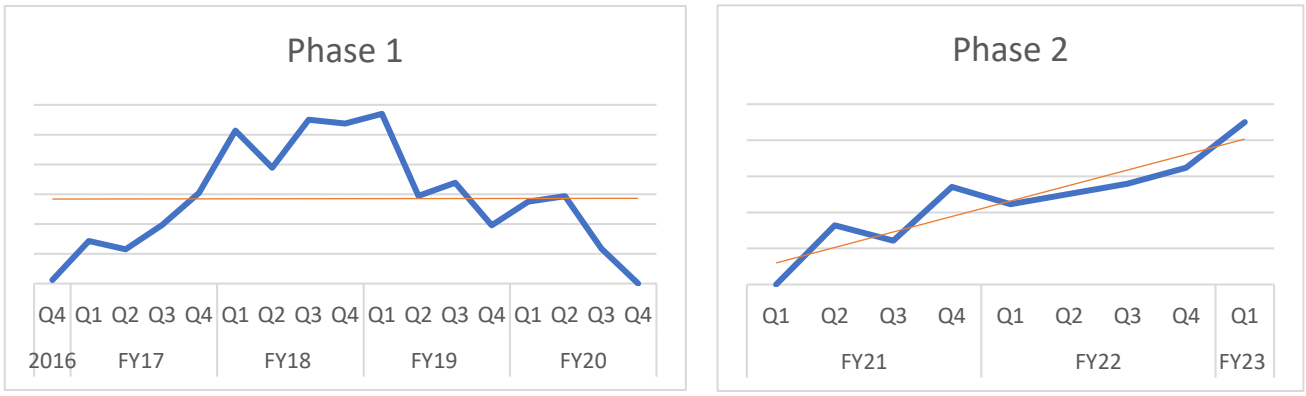
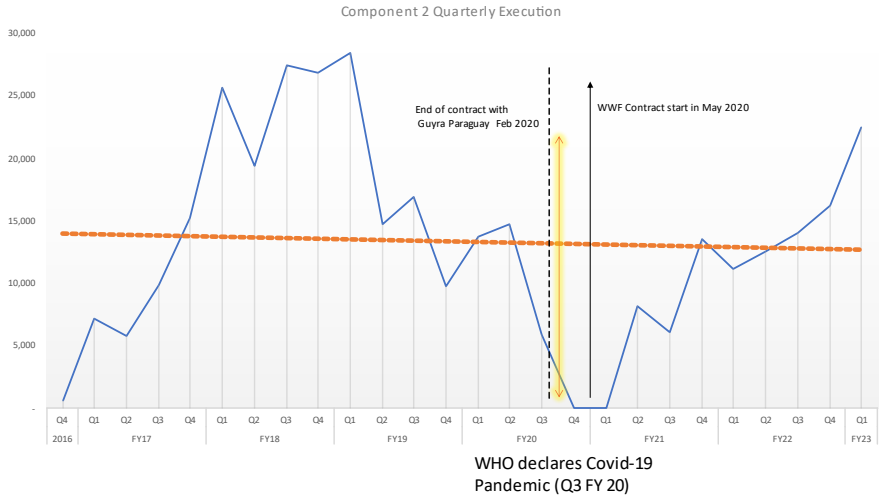


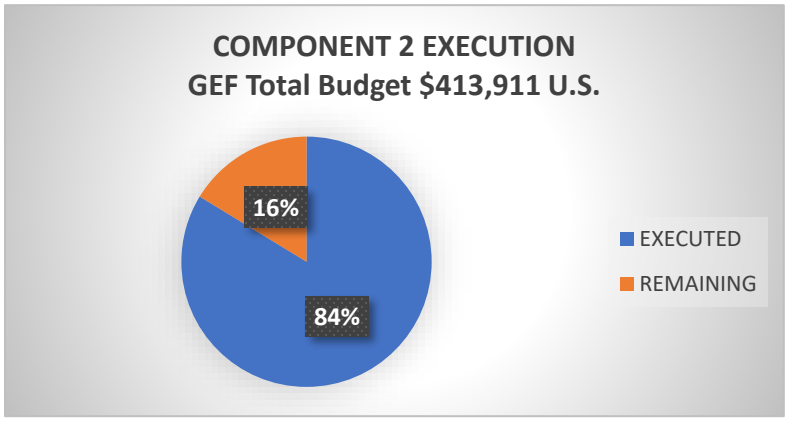
Fig. 6.15.2 Phase 1 and Phase 2 Component 2 Quarterly execution



In terms of efficiency in relation to Covid-19 pandemic impact is shown in the following graph:

Figure No. 6.15.3: Component 2 Quarterly Execution

From the World Health Organization (WHO) declaration of the Pandemic[53] in March 2020 (Q3 FY20)



At Terminal Evaluation (TE) reporting, 84% of the funds allocated to C2 were executed, a 25% execution increase after end of Phase 1.

Fig. No. 6.15.4

Annex 6.16: Results of Component 3

Effectiveness:

The following tables provides the results for effectiveness as highly satisfactory for the realization of Phase 2 outputs per the Traffic light system and unsatisfactory for Phase 1. All results indicated were triangulated through KIIs and FGMs:

Overall Component 3 Execution: Phase 1 and Phase 2 Comparison

[53] The WHO declared Covid-19 pandemic in March, 2020 https://www.who.int/director-general/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020

OUTCOME 3.1	Project Outputs	Achieved	Progress Rating	
(Phase 2) Capacity of institutional stakeholders to participate of the Environmental Services Regime strengthened.	Output 3.1.1: Analysis of Training needs Assessment report	1	100%	100%
	Output Indicator 3.1.2: Number of persons trained (disaggregated by sex F/M)	100	100%	
	Output Indicator 3.1.3: % or required equipment that has been achieved	100%	100%	
(Phase 1) Significantly improved understanding and knowledge on various aspects of carbon assessments, certification and monitoring processes, and sustainable forest and land management best practices for carbon sequestration	Output Indicator 3.1.1: Assessment report on training needs and target stakeholders	1	100%	33%
	Output Indicator 3.1.2a: Training program developed and implemented	0	0%	
	Output Indicator 3.1.2b: Best practice manuals are prepared and used in learning-by-doing training workshops	0	0%	
	Output Indicator 3.1.2c: Number of relevant stakeholder representatives actively participating in training workshops and their test scores on understanding of best practices for monitoring and certification for carbon sequestration and other relevant project issues	0	0%	
	Output Indicator 3.1.2d:Participants in training workshops represent an appropriate balance in the diversity of their social location,e.g., indigenous representatives,gender, local communities,private sector, NGOs,government planners and decision-makers, among others	1	100%	

Output 3.1.1. An analysis of Training needs assessment was done in 2018. There is evidence of this report consultancy between Guyra Paraguay and MADES called. "*Needs assessment and identification priority and key stakeholder techniques, including the basic knowledge of stakeholders*"

Output 3.1.2. Training for government institutions and key stakeholders conducted with 424 participants (58% women, 42% men), as shown in the following table:

MADES - CAPACITACIÓN PARA TÉCNICOS SOBRE EL RSA (11.03.2021)		PSA	FY21
Mujeres	15		
Hombres	12		
TOTAL	**27**		

MADES - CAPACITACIÓN MANEJO DE DRONES (19.04.2021)		SIG	FY21
Mujeres	2		
Hombres	3		
TOTAL	**5**		

UNA - CONFERENCIA PSA (26.04.2021)		**PSA**	**FY21**
Mujeres	91		
Hombres	40		
TOTAL	**131**		
MADES - CORTE SUPREMA - CONFERENCIA PAGO POR SERVICIOS AMBIENTALES (14.10.2021)		**PSA**	**FY22**
Mujeres	29		
Hombres	26		
TOTAL	**55**		
UNA - TALLER PAGO POR SERVICIOS AMBIENTALES (Oct-nov-2021)		**PSA**	**FY22**
Mujeres	17		
Hombres	6		
TOTAL	**23**		
MADES - CAPACITACIÓN A POSEEDORES DE CSA SOBRE UTILIZACIÓN DEL SIAM (17.02.2022)		**PSA**	**FY22**
Mujeres	10		
Hombres	5		
TOTAL	**15**		
MADES - CAPACITACIÓN A POSEEDORES DE CSA SOBRE UTILIZACIÓN DEL SIAM (18.02.2022)		**PSA**	**FY22**
Mujeres	4		
Hombres	9		
TOTAL	**13**		
MADES - CAPACITACIÓN A POSEEDORES DE CSA SOBRE UTILIZACIÓN DEL SIAM (25.02.2022)		**PSA**	**FY22**
Mujeres	14		
Hombres	20		
TOTAL	**34**		
MADES - CURSO SOBRE LA 3001 - CONCEPCIÓN-AMAMBAY-SAN PEDRO (24.03.2022)		**PSA**	**FY22**
Mujeres	37		
Hombres	32		
TOTAL	**69**		
MADES - CURSO SIG ALERTAS GLAD (19.04.2022)		**SIG**	**FY22**
Mujeres	1		
Hombres	4		
TOTAL	**5**		
MADES - CURSO SIG ALERTAS GLAD (20.04.2022)		**SIG**	**FY22**
Mujeres	1		
Hombres	4		
TOTAL	**5**		
MADES - CURSO SIG QGIS (22.08.2022)		**SIG**	**FY22**
Mujeres	4		
Hombres	6		
TOTAL	**10**		
MADES - CURSO SIG QGIS (23.08.2022)		**SIG**	**FY22**

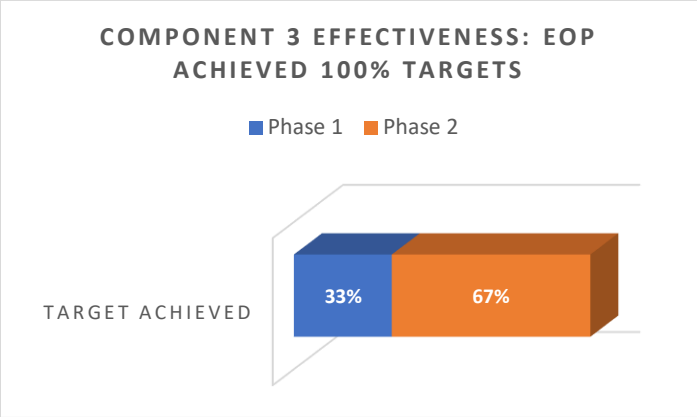
Mujeres	4		
Hombres	5		
TOTAL	**9**		
UNA - TALLER PAGO POR SERVICIOS AMBIENTALES (Setiembre-2022)		**PSA**	**FY23**
Mujeres	16		
Hombres	7		
TOTAL	**23**		
MUJERES	**245**	**58%**	
HOMBRES	**179**	**42%**	
TOTAL	**424**		

OUTCOME 3.2	Project Outputs	Achieved	Progress Rating	
(Phase 1) Implementation of the PES Incentive Scheme for Carbon is fully supported by an Internet-based National Online Platform	Output Indicator 3.2.1: Transactions under the PES Incentive Scheme for Carbon carried through the National Online Platform	0	0%	0%

Outcome 3.2

This outcome is no longer needed since the platform is being developed by another project. Thus, it has been deleted in the updated results framework.

PHASE 1: Unsatisfactory (U)	**33%**
PHASE 2: Highly Satisfactory (HS)	**100%**



Component 3 achieved 33% of output targets by the third year of implementation. After EA change and output targets updated, it achieved 100% of new targets.

Component 3 is rated Satisfactory (S)

Fig. 6.16.1 Component 3 Effectiveness

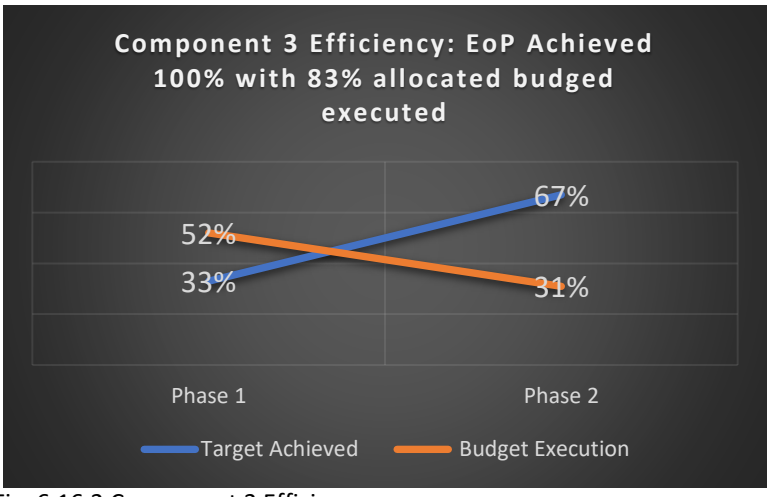


Fig. 6.16.2 Component 3 Efficiency

Efficiency Results of Component 3: Based on Outputs indicators achieved at EoP

As seen in Figure No. x, at the end of Phase 1, 52% of the budged had been executed with 33% targets achieved. However, with an expenditure of 31%, at the end-of-project the adjusted outputs target for Phase 2 were 100% achieved.

Efficiency is rated Moderately Satisfactory (MS)

In terms of efficiency in relation to Covid-19 pandemic impact is shown in the following graph:

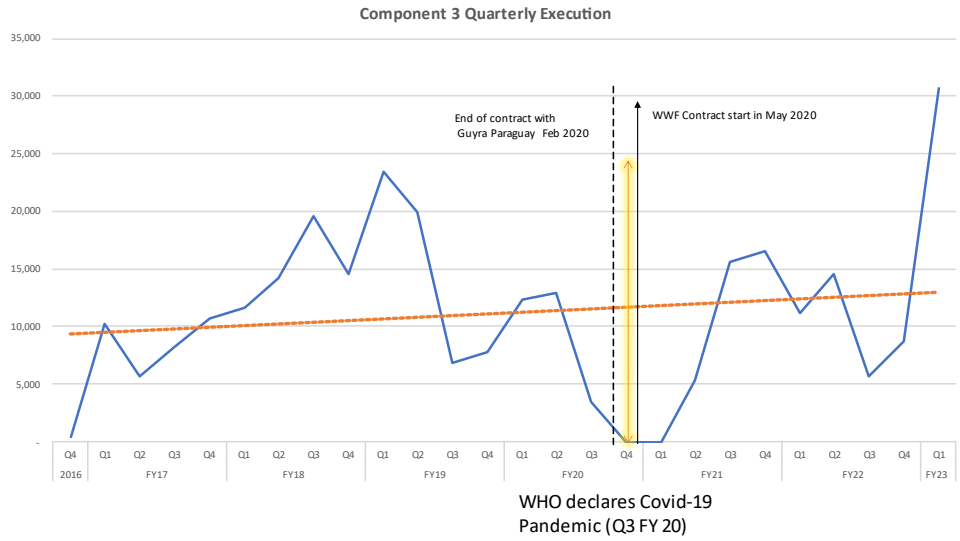


Figure 6.16.3: Component 3 Quarterly Execution

At Terminal Evaluation (TE) reporting, 83% of the funds allocated to C3 in the PRODOC were executed

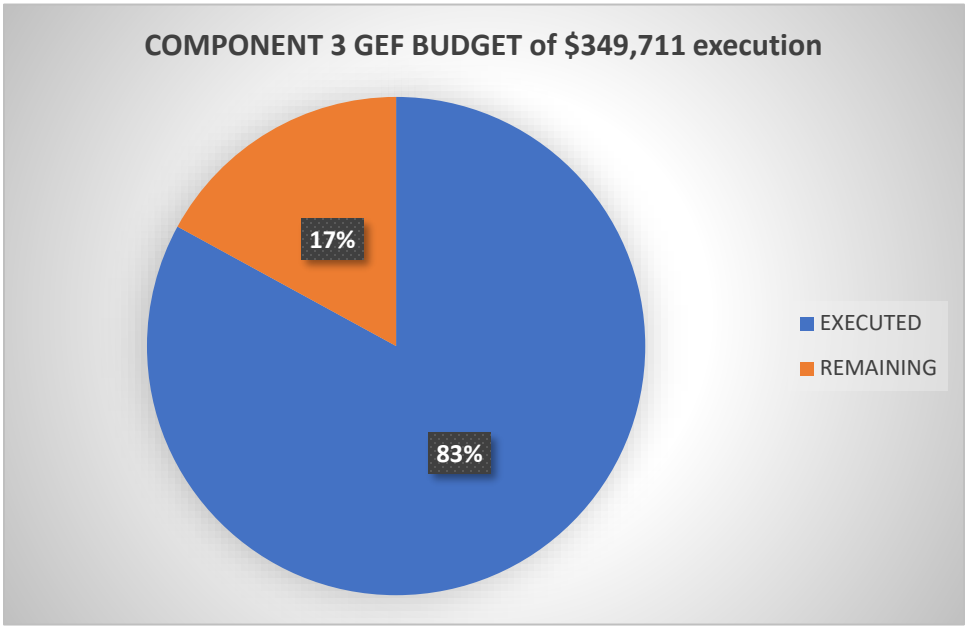


Fig. No. 6.16.4 Component 3 Budget Execution

Annex 6.17 Project Risk Assessment

RISK #	PRODOC PROJECT RISKS	PRODOC	FY17	FY18	FY19	FY20	FY21	FY22	TE	Comments and Justification
1	Lack of interest among potential beneficiaries in participating in the project	H	H	M	H	H	H: private owners| M for IC	L	**H**	Is this synonymous with willingness to pay or trads? This should have been known at the Project Design stage or defined during implementation to develop mitigation or contingencies. Response should have a been communication strategy or advocacy.
2	Absence of broad political commitment does not allow for the effective implementation of the PES Incentive Scheme	M	H	H	H	M	L	L	**H**	The risk is not specific. The risk is that conflicting regulations restrict the entrance and exit of traders in the market.
3	Government may not be sufficiently committed to promote steps to reform the governance framework, minimizing staff turnover and institutionalizing processes.	M	H	H	H	M			**H**	Inter-ministerial work is necessary to remove risks to sustainability. The government will need to define how certificate trading can be streamlined.

4	Certain production practices that are extremely harmful to forest ecosystems (i.e., fires for pasture regeneration) are deeply rooted among producers	H	H	H	H	H	M to L	M to L	–	This is a risk to what? Loss of certified areas due to fire?
5	Potential buyers may not be sufficiently interested in buying the certificates	M to H	M-H	H	H	M to H	This risk is no longer applicable for the project given that no work on markets will be done.		H	Potential buyers that are not interested are not potential buyers. The project eliminated the market aspects which amplifies the risk to sustainability
6	Assessments of carbon stocks in priority areas may not accurately assess amount of carbon sequestered	H	M	M	L	M	L	L	–	This should not be a risk. This is a project management criterion. Should be eliminated.
7	Certificates do not lead to the long–term avoidance of deforestation and enhanced carbon storage.	M	M	M	M	H			–	As written, this is not a risk. It is the TOC. Issues relating to a possible perverse incentive involving certificates still exist and could be risks, such as barriers to entering transactions. Another might be the pricing of certificates makes other options cheaper or that owners reject the concept.
8	Carbon Leakage. Since the certificates create a strong incentive to avoid deforestation in certain areas, their unintended consequence is that other forest areas become attractive	L	L	L	L	L			–	This could also be true under the certificate system but does not describe actual risk or the mitigating action or contingency plan.

	for commercial exploitation.									
9	Increased temperatures and intensity of climatic patterns may reduce the carbon value of certified properties	L	L	L	L	L			–	This is not a realistic risk to the project or to its sustainability. These are factors that can be measured. It is a threat, but it is outside of the control of the project.
10	Non realization of the carbon market and expected financing	M	M	M	L	L	This risk is no longer applicable for the project given that no work on markets will be done.		H	As mentioned in the text, this factor could lead to the real risk, which is failure, which would lead to long-term rejection of the technology. The current surplus of certificates confirms that a more efficient market mechanism was necessary
11	Risk 1: The COVID-19 crisis might delay planned activities and/or make field work difficult, concerning the legal restrictions.					H	H	L	L	Concur

Annex 6.18 Social and Environmental Safeguards Analysis

Stakeholder Engagement Plan

This Stakeholder Engagement Plan outlines the social location of the various stakeholders that were potentially affected by the project, identifying their key issues and priorities. The regular involvement of central, regional, and local government authorities, as well as producer associations, women's groups and civil society was promoted.

The Stakeholder Engagement plan monitoring indicates the following:

MINIMUM SAFEGUARDS INDICATORS	TARGET	End of Phase 1	Phase 2 (at TE)
1. Number of government agencies, civil society organizations, private sector, indigenous peoples and other stakeholder groups that have been involved in the project implementation phase on an annual basis	At least 8 governmental agencies involved	More than 8 agencies involved every year, except 2020.	25 agencies directly and indirectly involved in the project.
2. Number persons (sex disaggregated) that have been involved in project implementation phase (on an annual basis)	At least 20 people	In the first phase with Guyra as EA, 15 people were involved in project implementation through the PMU team.	56 people have participated in the execution of Phase II of the Project. 20 women (36 %) and 36 men (64 %).
3. Number of engagement (e.g. meeting, workshops, consultations) with stakeholders during the project implementation phase (on an annual basis)	At least 15 meeting with stakeholders	The project has held, 6 meetings in 2017, 23 meetings in 2018, 27 engagement meetings in 2019. No new meetings in 2020	Continuous bilateral engagement meetings with interested parties for certification have been held on virtual platforms on-demand.
4.* Percentage of stakeholders *who rate as satisfactory the level at which their views and concerns are taken into account by the project	100%	No data available	69% are satisfied with the level at which their views and concerns are considered by the project and 75% are satisfied with the project overall.

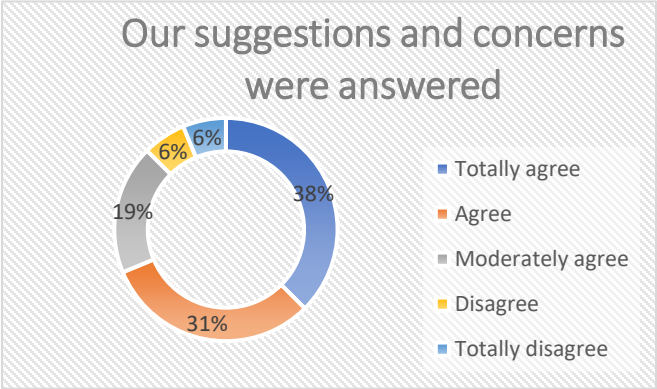
Findings & Conclusions:

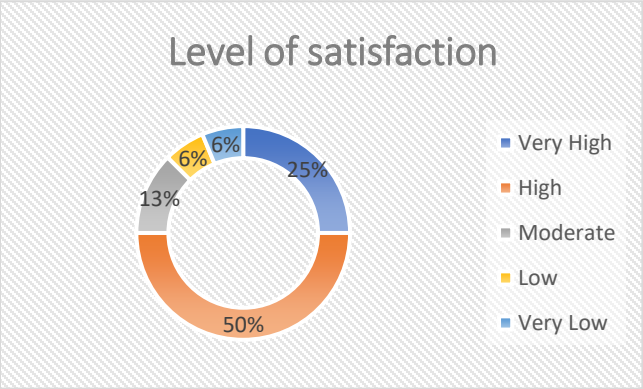
- The Stakeholder Engagement Plan is fully compliant with GEF policy and guidance and was approved and in-force from the inception phase to the end of the project. Progress within the Stakeholder Engagement Workplan is monitored and reported in Quarterly Reports and in PIRs.
- The Grievance mechanism and Stakeholder engagement strategy are compliant with CI´s ESMF

and is compliant with GEF Stakeholder Engagement Policy (SD/PL/01)[54] and Guidelines[55]

- Contacts were made with members of the 'Alliance', a WWF executed project, with USAID funding, to promote ESR in Q3. The Alliance represents private cattle ranchers in the Chaco region. Informal engagement with private landowners, that are part of the 'Alliance' is occurring, thanks to WWFs running projects
- An inter-institutional roundtable between the INDI, Cadastral Institute and MADES institutions; in which roles, points of contact and procedures are defined was established.
- Phase I was more inclusive in the work planning process with workshops in Filadelfia. Phase II, to save costs WWF worked bilaterally. The process was still inclusive but more manageable given the long distances. The shift in EAs from phase I to phase II did not negatively affect stakeholder engagement.
- The planned activity to "Share guide of Good Agricultural Practices, promotional event, launch in the networks (at least 200 people reached)" is still delayed, and not likely to be completed by the end of project.
- During interviews, the consultants confirmed that all stakeholder interviewed were cognizant of the project and had participation in one way or another with the project. Results from the survey[56] showed 63% agreement of having been consulted during project implementation.

As indicated in the Stakeholder Engagement plan, the TE ran a survey to measure the Percentage of stakeholders who rate as satisfactory the level at which their views and concerns are taken into account by the project: 69% are satisfied with the level at which their views and concerns are taken into account by the project and 75% are satisfied with the project.





[54] _____. November 2017. Policy on Stakeholder Engagement. GEF/SD/PL/01. URL: https://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Policy_0.pdf; accessed 26 January 2021.

[55] _____. December 2018. Guidelines on the Implementation of the Policy on Stakeholder Engagement. URL: https://www.thegef.org/sites/default/files/documents/Stakeholder_Engagement_Guidelines.pdf ; accessed 26 January 2021.

[56] Survey had a 67% of participation. It was sent to 24 stakeholders and received 16 responses. Survey results are included in Annex 6.11

Indigenous Peoples Policy

The engagement of indigenous peoples is a major feature of the project, taking into account that many of these communities' very survival is historically tied to the land and forests. Their active involvement in the project from the earliest stages and throughout project implementation was critical to ensure that their rights and needs were fully met.

The project area is the current and traditional area of three indigenous peoples of the Chaco: Guarani Ñandeva, Ayoreo, and Yshir. This project followed the REDD+ program's minimum guidelines to be fulfilled in indigenous territories. The Federation for the Self−determination of Indigenous Peoples guidelines was the baseline document for the protocol for the free, prior, and informed consent developed and used in this project.

The **Provisional Involvement Plan for Indigenous Peoples** included safeguards to protect the individual and collective rights of indigenous peoples and communities. The plan included a work plan for the effective participation of indigenous representatives. The plan also outlined the legal framework, the mechanism for conflict resolution, information on funds, and monitoring and evaluation criteria.

Findings & Conclusions:

The Indigenous Peoples plan monitoring indicates the following:

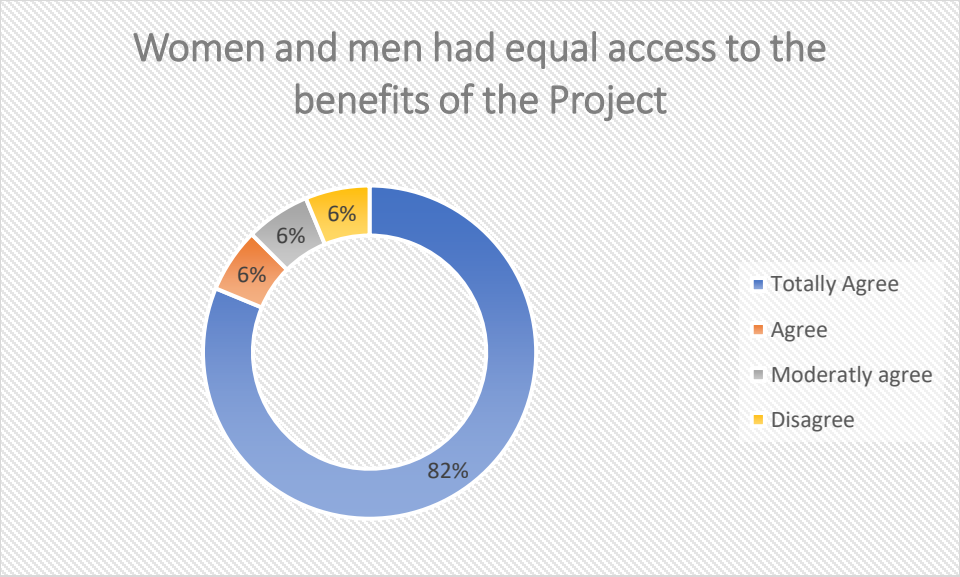
MINIMUM SAFEGUARDS INDICATORS	TARGET	End of Phase 1	Phase 2 (at TE)
Percentage of indigenous/local communities where FPIC have been followed and documented.	100%	0 new communities have the FPIC process approved in FY20.	Due to COVID 19 sanitary restrictions, there were delays in carrying out the FPICs. All of the project's communities FPICs was conducted. A total of 7 CCPLIs (100%) have been carried out, all of them in the period of fiscal year 2022.
The percentage of communities where project benefit sharing has been agreed upon through the appropriate community governance mechanisms and documented	100%	The two communities that initiated the process of adherence to the ESR were still in process of certification as they did not complete the requirements.	(FPIC) CCPLI are pending for the first weeks of FY23 to indigenous communities that expressed their interest in this phase of the project. This were not completed before because documentation review could not be completed in FY22. Project moves ahead with certification only after FPIC has been concluded approved and documented. FPIC explain benefits for communities and other relevant issues of the certification process.

- Extreme care has been taken by all stakeholders in dealing with indigenous communities.
-
- All Indigenous communities expressed that they were satisfied with the project and their level of inclusion.
- Key issues, such as the use of non-timber forest products were not discovered through the process. Actions on these are necessary to no restrict the communities' rights to traditional non-timber products such as game, honey, medicinal, and comestible vegetation.

Gender Mainstreaming

The Gender Mainstreaming plan sets out to achieve gender equality in all aspects of the project. The aspect of Gender was included thoroughly at the formulation stage and in the project document´s Gender Mainstreaming Plan with specific actions in the Annual Work Plan and definition of roles and responsibilities. The project´s results framework also includes gender disaggregated targets, which are measured and reported in the Quarterly Reports and PIRs. During the Terminal Evaluation, KIIs confirmed that gender was successfully mainstreamed throughout the project. There is a good balance of Men and Women participating at all levels. KIIs indicated that they did not feel restrained due to gender and that the work experience was respectful and productive. Women in indigenous communities participated through their committees and have a seat on the community council.

An online survey taken for the TE indicated equal opportunity to participate between men and women.



The Gender Mainstreaming plan monitoring indicates the following:

MINIMUM SAFEGUARDS INDICATORS	TARGET	End of Phase 1	Phase 2 (at TE)
Number of men and women that participated in project activities (e.g. meetings, workshops, consultations)	At least 30% women	153 people participated in 4 workshops 91 men (59%) and 62 women (41%)	382 people, 122 women (58%) and 160 men (42%), have participated in 11 trainings.
Number of men and women that received benefits (e.g. employment, income generating activities, training, access to natural resources, land tenure or resource rights, equipment, leadership roles) from the project	300 people (at least 30% women)	0 beneficiaries	A total of 441 people has benefited directly, 258 women (59%) and 183 men (41%).

All FGMs, KIIs and the online survey confirmed that the project is gender inclusive. As such, and for the successful implementation and reporting on Gender Mainstreaming, the project is compliant with GEF

Gender Equality Policy (SD/PL/02)[57] and Guidelines[58]

Accountability and Grievance Mechanism

The project was supposed to develop a web−based tool for comments and complaints to be submitted to the Project Coordinator, with copy to SEAM and the manager appointed by CI/Guyra Paraguay. A specific e−mail address and phone number was going to be set up to facilitate receiving feedback regarding project implementation to provide an easy way for people affected by the project to approach the project executing agency and team and share any concerns or complaints. A monitoring system was going to check if the person making a complaint received the required response. The effectiveness of this grievance mechanism was monitored through the Quarterly Reports and the PIRs.

Evaluators verified that there is a grievance mechanism in place on WWF and MADES websites. All agencies involved also have grievance mechanisms in place. Communication materials were updated to disclose the established grievance mechanism. Indigenous communities have exercised grievance through their established process through INDI. When questioned, they expressed satisfaction with their conduits to express grievances.

The Grievance Mechanism monitoring report indicates that throughout the project implementation period and up to the present, the project's accountability and grievance mechanism has not received any complaints.

[57]Global Environment Facility. November 2017. Policy on Gender Equality URL: https://www.thegef.org/sites/default/files/documents/Gender_Equality_Policy.pdf ; accessed 22 January 2021.
[58]_____. June 2017. Guidelines on Gender Equality. URL: https://www.thegef.org/sites/default/files/documents/Gender_Equality_Guidelines.pdf; accessed 22 January 2021.

Annex 6.19. GEF Incremental Reasoning and Additionality Analysis

Evaluators analyzed the GEF additionality according to the GEF/ME/C.55/inf. 01 *An Evaluative Approach to Assessing GEF's Additionality*[59] of 2018 which simplifies the additionality concept based-on 6 factors reflected in the TE Incremental Reasoning Analysis.

The TE concludes that GEF has produced important additionality over the baseline situation that has and will continue to produce associated incremental benefits based on the following analysis.

At project design, GEF incremental funding for this project intended to build upon the baseline by:

(i) financing the cost associated with the creation and institutionalization of the Payment for Environmental Services Incentive Scheme for Carbon to avoid or reduce 21 million tCO2eq emissions from deforestation or forest degradation or through enhanced carbon stocks.

(ii) to contract technical expertise to negotiate institutional structures, mechanisms, and procedures to modify the baseline situation. These reforms were to be targeted to legitimizing these reforms to be consistent with Law 3001/06, among other legal instruments and policies.

(iii) to assess and develop, as appropriate, by−laws and operational guidance for facilitating improve compliance, monitoring, and enforcement.

(iv) (iv) to carry out learning−by−doing workshops to engage representatives of key stakeholders, such as technical staffs of government ministries and secretariats, to better understand how to carry out best practice assessment of carbon stocks on lands eligible for certification under the PES Incentive Scheme for Carbon.

The mentioned changes had the incremental effect of enabling the following:

- *Reduced deforestation and degradation of existing forests by the amount of certificates certified;*
- *Promoted a new development model based on sustainable practices with low greenhouse gas emissions;*
- *Supported positive incentives that promoted the conservation of forests and improved carbon retention and GHG avoidance;*
- *Promoted capacities at different levels of government and local stakeholders on issues related to climate change and in particular PES and ESR.*

These changes produced the following incremental benefits:

- The Government of Paraguay did provide incentives to private landowners to avoid deforesting their lands and promote sustainable management

[59]GEF/ME/C.55/inf. 01 An Evaluative Approach to Assessing GEF's Additionality- https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C.55.inf_.01_Additionality_Framework_November_2018.pdf

- Made a contribution to reducing or avoiding greenhouse gas emissions.
- Enhanced protection of endemic species that are endangered from the deforestation implicit in the lands certified.
- Generated additional benefits of national importance. At a national level, the project promoted the conservation of additional areas of natural habitats, beyond the 25% of forest cover required by law (Law 422/73). By avoiding deforestation in key forest habitats, the project generated national co−benefits by facilitating landowners to pursue sustainable land management practices in a way that increases the carbon stock.
- At a local level, environmental benefits included a reduction in soil erosion, water conservation, decreased land degradation, decreased habitat fragmentation, decreased establishment of invasive species, improved pollination, enhanced soil development, increased soil moisture, improved nutrient cycling, and improvements to the biomass and water cycle.
- Partially removed the barrier for landowners to pursue sustainable forest and land management best practices by demonstrating their value based on lessons learned from other parts of Paraguay.
- Inclusion of indigenous groups in a PES scheme can empowered low−income groups while allowing them to earn money from reforestation and conservation. This is a crucial since many local communities and indigenous groups earn their living from the use of forests and natural resources. Sustainable forest management activities supported by the project will help create other long−term benefits.
- Developed activities that benefited all members of the community. Women and indigenous groups were given particular attention to ensure that they receive equal benefits.
- Promoted alternative socio−economic livelihood options for indigenous and other local communities.
- MADES began the process of realizing a market for trading certificates.
- Created a mechanism by which funds can be raised to finance on−going certifications

Conclusions:

GEF's Additionality	Description	Additionality Question	Findings at TE
Specific Environmental Additionality	The GEF provides a wide range of value-added interventions/services to achieve the Global Environmental Benefits (e.g. CO2 reduction, Reduction/avoidance of emission of POPs).	Has the project generated the Global Environmental Benefits that would not happen without GEF's intervention?	Yes. The Progress to impact demonstrates CO2 avoided and new land under conservation
Legal/Regulatory Additionality	The GEF helps stakeholders transformational change to environment sustainable legal /Regulatory forms.	Has the project led to legal or regulatory reforms that would not have occurred in the absence of the project?	Yes. The TE has documented regulations improving the regulatory environment, especially permitting indigenous areas to

			participate in ESR which would not have previously existed. Ministerial resolutions facilitated Monitoring and qualification of lands for certification.
Institutional Additionality/Governance additionality	The GEF provides a support the existing institution to transform into efficient/sustainable environment manner.	Have institutions been strengthened to provide a supportive environment for achievement and measurement of environmental impact as a result of the project?	Yes. MADES, INGOs, NGOs, and CBOs have achieved improved levels of cooperation. Support to MADES in monitoring and Evaluation is improving operationality. The experience had increased understanding of PES mechanisms and the work needed to continue to increase the mechanisms.
Financial Additionality	The GEF provides an incremental cost which is associated with transforming a project with national/local benefits into one with global environmental benefits.	Has the involvement of the GEF led to greater flows of financing than would otherwise have been the case from private or public sector sources?	Yes. At the Project Level, Certificates have been sold for a direct value. The project has also had a catalytic role in developing other projects based on the results.
Socio-Economic Additionality	The GEF helps society improve their livelihood and social benefits thorough GEF activities.	Can improvements in living standard among population groups affected by environmental conditions be attributed to the GEF contribution?	Yes. In both private sector and indigenous communities, livelihood improvements have been realized from income from the sale of certificates. Greater expectations have been expressed if the remaining certificates can be sold.

Innovation Additionality	The GEF provides efficient/sustainable technology and knowledge to overcome the existing social norm/barrier/practice for making a bankable project.	Has the GEF involvement led to a fast adoption of new technologies, or the demonstration of market- readiness for technologies that had not previously demonstrated their market viability?	Yes. But this is at a critical stage and can go either way. Measures in place will lead to an increase in certificates sold. The knowledge from the project has already informed proposals to improve markets.

Table No. 6.19.1 GEF Additionality Analysis

Annex 6.20. UNEG Code of Conduct for Terminal Evaluation Consultants

Annex 6.21. Audit Trail

Project Title:	Innovative Use of a Voluntary Payment for Environmental Services Incentive Program to Avoid and Reduce Greenhouse Gas Emissions and Enhance Carbon Stocks in the Highly Threatened Dry Chaco Forest Complex in Western Paraguay
Executing Agency:	Conservation International GEF Project Agency (CI-GEF)
Duration in Months:	82
GEF Grant Amount:	$2,201,614
Date of Terminal Evaluation:	December 2022
CI-GEF Agency team members responding:	

Audit Trail/ Response Matrix

Document section	CI-GEF Agency Comments/Recommendations	Response from consultant on if/how comments were addressed
1.3 Summary of Project Progress and Results, Page 4	The new government administration, because the previous one was also engaged.	No reference was made to previous or present government administration. This is simply a topic sentence to indicate that adaptations began at this point.
1.3 Summary of Project Progress and Results, Page 4	I think it is relevant to say that the adaptation was based in taking into account the Ips reality in terms of documents required. This was something the project learned during the first stage with Guyra.	The phrase, "using documentation and lessons from Stage 1" was added
Table 1: Evaluation Ranking, page 5	General comment: As indicated in the review of the inception report, please provide the percentage of stakeholders who rate as satisfactory, the level at which their views and concerns are taken into account by the project	Previous section was amended. “The overall satisfaction with the project was positive, rated as 8.5 on a scale of 10.”

Document section	CI-GEF Agency Comments/Recommendations	Response from consultant on if/how comments were addressed
Summary of conclusions: 2. Relevance, Page 7	Are there other plans/programs alignment? Kindly elaborate if there are any.	Text amended. Note this is a summary conclusion that the project is aligned with national priorities. The Findings/relevance section 4.1. was updated to include new policies since MTR that benefit from PROMESA. Section 5.1. Conclusions has also been updated to reflect the changes.
Summary of Conclusions: 6. Cross-cutting areas, page 8	I would suggest clarifying if this was a short coming at the design stage, if it was linked to challenges in phase one, or something they observed in the whole implementation process.	We discovered this during the TE. The indigenous communities were not certified in Stage 1. This is not a design issue because the project evolved to include the indigenous lands. The process should have been monitored. We found this out in one meeting with each community just by asking questions. The text here is amended and additional justification is added in the safeguards section.
Table 4. Summary of Recommendations, A.1, Page 8	Can you provide a reference to this findings and the factors that will support the likelihood of producing results?	This Is a recommendation, not finding. Please refer to section 4.2.1. for our analysis. Providers and Consumers must have an effective way to identify and interact with each other.
Table 4. Summary of Recommendations, A.1, Page 8	I think we should state this is a recommendation for the future to make it clear. Also, it needs to focus on the demand of ESR and MADES/INDI to guide the process to avoid communities being confused or people talking advantage due to the lengthy processes and lack of capacities.	Text amended. There are other conclusions and recommendations relating to the demand side. This recommendation refers to the trading space. The argument is developed in the text.

Document section	CI-GEF Agency Comments/Recommendations	Response from consultant on if/how comments were addressed
Table 4. Summary of Recommendations, A.2, Page 8	This is a recommendation that could be very useful for future project design. If you have examples on how to better plan and budget for advocacy, comms and knowledge dissemination, and the process to build trust, it would be great. This can be in the Safeguards annex.	Correct. this is a TE, the recommendation is for the future. The three areas you mention can not be simply mentioned in an annex. I would recommend putting persons with experience on staff, partnering with organizations that do this well, or studying what good organizations do. You can look at Oxfam, Plan international, etc. for great examples. Also, using someone with a broad experience in the project design process. See also the Good Growth Partnership materials on systems thinking. You can also see the Forest Restoration Community in FAO or the FOLUR Food and Commodity Community that have been exploring these ideas.
Table 4. Summary of Recommendations, B.5, Page 9	Agree with the other comment. This one could be linked directly to public procurement of the certificates and ensuring that public procurement processes remain inclusive for indigenous peoples, instead of generating additional barriers.	That is the point. Text amended for clarity.
Table 4. Summary of Recommendations, B.5., page 9	Los mecanismos para la certificación están bien definidos. Los mecanismos para la venta de estos certificados son los que se debería trabajar, adaptar los requisitos para que comunidades indígenas puedan ser considerados en las licitaciones públicas, entre otros.	Correcto. Texto editado para aclarar el punto.
Table 4. Summary of Recommendations, C.1., page 9	If non-actionable why is it a recommendation?	Recommendations are made for future projects and signal to the GEF IEO recommendations that might be taken into consideration in future guidance for Project Design and Evaluation. WWF and CI might also take note for future efforts and MADES for other funded initiatives. This does not require action at this time.

Document section	CI-GEF Agency Comments/Recommendations	Response from consultant on if/how comments were addressed
Table 4. Summary of Recommendations, D.1., page 9	This is a good observation to take into account. However, I don´t fully agree with this because if you see the visit reports of CIGEF for all visits to the project from the beginning, the issues were flagged multiple times. I think it was not a lack of flagging them but making sure the agreements were implemented by the EA. But, this is hard to do with a broken relationship between IA/EA and EA/Government. The prove of this is that in phase 2, with good relationships the work flow and targets met successfully.	Text amended to reflect that the problem was inaction by the board. If issues are flagged multiple times and no action is taken, then extraordinary board action must be taken.
Table 4. Summary of Recommendations, D.2., page 9	Like what? This is quite general, and the change of EA is very project specific. Is not usually the case. Also, CI already has a EA capacity assessment that is conducted in design phase.	This recommendation is stricken.
Table 4. Summary of Recommendations, F.2., page 9	This one is linked to the B5 and is too broad here. Is it about addressing the requirements to make them accessible for IPs or something different?	The recommendation is repeated here because it is a sustainability issue. Text amended for clarity.
2.1 Purpose and Scope of the Terminal Evaluation, Page 10	Project was endorsed March 2016. Please update any other references in the report.	Text amended. Thank you.
Table No. 6. Progress Rating by Outcomes, Page 26	116,993	Amended
4.3.1 Results of Component 1, Page 27	116,993	Amended
4.3.1 Results of Component 1, Page 28	I don´t understand how is this relevant because the ESR does not have CO2 as the unit of the certificates, the unit is hectares. Each certificate is 1 ha. The calculation of emissions avoided was done due to the GEF requirement (project funds come from CC focal area).	We further develop the argument that this is a missed opportunity. Since investment was made in calculating these values, why not seek a return for poor persons seeking to improve livelihoods? The ESR is also billed as a PES. The question is the rights to which environmental services are being sold. Later on, we present that

Document section	CI-GEF Agency Comments/Recommendations	Response from consultant on if/how comments were addressed
4.3.1 Results of Component 1, Page 28	MADES confirmed during the CIGEF visit the certificates automatically renew every 5 years except if the owner indicates they want to exit the ESR. @Rocky Marcelino please ask WWF to confirm this. Also MADES has said that the selling process is a direct negotiation between sellers/buyers. Although this creates gaps in the ESR, the price is supposed to be negotiated between sellers-buyers. MADES does not intervene in this negotiations.	1. Official records of all transactions include lapsed transactions. 2. Correct, it is a direct transaction. We did not suggest nor do we believe that MADES should intervene. The prices obtained by sellers contradict with the nominal values posted by the government for different ecotypes. That leads to sellers with unrealistic expectations. As we stated earlier, there is no market per se where the certificates can be openly traded, thus creating competition between buyers.
4.3.1 Results of Component 1, Page 28	Does this mean instead of the ESR? Please clarify.	Text amended. Yes. that is exactly the point. Private sector prefers to sell their carbon even at higher transaction costs rather than buy certificates. This is why not trading the CO2 as an added value is akin to leaving money on the table. A missed opportunity. Buyers might simply buy forested land, sell the CO2, and when the transaction period is completed, deforest 75% of that land then sell off the title. Adding value to the certificate might make the certificates attractive.
Figure 7: Planned vs. Executed Budget and Disbursements, page 34	What does the downward blue line represent?	The running average for funds available.
Figure 7: Planned vs. Executed Budget and Disbursements, page 34	Fix format. The figure is in the middle of the paragraph.	Done

Document section	CI-GEF Agency Comments/Recommendations	Response from consultant on if/how comments were addressed
4.4.3 Implementing Agency Oversight, Pagen34	I am interested to understand what this means. Is this between the IA and EA?	As described in the next paragraphs, between the EA and the Project's governance structure. The EA signaled on many occasions actions required by government partners that went unanswered and no board meetings to make these issues a matter-of-record. When the governance structure finally engaged, then things moved quickly.
Table No. 8 Budget Execution by Component, Page 38	For Review	Done
4.5.2 Cofinancing, Page 38	What is this calculation?	The amount of cofinancing foregone by changing EAs. This was a private sector carbon offset contribution from Guyras partners tied to their program. We took the cofinancing reported in the last Guyra QFR. This amount is the difference between your report and the CEO endorsement estimates.
4.5.2 Cofinancing, Page 38	Where is this figure coming from?	The financial quarterly report when WWF-PY entered into the project. The text was amended for clarity. It is now a moot point because 196,000 was documented in your reports.
4.5.2 Cofinancing, Page 38	What documentation is this figure referencing? The supporting letters I have total $194,000.	Text amended. Reference added.
Table No. 9 Co-financing at Terminal Evaluation, Page 39	Can you please update the table so the information is clearer? It is a little difficult to read.	Table Replaced.
4.6.1. M&E Design at Entry, Page 40	Kindly specify the missing information on the baseline.	Paragraph amended for clarity. Footnote added. KAP defined.
4.7. Environmental and Social Safeguards, Page 41	As well as how/when the project will engage them	Text amended
4.7. Environmental and social Safeguards, Page 42	Is something missing here or just a break in the paragraph?	Paragraph break amended

Document section	CI-GEF Agency Comments/Recommendations	Response from consultant on if/how comments were addressed
4.7. Environmental and Social Safeguards, page 43	In the CI-GEF ESMF, FPIC is connected to the Indigenous Peoples Plan and ESS4, not to the AGM, although grievance mechanisms are also part of the FPIC processes. So I'm not sure here if the FPIC and indigenous peoples plan process is HS or the AGM is HS. Please review	Paragraph amended for clarity.
Table 12. GEF-5 Impact Tracking Tool values, page 46	Why is this number higher than TE if no area was certified?	We cannot validate the MTR information. We added in the previous paragraph some likely scenarios.
Table 12. GEF-5 Impact Tracking Tool values, page 46	Can we put a disclaimer or note that the Midterm values here are directly lifted from document and not validated by AAE? In the GEF Portal, the midterm values are already reported and the GEF might flag us about this. It will be helpful if the TE external evaluators will have a statement on this.	We validated the difference. We have cited the MTR report as our reference. In the previous paragraph we presented scenarios that could explain the difference, and in one case we referenced a KII that testified that there were errors in understanding and calculation of the carbon avoided. We eliminated a misleading reference, formerly no.33. See footnote no. 30, 31, and 33.
Table 12. GEF-5 Impact Tracking Tool values, page 46	How was this number calculated? Is it referring to a particular target?	Originally it was the number for the Gran Chaco. It should be the equivalent of the number of hectares certified. References have been added to all data points. See also the preceding paragraphs for references.
4.8. Knowledge Management, page 43	For AAE: Kindly include as annex/attachment to this report.	References added to video and reference series. Interesting that CI has no reference to the project on your website.
Annex 6.11 Survey Results, page 105	For AAE: please translate the graphs to English or provide an English version	This annex was replaced with an English translation.

Document section	CI-GEF Agency Comments/Recommendations	Response from consultant on if/how comments were addressed
Annex 6.18. Social and Environmental Safeguards, Findings & Conclusions, Page 131	WWF please provide more context for this. The Toto community is split into a group in voluntary isolation and another group which is settled and not in voluntary isolation. The project worked with the last one, right?	No information was received to provide context on this point. Therefore, we have stricken the statement from the record. This omission does not change our conclusion that the Project complied with multiple layers of safeguards. Furthermore, the community in question was obviously not questioned. Our understanding of this process came from interviews with other indigenous leaders. The final PIR and final QR should clarify this point.
Annex 6.18 Social and Environmental Safeguards, Page 132	Please check that all conventions for the colors are visible in chart on "The project responded to my/our suggestions and concerns"	Chart amended
Annex 6.18 Social and Environmental Safeguards, Page 133	WWF please provide more context for this. The Toto community is split into a group in voluntary isolation and another group which is settled and not in voluntary isolation. The project worked with the last one, right?	No information was received to provide context on this point. Therefore, we have stricken the statement from the record. This omission does not change our conclusion that the Project complied with multiple layers of safeguards. Furthermore, the community in question was obviously not questioned. Our understanding of this process came from interviews with other indigenous leaders. The final PIR and final QR should clarify this point.
	Hi Juliana! Exactly as you have explained, we have only addressed the settled group, which are organized in a community with recognized leaders (at INDI).	
	Please check the reply from WWF Team and see if you need to provide more context to the "No" that is written at the end of the deleted sentence. We will also ask the team to clarify in the last QR as suggested.	The "NO" should have been deleted. No further action by the TE team required