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Draft Evaluation Report

Terminal Evaluation for the

"Building climate resilience in supply chains for the mobilization of adaptation funding" Project

RFP No. GEF - FY25-002 Heifer AEI TE

Submitted to

Conservation International GEF Agency

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Executive Summary

The project *"Building Climate Resilience in Supply Chains for the Mobilization of Adaptation Funding"* was launched in August 2022 as a 24-month initiative, initially set to conclude in July 2024. With Conservation International GEF Agency (CI-GEF) as the Implementing Agency (IA), the project was executed by Heifer International as the lead Executing Agency (EA). The project was financed by a GEF Special Climate Change Fund grant of USD 917,431, with a total of USD 6,469,268 in committed co-financing. The overall **objective of the project** was to develop and launch the Adaptation Equivalency Index (AEI) in Guatemala and Honduras to ensure less habitat loss, improved ecological resilience, sustainable living incomes for smallholders (men and women), and increased private sector adaptation investment by using a standardized and quantifiable approach. The project aimed to achieve this by piloting improved climate-smart agriculture (CSA) practices, developing the AEI as an innovative tool, and initiating its integration into premium value chains (coffee, cocoa, and high-value spices). Initially set to close in July 2024, the project received a 6-month no-cost extension, extending the end date to July 2025.

The **objective of the Terminal Evaluation (TE)** was to provide a comprehensive and systematic account of the project's performance by assessing its design, implementation, and achievement of objectives. The Evaluation aimed to promote accountability and transparency, facilitate the synthesis of lessons, and contribute to the GEF Independent Evaluation Office's databases. To that end, the TE assessed project implementation activities from its inception in August 2022 to its anticipated conclusion in July 2025. Conducted from February to June 2025 by Cynosure International, Inc., the TE adopted a consultative and participatory approach and employed mixed methodologies, combining qualitative and quantitative data from both primary and secondary sources. The TE was based on an extensive desk review of relevant project documents, followed by 22 Key Informant Interviews (KIIs) with representatives from the IA, EA, government partners, private sector actors, and civil society organizations, and 6 Focus Group Discussions (FGDs) with project beneficiaries across three site visit locations in each country.

Overall, the project was found to be ***Highly Satisfactory*** in terms of **relevance**. It directly addressed the urgent need for climate resilience in vulnerable agricultural communities in Guatemala and Honduras and demonstrated strong alignment with national and sectoral climate adaptation and environmental priorities, as well as with CI-GEF and Heifer International's strategic goals. The project was also well integrated with ongoing initiatives and institutional frameworks, leveraged Heifer's long-standing community presence, and responded effectively to local development needs, including gender equity and indigenous inclusion.

A review of the **project design** found it to be highly appropriate, particularly its innovative AEI concept aimed at quantifying adaptation benefits. The project's participatory nature, multi-component structure focusing on CSA piloting, AEI development, and value chain integration, along with its strong emphasis on community engagement and safeguards, were key strengths. However, the original 24-month timeline proved overly ambitious given the complexities of AEI development, multi-level stakeholder coordination across two countries, and inherent political volatilities. Assumptions regarding the rapid uptake of the AEI by the private sector and the ease of institutional integration were also optimistic, contributing to challenges in achieving all Component 3 targets within the initial timeframe.

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With regards to **progress towards results**, under **Component 1**, the Evaluation found that the project substantially exceeded its targets. A total of 2,275 hectares were brought under improved climate-resilient management (111 percent of the 2,054 ha target), and 2,286 producers (1,558 men, 728 women) were identified and engaged (381 percent of the 600-producer target), with all receiving training on new technologies, tools, and skills (508 percent of the 450-producer training target). These interventions, including the establishment of 22 demonstration projects (110 percent of target), led to tangible benefits such as improved soil and water conservation, adoption of organic fertilization, enhanced crop yields, and diversification of livelihoods.

Component 2 successfully achieved its objective with the development, validation, and launch of the AEI framework and the accompanying AgroAdaptación web application in June 2024. The AEI was designed through a participatory process involving diverse stakeholders and identified five categories of climate-smart production practices for inclusion, surpassing the original target of four. The AgroAdaptación tool provides a practical platform for data input and analysis and is currently hosted by Heifer International, with plans for future institutional transfer.

Under **Component 3**, the project made significant progress despite challenges. Five formal agreements were signed with private-sector companies and one government agency (INAB in Guatemala) to pilot the AEI (83 percent of the target of six private entities), initiating AEI application in key value chains. Broader stakeholder interest was demonstrated through fourteen letters of interest. Efforts to increase understanding of the linkages between climate change adaptation and value chains resulted in 69 percent of surveyed stakeholders demonstrating improved knowledge by project end, achieving 92 percent of the awareness-raising target. However, full integration of the AEI into business operations and catalyzing substantial private-sector investment were constrained by the project's limited timeline, the AEI's recent finalization, and the inherent complexities of engaging large-scale private actors.

In line with TE Guidelines, the following outcome ratings are provided for each outcome overall and along the dimensions of relevance, effectiveness, efficiency and sustainability.

Outcome	Relevance	Effectiveness	Efficiency	Sustainability	Outcome Final Rating
Outcome 1.1	HS	HS	HS	L	HS
Outcome 1.2	HS	S	HS	L	S
Outcome 2.1	HS	HS	HS	L	HS
Outcome 3.1	HS	S	S	L	S
Outcome 3.2	HS	S	S	L	S
Overall Project Outcomes Rating					S

With regards to **Efficiency**, the **quality of supervision provided by CI-GEF** was rated as ***Satisfactory***, effectively fulfilling its oversight responsibilities, offering technical support, and ensuring compliance with GEF requirements. Heifer International's **execution** was rated ***Highly Satisfactory***, demonstrating strong commitment, flexibility, and adaptive management in response to significant implementation challenges. These primarily included initial delays of approximately five to six months due to governmental transitions in Honduras and later in Guatemala, which necessitated re-engagement with stakeholders and securing new endorsements. The project effectively leveraged Heifer's established presence and adapted its field strategies, such as shifting from a planned virtual engagement model to predominantly in-person activities, to better suit community needs and overcome connectivity limitations. To accommodate these delays and ensure full implementation, a 6-month no-cost

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extension was approved. The project's **Monitoring and Evaluation (M&E)** system was well-designed and implemented ***satisfactorily***, providing a reliable framework for tracking progress and informing adaptive decisions, though directly attributing income changes within the project's limited timeframe remained a challenge.

In terms of **financing and co-financing**, the project was funded by a GEF grant of USD 892,431, allocated across three technical components, M&E, and project management. By December 2024, 87 percent of the funds were expended, with the highest execution rates in Component 1 (92 percent) and Component 2 (90 percent). The project demonstrated strong financial performance, achieving 114 percent of its 2024 budget due to scaling up field activities. Co-financing commitments totaled USD 8.83 million, but only 64.36 percent materialized, with key shortfalls from ICADE, CATIE, and others. Despite initial delays, the project successfully adapted, meeting most targets within an extended timeline. Unanticipated contributions helped mitigate co-financing gaps.

The project demonstrated an overall ***Moderately Likely*** level of **sustainability**. At the farm and community levels, sustainability is strong due to acquired skills, tangible benefits such as improved yields and market access, and the establishment of local ownership structures. Heifer International plans to integrate the AEI into ongoing and future regional programs, and the engagement of INAB (Guatemala's forestry agency) reflects potential for public sector uptake. However, broader institutional sustainability remains a challenge, particularly the need for long-term technical support and financing for both the AEI and the AgroAdaptación app, which is currently hosted by Heifer for an initial two-year period with a possible two-year extension. Wider private-sector and government adoption beyond initial pilots will also require additional effort.

Key risks to sustainability include **institutional risks** linked to frequent government turnover and capacity gaps among partners, which hinder full integration of tools like the AEI into national systems and delay the establishment of a permanent institutional home for the AgroAdaptación app. **Financial risks** stem from community reliance on external support for high-cost equipment, the absence of defined long-term funding for technical assistance and platform maintenance, and the resource-intensive nature of AEI application, particularly for potential adopters without clear financial incentives. **Sociopolitical risks** include the continued need for culturally sensitive outreach to ensure inclusive adoption. Lastly, persistent **environmental risks**, such as drought, erratic rainfall, and pest outbreaks, pose ongoing threats to the coping strategies developed during the project.

In terms of progress to **impact**, the project generated significant direct and indirect benefits across environmental sustainability, social equity, economic development, and institutional capacity. **Environmentally**, the adoption of CSA practices contributed to improved soil and water conservation. Socially, the project enhanced equity through increased women's participation in cocoa and allspice value chains and the strengthening of community-level organizations. **Economically**, producers experienced improved yields and diversification of income sources. **Institutionally**, the development of the AEI tool and the strengthened capacity within Heifer and its partner organizations positioned the project for future scale-up. However, the full catalytic impact of the AEI on private-sector adaptation investment remains an area requiring continued effort beyond the project's conclusion.

The TE further found that the project proactively applied its ***Environmental and Social Safeguards*** framework, including the Indigenous Peoples Plan (IPP), Gender Mainstreaming Plan (GMP), Stakeholder Engagement Plan (SEP), and Accountability and Grievance Mechanism (AGM), all of which were rated ***Satisfactory***. The project ensured culturally appropriate engagement with **Indigenous**

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Peoples, including the Q'eqchi' Maya in Guatemala and the Pech and Tawahka in Honduras, through Free, Prior, and Informed Consent (FPIC) processes, translated materials, and the involvement of Indigenous staff. **Gender** considerations were effectively integrated through the GMP, resulting in increased participation of women in specific value chains and the provision of targeted support, although achieving full gender parity in economic benefits and decision-making remains a work in progress. **Stakeholder engagement** was broad and inclusive, involving a diverse range of actors across both countries. The **AGM** was well-designed and accessible; while no formal grievances were lodged, most concerns were reportedly resolved informally through direct engagement with Heifer's field staff.

Key **lessons learned** from the project underscore that the development of innovative tools like the AEI requires sufficient time for iterative refinement, user testing, and contextual adaptation, often beyond fixed project timelines. Engaging the private sector in adaptation finance necessitates a targeted strategy based on clear business drivers and accessible incentives. External shocks, such as political transitions, highlight the importance of flexible project management and strong local partnerships to sustain progress. The long-term sustainability of tools like the AEI also depends on early and deliberate planning for institutional transition, including clearly defined governance structures, technical responsibilities, and financial provisions. Effective government adoption further requires sustained capacity-building and clear integration pathways into national systems. Lastly, community-based interventions, especially those aimed at supporting women, achieve greater long-term success when grounded in local realities, built on trust, and adapted to socio-cultural contexts.

Based on the TE findings, key recommendations include:

Target	Recommendation
Implementing Agency (CI-GEF)	1. Structure future projects involving innovative adaptation tools in **phased stages**: Phase 1 for co-development, piloting, and feedback integration; Phase 2 for scaling, institutional uptake, and sustainability planning. 2. Ensure projects targeting private-sector investment include a **stratified engagement strategy** based on business size/type, with dedicated resources for implementation. 3. Identify early opportunities for **government uptake** of tools like the AEI by aligning with national systems (e.g., NDCs, adaptation monitoring platforms) and providing targeted capacity-building support. 4. Integrate the **AEI and its learnings** into ongoing and future adaptation-related projects to scale the approach. 5. Systematically **document and share** methodologies and lessons on CSA adoption, safeguards, and adaptation finance innovation through CI-GEF networks, publications, and regional events. 6. Strengthen **gender monitoring frameworks** by including outcome-level indicators (e.g., empowerment, decision-making power, resilience) in addition to output-level metrics.
Executing Agency (Heifer International) & Partners	1. Introduce AEI-related outcomes and lessons into **future Heifer initiatives**, such as the *Promesa Café y Cacao* Signature Program, to consolidate results, scale the AEI, and improve tool integration into national systems and value chains. 2. Develop and implement a **sustainability plan** for the AEI and AgroAdaptación app in coordination with public and private

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Target	Recommendation
	stakeholders. The plan should define technical hosting, governance roles, updating protocols, and long-term financial commitments.

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Abbreviations and Acronyms

ADIRA	Asociación para el desarrollo Integral de Raxruhá, Alta Verapaz, Ak' Tenamit
AEI	Adaptation Equivalency Index
AGEXPORT	Asociación Guatemalteca de Exportadores
AGM	Accountability and Grievance Mechanism
APROBIL	Asociación de Productores de la Biosfera, Limitada
APROSACAO	Asociación de Productores de Sistemas Agroforestales con Cocoa Organico-Olancho
AWP	Annual Work Plan
CI	Conservation International
CO2	Carbon Dioxide
COCAOL	Cooperativa Cafetalera de Olancho Limitada
COCODES	Consejos Comunitarios de Desarrollo
COVID	Coronavirus disease
EA	Executing Agency
ESS	Environmental and Social Safeguards
FAO	Food and Agriculture Organization of the United Nations
FGD	Focus Group Discussion
FPIC	Free, Prior, and Informed Consent
FUNDER	Fundación para el Desarrollo Empresarial Rural
GEF	Global Environment Facility
GMP	Gender Mainstreaming Plan
IA	Implementing Agency
ICADE	Instituto de Capacitación para el Desarrollo
ICF	Instituto de Conservación Forestal

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IEO	Independent Evaluation Office
IHCAFE	Instituto Hondureño del Café
INAB	Instituto Nacional de Bosques
IPP	Indigenous Peoples Plan
KEQ	Key Evaluation Question
KII	Key Informant Interview
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MAGA	Ministerio de Agricultura, Ganadería y Alimentación
MARN	Ministerio de Ambiente y Recursos Naturales
MELS	Monitoring, Evaluation, Learning, and Safeguards
NAP	National Action Plan
NBSAP	National Biodiversity Strategies and Action Plan
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organization
PIR	Project Implementation Report
PSC	Project Steering Committee
QPR	Quarterly Progress Report
REDD	Reducing Emissions from Deforestation and Forest Degradation
SAG	Secretaría de Agricultura y Ganadería
SEP	Stakeholder Engagement Plan
SERNA	Secretaría de Recursos Naturales y Ambiente
SMART	Specific, Measurable, Achievable, Relevant, Time-bound
TE	Terminal Evaluation

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USD	United States Dollar

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1. Introduction and Background

Guatemala and Honduras, both integral to Central America's "Dry Corridor," face a deeply interconnected set of challenges that threaten environmental sustainability and human well-being. These challenges stem from historical inequalities, increasing vulnerability to climate change, unsustainable resource management, and socio-economic disparities.[1] The region is characterized by erratic weather patterns, including prolonged droughts, intense rainfall events, and devastating flooding, which are being significantly exacerbated by climate change. This unpredictability disrupts agricultural cycles, heightens food insecurity, and forces migration as livelihoods become unsustainable.[2] The geographical positioning of Guatemala and Honduras, on a narrow isthmus between the Atlantic and Pacific Oceans, amplifies their exposure to extreme weather events, including hurricanes and tropical storms.[3]

Deforestation and habitat degradation are among the most pressing environmental concerns in both nations, compounding the effects of climate change. In Guatemala, between 2001 and 2023, the country lost 1.75 million hectares of tree cover, equivalent to a 23 percent decrease since 2000, resulting in 830 million metric tons of CO_2e emissions.[4] Deforestation is driven by agricultural expansion, particularly unsustainable monoculture plantations such as African palm, illegal logging, subsistence farming, and the widespread reliance on fuelwood for cooking and heating, especially in rural areas.[5] Similarly, Honduras experienced a loss of 1.40 million hectares of tree cover between 2001 and 2023, marking a 18 percent decrease since 2000, resulting in 690 million metric tons of CO_2e emissions. Key drivers include illegal logging, land clearing for cattle ranching, and fuelwood collection, which still accounts for approximately 65 percent of the country's total energy consumption.[6] These unsustainable practices not only degrade vital ecosystems but also accelerate soil erosion, increase the risk of landslides, and reduce water availability, creating a vicious cycle of environmental degradation and human vulnerability.

The **agricultural** sector, a crucial source of employment and livelihood for a large portion of the population, faces mounting threats from climate variability. In Guatemala, the sector employs nearly 27 percent of the population[7] but contributes only marginally to the nation's Gross Domestic Product due to high input prices, low wages, and climate-related disruptions.[8] In Honduras, agriculture employs approximately 40 percent of the population, with smallholder farmers making up about 70 percent of the sector. These farmers often lack financial services, with only 45 percent of the population having a bank account, one of the lowest levels of financial inclusion in the region.[9]

Poverty and inequality remain deeply entrenched structural issues, exacerbating vulnerability to climate change. In Honduras, 51.9 percent of the population lived below the poverty line in 2024.[10]

[1] https://www.unocha.org/publications/report/el-salvador/anticipatory-action-dry-corridor-el-salvador-guatemala-honduras-and-nicaragua
[2] https://www.climaterealityproject.org/blog/how-climate-crisis-affecting-central-america
[3] https://www.american.edu/cas/economics/ejournal/upload/waddick_accessible.pdf
[4] https://www.globalforestwatch.org/dashboards/country/GTM/?location=WyJjb3VudHJ5IiwiR1RNIl0%3D&map=eyJjYW5Cb3VuZCI6dHJ1ZX0%3D
[5] Project Document
[6] Ibid
[7] https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=GT
[8] https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=GT
[9] https://www.gafspfund.org/projects/smallholders-honduras-weather-effects-climate-change
[10] http://documents.worldbank.org/curated/en/099119501062532130

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The country also struggles with one of the highest levels of income inequality in Latin America, with wealth concentrated among a small elite.[11] In Guatemala, the situation is similarly dire, with 56 percent of the population living in poverty,[12] rising to 75 percent in rural areas.[13]

Indigenous communities in both Guatemala and Honduras face systemic discrimination, marginalization, and exclusion, further limiting their access to resources and economic opportunities. In Guatemala, indigenous peoples, primarily of Mayan descent, make up approximately 43.5 percent of the population, with a significantly higher concentration in rural areas. They face challenges related to land tenure security, access to markets, and participation in decision-making processes.[14] Traditional gender roles further exacerbate these difficulties, particularly for indigenous women, who encounter barriers to education and economic participation. In Honduras, indigenous peoples comprise about 9 percent of the population and experience similarly high levels of poverty and discrimination.[15]

Climate change is increasingly driving **migration** in the region. Extreme weather events, such as Hurricanes Eta and Iota in 2020, displaced millions and destroyed critical infrastructure, prompting many to seek opportunities elsewhere. Surveys indicate that families in the Dry Corridor frequently contemplate migration as a response to food insecurity and economic hardship. By mid-2023, over 687,000 people from El Salvador, Guatemala, and Honduras sought asylum or refugee status globally, often citing a combination of violence, poverty, and climate change as the primary drivers.

The convergence of these multifaceted challenges, environmental degradation, climate vulnerability, widespread poverty, inequality, and social exclusion, creates an urgent situation that demands a comprehensive and integrated response. It is within this complex socio-environmental context that the project aims to intervene, providing strategic solutions to enhance resilience, promote sustainable development, and support vulnerable communities in Guatemala and Honduras.

[11] https://data.worldbank.org/indicator/SI.POV.GINI?locations=HN
[12] https://blogs.worldbank.org/en/opendata/new-poverty-estimates--a-crucial-tool-to-shape-guatemala-s-natio
[13] https://www.ifad.org/en/w/countries/guatemala
[14] https://iwgia.org/en/guatemala/5384-iw-2024-guatemala.html
[15] https://minorityrights.org/country/honduras/

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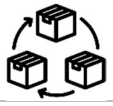
2. About the Project

Building on the complex socio-environmental challenges faced by Guatemala and Honduras, the project *"Building Climate Resilience in Supply Chains for the Mobilization of Adaptation Funding"* was conceived to address the pressing issues of climate vulnerability, environmental degradation, and socio-economic disparities in these regions. The project aimed to enhance climate resilience, promote sustainable agricultural practices, and mobilize adaptation funding from the private sector through an innovative tool known as the **Adaptation Equivalency Index (AEI)**.

The Project was funded by the **Global Environment Facility (GEF)** under the **Special Climate Change Fund** as a GEF Medium Sized Project, with a total GEF project financing of **United States Dollar (USD) 917,431**, complemented by a co-financing commitment of **USD 8,831,011**. The **Conservation International (CI)-GEF Agency** served as the implementing agency, while **Heifer International** executed the project on the ground. The project period of performance is from **August 2022 to July 2025**, targeting vulnerable agricultural communities in **Guatemala and Honduras**, particularly those within the Latin American Dry Corridor, which is highly susceptible to erratic weather patterns, droughts, and extreme rainfall events.

The Project focused on three core components, each designed to build climate resilience across agricultural value chains, as detailed in table 1.

Table 1: Objectives and Components of Project

Project Objective	Develop and launch the **AEI** in Guatemala and Honduras to ensure less habitat loss, improved ecological resilience, sustainable living incomes for smallholders (men and women), and increased private sector adaptation investment by **using a standardized and quantifiable approach**		
Components	 **Component 1:** Piloting improved climate-smart agriculture practices that increase resilience along value chains	 **Component 2:** Develop an adaptation equivalence index by identifying, cataloguing, and quantifying measures of climate-smart production practices	 **Component 3:** AEI Pilot - Integrate AEI into three premium value chains
Outcomes	**Outcome 1.1:** Improved climate-smart **production practices** in ecologically vulnerable areas of Guatemala and Honduras. **Outcome 1.2:** Increased **resilience and capacity of smallholder** men and women to adapt to climate change and shocks related to economic and environmental volatility.	**Outcome 2.1:** There is a **functional adaptation equivalence index** that is flexible, scalable, and capable of catalyzing greater investment in adaptation and resilience measures in value chains.	**Outcome 3.1:** The **AEI is adopted** as a valuable tool by companies to achieve key adaptation outcomes aligned with GEF adaptation strategy **Outcome 3.2:** Increased understanding of the **links between climate change adaptation and target value chains**

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Budget[16]	**USD 507,684**[17]	**USD 125,694**	**USD 139,538**

Component 1 sought to pilot climate-smart agricultural practices to enhance resilience among smallholder farmers. **Component 2** involved the development of the AEI, a flexible and scalable tool to standardize and quantify climate-smart production practices, ensuring measurable adaptation benefits. **Component 3** aimed to integrate the AEI into three premium value chains, leveraging private sector engagement to foster climate adaptation investment. The targeted value chains included **coffee, cocoa, and high-value spices such as cardamom, allspice, and pepper**. These were selected due to their economic significance and vulnerability to climate impacts. The project was implemented in Alta Verapaz and Izabal in Guatemala and Olancho in Honduras, regions that are rich in biodiversity but highly vulnerable to climate change and deforestation.

[16] The total GEF project financing for this medium sized project was USD 917,431, which included USD 25,000 allocated for the TE, as per the ProDoc budgetThese TE funds are held and managed directly by CI-GEF for the procurement and payment of the independent evaluation contract. The remaining funds were disbursed to the Executing Agency for project implementation..

[17] Project Inception Workshop Report

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3. About the Terminal Evaluation (TE)

This TE is a mandatory requirement for all full-sized and medium-sized projects funded by the GEF. It was conducted in accordance with the GEF Evaluation Policy (2019)[18] and CI-GEF Evaluation Policy[19] to provide a comprehensive and systematic assessment of the project's performance, influencing factors, implementation, and monitoring mechanisms.

The evaluation served a dual **purpose**: first, as an adaptive management tool for CI, the GEF Agency; and second, as a portfolio monitoring tool for the GEF Secretariat. It assessed project outcomes, challenges, and sustainability while supporting decision-making, knowledge sharing, and continuous improvement across the GEF partnership. The findings will contribute to global learning on environmental and climate resilience projects, ensuring that future interventions build on past experiences and best practices.

3.1. Programmatic Scope of the TE

The TE assessed the project's design, theory of change, and results framework, along with performance against key Organization for Economic Cooperation and Development/Development Assistance Committee and GEF-specific criteria, including relevance, effectiveness, efficiency, sustainability, and progress to impact. It also reviewed cross-cutting areas such as Environmental and Social Safeguards (ESS), indigenous peoples, gender, stakeholder engagement, knowledge management, and co-financing materialization. A detailed assessment of these areas is provided in the Evaluation Findings section.

3.2. Geographic Scope of the Evaluation

The geographic scope of this TE was limited to the specific intervention areas where project activities had been implemented within Guatemala and Honduras. The evaluation focused exclusively on these areas, ensuring a comprehensive and targeted assessment of the project's effectiveness and impact within its defined geographic boundaries. Field visits were conducted in selected locations, as detailed in the methodology section.

Table 2 below outlines the municipalities and key communities where project interventions have taken place:

Table 2: Geographic Scope of the TE

Country	Department	Municipalities Covered	Key Communities (Including but not limited to)
Guatemala	Alta Verapaz	Cobán, Chisec, Raxruhá, Fray Bartolomé de las Casas, Chahal, Panzós	Santa Rosa Balandra, Jolomijix II, San Isidro, Nimlajacoc, Nueva Lagunita, Setzi, San Luis Tonitzul, and others.
Guatemala	Izabal	El Estor	Included within Alta Verapaz intervention areas.
Honduras	Olancho	Dulce Nombre de Culmí, Gualaco, Santa	Buenos Aires 1, 2, and 3, San José del Guano, Monte Horeb, San José de la Montaña, Perlas Arriba Capapán, Poncaya,

[18] https://www.thegef.org/sites/default/files/council-meeting-documents/EN_GEF.ME_C56_02_Rev01_GEF_Evaluation_Policy_June_2019_0.pdf

[19] https://www.conservation.org/docs/default-source/gef-documents/ci-gef-evaluation-policy.pdf?sfvrsn=722e3751_0

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Country	Department	Municipalities Covered	Key Communities (Including but not limited to)
		María del Real, Catacamas	San José de Río Tinto, Río Blanco, El Murmullo, La Peña, La Esperanza, and others.

3.3. Intended Users of the Evaluation

The primary intended users of this TE will be CI-GEF and the GEF Independent Evaluation Office (IEO). CI-GEF will use the findings to enhance project implementation, improve adaptive management, and inform future project design. The GEF IEO will utilize the evaluation findings to identify recurring challenges across the GEF portfolio and contribute to portfolio-wide learning and analysis.

Additionally, the evaluation will provide valuable insights for the project's Executing Agency (EA), Heifer International, as well as participating communities and stakeholders in Guatemala and Honduras. By assessing the project's performance and impact, the findings will support local and regional stakeholders in improving climate resilience initiatives.

3.4. Evaluation Approach and Methodology

The TE was undertaken from February 2025 to June 2025, and was conducted by Cynosure International, Inc. The Evaluation adopted a consultative and participatory approach and employed mixed methodologies, combining both qualitative and quantitative data from primary and secondary sources.

The TE was designed to assess the project's performance across key OECD/DAC and GEF-specific evaluation criteria, including relevance, effectiveness, efficiency, sustainability, progress to impact, and ESS. A combination of literature review, Key Informant Interviews (KIIs), Focus Group Discussions (FGDs), and site visits were employed to gather the data. The list of documents reviewed is provided in Annex 1.

Based on the desk review, the programmatic and geographic scope of the evaluation activities, as well as stakeholder samples, were determined. Additionally, KII and FGD guide sheets were developed and utilized during interviews with various stakeholders, including project partners, beneficiaries, and government representatives. These data collection tools are provided in Annex 2.

Primary data collection included KIIs with the Implementing Agency (IA) (CI-GEF), EA (Heifer International), government stakeholders, local partners, and representatives from civil society and private sector organizations in Guatemala and Honduras. Furthermore, FGDs were conducted with project beneficiaries during site visits to capture their perspectives on project outcomes, relevance, and sustainability.

A total of 22 KIIs, and 6 FGDs were conducted across Guatemala and Honduras. Site visits were undertaken in three locations in each country, selected based on geographical diversity, value chain coverage, and representation of different project components and target groups. The findings from these visits were documented through observation notes and FGD transcripts. A summary of the stakeholder interviews is provided in Annex 3, and details of the site visits and FGDs are presented in Annex 4.

All data collected was systematically managed, categorized, and analyzed using thematic and content analysis for qualitative data and basic descriptive analysis for quantitative inputs. Data privacy was

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ensured through anonymization of personal identifiers and secure storage of all data, accessible only to the evaluation team. A triangulation approach was applied to validate findings from different sources. Preliminary findings will be presented to CI-GEF and Heifer International for validation and feedback prior to the finalization of the report.

3.5. Key Challenges and Limitations

No major limitations were encountered during the evaluation process.

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4. Evaluation Findings

This section presents the findings of the TE of the project "*Building Climate Resilience in Supply Chains for the Mobilization of Adaptation Funding*." The TE is structured around the Key Evaluation Questions (KEQs) developed during the inception phase and follows the criteria outlined in GEF and OECD/DAC guidelines.

The section begins with an assessment of the project's design, theory of change, and results framework, focusing on the logic of the intervention and the appropriateness of indicators and targets. It then analyzes the project's performance in terms of relevance, effectiveness, efficiency, sustainability, and progress to impact, with ratings assigned in accordance with GEF Evaluation Guidelines.

Further areas covered include the likelihood of sustaining project objectives beyond the funding period (key risks and overall sustainability), the project's Monitoring and Evaluation (M&E) systems, implementation and execution arrangements, and adherence to ESS, including gender, indigenous peoples, stakeholder engagement, and the Accountability and Grievance Mechanism (AGM).

Cross-cutting aspects such as knowledge management and co-financing materialization are also examined. These findings are based on primary and secondary data sources, including fieldwork and stakeholder consultations, as outlined in Evaluation Methodology section.

4.1. Strategic Framework and Design Analysis

This section assesses the strategic foundation of the project by examining the relevance and appropriateness of its design, the logic and assumptions embedded in the Theory of Change, and the adequacy of the results framework in capturing intended outcomes and impacts. The analysis focuses on the alignment between project components, objectives, and expected results, as well as the suitability of indicators, baselines, and targets to support effective M&E throughout the project's lifecycle.

4.1.1. Project Design

KEQ 1. How appropriate and effective was the project design in achieving its objectives, considering the local context, existing challenges, and best practices in climate-smart agriculture and adaptation?

The project design was highly appropriate, responding directly to the urgent need for climate resilience in vulnerable agricultural supply chains in Guatemala and Honduras. Its relevance was underscored by its explicit focus on **smallholder farmers**, a group particularly affected by climate change, poverty, and their heavy reliance on agriculture. These farmers face a range of interconnected challenges, including limited market access, pest infestations, price volatility, crop diseases such as monilia and black pod, low flowering due to drought, and increased pest pressure. By recognizing and addressing these local vulnerabilities, the project effectively integrated ecological and socioeconomic dimensions into its design.

Central to the appropriateness and **innovation** of the design was the introduction of the AEI. By correctly identifying a critical gap in adaptation efforts, the lack of a standardized, quantifiable method to measure and incentivize adaptation investments, the project proposed the AEI as an innovative mechanism aimed at mobilizing private-sector participation and investment. This approach demonstrated a sophisticated understanding of adaptation finance and represented an important step

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toward engaging stakeholders traditionally less involved in climate change adaptation. The AEI aimed to provide a holistic framework for assessing adaptation across five key categories: water, management practices, resilient crop varieties, product transformation, and commercialization, moving beyond a narrow focus on production alone.

The project design also had an integrated, multi-component structure. **Component 1** focused on practical, on-the-ground adaptation interventions. **Component 2** involved the technical development of the AEI, while **Component 3** aimed to integrate the index into business value chains. This layered approach enhanced the project's coherence and ensured concurrent progress on both community resilience and market-driven adaptation strategies.

Moreover, the **participatory** nature of the design, developed in collaboration with key partners, allowed for responsive and flexible implementation. During the project design phase, extensive stakeholder consultations were undertaken to ensure that the project responded to local priorities and needs. Government authorities, local communities, corporate partners, and academic institutions in both Guatemala and Honduras were engaged through a series of meetings, calls, workshops, and community presentations. According to the project document, across both countries, more than a dozen stakeholder groups, including producer associations, ministries, and research institutions, participated and informed the project's scope and structure.

Another strength of the design was its strong emphasis on direct **community engagement** and the incorporation of local knowledge and practices, which significantly boosted the relevance and sustainability of interventions. Heifer's existing presence in the project regions and its established relationships with communities facilitated trust-building and effective collaboration. The integration of safeguards was also a key strength of the project design, including environmental and social considerations, the Gender Mainstreaming Plan (GMP), Stakeholder Engagement Plan (SEP), Indigenous Peoples Plan (IPP), and the Accountability and Grievances Mechanism (AGM). **Gender** considerations were also meaningfully integrated through the GMP, with gender-disaggregated targets and dedicated activities for women's groups. This commitment to inclusivity was reflected in the active participation of women and indigenous communities across project activities.

Despite these strengths, the **design also had limitations**. The original timeline proved overly ambitious given the complex task of engaging diverse stakeholders and the iterative nature of AEI development and testing. While the AEI aimed to catalyze private-sector participation, the design lacked concrete strategies for securing company buy-in, particularly in the context of still-emerging adaptation finance markets. Stakeholder interviews confirmed the difficulty of engaging larger corporations, with adoption of the AEI largely limited to cooperatives and smaller entities to date. In addition, while the project was designed to be implemented in the neighboring countries of Guatemala and Honduras, cross country learning primarily occurred at the staff level, including field technician exchanges and CI-GEF missions. However, formal cross-collaboration and learning opportunities among community stakeholders and producer groups across borders were limited. Moreover, political risks, such as instability and government transitions, especially in Honduras were acknowledged in the design but their severity was underestimated, leading to notable delays in early implementation.

KEQ 2. What design modifications, if any, were made during implementation, what factors necessitated these changes, and how did they affect the project's effectiveness?

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During implementation, the project had to adapt by making some necessary changes its planned approaches, predominantly driven by external factors. The most significant adjustment resulted from the governmental transition in Honduras, which necessitated renewed engagement with new authorities to reestablish institutional support and endorsement. This political shift led to delays in launching project activities and required an **extension of the original project timeline** by 06 months.

Adjustments were also made in response to insights gained through community engagement and challenges posed by climate change. In Guatemala, the project recognized the importance of linguistic inclusion and translated key materials into the local Q'eqchi' language to ensure effective communication. To promote greater participation by women, the project also introduced more flexible meeting times and formats, accommodating the diverse schedules and responsibilities of female community members. Similarly, the nature of activities in Resurrección Balam, originally aimed at the development of cardamom value chain, were reoriented following drought conditions, demonstrating the project's adaptability to emerging community needs. Furthermore, as the project initially encountered challenges in the engagement of private sector for adoption of the AEI, in lieu, the Instituto Nacional de Bosques (INAB) (a government agency in Guatemala) was onboarded for the piloting of the AEI methodology in the forestry sector.

In addition, the unforeseen impacts of the COVID-19 (Coronavirus disease) pandemic also prompted adaptations. While the original proposal, developed during the pandemic, prioritized virtual methodologies, this approach proved unfeasible for field implementation in Olancho due to limited connectivity, low device access, and digital literacy constraints. Consequently, Heifer adapted by shifting to fully in-person field implementation in that region to maximize impact, while implementing strict health protocols for these necessary in-person interactions.

The project also faced challenges related to gender equality and the participation of women in decision-making processes. While the project aimed to address these issues through its Gender Mainstreaming Plan, cultural norms and existing power dynamics within communities and value chains presented ongoing barriers. For example, in some regions, women's participation in the value chain was limited due to traditional gender roles. The project had to adapt by implementing specific strategies to engage women, such as holding women-only workshops and providing targeted training and support.

In conclusion, the project design was found to be appropriate and effective in advancing climate resilience among smallholder farmers in Guatemala and Honduras, integrating local context, stakeholder participation, and best practices in climate-smart agriculture. The introduction of the AEI and a multi-component structure strengthened the project's relevance, despite challenges related to political instability, staffing capacity, and private-sector engagement. During implementation, necessary adaptations, including timeline extensions, localized communication strategies, and flexible community engagement, enhanced the project's responsiveness and effectiveness.

4.1.2. Theory of Change

KEQ 3. How valid and logical were the causal pathways and assumptions outlined in the project's Theory of Change, particularly in linking activities, outputs, outcomes, and impacts? Were these assumptions realistic, and did they hold true throughout implementation?

The project's Theory of Change (ToC) aimed to standardize ways to measure and value both adaptation actions and financial investments made across supply chains and commodities, enabling a systematic

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portfolio approach to adaptation investments. It sought to empower farmers and producers to make decisions based on individual circumstances, risk exposure, and access to assets, while also enabling corporations to respond to shocks and stressors. The ultimate **goal** was to enable farmers, processors, and private sector actors to capture the value of adaptation action, promote investment, and serve as a building block for broader certification of adaptation benefit credits.

The **causal pathways** outlined in the project's ToC were found to be generally logical, linking activities, outputs, outcomes, and impacts. The project proposed that by piloting the interlinked activities under climate-smart agriculture practices (Component 1); developing AEI (Component 2); and integrating the AEI into premium value chains (Component 3), it would lead to increased resilience among smallholder producers, increased investment in adaptation, and ultimately, improved livelihoods and environmental sustainability. The assumption was that private sector actors would be incentivized to invest in adaptation measures if they could quantify the return on investment and integrate these measures into their existing Environmental, Social, and Governance/Corporate Social Responsibility (ESG/CSR) strategies.

While the project successfully engaged communities and piloted climate-smart practices, some **assumptions** turned out to be unrealistic. The expectation that private sector companies would readily adopt the AEI was an overestimation, delays were faced due to internal company changes and the need for extended approvals. Moreover, the premise that a standardized, quantifiable index would independently catalyze private investment underestimated the level of technical support and contextual adaptation required. Although company engagement mechanisms were embedded in the original design, implementation demonstrated the necessity of a more tailored and proactive approach, including the development of customized communication strategies, definition of performance indicators, and close collaboration to align the AEI with diverse value chain realities.

Another key assumption was that increased knowledge of the linkages between climate change adaptation and target value chains would **drive consumer behavior** and support for adaptation practices. Recognizing the inherent difficulty and long-term nature of shifting consumer behavior, this assumption proved ambitious within the project's limited scale and duration. While the project did work on developing communication plans to target consumers, key industry leaders, and public sector authorities, measuring the direct impact of these plans on consumer behavior proved challenging. This was also evident from the project implementation reports that noted the need for further work in this area, including developing more robust M&E mechanisms to track changes in consumer awareness and purchasing decisions.

Finally, the assumption that the project could quickly **scale up and replicate the AEI** across different value chains and geographies proved to be ambitious. While the AEI was designed to be flexible and adaptable, the project found that tailoring the index to specific contexts required significant time and resources. The project's initial focus on cardamom, allspice, coffee, and cocoa value chains in Guatemala and Honduras provided valuable learning experiences, but expanding to other value chains and regions will require further adaptation and refinement of the AEI framework.

In conclusion, the project's Theory of Change presented a generally logical and valid framework, effectively linking activities, outputs, outcomes, and impacts around climate-smart agriculture and adaptation finance. While community engagement and pilot activities progressed as planned, key assumptions, particularly regarding rapid private sector adoption of the AEI, consumer behavior shifts, and the scalability of the model, proved overly ambitious. Implementation highlighted the need for

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more tailored engagement strategies and contextual adaptation to support the project's intended causal pathways.

4.1.3. Assessment of Results Framework

KEQ 4. In what ways did the project's results framework, including indicators, targets, and baselines, adhere to the SMART (Specific, Measurable, Achievable, Relevant, Time-bound) criteria, and how well did it capture the project's intended outcomes and impacts?

The project's results framework presented a clear and logically structured set of indicators and targets that were generally aligned with the **SMART criteria**, though implementation revealed notable gaps and challenges related to its inherent structure. The framework was specific in its identification of outcomes and outputs across three components, detailing a total of six primary outcome indicators (Outcome 1.1, 1.2.a, 1.2.b, 2.1, 3.1, 3.2) supported by a range of output indicators. These were defined with disaggregated targets, such as land managed for climate resilience (Indicator A: 2,054 hectares) and producers better equipped to adapt to climate change (Indicator 1.2.a: 12,125 individuals, disaggregated by gender). This structure reflected the relevance of the framework as direct alignment with the core objective of enhancing climate resilience in agricultural supply chains through the deployment of the AEI.

In terms of measurability, the framework included quantifiable targets such as the number of demonstration projects (Indicator 1.1.3), the number of companies engaged in AEI pilots (Indicator 3.1), and the number of communities receiving information (Indicator 1.2.1). However, the absence of complete **baseline data** at the project's outset limited the ability to assess progress rigorously. Baseline data collection extended well into the first year of implementation and continued into 2023, delaying verification of initial results. Specifically, while the project aimed to improve land management and producer resilience, the comprehensive baseline studies needed to establish the starting point for these improvements (e.g., existing land use conditions, current income levels for Indicator 1.2.b, and initial adaptive capacities for Indicator 1.2.a) were only finalized around August 2023. Consequently, when initial activities under Component 1 began to yield results, such as the identification of hectares potentially under improved management (Indicator 1.1), the formal verification of these early achievements against a confirmed baseline was necessarily postponed.

Furthermore, the results framework was designed with a high level of **interdependence among its components**, following a sequential logic where successful execution of earlier activities, particularly under Component 1, was essential for the timely implementation of subsequent ones. This interlinkage created critical path dependencies. Component 1, focused on piloting climate-smart agricultural practices (Outcome 1.1 and 1.2), served as the operational foundation, requiring the identification and engagement of producers (Output 1.1.1) to generate data and lessons. The initial delays in conducting baseline studies and securing community endorsements, with baseline finalization in late 2023, directly delayed the full rollout of key Component 1 activities like training and demonstration plots (Outputs 1.1.2 and 1.1.3). While the results framework primarily detailed end of project targets, the project utilized Quarterly Progress Reports (QPRs) to track the status of activities and the delivery of outputs, which served as a mechanism for monitoring intermediate progress. However, the sequential nature of the project's components meant that delays in foundational activities inevitably constrained the ability to demonstrate substantial interim progress on dependent, later-stage outcomes within those quarterly reporting periods. This challenge was especially evident in Component 3, which aimed to engage private sector actors in AEI pilots (Indicator 3.1). Since this work relied heavily on the

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completion of the AEI activities under Component 2, full company engagement could only begin once the AEI tool was ready to be socialized, making it difficult to assess progress earlier in the project.

The indicators under Component 2, which focused on the AEI (Outcome 2.1), provided a functional outline of intended outputs, such as the development of a single index (Indicator 2.1.2) and the identification of climate-smart production practices (Indicator 2.1.1). However, the framework's ability to capture the intended impact of Component 2 was affected by the ripple effect from Component 1 delays. The construction of the AEI (linked to Output 2.1.1/2.1.2) drew upon field-tested practices, and setbacks in Component 1 data collection postponed the AEI's final development and validation until early mid-2024. Consequently, while the framework captured the AEI development process, its capacity to measure the tool's actual performance, uptake, or utility within the project timeframe was hindered due to the cascading effect of implementation delays originating primarily from component 1. These cascading delays also impacted Component 3; by the time the AEI tool (including the AgroAdaptación app) was launched in mid-2024, limited time remained within the extended project period to fully integrate it into business operations or track related outcomes like private sector investment.

Gender and social inclusion were addressed in the results framework through disaggregated indicators (e.g., Indicator 1.1.1, 1.2.2, 1.2.b). While these targets were appropriately integrated, the delay in establishing comprehensive baseline context at project initiation limited the ability to rigorously measure change over time for some indicators, most notably those tracking changes in assessing improvements in producers' capacity to adapt (Indicator 1.2.a) and change in producer incomes (Indicator 1.2.b).

KEQ 5. What adjustments, if any, were made to the results framework during implementation, and what were the reasons?

The Evaluation found that no formal adjustments were made to the results framework during implementation. The structure, indicators, and targets established in the original project document remained unchanged throughout. There were no revisions to the framework's design, nor were any indicators updated in response to implementation experience. All monitoring and reporting activities were carried out against the original framework as designed.

In conclusion, the project's results framework was aligned with SMART criteria, with clear, relevant indicators and disaggregated targets, though delays in baseline data collection and critical path dependencies impacted timely measurement of outcomes. The interdependent design of components created cascading delays, particularly affecting AEI development and private sector engagement. Despite these challenges, no formal adjustments were made to the framework during implementation, and all activities continued to be monitored against the original indicators and targets.

4.2. Assessment of Project Results and Outcomes

This section evaluates the extent to which the project achieved its intended results, using the OECD/DAC criteria of Relevance, Effectiveness, Efficiency, and Sustainability. Each criterion is assessed based on evidence gathered through document review, site visits, and stakeholder consultations, with ratings provided in accordance with GEF Evaluation Guidelines.



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4.2.1. Relevance

KEQ 6. How well was the project aligned with national policies, strategies, and priorities for climate adaptation in Guatemala and Honduras, and in what ways did it complement other ongoing initiatives in the region?

The project demonstrated strong relevance through its alignment with the national climate adaptation and environmental priorities of both Guatemala and Honduras. From the outset, it was designed to respond directly to the strategic direction laid out in national policy frameworks. In **Guatemala**, the project aligned with the National Action Plan (NAP)[20], particularly its priority action of integrating Agriculture, Livestock, and Food Security into adaptation strategies, and the 2018-2022 Action Plan's emphasis on promoting climate-adapted agricultural practices and technology transfer.[21] Interview with the Ministerio de Ambiente y Recursos Naturales (MARN) Climate Change Unit, further revealed that the project fit within Guatemala's climate change framework law, national adaptation policy, and MARN's prioritization of 80 percent adaptation efforts. Additionally, it was consistent with the 2012-2022 National Biodiversity Strategies and Action Plan (NBSAP) by focusing on the sustainable use of biodiversity and ecosystem services and recognizing biodiversity's role in climate change adaptation.[22] The project's aim to promote adaptation practices, including soil protection, also corresponded with Guatemala's first Nationally Determined Contribution (NDC) under the United Nations Framework Convention on Climate Change Paris Agreement, which sought to adapt the agriculture sector and reduce climate vulnerabilities.[23] The project's focus on ecosystem services integration, particularly through Agroforestry Systems further demonstrated relevance by enhancing diversification and income for families in extreme poverty. Furthermore, community FGDs revealed that the project addressed known challenges within key agricultural sectors like cardamom, specifically pests and price volatility, which were priorities for communities.

In **Honduras**, the project also reflected strong policy alignment. Although the primary NAP was noted as being under development at the time of project endorsement, the project aligned strongly with multiple other relevant strategies. It was in line with the Honduran NBSAP's focus on poverty reduction, agrobiodiversity, sustainable resource use (including livestock, forestry, agriculture), and water and soil management.[24] Alignment was also clearly articulated with the 2005-2021 NAP under the United Nations Convention to Combat Desertification, which prioritized resilient food production systems, watershed conservation and reforestation, and institutional strengthening,[25] all areas addressed by the project. The project's activities were consistent with Honduras's NDC commitments to reduce agricultural emissions and restore degraded forest areas, as well as with the Country Vision (2010-2038) and National Plan (2010-2022) which aimed to improve the agriculture sector and support forest protection.[26] Notably, interviews confirmed the project was fully aligned with IHCAFE's (the Honduran Coffee Institute) strategy of "Renew without stopping production," supporting farm regeneration without agricultural expansion, and strengthened the environmental vision within IHCAFE itself. The project also addressed known challenges in the cocoa sector, such as diseases (monilia, black pod), low flowering due to drought, and pest increases caused by habitat loss, drought

[20] https://unfccc.int/sites/default/files/resource/Guatemala-NAP.pdf
[21] https://www.fao.org/in-action/naps/partner-countries/guatemala/en/
[22] https://www.cbd.int/countries/targets?country=gt
[23] https://www.climatewatchdata.org/ndcs/country/GTM/full?document=revised_first_ndc
[24] https://www.cbd.int/countries/profile?country=hn
[25] https://www.unccd.int/sites/default/files/naps/honduras-spa2005.pdf
[26] https://faolex.fao.org/docs/pdf/hon94981anx.pdf

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impacts, aligning with the concerns of the National Cocoa Chain Committee. Further relevance was demonstrated through consistency with the EN-REDD+ (Reducing Emissions from Deforestation and Forest Degradation) program promoting landscape restoration and the National Program for the Recovery of Degraded Ecosystems Goods and Services.

The project was designed to complement **existing efforts and initiatives** in the region. The project design document outlined planned coordination and lesson-sharing with other relevant GEF initiatives, such as the GEF Challenge Program and specific projects focused on agroforestry and sustainable territories in Guatemala. Importantly, the project built upon Heifer International's extensive operational decades old history and existing programs in both countries, such as the "Chocolate for All" and "Green Business Belt" initiatives, using these as entry points for community engagement. It leveraged established partnerships with entities like Instituto de Capacitación para el Desarrollo (ICADE), Centro Agronómico Tropical de Investigación y Enseñanza, Fundación para el Desarrollo Empresarial Rural (FUNDER), various government bodies (Secretaría de Agricultura y Ganadería (SAG), MARN, Instituto de Conservación Forestal (ICF), Instituto Nacional de Bosques (INAB)), producer associations, and private sector actors, ensuring the project activities were integrated into ongoing work within the target value chains.

Stakeholder interviews highlighted that this collaboration developed naturally due to territorial overlap and shared technical focus areas (e.g., coffee, cocoa, climate resilience) with partners like ICADE and IHCAFE. For instance, the project helped Cooperativa Cafetalera de Olancho Limitada (COCAOL), a coffee cooperative, to activate and implement its pre-existing Climate Change Mitigation Plan through training and diversification support. The partnership approach allowed for resource sharing (e.g., Heifer providing dryers/tools, ICADE providing inputs/training) and operational synchronization to avoid duplication and community fatigue, thereby maximizing impact without requiring significant additional funding for partners like ICADE.

While alignment with national priorities was a clear strength, the project's relevance encountered some **contextual challenges** during implementation. The fact that the Honduran NAP was still under development at the time of project design posed a minor risk to alignment, although this was mitigated through consistency with other active strategies and institutional frameworks. More notably, political transitions and changes in government authorities occurred in both countries following project initiation. These shifts required renewed engagement efforts to familiarize incoming officials with the project and to secure continued institutional support, particularly in Honduras and later during a political crisis in Guatemala. Despite these institutional changes, the project team effectively managed the situation and maintained stakeholder commitment and alignment with national goals throughout the implementation period.

KEQ 7. What additional value did GEF funding bring to the project beyond what would have been achieved without it, particularly in catalyzing private sector investment, promoting innovation, and delivering potential global environmental benefits?

GEF funding provided critical value-added support, enabling outcomes that would not have been feasible through baseline initiatives alone. Most notably, it enabled the development and piloting of the AEI, a core innovation of the project. Developed in close collaboration with national authorities, community stakeholders, and private sector actors, the AEI created a standardized tool to quantify the impact of adaptation investments. It incorporated metrics such as water and supply management, use

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of resilient crop varieties, diversification, transformation, and commercialization, thereby establishing a robust framework for evaluating adaptation effectiveness.

By supporting the AEI, GEF funding catalyzed the creation of a new asset class, adaptation credits, designed to mobilize private investment in sectors traditionally seen as high-risk or intangible from a financing standpoint. Component 3 of the project demonstrated the integration of AEI into premium value chains and initiated pilot activities with private companies, directly addressing the broader challenge of mainstreaming adaptation into market systems.

In addition to innovation, GEF support enabled the project to operate across several strategic layers, technical capacity-building for smallholder farmers, institutional strengthening, implementation of environmental and social safeguards (including gender and Indigenous Peoples), and digital tool development.

This comprehensive, cross-sectoral approach ensured that the project's benefits extended beyond localized resilience-building to also support global environmental goals such as biodiversity conservation, sustainable land management, and deforestation reduction. For instance, the project's promotion of agroforestry systems and improved spice-drying techniques reduced reliance on fuelwood, thereby addressing a key driver of deforestation in the region.

GEF's involvement also significantly enhanced the project's legitimacy and visibility. Its role helped secure high-level government endorsement and sustained participation from civil society and private sector partners, even amid changing political contexts. Furthermore, GEF funding helped unlock over USD 5.68 million in co-financing from national and regional partners, including contributions from Heifer, national governments, NGOs, and technical institutions.

However, while GEF support enabled foundational innovations, some challenges remained in fully realizing the anticipated private sector engagement by the time of evaluation. Although AEI pilot implementation was initiated and supported by training, digital app development, and stakeholder agreements, tangible outcomes in terms of private investment uptake were nascent. As such, the full catalytic effect of GEF support on private finance was expected to become more evident post-project subject to adequate support, with early groundwork already in place for longer-term impact.

In conclusion, the project's relevance was found to be ***Highly Satisfactory***, as it demonstrated strong alignment with national climate adaptation priorities in Guatemala and Honduras, complementing existing initiatives and leveraging partnerships to maximize impact, despite contextual challenges like political transitions. GEF funding provided critical value by enabling the development of the innovative AEI, promoting private sector engagement, supporting cross-sectoral environmental benefits, and strengthening institutional capacities, laying important groundwork for future private investment in adaptation.

4.2.2. Effectiveness

This section presents an outcome-wise and output-level analysis of the project's progress toward achieving its intended results. In line with TE guidelines, ratings are provided for each outcome, taking into account the project's relevance, effectiveness, efficiency, and the extent to which expected targets were met. The project fully achieved or surpassed all targets under Outcomes 1.1 and 1.2, including a 111 percent achievement of land management goals and over 100 percent for income-related indicators. Outcome 2.1 also met its objective with the successful development and validation of the AEI and its digital platform. Under Component 3, the project made significant progress, reaching 83

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percent of its target for private sector adoption of the AEI (Outcome 3.1) and achieving 92 percent of its awareness-raising goal (Outcome 3.2), based on final survey results.

4.2.2.1. Component 1: Piloting Climate-Smart Agricultural Practices

KEQ 8. Did the project pilot improve climate-smart agricultural practices in terms of producer participation, technology adoption, and demonstration project implementation? What factors contributed to or hindered these achievements?

Under Component 1, the project aimed to pilot improved climate-smart agriculture practices that increase resiliency throughout the value chains in ecologically vulnerable areas of Guatemala and Honduras. This component was designed to achieve two primary outcomes: **Outcome 1.1**, focusing on the establishment of improved climate-smart production practices on the ground, and **Outcome 1.2**, aiming for increased resilience and capacity among smallholder men and women to adapt to climate change and related shocks.

Outcome 1.1: Improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras

Outcome 1.1 sought to establish improved climate-smart production practices directly within the target regions. The project planned to achieve this through three main outputs: identifying producers for participation **(Output 1.1.1)**, ensuring necessary technologies, tools, and skills were obtained and utilized **(Output 1.1.2)**, and implementing demonstration projects of climate-smart interventions **(Output 1.1.3)**. The key performance indicator for this outcome was the total number of hectares of production land brought under improved management, with a baseline of 0 hectares and an end-of-project target of 2,054 hectares (1,212 ha in Guatemala, 842 ha in Honduras).

Table 3: Progress on Indicators Under Outcome 1.1

Outcome 1.1: Improved climate smart production practices in ecologically vulnerable areas of Guatemala and Honduras				
Outcome Indicator	**Baseline**	**Target**	**Progress till TE**	**Progress Rating**
Indicator 1.1: Total # of hectares of production land under improved management	0 ha	2,054 hectares, (Guatemala: 1,212 hectares, Honduras: 842 hectares) Area of land managed for climate resilience	Guatemala: 1,370 ha Honduras: 905.11 ha Total: 2,275 ha **111% Achievement**	Completed

As outlined in table 3, the project exceeded its target for the primary indicator for Outcome 1.1, although initial administrative delays impacted the overall timeline. By the project's conclusion in April 2025, a total of 2,275 hectares (1,370 ha in Guatemala and 905.11 ha in Honduras) were reported under improved management, representing **111 percent** progress against the 2,054-hectare target.

The successful implementation of this outcome began with **Output 1.1.1: Producers identified for participation in climate smart practices**. This foundational step faced delays of approximately five to six months, primarily due to governmental transitions in both Honduras and Guatemala, which required re-engagement of key stakeholders and securing new endorsements. To address these setbacks, the project effectively leveraged Heifer's established presence and trusted field staff, including indigenous team members in Guatemala, to engage stakeholders. Through numerous visits

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and meetings, 22 communities in both countries were identified and prioritized for direct intervention. Comprehensive baseline studies, involving surveys and workshops, were completed by early FY24, providing essential insights into existing practices and community needs. Ultimately, 16 formal letters of support (11 in Guatemala, 5 in Honduras) were secured from communities and producer organizations, confirming their commitment and marking the successful identification and engagement of participants. The Evaluation noted that the project's established presence and history of work in the regions, along with existing relationships with communities through programs like the Green Business Belt, were significant factors enabling effective engagement and building trust necessary for this output. **By the project's end, a total of 2,286 producers (1,558 men and 728 women) were identified across both countries (1,241 in Honduras and 1,045 in Guatemala) surpassing the original target of 600 by 281 percent.**

Following the identification of producers, the project focused on **Output 1.1.2: Technologies, tools, and skills needed to implement climate smart practices are obtained and utilized by producers**. This output was effectively delivered through practical, hands-on training tailored to the specific value chains. Technology adoption was facilitated through the Field School methodology, which combined theoretical instruction with in-field application, enabling farmers to directly practice and refine climate-smart techniques. This approach led to reported changes in on-farm practices such as pruning, organic fertilization, and water management. Farmer field schools, workshops, and exchange visits were key methods for transferring knowledge on techniques like pruning, nursery management, organic fertilizer production (e.g., bokashi, vermicompost), shade management, and rainwater harvesting. In Guatemala, the Resurrección Balam community served as a case in point, after a severe drought caused total cardamom loss, farmers there adopted vermicomposting, a climate-smart technique promoted through the project, which enabled them to produce fertilizer to retain soil moisture for subsistence crops. Similarly, in *Kao Kamasa* (Honduras), interviewed producers reported having adopted systematic pruning, shade management, and organic composting, which led to improved coffee and cocoa yields.

In addition to training, the project supported adoption by providing essential equipment and community-level resources. Essential equipment, including solar dryers, pruning tools (like pole pruners and chainsaws), and irrigation systems (like water tanks and hoses), were also provided, often managed collectively through community committees. The impact of this output was evident in examples like the transformation of degraded Honduran coffee farms from COCAOL into one exporting specialty coffee undersigned contracts, a direct result of project training and support with solar dryers. These impacts were further reinforced through partnerships with local technical institutions, which provided contextual expertise and implementation support. Coordination with technical partners such as IHCAFE and ICADE in Honduras was instrumental in delivering these activities effectively, ensuring localized expertise and institutional support. Similarly, in Guatemala, the partnership with the Centro Don Bosco educational institution demonstrated the reach of project activities, where more than 600 students learned agroforestry practices in project-supported plots and received planting material to replicate these benefits in their home communities. The practical training approach delivered by known field technicians was highlighted by community members in Kao Kamasa as being more effective than prior initiatives.

To consolidate and scale these practices, the project developed climate-smart practice toolkits tailored to key value chains. Although challenges such as the vast geographic area and varying education levels presented hurdles, the project successfully developed **4 climate-smart practice toolkits for Allspice,**

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Coffee, Cocoa and Cardamom. These toolkits include essential equipment such as tools for shade tree maintenance in coffee or proper care of allspice plants and are complemented by workshops designed to educate farmers on how to use the equipment, perform maintenance, and integrate them into farming practices. The toolkits have since evolved into detailed manuals incorporating pilot project experiences such as nursery management, grafting, material selection, and parcel design. By the project's end, it **significantly surpassed its training target, reaching a total of 2,286 producers (1,558 men and 728 women) with knowledge on new technologies, tools, and skills, achieving 508 percent of the original target of 450 producers.**

Finally, **Output 1.1.3: Demonstration projects of climate smart interventions implemented in rural communities in both countries** served as tangible examples of the promoted practices. The project exceeded its target, with progress reported on **22 distinct demonstration projects, reaching 110 percent of the original target of 20**. These sites, co-designed with communities and partners like IHCAFE and ICADE, showcased interventions such as **coffee nurseries** established with cooperatives COCAOL and Cooperativa Mixta Agroforestal Agalteña Limitada in Honduras to support farm renovation with certified, **resilient varieties** like Parainema, and dynamic **agroforestry systems** with Asociación de Productores de Sistemas Agroforestales con Cocoa Organico-Olancho (APROSACAO), involving 40 blocks of cocoa aimed at diversification and improving livelihoods.

The visibility and results of these demonstrations, such as a 700% yield increase for cocoa farmers in the Flor de Café community in Honduras (from 150 lbs. to 1,200 lbs. per cut) and the successful regeneration of degraded land, served as powerful motivators for broader adoption. However, in the absence of monitoring data, adoption beyond the project's direct beneficiaries could not be assessed by the evaluation.

In conclusion, under Outcome 1.1, the project substantially improved climate-smart agricultural practices in ecologically vulnerable areas of Guatemala and Honduras, achieving 111 percent of its land management target and exceeding producer participation and training goals. Practical training, provision of technologies, and collaboration with local institutions enabled significant adoption of resilient practices, despite early delays.

Based on the above assessment, the TE team gave the following performance ratings for Outcome 1.1 in accordance with the CI-GEF TE criteria.

Table 4: Outcome 1.1 Rating

Criteria	Rating
Relevance	Highly Satisfactory
Effectiveness	Highly Satisfactory
Efficiency	Highly Satisfactory
Overall Outcome Rating	Highly Satisfactory

Outcome 1.2: Increased resiliency and ability of male and female small holder producers to adapt to climate change and shocks related to economic and environmental volatility

Table 5: Progress on Indicators Under Outcome 1.2

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Outcome 1.2: Increased resiliency and ability of male and female small holder producers to adapt to climate change and shocks related to economic and environmental volatility				
Outcome Indicators	**Baseline**	**Target**	**Progress till TE**	**Progress Rating**
Indicator 1.2.a.: # of male and female producers that are better equipped to effectively adapt to climate change by using adapted farming practices	0 Producers	12,125 producers (7,275 (60%) males, 4,850 (40%) females)	Guatemala: 5,225 Honduras: 6,205 Total: 11,430 **94% Achievement**	Partially met
Indicator 1.2.b.: # of producers that have higher incomes as a result of their participation in the project (considering actual income compared to the baseline)	0 Producers	6,042 producers (3,626 **(60%) men** and 2,416 **(40%) women**)	6,130 producers Men: 4,674 **(129%)** Women: 1,456 **(60%)** **101% Achievement**	Completed

Under Outcome 1.2, the project sought to increase the resiliency and adaptive capacity of male and female smallholder producers in Guatemala and Honduras to climate change and related shocks. For this outcome, progress was tracked against two indicators.

As detailed in table 5, the first **indicator, 1.2.a**, measured the number of male and female producers better equipped to effectively adapt to climate change by using adapted farming practices. Against an end-of-project target of 12,125 producers (7,275 males, 4,850 females), by the project's completion, 11,430 producers (5,225 in Guatemala and 6,025 in Honduras) were reached, achieving **94 percent of the overall target**. This participation was facilitated through engagement across numerous specific communities in both countries where activities and pilot projects (3 in FY23, 8 in FY24) were implemented.

For example, in Honduras, producers in the Flor de Café community engaged in trainings on cocoa management and pruning, forming community pruning crews equipped with specialized tools like pole chainsaws provided by the project, thereby improving their ability to manage their farms for better yields. Similarly, in Guatemala, the San Luis Tonitzul a women's group received training and materials for cocoa nurseries and grafting, allowing them to implement agroforestry systems better suited to mitigate climate impacts on their plots. Heifer's existing relationships within these communities were noted as contributing factors to this engagement. Despite this substantial outreach, the final number closely approached the target, although some constraints such as an initial five-month delay in Honduras and subsequent political changes affecting government engagement in both countries. Notably, women accounted for 40 percent of the beneficiaries, meeting the planned target.

While overall participation and adoption of adaptive practices nearly met the target, progress toward the project's income-related objectives exceeded expectations in total, although a significant gender disparity remained This disparity reflects the prevailing cultural context in which agricultural production is male-dominated, despite the project's active efforts to promote gender equality through training, resource access, and targeted support for women. The second **indicator, 1.2.b**, measured the

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number of producers experiencing higher incomes as a result of their participation. Against a target of 6,042 producers (3,626 men and 2,416 women), by project completion, 6,130 producers were reported as having potentially higher incomes, representing **101 percent of the target**. This included 4,674 men (129 percent of the male target) and 1,456 women (60 percent of the female target) highlighting a marked gender gap in income gains. Despite this gap, qualitative evidence from interviews and FGDs indicated that women still derived significant value from the project's gender-sensitive design, particularly through increased access to training, resources, and participation in producer groups.

The project team reported the inherent difficulty in directly measuring the extent of income changes within the project's short timeframe and limited investment. Nevertheless, the evaluation found some evidence that project activities demonstrably helped reduce producer expenses, contributing indirectly to net income. For instance, qualitative evidence from evaluation interviews and FGDs revealed positive economic impacts, including significant yield improvements in cocoa, increased cocoa prices, and improved access to differentiated micro-lot markets, indicating progress towards enhancing producer livelihoods. These improvements in producer income and capacity were enabled by targeted interventions and support mechanisms, detailed under Outputs 1.2.1 and 1.2.2. For instance, FGDs revealed that members of APROSACAO (Honduras) gained access to formal cocoa markets, achieving prices up to USD 50 per pound for dry cocoa; producers associated with COCAOL (Honduras) improved product quality through solar dryers, enabling them to sell higher-value coffee; and members of San Isidro Tonzul (Guatemala), improved cacao and pepper production practices that led to better prices and expectations.

The achievement of Outcome 1.2 was supported by activities under **Output 1.2.1 (information dissemination)** and **Output 1.2.2 (strengthening producer capacity)**. **Under Output 1.2.1**, progress was made in developing case studies and reports on an ongoing basis.

The need for culturally specific communication, such as translation into Q'eqchi in Guatemala, was also addressed. Knowledge sharing occurred through numerous workshops and meetings, including 6 events in Guatemala reaching 544 people (68 percent male, 33 percent female) and 10 events in Honduras reaching 256 people (66 percent male, 34 percent female) in Q4 FY24 alone, including the AEI launch workshop. Furthermore, **the project significantly exceeded its target, reaching 52 communities, including 28 in Guatemala and 24 in Honduras, compared to the original target of 14 communities, achieving 371 percent of the target.**

Under **Output 1.2.2**, the project effectively built producer capacity, primarily through activities such as hands-on training, demonstration plots, and the transfer of tools and technologies, approaches that were also utilized earlier in the project, as elaborated under Outcome 1.1. Practical guides for allspice, coffee, and cardamom were developed earlier in the project. However, the process to review and finalize all four planned guides, including the one for cocoa, was still in progress at project end. These capacity-building efforts reached 1,992 producers (1,356 men and 636 women) trained on climate adaptation practices across both countries, including 751 in Guatemala (502 men and 249 women) and 1,241 in Honduras (854 men and 387 women), **surpassing the end-of-project target of 1,075 producers (475 for Guatemala and 600 for Honduras) by 185 percent.**

In summary, outcome 1.2 achieved 94 percent of its target for climate adaptation and 101 percent for income improvements. While income-related progress for women fell short of initial expectations, qualitative evidence highlighted that woman substantially benefitted from the project's gender

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mainstreaming approaches. Despite delays and political challenges, the project effectively built producer capacity and expanded outreach beyond expectations. Practical training and targeted support significantly enhanced producer resilience and livelihoods.

Based on the above assessment, the TE team gave the following performance ratings for Outcome 1.2 in accordance with the CI-GEF TE criteria.

Table 6: Outcome 1.2 Rating

Criteria	Rating
Relevance	Highly Satisfactory
Effectiveness	Satisfactory
Efficiency	Highly Satisfactory
Overall Outcome Rating	Satisfactory

4.2.2.2. Component 2: Developing the AEI

KEQ 9. To what extent did the project develop and validate a functional AEI, and what factors facilitated or constrained its creation and adoption?

Under **Component 2**, the project concentrated on developing the Adaptation Equivalence Index (AEI). This component aimed to achieve **Outcome 2.1**, the creation of a flexible and scalable AEI capable of catalyzing greater investment in adaptation and resilience. The key performance indicator was the development of one index ready for piloting. As outlined in table 7, starting from a baseline of zero, the project successfully met this target, delivering both the completed AEI framework and the accompanying AgroAdaptación web application, which was launched in June 2024.

Table 7: Progress on Indicators Under Outcome 2.1

Outcome 2.1: There is a flexible and scalable Adaptation Equivalence Index capable of catalyzing greater investment in adaptation and resilience				
Outcome Indicator	**Baseline**	**Target**	**Progress till TE**	**Progress Rating**
Indicator 2.1: # of indexes developed to catalyze investment in adaptation and resilience measures in value chains	0 Indices	1 Index developed	1 Index Developed 100% achievement	Completed

Achieving this outcome involved successfully completing two primary outputs. The first, **Output 2.1.1**, focused on identifying and validating climate-smart production practices for inclusion in the AEI through a multi-stage process. Initial activities engaged governments, communities, and academic partners in both countries to gather information on existing practices and adaptation needs. These early consultations were primarily focused on identifying current practices and understanding local adaptation priorities. This included consultations with entities like the Guatemalan Ecosystem-based Adaptation Technical Group and the National System of Climate Change Information, alongside initial meetings with Honduran authorities such as the Secretaría de Recursos Naturales y Ambiente (SERNA) and producer associations like APROSACAO and COCAOL. The AEI development subsequently involved analyzing baseline data, adaptation benefits, and metrics identified through these engagements and from pilot projects under Component 1. For example, baseline studies conducted in FY24 identified specific adaptation practices already in use or needed, such as rainwater harvesting and organic fertilizer production in Honduran cocoa communities and shade management and soil conservation techniques in Guatemalan cardamom areas, providing crucial input for the AEI's indicators. Building

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on their earlier involvement, producer associations like APROSACAO and COCAOL not only contributed during the early consultations but also supported piloting efforts through field testing of AEI metrics in cocoa production systems in Honduras. The review of previous studies, including Heifer Guatemala's Green Business Belt project also contributed to this activity.

Furthermore, collaborative workshops, such as the initial AEI framework construction workshops held in Tegucigalpa and Guatemala City in August/September 2023 also played a crucial role. These workshops, focused on validating the framework and ensuring stakeholder alignment, marked a transition from the exploratory consultations to formal design and endorsement of the AEI. These workshops were attended by a diverse range of stakeholders, including public sector entities (such as MARN, SAG, IHCAFE, INAB, ICF, Consejo Nacional de Áreas Protegidas, and the National Cocoa Chain Committee), private sector representatives (such as Asociación Guatemalteca de Exportadores (AGEXPORT), Asociación de Productores de la Biosfera, Limitada (APROBIL), APROSACAO and COCAOL), civil society and international development organizations (including Defensores de la Naturaleza, Rain Forest Alliance, FAO (Food and Agriculture Organization of the United Nations), ICADE, FUNDER) and academic institutions (Universidad de San Carlos de Guatemala, Universidad Landivar, and Universidad Nacional de Agricultura in Honduras), to define and validate the practices and key elements for the AEI. This participatory approach ensured the final selection of practices was grounded in both technical knowledge and stakeholder relevance. **By the end of the project, it identified five categories of climate-smart production practices for inclusion in the AEI, surpassing the original target of four categories by 25 percent.**

Simultaneously, the project worked towards **Output 2.1.2**, the creation of the AEI framework and tool itself. This phase encountered initial delays related to hiring the specialized consultant and securing necessary governmental approvals, particularly following governmental transitions in Honduras which necessitated re-establishing contacts and obtaining endorsements. A consultant was eventually engaged in 2023, and the development of the AEI was initiated.

The consultants designed the AEI framework based on the practices identified in Output 2.1.1, defining the two analysis categories (effectiveness and implementation capacity) and the five core indicators (Water/supply management, Resistant Variety, Diversification, Transformation, Commercialization). For instance, the 'Resistant Variety' indicator was informed by consultations with FIA and observations of local Trinitario cocoa varieties used by APROSACAO members, while 'Water Management' incorporated findings on rainwater harvesting implemented by COCAOL and needs identified in drought-prone cardamom areas. This design drew upon sources like Intergovernmental Panel on Climate Change (IPCC) guidelines, specifically adopting the suggestion to standardize the index on a 0-1 scale. The process included establishing operational guidelines and discussing governance structures, with the Project Steering Committee (PSC) formally established following the Start-up Workshop in November 2022. The AEI itself evolved from a tool focused primarily on vulnerability assessment to a more comprehensive framework incorporating production, transformation, and commercialization components, a shift influenced by stakeholder feedback during workshops emphasizing the need to capture the full value chain dynamics. However, the complexity of the AEI tool also posed practical challenges for implementation, particularly for government partners such as SAG, which faced technical capacity constraints in applying the index without additional training and support. This highlighted the need for ongoing institutional capacity-building alongside tool development.

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A critical deliverable of this process was the AgroAdaptación web application launched in June 2024, providing a practical tool for data input and analysis. Originally, the project intended for the AEI and its AgroAdaptación platform to be transferred to government institutions, particularly the Ministries of Environment and Agriculture. However, political transitions, bureaucratic delays, and capacity constraints within these ministries made institutional adoption unfeasible within the project timeline. As a result, the platform is currently hosted and managed by Heifer, with plans to maintain it through 2026–2027 while promoting its adoption among private sector actors and external stakeholders through its ongoing and future projects.

Stakeholder validation of the tool was confirmed through final validation workshops held in Guatemala in November 2023 and Honduras in February 2024, where participants from various sectors provided positive feedback on the framework's relevance while also suggesting improvements for user-friendliness. Consequently, the project effectively created the AEI framework and digital tool as intended by Outcome 2.1. However, while the AEI's development goals were achieved, fully demonstrating its potential as a flexible and scalable index towards catalyzing greater investment during the project lifecycle was inherently limited due to time constraints, as elaborated in the effectiveness of Component 3.

In conclusion, under Outcome 2.1, the project successfully developed and validated the AEI framework and the AgroAdaptación web application, meeting its targets despite initial delays. A participatory, multi-stakeholder approach strengthened the AEI's technical foundation, though political transitions and institutional capacity constraints limited full adoption by government partners. While the tool's long-term scalability potential was established, full catalytic impacts on investment will require continued post-project support.

Based on the above assessment, the TE team gave the following performance ratings for Outcome 2.1 in accordance with the CI-GEF TE criteria.

Table 8: Outcome 2.1 Rating

Criteria	Rating
Relevance	Highly Satisfactory
Effectiveness	Highly Satisfactory
Efficiency	Highly Satisfactory
Overall Outcome Rating	Highly Satisfactory

4.2.2.3. Component 3: Integrating AEI into Premium Value Chains

KEQ 10. How effectively was the AEI integrated into supply chains, and what impact did it have on private sector investment in adaptation measures? What key enablers and obstacles influenced this process?

Under **Component 3**, the project sought to pilot the AEI by integrating it into three premium value chains, with the goal of promoting private sector engagement in climate adaptation. This component was designed to achieve two primary outcomes: **Outcome 3.1**, which focused on fostering the adoption of the AEI as a practical tool by companies to reach adaptation goals aligned with the GEF adaptation strategy, and **Outcome 3.2**, which aimed to increase awareness and knowledge of the connections between climate change adaptation and the resilience of value chains among key stakeholders and the public.

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Outcome 3.1: Adoption of the Adaptation Equivalency Index (AEI) by Companies to Achieve Key Adaptation Outcomes

Outcome 3.1 aimed to promote the adoption of the AEI as a practical tool for companies to meet adaptation goals aligned with the GEF adaptation strategy. The project planned to realize this outcome through one key **Output 3.1.1**, supporting participating companies in defining Key Performance Indicators (KPIs) and measuring progress on their AEI-related targets. The main performance indicator for this outcome was the number of companies signing agreements with Heifer to pilot the AEI. With a baseline of zero, the project set a target of securing agreements with six companies.

Table 9: Progress on Indicators Under Outcome 3.1

Outcome 3.1: The AEI is adopted as a valuable tool by companies to achieve key adaptation outcomes aligned with GEF adaptation strategy				
Outcome Indicator	**Baseline**	**Target**	**Progress till TE**	**Progress Rating**
Indicator 3.1: # of companies signing agreements with Heifer to launch pilot projects to use the AEI	0 Companies	6 companies	5	Partially met

As Table 9 indicates, the project made meaningful progress in advancing AEI adoption, securing **five signed agreements**, including 4 agreements with private sector and one with a government agency. These included FUNDALACHUÁ (cocoa) and FUNDECAR (cardamom) in Guatemala, and KAOKAMASA (cocoa and coffee) and COCAOL (coffee**)** in Honduras. Additionally, INAB in Guatemala signed an agreement to apply the AEI methodology within the cedar and pine forestry value chains. Although the project achieved **83 percent of its target**, it initially faced challenges in engaging the private sector. These included limited awareness of the AEI, concerns about its technical complexity, a lack of prior exposure to adaptation initiatives, and institutional instability in both countries. Delays in AEI development further reduced the window for company outreach. In response, the project pivoted by engaging INAB, a government agency, to formalize an agreement and broaden the AEI's application to public forestry value chains.

Despite this achievement, the project fell slightly short of its original goal of engaging six private sector companies in formal pilot agreements. Discussions were held with additional actors such as APROSACAO and Chocolates Alba in Honduras, and AGEXPORT and ADIRA in Guatemala, and agreements with APROBIL and APROSACAO were reported to be under development. However, these engagements did not culminate in fully signed and operational pilot projects within the project period.

The project also generated broader stakeholder interest in the AEI, particularly following the launch of the AgroAdaptación application in June 2024. A total of fourteen letters of interest were received, seven from Guatemala and seven from Honduras, demonstrating recognition of the AEI's value across producer associations (e.g., AHPROCAFE), cooperatives (including COCAOL), government institutions (e.g., SAG-Pronagro, MAGA units), and technical and research organizations (CUNOR, INTECAP, FAO). While this affirmed the AEI's broader relevance and potential for future uptake, it resulted in successful piloting with five companies, just one short of the target of six. Furthermore, considering the limited scope and scale, the project also faced challenges in engaging large-scale private sector businesses, which often require longer timelines and financial resources for decision-making and integration.

Progress toward **Output 3.1.1**, measured by the number of companies reporting metrics on AEI use, was closely tied to the formal piloting of the index. All five entities that signed agreement with the

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project reported AEI use metrics. In Honduras, KAOKAMASA and COCAOL applied the AEI metric through surveys in the cocoa and coffee value chains, respectively. In Guatemala, FUNDALACHUÁ applied the metric in cocoa, and FUNDECAR did so in cardamom, with AGEXPORT's response and agreement still pending. The INAB agreement also marked an important step toward applying the AEI in the forestry sector.

Additionally, internal Heifer initiatives such as Green Business Belt projects GBB1 and GBB2began using the AEI for internal planning and monitoring. Conversations and agreement development were also underway with GENESIS EMPRESARIAL and ANACAFE in Guatemala, and with APROBIL and APROSACAO in Honduras, suggesting potential future applications of the metric beyond the project's direct partners.

In summary, the project achieved notable progress in promoting the use of the AEI, securing five signed agreements with organizations across key value chains and sectors. Several entities began applying the metric, and broader interest was demonstrated through stakeholder engagement and letters of interest from diverse institutions. While the full intended scale of adoption was not reached during the project period, the groundwork has been laid for continued uptake and application beyond the project's lifecycle.

Based on the above assessment, the TE team gave the following performance ratings for Outcome 3.1 in accordance with the CI-GEF TE criteria.

Table 10: Outcome 3.1 Rating

Criteria	Rating
Relevance	Highly Satisfactory
Effectiveness	Satisfactory
Efficiency	Satisfactory
Overall Outcome Rating	Satisfactory

Outcome 3.2: Increased understanding of the links between climate change adaptation and target value chains

The project addressed **Outcome 3.2**, aiming to increase the understanding of linkages between climate change adaptation and target value chains among key industry leaders and the general public. This outcome was designed to leverage the development of the AEI by fostering broader awareness, which could potentially stimulate wider private sector engagement. As outlined in table 11, success was primarily measured by Indicator 3.2, targeting a 75 percent increase in knowledge among surveyed stakeholders from a zero percent baseline. This was supported by **Output 3.2.1**, involving the development of six communication plans by companies focusing on AEI's relevance for various audiences (Indicator 3.2.1).

Table 11: Progress on Indicators Under Outcome 3.2

Outcome 3.2: Increased understanding of the links between climate change adaptation and target value chains				
Outcome Indicator	**Baseline**	**Target**	**Progress till TE**	**Progress Rating**
Indicator 3.2: % of key industry leaders and members of the general public surveyed during the project showing increased knowledge of linkages between	0%	75% of survey respondents	69% **92% achievement**	Partially met

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Outcome 3.2: Increased understanding of the links between climate change adaptation and target value chains				
Outcome Indicator	**Baseline**	**Target**	**Progress till TE**	**Progress Rating**
climate change adaptation and the target value chains				

The project demonstrated substantial progress towards achieving Outcome 3.2 by its conclusion. The key performance indicator, reliant on survey data, was assessed through a survey conducted as part of the project's closing technical activities. The baseline survey with 200 participants showed that 64 percent had basic knowledge of climate change. By the project's closure, 395 surveys were collected, with 69 percent of respondents demonstrating improved understanding of the linkages between climate change and value chains.

Progress on Outcome 3.2 was also intrinsically linked to the activities planned under **Output 3.2.1**, the development of company-led communication plans about the AEI. Despite initial delays, attributed to the necessary focus on finalizing and validating the AEI tool first, the project ultimately developed **four communication plans,** including an engagement strategy for introducing AEI to external organizations, a Cocoa Adaptation Plan, a Cardamom Adaptation Plan, and a Forestry Adaptation Plan. These plans were developed collaboratively with stakeholders and align with AEI promotion and piloting efforts, **representing 67 percent of the target of six.** At the time of the TE, additional plans for Honduras were under preparation to support full achievement of the output target.

The project undertook a number of activities that indirectly contributed to knowledge sharing regarding climate adaptation linkages, primarily through the AEI development process under Component 2. The collaborative definition of the AEI's indicators and its validation involved discussions with diverse stakeholders, inherently raising awareness about these connections among those directly involved. While extensive stakeholder engagement occurred during the AEI's development and validation phases, involving government bodies, producer organizations, and technical institutions, this interaction supported the creation of the four company-led communication plans.

Furthermore, the final AEI tool itself serves as a framework embodying these linkages, and its successful transfer to the Promesa Coffee and Cocoa[27] in Honduras presents a potential pathway for future knowledge dissemination.

In summary, the project's effectiveness in meeting Outcome 3.2 was considerable, marked by the near achievement of the survey target, but moderately constrained by the incomplete development of the communication plans. Based on the above assessment, the TE team gave the following performance ratings for Outcome 3.2 in accordance with the CI-GEF TE criteria.

Table 12: Outcome 3.2 Rating

Criteria	Rating
Relevance	Highly Satisfactory
Effectiveness	Satisfactory
Efficiency	Satisfactory
Overall Outcome Rating	Satisfactory

[27] Promesa is a regional program by Heifer International that focuses on improving the livelihoods of smallholder coffee and cocoa producers in Latin America and the Caribbean.

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In conclusion, the project demonstrated strong overall effectiveness in advancing climate adaptation across target regions and value chains. It exceeded key targets in land management and producer engagement, significantly enhancing climate-smart agricultural practices and smallholder resilience. The development of AEI and its digital platform was completed as planned, backed by broad stakeholder validation. While full integration of the AEI into private sector operations fell slightly short of the original target, early adoption by multiple actors reflects strong potential for future scaling. The project's participatory approach, practical training methods, and strategic partnerships were instrumental in achieving its ambitious goals within a complex operating context.

Overall, the project's effectiveness was found to be ***Satisfactory*.** While some targets were exceeded or met, particularly around climate-smart practices and AEI development, partial achievement in private sector adoption indicates room for improvement. Nonetheless, the project was effective in delivering core objectives and establishing tools and capacities with strong replication potential.

4.2.3. Efficiency

4.2.3.1. Quality of Supervision by CI-GEF

KEQ 11. How effectively did CI-GEF provide oversight, technical support, and guidance to keep the project on track and responsive to emerging challenges?

The CI-GEF Agency, acting as the project's implementing agency, played a central role in providing overall project assurance. This included the release of GEF funds to the executing agency, Heifer International; ensuring compliance with financial standards; and supervising project development, implementation, and M&E processes. The agency also ensured adherence to GEF monitoring policies throughout the project's lifecycle.

CI-GEF fulfilled its mandate through several key mechanisms. It conducted regular reviews of progress reports, such as QPRs and annual PIRs, which were evaluated and approved by the CI-GEF Project Manager and M&E Manager prior to submission to the GEF. These reports were submitted on time and met quality standards. Additionally, CI-GEF approved critical planning documents including annual workplans and budgets and released funds in accordance with the approved timelines and allocations.

Technical guidance and oversight were also central to CI-GEF's role. The agency provided support to ensure compliance with CI-GEF policies and procedures, financial regulations, and Social and Environmental Safeguards. This included the review and approval of key safeguard instruments such as the GMP, IPP, SEP, and the AGM. During the project's inception phase, the CI-GEF Program Manager served as the primary liaison with Heifer International and conducted training sessions on CI-GEF project management procedures. Additional safeguard-specific training was delivered by the CI-GEF Safeguards Specialist.

In terms of M&E, CI-GEF provided continuous oversight and backstopping support. Although Heifer International was primarily responsible for executing M&E activities, CI-GEF remained actively involved. This included participation in PSC meetings and the execution of field supervision missions in January 2024 and February 2025. These engagements allowed CI-GEF to offer timely feedback and ensure adaptive management practices were employed. One notable example was the revision of the project's gender action plan following the supervision mission, which led to targeted gender sensitization training for women leaders in Guatemala. CI-GEF also operated as the final recourse for grievances through its EthicsPoint Hotline, reinforcing its accountability mechanisms.

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Finally, CI-GEF demonstrated flexibility and responsiveness to contextual challenges. For instance, it supported the project through a five-month delay caused by governmental changes in Honduras by approving the necessary start-up procedures and later granting a no-cost extension to facilitate full implementation of project activities. The evaluation team found that the quality of Heifer's reporting was strong, and Heifer was viewed as a proactive, engaged, and dependable partner, particularly valued for its direct on-the-ground involvement.

In conclusion, the evaluation determined that CI-GEF ***satisfactorily*** delivered on its responsibilities by providing robust financial oversight, policy guidance, technical support, and adaptive management. The agency's structured and responsive engagement played a vital role in keeping the project aligned with its goals and responsive to emerging challenges.

Table 13: Summary of the ratings[28]

Outcome	Relevance	Effectiveness	Efficiency	Sustainability	Outcome Final Rating	Comment
Outcome 1.1	HS	HS	HS	L	HS	Exceeded targets for hectares under improved management and producer training.
Outcome 1.2	HS	S	HS	L	S	Strong outreach, but gender disparity in income gains and early delays slightly affected progress
Outcome 2.1	HS	HS	HS	L	HS	AEI and digital tool successfully developed, but institutional uptake remains pending
Outcome 3.1	HS	S	S	L	S	Five companies signed MOUs: sixth

[28] HS = Highly Satisfactory; S = Satisfactory; L = Likely; ML = Moderately Likely

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Outcome	Relevance	Effectiveness	Efficiency	Sustainability	Outcome Final Rating	Comment
						under development. Engagement was challenged by AEI complexity and limited private sector familiarity with adaptation finance
Outcome 3.2	HS	S	S	L	S	Strong awareness-raising efforts with 92% of target reached. Monitoring systems for assessing depth of understanding and long-term uptake remain limited
Overall Project Outcomes Rating					S	The project demonstrated strong alignment with national priorities, effective delivery of climate-smart practices, and successful development of the AEI. Challenges included

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Outcome	Relevance	Effectiveness	Efficiency	Sustainability	Outcome Final Rating	Comment
						institutional uptake, private sector engagement, and disparities in benefits across gender, which influenced the level of results achieved across outcomes.

4.2.3.2. Work Planning

KEQ 12. How realistic and well-structured was the project's work plan in terms of timelines, milestones, and resource allocation, and how effectively did it adapt to changing circumstances?

The project experienced significant deviations from its initial 24-month timeline (July 2022–June 2024), largely due to external factors and initial planning limitations. However, it demonstrated adaptability in rescheduling activities and making significant progress towards key milestones.

Although project implementation began in August 2022, a one-month delay from the original planned date due to staff recruitment. Challenges also emerged early in the first year as a result of governmental changes in Honduras, which required extensive re-engagement with new public officials. This situation pushed the project's formal operational start and kickoff workshop to January 2023, about four months behind schedule. These early delays, caused by both internal staffing issues and external political shifts, marked the beginning of a cascading impact on project timing. Compounding these issues, the project team needed to restructure and present the annual work plan to national authorities after the launch. Simultaneously, foundational activities such as community identification, staff onboarding, and baseline development consumed a considerable portion of the first year. These delays significantly impacted the implementation timeline of the FY23 work plan and postponed the initiation of key technical activities. This delay also had downstream effects on other components, particularly Component 2, where AEI development depended on field-tested practices from Component 1. As a result, AEI finalization and the rollout of its application (AgroAdaptación) were pushed to mid-2024, compressing the window for pilot implementation under Component 3. Furthermore, political transitions in Guatemala during FY24 also necessitated repeated engagement with newly appointed authorities, which affected the pace of certain approvals, although technical field activities continued in parallel. The initial delays experienced during the first year had a cascading effect on the timing of subsequent project milestones, pushing several key deliverables beyond their originally planned dates.

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In addition to timeline challenges, the practicality of the initial work plan was further tested by limitations in resource allocation and contextual implementation factors. The practicality of the initial work plan was further challenged by constraints in resource allocation and contextual implementation factors. The project team identified and responded to mismatches between the project's fixed timelines and the seasonal demands of agricultural cycles, adjusting, for example, procurement schedules for inputs like cocoa when the original timeline failed to align with the appropriate planting season.

Stakeholder feedback further highlighted structural limitations in the project's design. Stakeholder interviews also indicated that the technical staffing structure, comprising just one coordinator, one technician, and one monitoring specialist per country, was perceived as insufficient given the project's broad geographic scope and number of targeted communities. This led to bottlenecks in field deployment, logistical coordination, and consistent follow-up. Moreover, the original work plan did not adequately account for operational realities, such as transportation limitations in remote areas, the need for translation into indigenous languages, or the time required for culturally sensitive engagement and alignment with safeguard measures related to Indigenous Peoples and Gender. Additionally, coordination with multiple institutional actors across both countries proved more time-consuming than initially anticipated. Some partners noted that limited engagement during the project design phase contributed to inefficiencies in later stages, particularly in scheduling joint activities and aligning implementation timelines. For instance, the partner organization APROSACAO reported that they were not involved in initial design consultations and received neither the AEI tool nor technical training for its use. Similarly, ICADE highlighted that while field-level collaboration worked well, they were excluded from the planning process and stressed the need for early involvement to align activities and avoid duplication.

Despite these compounding challenges, the project team maintained implementation momentum through adaptive work planning. Consequently, several milestones were eventually achieved with some delay. For instance, baseline activities, largely intended for completion within the first year of implementation, concluded in August 2023. The development of the AEI framework under Component 2, including the creation of the index itself (Output 2.1.2), was originally scheduled for completion by the end of 2023, but was finalized in February 2024. This was followed by the launch of the associated AgroAdaptación application in June 2024. Pilot projects under Component 1 were carried out across both fiscal years.

Ultimately, the project's operational timeframe was extended, with the final completion date moved to July 31, 2025, through a no-cost extension, thereby increasing the total project duration by 06 months (21 percent). This extension was secured primarily to accommodate the cumulative effects of the various delays experienced since inception, as well as the extended time required for completion of the baseline assessment and the piloting of the AEI framework.

In conclusion, while the project encountered considerable setbacks during its early and mid-implementation phases, it demonstrated flexibility and persistence in adapting to evolving circumstances. Delays stemming from administrative, political, and contextual factors influenced the pace of implementation across both countries. Nevertheless, the project managed to reschedule and execute its core activities, with key milestones ultimately achieved within the extended timeframe.

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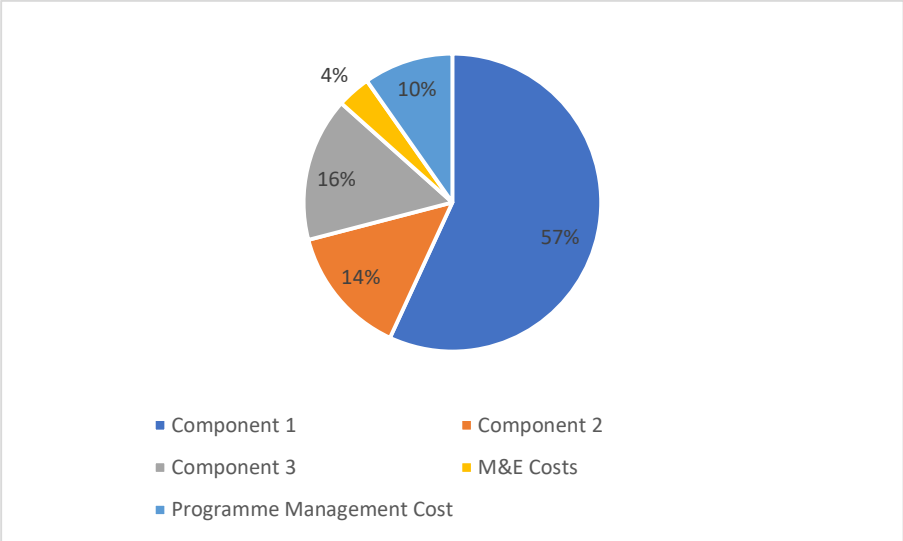
4.2.3.3. Finance

KEQ 13. How efficiently were financial resources, including GEF funding and co-financing, managed throughout the project?

The project was funded through a GEF grant of USD 892,431. This financial support was allocated across five budget categories: three technical components, M&E, and project management. As shown in figure 1, the largest portion, 57 percent, was allocated to Component 1, which focused on piloting climate-smart agricultural practices. Component 2 received 14 percent of the budget, while Component 3 accounted for 16 percent. The remaining allocation was directed towards Project Management (10 percent) and M&E (4 percent).

Figure 1: Percentage Allocation and Expenditure by Component



As of December 2024, the project had expended USD 775,034, representing 87 percent of the total GEF allocation. Table 14 Component 1 demonstrated the highest execution rate at 92 percent, reflecting consistent prioritization and implementation of field-level interventions. Component 2 followed with 90 percent, and Component 3 with 80 percent execution rates. In contrast, execution was more modest in cross-cutting functions, with Project Management and M&E utilizing 75 and 53 percent of their respective allocations.

Table 14: Component-wise Allocation and Expenditure15[29]

Outcomes	Donor Allocated Fund (USD)	Percent of Total Allocation	Expenditure (USD)	Percent of Expenditure	Percent of Total Expenditure
Component 1	507,684	57%	467,913	92%	60%
Component 2	125,694	14%	113,306	90%	15%
Component 3	139,538	16%	111,054	80%	14%
M&E Costs	32,570	4%	17,200	53%	2%
Project Management Cost	86,945	10%	65,561	75%	8%

[29] As of February 2025

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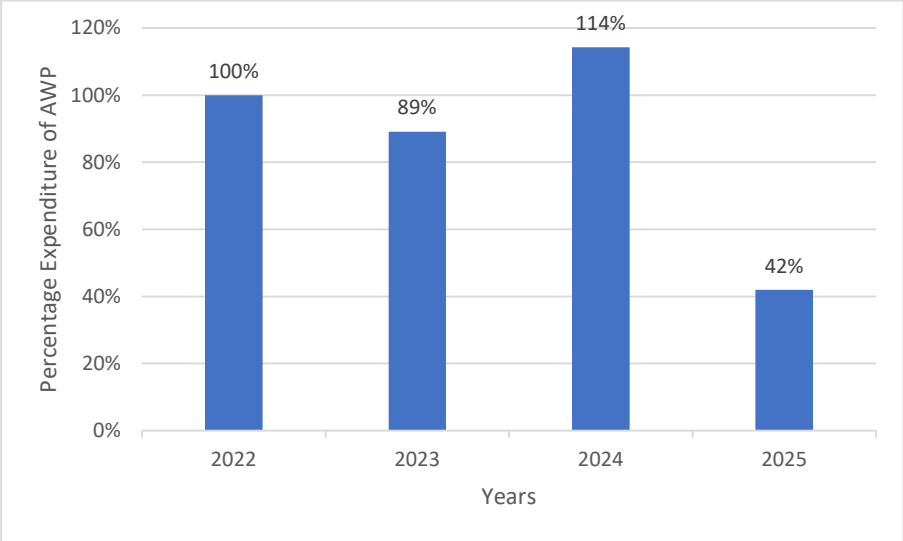
Outcomes	Donor Allocated Fund (USD)	Percent of Total Allocation	Expenditure (USD)	Percent of Expenditure	Percent of Total Expenditure
Total	892,431		775,034	87%	

In terms of annual financial performance, the project demonstrated adaptability in budget execution across its implementation timeline. As shown in figure 2 and detailed in table 14, the project achieved 100 percent execution of its Annual Work Plan (AWP) in 2022, a year primarily focused on recruitment and administrative setup. This performance was particularly noteworthy given the political transition in Honduras, which delayed official fund disbursement. During this five-month gap, Heifer International self-financed early implementation activities to maintain project momentum and ensure that technical groundwork could proceed as planned. In 2023, execution reached 89 percent, while in 2024 the project exceeded its planned budget, reaching 114 percent, reflecting a surge in field activity, input procurement, and technical delivery aligned with the completion of baseline assessments.

Notably, during a five-month delay in official fund disbursement caused by political transition in Honduras, Heifer International self-financed early implementation activities to ensure continuity, underscoring strong institutional commitment and mitigating operational disruptions.

Figure 2: Annual Expenditure as a Percentage of AWP



As of December 2024, the project utilized 42 percent of the 2025 AWP allocation. Given that financial implementation will continue through July 2025, this figure is expected to increase as final deliverables, reporting, and administrative closure processes are completed.

Table 16: Annual Budget Allocation vs Actual Expenditure (USD)[30]

Year	2022	2023	2024	2025
Allocated Budget as per AWP (USD)	48,440	408,691	317,275	108,022
Actual Expenditure (USD)	48,440	364,280	362,313	45,338
Percentage Expenditure of AWP (USD)	100%	89%	114%	42%

Despite initial delays in fund disbursement and challenges stemming from a lean staffing model that stretched technical teams across large and often remote areas, financial efficiency improved

[30] As of February 2025

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substantially in the second and third years of implementation. The strong budget absorption in 2024 reflects the project's responsiveness and ability to scale up delivery once operational systems were in place. Particularly, the project achieved strong results within the available budget, fully achieving or surpassing the majority of its targets while making significant progress toward the remainder.

In conclusion, the project's efficiency was ***Satisfactory***. Despite early delays, lean staffing, and limited resources, adaptive management and financial prudence enabled successful achievement of key outputs within the extended timeline.

4.2.4. Sustainability

KEQ 14. Are the project outcomes sustainable? Are there plans in place to sustain the outcomes?

The Evaluation identified several factors influencing the sustainability of project outcomes and found that while some plans are in place, their long-term success remains uncertain. The most consistent signs of sustainability were observed at the community and producer levels, where strong capacity was developed and where ownership structures supported ongoing practice. Within organized producer groups such as APROSACAO, COCAOL, and the San Luis Tonitzul women's group, the tangible benefits experienced, such as improved yields, access to specialty markets, and enhanced collective management capacity (e.g., pruning crews, community nurseries), created strong incentives that increase the likelihood of these practices being sustained.

Through training and provision of tools, the project promoted climate-smart agriculture techniques across participating communities. These included pruning, organic fertilization, shade management, nursery establishment, rainwater harvesting, and solar drying. Many beneficiaries expressed commitment to continuing these practices, citing improved technical autonomy and access to community-managed resources. Local structures such as field schools and lead farmer models helped embed knowledge within communities and provided peer-to-peer support, strengthening local ownership and continuity of practices. Institutionally, Heifer International aimed to sustain outcomes by incorporating the AEI methodology into its ongoing regional programs. These include the Sustainable Future of Coffee and Cocoa and Promesa Coffee and Cocoa initiatives in Honduras. The Evaluation found additional evidence of sustainability planning, with Heifer actively applying the AEI tool in Mexico and Haiti and exploring expansion to other regions such as Africa and Asia. Internal initiatives like Green Business Belt projects GBB2 and GBB3 also began using the AEI for planning and monitoring. Additionally, discussions and agreement development with GENESIS EMPRESARIAL and ANACAFE in Guatemala, and with APROBIL and APROSACAO in Honduras, suggested potential future applications beyond the project's direct partners.

In addition, under Outcome 3.1, the project aimed to promote the AEI as a practical tool for companies to achieve adaptation goals aligned with the GEF adaptation strategy. Five companies signed agreements to pilot the AEI, and notably, the national forestry agency INAB in Guatemala also engaged with the tool in the cedar and pine value chains. This engagement not only demonstrated the AEI's relevance beyond agriculture but also laid the groundwork for public-sector uptake. The participation of INAB and private sector actors enhances the potential for broader institutional ownership and cross-sector scaling, which is critical for the long-term sustainability of AEI as a monitoring and planning tool.

Additionally, the AgroAdaptación web application, developed to support AEI implementation, was scheduled to be hosted on Heifer servers for two years after the project's end, with a planned transfer to national programs such as Promesa Coffee and Cocoa. However, due to difficulties in hosting the

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tool on a government server, Heifer has decided to continue hosting it for an additional two years. This stopgap arrangement ensures short-term access but represents a potential risk to long-term sustainability if no institutional hosting solution is secured within that timeframe.

However, there were also notable challenges to sustainability. Some visited communities remain reliant on external technical support and assistance for equipment maintenance or replacement, particularly among less organized groups and for higher-cost items. This raises concerns about their ability to maintain gains without ongoing support or funding. The AEI tool's continued use outside Heifer also faced uncertainty. While awareness-raising efforts were carried out and interest was shown, actual adoption remained limited. Stakeholders such as SAG and APROSACAO highlighted the tool's complexity and the need for specific training, which prevented broader independent use. The inherent complexity of the AEI tool presented a risk to its sustained use by organizations lacking dedicated technical and financial resources for ongoing training and application. The AEI's integration into national systems was not achieved during the project period, partly due to recurring changes in government personnel, which required repeated socialization and validation efforts, significantly impacting the ability to firmly embed the AEI within national systems. Additionally, while some producer organizations showed interest, broader engagement from private sector actors was limited. Finally, a lack of clearly defined, long-term funding mechanisms for continued technical support, tool maintenance, and broader scaling efforts across all value chains and communities represented a considerable gap in the sustainability planning.

In conclusion, sustainability was strongest at the farm and community level, where the combination of technical skills, local motivation, and support structures were well established. In contrast, sustainability at the institutional level, especially regarding the AEI and long-term technical support, remained less certain due to resource constraints, limited system integration, and ongoing reliance on external support. Some of the key risks to sustainability including financial, sociopolitical, institutional, and environmental factors are discussed further under the section 4.3.

4.3. Key Risks and Overall Project Sustainability

KEQ 15. What is the likelihood that the project's benefits, including improved climate resilience, increased incomes, and enhanced knowledge, will be sustained beyond the project's completion, considering key risks?

The Evaluation identified several key risks that could undermine the sustainability of the project's benefits beyond its completion. These risks spanned institutional, financial, sociopolitical, and environmental domains, with institutional risks proving especially prominent, and in some cases already realized, during project implementation.

Institutional risks were evident in both countries. Frequent changes in government personnel and leadership within key partner ministries created significant disruptions. In Honduras, this political turnover led to a five-month delay in project initiation, as the new administration required project validation before activities could proceed. Throughout the project, repeated efforts were needed to re-engage officials, present the project, and secure endorsements in both Honduras and Guatemala. This recurring need for re-socialization and re-validation significantly hindered efforts to embed project tools, such as the AEI, within national systems and to cultivate consistent, high-level government support.

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Capacity gaps within partner institutions further compounded these challenges. For instance, SAG in Honduras reported that neither it nor the National Cocoa Chain Committee had the immediate capacity to apply the AEI tool independently, citing the need for dedicated training and ongoing technical assistance. Institutional risks were also evident at project closure, when the departure of key technical staff raised concerns about the continuity of support and the potential weakening of established relationships with communities. In parallel, plans to transition the AgroAdaptación web application to government servers encountered barriers, prompting Heifer to continue hosting it temporarily. This workaround addressed short-term access but left the tool's long-term institutional home unresolved.

Financial risks also posed a serious threat to sustaining project outcomes. While the project provided critical equipment and tools, some communities, such as Kao Kamasa beneficiary group, highlighted the need for future external assistance to maintain or replace high-cost items. This signaled a gap in financial self-sufficiency and a reliance on continued external input. Moreover, the project lacked a clearly articulated exit strategy and did not establish long-term funding mechanisms accessible to communities or local partners for ongoing technical support and equipment upkeep.

The AEI tool itself presented financial challenges. Potential adopters, including APROSACAO, viewed its application as time- and resource-intensive, potentially prohibitive without external funding or clear financial incentives. These constraints raised concerns about the tool's voluntary uptake and sustainability beyond Heifer-led pilots and programs.

Sociopolitical risks were linked to the project's design and operational reach. By targeting a broad geographic area, the project encountered limitations in follow-up capacity due to a lean technical staffing model. Several stakeholders noted that this may have led to an uneven depth of engagement, particularly among less organized or more marginalized producer groups, creating a risk of fragmented or short-lived impact. Sustained inclusive engagement also faced practical hurdles. For example, the need for translation into Q'eqchi' in Guatemala represented an ongoing resource requirement, both in time and cost, that could pose a barrier to continued effective outreach if not maintained post-project. While the project did conduct Free, Prior, and Informed Consent (FPIC) processes and made efforts to include Indigenous Peoples, ensuring their ongoing meaningful participation and benefit in the absence of project structures remains a sustainability concern.

Environmental risks further complicated the outlook for sustainability. The project operated in areas highly vulnerable to climate change impacts, including drought, erratic rainfall, pests, and diseases. These risks were frequently mentioned by beneficiaries during interviews and focus group discussions. Although the project introduced climate-smart practices to strengthen local resilience, the underlying environmental threats persist. There is a continued risk that future climate variability or extreme events may overwhelm the coping strategies developed, potentially reversing gains in yield, income, and stability, and requiring further, potentially unfunded, adaptation efforts.

In summary, the sustainability of project outcomes faced multidimensional risks that extended beyond technical implementation. Institutional instability, financial uncertainty, sociopolitical challenges, and environmental pressures all posed threats to the long-term continuation of benefits. These risks, in some cases already experienced during implementation, underscored the fragile conditions under which sustainability must be maintained.

Table 17: Key Risk Categories and Residual Ratings

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Risk Categories	Ratings	Assessment And Mitigation Measures
Context		
Climate	Moderate	The project operated in regions highly vulnerable to droughts and extreme weather. Risk mitigated through climate-smart practices, agroforestry, and training in adaptive production techniques.
Environment and Social	Moderate	Risks related to gender inequality, IP inclusion, and land use were managed through ESS instruments (IPP, GMP, SEP, AGM). Continued community participation is required post-project.
Political and Governance	Substantial	Political transitions in both countries delayed activities and required re-engagement. Adaptive management and established networks mitigated some impacts.
Innovation		
Institutional and Policy	Moderate	While aligned with national policies, limited institutional capacity (especially for AEI uptake) poses risks. Ongoing technical support is needed for scale-up.
Technological	Low	The AgroAdaptación tool functioned as intended; risks mitigated through training and iterative development.
Financial and Business Model	Substantial	AEI's ability to catalyze private investment is not yet proven. Business model requires further validation and engagement.
Execution		
Capacity for Implementation	Moderate	Heifer's field presence was a strength, but early delays showed staffing and coordination gaps. Improved over time through team restructuring.
Fiduciary	Low	No major fiduciary risks identified. Financial reporting was regular, and CI-GEF oversight was consistent.
Stakeholder	Moderate	Participation was strong at the community level, but uptake by larger private actors was limited. Risk remains for AEI adoption beyond project.
Other	Low	No additional major risks identified.
Overall Risk Rating	Moderate	

Overall, the project's sustainability is expected to be ***Moderately Likely*****.** There is strong sustainability at the grassroots level and Heifer also intends to continue replicating/upscaling project outcomes in its future initiatives. However, lack of institutional uptake of AEI by government or entities such as UNCCD, and absence of long-term financing mechanisms reduce the likelihood of durable system-wide impacts.

4.4. Progress to Impact

KEQ 16. What were the direct and indirect impacts (both positive and negative) of the project on environmental sustainability, social equity, economic development, and institutional capacity at local and broader scales?

The Evaluation found that the project had notable direct and indirect impacts across the domains of environmental sustainability, social equity, economic development, and institutional capacity, primarily within participating communities in Guatemala and Honduras.

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The most immediate environmental benefits emerged from the introduction and adoption of climate-smart agricultural practices under Component 1. Before the project, many farmers faced soil degradation and lacked knowledge of climate-resilient methods. Through initiatives such as practical field schools and input provision, producers engaged in actions that advanced environmental sustainability. For example, communities like Flor de Café adopted new environmental messages, including "If we set fire to the earth, she suffers too," leading to a reported abandonment of traditional burning practices. Organic fertilization techniques were promoted through training in bokashi and liquid microorganism mix preparation, reducing dependency on agrochemicals. In response to climate shocks, such as the drought that devastated cardamom crops, the Asociación Resurrección Balam shifted to producing organic fertilizer through a vermicompost bio factory, supporting food security and soil health. Further interventions included soil conservation through ground cover and in-situ decomposition, and water conservation via rainwater harvesting systems with geomembranes and spring protection, helping communities better cope with water stress. Nurseries established in areas like Gualaco and Catacamas enabled coffee farm renovation with improved varieties such as Parainema, mitigating pressure on forest areas and reducing habitat loss.

Additionally, the project encouraged transitions to diversified agroforestry systems, evident in communities like Flor de Café, where farmers integrated fruit and timber species alongside cocoa. While some practices had pre-project origins (e.g., FUNDALACHUÁ's agroforestry work), the project reinforced and expanded them by providing targeted support and planning demonstration plots. Reduced deforestation for pastureland was another noted benefit tied to the project's promotion of sustainable land-use practices.

Socially, the project promoted inclusion and strengthened community structures, although some institutional and cultural challenges persisted. Prior to the intervention, many communities lacked organized structures for collective action, and women's involvement in agricultural decision-making was minimal. The project addressed these gaps through its GMP and tailored activities. Gender equity advanced notably in cocoa and allspice value chains, where women actively participated in training, assumed leadership roles, and pursued entrepreneurial ventures. A strong example is the San Luis Tonitzul Women's Group, consisting of 37 women, who received training in cocoa nursery management and grafting, skills they identified as essential for starting their own businesses amid economic hardship often tied to male migration. Similarly, women in communities like Flor de Café reported active involvement as both individuals and family representatives, noting a sense of inclusion and absence of discrimination. The formation of community pruning crews further encouraged collective work and enhanced social cohesion. Furthermore, collaboration with educational institutions like Centro Don Bosco resulted in over 600 students learning within project-supported agroforestry plots and receiving planting materials to share with their families, directly enabling the replication of benefits in their home communities. However, gender inclusion remained more limited in the cardamom value chain.

Indirect social impacts also emerged. Even producers initially hesitant to trial climate-smart practices were influenced by AEI dissemination and training, leading to voluntary actions such as tree planting on degraded lands and exploration of water-saving technologies, extending the project's influence beyond direct beneficiaries.

Economically, the project brought both positive to participants' livelihoods. Farmers previously confronted barriers such as poor market access and low prices. The project helped address these

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through strengthened market linkages, particularly in Honduras. For instance, smallholder producers connected with associations like APROSACAO gained access to formal markets, selling cocoa at international prices. Yield improvements were significant. Enhanced pruning techniques, taught in field schools and supported by tool provision, enabled producers in Flor de Café to report harvest increases from 150 pounds to over 1,200 pounds per cut, a 700% improvement on well-managed farms. The introduction of solar dryers also elevated cocoa quality, opening access to premium micro-lot markets, with prices rising by 150 to 200 percent from 16–20 HNL/lb. to 40–60 HNL/lb. for some. Diversification strategies bolstered economic resilience. Agroforestry systems were expanded to include crops such as avocado, Persian lime, bananas, cinnamon, and pepper, along with complementary income-generating activities like beekeeping.

At the institutional level, the project strengthened capacities both locally and nationally. Local organizations such as APROSACAO and COCAOL received technical training and support to develop structures for managing nurseries, equipment, and digital tools. The implementation of a "lead farmer" model fostered localized technical leadership and knowledge sharing. Nationally, a key achievement was the development and validation of the AEI. The AEI's value was recognized by government entities, including IHCAFE, SAG, MARN, and INAB, and its adoption facilitated policy engagement. For instance, Guatemala's Ministry of Environment acknowledged its utility in guiding the 2026 National Adaptation Plan revision and informing NDC reporting. A significant institutional milestone was the formal handover of the AEI and its hosting to the National Promesa Coffee and Cocoa Program in Honduras, supporting long-term sustainability. Additionally, the project enhanced Heifer's internal capacity to design and deliver climate-resilient interventions within its broader programming framework.

In conclusion, the project generated significant direct and indirect impacts on environmental sustainability, social equity, economic development, and institutional capacity at local and national levels. Climate-smart agricultural practices improved land stewardship, livelihoods were strengthened through market linkages and yield gains, and gender equity advanced notably in some value chains. Institutional capacities were enhanced through technical training and the development of the AEI, supporting broader climate adaptation frameworks.

4.5.M&E Design/Implementation

KEQ 17. How effective was the project's M&E system in tracking progress, identifying challenges, and informing adaptive management decisions?

The project was supported by a well-structured M&E system, established during the design and inception phases. A comprehensive Project Results Framework outlined project-level, outcome, and output indicators. This was complemented at inception by a detailed Project Results Monitoring Plan, which defined indicators, metrics, methodologies, reporting frequency, and responsible parties for data collection. The plan also specified indicative resources and incorporated standard GEF requirements such as the inception workshop and report, baseline data collection QPRs, annual PIRs, tracking of GEF Core Indicators using the Adaptation Tracking Tool, PSC meetings, CI-GEF supervision missions, and TE. Specifically, the Core Indicators tracked included Core Indicator 1 (Total direct beneficiaries, disaggregated by gender) for which the project engaged 7,560 producers; Core Indicator 2 (Hectares of land managed for improved climate resilience) achieving 1,518 hectares; Core Indicator 3 (Number of policies/plans that will help mainstream climate resilience), influencing three national and sub-national plans; and Core Indicator 4 (Number of people trained, disaggregated by gender),

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with at least 660 people receiving direct training. As a Medium-Sized Project, no Mid-Term Review was planned or undertaken.

Heifer International, as the EA, was responsible for ensuring timely and comprehensive implementation of M&E activities. This included organizing the inception workshop, preparing periodic reports, and documenting lessons learned. Day-to-day monitoring and data collection were managed by the Project Management Unit (PMU), while the PSC provided oversight and the CI-GEF Agency ensured quality assurance and backstopping support. This assurance function included conducting field supervision missions, such as the one undertaken in January 2024 and February 2025, which allowed the Agency to assess project progress and implementation firsthand.

Although the project experienced initial delays due to governmental transitions in Honduras, which delayed activity start-up until early 2023, it successfully operationalized its M&E system. The inception workshop took place in November 2022, followed by baseline data collection in both countries, completed by August 2023 through surveys and stakeholder workshops. These benchmarks proved vital for tracking progress against targets.

The project consistently produced QPRs and PIRs that aligned with GEF reporting requirements. These reports were instrumental for project management and the TE, providing comprehensive insights into progress, lessons learned, and the evolution of project activities. For example, the FY24 PIR reported that 1,518 hectares were under improved climate resilience practices and 7,560 producers had been engaged. The M&E system also effectively tracked the development and validation of the AEI and its application, as well as progress on safeguard plans, including the AGM, GMP, IPP, and SEP. These documents followed the prescribed format and reported gender-disaggregated data in the Safeguards section.

Importantly, stakeholder interviews and community consultations enhanced the M&E system. Producers acknowledged improvements in yield and market access linked to training activities, confirming that tangible impacts were being captured. Interviews also validated the inclusion of women across project activities, supporting the reliability of gender-related data and outcomes. PIR documentation further demonstrated the use of M&E for adaptive management in response to evolving institutional contexts. For instance, political delays were well documented, enabling adaptive responses such as Heifer's self-financing of early activities and the approval of a No-Cost Extension to July 2025. Operational challenges were identified and addressed through the M&E process. Language barriers necessitated translation into Q'eqchi, while limited internet access led to the introduction of physical grievance boxes alongside the online AGM system. Feedback from AEI validation workshops and consultations with partners such as SAG flagged the tool's complexity and the need for additional capacity building, prompting adjustments in implementation support. Monitoring pilot projects also contributed valuable insights. For example, M&E identified successes such as the establishment of a coffee nursery and adoption of agroforestry techniques, as well as challenges like drought impacts on cardamom crops, which led to a project shift toward vermicomposting in one community.

However, the M&E system did face limitations. Attributing income changes directly to project interventions within the limited project timeframe was acknowledged as a challenge. These issues highlighted the inherent complexity of measuring certain outcomes. Additionally, delays in appointing a Gender and Safeguards Specialist hindered early identification of gender-specific adaptation outcomes, though this was gradually resolved in the project's second year.

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In conclusion, the project's M&E system was effective in tracking progress, identifying operational and contextual challenges, and informing adaptive management. Despite some initial delays and attribution challenges, the system enabled responsive decision-making, enriched by stakeholder feedback and consistent reporting, and demonstrated flexibility in adjusting to unforeseen changes, thereby supporting the achievement of project goals under dynamic conditions.

The M&E system design was ***Satisfactory***, as it was well-designed. Similarly, the M&E system implementation was ***Satisfactory***, as the designed M&E framework was implemented and contributed significantly to adaptive management.

4.6. Project Execution

KEQ 18. How well-defined, efficient, and effective were the project execution arrangements, including the roles and responsibilities of Heifer International, the PMU, and other partners?

The execution of the project was structured around a collaborative model involving CI as the IA and Heifer International as the EA. Heifer International assumed primary responsibility for overall project management and implementation in both Guatemala and Honduras. This included overseeing technical operations, financial administration, procurement, M&E, reporting, and coordination with a broad range of stakeholders. Notably, this project marked the first multi-country initiative implemented by Heifer International in the Latin American region, requiring coordinated operations, staffing, and stakeholder engagement across national boundaries.

To support these responsibilities and facilitate coordinated oversight across countries, a structured governance and management arrangement was implemented. To ensure clear governance and strategic direction, a multi-level structure was established. At the strategic level, a **PSC** was formed in November 2022. The PSC included representatives from Heifer International and government agencies in both countries, with CI-GEF participating as a non-voting member. Meeting bi-annually, the PSC provided strategic oversight, reviewed progress, approved work plans and budgets, and ensured alignment with national priorities.

Day-to-day management was handled by the **PMU**, housed within Heifer International in Guatemala. The PMU operated under a unified structure but had personnel distributed across Guatemala and Honduras to manage country-specific operations. The PMU was led by a Guatemala-based Program Director, who provided overall strategic oversight. Supporting this role were a Technical Lead (also in Guatemala) responsible for guiding implementation and technical inputs, and a Coordinator in Honduras who managed local operations.

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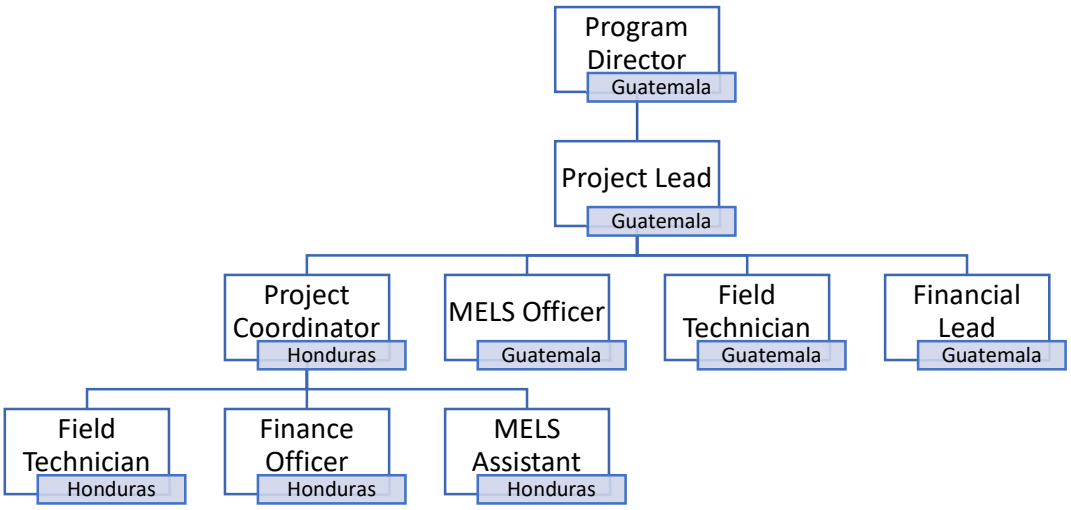
Figure 3: Project Organizational Implementation Structure[31]



The diagram provided in figure 3 visually reinforces the division of roles and hierarchical coordination described in the preceding paragraphs. Country teams consisted of Field Technicians, Monitoring, Evaluation, Learning, and Safeguards (MELS) Officers and Assistants, Finance Officers, and administrative staff. The project's approach benefited from Heifer International's longstanding presence in the target regions and pre-existing relationships with local producer groups and community organizations. Local Heifer staff, many of whom were Indigenous themselves, played a central role in maintaining trust and facilitating stakeholder participation. Community-level engagement was led by Climate Change Adaptation Technicians who prioritized communities using criteria such as organizational structures, crop types, and women's participation in value chains. These efforts were supported by Component 1 activities such as field schools, exchange visits, pruning crew formation, and the distribution of materials including solar dryers and nursery supplies.

To complement the in-house expertise, consultants were engaged for specialized functions, particularly in developing the AEI and providing expertise on gender and safeguards. The project's staffing approach emphasized multifunctionality across roles. Despite the small size of the team relative to the number of communities served, the structure proved functional. Team members adopted a multi-functional approach. For instance, field technicians delivered technical training, facilitated community meetings, collected M&E data, and supported safeguard implementation, while coordinators contributed to planning, partner engagement, technical oversight, and reporting. Staff turnover did present some challenges, with changes in key positions including the Coordinator, M&E Technician, and Administrative Assistant in Honduras and the Project Administrator, and MELS Officer in Guatemala. However, these transitions did not significantly disrupt operations, as the core structure and collaborative culture helped maintain continuity and momentum.

Communication across country teams was found to be generally effective, though there were occasional delays, particularly in the flow of information from Honduras to the Guatemala-based

[31] Source: Heifer International, provided to evaluation team during implementation phase.

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leadership. Language differences also posed a minor barrier, as the primarily Spanish-speaking Honduras team required translation support for coordination with CI, the English-speaking IA. Recognizing that the virtual implementation approach, conceived during the project's design phase amid the COVID-19 pandemic, proved impractical for effectively engaging the target communities due to limitations such as poor internet connectivity and low digital literacy, the project adapted to a predominantly in-person implementation approach, which, despite increasing operational costs, was seen as essential for engaging effectively with communities in the target regions.

The strength of the project's implementation arrangements was also reflected in the collaboration with external partners. A cornerstone of the project's success was its strong coordination and collaboration with partners at various levels in the public and private sectors, academia, and civil society, as detailed in the section on stakeholder engagement. However, some partners noted that the project's broad scope sometimes exceeded their available technical capacity.

Challenges in political and administrative environments, especially early in the project, further tested the resilience of the execution arrangements. The project experienced notable challenges during the initial implementation phase, including a five-month delay in Honduras due to the need for validation by new government authorities. During this time, Heifer International maintained progress by self-financing initial activities and actively engaging with municipalities and indigenous organizations to establish project legitimacy. Political transitions and instability in both countries continued to impact timelines, necessitating ongoing adaptation and repeated engagement with newly appointed government officials.

The collaborative governance structure, grounded partnerships, and strong local engagement ultimately ensured the project's relevance and effectiveness in the field. Despite early delays and political instability, the project's execution arrangements proved generally effective. Heifer International's established local presence, flexible team structure, and adaptive management helped navigate challenges and maintain steady progress across all components.

Execution arrangements were found ***Highly Satisfactory,*** as staffing was clearly defined, responsive, and largely effective despite lean staffing and political complexity. Minor operational inefficiencies did not undermine overall delivery quality.

4.7. Environmental and Social Safeguards

The project was screened and classified as Category C, signifying that it was expected to have minimal or no adverse environmental and social impacts. Despite this low-risk categorization, the ESS framework was appropriately and proactively applied, recognizing the complex socio-environmental context of the project sites in Guatemala and Honduras. Key considerations included the presence of indigenous communities, significant gender-based vulnerabilities, and biodiversity-sensitive areas.

As part of project preparation, several core safeguard instruments were required to ensure inclusive and responsible implementation. These included an IPP, GMP, SEP, and an AGM. Together, these plans were designed to promote equitable participation, enable benefit-sharing with vulnerable populations, and establish mechanisms for transparency, feedback, and redress.

While the safeguard design and screening processes were thorough and aligned with best practices, the actual implementation and effectiveness of these measures, particularly regarding the rights of

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indigenous peoples, gender inclusion, stakeholder engagement, and grievance mechanisms, are further assessed in the following subsections.

4.7.1. Indigenous People

KEQ 19. How effectively did the project safeguard the rights, participation, and cultural considerations of indigenous communities?

The project operated in regions with a significant presence of Indigenous Peoples, notably the Q'eqchi' Maya in Guatemala, constituting over 90 percent of the population in the project's intervention areas; and the Pech and Tawahka communities in Honduras' Olancho department, where they represented a smaller proportion of the overall population. In recognition of this demographic context and the potential risks associated with interventions on traditional lands and cultural practices, the project triggered Environmental and Social Standard 4 on Indigenous Peoples. It committed to safeguarding their rights through culturally appropriate engagement, benefit-sharing, and the application of Free, Prior, and Informed Consent (FPIC) processes. A formal IPP was developed and implemented in line with GEF environmental and social safeguard policies, with a particular focus on demonstration sites under Component 1.

During implementation, the project took deliberate steps to ensure inclusive and respectful engagement with Indigenous communities. Safeguard specialists were hired early in the process for both Guatemala and Honduras to update the IPPs and other safeguard instruments. In Guatemala, project materials were translated into Q'eqchi', the primary language spoken in the intervention areas, and visual formats were used to accommodate varying literacy levels. The FPIC process was conducted through a combination of structured surveys, stakeholder interviews, and a series of dedicated workshops held in communities such as Aldea Setzí (Chisec), Aldea San Luis Tonitzul (Raxruhá), and Aldea Jolomijix II (Panzós). These workshops ensured that Indigenous Peoples were adequately informed and able to provide consent in ways aligned with their cultural norms and governance structures.

In Honduras, a comparable approach was taken to ensure that Indigenous Peoples were engaged through appropriate local channels. Engagement with the Pech communities, including Subirana and Vallecito de Dulce Nombre de Culmí, was facilitated through direct coordination with their representative councils and the Federation of Pech Indigenous Tribes of Honduras. This engagement with traditional authorities and alignment with local governance systems was part of the project's strategy to build legitimacy among these communities. Interviews with Indigenous Peoples beneficiaries, such as the Kao Kamasa Pech group, confirmed their active participation in project activities, including field schools, trainings, and exchange visits. They specifically noted that their access to the project was facilitated through their tribal organization, which enabled targeted and culturally aligned participation.

Building on these efforts, the project's implementation approach emphasized working through existing community structures, such as Consejos Comunitarios de Desarrollo (COCODES) and local producer associations. These entities served as key intermediaries in coordinating FPIC processes and follow-up engagements. The project's model of engaging existing community structures, such as COCODES and producer associations, was designed to facilitate informed decision-making and localized oversight. Complementing these engagement strategies, the AGM was introduced during FPIC workshops, with

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a culturally sensitive approach to reporting and redress. Communities were made aware of these systems and were given opportunities to ask questions and provide feedback during open forums.

Under Component 1, Indigenous producers were directly involved in activities such as agroforestry promotion and value chain support for crops like cocoa and coffee. These activities were carried out on Indigenous lands, and the project made efforts to provide training and tools in culturally sensitive ways, such as through translation into Q'eqchi' and the use of local Indigenous staff. A key strength in Guatemala was the project team's composition, which consisted entirely of Indigenous field staff, aligning with principles of culturally appropriate implementation and potentially fostering community trust.

Despite these strengths, the project did face some challenges in fully safeguarding Indigenous Peoples' rights and ensuring inclusive participation. In its early phases, particularly as noted in the Honduran context by a project partner, the project tended to prioritize engagement with organized producer groups, which may have inadvertently excluded less formally organized Indigenous individuals or communities. While this approach facilitated coordination and implementation, it also risked marginalizing those without affiliation to structured organizations. However, in Guatemala, the project demonstrated adaptability by engaging with less formal structures, such as an Indigenous women's group, and adapting language and training approaches to support their participation and capacity-building. Additionally, project rollout in Honduras faced initial delays due to government transitions, which affected early institutional validation and slowed the start of safeguard-related activities.

In conclusion, the project ***satisfactorily*** safeguarded the rights, participation, and cultural considerations of Indigenous communities through the implementation of the IPP, FPIC processes, and culturally adapted engagement strategies. The use of Indigenous languages, local governance structures, and Indigenous staff strengthened trust and inclusion.

4.7.2. Gender

KEQ 20. How successfully did the project integrate gender considerations, promote women's participation, and ensure equitable benefits for men and women in climate adaptation activities?

The project demonstrated a structured approach to integrating gender considerations from its inception, guided by a **GMP** approved prior to implementation. This plan was designed to ensure equitable benefits and explicitly recognized the disproportionate vulnerability of women in Guatemala and Honduras to climate change impacts, stemming from structural inequalities in access to resources, land ownership, education, decent work, social security, and participation in decision-making. Cultural norms, particularly machismo, were identified as significant barriers that restricted women's involvement in specific value chains and economic activities outside the home. The project **design** also incorporated sex-disaggregated targets within its results framework and outlined specific actions to address identified gender gaps across participation, benefit sharing, training, and monitoring. These strategic commitments laid a foundation that informed concrete implementation practices throughout the project lifecycle.

Institutionally, Heifer International mobilized its existing structure to support gender integration, including Social Capital Officers and **gender experts**. Notably, female indigenous social capital experts were engaged in Guatemala, with dedicated specialists in Honduras and support from global consultants. The GMP also mandated the early implementation of gender-related safeguards, including culturally appropriate grievance mechanisms and participatory engagement processes.

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These were operationalized during the environmental and social **safeguard assessments** conducted in communities across both countries. As these institutional measures took effect, they helped ensure that gender inclusion was not only planned for, but actively advanced at the community level.

Efforts to promote both women's and men's participation were evident throughout **implementation**. While the project aimed to equip 12,125 producers including 40 percent (4,850) women, with the knowledge and tools to adapt to climate change using improved farming practices, and aimed to increase the incomes of 6,042 producers including 2,416 women, the project ultimately reached 4,674 men and 1,456 women who reported increased income as a result of their participation. The project aimed to equip 12,125 producers with the knowledge and tools to adapt to climate change, including 40 percent (4,850) women. By the end of the project, 5,167 men and 2,393 women were equipped with climate-smart farming practices, disaggregated by country as follows: 2,185 men and 1,040 women in Guatemala, and 2,982 men and 1,353 women in Honduras. Field visits and baseline assessments explicitly focused on identifying the roles of both men and women in prioritized value chains such as cocoa and allspice. Trainings were tailored to the needs of all participants, with specific consideration for women's need, such as attention to appropriate scheduling, accessible venues, visual materials, and use of local languages, including Q'eqchi translation in Guatemala to improve inclusivity. Men and women actively engaged in field schools, technical training sessions (including cocoa management and organic fertilizer production), exchange visits, and community organizational activities, as confirmed by evaluation interviews with partners and community groups such as APROBIL, COCAOL, and Flor de Café. Men, as primary landholders and often heads of households, were key participants in adopting new agricultural techniques and utilizing project-provided tools, which directly contributed to improved farm management and yields. The project also engaged men in discussions around social capital and household decision-making, aiming to foster more equitable dynamics. The project also demonstrated adaptive management, initially observing lower female participation but then implementing targeted strategies, such as seeking out and engaging women-only groups where appropriate, particularly in Guatemala. Initiatives such as the formation of women-led groups and inclusion in lead farmer models further demonstrated intentional strategies to enhance women's participation. For instance, the San Luis Tonitzul group in Guatemala was composed entirely of women (37 participants), while the San Isidro Tonzul group included 15 women trained in chocolate-making and nursery practices.

In addition to promoting participation, the project also aimed to ensure equitable access to benefits for men and women participating in climate adaptation activities. Both men and women reportedly received tangible benefits, including training, specialized tools distributed via community lending systems, planting materials, and improved infrastructure such as nurseries and rainwater harvesting systems. Community groups and partners reported improvements in yields and household income due to the adoption of **enhanced agricultural practices**, with benefits accruing to households where both men and women were active participants. In contexts with high male out-migration, such as San Luis Tonitzul, project support reportedly strengthened women's ability to manage land and generate income independently. Women in groups like COCAOL and Flor de Café reported feeling included and benefitting equally from project interventions.

Nevertheless, several **challenges** remained. **Participation** of women in the cardamom value chain was notably lower, reflecting entrenched cultural and gender norms. The pervasive influence of patriarchal norms and restrictive roles, particularly regarding land ownership, which remained predominantly male, continued to restrict women's engagement. Furthermore, while participation was **monitored**,

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project reports did not consistently provide detailed data on the specific economic benefits for women or fully assess how their participation contributed to outcomes such as enhanced resilience or increased decision-making power.

In conclusion, the project ***Satisfactorily*** demonstrated a committed and structured approach to gender integration, underpinned by planning tools, institutional mechanisms, and inclusive implementation practices. It reached 4,674 men and 1,456 women (24 percent of total beneficiaries engaged in income generating activities) through targeted training and support and was responsive to cultural and linguistic needs. While meaningful participation and benefits for both men and women were evident, gaps remained in fully capturing the depth and effectiveness of gender outcomes, particularly in relation to empowerment and resilience.

4.7.3. Stakeholder Engagement

KEQ 21. How well was the Stakeholder Engagement Plan implemented to ensure the meaningful participation of all relevant stakeholders, including vulnerable groups, and to address their concerns and feedback?

The implementation of the **SEP** for the project was carried out with clear procedural intent and a structured engagement framework, particularly during the early phases of the project. Approved in March 2022, it outlined distinct engagement strategies for a diverse group of stakeholders, including national government entities, Non-Governmental Organizations (NGOs), academia, the private sector, local communities, and producer organizations in both Guatemala and Honduras. The SEP emphasized inclusive participation of vulnerable groups, particularly women and Indigenous Peoples, with the Q'eqchi population specifically noted in Guatemala.

The Plan was operationalized at project inception with a **stakeholder analysis** that identified key actors, including local producer associations such as Asociacion de Desarrollo Campesina Las Colchas and Asociación para el desarrollo Integral de Raxruhá, Alta Verapaz, Ak' Tenamit (ADIRA), alongside national agencies like MARN, MAGA, and INAB. Initial engagement during the project preparation phase included consultations primarily conducted through calls and presentations to explain the project's scope, secure letters of support and co-financing, and gauge alignment. Throughout the project implementation, stakeholders were involved through consultations, working groups, training sessions, and validation workshops. The project engaged more than 25 communities in Guatemala and similar outreach in Honduras to assess and implement social and environmental **safeguards**. The project's approach benefited significantly from Heifer International's longstanding presence (decades in both countries) and pre-existing relationships, which fostered a high degree of trust with local producer groups and community organizations.

Stakeholder engagement was multifaceted, involving national government bodies, civil society organizations, private sector actors, and critically, direct engagement with local communities and their producer organizations. Stakeholder engagement extended across various levels of government institutions in both countries, including MARN and MAGA in Guatemala, and SERNA and SAG in Honduras. These entities participated in the PSC and supported validation activities such as those for the AEI. SAG in Honduras also played a leading role in supporting the Olancho Cocoa Table. Technical institutions such as IHCAFE and INAB contributed to training, nursery support, and the exploration of forestry incentives linked to AEI adoption. At the local level, municipal authorities provided critical endorsements that supported legitimacy and enabled coordination during key implementation stages.

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Civil society organizations, including ICADE, and FUNDER, facilitated complementary training and outreach activities, enhancing local ownership and integration with pre-existing community efforts. However, feedback from certain stakeholders, such as SAG in Honduras, indicated that their role was more observational, being informed of progress, rather than participating in substantive co-implementation.

Vulnerable groups were a consistent focus in the engagement strategy. Specific efforts were made to include women and Indigenous Peoples in project activities, training, and leadership opportunities. The project involved local communities with special measures to ensure the inclusion of women and Indigenous Peoples. This was reinforced by the presence of field technicians from Indigenous communities, who helped ensure culturally appropriate engagement.

Engagement with producer associations and NGOs operating within the private sector were also documented. Producer associations like APROSACAO and COCAOL in Honduras, and Centro Don Bosco in Guatemala, collaborated with the project in co-designing workshops and participating in AEI development and validation. However, engaging private companies, specifically for piloting the AEI under Component 3 proved challenging. While discussions were held with several companies, no formal agreements were signed during the project's timeframe. This shortfall was linked to initial project delays which compressed the timeline for AEI rollout and piloting, alongside specific company circumstances, as detailed in the findings for Component 3. Community outreach was strengthened by the field technicians supporting these groups, many of whom came from Indigenous communities, ensuring culturally relevant engagement. Academic institutions, and NGOs like the ICADE supported activities through strategic, non-financial partnerships by providing technical staff and helping co-design engagement sessions to enhance complementarity and avoid duplication.

In addition to inclusive participation, the project also sought to ensure mechanisms for accountability and responsiveness. To address stakeholder concerns and feedback, the project established an **AGM**, which included access to Heifer's global whistleblower system available in multiple languages, as well as local reporting options through project staff or designated community points of contact. The monitoring of stakeholder engagement was conducted through indicators outlined in the SEP, including the number of people and stakeholder groups engaged and the frequency of engagement events, with reporting captured annually in the Project Implementation Reports.

While the SEP included roles for stakeholder monitoring and grievance handling, the project reporting did not report any specific grievances lodged or show evidence of how general concerns were systematically addressed. Additionally, the interview notes confirmed that while institutional and community engagement occurred, project leadership acknowledged that the frequent turnover of government officials in both countries required continuous re-engagement and hindered consistent collaboration.

In conclusion, the project ***satisfactorily*** implemented the SEP in a structured and inclusive manner, engaging a wide range of actors from government institutions to local communities and producer organizations. Special attention was given to the inclusion of vulnerable groups, and mechanisms for participation and feedback were in place. While there were minor limitations in grievance response tracking and sustained institutional collaboration, the overall approach was aligned with safeguard standards.

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4.7.4. Accountability and Grievance Mechanism

KEQ 22. How accessible and effective was the project's grievance redress mechanism in addressing concerns and ensuring transparency and accountability in project implementation?

The project established an AGM in alignment with CI-GEF policy to provide project-affected stakeholders with a formal, safe, and structured channel to raise concerns and ensure accountability in the implementation of project activities. The AGM was comprehensively documented in the project's **grievance mechanism plan**, which outlined its objectives, scope, procedural steps, and designated roles. It was designed to address a wide range of issues, including discrimination, human rights violations, community participation concerns, and matters related to environmental and social safeguards.

The primary reporting channel under the AGM was Heifer International's existing Global Whistleblower system, a multilingual platform that supported submissions in English and Spanish, among other languages. Recognizing linguistic barriers in project areas, particularly in indigenous communities of Guatemala, the project made specific provisions for local staff to support stakeholders speaking native languages not covered by the system, such as Q'eqchi'. These measures responded to identified needs for language-appropriate communication and were part of broader efforts to enhance inclusivity and access. In addition to addressing language needs, these provisions were embedded within a wider strategy to ensure that the AGM was accessible to all stakeholders, regardless of technological, geographic, or social constraints.

To further increase accessibility, the AGM was supplemented by local reporting options through designated Heifer representatives and project staff. **Community sensitization** on the AGM was integrated into the project's safeguard implementation, with the project leadership tasked with ensuring stakeholders were informed of the mechanism during project initiation and follow-up interactions. Awareness-raising efforts included meetings and training sessions, and physical grievance boxes were introduced within communities to provide an offline alternative for individuals in areas with limited internet connectivity, although the CI-GEF field visit to Honduras noted that the project team there opted not to replicate these boxes, citing stakeholder preference for other channels like direct communication via WhatsApp.

The grievance mechanism plan incorporated key principles of confidentiality, anonymity, and protection from retaliation. It set out a detailed procedure for receiving, screening, assessing, investigating, and resolving complaints within a target resolution timeframe of 30 days. Responsibilities for managing the grievance process were assigned to Heifer's Risk Management and People departments and clearly delineated through a high-level process map and Responsibility, Accountable, Consulted, Informed matrix. The mechanism detailed procedures to manage each grievance from submission to its resolution and closure and also required monitoring the implementation of any action plans arising from investigations. In cases where complainants were unsatisfied with the internal resolution, an escalation pathway to CI's independent EthicsPoint Hotline was available.

The comprehensive and structured design of the AGM was also reflected in the project's performance monitoring approach. The project's results framework included two specific indicators to monitor the performance of the AGM: (a) number of complaints received, and (b) percentage of conflict and complaint cases reported to the AGM that were resolved. The end-of-project targets for these

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indicators were set at one complaint received per fiscal year and 100 percent resolution of reported cases.

However, throughout the implementation period, no grievances or complaints were formally submitted through any of the AGM channels. This finding was corroborated by project reporting. Interviews conducted during the Evaluation confirmed stakeholders were aware of the mechanism but indicated they did not need to use the formal channels. This was attributed to the frequent and accessible presence of Heifer field staff, which facilitated the direct and immediate raising and resolution of any issues through informal interaction, thereby often precluding the need for formal grievance submission. Thus, the absence of formal complaints does not necessarily indicate an ineffective AGM but rather suggests the effectiveness of informal resolution pathways supported by the project team. No major unresolved concerns or dissatisfaction related to the project's implementation or conduct were raised by stakeholders, beneficiaries, or implementing partners during these engagements. However, the Evaluation noted that project reporting did not specify whether general stakeholder feedback, shared informally during other project activities, was documented or addressed through a structured process outside the AGM.

In conclusion, the project ***satisfactorily*** established a well-designed and accessible grievance mechanism aligned with safeguard requirements and took meaningful steps to ensure that stakeholders, including Indigenous and vulnerable groups, were aware of and able to access the system. While no formal grievances were submitted, the mechanism's effectiveness was reflected in the timely resolution of issues through informal channels facilitated by Heifer field staff. However, the absence of formal submissions limits opportunities for documentation and learning, and the project did not specify how informal feedback was tracked or addressed outside the AGM.

In conclusion, the project ***satisfactorily*** applied the environmental and social safeguard framework proactively and with a strong focus on inclusion and accountability, despite its Category C classification. Key safeguard instruments, including the IPP, GMP, SEP, and AGM, were implemented in a culturally sensitive and responsive manner, contributing to meaningful engagement of Indigenous Peoples, women, and other vulnerable groups. Institutional mechanisms and staff capacities supported safeguard delivery across both countries, and informal grievance resolution pathways were responsive and trusted by stakeholders. Minor limitations were noted in the documentation of informal feedback, the monitoring of gender outcomes beyond participation metrics, and the depth of private sector engagement in stakeholder processes.

4.8. Other Assessments

4.8.1. Knowledge Management

KEQ 23. How effectively did the project manage, generate, share, and use knowledge throughout implementation, and how did this support adaptive management and stakeholder learning?

Knowledge management was integrated into the project's approach from its inception, with the design outlining an intent to generate specific knowledge products and disseminate them through stakeholder engagement, workshops, and web-based platforms. Central to this was the development of the **AEI**, intended as both a technical tool and a key knowledge product. Its development followed a consultative and iterative process, with workshops conducted in Honduras (August 2023) and Guatemala (September 2023) to engage government representatives and community stakeholders. This process culminated in the validation of the AEI in February 2024 and the subsequent launch of a

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mobile application, *AgroAdaptación*, in June 2024. This sequence illustrates a phased rollout of the AEI, reflecting a deliberate evolution from stakeholder engagement to tool validation and implementation. The AEI and related resources were also made accessible through a dedicated project webpage, www.agroadaptacion.com, and staff received training to manage and update the platform. These tools enabled the practical application of AEI metrics and were designed to support learning, increase accessibility, and facilitate the adoption of adaptation strategies by producers, companies, and institutional actors. Challenges in integrating AEI-related information into Ministry WebSystems, compounded by political transitions and limited technical capacity, were addressed by engaging consultants and launching the AgroAdaptación application. Efforts to ensure inclusive communication, such as translation into Q'eqchi', supported broader engagement, including 6 workshops in Guatemala (544 participants) and 10 in Honduras (256 participants) during Q4 FY24.

In addition to these digital tools, the project emphasized the development of hands-on materials to complement knowledge dissemination in the field. Complementing the AEI, the project developed four **toolkits** tailored to the targeted value chains, which evolved into user-oriented manuals detailing climate-smart practices such as nursery management and grafting, based on pilot project experiences. A catalog of adaptation practices was also created and utilized by field technicians during community workshops, serving as a hands-on knowledge reference for training and implementation.

The primary mode of knowledge transfer was the field school model, used extensively in both Guatemala and Honduras. These sessions covered a broad range of topics including climate-smart agriculture, livelihoods, the National Adaptation Plan, organic fertilizer production, post-harvest techniques, and organizational development. The trainings were tailored to the targeted value chains, and adapted based on baseline assessments and participant feedback. Peer-to-peer learning was also promoted through exchange visits among producer groups and through the "lead farmer" model used by partners like APROBIL, which proved effective for community-level dissemination. This multi-pronged approach to dissemination ensured that content was both accessible and contextually relevant.

Field technicians played a central role in facilitating knowledge sharing. Their engagement in community-level work allowed for the contextualization of technical knowledge and enabled a two-way flow of information. They collected local data, identified training needs, and adjusted outreach strategies, accordingly, helping to ground project content in real-time learning. In parallel with these community-level efforts, the project sought to engage institutional actors. The project also engaged with private sector actors and government bodies to raise awareness and encourage use of the AEI, resulting in fourteen letters of interest and the establishment of a specific collaboration with INAB in Guatemala to explore its use in the forestry sector.

Despite these strengths, the project's knowledge management approach had notable limitations. While technical content and guidance materials were developed and shared effectively among direct stakeholders, the website and mobile application served as key dissemination tools, but they did not fully function as centralized repositories for capturing and storing lessons learned, field-level data, or implementation case studies. Although the website included AEI related materials and technical guides, a dedicated system for real-time knowledge capture and comprehensive case study documentation was not established. Additionally, dissemination efforts were primarily focused on project beneficiaries and immediate partners. This limited the project's potential to contribute more broadly to institutional learning and to inform wider climate adaptation discourse.

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4.8.2. Materialization of Co-financing

KEQ 24. Did the co-financing commitments materialize as planned, and what were the implications of any shortfalls or delays?

The project had a total committed co-financing of USD 8,831,011 from identified partners. By the project's conclusion, the actual amount disbursed was USD 5,683,472, representing an overall materialization rate of approximately 64.36 percent against these specific commitments. Table 18 provides a detailed comparison of the planned and actual co-financing contributions.

Table 18: Planned vs. Actual Co-financing Contributions

Co-financer	Committed Amount (USD)	Actual Amount Disbursed (USD)	% of Commitment Materialized
Conservation International Foundation	161,743	100,142	61.91%
Heifer HQ	119,420	161,113	134.91%
Heifer (GBB1)	1,749,848	1,745,159	99.73%
ICADE, CATIE, BANRURAL, BID-LAB in Honduras, FUNDER	4,500,000	2,400,000	53.33%
Country Recipient Government	500,000	812,549	162.51%
Defensores de la Naturaleza	500,000	500,000	100%
Federacion Nacional de Cooperativas de ahorro y credito R.L. – Guatemala	500,000	-	0%
Nueva Kerala, S.A. – Guatemala	450,000	-	0%
Oro Verde – Tropical Forest Foundation – Guatemala	350,000	-	0%
COCAOL	Not committed initially	16,387	Additional Contribution
APROSACAO	Not committed initially	48,264	Additional Contribution
Total	**8,831,011**	**5,683,472**	**64.36%**

The differences between committed and actual disbursements are further highlighted in figure 4, which presents a comparative view of co-financing materialization by contributors.

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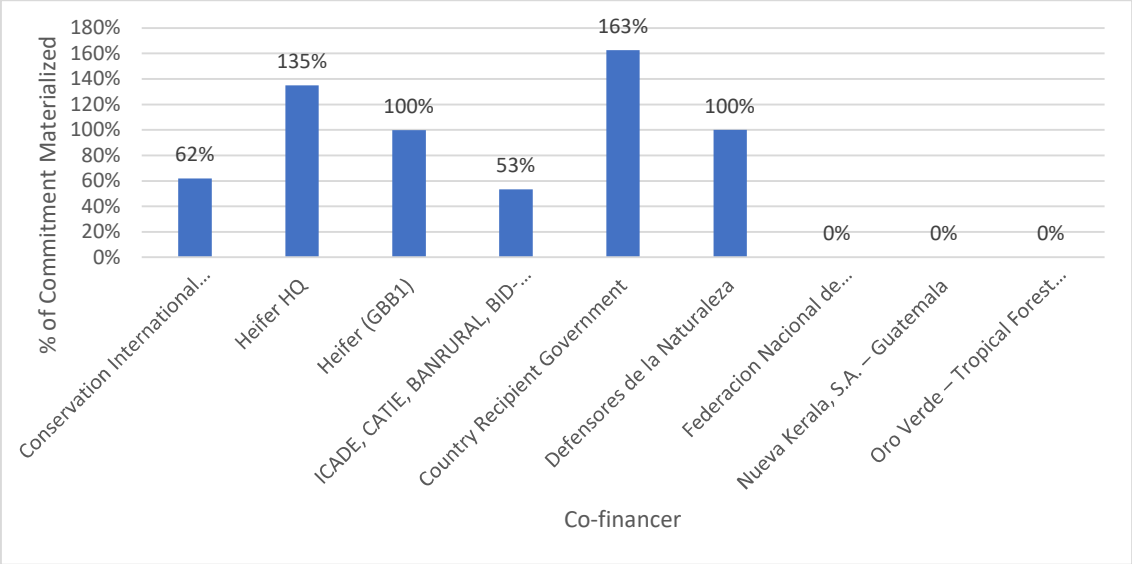
Figure 4: Co-financing Contributions – Committed vs Actual Disbursements



Several co-financiers met or exceeded their original commitments. The Country Recipient Government contributed USD 812,549 against a commitment of USD 500,000, reflecting a materialization rate of 162.51 percent. Similarly, Heifer HQ exceeded its commitment of USD 119,420 with an actual disbursement of USD 161,113, achieving a materialization rate of 134.91 percent. Defensores de la Naturaleza fully met its commitment of USD 500,000. Heifer GBB1 nearly fulfilled its commitment of USD 1,749,848 with an actual disbursement of USD 1,745,159, resulting in a materialization rate of 99.73 percent.

One of the key contributors, Conservation International Foundation, had a commitment of USD 161,743, but only USD 100,142 was disbursed, leading to a materialization rate of 61.91 percent. The most significant co-financing shortfall came from the aggregated contributions of ICADE, CATIE, BANRURAL, and BID-LAB in Honduras. This consortium collectively committed USD 4,500,000 but disbursed only USD 2,400,000, resulting in a 53.33 percent materialization rate. Additionally, three organizations that had initially committed co-financing did not disburse any funds: Federacion Nacional de Cooperativas de Ahorro y Credito R.L. – Guatemala (committed USD 500,000), Nueva Kerala, S.A. – Guatemala (committed USD 450,000), and Oro Verde – Tropical Forest Foundation – Guatemala (committed USD 350,000). These three entities did not contribute any funds, resulting in a 0 percent materialization rate for each.

In addition to the planned co-financing sources, two local entities, COCAOL and APROSACAO, provided unanticipated contributions of USD 16,387.23 and USD 48,263.70 respectively. Though these organizations had not originally committed co-financing at the design stage, their support was mobilized during project implementation.

An interview with project staff in Honduras confirmed that the five-month delay at the beginning of project implementation, caused by a lack of institutional validation under the new Honduran administration, required Heifer to self-finance operations during this period. This temporary financial commitment helped sustain early-stage field activities and signaled strong organizational dedication to maintaining project momentum in the absence of timely disbursements from other partners.

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In conclusion, the project achieved a materialization rate of 64.36 percent of the committed co-financing. While key partners like Heifer HQ and the Country Recipient Government exceeded their targets, shortfalls were seen with ICADE, CATIE, BANRURAL, and BID-LAB in Honduras and Conservation International Foundation. Additionally, three organizations failed to disburse any funds, resulting in 0 percent materialization. However, unanticipated contributions from COCAOL and APROSACAO helped mitigate some of these gaps, reflecting a diverse co-financing landscape that supported the project despite challenges.

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5. Conclusions, Lessons Learned, and Recommendations

5.1. Conclusions

Based on the comprehensive assessment of the project, TE derived the following key conclusions.

The project demonstrated considerable **relevance** to the **national climate adaptation** and **environmental priorities** of both **Guatemala** and **Honduras**, aligning with key **national policies** and **sectoral strategies**. **GEF funding** played a catalytic role by enabling the innovative development and piloting of the **AEI,** a novel mechanism designed to quantify and potentially mobilize **private sector investment** in adaptation. This complemented existing initiatives and leveraged Heifer International's long-standing presence in the region.

The project design was **highly appropriate**, particularly in its focus on **smallholder farmers** and the introduction of the AEI to address a recognized gap in **adaptation finance**. Its **participatory nature** and **multi-component structure** provided a coherent and inclusive foundation for implementation. However, the design also entailed several limitations. The original timeline proved **overly ambitious**, especially considering the complexities of AEI development, multi-level stakeholder coordination, and political volatility. In addition, assumptions related to the **private sector engagement** and **institutional uptake** of the AEI were **overestimated**, contributing to delays and constrained adoption. Similarly, the project's **Theory of Change** was logically structured, linking field activities with institutional outcomes. Nonetheless, core assumptions, such as the expected pace of **private sector AEI adoption** and the ease of **scalability** across value chains, proved **ambitious**. These challenges highlighted the need for more sustained engagement and tailored support to realize the newly developed model's full potential.

Despite these constraints, the project made strong progress towards its intended results and targets. Under **Component 1,** targets related to **land under improved management**, **producer engagement**, and **training delivery** were exceeded significantly. These field-level interventions led to tangible **environmental gains** (e.g., improved soil and water conservation), **social improvements** (e.g., stronger community structures, increased participation of women) and **economic benefits** (e.g., higher yields, improved market access). Under **Component 2**, the AEI and the **AgroAdaptación** web platform were successfully developed and validated. While **Component 3** achieved initial integration into value chains, with five pilot agreements and increased stakeholder awareness, broader **institutional adoption** and **private sector scaling** remained limited within the project's timeframe.

The **CI-GEF** provided effective **oversight** and **technical support**, and the project demonstrated strong **adaptive management**, particularly in response to **political shifts** and **external disruptions**. Similarly, Heifer International showed a high degree of commitment and flexibility in adjusting implementation approaches, including shifting training modalities, and deepening community engagement. **Financial management** was efficient, with high absorption of **GEF resources** and timely execution in the later phases, although early challenges related to staffing and multi-country coordination affected initial momentum.

The **sustainability** of results appears most promising at the **community and farm levels**, where skills, tools, and practices have been institutionalized through direct benefits and capacity-building. Encouragingly, initial institutions uptake was secured, with five local companies/cooperative and the government entity **INAB** in Guatemala signing agreement to apply the AEI into their frameworks. However, engagement with **larger private sector companies proved more challenging**. Heifer

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committed to using the AEI in future programming. However, risks remain. **institutional sustainability** is challenged by frequent **government turnover**, while **financial sustainability** is uncertain due to a lack of long-term funding strategies and the relatively high transaction costs of AEI adoption. **Sociopolitical risks**, including uneven regional engagement and persistent marginalization, also pose challenges. Furthermore, **climate-related risks** remain high in project areas and may outpace current adaptation capacities.

The project proactively applied its **ESS** framework, including **SEP**, **IPP**, **GMP**, and **AGM**. These frameworks were operationalized effectively, ensuring the inclusion of **vulnerable groups**, promoting **culturally appropriate outreach**, and addressing concerns promptly through informal resolution. **Women's participation** was encouraged through targeted interventions, although full **gender parity**. especially in terms of income benefits, remained a challenge.

Knowledge management was a defining feature of the project. Key outputs included the AEI tool, AgroAdaptación app, and **climate-smart agriculture toolkits**, which were well-disseminated among direct beneficiaries. However, **strategic outreach** to broader audiences, particularly policy and industry stakeholders, was limited, reducing the project's visibility and influence on the wider **climate adaptation discourse**.

In summary, the project made significant efforts in enhancing **climate resilience** in vulnerable agricultural supply chains through a combination of **field-level innovation**, **institutional tools**, and **capacity building**. It demonstrated adaptability in a dynamic operating context and laid the groundwork for future scaling of **adaptation finance mechanisms**. However, the full realization of its transformative potential, especially in terms of **private sector uptake** and **institutional integration of the AEI**, will require **sustained engagement**, **strategic partnerships**, and **dedicated support** beyond the project's closure.

The following table provides a rating assessment of the TE of the project in accordance with GEF program evaluation criteria.

Table 19: Evaluation Ratings

Criterion	Rating
Relevance	Highly Satisfactory (HS)
Effectiveness	Satisfactory (S)
Efficiency	Satisfactory (S)
Sustainability	Moderately Likely (ML)
Implementation (CI-GEF Agency)	Satisfactory (S)
Execution (Heifer International)	Highly Satisfactory (HS)
M&E Design	Satisfactory (S)
M&E Implementation	Satisfactory (S)
Environmental and Social Safeguards Compliance	Satisfactory (S)

5.2. Lessons Learned

1. **Project Design, Appraisal and Planning:** The development of innovative tools such as the AEI and the AgroAdaptación app requires more than technical design and deployment within a fixed **project timeline**. Successful and sustainable application depends on allowing sufficient time for iterative refinement, user testing, and contextual adaptation. A phased rollout

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approach is essential to ensure that such tools are usable, understood, and adopted by diverse stakeholders.

2. **Private Sector Engagement:** Broad private sector **engagement** in adaptation finance requires a targeted strategy, based on a clear understanding of business drivers, investment criteria, and operational realities. Operationalizing the strategy is also subject to the availability of sufficient resources.
3. **Political/Institutional Challenges:** External shocks, such as political transitions or public health crises, can significantly delay implementation timelines and disrupt field operations. Maintaining progress under such conditions depends on **flexible** management systems and the presence of established local actors who can sustain relationships, navigate uncertainty, and mobilize resources independently of external support.
4. **Sustainability:** The long-term **sustainability** of project-developed tools and systems hinges on early and deliberate planning for institutional transition. Without clearly defined governance arrangements, technical responsibilities, and financial provisions, there is a high risk that tools will not be maintained, updated, or adopted after project closure, even where initial interest from national stakeholders exists. Furthermore, the project's exit strategy should be documented and pursued from the start, ensuring relevant stakeholders are on board and have processes and permissions in place to continue support to project outcomes (such as hosting of the AgroAdaptación application) after the project end.
5. **Knowledge, Collaboration, and Learning:** Projects implemented across multiple countries or regions require intentional mechanisms for **knowledge exchange and peer learning**. Embedding structured opportunities for cross-country collaboration, such as shared learning platforms and regional exchanges, strengthens the diffusion of effective practices and promotes adaptive capacity across implementation sites.
6. **Stakeholder Engagement (General):** Government's adoption of adaptation tools depends on more than interest or endorsement. Effective institutional uptake requires dedicated capacity-building efforts, alignment with existing national monitoring systems, and clear integration pathways into policy and reporting frameworks. Without these, tools are unlikely to be embedded or routinely used in decision-making.
7. **Monitoring and Evaluation:** When introducing innovations like AEI, establish **M&E indicators** that specifically track tool uptake, ease of use, and integration challenges, rather than relying only on the number of businesses adopting the tool.
8. **Stakeholder Engagement (Local Community Participation):** Community-based interventions as well as support to women have a major chance of sustainable success when projects activities are based on good understanding of field realities and beneficiary priorities through local presence and trust building.

5.3. Recommendations

5.3.1. For the Implementing Agency (CI-GEF)

1. **Project Design, Appraisal and Planning:** Future projects involving the design and application of innovative adaptation tools should be structured using a **phased approach**. The first phase should focus on co-development, piloting, and feedback integration; a second phase should support scaling, institutional uptake, and long-term sustainability planning. This structure is

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likely to ensure that tools like the AEI will have sufficient time to evolve and gain traction beyond early adopters.

2. **Private Sector Engagement:** Projects targeting private sector investment should include a **tailored engagement strategy**, stratified according to the size and type of businesses to be engaged. This strategy must be operationalized through the availability of adequate resources.
3. **Stakeholder Engagement (General):** Where adaptation tools are developed with a focus on the private sector, projects should also identify opportunities for **government uptake** and institutional use. This requires early alignment with relevant public systems, such as national adaptation monitoring platforms or NDC frameworks, and dedicated capacity-building support for government agencies. Ensuring dual applicability enhances long-term sustainability and broadens the impact of project-developed tools.
4. **Knowledge, Collaboration, and Learning:** To ensure that future initiatives benefit from the project's outcomes, the AEI and accompanying lessons learned should be introduced in **ongoing and future projects** focusing on adaptation.
5. **Communications and Outreach:** Considering the high impact of the project at the community level as well as strong contribution to safeguards, project **lessons and methodologies** related to CSA adoption, community engagement, and adaptation finance innovation should be systematically documented and shared with broader development and climate adaptation communities. Dissemination through CI-GEF networks, technical publications, and regional events can increase visibility and uptake of successful approaches.
6. **Gender Equality:** Future projects should **strengthen gender monitoring frameworks** by integrating outcome-level indicators that capture changes in empowerment, decision-making power, resilience, and control over resources for both women and men. This would complement output-level metrics and provide a more comprehensive assessment of gender-related impacts, particularly in the context of climate adaptation and livelihood improvements.

5.3.2. For the Executing Agency (Heifer International) and Project Partners

1. **Scaleup:** The **project outcomes and accompanying lessons learned** should continue to be introduced in similar ongoing and future initiatives, such as the 'Promesa Café y Cacao Signature Program'. This will provide the opportunity to consolidate results, scale the AEI and AgroAdaptación app, and expand their use across additional value chains and stakeholders. This continued utilization of project outcomes will also help further integration into national systems, stronger private sector uptake, and refinement of tools based on broader user feedback.
2. **Sustainability:** A **sustainability plan** should be developed and implemented in collaboration with government and private sector stakeholders to ensure long-term use of the AEI and AgroAdaptación app. This plan should establish technical hosting, governance responsibilities, update protocols, and secure financial commitments.

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Annexes

Annex 1: List of Documents Reviewed

S. No.	Name of Document(s)
1	Terms Of Reference for the TE
2	CI-GEF Project Document
3	Project Results Framework and Indicators
4	Project Inception Workshop Reports
5	Project Workplans
6	PIRs (FY23 and FY24)
7	Quarterly Technical Reports (AF23Q1 – AF25Q2)
8	Project Financial Planning and Reporting
9	Safeguards Screening
10	Accountability and Grievance Mechanism Plan
11	Stakeholder Engagement Plan
12	Gender Mainstreaming Plan
13	Indigenous Peoples Plan
14	MoUs and Agreements
15	Organizational Structure

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Annex 2: Data Collection Tools

KII Sheet

Terminal Evaluation for the

"Building climate resilience in supply chains for the mobilization of adaptation funding" Project

CI-GEF (Implementing Agency)	
Name of the Respondent	
Designation	
Contact Details	
Location	
Date of KII	
Starting Time of KII	
Finishing Time of KII	

Project Design

1. How does this project align with CI-GEF's strategic priorities and mandates?
2. What was CI-GEF's role in the project design process, including oversight, approval, and stakeholder engagement?
3. Were key stakeholders, including government, private sector, and local communities, adequately consulted in the design phase?
4. What were the main challenges encountered during project design, such as baseline data availability, institutional coordination, and financial planning?
5. How was CI-GEF's experience with similar projects in Latin America applied in this project's design?

Project Implementation and Management

6. What is CI-GEF's specific role as the IA in overseeing this project?
7. How does CI-GEF interact with Heifer International (Executing Agency), the Project Steering Committee (PSC), and other stakeholders?
8. Has the collaboration with Heifer International been effective, and what have been the challenges and successes in this partnership?
9. How does CI-GEF ensure that the project remains on track to achieve its expected results, including compliance checks, progress monitoring, and technical guidance?
10. Has CI-GEF provided any additional technical, financial, or administrative support beyond what was initially planned?

Adaptive Management

14. Were any changes made to the logical framework, project design, or implementation plan based on lessons learned? If so, what was CI-GEF's role in approving and facilitating changes made to project activities or structure?
15. How did CI-GEF respond to external factors affecting implementation, including the COVID-19 pandemic, political changes in Guatemala and Honduras, and delays in co-financing or private sector engagement?

Effectiveness

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16. To what extent has the project achieved or made progress toward its intended objectives? And what were the key factors that enabled or hindered the achievement of project outcomes?
17. Which project activities or outputs have performed better or worse than expected, what were the factors contributing to these outcomes, and what corrective actions were taken where needed?

Monitoring And Evaluation (M&E)

18. How has CI-GEF supported the project's monitoring, reporting, and evaluation processes?
19. Have there been any challenges in tracking and verifying project results, such as data inconsistencies, delays in reporting, or issues with indicators?
20. How does CI-GEF use M&E findings to guide decision-making and ensure adaptive management?

Staffing

21. Has CI-GEF's staffing been adequate to provide the required oversight and support, and if not, what were the challenges?
22. Were additional technical experts or consultants engaged for specific project needs, such as financial oversight, environmental safeguards, or gender mainstreaming?

Finance

23. Has the project faced any financial challenges related to fund disbursement, approvals, reporting processes, or budgeting, and how were these addressed?

Timeliness

24. What planned activities have faced major delays, what were the causes, and how did these delays affect project implementation?
25. What measures were taken to overcome delays, and were they effective?

Impact

26. Which project activities have had the highest potential for impact, and why?
27. Which activities have had the lowest potential for impact, and why?

Sustainability and Risks

28. Which project activities are the most sustainable, and why? And what steps did the project take to increase the sustainability of its results?
29. What are the biggest potential risks to sustainability, and how can they be mitigated?

Gender Mainstreaming

30. What measures have been taken to ensure that women and historically marginalized groups are actively involved?
31. What were the key gender-specific outcomes achieved, such as leadership roles, access to resources, or economic opportunities?

Accountability and Grievance Mechanisms (AGM)

32. How does the project's AGM work, and what have been the observed shortcomings?
33. Have any complaints been raised through the AGM, and how were they handled?
34. What measures have been taken to improve the system?



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Knowledge Management and Dissemination

35. How effective have the project's knowledge management and dissemination efforts been, and can you provide examples?
36. How can knowledge management and dissemination be improved?

Lessons Learnt and Recommendations

37. Based on your experience, what are the major lessons learned from the project design and implementation?
38. What are your overall recommendations for the improvement of the following for similar future programmes?

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KII Sheet

Terminal Evaluation for the "Building climate resilience in supply chains for the mobilization of adaptation funding" Project

Executing Agency	
Name of the Respondent	
Designation	
Name of Organization	
Contact Details	
Location	
Date of KII	
Starting Time of KII	
Finishing Time of KII	

Background

1. How did the project align with Heifer International's strategic priorities in Guatemala and Honduras?
2. What was Heifer's role in the project design. Were there any significant changes from the initial concept to the final approved design?
3. To what extent were local communities and indigenous groups consulted during the project design phase in Guatemala and Honduras? What feedback was incorporated?
4. What was the reason for selecting the specific value chains? And how did the project design address the specific climate vulnerabilities of the target value chains (cardamom, allspice, coffee, cocoa)?
5. Was the project design realistic and achievable given the timeframe and resources allocated?
6. Have there been any critical changes to the project design and log frame during implementation? If yes, what were these changes, why they were made, and what was the process of getting approval for the changes?

Project Management

7. What was the division of labor and responsibilities between Heifer International and other project partners?
8. How effective were the project's execution arrangements in ensuring smooth implementation? Provide specific examples.
9. What were the major management challenges faced by Heifer International in delivering its responsibilities? (e.g., stakeholder capacity, internal capacity, COVID-19, funding disbursement). How were these challenges addressed?
10. Were there any significant changes in the project's management structure during implementation? If yes, what were the reasons and impacts? And how were these resolved?
11. What support did the CI-GEF provide to the project's design and implementation?
12. How often did the PSC meet? What were the PSC's roles and responsibilities in overseeing the project? And how effective was the PSC in fulfilling its roles and responsibilities? What were its main challenges and successes?

Effectiveness

13. What were the criteria for selecting project beneficiaries, partners, and geographic scope? And what challenges were faced with the selection of these?

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14. What were the project's key achievements for each of the three components? What factors contributed to success or hindered progress?
15. What were the major challenges and opportunities faced by Heifer International in implementing these activities?

AEI

16. What was the process of developing and launching the AEI? How was it tailored to the specific local context?
17. To what extent was the AEI adopted as a valuable tool by companies? Provide examples of its use and impact.
18. What were the key challenges and successes in integrating the AEI into the business practices of companies?
19. How did the project contribute to increased understanding of the links between climate change adaptation and the target value chains?

Monitoring and Evaluation

20. How effective were the project's M&E systems? What were the strengths and weaknesses of the M&E plan and its implementation?
21. Were there any challenges in data collection, analysis, reporting, or use of M&E data? If so, how did these challenges affect project implementation and decision-making?
22. To what extent did the M&E system provide timely information for adaptive management and course correction? Please provide examples.
23. Was gender-disaggregated data collected and used? If so, how did it inform project activities?

Partnership Management

24. How would you characterize the working relationship between Heifer and other key partners (local communities, government agencies, private sector)?
25. How did the project promote private sector adaptation investment? Were there any specific partnerships or initiatives developed?
26. To what extent did the partnerships contribute to achieving project objectives?
27. What were the main challenges encountered in partnership management, and how were they addressed?

Impact

28. What are the most significant impacts of the project on:
    a. Increased climate resilience in the target value chains?
    b. Sustainable living incomes for smallholder producers?
    c. Private sector adaptation investment?
    d. Environmental sustainability (e.g., reduced deforestation, improved land management)?
    e. Social equity and gender equality?
29. Were there any unintended positive or negative consequences of the project?

Sustainability And Risks

30. What are the key factors that will influence the long-term sustainability of project outcomes?
31. What are the main risks to the sustainability of project benefits, and what mitigation strategies are in place to address them?
32. How has the project promoted ownership and capacity building among local partners to ensure sustainability?

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Lessons Learnt and Recommendations

33. Based on your experience, what are the major lessons learned from project design and implementation?
34. What are your overall recommendations for the improvement of the following, for similar future programs and projects?

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KII Sheet

Terminal Evaluation for the "Building climate resilience in supply chains for the mobilization of adaptation funding" project

Government Partners	
Name of the Respondent	
Designation	
Name of Government Agency	
Contact Details	
Location	
Date of KII	
Starting Time of KII	
Finishing Time of KII	

Background

1. How does this project align with your agency's mandate and priorities related to climate change adaptation and/or the specific value chains?

Project Design and Implementation

2. What factors influenced your decision to partner and/or collaborate with the project?
3. Were you or your agency involved in the project's design or implementation? If yes, please describe your role and level of involvement? If not involved, in your opinion, how did this lack of involvement affect the project's implementation and your agency's ability to support it?
4. During implementation, how effective was the collaboration and coordination with CI-GEF, Heifer International, and other project partners?
5. What were the main challenges encountered during project implementation? (e.g., funding, technical capacity, stakeholder engagement, policy environment)? And what measures were taken to overcome these challenges? Were they successful?

Project Outcomes and Impacts

6. What are the project's most significant achievements? Provide specific examples.
7. To what extent has the project contributed to increased climate resilience in the targeted value chains?
8. Has the project led to any policy changes or reforms related to climate change adaptation? If yes, please describe them.
9. Did the project have any unintended positive or negative impacts (environmental, social, economic)? If yes, please describe them.
10. What are the main challenges and opportunities to ensure the long-term sustainability of the project's outcomes and impacts?

Lessons and Recommendations

11. What are the key lessons learned from the project's implementation regarding climate resilience in the targeted value chains?
12. Based on the project's experiences and lessons learned, what are your recommendations for improving the design and implementation of future climate change adaptation projects in similar contexts?

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KII Sheet

Terminal Evaluation for the "Building climate resilience in supply chains for the mobilization of adaptation funding" Project

Private Sector Partners	
Name of the Respondent	
Designation	
Name of Organization	
Contact Details	
Location	
Date of KII	
Starting Time of KII	
Finishing Time of KII	

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Background

1. Briefly describe your company's core business and operations in Guatemala/Honduras.
2. How did your company become involved in this project?
3. What was your company's role and responsibilities within the project (e.g., piloting adaptation measures, providing co-financing, integrating the AEI, etc.)?

Project Design and Implementation

4. What were your company's initial expectations and anticipated benefits from participating? And to what extent were these expectations met?
5. Did your company pilot any climate-smart agriculture practices? If yes, describe the practices and their impact on your operations (e.g., productivity, costs, market access).
6. Did the project experience any delays or challenges during implementation? If yes, describe them and their impact.
7. How would you rate the communication and coordination between Heifer International and your company? And did the project provide adequate support and resources (e.g., technical assistance, training, financial support) to facilitate your participation and implementation?

AEI

8. Were you involved in the development or adaptation of the AEI? If yes, how would you assess the process and the final tool?
9. Has your company integrated or planned to integrate the AEI into your business practices, organizational commitments, or supply chains? If so, how?
10. Do you believe the AEI can catalyze greater investment in climate change adaptation within your sector or other value chains? Why or why not?

Impact

11. What were the most significant outcomes and impacts of the project for your company? (e.g., increased resilience to climate change, improved livelihoods for producers, increased market access, enhanced sustainability practices).
12. Has the project contributed to any changes in your company's policies or strategies related to climate change adaptation or sustainability?
13. Do you believe the project's benefits are sustainable beyond the project's timeframe? Why or why not?
14. What are the key lessons learned from your company's participation in this project?

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FGD Sheet

Terminal Evaluation for the "Building climate resilience in supply chains for the mobilization of adaptation funding" Project

Community Members/Beneficiaries	
Name of Region	
Name of Community	
Major sources of livelihood	
Date of FGD	
Starting Time of FGD	
Finishing Time of FGD	

Sr. No.	Name	National ID	Contact	Signature/ Thumb Impression
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

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Background

1. Which value chain are you primarily involved in (Cardamom/Allspice/Coffee/Cocoa/Other)? Please describe your main activities within this value chain. (e.g., farmer, processor, trader, etc.)
2. Before the project, what were your primary challenges in this value chain, related to climate change and its impact on your livelihood? e.g., drought, floods, pests, market volatility, etc.
3. Were there any existing initiatives or projects addressing climate change adaptation in your community before this project? Please describe them and your involvement (if any).

Project Activities and Participation

4. Which project activities under this Heifer International did you participate in? e.g., trainings, workshops, pilot projects, use of the AgroAdaptación app, related to climate-smart agriculture, the AEI, and value chain integration.
5. How were you initially engaged by the project team? e.g., community meetings, outreach by project staff, through local organizations.
6. Why did you decide to participate in the project? Also, how many other members of your community/household participated? Disaggregate by gender and age if possible.
7. Did you face any challenges participating in project activities? e.g., location, timing, language, understanding activities, access to resources, etc.

Benefits and Impacts

8. What are the main benefits you've received from participating in the project? e.g., increased income, improved agricultural practices, market access, enhanced climate resilience, etc.? Please explain the factors that led to this change.
9. What potential long-term benefits do you expect from the project?
10. Did women or marginalized groups (e.g. indigenous population) in your community get any special benefits from the project?

Adoption of AEI

11. Are you familiar with the AEI? If yes, how did you learn about it?
12. Have you used the AgroAdaptación app? If yes, how useful has it been for implementing climate-smart agricultural practices? And what are the benefits and challenges of using the AEI and the app?

Sustainability and Future Activities

13. Will the project's benefits continue after it ends? Why or why not? And what are the main challenges to ensuring long-term sustainability of benefits?
14. What future activities, if any, will you undertake related to climate change adaptation and resilience?

Communication and Awareness

15. Did you receive any project information or materials? e.g., newsletters, videos, flyers, training manuals. If yes, how useful were they? What problems, if any, did you face accessing or understanding these materials?

Lesson Learnt & Recommendations

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16. What are the most important lessons you have learned from participating in this project? And what recommendations would you give to improve similar projects in the future.

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Annex 3: List of People Interviewed

Stakeholder Group	Country	Stakeholder	Stakeholder Name
Implementing Agency (CI-GEF)	HQ	Project Manager	Ms. Prapti Bhandary
		Safeguards Specialist	Ms. Juliana Rios
		M&E Specialist	Mr. Aki Marcelino
		Grants Manager	Ms. Shannon Wiecks
Executing Agency	Guatemala	Programme Director	Mr. Larry Paul
		Project Manager	Ms. Luisa Tabin
		Field Technician(s)	Mr. Byron Tot
		M&E Officer	Mr. Luis Ac
	Honduras	Special Projects Manager	Mr. Jorge Cruz
		Project Manager	Mr. Kessel Rosales
		Field Technician(s)	Mr. Bryan Matamorros
		M&E Officer	Ms. Michelle Jimenez
Line Ministries/Directorates/Govt. Agencies	Guatemala	Ministry of Environment and Natural Resources (Guatemala)	Ms. Andrea Lucrecia Fion Góngora
		Ministry of Environment and Natural Resources (Coban)	
Private Sector/Civil Society Organizations	Guatemala	FUNDECAR	Eng. Armando Ruiz
		Fundalachuá	Mr. Pedro Chen Rax
		Centro Don Bosco	Mr. Jaime Milian de la Rosa
			Mr. Alvaro Coc
Private Sector/ Civil Society Organizations	Honduras	Secretaría de Agricultura y Ganadería (SAG)	Ms. Leslie Salgado
	Honduras	ICADE	Mr. Arnold Josué Sagastume
	Honduras	IHCAFE	Mr. Kelvin Mejía
	Honduras	APROBIL	Mr. Juan Manuel García
	Honduras	APROSACAO	Mr. Milton Amaya

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Annex 4: Summary of Site Visits and FGDs

S. No.	Country	Community	Value Chain Focused
1	Guatemala	San Isidro	Cocoa, Pepper
2	Guatemala	Asociacion Resureccion Balam	Cardamom, Allspice
3	Guatemala	San Luis Tonitzul	Cocoa, Allspice
4	Honduras	Flor de Café	Cocoa
5	Honduras	Pech	Coffee
6	Honduras	Pech Community of Kao Kamasa	Coffee & Cocoa

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