Terminal Evaluation of the UNEP/GEF Project "Piloting Innovative Investments for Sustainable Landscapes"

GEF ID 9719

(2018-2022)

Evaluation Office of the United Nations Environment Programme

Distributed: December 2025

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For further information on this report, please contact:

Evaluation Office of UNEP
P. O. Box 30552-00100 GPO
Nairobi Kenya

Email: unep-evaluation-director@un.org
Website: https://www.unep.org/evaluation-office

Piloting Innovative Investments for Sustainable Landscapes
GEF ID 9719
12/2025

Acknowledgements

This Terminal Evaluation was prepared for UNEP by an evaluation team of external consultants consisting of two evaluation specialists lead by a principal evaluator, Dr. Ines Freier.

The evaluators would like to express their gratitude to all persons met and who contributed to this evaluation, as listed in Annex IV.

The evaluation team would like to thank Susanne Bech, UNEP Evaluation Manager, Ersin Esen, former UNEP Task Manager and the team at SAIL Investments for their contributions and collaboration throughout the evaluation process.

The evaluation consultants hope that the findings, conclusions and recommendations will contribute to the continuous improvement of similar projects in other countries and regions.

Evaluation team led by Dr. Ines Freier – Principal Evaluator

Evaluation Office of UNEP
Susanne Bech – Evaluation Manager
Michael Spilsbury/Janet Wildish – Directors of the Evaluation Office
Mercy Mwangi – Senior Evaluation Programme Assistant

Brief consultant biography

Dr. Ines Freier has more than 15 years of experience in planning, implementing and evaluating environmental projects. Among the assignments have been the evaluation of projects using a theory of change approach. She has previous experience with evaluation of GEF projects and was a team member of an evaluation of private sector engagement in GEF projects conducted by the GEF Independent Evaluation Office. Methods of evaluation included literature reviews, personal and telephone interviews, e-mail questionnaires and visits to projects consulting beneficiaries of the project and advising to governments and stakeholders. Her working experience covers Eastern Europe, Latin America, and Asia. Several of her assignments have focused on SME promotion and biodiversity conservation.

Dr. Rajan Kotru is an innovative, strategic and passionate senior international sustainable development expert, with a career spanning over 33 years and experience and expertise gained across South Asia, Europe, India and the USA. The initiation and development of ground-breaking transboundary landscapes and relationships is a specialism, founded on integrity, ethics, transparency and diplomacy, resulting in the mobilising of opposing national and local governments and private sector actors to form partnerships and the meaningful engagement for climate solutions and actions. He has mixed his development experience with research and education with renowned universities and institutions across the globe and in South Asia. He has served as key advisor on national and international sustainable policy development and is a champion of climate smart, eco-friendly solutions including at “Landscape Scale” in a rural development and sustainable natural resource management context; dedicated to the resilience of local communities to climate change and restoration and sustenance of ecosystem services.

About the Evaluation

Joint Evaluation: No

Report Language(s): English.

Evaluation Type: Terminal Evaluation

Brief Description: This report is a Terminal Evaluation of the UNEP/GEF project "Piloting Innovative Investments for Sustainable Landscapes" (GEF ID 9719) implemented between 2018 and 2022. With the contribution from GEF through its non-grant instrument to the &Green Fund, the project aimed to "prov[e] the &Green Fund's 'Production-Protection-Inclusion' approach to commodity investments" by de-risking commercial financing of deforestation-free land use and thereby "to maintain, restore or increase forest cover while intensifying agricultural production and improving the livelihoods of smallholders through piloting the de-risking of private finance in sustainable landscapes". The project was implemented in seven target landscapes in Brazil and Indonesia. No investment was made in Liberia as it did not meet &Green's Jurisdictional Eligibility Criteria.

The evaluation sought to assess project performance (in terms of relevance, effectiveness and efficiency) and determine outcomes and impacts (actual and potential) stemming from the project, including their sustainability. The evaluation has two primary purposes: (i) to provide evidence of results to meet accountability requirements, and (ii) to promote learning, feedback, and knowledge sharing through results and lessons learned among UNEP, and the relevant agencies of the project participating countries.

Source(s) of Funding by Country: *Norway, the Netherlands, United Kingdom*

Source(s) of Funding by Institution Type: *grant, loan*

Foundation/NGO	No
Private Sector	Yes
UN Body	No
Multilateral Fund	No
Environment Fund	No

Key words: Blended finance, climate change, land use, de-forestation, forest protection, private sector

Primary data collection period: January to March 2025

Field mission dates: n/a

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List of acronyms and abbreviations

ABS	Access and Benefit Sharing
AGRI3	The AGRI3 Fund
BEIS	Department for Business, Energy & Industrial Strategy (UK) [partner in the MFF]
CAFI	Central African Forest Initiative
CFU	Climate Finance Unit
CIFOR	Center for International Forestry Research
CRS	Corporate Responsibility and Sustainability
DFI	Development Finance Institution
DSNG	PT Dharma Satya Nusantara TBK (&Green investee)
EA	Expected Accomplishment
ECL	Expected Credit Loss
EOU	Evaluation Office of UNEP
ERM	Environmental Risk Management
ESG	Environmental, Social and Governance
ESAP	Environmental and Social Action Plan
ESMS	Environmental and Social Management System
ETG	ETC Group (&Green investee)
EUDR	European Union Deforestation Regulation
FI	Finance Initiative (of United Nations Environment Programme)
FMO	Dutch Entrepreneurial Development Bank
GCF	Green Climate Fund
GE	Green Economy
GEF	Global Environment Facility
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
HSJ	Hacienda San Jose (&Green investee)
IAP	Commodities Integrated Approach Pilot [GEF 6 program]
IC	Investment Committee
IDH	The Sustainable Trade Initiative
IFC PS	International Finance Corporation Performance Standards
IFACC	Innovative Finance for the Amazon, Cerrado and Chaco
ISO22000	international standard for Food Safety Management Systems
JEC	Jurisdictional Eligibility Criteria
JECA	Jurisdictional Eligibility Criteria Assessment
KPI	Key Performance Indicators
LIFT	Landscape Investment and Finance Toolkit
LPP	Landscape Protection Plans
LUF	Land Use Finance Project
MFA	Ministry of Foreign Affairs of the Netherlands
MFF	Mobilising Finance for Forests programme [UK]
MFO	Entrepreneurial Development Bank [the Netherlands]
MoU	Memorandum of Understanding
MRV	Monitoring, Reporting, Verification
MTR	Mid Term Review
MTS	Medium Term Strategy
NbS	Nature Based Solutions

NDPE	No Deforestation, No Peatland Expansion, No Exploitation
NGO	Non-Governmental Organisation
NICFI	Norway International Climate and Forest Initiative
NORAD	Norwegian Agency for Development Cooperation
NTPF	Non-Timber Forest Products
OHS	Occupational Health and Safety
PCA	Project Cooperation Agreement
PIR	Project Implementation Report [individual GEF project]
PoW	Programme of Work
PPI	Production, Protection and Inclusion
PRC	Project Review Committee (internal UNEP committee that approves new projects)
ProDoc	Project Document (must be reviewed by PRC before any project can be undertaken, with the approval of the managing division director)
RLU	PT Royal Lestari Utama (&Green Investee)
RSPO	Roundtable on Sustainable Palm Oil
SAIL	Sustainable & Impact Leadership Investments (formerly SAIL Ventures)
SC	Sustainable Consumption
SD	Sustainable Development
SDG	Sustainable Development Goals
TA	Technical Assistance
TAF	Technical Assistance Facility
TLFF	Tropical Landscapes Finance Facility
TNC	The Nature Conservancy
TNFD	Taskforce on Nature-related Financial Disclosures
ToC	Theory of Change
ToR	Terms of Reference
UNDA	United Nations Development Account
UN DESA	United Nations Department of Economic and Social Affairs
UNEP	United Nations Environment Programme
UNEP-FI	United Nations Environment Programme-Finance Initiative
VFDS	Village Forest Development Societies

PROJECT IDENTIFICATION TABLE

Table 1: Project Identification Table

GEF Project ID/SMA ID[1]:	9719		
Implementing Agency (UNEP Division/Branch/Unit):	***Ecosystems Division, GEF Biodiversity and Land Degradation Unit***	**Executing Agency:**	&Green Fund
Sources of Funding (Co-finance):	*Country[2](ies):*	*Institution[3] Name/Type: GEF*	
Relevant SDG(s):	Poverty Reduction (SDG #1), food security (#2), gender equality (#5), responsible consumption and production (#12), climate action (#13), and halting land degradation and biodiversity loss (#15).		
MTS (at approval):	MTS2014-2017		
POW Direct Outcome(s) number/reference ***(applicable for projects approved from 2022):*** **OR** **POW Output(s) number/reference** ***(applicable for projects approved pre-2022)***	*POW Direct Outcome: N/A*	**MTS 2025 Outcome(s) number/reference** ***(applicable for projects approved from 2022):*** **OR** **POW Expected Accomplishment(s) number/reference** ***(applicable for projects approved pre-2022):***	*MTS 2025 Outcome:*
	POW Output: N/A		*POW Expected Accomplishment: Policymakers in the public and private sectors test the inclusion of the health and productivity of ecosystems in economic decision-making.*
Sub-programme:	Subprogramme 3: Healthy and productive ecosystems	**Programme Coordination Project:**	N/A
UNEP approval date:	3 December 2018	**GEF approval date:**	6 February 2018
GEF Operational Programme #:	GEF-6	**GEF Strategic Priority:**	LD-3 Program 4 Outcome 3.3: Increased investments in integrated landscape management
Project type:	MSP	**Focal Area(s):**	Land Degradation
***Expected* start date:**	29 December 2018	**Actual start date:**	29 December 2018
***Planned* completion date:**	31 December 2021	**Actual operational completion date:**	30 November 2022
***Planned* total project budget at approval:**	USD 54,518,998	**Actual total expenditures reported as of 20 June 2022:**	USD 1,950,000
GEF grant allocation:	USD 2,000,000	**GEF grant expenditures reported as of 30 June 2022:**	NIL GEF grant expenditure. The amount of USD1,950,000 is held as a

[1] SMA refers to the ID provided by the Integrated Planning, Management and Reporting Solution (IPMR) system, which was introduced by UNEP in July 2023.

[2] Where applicable, list countries who have provided project funds and/or co-finance.

[3] Indicate where funding institutions are any/all of the following: Foundation/NGO; Private Sector; UN Body; Multilateral Fund; Environment Fund.

			"receivable" to be repaid by the executing agency at the end of the project within 90 days of the Repayment Date (31 December 2037)
***Expected* Medium-Size Project/Full-Size Project co-financing:**	*Cash: USD 52,518,998*	**Secured Medium-Size Project/Full-Size Project co-financing:**	*Cash: USD 730,000,000* *In-kind:*
No. of formal project revisions:	N/A	**Date of last approved project revision:**	N/A
No. of Steering Committee meetings:	N/A	**Date of Last Steering Committee meeting:**	N/A
Mid-term Review/ Evaluation *(planned date):*	April 2020	**Mid-term Review/ Evaluation (actual date):**	August 2022
Terminal Evaluation *(planned date):*		**Terminal Evaluation (actual date):**	August 2024
Coverage - Countries:	Brazil, Colombia, Ecuador, Gabon, Indonesia, Liberia, Peru [listed in PIR 2022], (Côte D'Ivoire, Viet Nam)	**Coverage - Regions:**	Africa, Asia and Latin America
Dates of previous project phases:	N/A	**Status of future project phases:**	N/A

EXECUTIVE SUMMARY

Project background

1. The UNEP/GEF project "Piloting Innovative Investments for Sustainable Landscapes" (GEF ID 9719) supported the &Green Fund, which was created in 2017. The GEF provided financing of USD 2 Million under its non-grant instrument to the &Green Fund as the executing agency for the GEF 9719 project. UNEP acted as an implementing agency for the GEF project. The UNEP project "Land Use Finance" (LUF) (PIMS 2009) also supported the &Green Fund facility as one of five complementary finance facilities.

2. The &Green Fund invests in countries with significant tropical forests under threat from agricultural expansion. &Green's goal is to finance the delinking of major commodity supply chains from deforestation in a way that is commercially viable and replicable. This funding is offered to companies in exchange for commitments to change the way they produce; the company commits to avoid deforestation and to undertake a set of environmental and social actions in a given landscape. Production, Protection and Inclusion (PPI) agreements were negotiated between public, private and civil society actors in selected landscapes like in the State of Mato Grosso, Brazil.

3. The &Green Fund was set up to attract private sector funds into selected jurisdictions that support the transition to zero-deforestation agriculture via policies and monitoring. The &Green Fund pre-approves jurisdictions using five criteria. The Fund then identifies frontrunning companies in these regions and supports them with capital and technical assistance support through long-term deals.

4. &Green is a blended finance facility funded by the Norwegian Climate Finance Initiative, GEF, CAFI and the Government of United Kingdom (via the Dutch Entrepreneurial Development Bank (FMO) to the Mobilising Finance for Forests Programme (MFF)) as public sources and Unilever and other investors as private sources at fund level. The Green Climate Fund has also joined other public investors in the junior tranche of the fund in 2023.

5. The &Green Fund conducts Environmental, Social and Governance (ESG) assessments of each deal. The assessment leads to an Environmental and Social Plan (ESAP) to prevent negative effects of the investment and maximize positive impacts. A Landscape Protection Plan (LPP) is also produced for each investment detailing the goals for the investment, a description of the landscape in which the investment was implemented and the legal compliance requirements.

6. The &Green Fund aims to demonstrate that companies can produce agricultural commodities in a more sustainable manner while continuing to be profitable and curbing deforestation. A successful shift towards sustainable tropical commodity production would hinge on achieving impact at a significant scale. Through collaborative efforts with investees, the &Green Fund aimed at devising supply chain blueprints aimed at being both replicable and scalable.

7. The GEF and its Partner Agencies have, since 2008, used a range of non-grant instruments such as debt, equity and guarantees to attract private sector investment and deliver global environmental benefits beyond business as usual.

This evaluation

8. This Terminal Evaluation of the UNEP/GEF project has two primary purposes:

- to provide evidence of results to meet accountability requirements, and
- to promote operational improvement, learning and knowledge sharing through results and lessons learned among UNEP, the &Green Fund and other relevant partners of similar and/or related interventions including the UNEP "Land Use Finance" Project (PIMS 2009). Therefore, the evaluation will identify lessons of operational relevance for future project formulation and implementation. Recommendations relevant to UNEP strategies and programmes may also be identified during the evaluation process.

Key findings and performance ratings

9. This Terminal Evaluation (TE) report benefits from being read in conjunction with the TE report for UNEP's Land Use Finance project.

10. The relevance of the project is rated as 'Moderately Satisfactory'. The project is aligned with the Subprogramme on Healthy and Productive Ecosystems (now Nature Action) contributing towards policymakers in the public and private sectors testing the inclusion of the health and productivity of ecosystems in economic decision-making. While UNEP's normative mandate does not make provision for non-grant instruments, this project tested the GEF non-grant instrument (loan) to a finance facility as part of creating an enabling environment in which blended finance can be used to mobilize private finance. The alignment with other possible outcomes or accomplishments in the Medium Term Strategy (MTS) 2018-2021 related to halting agriculture-driven deforestation is not fully addressed such as the need for sustainable practices in food production and manufacturing. The project is located in GEF focal area on land degradation**.** Within GEF-6, the investment logic from GEF in the project was to "test to see if concessional finance in support of production, protection and inclusion schemes is able to shape the agricultural supply chain in a significant manner". The additionality of the GEF funds cannot be confirmed; the GEF's contribution to the &Green Fund was at fund level and thus its funding (together with other contributors) was spread equitably among the Fund's activities and constituted 1.26% of all contributions. &Green does not share its additionality assessment of its investments in specific deals except for with members of its Investment Committee.

11. UNEP's mandate is to find solutions to the triple planetary crisis which covers exploring new options on how to implement conventions on climate change and biodiversity. UNEP´s instruments are scientific studies, policy support, intergovernmental co-ordination and public advocacy. The project was an opportunity for UNEP to test the GEF non-grant instrument. Bilateral partnership with the Sustainable Trade Initiative (IDH) for the promotion of private sector engagement (through an MOU between UNEP and IDH in 2017 and amended MOU with UNEP, Rabobank, FMO and IDH in 2018) were also new to UNEP. Despite its long-standing engagement with private banks in UNEP-Finance Initiative, blended finance was a new topic for UNEP to work on in 2018.

12. The &Green Fund can only invest in countries or states (also referred to as jurisdictions) that have a strategy or policy in place to curb deforestation. However, the project itself does not have a national or sub-national policy development component as such. In addition, it does not focus on improving the natural resources management for marginalised populations but on large scale investment (average size of deals in the ProDoc was USD 1-3 Million, later the &Green Fund increased it to USD 35 Million, with benefiting companies being mainly expanding multinational companies). To date, 12 jurisdictions have been approved by the &Green Fund Advisory Board.

13. The demand of companies as beneficiaries was tested in the project pipeline which the IDH developed in a separate project for Production Protection Inclusion Agreements.[4] Among the companies with projects in the investment pipeline were companies with recorded incidents of deforestation and human rights violations.

14. The effectiveness of the project is rated as 'Moderately Satisfactory'. All outputs have been delivered and are available like the development of an investment pipeline, initial investments of USD 162.75 M as of 2022 and USD 217.75M at the time of evaluation, negotiations have been conducted with public and private investors and a monitoring system of environmental and social performance at fund level was set up. Outcome 1.1 was partly achieved as forest protection and CO_2 mitigation indicator targets were met while other indicators were partly met. Outcome 1.2 was partly achieved as private investment was mobilized at investment level, rather than at Fund (&Green) level. Likelihood of impact on long-term forest impact is 'Moderately Likely' given the early termination of some of the investments, achievement of project outcomes and assumptions and drivers hold partially/ partially in place.

[4] Unique (2021), Evaluation of Initiative for Sustainable Landscapes Program (ISLA). Evaluation Report,

15. In 2024, seven out of ten closed deals were operational. Two loans were paid back earlier due to decisions of the company, and one company went bankrupt. In 2023, two deals were reported on &Green's balance sheet as expected credit loss (ECL) provision due to an increase in credit risk, using a prudent ECL method. The Fund Manager and investors have stated that those businesses have since improved their business performance and expect to be able to release this provision. Liberia, which was listed in the ProDoc as a target country for &Green's investment, was not approved under &Green's Jurisdictional Eligibility Criteria (JEC) – hence no investment was made there. The deals include:

1) large plantation with improved rubber varieties, including an area in the buffer zone of a national park in Indonesia RLU Indonesia,

2) deforestation free palm oil production (PT Dharma Satya Nusantara Tbk "DSNG" Indonesia),

3) palm oil mill in Indonesia (PT Hilton Duta Lestari HDL Indonesia),

4) deforestation free cattle production in Brazil (Marfrig),

5-6) improved cattle production (Roncador in Brazil and Hacienda San José in Colombia),

7) improved production of biofuel in Brazil (Fuelling Sustainability FS) and

8-10) three deals for deforestation-free cocoa (ETC Group in Côte d'Ivoire) and coffee production (Mercon and Phuc Sin in Viet Nam).

16. The project is assessed as being successful in contributing to forest protection and reduced CO_2 emissions because companies complied with the no-deforestation policy during the deal with the &Green Fund. Contributions to avoided deforestation, sustainable commodity production, livelihoods of smallholders and gender equality were reported to a much lesser degree.

17. The &Green Fund is assessed as being successful in raising public funds from the GEF, national donors and GCF but failed in achieving the aspired 1:5 private co-financing at fund level which was stated in the ProDoc. In 2023, for the application for the GCF funding, the co-financing rate was reduced to 1:1.15. At the deal level, the &Green Fund reports leveraged co-investment by the private sector ranging from 0.9 million to over 1 billion per deal (See Table 8).

18. The extent to which the changes of land use practices could be sustained over the future would depend on the policy of the companies, beyond the tenor of &Green Fund's investment, and other factors like the enforcement of national forest policies. The agriculture sector will need continuous financing due to the scale of and need for e.g. replanting and adapting to climate change.

Summary response to key strategic evaluation questions

Q1: To what extent was UNEP's protocol for working with &Green and &Green's partners suitable and adequate?

19. The list of potential clients of the &Green Fund in the ProDoc contained companies which had incidents recorded of non-compliance with national environmental laws (Marfrig, Roncador) which raises questions around integrity, and they could, by association, be a source of reputational risk to UNEP, if the partnership is not well managed. However, UNEP has not been part of the selection process of investments selected by the &Green Fund. Also, the selection criteria of the &Green Fund were based on the *potential impact* of the investment and not on the past performance of the companies. UNEP worked with &Green to set up their environmental and social framework, which provided binding safeguards on &Green's investees which meant that to obtain &Green's investments, the companies had to sign a company-wide zero-deforestation policy.

20. Processes for the selection of the &Green Fund as executing agency for the UNEP/GEF project and the companies were in line with the selection criteria of the UNEP Partnership Strategy (2011). The UNEP Partnership Strategy from 2024 does not cover a partner of partners approach in projects. A partner of partner approach or subcontracting is a quite common approach in global projects.

21. The risk assessment of the UNEP/GEF project contained an assessment of the reputational risk for UNEP being associated with companies with a “heavy environmental footprint “. Reputational damage may occur if the actions of a company are not in line with the UNEP’s values or with the existing laws and social norms and values beyond laws. While UNEP´s strategy is suitable and adequate for working with partners from the private sector and UNEP’s support to setting up the environmental and social framework of the facility, the association with partners of partners through a finance facility was not well considered.

Q2: What safeguards and risk management procedures were used for the deals entered by &Green in the design and implementation of deals (investments)?

22. The &Green Fund’s process to identify and manage risks: investees must comply with three requirements:

- No deforestation no peatland no exploitation policy (NDPE)
- An Environmental and Social Action Plan (ESAP); and
- A Landscape Protection Plan (LPP)

23. The &Green Fund’s investees must commit to NDPE at company level, potentially creating impact beyond the project area and this is applicable to all commodities, including palm oil.

24. The ESAP builds on International Finance Corporation (IFC) Performance Standards and includes specific requirements with regards to the investment projects’ environmental and social management system, audit requirements. NDPE policies include geolocation and traceability, and impact targets. In addition, a mix of standards for land tenure and sustainability is applied in the investments. Disbursements of capital are linked to ESAP implementation.

25. The LPP is developed by the client in collaboration with &Green. Disbursements of capital are linked to ESAP milestones. LPPs and ESAPs detail how the company will comply with national legislation regarding forests and their NDPE commitments, as well as the Monitoring, Reporting and Verification (MRV) systems put in place, including external audits.

Q3: What value did UNEP add to the project? What incentives or barriers affected project implementation, replication and up-scaling?

26. UNEP gave the &Green Fund access to GEF funding because it is an implementing agency of GEF. UNEP´s role as an implementing agency was to oversee project implementation and support the establishment of the monitoring system of &Green Fund during project implementation. The UNEP Land Use Finance (LUF) Project communicates the results of the &Green Fund.

27. The UNEP LUF project (PIMS 2009) supported the fundraising and the first deals of the &Green Fund. It also supported &Green in the development of its environmental and social framework. UNEP supported the set-up and operation of the Tropical Landscapes Finance Facility (TLFF) which developed and financed the first deal of the &Green Fund. The TLFF is evaluated as a case study in a separate report which evaluates the UNEP LUF project. UNEP’s role in mobilizing capital was also limited due to the size of its investment in &Green (USD 2 Million).

28. UNEP has no seat on the Advisory Board nor the investment committee.

29. What is unique about the &Green Fund was its specific attention to decoupling increased agricultural production from deforestation deploying site specific monitoring. The Brazilian National Development Bank pioneers a similar monitoring approach for its investments.

30. Scaling up is challenging. At the beginning of the UNEP/GEF project, Development Finance Institutions (DFIs) had invested in a handful of sustainable land use funds in emerging markets. DFIs rule out a lot of sustainable land use projects due to their high risk and returns that are not

proportionate to the risk level. If &Green's investments perform financially over time, it may possibly encourage DFIs to make more investments into sustainable land use.

Q4: To what extent did the project, through its transactions, succeed in mobilizing stakeholders, including at sub-national and community level, to commit to conservation?

31. As of December 2023, the &Green Fund had mobilized ten investees – companies – into committing to conservation. The attribution of any change at subnational and community level to the project is challenging. In some cases, commodity-specific sustainability standards have been implemented prior to the deals, e.g. Rainforest Alliance in Viet Nam and Côte d'Ivoire. The standards request commitments and actions for conservation and implementation protocols for stakeholder involvement.

32. In the last three deals of the &Green Fund in Viet Nam and Côte d'Ivoire the companies have committed to collaborate with smallholders to comply with European Union Deforestation Regulation (EUDR). Smallholders will implement measures of compliance like georeferencing their lots.

Q5: What can UNEP and GEF learn from this project and engagement with &Green on how to overcome the challenge of finding suitable investment opportunities and create incentives for private sector impact investments that contribute to conservation?

33. &Green focused on reducing agricultural expansion into forests. There are also other investment opportunities that lead to conservation which were not part of &Green's mandate. Commercial products from tropical forests like non-timber forest products (NTPF) or genetic resources are barely explored and commercially used. Showing those R&D based investment opportunities or implementing the Access and Benefit Sharing (ABS) mechanism could be a field for UNEP to promote private sector engagement for the protection of forests. UNEP could play a role in promoting those investments, ensuring they are equitable.

34. Equity investment opportunities for the private sector also include relatively mature bio-based companies that develop and market products and services derived from biological resources, such as plants, animals, enzymes, and microorganisms in expanding markets which provide a sufficiently high return on investment in the long run. Those companies require an infrastructure which supports R&D, clarifies legal requirements and connects actors to markets.

35. The first learning is that finance facilities such as the &Green Fund face challenges to raise private finance at fund level.

36. The second learning is that it is also challenging to deploy capital in a way that contributes to conservation and improve livelihoods while delivering returns to investors.

Table 2: Summary of project ratings

Criterion	Rating
Strategic Relevance	**MS**
Quality of Project Design	**MS**
Nature of External Context	**F**
Effectiveness	**MS**
Financial Management	**HS**
Efficiency	**MS**
Monitoring and Reporting	**S**
Sustainability	**ML**

Criterion	Rating
Factors Affecting Performance	**MS**
Overall Project Performance Rating	**MS**

Conclusions

37. The project has demonstrated strong performance in the area of financial management and project management by UNEP and the &Green Fund. It has partly achieved the outcome of maintaining, restoring or increasing forest cover and not achieved the outcome of leveraging private finance at fund level. Nevertheless, it did leverage private capital at investment level. It is also contributing to the intended impact related to global environmental benefits and improved environmental and livelihood benefits for smallholders. Areas that would have benefited from further attention is the project design like defining relevant output indicators and measuring change at outcome level in terms of longer-lasting tangible results for smallholders and avoided deforestation or increased private sector co-financing.

38. It was challenging for &Green to identify suitable deals that met its impact and financial criteria, while being additional and low risk. It was also challenging to attract private sector investors at fund level. The successful shift towards sustainable tropical commodity production would hinge on achieving significant scale which would be beyond the Fund´s results. So far, the &Green Fund's operational model is difficult to replicate due to the limited availability of investment opportunities that fit with companies' investment strategies, the target ticket size and ESG requirements.

Lessons Learned

<u>Lesson 1:</u> Attracting private capital into blended finance facilities can be challenging, even when a junior tranche is in place. In &Green's case, investors in &Green's junior tranche include both public and private sector – including the Government of Norway, GCF, CAFI, FMO, Unilever and Hannover Re.

<u>Lesson 2:</u> In practice, it is challenging for a blended finance facility to balance investors' returns expectations with donors' impact expectations – including additionality – and risk management. Investments that feature higher impact potential often feature higher degrees of risks due to e.g. their geographical location, target stakeholder, or their novelty.

<u>Lesson 3:</u> Conditional finance can contribute to on-going change processes in companies which are caused by regulation and market demand but change in supply chains needs a policy driven approach. Investments made by &Green and such facilities can help inform policy makers by showing what changes may be possible at corporate and ground level, and the investments required.

<u>Lesson 4:</u> Improving the livelihoods of smallholders requires tailored instruments that address the specific challenges of smallholders and target the appropriate intermediaries. This can include blended finance as usually the level of risk of investing in smallholders is considered to be higher by investors. This is where public finance could add value as those investments are usually higher risk, and lower returns but would need to be framed in a policy context (or development intervention) that benefits smallholders if significant social gains are to be achieved at community level.

<u>Lesson 5:</u> &Green's due diligence process and ESG criteria allowed for investments in companies that had a track record of deforestation, as part of its impact strategy. Staff of a blended finance facility such as &Green do not know at the outset who it will invest in – what it can do is put in place solid due diligence processes. &Green's investments required those companies to improve practices going forward. UNEP, through its indirect association with companies through the deals entered by the finance facility, may be subject to public scrutiny unless it carefully identifies and assesses potential impact to mitigate reputational risk and reflect such considerations in its communication.

Recommendations

Recommendation 1: Private sector mobilization through UNEP's support to finance facilities such as &Green should be more specific on:

- role of UNEP in fund management and defining impact and ESG;
- size and nature of investment projects;
- sources of funding;
- targeted investees (e.g. agribusiness, smallholders) and type of co-investors;
- required knowledge for ecosystem management;
- types of land uses permitted (e.g. monoculture/agroforestry);
- use of carbon and biodiversity credits as revenue streams.

In addition, UNEP should seek clarification on MRV capacities, ESG, ESG verification, due diligence processes and impact investment; and seek out policy coherence and how finance facilities can inform and influence policies, as well as supply chain initiatives to maximize its impact.

Recommendation 2: UNEP should develop a communications protocol that reflects UNEP's evolving engagement with the private sector and blended finance initiatives and balance it with other dimensions of UNEP's work, for example, sustainable practices in food production and manufacturing and natural resources management for marginalized groups in order to demonstrate mutually supportive environmental action and manage potential reputational risk to UNEP.

Recommendation 3: UNEP could use its convening role in multistakeholder coalitions to: 1) advance finance solutions to promote investments in geographical areas and investee archetypes that are underserved by large finance institutions, or: 2) direct blended finance into niches like agroforestry with native species, financing cooperatives or bringing in knowledge of buffer zones, climate change adaptation and risk management.

1 INTRODUCTION

Purpose and scope of the evaluation

39. The scope of this Terminal Evaluation was to assess the project performance in terms of relevance, coherence, effectiveness, efficiency and likelihood of impact as well as sustainability, of the UNEP/GEF project "Piloting Innovative Investments for Sustainable Landscapes" (GEF ID 9719). The intention of the project was "proving the &Green Fund's 'Production- Protection- Inclusion' approach to commodity investments" by de-risking commercial financing of deforestation-free land use".

40. The project aimed "to maintain, restore or increase forest cover while intensifying agricultural production and improving the livelihoods of smallholders through piloting the de-risking of private finance in sustainable landscapes in seven target landscapes in Brazil, Indonesia, and Liberia". The attainment of this outcome was the basis of the evaluation. The Terminal Evaluation assessed project performance in terms of relevance, effectiveness and efficiency, and determines the achievement of outcomes and likelihood of impacts (actual and potential) stemming from the Project, including their sustainability.

41. The Evaluation had two primary purposes:

- to provide evidence of results to meet accountability requirements, and
- to promote operational improvement, learning and knowledge sharing through results and lessons learned among UNEP, &Green and other relevant partners of similar and/or related interventions, including the UNEP "Land Use Finance" Project. Therefore, the Evaluation will identify lessons of operational relevance for future project formulation and implementation. Recommendations relevant to the whole house were also identified during the evaluation process.

42. The Evaluation addressed the five strategic questions listed below. These are operational and policy-level related questions of interest to UNEP and to which the evaluation of the project was able to make a substantive contribution.

Q1: To what extent was UNEP's protocol for working with &Green and &Green's partners suitable and adequate?

Q2: What safeguards and risk management procedures were used for the deals entered by &Green in the design and implementation of deals (investments)?

Q3: What value did UNEP add to the project? What incentives or barriers affected project implementation, replication and up-scaling?

Q4: To what extent did the project through its transactions succeed in mobilizing stakeholders, including at sub-national and community level, to commit to conservation?

Q5: What can UNEP and GEF learn from this project and engagement with &Green on how to overcome the challenge of finding suitable investment opportunities and create incentives for private sector impact investments that contribute to conservation?

2 EVALUATION METHODS

43. The primary challenge for this Terminal Evaluation was to determine the likelihood of impact of the project because it would depend on the activities of companies that are outside the sphere of influence of the project. The Mid Term Review (MTR) of the &Green Fund conducted by &Green and Steward Redqueen consultants (2022) had raised the challenge of how to attribute the claimed changes at investment level to the activities of the project. The evaluators addressed this challenge by performing a contribution analysis based upon the developed theory of change.

44. The evaluation of the UNEP "Land Use Finance" project (PIMS 2009) was conducted in parallel with the evaluation of this UNEP/GEF project "Piloting Innovative Investment for Sustainable Landscape". Synergies in data collection and contribution analysis between the two evaluations were actively sought.

45. The Terminal Evaluation used a participatory approach whereby key stakeholders were kept informed and consulted throughout the evaluation process.

46. Qualitative evaluation methods were used for all evaluation criteria including determining achievements against the expected outputs, outcomes and impacts to enable triangulation and verification. Data were collected with respect for ethics and human rights issues.

47. Methods for collecting data at outcome level were analysing &Green reports, UNEP reports and interviews with key stakeholders. The evaluation team interviewed SAIL Investments (&Green fund manager), GEF and investors in the &Green facility. The evaluation team asked SAIL Investments for contacts of investees, but Sail Investments declined on the basis that as a private credit fund, it is part of their mandate to keep the separation between clients and investors.

48. The evaluation process covers the following steps for data collection and sampling:

Desk review of:

- Relevant background documentation;
- Project design documents (including minutes of the project design review meeting at approval);
- Annual Work Plans and Budgets or equivalent, revisions to the project (Project Document Supplement), the logical framework and its budget;
- Project reports such as six-monthly progress and financial reports, progress reports from collaborating partners, meeting minutes, M&E reports, relevant correspondence, etc.;
- Mid-Term Review of the project;
- Evaluations/reviews of similar projects such as the evaluation of the UNEP Inquiry project[5] or other projects implemented by the Climate Finance Unit, Climate Change Division;
- Websites, sustainability reports of companies receiving funds from the finance facilities.

Semi-Structured interviews (individual or in groups) were conducted with

- UNEP Portfolio Manager,
- Former UNEP Task Manager
- UNEP Fund Manager,
- Former IDH staff,
- &Green Fund / staff of SAIL Investment [6]as the implementers of the project,

[5] Terminal Evaluation of the UNEP Inquiry into the Design of a Sustainable Financial System (PIMS 01661) and Interim Review of the UNEP-GEF Aligning the Financial System and Infrastructure Investments with Sustainable Development (Components 1 and 2). GEF 09775

[6] SAIL Ventures changed its name to SAIL Investments in 2024. This was a name change with no alterations to SAIL's focus, governance, and legal structure (SAIL LinkedIn, accessed on 19/05/2025).

- GEF Secretariat Senior Financial Specialist on Blended Finance,
- &Green Fund Donors.

Annex III provides more details on interviewees.

- ***Data Collection Challenges, Limitations and Risks***

49. The main challenge to the data collection was the availability of stakeholders identified by theevaluation team for interviews. Given the size of GEF's investment in &Green, SAIL Investments had very limited time to dedicate to this evaluation. SAIL Investments was not able to introduce the evaluators to investees because the &Green Fund's status as a fully commercial private credit fund requires a separation between clients and &Green's investors according to &Green.

50. Existing geospatial data from UNEP reports and other available sources could not be used due to limited resources available to the evaluation team to extract data from existing data sources and assess potential environmental impacts.

51. The project's ProDoc results framework differed from the results framework used in the Project Implementation Report (PIR) 2022 report. The evaluation team mapped the two results frameworks against each other. However, assumptions and drivers were not identified in either document therefore this was done by the evaluation team as part of reconstructing the ToC.

52. Attribution is challenging on several levels: a) Attributing impact to UNEP/ GEF financing is challenging. Due to Norway International Climate and Forest Initiative's (NICFI) and IDH's early involvement, it is likely that &Green would have developed the same ESG criteria and process without this project; b) In addition, the behaviour of companies towards deforestation cannot be changed by concessional finance alone; and c) a causal relationship between UNEP`s involvement and changing behaviour of companies cannot be identified in all cases. It remains possible for companies with a track record in legal and illegal deforestation and human rights violations to use the conditional finance at investment project level to show their efforts for achieving de-forestation free production, instead of changing their company strategy and undertaking efforts that are consistent and long-term.

Table 3: Evaluation respondents

<table>
<tr><th colspan="3">Stakeholders - Individuals</th><th>A. Total number involved (M/F)</th><th>B. Number contacted (M/F)</th><th>Sample size (% B/A)[7]</th><th>C. Total number responded Total (M/F)</th><th>Response rate (% C/B)[8]</th></tr>
<tr><td rowspan="2">Project Team</td><td rowspan="2">Project Team (with management responsibilities e.g. Project Management Unit)</td><td>Implementing agency UNEP</td><td>4(4/0)</td><td>4(4/0)</td><td>100%</td><td>4(4/0)</td><td>100%</td></tr>
<tr><td>Executing agency SAIL Investments</td><td>2(2/0)</td><td>2(2/0)</td><td>100%</td><td>2(2/0)</td><td>100%</td></tr>
<tr><td>Beneficiari</td><td colspan="2">Direct Beneficiaries: (e.g. duty bearers, gatekeepers, training participants, etc.)</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><th colspan="3">Stakeholders - Entities</th><th>A. Total number involved</th><th>B. Number contacted</th><th>Sample size (% B/A)[9]</th><th>C. Total number responded</th><th>Response rate (% C/B)[10]</th></tr>
<tr><td>Part</td><td colspan="2">Project implementing/ executing partners (receiving project funds)</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
</table>

[7] Percentage of people involved in the project who were contacted.
[8] Percentage of people contacted who responded.
[9] Percentage of entities involved in the project who were contacted.
[10] Percentage of entities contacted who responded.

	Project collaborating/ contributing partners[11] (not receiving project fund) *Donor (NICFI), investor (FMO), GEF Secretariat, IHD*	5(3/2)	5(3/2)	100%	5(3/2)	80%

[11] Contributing partners may be providing resources as either cash or in-kind inputs (e.g. staff time, office space etc.).

3 THE PROJECT

3.1 Context

53. Forests are a vital natural resource, covering approximately 31% of global land surface and storing at least 289 gigatonnes of carbon. More than 1.5 billion people depend directly on forest for their livelihoods, but about 7.6 million ha of tropical forest are lost every year. Tropical deforestation threatens the biodiversity of the planet and is a major contributor to carbon emissions. Deforestation leads to land degradation which is a major factor in the progressive deterioration of ecosystem services affecting agro-ecosystems and forest landscapes globally. The loss of forest, and the accompanying loss of ecosystems and the services they provide, threatens the security and livelihoods of local communities, reduces access to clean water, decreases soil productivity and accounts for 12 percent of global greenhouse gas emissions. In recent years, it has become apparent that the most significant threat to the world's remaining forests is conversion for commercial agriculture and other non-forest use.

54. Agriculture alone accounts for over 70 percent of all deforestation across tropical and sub-tropical countries (Hosonuma et.al., 2012), but with differences in geographic distribution of the importance of commercial versus subsistence agriculture (Kissinger et.al, 2012). Commercial actors appear to play a larger and increasing role in the expansion of agriculture into forests and for many countries commercial agriculture has been dominant over subsistence agriculture (Boucher et al. 2011). Agribusinesses, increasingly producing for international markets (cattle ranching, soybean farming and oil palm plantations) have been identified as a main driver of post-1990 deforestation (Rudel et al., 2009; Boucher et al., 2011).

55. Many of the ecosystem services of intact forests are common goods and cannot be sold on markets and need to be valued by society. Losing forests means losing ecosystem services (water, biodiversity). Converting forest to agricultural land and then producing tradeable commodities that can be sold on markets, means that land users obtain financial benefits from converting common goods to private assets.

56. Anticipated global economic growth and changing diets were expected to increase the demand for agricultural commodities and place additional pressure on forests in the foreseeable future. UNEP's project Economics of Ecosystems and Biodiversity for Agriculture and Food programme (TEEB AgriFood) states that land use of commercial agriculture has to be fundamentally changed in order to sustain ecosystem services and produce food.

3.2 Results Framework

57. The project objective in the ProDoc was formulated as "to maintain or increase forest cover, intensify agricultural production, and improve the livelihoods of smallholders through piloting de-risking finance for investments in sustainable landscapes in seven target landscapes in Brazil, Indonesia and Liberia."

58. The Project had one outcome in the ProDoc: "Private finance leveraged on a 5:1 ratio as a result of the de-risking funding provided by the &Green Fund in the seven landscapes (across 3 countries: Indonesia, Liberia and Brazil)" with the indicators:

- Private financing leveraged in a 5:1 ratio.
- Forest cover is maintained at 258,000 ha
- Sustainable agricultural production is realized at 186,000 ha
- Deforestation is avoided at 180,000 ha.

59. The last GEF Project Implementation Report (PIR) 2022 contained the following project objective: "Proving the &Green Fund's 'Production-Protection-Inclusion' approach to commodity investments" (No indicator).

60. The PIR 2022 made reference to two outcomes: outcome 1.1 in the PIR is almost equivalent to the project objective of the ProDoc; outcome 1.2 in the PIR is the same as the single outcome in the ProDoc.

61. **Outcome 1.1.** To maintain, restore or increase forest cover (on and off) while intensifying agricultural production and improving the livelihoods of smallholders through piloting the de-risking of private finance in sustainable landscapes in the fund's eligible jurisdictions.

62. Outcome indicators included:

- Number of hectares of HCV/HCS conserved in 7 target landscapes 258,000 ha
- Number of hectares of agricultural land regenerated and intensified in 7 target Landscapes 186,000 ha
- Number of hectares of avoided deforestation in target landscape in Brazil/Indonesia 180,000 ha
- Mitigated CO_2 45 M tons
- Number of households benefitting directly or indirectly from fund transactions (e.g. jobs, income-generating opportunities) in 7 target Landscapes
- Share of women and men as direct beneficiaries of GEF funding through &Green Fund in 7 target landscapes

63. **Outcome 1.2**. To leverage private finance on a 5:1 ratio as a result of the de-risking funding provided by the &Green Fund in the seven landscapes.

64. Outcome indicators included:

- Private Finance Leveraged from mainstream finance institutions and development finance on a 5:1 Ratio: 96 Mio USD (not specified whether at fund level or at project level)
- Number of households benefiting directly or indirectly from fund transactions (e.g. jobs, income-generating opportunities, poverty reduction, reduction of hunger) in 7 target landscapes 15,000 households
- Share of women and men as direct beneficiaries of GEF funding through &Green Fund in 7 target landscapes: 50%

65. In order to achieve these two outcomes, the executing agency was responsible for delivering the following **outputs:**

- Developing an investment pipeline to create proof-of-concept on solutions contributing to production, protection and inclusion targets established under NICFI-IDH Partnership Program
- Investing USD 64 million (of which, USD 2 million were from GEF) through the &Green Fund to de-risk commercial financing of agricultural production in exchange for a landscape protection plan (LPP) outlining on- and off- concession forest and peat protection or restoration.
- Completing negotiations with mainstream finance institutions and development finance institutions to leverage non-fund capital for public good outcomes in terms of enhanced forest protection and livelihoods of local communities.

- Creating a system for monitoring the impact performance (satellite imagery, field inspections, interviews, and reports) to verify and track conservation performance.

66. Table 4 provides an overview of the outcomes with respective indicators and outputs based on the PIR 2022 and it is used as the basis for the subsequent proposed adjustments of the results framework in Table 5.

Table 4: Outcomes, Indicators and Outputs *(source PIR 2022)*

Outcomes	**Indicators**	**Outputs**
Outcome 1.1. To maintain, restore or increase forest cover (on and off) while intensifying agricultural production and improving the livelihoods of smallholders through piloting the de-risking of private finance in sustainable landscapes in the fund's eligible jurisdictions.	Number of hectares of HCV-HCS in 7 target landscapes 258,000 hectares (qualitative assessment, non- certified) GEF core indicator Number of hectares of agricultural land regenerated and intensified in 7 target landscapes [186,000 ha] Number of hectares of avoided deforestation in target landscape in Brazil/Indonesia [180,000 ha] Mitigated CO_2: 45 million tons of CO_{2e} over 20 years GEF core indicator	**Output 1.1:** Investment pipeline developed to create proof-of-concept on solutions contributing to production, protection, and inclusion targets established under NICFI-IDH Partnership Program.
Outcome 1.2: Private finance leveraged on a 5:1 ratio as a result of the de- risking of funding provided by the &Green Fund in the fund's eligible jurisdictions.	Private Finance Leveraged from mainstream finance institutions and development finance [USD 96 Million] Number of households benefiting directly or indirectly from fund transactions (e.g. jobs, income-generating opportunities, poverty reduction, reduction of hunger) in 7 target landscapes [15,000 households] Share of women and men as direct beneficiaries of GEF funding through &Green Fund in 7 target landscapes [50%] (moved from outcome 1.2. to outcome 1.1. as it measures livelihoods improvements)	**Output 1.2:** USD 64 million (of which, USD 2 million are from GEF) invested through the &Green Fund to de-risk commercial financing of agricultural production in exchange for a landscape protection plan (LPP) outlining on- and off concession forest and peat protection or restoration. **Output 1.3:** Negotiations with mainstream finance institutions and development finance institutions completed to leverage non-fund capital for public good outcomes in terms of enhanced forest protection and livelihoods of local communities **Output 1.4:** A system for monitoring the impact performance is created (satellite imagery, field inspections, interviews, and reports) to verify and track conservation performance.

67. These outcomes and outputs were not articulated in-line with the definitions of the UNEP Glossary of results. This is why the results framework has been adapted to comply with UNEP glossary for assessing the results during the lifetime of this GEF project.

68. The main issue is that outcome 1.1 is similar to the former project objective from the ProDoc and all indicators of outcome 1.1 are impact indicators. This could be seen in a positive light, because the project assumes responsibility for achieving the impact within the 20 years duration of the agreement between GEF/ UNEP and the &Green Fund, however, the indicators and their targets are ambitious for the project timeframe.

69. The main changes related to the project's results framework are changes in the level of aspired results (impact versus outcome level). For this evaluation the effectiveness of the project will be assessed based on the delivery of the planned outputs, achievement of the outcomes and the

likelihood of resulting impacts. The proposed changes to the project's results framework are listed in Table 5 below.

Table 5: Proposed Changes of Project Results Framework (PRF)

Original PRF and ToC language for Outcomes, Outputs and Indicators	Justification for Re-formulation	Formulation for Reconstructed ToC at Evaluation Inception (RToC)
Impact: not defined	No impact defined in the results framework (PIR 2022). Impact is derived from the project objective: "Providing the &Green Fund's 'Protection-Inclusion' approach to commodity investments" (PIR 2022) or "To maintain or increase forest cover, intensify agricultural production, and improve the livelihoods of smallholders through piloting de-risking finance for investments in sustainable landscapes in seven target landscapes in Brazil, Indonesia and Liberia" (ProDoc) The evaluation team is using the original formulation of the project objective as basis for the impact as it connects with higher level social and environmental benefits and GEF indicators.	**Impact:** Global environmental benefits; and improved environmental and livelihood benefits for smallholders in targeted landscapes. **Indicators:** - Forest cover is maintained at 258,000 ha - Number of hectares of agricultural land regenerated and intensified in 7 target landscapes in three countries / Sustainable agricultural production is realized at 186,000 ha - Number of hectares of HCV-HCS in seven target landscapes/ Deforestation is avoided at 180,000 ha - Mitigated CO_2 45 Million t *(Note: These are the combined outcomes of the GEF and co-financing resources)* **Local level benefits:** Improved livelihoods (income, jobs) for smallholders and households in the targeted landscapes with the following indicators: - Number of persons benefitting from the project: 15000 households - Number of women benefitting: 50% **Higher level changes:** - Contribution to SDG 15 Life on Land and SDG 17 Partnerships
Intermediate State: Not defined	Formulation of state of forest cover and livelihoods of smallholders is derived from project outcome 1.1. in last PIR 2022. The evaluation team has used the formulation of agribusiness production modes derived from project outcome 1.1 (PIR 2022) and RToC drivers as basis for the final intermediate state.	**Intermediate States:** Forest cover including biodiversity is maintained or increased over time, intensified agricultural production does not produce adverse environmental results. Smallholders and vulnerable groups like landless people receive economic benefits from involvement in value chains of agribusinesses (higher income, additional jobs). Inflow of capital into companies and agribusiness sector does not cement production modes like monocultures, market structures, land tenure and expectations of economic actors towards windfall profits from land use which need to transform in the long run in order to make agriculture sustainable.
Outcome 1.1:	The main instrument for de-risking of private finance are investments of finance facilities	**Outcome 1:**

Original PRF and ToC language for Outcomes, Outputs and Indicators	Justification for Re-formulation	Formulation for Reconstructed ToC at Evaluation Inception (RToC)
To maintain, restore or increase forest cover (on and off) while intensifying agricultural production and improving the livelihoods of smallholders through piloting the de-risking of private finance in sustainable landscapes in the fund's eligible jurisdictions.	into agribusinesses under Production Protection Inclusion Agreements (landscape approach). Reworded to focus on social and economic benefits, reflecting the indicators. Two indicators (households and share of women and men as direct beneficiaries) moved from outcome 1.2 to outcome 1.1 as they measure livelihoods improvements.	Relevant actors maintain, restore or increase forest cover (on and off) while intensifying agricultural production and providing social and economic benefits of smallholders in areas of investment projects Indicators: - Number of signed deals / investments of the &Green Fund into agribusinesses under Production Protection Inclusion Agreements (landscape approach) [not outcome statement] - Qualitative description of the investments: do they meet the criteria set in &Green Fund policies and the intention of the project to avoid deforestation and are they implemented under PPI - Number of households benefiting directly or indirectly from fund transactions (e.g. jobs, income-generating opportunities, poverty reduction, reduction of hunger) in 7 target landscapes [15,000 households] - Share of women and men as direct beneficiaries of GEF funding through &Green Fund in 7 target landscapes [50%]
Output 1.1: Investment pipeline developed to create proof-of-concept on solutions contributing to production, protection, and inclusion targets agricultural production and agricultural land regenerated established under NICFI-IDH Partnership	No change	**Output 1.1:** Investment pipeline developed to create proof-of-concept on solutions contributing to production, protection, and inclusion targets agricultural production and agricultural land regenerated established under NICFI-IDH Partnership
Output 1.2: USD 64 million (of which, USD 2 million are from GEF) invested through &Green Fund to de-risk commercial financing of agricultural production in exchange for landscape protection plans (LPP) outlining on- and off concession forest and peat protection or restoration.	No change	**Output 1.2:** USD 64 Million investment agreements signed under Landscape Protection Plans
Output 1.3: Negotiations with mainstream finance institutions and development finance institutions completed to leverage non-fund capital for public good outcomes in terms of enhanced forest protection and livelihoods of local communities.	No change	**Output 1.3:** Negotiations with mainstream finance institutions and development finance institutions completed to leverage non-fund capital for public good outcomes in terms of enhanced forest protection and livelihoods of local communities
Output 1.4: A system for monitoring the impact performance is created (satellite imagery, field inspections, interviews, and reports) to verify and track conservation performance.	No change	**Output 1.4:** A system for monitoring the impact performance of *investments in the selected landscapes* is created (satellite imagery, field inspections, interviews, and reports) to verify and track conservation performance

Original PRF and ToC language for Outcomes, Outputs and Indicators	Justification for Re-formulation	Formulation for Reconstructed ToC at Evaluation Inception (RToC)
Outcome 1.2: Private finance leveraged on a 5:1 ratio as a result of the de-risking funding provided by the &Green Fund in the fund's eligible jurisdictions.	Outcome is a KPI agreed with the &Green Fund	**Outcome 2:** Private finance leveraged for investments on a 5:1 ratio as a result of the de-risking funding provided by the &Green Fund in the fund´s eligible jurisdictions. **Indicators:** - Public Finance leveraged in USD - Private Finance leveraged in USD - Ratio of private to public finance
Assumptions:	Not defined. These are articulated to support an assessment of the extent to which assumptions and drivers for the change process from outcome to impact hold.	• Agribusinesses refrain from converting forest into agricultural land. • Financed investments shall increase the productivity of commodity production. • Access to finance on concessional terms is a lever to change the behaviour of companies. • Potential international investors refrain from investing in commodity producing companies in countries like Indonesia or Brazil due to perceived high risks. • Companies support their suppliers – smallholders – to comply with forest legislation, voluntary sustainability standards and deforestation-free production / mapping their production sites to improve their livelihoods. • Intensification or change of agricultural production has only positive effects on the environment.
Drivers:	Not defined. These are articulated to support an assessment of the extent to which assumptions and drivers for the change process from outcome to impact hold.	• Changing mindset of agribusinesses which need to adapt to the external conditions like the changed regulatory environment in Brazil and the role of banks demanding ESG compliance in investments. • Market demand for deforestation-free products is implemented along supply chains via voluntary sustainability standards or traceability systems for compliance with EU Deforestation Regulation (EUDR). • The livelihoods of smallholders in areas of the investment projects are improved through inflow of more private finance. • Production Protection Inclusion (PPI) agreements and capacity building for the private sector / smallholders.

3.3 Stakeholders

70. The project has a number of stakeholders from the following groups: 1) investors: public and private actors (multilateral development organisations, Development Finance Institutions and national Finance Institutions); 2) investees: agribusiness: 3) smallholders in the investment areas, including women and 4) public authorities and other actors. Further private sector consultancy companies were recruited to implement several tasks related to agricultural extension services.

3.4 Project Implementation Structure and Partners

71. The Project was implemented by the GEF Biodiversity and Land Degradation Unit in the Biodiversity and Land Branch of UNEP's Ecosystems Division. The executing agency was the &Green Fund (managed by SAIL Investments). The Dutch NGO IDH under the Norway International Climate and Forest Initiative (NICFI)-IDH Partnership Program carried out technical assistance to identify investments until 2021.

72. An overview of the &Green Fund is provided in Table 6.

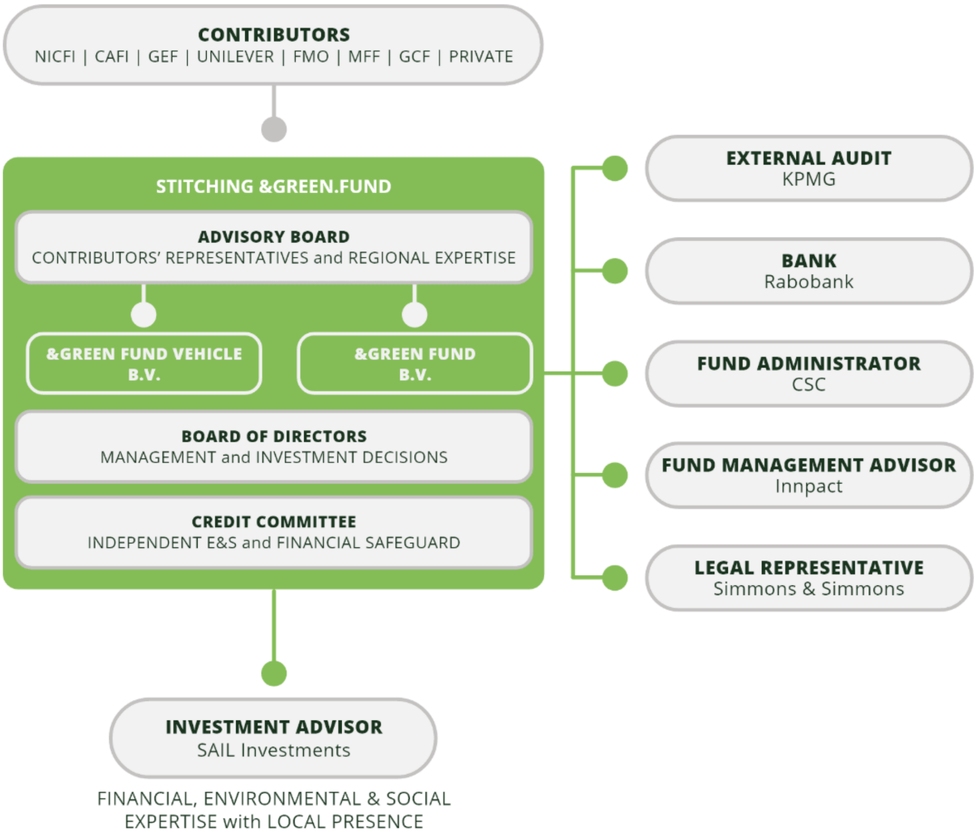
Table 6: The &Green Fund

	&Green
Year created	2017
Geography	Tropical forest countries
Target investee	Companies in the agri-food sector
Fund manager	Sail Investments (formerly Sail Ventures)
Product	Mainly senior secured loans
Focus of finance market problem	Lack of private capital directed at protecting and restoring tropical forests and peatlands
Tenor of investments	5-15 years (average of 10 years)
Transaction size	7-30M
Fund size in 2024	317.75M
Tenor of facility	Open-ended
Blended structure	Norway - (Grant) Uk government via FMO's MFF – USD 31.5M (Concessional Loans) GEF – USD 2M (reimbursable grant) GCF – USD 180M (subordinate loans) GCF – USD 9.35M (Grants) Unilever – USD 25M (reimbursable grant) Hannover Re – USD 2.5M (concessional loans)
Leverage of private capital	At fund level: USD 27.5M At investment level: USD 11.9 Bn
Additionality Criteria	• All credit facilities provided by &Green must be additional to the existing market in terms of both environmental and social impact and financial impact. • "Additionality" means the extent to which something happens as the result of an intervention (e.g. lending) that would most likely not have happened had this intervention not occurred.
Concessional	No
Environmental and Social Safeguards and conditions	• International Finance Corporation's Performance Standards on Environmental and Social Sustainability (IFC PS) • No deforestation • Selected jurisdictions only • Development of Landscape Protection plans • Land use change remote monitoring
Reported Impact to date	3,117,013 hectares forest protected 13,234,800 tCO_2e climate benefits 3,345,634 hectares ecosystem resilience 62,652 people resilience 68,217 people benefitting
Technical Assistance Facility	Yes – managed by IDH
UNEP Role	• Inputs into environmental and social framework at onset from the LUF project (PIMS ID 20009) • USD 2M of GEF Non-Grant Funding (GEF9719) with UNEP as an implementing agency

Source: The &Green Fund reports and website (accessed on 06.03.2025)

73. The &Green Fund is associated with the UNEP "Land Use Finance" (LUF) project (PIMS 2009), which supports several complementary finance facilities and funds. UNEP supports the areas of fundraising, ESG framework, knowledge management and communication of results.

Figure 1: Structure &Green Fund



Source: &Green website https://www.andgreen.fund/about-us/ Accessed on October 7th, 2025. The structure was updated by &Green during the evaluation process with additional contributors (GCF, CAFI, Private), additional entities under Advisory Board (&Green Fund Vehicle B.V. and &Green Fund B.V.), and change of Fund Administrator.

3.5 Changes in Design during Implementation

74. There were no changes in the project design during the implementation, however adjustments to the implementation were made. The investment pipeline was extended to more countries like Viet Nam, Côte d'Ivoire, Colombia, Ecuador which were found to have a favourable forest legislation. Liberia remained on the list of target landscapes however, at the time of this evaluation, it did not meet &Green's eligibility criteria for investments.

75. Landscape protection agreements have changed during the project. The Landscape Protection Plans (LPPs) of the &Green Fund are documents analysing the local context for the investments and describing the investment for a general public audience. The LPPs were developed by investees , as elements of wider Production Protection Inclusion Agreements (PPI) designed by IDH at jurisdictional or landscape level. The LPP of &Green do not contain the three elements of zoning like intense production, smallholder production and protected forests which were part of PPI agreements. PPI agreements were not implemented outside Indonesia and Brazil in &Green Investments.

3.6 Project Financing

76. According to the original design of the Project, UNEP received USD 2 Million from the sixth replenishment cycle of the Global Environment Facility (GEF-6) from its non-grant instrument. The GEF's contribution to the &Green Fund was at a fund level (i.e. as opposed to a transaction level) and thus its funding (together with other contributors) was spread equitably among the Fund's activities. As of 30 June 2022, GEF's contribution via UNEP constituted 1.26% of total contributions received by the &Green Fund. Total net asset value of the Fund amounted to USD 103,768,764. The net asset value of GEF Investment was USD 1,957,538 and, total &Green Fund Portfolio was USD 132,960,305.[12].

77. The terms of the tenor for this equity were set to be 20 years. The capital would be returned to GEF at the end of this period.

[12] Source: PIR (2022)

4 THEORY OF CHANGE AT EVALUATION

78. A Theory of Change (ToC) for a project essentially describes the roadmap of developmental pathways driven by regulatory or market drivers in combination with project activities to reach intended project outcomes as well as long-term outcomes that reflect the sustainability of the project activities. The Reconstructed Theory of Change (RToC) clarifies these development pathways from the baseline and identifies where there are drivers behind the intended Project activities to deliver outputs, outcomes, intermediate states and impacts.

79. The ProDoc did not contain a Theory of Change, only referring to the 'Theory of Change' for the GEF-6 programme "Commodities IAP" as a similar initiative. The Commodities IAP builds on the premise that the increased adoption of agricultural commodity production practices that are less destructive of forests is contingent on several factors. *Firstly,* enabling conditions including policies and land use/ spatial plans must be in place to make the right lands available for production and to make high biodiversity value and high carbon stock forests less accessible. *Secondly,* producers need enhanced capacity to adopt good agricultural practices and improve yields. *Thirdly,* increased financial flows and economic incentives are necessary to support these good production practices in the right locations and less incentives must be provided in inappropriate locations. *Fourthly,* market awareness and demand for reduced-deforestation supply are critical to promote more sustainable production. If these factors are addressed, agricultural production can be increased and growth achieved with sharp reductions in deforestation compared to business-as-usual scenarios.

80. The &Green Fund has set up its own theory of change. It contains two outputs: 1) investment blueprints and 2) mobilizing private capital; and the expected outcomes are: 1) inclusive supply chains (access to markets, decent work, community participation), 2) sustainable landscapes (forest protection, climate benefits, climate resilience) 3) commercial goals (scalable replicable blueprints, high productivity, access to capital). Expected impacts are set as a vision: tropical agriculture commodity production is deforestation free and socially inclusive.

81. The ToC at evaluation in Figure 3 has been reconstructed based on the revised results framework in Table 5 to: clarify project outcomes, assumptions, drivers and to show the results chain to the aspired environmental benefits.

82. **Assumptions** are:

83. The first assumption is that **agribusinesses refrain from converting forest into agricultural land** in exchange for financing of investments for commodities under Production Protection Inclusion Agreements. Those agreements were found not to play a role in newer investments in Viet Nam and Côte d`Ivoire because they are not part of the Landscape Protection Plan. Here, companies plan to work with smallholders to comply with deforestation free supply chains. In Brazil and Indonesia, those agreements have been implemented. Compliance with demands in the supply chain i.e. the deforestation regulation of the European Union (EUDR) plays a major role in the latter investments.

84. The terms and conditions of conditional financing must be better than market rates to be attractive to companies. This could be found true as in the case of PT Royal Lestari Utama (RLU) in a deal entered under the Tropical Landscapes Finance Facility of the LUF project, the investee Michelin paid back the loan because the company considered it expensive. The provision of Technical Assistance such as paying consultancy companies for technical advice is often not sufficient to create an attractive offer to businesses.

85. The &Green ToC selects landscapes, states or countries (jurisdictions) that have strategies or policy frameworks for tackling deforestation. The &Green Fund uses existing policies and not the development or improvement of existing policies to influence agribusinesses. In the case of Brazil, deforestation has slowed down in the Amazon in 2023/2024 due to national policies, which would suggest that the influence of national policies is important in preventing further deforestation.

86. The second assumption is that the **financed investments shall increase the productivity of the commodity production** allowing the expansion of business and profits so that companies do not

extend the area under commodity production. The assumption is that this expansion of business has no negative effects on biodiversity or land degradation. Similarly, that commercial/intensive agriculture will not affect the rest of the landscape or neighboring ecosystem/services.

87. The third assumption is that as most investments are financed by external sources, **access to finance on concessional terms is a lever to change the behaviour of companies**. The &Green Fund offers loans at commercial rates with the concessionality (or advantages) of long-term tenors and grace periods, which are favorable in comparison to what commercial banks offer. So far, investees mainly have relied on national banks for financing. The Terminal Evaluation found that access to financing is a decisive factor for changing the behaviour of companies however other factors play a major role like company strategies, markets and government policies.

88. The fourth assumption is that **potential international investors refrain from investing in commodity producing companies in countries like Indonesia or Brazil due to perceived high risks** in a challenging investment climate. Those risks linked to, for example, restrictive regulations, legal and regulatory uncertainty, are not fully identified in the ProDoc. The problem analysis of the project refers to some risks which are inherent to the markets in which the agribusinesses operate including high volatility of commodity prices on international markets, the risk of low agricultural production yields due to changing weather and pests, declining yields due to unsustainable production methods or small volume of production and the long return periods of investments into agriculture. The problem analysis does not cover the previous behaviour of companies like illegal deforestation, land grabbing of smallholders and violations of human rights. The assumption is that international investors will only invest in those companies if the investments are derisked via e.g. first loss. Financing facilities like the &Green Fund "de-risk" those investments from the private sector using funds from public sources like GEF as first loss capital protecting senior tranches from potential losses, no matter why these losses occur including external factors such as market volatility.

89. The fifth assumption is that **companies support their suppliers – smallholders – to comply with forest legislation, voluntary sustainability standards and deforestation-free production / mapping their production sites to improve their livelihoods**. The investees' main intention of the three investments in Viet Nam and Côte d'Ivoire is mainly to ensure compliance with EUDR in the supply chain, the LPPs do not reveal who would bear the costs for compliance with EUDR, the agribusiness or small holders.

90. The sixth assumption is that the **intensification or change of agricultural production has only positive effects on the environment** and rely on national law and policies.[13]

91. The Production, Protection and Inclusion (PPI) Agreements are designed and facilitated in selected landscapes / jurisdictions by IDH – a Dutch NGO. Local authorities like the Regional Governments of the Brazilian States and the agribusinesses agree upon a landscape protection plan (LPP). The LPPs are developed by investees and contain pledges of the agribusinesses to refrain from using licenses for deforestation or illegal deforestation. The PPI agreements are not implemented outside Brazil and Indonesia, so they do not apply to &Green's more recent investments in Viet Nam and Côte d'Ivoire.

92. The &Green Fund identifies investment opportunities in the selected landscapes which serve as proof-of-concept solutions for improved agricultural production.

93. SAIL Investments negotiates with suitable private and public investors for additional funding.

[13] Article "Our global food system is the primary driver of biodiversity loss, with agriculture alone being the identified threat to 24,000 of the 28,000 (86%) species at risk of extinction. The global rate of species extinction today is higher than the average rate over the past 10 million years. In the last decades our food systems have been following the "cheaper food paradigm", with a goal of producing more food at lower costs through increasing inputs such as fertilizers, pesticides, energy, land and water. This paradigm leads to a vicious circle: the lower cost of food production creates a bigger demand for food that must also be produced at a lower cost through more intensification and further land clearance." UNEP (2021) https://www.unep.org/news-and-stories/press-release/our-global-food-system-primary-driver-biodiversity-loss (accessed on 17/05/2025) Chatham House report, 'Food System Impacts on Biodiversity Loss' (2021).

94. A monitoring system for tracking the changes in land use is established and used.

95. The &Green Fund's Theory of Change narrative is as follows: The &Green Fund works across tropical forest landscapes to support agri-commodity businesses that empower communities, protect forests and optimize production to drive transformational change of global supply chains. The target ratio of private to public finance was 5:1. The &Green Fund covers up to 25% (30% in least developed countries) of the investment at project level.

96. Agribusiness companies shall make notable public commitments in their landscape protection plans. They comply with the landscape protection plan by not using forest concessions, restoring forests or peatlands and stopping deforestation. The latest three commitments in LPP of agribusiness are implementation of EUDR in their supply chains showing that the production is undertaken on plots which have not been deforested since 2020[14]. The case study of Mercon (Annex I) shows that coffee production in Viet Nam was established before 2020 in areas which had been previously deforested.

97. The expected size of investments is USD 5-30 Million. The target clients are businesses in supply chains that are linked to deforestation. The investments shall provide economic benefits for smallholders in the identified landscapes. Economic benefits for smallholders are defined as staying in the supply chain for coffee and cocoa in the investments in Viet Nam and Côte d'Ivoire.

98. Positive social impacts for smallholders, including women, depend upon agricultural extension services for smallholders provided by consultancy companies and paid for by the agribusiness companies or the TA provider. The expected livelihood benefits for smallholders rely on the quality of agricultural extension services provided by profit-driven consultancies. Benefits for disadvantaged and vulnerable groups like jobs would be created according to the ToC. Women would consist of 50% of the beneficiaries.

99. Positive impacts are maintained or restored forest cover and mitigated CO_2 emissions by enabling policymakers in the public and private sectors to test the inclusion of the health and productivity of ecosystems in economic decision-making through the landscape investments of the &Green Fund. Other environmental benefits of sustainable land use like biodiversity are covered by the &Green Fund´s policies but not reported and measured.

100. Under a "do no harm approach", the aspired environmental benefits may not be achieved at costs of other impacts like loss of biodiversity in monocultures or increasing inequality in the country supporting companies of wealthy individuals or cementing disputed land tenure in forest areas. Those unintended negative impacts are partly covered under the social and environmental risk assessment. The project shall not have adverse impacts on vulnerable and indigenous groups and women.

101. The systemic impacts, like contribution to inequality, is not covered in the current social and environmental risk assessment. The risk analysis does not take un-intended systemic impacts into account. Possible un-intended results are that existing monocultures of commodities are reinforced through the in-flow of external funds which would otherwise not be economically viable. Monocultures / plantations contain limited biodiversity and need the use of pesticides and chemical inputs which will produce accumulated environmental impacts in the future (e.g., health hazards, loss of pollinators). Further, agribusinesses that are planned to be financed are not required to have a track record of compliance with national law, compliance is requested after the deal is signed. Land-tenure is often disputed in recently deforested areas. Other alternative scenarios like agroecological approaches for food production and commodities for livelihoods of smallholders are less likely to be an alternative under such landscape agreements if large agribusinesses receive funding.

102. The main weakness of the theory of change is that the result chain is very long and complex to ensure environmental and social benefits. It is multi-tiered containing decisions and agreements at several levels which can be decisive for achieving impacts other than economic benefits. De-risking and increasing private finance in sustainable landscapes is not sufficient to achieve the intended

[14] https://www.andgreen.fund/wp-content/uploads/2024/10/LPP-Phuc-Sinh.pdf
https://www.andgreen.fund/wp-content/uploads/2024/04/LPP_ETG_Final_Public.pdf
https://www.andgreen.fund/wp-content/uploads/2023/05/LPP-Mercon.pdf

impact because it would depend on the company strategies, capacities of companies at headquarters and investment level and on the quality of the landscape protection plans and their implementation.

103. The history of deforestation and the track record of agribusinesses do not appear to have been mentioned or considered as relevant in the ProDoc: Land could be intentionally cleared from forests and thereby become eligible for an investment project / plantation and before the starting date of the commitment for refraining from deforestation.

104. **Drivers** are:

105. The changing mindset of agribusiness companies which need to adapt to the external conditions like the changed regulatory environment in Brazil and the role of banks demanding ESG compliance in investments.

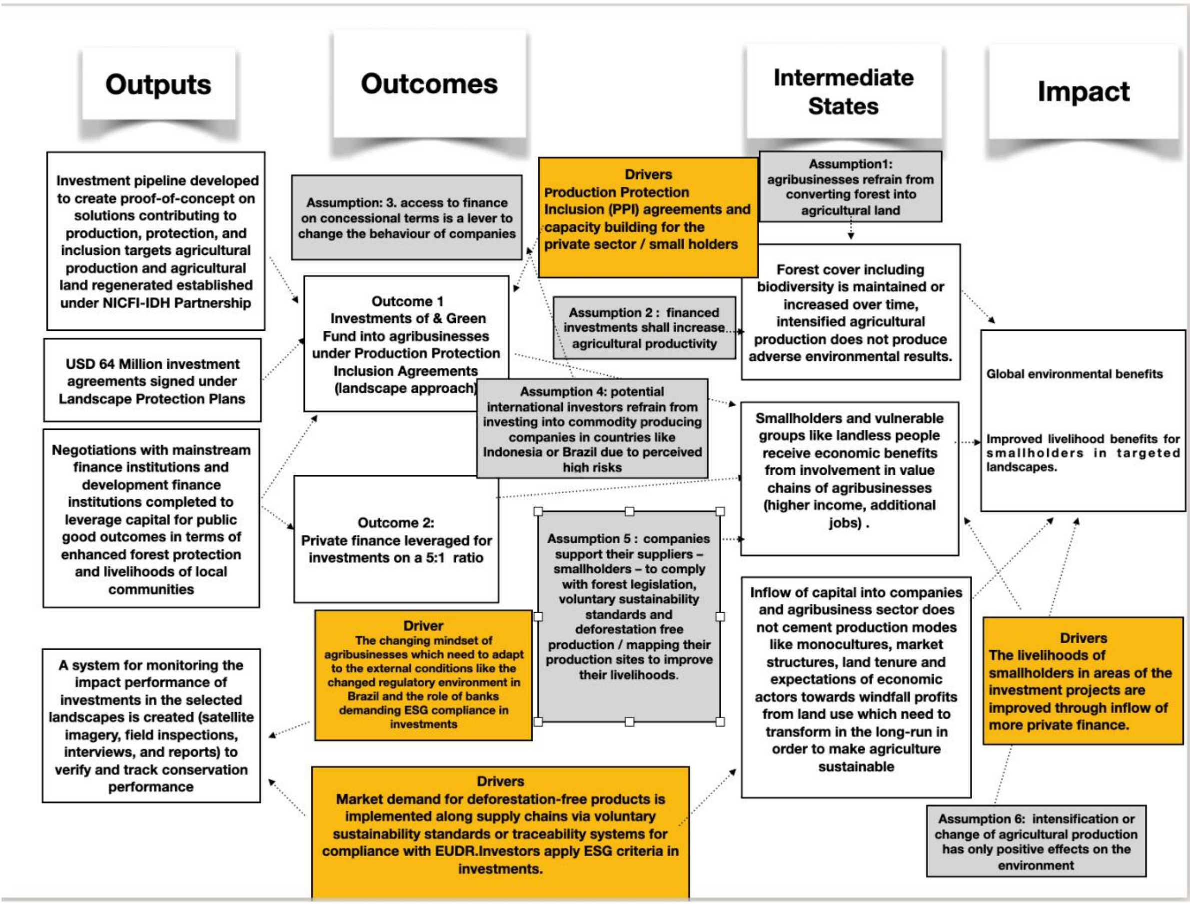
106. Market demand for deforestation-free products is implemented along supply chains via voluntary sustainability standards or tracing systems for compliance with EUDR. Investors apply ESG criteria in investments.

107. The livelihoods of smallholders in areas of the investment projects are improved through inflow of more private finance.

108. The Production Protection Inclusion (PPI) agreements and capacity building for the private sector / smallholders.

109. The proposed changes in the Project's results framework in Table 5 were based on the changes in the results framework that were made for the last PIR. The re-constructed Theory of Change is presented in a diagram below.

Figure 2: RToC at Evaluation



5 EVALUATION FINDINGS

5.1 Strategic Relevance

5.1.1 Alignment to UNEP MTS, POW and Strategic Priorities

110. **UNEP's mandate**, since 1972, has been to coordinate global responses to environmental challenges and related emerging issues, within and outside the United Nations, while keeping watch over the state of the world environment and linking science to policymaking. More specifically in the MTS 2022-25, UNEP's commitment is to find solutions to the triple planetary crisis which covers exploring new options on how to implement conventions on climate change and biodiversity.[15] UNEP works through its convening power, scientific studies, and public advocacy[16].

111. The PIR 2022 refers to the PoW 2018-2019 Subprogramme 3: Healthy and Productive Ecosystems. The project was expected to contribute to the Subprogramme's expected accomplishment: "Policymakers in the public and private sectors test the inclusion of the health and productivity of ecosystems in economic decision-making" but it is challenging to connect the changes deriving from the project with the stated contributions of the indicators. The indicators for the expected accomplishment are:

- Indicator (i) Increase in the number of public sector institutions that test the incorporation of the health and productivity of marine and terrestrial ecosystems in economic decision-making.
- Indicator (ii) Increase in the number of private sector entities that adjust their business models to reduce their ecosystem-related risks and/or negative impacts on marine and terrestrial ecosystems: Indicator (i) measures public sector institutions who were not involved in the project.
- Indicator (ii) measures the number of private sector actors. The number of private sector actors has not increased by the activities of the &Green Fund, as existing companies received funding for investments which might contribute to hold deforestation. The PIR 2022 refers to the Landscape Protection Plans as a means to include ecosystems into economic decisions making of businesses. The landscape plans set forests aside for protection if the companies have licenses to cut forests.

112. In broad terms, the project is aligned with the Subprogramme on Healthy and Productive Ecosystems (now Nature Action) contributing towards policymakers in the public and private sectors testing the inclusion of the health and productivity of ecosystems in economic decision-making. UNEP's normative mandate does not make provision for loans, but testing as in this project it provided a reimbursable grant to a finance facility as part of creating an enabling environment in which blended finance can be used to mobilize private finance. The alignment with other possible accomplishments in the MTS 2018-2021 related to halting agriculture-driven deforestation is not fully addressed such as the need for sustainable practices in food production and manufacturing. The lack of institutions and policies as a driver of environmental degradation is not addressed in the project. In addition, it does not focus on improving the natural resources management for marginalised populations. Three investments were aimed at showing compliance with EUDR for commodity production, however this does not imply that natural resources of communities are managed better.

113. UNEP started in finance facilities for ecosystem management at the time of the establishment of the Tropical Landscapes Finance Facility in 2016 and was later integrated in the LUF project[17] in 2018. In the MTS (2022-25) and POW in the Nature Action Subprogramme outcome 2 reads: "alignment of private and public finance with long term goals" and to "incentivise and redirect public and private finance".

[15] https://www.unep.org/who-we-are/about-us
[16] https://www.unep.org/who-we-are/frequently-asked-questions
[17] The LUF project is included in the Subprogramme on Climate Action.

114. The partnership with the &Green Fund falls under the UNEP Partnership Strategy. The 2011 strategy was updated in 2024. The deals entered by the &Green Fund links UNEP by association with investors and investees.

Rating for Alignment to UNEP MTS, POW and Strategic Priorities: Moderately Satisfactory

5.1.2 Alignment to GEF/Donor Strategic Priorities

115. The project is located in the **GEF focal area on land degradation.** Within GEF-6, the investment logic from GEF in the project was to "test to see if concessional finance in support of production, protection and inclusion schemes is able to shape the agricultural supply chain in a significant manner. If that is indeed the case, then there is scope to expand it to other countries or landscapes."

116. The project fell under the non-grant instrument of GEF. Under the policy[18] the GEF funding is required to be additional to the private sector funding. The GEF funds were intended to be used for investments across all deals of &Green.

117. Public and private funding exceeds the GEF funding.

118. As of 30 June 2022, GEF's contribution via UNEP constituted 1.26% of total contributions received by the &Green Fund. The additionality of GEF funds can thus be assessed to be minimal. As of 2022, &Green's capital structure was composed of USD 133.5 M (83%) from public sources and USD 27.5M (17%) from private sources.

Rating for Alignment to GEF/Donor Strategic Priorities: Satisfactory

5.1.3 Relevance to Global, Regional, Sub-regional and National Priorities

119. Global environmental goals: The project has contributed to SDG 15 Life on Land because it aimed to protect, restore and sustainably manage forests (see likelihood of impact section). It was intended to raise funds for investments into the restoration of ecosystems. It also contributed to SDG 19 creating partnerships for achieving the sustainable development goals.

120. The investments of the &Green Fund in Viet Nam and Côte d'Ivoire contributed to the implementation of the EUDR as the investment projects were directed to increase compliance of the companies with EUDR.

121. As the activities are mainly directed towards large companies as target groups, the effects on small farmers are indirect and would depend upon the measures implemented. A needs assessment of all beneficiary groups has been partly conducted by IDH preparing investment opportunities. The ESG policy advises to take the needs of small-scale farmers, indigenous groups and marginalised people into account when identifying investment opportunities but not considered a priority in the project. Identifying effects of investments on land tenure and access to resources for small farmers were not part of the project design.

122. **National policies**: The project was linked to UNSDCF / UNDAF in Indonesia to Priority Area 3: Environmental sustainability and enhanced resilience to shocks. The Outcome was: By 2020, Indonesia is sustainably managing its natural resources, on land and at sea, with an increased resilience to the effects of climate change, disasters and other shocks. It was linked to Brazil Priority Area 2: Sustainable management of natural resources for current and future generations. The Outcome was: Participatory governance models for sustainable and effective management of natural resources and ecosystem services, seeking integrated, resilient and inclusive territories. In practice, the coherence to the activities of other actors of the UN system are limited. UNDP has promoted a National Roundtable for Sustainable Palm Oil Production (RSPO). On the one hand, the project activities in Indonesia do contribute to this National RSPO supporting RSPO certification of the two

[18] GEF-6 Non-Grant Instrument Pilot and Updated Policy for Non-Grant Instruments, GEF/C47/06, October 10, 2014.

investees in Indonesia, and on the other hand contracting it by promoting less demanding No Deforestation, No Peatland Expansion, No Exploitation (NDPE) policies.

123. The intervention intended to respond to national policies for forest conservation as the legibility criteria of the &Green Fund only allows investments in countries with national policies against deforestation.

124. The &Green Fund invests in jurisdictions that pass through &Green's Jurisdictional Eligibility Criteria (JEC):

JEC 1 Scope: The amount and quality of forest and/or peatland potential of the jurisdiction is significant and highly relevant from global perspective.

JEC 2 Ambition & Strategy: There is a clear strategy with the targets tracking the reduction of deforestation against historic trends in the jurisdiction.

JEC 3 Progress: Timely progress towards milestones indicated in the strategy of the jurisdiction, on a trajectory towards the targets for reducing deforestation

JEC 4 Monitoring, Reporting and Verification (MRV): A transparent system is operational to monitor, measure, report and verify reductions in deforestation, and where relevant forest and peat degradation, in the jurisdiction.

JEC 5 Social & Environmental Safeguards: Progress shows towards implementation of the Cancun Agreement.

125. Approved jurisdictions are Tocantins, Para and Mato Grosso states (Brazil), Ecuador, Côte d'Ivoire, Gabon, DRC, Colombia, Laos, Viet Nam, Indonesia and Zambia.

126. It also intended to contribute to sub-national priorities under the Landscape Protection Plans of IDH in seven selected landscapes in Brazil, Indonesia and Liberia. IDH has tried to establish landscape partnerships at a local level to different degrees of success. The investment projects in Brazil and Indonesia would have been linked to the landscape approaches, but projects in countries outside Brazil and Indonesia do not apply the PPI agreement. Instead, they have developed Landscape Protection Plans. The investment in the rubber plantation of RLU was a project by the Indonesian Government. In 2009, the Environmental Impact Assessment was conducted for planning the rubber plantation in the buffer zone of a national park allowing the clearance of forest. The guidelines of the &Green Fund allow such investments because the legal deforestation that has occurred before the investment deal was signed would not have to be taken into account.

127. **Relevance for the target groups - businesses ready to invest and private sector investors:** The demand of large companies for finance for commercial rates is limited because they can obtain financing from mainstream financial institutions. However, those institutions often do not offer long-term loans (8-10 years) with grace periods and the reputational benefits offered by &Green.

128. The investment opportunities in the seven target landscapes were planned to be identified by IDH under its grant. According to the ProDoc, &Green planned to invest into smaller projects of USD 1-4 Million. This policy was revised shortly after the set-up of the Fund to accommodate the demand by agri-commodity businesses for larger investments. The &Green Fund's current investment policy aims at investments between USD 5-30 Million and covering up to 30 % of each investment.

129. The deals entered into by the &Green Fund were made in a finance market where it competes with other more standard investors and banks and is operating with narrow margins. Engagement with &Green Fund may contribute to the narrative of a company's sustainability and communication strategy. The investment of the &Green Fund of USD 30 Million in Marfrig (deal closed in 2020) - a large meat processor from Brazil with operations in the US and EU, is showcased on Marfrig's

Sustainability page. This may contribute to the narrative of a company's sustainability and communication strategy.[19]

Rating for Relevance to Global, Regional, Sub-regional and National Priorities: Satisfactory

5.1.4 Complementarity with Existing Interventions/ Coherence

130. The ProDoc listed several GEF projects in the fields of land use finance with which the project would co-operate. How the co-operation would be implemented, was not described. The PIR 2022 and the MTR 2020 do not refer to any co-operation, except the IDH Landscape Protection Plans. The interviews and the desk review of documentation revealed the same. There was some complementarity internally within the realms of the LUF project implemented by UNEP, which included &Green as one of its finance facilities and the activities and learnings of the &Green Fund was documented in LUF project monitoring reports.

Rating for Complementarity with Existing Interventions/Coherence: Moderately Satisfactory

Rating for Strategic Relevance: Moderately Satisfactory

5.2 Quality of Project Design

131. The quality of project design is rated as 'Moderately Satisfactory'. The project had a single purpose to provide first loss capital (funding to reduce investment risks) for private investments into the &Green Fund, which was set up in 2017. The GEF funding was provided as a non-grant which is used for all investments of the &Green Fund (redeemable grant in the equity trance of the Fund). This simple design was a strength of the project. Weaknesses were the limited planning and implementation capacity of a newly set up fund which served as the implementing agency of the UNEP/GEF project. The role and activities of IDH supporting the investment pipeline were not clearly reflected in the project results framework. Monitoring and evaluation structures were not fully covered in the project design. The project's likely impacts in terms of environmental and social benefits were set as outcome 1.1 in the ProDoc.

132. Project Design Strengths:

133. The clear purpose of the project was to provide de-risking capital together with other public funds from the Norwegian Climate Finance Initiative and the Government of the United Kingdom. The ProDoc covered the relevance for UNEP/ GEF and coherence of the project with other projects.

134. The implementation arrangement was already set up – the IDH-NICFI partnership provided technical support to investments into agribusinesses which were part of a landscape plan. Those plans were directed to engage local authorities and support local communities. The context was well analysed for the three selected countries in which the investments were planned to be undertaken (Brazil, Indonesia and Liberia). Risk for implementation in the context of investments in the three selected countries were well defined including the risk that the loans might be used for other purposes and that the &Green Fund might invest in disreputable companies.

135. Environmental indicators existed as part of the KPI of the &Green Fund which constitutes a requirement of the GEF for funding.

136. Project Design Weaknesses:

137. Initially, the Outcome was limited to leverage co-funding for the GEF investment at a 5:1 ratio in the ProDoc, and only later was the project objective added as a second outcome in the PIR 2022.

[19] Refer also to quote by Paulo Pianez, Director, Corporate Sustainability and Communication (Marfrig), &Green Fund website, https://www.andgreen.fund/where-we-invest/ (accessed on 18/05/2025)

138. There is an overlap between the outcome-level results and indicators and impacts. Environmental and social benefits and improved livelihoods were set as outcomes of the project; however, they can only be achieved after project completion. As the investment projects had not been identified at the stage of project design, there were no reliable baselines for indicators.

139. There does not appear to have been criteria specified in the ProDoc for how to select investees through which deals would enhance forest protection and livelihoods of communities.

140. The overall desired impact of the fund reflects in the GEF impact indicators to be achieved after 20 years of project lifetime. The impacts were calculated at the stage of project design on the basis of a project pipeline in three countries. Later, projects in different countries were added so that the calculation remains unclear because the GEF contribution has been reflected in the environmental benefits of all investments. It also remains unclear how social benefits were defined / calculated beyond measuring share of women and men as direct beneficiaries. It has not been considered if, or how, intensified agriculture could generate solely positive environmental benefits as impacts. Impacts are defined as positive changes which support the mandate of UNEP according to the definition of UNEP Glossary of Results. According to the “do no harm approach”, a project shall generate positive benefits and be at least neutral in other impact areas.

141. The outcome formulation emphasises ‘de-risking of funding’. While the level of control and influence of the &Green Fund over investments is limited by the fact that it aims to take a position no bigger than 25-30% of total investment size, this was designed to leverage other capital providers at investment level. Its flexible terms, with e.g. longer tenors and grace periods, can help bring on board other capital providers in a given deal.

142. The intended results chain to achieve the aspired impacts would depend on the quality and implementation of the Production, Protection and Inclusion (PPI) Agreements which were planned to be part of local landscape plans. Possible effects on disadvantaged groups like women, indigenous peoples and landless people or on land tenure were not reflected in the indicators. These PPI agreements are not fully covered in the logframe of the project. The design and compliance with the landscape protection plan in the seven selected landscapes to achieve environmental benefits was set in the policies of the Fund, however, compliance was not reflected in the logframe as an output nor in the indicators so it was not measured. The ProDoc contained planned co-operations and ideas for knowledge exchange and scaling up, however, it did not show how those activities would be implemented.

143. The ProDoc contains a list of planned investments into companies which have a history of non-compliance with national laws for deforestation in Brazil and Indonesia. The risk assessment of the project and the list of companies have not been correlated in the ProDoc.

Rating for Project Design: Moderately Satisfactory

5.3 Nature of the External Context

144. The nature of the external environment is favourable because climatic events had no major effects on the investment projects so far. The security situation is stable in the countries where the investment projects are implemented. The economic and political conditions are in general favourable in the countries which are eligible for investments of the &Green Fund. Liberia, which was listed in the ProDoc as a target country for &Green’s investment, was not approved under &Green’s Jurisdictional Eligibility Criteria (JEC) – hence no investment was made there.

145. In the case of Brazil, wildfires and drought in the Amazonia have impacted the Roncador investment. Those climatic events show that they may have large scale implications in large scale intensive agricultural production. Large monocultures cannot be adapted to those conditions and even have caused them decreasing the ecosystem services of the forests for the landscape. Smallholders’ production would also be affected by climatic events such as drought.

146. It has not been reported that the security situation in the selected countries had major impact on implementing the investment projects. The economic conditions are stable in all countries where investments are undertaken (Brazil, Indonesia, Colombia, Viet Nam, Côte d'Ivoire). The economic policy in Viet Nam supports the export-orientation of the coffee industry and the compliance with the requirements of the European Market. No investment project has been closed despite the pipeline of investment projects listed in the ProDoc.

Rating for Nature of the External Context: Favourable

5.4 Effectiveness

5.4.1 Availability of Outputs

Output 1.1 Investment pipeline developed to create proof-of-concept on solutions contributing to production, protection and inclusion targets established under NICFI-IDH Partnership Program: *no indicator*

147. The output was partially delivered: a project pipeline was included in the last PIR in 2022 but investments in the specific pipeline has not materialized. All 10 investments done by the &Green fund were previously in the pipeline.

148. SAIL Investments has not shared pipeline opportunities with UNEP and the evaluation team, partly because they contain sensitive commercial information. A number of companies from the initial pipeline presented in the ProDoc and the last PIR 2022 were not selected for investments like the companies from Liberia. After the UNEP/GEF project ended in 2022, the &Green Fund closed one deal (ETC Group) in 2023 and another one (Phuc Sinh) in 2024.

149. SAIL Investments has communicated that the pipeline is changing with new opportunities. It has grown over the years given they are increasingly known in target geographies and economic sectors. Opportunities are referred by investors and co-investors, including multilaterals and partner NGOs such as IDH, CI and TNC. It takes considerable efforts for SAIL Investments from prospects to close the deals, preparing a deal can take up to four years. The team of SAIL Investments undertakes regular travel to prospective or eligible jurisdictions to identify new investment opportunities.

150. The number of suitable jurisdictions has been expanded beyond the three countries from the ProDoc. The following jurisdictions are eligible for investments (December 2024): Para and Mato Grosso and Tocantins States (Brazil), Colombia, Democratic Republic of Congo, Ecuador, Gabon, Indonesia, Côte d'Ivoire, Lao PDR, Liberia, Peru, Viet Nam, and Zambia. In the case of Côte d'Ivoire, the jurisdiction was approved after the deal was closed according to the website of the &Green Fund.

Output 1.2 USD 64 million (of which, USD 2 million are from GEF) invested through the &Green Fund to de-risk commercial financing of agricultural production in exchange for a landscape protection plan (LPP) outlining on- and off concession forest and peat protection or restoration. *Indicator USD 64 Million achieved* with landscape protection plans in Brazil and Indonesia

151. By the end of the project (end of 2021), the &Green Fund had committed to lending USD 100.75M to agricultural companies. As of January 2025, it has committed USD 217.75M and has a total investment capacity of USD 400M. This output was made available in time.

Output 1.3. Negotiations with mainstream finance institutions and development finance institutions completed to leverage non-fund capital for public good outcomes in terms of enhanced forest protection and livelihoods of local communities: *no indicators*

152. SAIL Investments did not share information about the state of negotiations with private sector actors and development finance institutions with the evaluation team.

153. The &Green Fund has attracted new investors, which have provided grants, redeemable grants, and concessional loans as shown in Table 7. While the &Green Fund successfully leveraged funds for deals, it did not leverage private co-financing at the fund level. The output has been delivered.

Table 7: Investors into &Green Fund

	Investment type	**Investor**	**Amount Committed (M USD)**	**Amount disbursed (M USD)**	**Year**
Tranche A **Equity**	Grant	NICFI	95.78	95,78	2017
		GCF	9.35	9.35	2023
		CAFI	51*		2022
	Redeemable grant	Unilever	25	10	2017
		GEF via UNEP	1.925	1.925	2018
	Concessional Loans	BEIS via MFF	31.5	31.5	2021
		GCF	180	80	2023
		Hannover Re	2.5	2.5	
		FMO	25		2021
Tranche B **Debt**	Notes	Private sector	tbd		

* CAFI investment includes USD 32 million of investment capital (fully disbursed to &Green), Technical Assistance budget of USD 9 million (paid over 5 years and of which the first USD 1.8 million has been received by &Green) and a Development Capital Facility of USD 10 million (fully disbursed).

Output 1.4 A system for monitoring the impact performance is created (satellite imagery, field inspections, interviews and reports) to verify and track conservation performance.

154. The output has been fully delivered in time. Companies are required to use it when entering a deal with &Green.

155. The &Green Fund has created a system for monitoring conservation of forests in the area covered by an investment deal also referred to as the area of influence. The monitoring system is described in &Green's Investment Principles Annexes (Annexes 7 and 8 on Impact Framework and Forests and Biodiversity Framework). It relies on satellite monitoring for the area of influence defined prior to the investment, which is monitored annually, data are published in internal reports and third-party reports, and third-party external audits are deployed to the management systems.

156. Monitoring of impact performance is integrated in the Environment and Social Action Plans (ESAPs) of each individual investment.

157. The &Green Fund employs a comprehensive Monitoring, Reporting, and Verification (MRV) framework to assess and ensure the environmental and social impacts of its investments. This framework is designed to align with international standards and best practices, ensuring transparency, accountability, and effectiveness in achieving the fund's objectives.

Key Components of &Green's MRV Framework:

Measurement:

158. **Data Collection:** The Fund systematically gathers data on various indicators, including greenhouse gas (GHG) emissions, deforestation rates, biodiversity metrics, and socio-economic parameters. This data collection is achieved through a combination of remote sensing technologies, ground-based observations, and stakeholder consultations. The companies collect the monitoring data in a decentral way using consultancies. Monitoring data are an essential part of the environmental and social management system (ESMS) which is established in the investments. SAIL Investments provides guidance on data collection for the ESMS.

Reporting:

159. **Transparency:** Regular reports are produced to communicate progress towards predefined targets. These reports detail the methodologies used, data collected, and analyses performed, ensuring stakeholders are well-informed about the fund's activities and outcomes.

Verification:

160. **Independent Audits:** To maintain objectivity, the Fund engages third-party auditors to validate the reported data and assess the accuracy of the measurements. This process ensures that the reported outcomes are credible and reliable.

Alignment with International Standards:

161. The &Green Fund's MRV system is designed to be consistent with frameworks such as the Green Climate Fund's results-based management approach and IFC-standards, which emphasizes continuous performance monitoring and evaluation to assess and improve the achievement of desired results.

Project-Level MRV Implementation:

162. Each project funded by &Green is required to develop and implement an MRV plan tailored to its specific context. These plans outline the indicators to be measured, data collection methodologies, reporting schedules, and verification processes. For instance, in the case of PT Dharma Satya Nusantara Tbk (DSNG) in Indonesia, the MRV system includes:

- **Environmental Indicators:** Monitoring of deforestation rates, GHG emissions, and biodiversity impacts.
- **Social Indicators:** Assessment of community engagement, employment generation, and social welfare improvements.
- **Economic Indicators:** Evaluation of productivity gains, market access, and financial viability.

163. These indicators are monitored through a combination of satellite imagery analysis, field surveys, and stakeholder interviews. Regular reports are generated and subjected to independent verification to ensure accuracy and reliability. SAIL Investments has reported that in the beginning they requested too much data from their clients which led to adapting their reporting requirements.

164. The &Green Fund tries to adapt to the dynamic nature of environmental and social systems and is committed to the **continuous improvement** of its MRV processes. This aspect is covered through:

- **Stakeholder Feedback:** Engaging with local communities, project implementers, and other stakeholders to gather insights and identify areas for enhancement.
- **Technological Advancements:** Incorporating new technologies and methodologies to improve data accuracy and reduce monitoring costs.
- **Capacity Building:** Providing training and resources to project partners to strengthen their MRV capabilities.

165. Through its MRV framework, the &Green Fund aims to ensure that its investments deliver tangible environmental and social benefits, contributing effectively to sustainable development goals.

Rating for Availability of Outputs: Satisfactory

The rating of the outputs refers to the limited delivery of the output 1.1. investment pipeline. As no indicator has been set, it is not clear how the output shall be assessed, however, the closed deals indicate *that the existing pipeline from the beginning of the project does not always convert into deals, &Green has made 10 investments, while the Liberia deal did not happen after due diligence was conducted.*

5.4.2 Achievement of Project Outcomes

Outcome 1: **Relevant actors maintain, restore or increase forest cover (on and off) while intensifying agricultural production and providing social and economic benefits of smallholders in areas of investment projects** (*partially achieved*)

166. Table 8 describes the deals made by the &Green Fund by investee, type of commodity, expected environmental impact and potential risk factors identified by the evaluation team.

Table 8: Description of Deals

Deal	Commodity	Target impact	Potential risks factors
Indonesia: PT Royal Lestari Utama (RLU) USD 23.75 M in 2019 (Fully repaid in 2022)	Natural Rubber	Planned measures, not implemented: - Develop 88,000 hectares of sustainable rubber plantations in Sumatra and East Kalimantan, Indonesia. - Set aside 50% of land for conservation and community livelihoods, including habitat for endangered species like Sumatran elephants and tigers. - Create ~16,000 jobs and improved livelihoods for 58,000 people. - Reduce illegal deforestation through landscape protection plans. - Achieve green financing through a $95 million sustainability bond (see 1212).	- Legal deforestation prior to project initiation (2012-2015), raising concerns about greenwashing. - Ongoing challenges in balancing conservation with economic goals and addressing historical deforestation issues: RLU has been a joint venture between Michelin and the national company Barito Pacific Group which belongs to the Indonesian Billionaire Pragoju Prangestu. The company has been engaged in forestry, plantations, oil and gas, coal gold mining and geothermal energy.
Indonesia: PT Dharma Satya Nusantara (DSNG) USD 30 M in 2020	Palm Oil	- 10-year partnership with the &Green Fund for their upstream palm oil supply chain in Indonesia Commit to No Deforestation, No Peat, No Exploitation (NDPE) policies. - Conserve ~11,800 hectares of forest within concessions. - Certify all mills under RSPO by 2022. - Reduce carbon emissions through bio-CNG programs, saving ~5.2 million litres of fossil fuel from 2021-2023 (see 3410). - Improve traceability and sustainability across supply chains with satellite monitoring (see 5).	- Challenges in achieving full NDPE implementation by 2025. - Concerns about GHG emissions intensity (0.73 tons CO_2 per ton CPO) not improving significantly over time.
Brazil: Agropecuária Roncador Ltda USD 10 M in 2020 (fully repaid in 2024)	Cattle and Soy Farming	- Operates on 150,000 hectares in Brazil with a focus on regenerative agriculture. - Conserves over 70,000 hectares of forest and restores degraded lands. - Integrates crops with livestock to improve soil health and carbon sequestration. - Promotes sustainable practices through partnerships and knowledge-sharing	- Fire incidents in 2022 led to higher GHG emissions than sequestration rates (see 6). - The cattle sector remains a significant driver of deforestation in Brazil, requiring robust monitoring and enforcement mechanisms - In 2008, the company was fined by IBAMA for deforestation[20].

https://www.unep.org/news-and-stories/story/last-call-food-systems-revolution
[20] https://reporterbrasil.org.br/2022/11/integra-das-respostas-da-agro-sb-grupo-roncador-agropecuaria-jacarezinho-e-agropecuaria-rio-da-areia/

		initiatives like Liga do Araguaia (see 6748).	
Brazil: Marfrig Global Foods S.A. USD 30M in 2021	Beef Production	- Commit to zero deforestation across supply chains by 2030 in the Cerrado and by 2025 in the Amazon. - Conserve over 1.25 million hectares of forest, including areas beyond legal requirements. - Implement traceability systems for direct suppliers and initiated pilot programs for indirect suppliers.	- Criticized for insufficient monitoring of indirect suppliers linked to deforestation. - Public concerns of environmental damage[21]. - Expected credit loss declared in 2023 according to prudent estimates.
Colombia: Hacienda San José (HSJ) USD 7 M in 2021	Sustainable Cattle Ranching	- Operates on 180,000 hectares in Colombia's Orinoquía region with a staff of 12. - Conserves up to 27,000 hectares of tropical forests. - Develops climate-smart practices like improved pastures or cow -calf models to enhance productivity and reduce environmental impacts in a pilot project: Achieved negative carbon footprint: absorbs more CO2 than emitted per kilo of beef produced. - Implementation of standard for sustainable cattle, if available.	- Climate hazards - Location is 250 km from a conflict area
Indonesia: PT Hilton Duta Lestari (HDL) USD 12M in 2022	Palm Oil	- 8-year loan to reduce deforestation in their palm oil operations in West Kalimantan, Indonesia Establish a deforestation-free supply chain by sourcing from smallholders. - Construct a crude palm oil mill to reduce inefficiencies and support local farmers. - Commit to NDPE compliance across operations.	- Limited data on long-term environmental outcomes or the scale of adoption by smallholders. - RSPO-RED Requirements (also known as the RSPO RED Scheme) for compliance with the European Union's (EU) Renewable Energy Directive (RED) on palm oil is no longer in force[22]
Brazil: Fueling Sustainability (FS) USD 30M in 2022	Ethanol Production	- Produces ethanol entirely from maize in Brazil using renewable biomass sources like eucalyptus. - Plans to achieve negative carbon emissions by implementing BECCS technology by 2030.	- Expected credit loss declared in 2023 according to prudent estimates.
Viet Nam: Mercon Coffee Group USD 20M in 2022	Coffee Production	- Supports sustainable coffee production through its LIFT platform, providing tools and training for smallholders. - Promotes traceable, deforestation-free coffee supply chains with sustainability-linked credit facilities.	- Limited information on the scale of adoption among smallholder farmers or measurable impacts on deforestation reduction. However, already had Rainforest Alliance certified coffee.

[21] For example, Norges Bank Investment Management (2021) "The Executive Board has also decided to place the company Marfrig Global Foods SA under observation due to risk that the company contributes to serious environmental damage" dated 21 December 2021 https://www.nbim.no/en/news-and-insights/the-press/press-releases/2021/decisions-on-observation-and-exclusion2/

[22] On 5 March 2020, the Roundtable on Sustainable Palm Oil (RSPO) Board of Governors (BoG) decided that the RSPO-RED Requirements (also known as the RSPO RED Scheme) for compliance with the European Union's (EU) Renewable Energy Directive (RED), will not be renewed after its expiration on 30 June 2021.RSPO-RED was designed as a voluntary add-on to the RSPO standard. Since it was recognised by the European Commission in 2012, RSPO-RED saw no use; no tonnes were shipped, and currently there are no RSPO-RED certified growers. The RSPO-RED scheme allowed RSPO certified palm oil producers and processors to comply with requirements in the EU Directive 2009/28/EC on the promotion of the use of energy from renewable sources https://rspo.org/rspored-scheme-not-to-be-renewed/ (accessed on 19/05/2025).

		- Aim is EUDR compliance.	-Filed for bankruptcy in 2024, company was acquired.
Côte d'Ivoire : ETC Group (ETG) USD 30M in 2023	Agricultural Commodities	- Signed zero-deforestation commitment for high-risk supply chains like cocoa, coffee, soy, cashew, and cotton for EUDR compliance. - Provides technical assistance to farmers for sustainable practices across Africa.	- Measures to address risks like child labour or deforestation in supply chains; progress yet to be fully demonstrated. -100% certified production under several standards, company has an environmental management system
Viet Nam: Phuc Sinh Corporation USD 25M in 2024	Coffee and Pepper Production	- Focus on traceable, deforestation-free coffee supply chains in Viet Nam for EUDR Compliance- - Provides training on sustainable farming techniques to improve productivity while minimizing environmental impacts.124.	- Employees of the corporation received training in Rainforest Alliance by GIZ in 2020, implements 4C and ISO 22000 - Sourcing from farms with previous deforestation as a first step - Limited data on long-term environmental outcomes or scalability beyond Viet Nam.

167. The outcome indicators based on the RTOC measure four aspects: number of deals, qualitative review of the deals, number of households and share of women as direct beneficiaries.

168. **Outcome indicator 1**: *Number of signed deals/ investments of the &Green Fund into agribusinesses under Production Protection Inclusion Agreements (landscape approach)*

- 10 deals: 2 paid back, 1 company bankrupt, 2 under expected credit loss, 7 ongoing
- First deal in 2019, latest deal signed in 2024

169. The indicator is not met as only 3 deals are implemented under PPI and 5 out of 10 companies / deals do not show robust economic performance, 7 deals are still going-on.

170. **Outcome indicator 2:** *Qualitative description of the investments: assesses the extent the deals meet the criteria set in &Green Fund policies and the intention of the project to avoid deforestation and if they implemented under Production Protection Inclusion Agreements*

171. In three investment cases (Viet Nam and Côte d'Ivoire) the investment shall improve the traceability of cocoa and coffee in order to comply with the EUDR. So, the main purpose of the facility - to move the behaviour of the companies from commitments to action - cannot be confirmed. The reason for the changing behaviour is the compliance with the EUDR regulation of the European Union. All three companies already implement voluntary standards which address deforestation along the supply chain.

172. Under Production Protection Inclusion agreements, four investments in Brazil and Indonesia were implemented.

173. Agriculture was intensified in production areas – palm oil production and rubber production were extended – if the provision of ecosystem services was enhanced in production areas (improved management) could not be revealed using the existing data.

174. The indicator *is partly met* as 3 out of the 10 of the investments were not fully implemented. Meeting the indicator target of signed deals is not sufficient evidence that the outcome has been achieved.

175. **Outcome Indicator 3:** *Number of households benefiting directly or indirectly from fund transactions (e.g. jobs, income-generating opportunities, poverty reduction, reduction of hunger) in 7 target landscapes [15,000 households] achieved 62,652 people benefitting reported in 2023,*

176. Benefitting is defined by &Green as "Producers reached, individuals benefitting from secured land tenure agreements & jobs supported". The definition of benefit is quite vague and does not reveal if incomes of producers increase or existing jobs are improved. Settling land conflicts is a benefit which contributes to long-term institutional stability at landscape level. (see Settling land conflicts was achieved in DSNG Investment).

177. The indicator is *met* in quantitative terms (62,652 people) according to the monitoring of &Green. &Green does not specify or quantify in its annual reports how those people benefit or how their resilience is increased.

178. **Outcome Indicator 4:** *Share of women and men as direct beneficiaries of GEF funding through &Green Fund in 7 target landscapes [50%] not reported / not met in 2023*

179. The gender indicator was not reported on in annual reports by the &Green Fund.

180. To summarize, **outcome 1** was partly achieved; the deals are generating the aspired environmental benefit of conserving forests. The projects range from high-risk projects in palm oil production to lower-risk projects of coffee production in Viet Nam in areas where no forest is left on farmers plots. In Viet Nam, the investor aims at documenting that no forests are cut to expand coffee production to show compliance with EUDR.

Outcome 2: Private finance leveraged for investments on a 5:1 ratio as a result of the de-risking funding provided by the &Green Fund in the fund´s eligible jurisdictions *(not achieved)*

181. Table 9 provides an overview of capital leveraged at investment level by the &Green Fund.

Table 9: Leverage of private capital at investment level, 2019-2024

Year	**Company**	**Amount invested (M USD)**	**Amount mobilized (M USD)**
2019	PT Royal Lestari Utama	23.75	not available
2020	PT Dharma Satya (DSNG)	30	623.7
2020	Agropecuária Roncador Ltda (Roncador)	10	106.7
2021	Agropecuaria Bambusa S.A.S. (Hacienda San Jose (HSJ))	7	0.9
2021	Marfrig	30	10,655.6
2022	PT Hilton Duta	12	12
2022	FS Agrisolutions	30	571.1
2022	Mercon	20	-
2023	ETC Group	30	-
2024	Phuc Sinh Corporation	25	-
TOTAL		**217.75** *(162.75 as of 2022)*	**11.970**

182. Outcome 2 has one outcome indicator measuring the ratio of leverage of private to public funds.

183. Through the deals made, the &Green Fund has leveraged: in public finance: USD 394.55M, (12/2024) at fund level. In private finance total: USD 27.5 M at fund level, the leverage rate at fund level is 1:0,07.

184. Outcome 2 has not been achieved in terms of meeting the indicator to leverage private capital at fund level. The vision of the &Green Fund is to raise USD 400 million from catalytic investors (public investors) – and USD 600 million from commercial investors in order to reach USD 1 billion by 2030. &Green's target leverage ratio was *changed from 1:5 at its inception to 1:1.15 at the time of its application* to GCF (2023).

Rating for Achievement of Project Outcomes: Moderately Satisfactory

5.4.3 Achievement of Likelihood of Impact

185. The assessment of long-lasting effects is based on the RToC at evaluation of intended positive impacts and possible contribution to unintended negative effects. Given the limited results at deal level in terms of forest protection and biodiversity as well as livelihoods, the likelihood of intended impacts will be less than expected. This is also due to the fact, that so far 3 out of 10 investments have been terminated before the foreseen end due to issues at company level. The seven on-going investments would need to be fully implemented as agreed upon in the environmental and social plans and landscape protection plans to yield the intended impacts.

186. The following table provides an overview of the likelihood of impact.

Table 10: Likelihood of impact

Factors influencing likelihood of impact	Assessment	Justification
Drivers to support transition from Outputs to the Project Outcomes **Production Protection Inclusion (PPI) agreements and capacity building for the private sector / smallholders.**	Partially in place	Landscape Protection Plans which were set up under a Production Protection Inclusion Agreement are in place in three investments. All other Landscape Protection Plans describe the institutional environment of the investment.
Assumptions for the change process from Outputs to Project Outcomes **Agribusinesses refrain from converting forest into agricultural land** in exchange for financing of investments for commodities under Production Protection Inclusion Agreements. The **financed investments shall increase the productivity of the commodity production** allowing the expansion of business and profits so that companies do not extend the area under commodity production. This expansion of business has no negative effects on biodiversity or land degradation. Commercial/intensive agriculture will not affect the rest of the landscape or	Partially in place	The PPI agreements were found not to play a role in newer investments in Viet Nam and Côte d`Ivoire because they are not part of the Landscape Protection Plan. Here, companies plan to work with smallholders to comply with deforestation free supply chains. In Brazil and partly in Indonesia, those agreements have been implemented. Compliance with demands in the supply chain i.e. the deforestation regulation of the European Union (EUDR) plays a major role in the investments in Africa and Viet Nam. There were no data on the increase in productivity of commodity production available. The investment in Colombia would allow to increase the productivity of cattle breeding. Reported environmental effects have been compliance with forest legislation which is monitored. Most reported environmental effects stem from one case in Indonesia DSNG.

neighboring ecosystem/services **Access to conditional finance [from the &Green Fund] supports changing the behaviour of companies.** **Potential international investors refrain from investing into commodity producing companies** in countries like Indonesia or Brazil due to perceived high risks in a challenging investment climate. **Companies support their suppliers – small holders – to comply with forest legislation**, voluntary sustainability standards and deforestation free production / demarking their production sites to improve their livelihoods. **Intensification or change of agricultural production has only positive effects on the environment**.[23]		Access to financing is a decisive factor for changing the behaviour of companies however other factors play a major role like company strategies, markets and government policies. The deals made by the &Green Fund show that the risks for investors are mainly at the investee company level like strategic decisions of management. The investees' main intention of the three investments in Viet Nam and Côte d'Ivoire is mainly to ensure compliance with EUDR in the supply chain, the LPPs do not reveal who would bear the costs for compliance with EUDR; the agribusiness or smallholders.
Proportion of **Project Outcomes** fully or partially achieved	Some	Investments of the &Green Fund into agribusinesses under PPI partly achieved Leverage of private finance for investments of 1:5 not achieved
Drivers to support transition from Project Outcomes to Intermediate States **Changing mindset of agribusiness companies** which need to adapt to the external conditions like the changed regulatory environment in Brazil and the role of banks demanding ESG compliance in investments. **Market demand for deforestation-free products is implemented along supply chains via voluntary sustainability standards** or tracing systems for compliance with EUDR. Investors apply ESG criteria in investments.	Partially in place	The mindset of companies does not change; they adapt to the external conditions on markets to stay in Business like Marfrig, Roncador, DNG, ETC or Phuc Sinh Financial institutions had growing ESG requirements over the course of the project Compliance with RSPO, Rainforest Alliance Certification and Deforestation free meat standard is part of ESG.
Assumptions for the change process from the Project	Holds	Compliance with RSPO, Rainforest Alliance Certification and Deforestation free meat standard is part of ESG

[23] Article "Our global food system is the primary driver of biodiversity loss, with agriculture alone being the identified threat to 24,000 of the 28,000 (86%) species at risk of extinction. The global rate of species extinction today is higher than the average rate over the past 10 million years. In the last decades our food systems have been following the "cheaper food paradigm", with a goal of producing more food at lower costs through increasing inputs such as fertilizers, pesticides, energy, land and water. This paradigm leads to a vicious circle: the lower cost of food production creates a bigger demand for food that must also be produced at a lower cost through more intensification and further land clearance." UNEP (2021) https://www.unep.org/news-and-stories/press-release/our-global-food-system-primary-driver-biodiversity-loss (accessed on 17/05/2025) Chatham House report, 'Food System Impacts on Biodiversity Loss' (2021).

Outcomes to Intermediate States **Agribusinesses refrain from converting forest into agricultural land**		
Proportion of Intermediate States achieved **Forest cover including biodiversity is maintained or increased over time, intensified agricultural production does not produce adverse environmental results.** **Smallholders and vulnerable groups like landless people receive economic benefits from involvement in value chains of agribusinesses (higher income, additional jobs).**	Some	"Forest cover is maintained over time of the investment" could be confirmed. All other results regarding social benefits are unlikely to be achieved due to the nature of the investments (Outcome 1). Inflow of capital into companies and agribusiness sector does not cement production modes like monocultures, market structures, land tenure and expectations of economic actors towards windfall profits from land use which need to transform in the long-run in order to make agriculture sustainable.
Drivers to support transition from Intermediate States to Impact **The livelihoods of smallholders in areas of the investment projects are improved through inflow of more private finance.**	Partially	Most of the deals do not work directly with smallholders, however, many of the investee companies source commodities from smallholders and have included them in their ESAP, including RLU (TLFF), ETG, Phuc Sinh, Mercon, FS and DSNG. DSNG has inflow of private capital, however, there is no information to confirm if livelihoods of smallholders are improved due to the investments to date.
Assumptions for the change process from Intermediate States to Impact **Intensification or change of agricultural production has only positive effects on the environment.**	Partially	Policies for setting standards for imports on markets are crucial like EUDR. Consumer demand plays a role in the market for coffee, cocoa and palm oil. National policies depend on the country in the case of Brazil, Colombia confirmed, in the case of Indonesia not confirmed.

187. Table 11 provides an overview of expected impact, the reported indicators of the &Green Fund and long-term perspectives of achieving targets after closure of the investment deal reviewed by the evaluation team.

Table 11: Achievement of impact indicators

Expected impact as per ToC and GEF indicators	&Green Reported in 2023	Comments on long-term perspectives after closure of investment deal
GEF indicator: Forest cover is maintained at 258,000 ha	3,117,013 hectares protected	-Measure of contribution to maintaining forest cover, number of ha could vary due to decisions of companies after expiring the concessional finance agreement
Ecosystem Resilience is not a the GEF-Indicator and not defined by GEF	Contributed to increased ecosystem resilience of 3,345,634 hectares	-No definition of ecosystem resilience
GEF Indicator: Mitigated CO_2 45 Million t	13,235,800 tCO_2 climate benefits	-Measure of contribution to avoid CO_2 emission, number of t could vary due to decisions of companies after expiration of deals

GEF Indicator: Number of hectares of HCV-HCS in seven target landscapes/ Deforestation is avoided at 180,000 ha	Not reported	-Measure of avoided deforestation cannot be identified for the specific investments
GEF Indicator: Number of hectares of agricultural land regenerated and intensified in 7 target landscapes in three countries / Sustainable agricultural production is realized at 186,000 ha	Not reported. There is limited information on how agricultural land was regenerated and how sustainable agricultural production is defined in terms of ecosystem services	-Business as usual with efficiency improvements like management of chemicals or wastewater due to implementation of environmental management systems -Improvements of soil, water biodiversity not measured
GEF Indicator: Number of persons benefitting from the project: 15000 households ToC expected impact Increased livelihoods options for women	68,217 people benefitting	-Definition and measurement of benefits for smallholders and workers due to social and environmental plans and landscape protection plans not clearly defined. Benefits for smallholders (e.g. could be staying in business due to compliance with EUDR in both cases in Viet Nam). -Measure of avoided or resolved land conflict with one case in Indonesia as an example.
People with increased resilience is not a GEF indicator and not defined by GEF	62,652 people with increased resilience	-

188. The forest cover protection goal has been achieved for the lifespan of the investment: the forest is protected as long as the investment deal runs. What happens after the deal runs out or is terminated earlier remains open. The investments were made within different landscapes and spread over different countries so that cumulative positive environmental and social effects that the landscape level for example in the State of Mato Grosso, Brazil or West Kalimantan, Indonesia would require specific indicators for those landscapes.

189. The portfolio analysis did not identify benefits for smallholders beyond “staying in business” nor a high engagement of smallholders in the protection of natural resources.

190. Positive benefits for the companies have been greater exposure of their experiences and sustainability management (Marfrig and Roncador) to a wider public and the implementation of the environmental management system in the company (Roncador).

191. Unintended negative impacts have been the contribution to possible inequality by investing public funds into large private companies which are expanding and to fund agricultural production in landscapes of monocultures like maize, palm oil and rubber.

192. The investment of the &Green Fund of USD30 Million in Marfrig (deal closed in 2020) - a large meat processor from Brazil with operations in the US and EU - was used to show the efforts of the company to implement sustainability. Marfrig refers to the &Green’s finance on its Sustainability page. The project Plano Verde (Production, Protection, Inclusion Agreement) with IDH is listed in the sustainability report 2023 of the company. IDB Invest dropped a planned loan /guarantees to Marfrig for the implementation of its Plano Verde and other investments due to an open letter of an NGO coalition in 2022.

193. In 2022, The Norwegian Government Pension Fund Global being a direct investor into Marfrig has placed Marfrig under observation due to the association of the company with deforestation According to a rating of Sustainalytics, the ESG risk of Marfrig is high and its efforts for ESG implementation are average.

194. One of the goals of GEF- funding is to develop replicable and scalable solutions. The &Green Fund has a unique structure as a Dutch Stichting and it has developed deals based upon the work of the Dutch NGO IDH; its replicability is limited because the structures cannot be easily transferred into other contexts and be implemented by other organisations.

195. A long-lasting contribution to the SDGs 15 life on land cannot be confirmed due to the outcomes which have been achieved so far. A contribution to SDG 19 partnerships can also not be confirmed because the deals are commercial deals which are not built on local partnerships.

196. In some cases, like Viet Nam or the RLU in Indonesia, the areas covered by the investment have been previously deforested so that the effect of the conditional finance on forest protection is limited because there is not much forest left to be protected.

197. The &Green Fund contributes to creating partnerships for forest protection and collaboration between different actors at fund level and at local level and therefore to achieving SDG 17 Partnerships.

Rating for Achievement of Likelihood of Impact: Moderately Likely

Rating for Effectiveness:	**Moderately Satisfactory**

5.5 Financial Management

5.5.1 Adherence to UNEP's Financial Policies and Procedures

198. The project has adhered to UNEP's financial policies and procedures. Financial reporting has been according to UNEP financial policies and procedures. UNEP has availed funds on time. Reporting on finances was on time, too.

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

5.5.2 Completeness of Financial Information

199. The project had one fund disbursement, which was made to the &Green Fund through SAIL Investments (Stichting). UNEP has disbursed a total of USD 1,950,000 at fund level to the executing partner, &Green Fund. A total of USD 50,000 was retained by UNEP for the Terminal Evaluation.

200. UNEP has not received expenditure reporting from Stichting and the &Green Fund as the amount is held as a "receivable" in UNEP books that is to be repaid by the executing partner at the end of the project in accordance with Clause 71 of the signed PCA "71. Repayment obligation. The Executing Agency shall repay to UN Environment within ninety (90) days of the Repayment Date (31 December 2037), in accordance with the terms defined.

201. GEF's contribution to the &Green Fund was at the Fund level and thus its funding (together with other contributors) is spread equitably among the Fund's investment activities and therefore costs were only available for the total project and not per outcome/component nor output.

202. As of 30 June 2022, the GEF's contribution via UNEP constituted 1.26% of total contributions received by the &Green Fund. Total net asset value of fund: USD 103,768,764, Net asset value of GEF Investment: USD 1,925,000, Total &Green Portfolio: USD 132,960,305.

203. Information on co-financing has been provided. Table 12 provides details on public and private co-financing achieved to date. The only two private capital providers are Unilever and German reinsurer. Co-financing sources are largely public funds. There was no in-kind cofinancing.

Table 12: Cofinancing at the end of the Project in USD

Project title:		Piloting Innovative Investments for Sustainable Landscapes							
Project number:		S1-32GFL-000620 **GEF ID** 9719							
Project executing partner:		&Green Fund							
Project reporting period:		US$	US$	US$	US$	US$	US$	US$	US$
From:	04/06/2019 (first disbursement date)	Prior Year	Cash Cofinance		In-kind Cofinance		Total for year		Cummulative
To:	30.09.24	Actual Total	Planned	Actual	Planned	Actual	Planned	Actual	Actual Total
UNEP BUDGET LINE*		A	B	C	D	E	F=B+D	G=C+E	H=A+G
	NICFI grant to AndGreen.Fund**			95.782.210			-	**95.782.210**	**95.782.210**
	NICFI grant to IDH		27.518.998	27.518.998			**27.518.998**	**27.518.998**	**27.518.998**
	Unilever redemable grant to AndGreen.Fund			10.000.000			-	**10.000.000**	**10.000.000**
	German reinsurer concessional debt to AndGreen.Fund			2.500.000			-	**2.500.000**	**2.500.000**
	FMO concessional debt to AndGreen.Fund			25.000.000			-	**25.000.000**	**25.000.000**
	UK Governemnt Department for Business, Energy & Industrial Strategy (BEIS) concessional loan to AndGreen.Fund			31.500.000			-	**31.500.000**	**31.500.000**
	Green Climate Fund concessional debt to AndGreen.Fund			80.000.000			-	**80.000.000**	**80.000.000**
	Central African Forestry Initiative (CAFI) grant to AndGreen.Fund			42.000.000			-	**42.000.000**	**42.000.000**
							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
							-	-	-
TOTAL COSTS		-	**27.518.998**	**314.301.208**	-	-	**27.518.998**	**314.301.208**	**314.301.208**

Rating for Completeness of Financial Information: Satisfactory

5.5.3 Communication Between Finance and Project Management Staff

204. No major communication problems or late disbursements of funds to SAIL Investments and to its investees were reported.

205. SAIL Investments prepared quarterly and annual expenditure reports to investors and provided timely information to UNEP about co-financing.

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

206. The Table with the full rating of the financial management can be found in Annex VI.

Rating for Financial Management: Highly Satisfactory

5.6 Efficiency

207. Efficiency is understood as the project's ability to deliver its outputs and results in a timely and cost-effective manner. This section on efficiency assesses the extent to which the project delivered maximum results from the given resources at the lowest possible cost. It includes an assessment of the cost-effectiveness and timeliness of project execution.

208. As the &Green Fund is a new fund, the assessment of cost-effectiveness is undertaken comparing the promised activities in the ProDoc with the implemented activities during the given timeframe. The efficiency of the project is rated as 'Moderately Satisfactory'. The project was extended from 2021 to 2022 by one year. In addition, the small amount (USD 2 Million) of funding of the project and therefore contribution to &Green Fund, in comparison to &Green's total size, limited production efficiency and cost-effectiveness for both UNEP and &Green.

209. There were costs incurred for identification and due diligence of potential investments. The costs in terms of staff time of SAIL Investments for raising private co-funding were higher than planned because until end of 2024, limited additional co-funding at fund level materialized following Unilever's USD 25 Million and USD 2.5 Million from Hannover RE. The ratio of target co-funding at fund level was lowered from 1:5 to 1:1.15 in the GCF proposal. The cost for due diligence reflects that the &Green decided to conduct due diligence with its own staff rather than relying on external sources. The total overhead cost of the Fund of 2 %, however, are within the average of blended finance facilities.

210. The &Green Fund established its own ESG requirements, which were based on IFC standards. Most investments entered by the &Green Fund implement additional voluntary sustainability

standards (Rainforest Alliance in Viet Nam, a sustainable cattle standard in Colombia, voluntary cocoa standards in Côte d'Ivoire), in addition to actions identified in the ESAPs and LPPs. These monitoring and reporting requirements go beyond standard private sector practices and generate additional costs for both &Green and investees. &Green covers these costs with its management fee.

Rating for Efficiency: Moderately Satisfactory

5.7 Monitoring and Reporting

5.7.1 Monitoring Design and Budgeting

211. The ProDoc for the UNEP/GEF-project had a monitoring plan designed to track progress against results towards the provision of the project's outputs and achievement of project outcomes. The Fund aimed to carry out periodic satellite-based monitoring of the project area and periodic third-party verification of ESG performance within the Project Area. The monitoring plan was included as an annex to the ProDoc, which was not provided to the evaluators.

212. The output indicators 1.1 and 1.3 and 1.4. were not SMART; they do not clearly define what is to be measured. Output 1.1. – the investment pipeline – could have been described in qualitative terms the pipeline of projects negotiated to be per year until the Fund has reached its capacity. Outcome level indicator 1.1. was disaggregated by gender but not by marginalised groups.

213. The &Green Fund planned to use due diligence data from financial institutions for assessing the viability of investments which was discarded for the investments in 2023/ 2024 which were not undertaken in a consortium of investors.

Rating for Monitoring Design and Budgeting: Satisfactory

5.7.2 Monitoring of Project Implementation

214. Baseline data for the investments have been generated and documented by the investees (companies). For each company, a data set has been defined comprising environmental, social and economic indicators. The data were intended to be used in the environmental and social management system for the investment.

215. The &Green Fund has provided guidance to the companies for data collection and storage. The interviews with the &Green Fund revealed that in the beginning, too many data at investment level were gathered. Later, the amount of data generated was adapted to the needs of the company. &Green uses public data for forest monitoring generated by WRI, which makes it independent of companies. It sets up alerts so that it is alerted as soon as there is deforestation visible in satellite data.

216. The data from the investments were collected at fund level and verified by external consultants.

Rating for Monitoring of Project Implementation: Satisfactory

5.7.3 Project Reporting

217. Data from reporting of the &Green Fund were used for reporting on the UNEP/GEF project as the GEF funds were relatively small compared to the funds size of the individual investment deals made and therefore spread over the investment portfolio so that a specific data set for the indicators of the UNEP/GEF project has not been generated. The newer performance indicators of the &Green Fund are GCF indicators.

218. The last PIR from 2022 has changed the project objective and the outcomes. It has reported on GEF-6 indicator 4.1. area of landscapes under improved management to benefit biodiversity and 6.2. Emissions avoided, but not on the outcome indicators. The performance against GEF-6 indicators is assessed in the likelihood of impact section of this evaluation report.

219. The economic performance of investments and the companies were regularly assessed in compliance with legal requirements. The results were published in the &Green Fund Annual Report which is published according to Dutch law for a Dutch Stichting with economic activities. The last report is for 2023 and was published late in 2024. The report is based on the beta framework of the Taskforce for Nature-Related Financial Disclosures (TNFD) and provides information about the investments of the &Green Fund, however, it has limited information on e.g. gender disaggregated KPIs.

Rating for Project Reporting: Satisfactory

Rating for Monitoring and Reporting:	Satisfactory

5.8 Sustainability

5.8.1 Socio-political Sustainability

220. The forest policies vary among the countries in which the investments have been undertaken to support the environmental outcomes. As the criteria for an eligible jurisdiction for the &Green Fund is a conducive policy environment, the national and sub-national policies support the sustainability of the outcomes. Viet Nam is an example, considered a low-risk country under EUDR, deforestation rates have been going down[24].

Rating for Socio-political Sustainability: Likely

5.8.2 Financial Sustainability

221. The financial sustainability at fund level is rated as 'Moderately Likely'. The &Green Fund has been successful in attracting public funds but less so on private funds. &Green operates under its allocated budget fee – 2% of total funds under management.

222. At investment level, one out of the ten investee companies went bankrupt, and two investments have reported expected credit loss (ECL).[25] Two investments have been repaid earlier. The financial sustainability of the fund depends upon the &Green Fund finding suitable investment opportunities.

223. If the companies stay profitable in changing markets, the benefits will be sustained. Companies will need to invest into improving the production of cocoa and coffee beyond compliance with EUDR because the productivity of coffee and cocoa is decreasing due to various reasons (see case study on Mercon in Annex I).

Rating for Financial Sustainability: Moderately Likely

5.8.3 Institutional Sustainability

224. The &Green Fund has used PPI Agreements, ESAPs and LPPs, when available, in its investments and thereby promoting their use in landscape planning and management. As a finance facility, the &Green Fund continues to offer a mechanism for directing private and public funds into selected landscapes.

225. The motivation of companies to keep the benefits of conditional finance like the established environmental and social management system and the monitoring of environmental performance depends upon how the companies perceive benefits derived from the management system. In general (there is an extensive body of literature on environmental management), the internal benefits of

[24] https://news.mongabay.com/2009/09/Viet Nam-outsources-deforestation-to-neighboring-countries/
https://en.baochinhphu.vn/viet-nam-classified-as-a-low-risk-country-under-eu-deforestation-law-111250524092529466.htm

[25] According to &Green, ECL here reflects that the credit risk has temporarily increased according to &Green's assessment and therefore it has set aside a provision, as a risk mitigation measure.

management systems are underrated like compliance, management of chemicals etc and the external benefits are appreciated.

226. So, it is more likely that compliance with voluntary standards will be ensured because market and value chains request those certifications. Michelin joined the Roundtable on Sustainable Rubber after leaving the TLFF joint venture and bought RLU despite that the TLFF offered technical assistance. The EUDR can offer incentives to continue to work with smallholders in landscape areas.

227. Companies may decide to continue or decide to not keep monitoring the forest under concession because this requires technical knowledge and does not bring economic benefits if monitoring is not requested by clients or law.[26] The &Green Fund has monitored the forests under the investments. By connecting the activities at site level with national forest monitoring systems and national and local levels authorities it could provide further reassurance that monitoring would continue after the closure of the investments.

Rating for Institutional Sustainability: Moderately Likely

Rating for Sustainability (Likelihood):	Moderately Likely

5.9 Factors Affecting Performance and Cross-Cutting Issues

5.9.1 Preparation and Readiness

228. The investments build on IDH´s Production Protection Inclusion Agreements which were planned to be upscaled via the &Green Fund. The set-up of the &Green Fund has been undertaken in time. The ProDoc already contained a list of larger potential investment opportunities, however the concept of the &Green Fund had envisaged smaller investments in the selected landscapes in Indonesia, Brazil and Côte d'Ivoire.

229. UNEP as a GEF implementing agency was willing to take the risk of accepting a newly funded finance facility as an executing agency for the project. At the same time, UNEP's entry into ecosystem restoration finance facilities was new and innovative for the organisation. UNEP signed partnership agreements with IDH and Rabobank[27] for the support of financing facilities like the &Green Fund. A risk monitoring strategy has never been set up for &Green, and it was not a request by GEF, however, it would seem necessary when considering the novel character of the project in UNEP. &Green has its own risk management processes detailed in its Investment Principles.

230. The UNEP LUF project (PIMS 2009) supported the set-up of &Green's ESG framework like defining indicators for sustainable land use with internal and external expertise. The project also established a knowledge exchange network for finance facilities to support the creating of blueprints for investments and exchanging information on measuring impact.

Rating for Preparation and Readiness: Moderately Satisfactory

5.9.2 Quality of Project Management and Supervision

5.9.2.1 UNEP/Implementing Agency:

231. For UNEP as an implementing agency, the quality of project management is 'Highly Satisfactory' due to the following reasons: Project management of UNEP was not limited to supervising the compliance with the formal reporting requirements but included support to monitoring, knowledge management and communication of results. The UNEP/GEF project was

[26] In the case of TLFF and the closure of the RLU deal refer to "RLU has publicly committed to continuing their environmental and social impact ambitions following the prepayment of the loan. However, &Green will no longer have any direct influence or leverage over RLU's sustainability commitments and reporting obligations." &Green website accessed on 21/05/2025, https://www.andgreen.fund/portfolio/pt-royal-lestari-utama-rlu/

[27] MOU with UNEP, FMO, IDH and Rabobank as 22 January 2018.

designed to make a financial contribution to the &Green Fund for it to pursue investments, and UNEP provided more support to the project execution than requested. This was also due to the fact that the &Green Fund was a newly set-up finance facility and benefited from UNEP's expertise and learning from its engagement in RSCF, AGRI3, RCF and TLFF[28] in the LUF project.

5.9.2.2 Partners/Executing Agency:

232. All investment and operational decisions were taken by SAIL Investments. Project implementation of the &Green Fund was transparent i.e. the PIR contained information about the outputs of the &Green Fund like the investment pipeline and the closed deals. The implementation of the deals and the monitoring was undertaken by consultancies so that limited information is available about their quality. Data for co-funding were recorded. The project was extended in order to support the set-up of the &Green Fund further. The involvement of the team of SAIL Investments in identifying suitable investments has been more intense than planned because the deals identified by IDH did not materialise for several reasons.

Rating for Quality of Project Management and Supervision: Highly Satisfactory

5.9.3 Stakeholders Participation and Cooperation

233. This factor analyses the progress, challenges and outcomes regarding engagement of stakeholders in the project i.e. the set-up and operation of the &Green Fund. The number of direct stakeholders of the &Green Fund is limited to the investees, potential investors into the fund, the investing donor agencies like GEF and NICFI. Local actors played a role in the PPI agreements in Brazil and Indonesia. The information provided to all stakeholders is transparent and sufficient.

234. During project preparation, IDH had consulted a number of stakeholders according to the ProDoc. Stakeholder engagement at local and regional level in the deals could not be assessed by the evaluation team due to the limited resources of the evaluation. The involvement of IDH and application of local Production Protection and Inclusion agreements was less than outlined in the ProDoc according to the documents about the deals published on the &Green website.

235. **Community level engagement** was not envisaged for a number of deals like Marfrig or Roncador in Brazil as these are investments into agribusiness. In the deals with smallholders involved like in Viet Nam, it is planned to train them to comply with EUDR requirements. In the RLU investment community consultations may continue under the aegis of RLU and RLU's subsidiary on the ground PT Lestari Asri Jaya (LAJ). The site visit to the RLU plantation found that for related LPP activities not all stakeholders attend or are adhering to commitments and vulnerable indigenous peoples and local communities appear not to have been adequately consulted.[29]

236. In HSJ Colombia, communities shall be trained in fire management to protect the investment. Local agribusinesses have founded an NGO to provide access to education for children.

237. In Viet Nam, a number of smallholders will be certified under Rainforest Alliance Standard which requires a minimum of community participation. Those results cannot be attributed to the GEF/ &Green requirements because the Rainforest Alliance Standard has more comprehensive requirements regarding livelihoods and community participation than IFC Performance Standards and the standard was already implemented before the investment deal.

Rating for Stakeholders Participation and Cooperation: Moderately Unsatisfactory

5.9.4 Responsiveness to Human Rights and Gender Equality

238. The ESG policy of the &Green Fund refers to the IFC Performance Standards which require responsiveness to human rights and gender equality. &Green's exclusion criteria included forced and

[28] The finance facilities in the UNEP LUF project: The &Green Fund, Restoration Seed Capital Facility (RSCF), AGRI3, Responsible Commodities Facility (RCF) and Tropical Landscape Finance Facility (TLFF).

[29] Evaluation of the Land Use Finance (LUF) Project, Annex I: TLFF Case Study

child labour and destruction of High Conservation Value areas. However, the track record of some of the agribusinesses containing previous deforestation and other human rights violations were not an exclusion criterion for the &Green Fund.

239. Gender has been mentioned in some of the ESAP, but no specific measures appear to have been undertaken to contribute to gender equality. Gender is an indicator in the logframe for the outcome 1.2 measuring the share of women and men as direct beneficiaries of GEF funding through &Green Fund in 7 target landscapes. RLU deal signed in 2019 was expected to benefit 5,000 women in Jambi province, Indonesia. The Roncador deal signed in 2020, did not actively target smallholder inclusion or social inclusion, as the social and environmental benefits were mainly generated through on-farm interventions. The DSNG deal signed in 2020 was expected to bring in a series of social benefits including job and small business opportunities, access to healthcare and education services. However, share of women and men as direct beneficiaries of GEF funding through the &Green Fund has not been tracked.

240. Investors are requested to conduct a gender study as part of the ESG policy at the beginning of the investment, however the ESAPs and LPPs do not contain specific gender indicators nor specific measures to tracking during the tenor of the investments.

Rating for Responsiveness to Human Rights and Gender Equality: Moderately Unsatisfactory

5.9.5 Environmental and Social Safeguards

241. The project document identified a comprehensive list of environmental and social risks in the targeted landscapes.

242. The UNEP Land Use Finance project has supported the &Green Fund providing an indicator framework for sustainable land use.

243. The &Green fund has set up its own ESG requirements which are based upon IFC standards and assessed by external consultants. So, the formal ESG requirements are met. The ESG requirements are implemented in the investments by appointing an ESG manager and reporting on ESG.

Rating for Environmental and Social Safeguards: Satisfactory

5.9.6 Country Ownership and Driven-ness

244. As the project targets private sector investees, it is challenging to assess country ownership and drivenness because national or subnational governments have not been involved. However, the &Green Fund selects jurisdictions, which have a clear strategy to reduce deforestation, progresses towards its milestones, and an MRV system. See para 107 for full jurisdiction eligibility criteria.

245. The involvement of local authorities in the selected landscapes under PPI agreements was less than planned in the ProDoc, especially in countries other than Brazil and Indonesia, where IDH did not play a role in setting up PPIs, for example, in Liberia where PPI investments were planned and IDH conducted preparatory work with local authorities.

246. &Green's LPPs and ESAPs detail how the company will comply with national legislation regarding forests and their NDPE commitments, as well as the MRV systems put in place, including external audits. For the RLU deal in Indonesia, the evaluation found that there did not appear to be a LPP in use on site. While there were activities such as monitoring, planting of local species and monitoring wildlife and stakeholder platforms created, not all stakeholders attend or are adhering to commitments and vulnerable indigenous and local communities appear not to have been adequately consulted.[30]

[30] For more information refer to the Evaluation of the Land Use Finance (LUF) Project, Annex I: TLFF Case Study.

Rating for Country Ownership and Driven-ness: Moderately Unsatisfactory

5.9.7 Communication and Public Awareness

247. The &Green Fund has shown a high degree of transparency about the deals it has made. NICFI requested this transparency as an investor into the Fund.

248. The &Green Fund's ESG framework is published online along with information about individual deals including investee companies, location and nature of the investment, amount of investment, ESAP and LPPs. Other Institutions like private investment arms of public development banks do not typically disclose all details of an investment.

249. The GEF website has published the ProDoc and the annual PIR in 2021 and 2022.

250. The &Green Fund made the closure of the RLU investment public information and published an evaluation report (Executive Summary) of the RLU deal on its website.[31] The TLFF was the financing facility responsible for the RLU deal and the degree of disclosure of information to the public on the deal can be assessed as transparent.

251. The UNEP Land Use Finance project promotes the &Green Fund via its public outreach activities. The &Green Fund has communicated the engagement of UNEP on its website. UNEP's logo features under contributors (with GEF) and partnerships.[32] UNEP´s engagement contributes to the credibility of the &Green Fund and its investments and to promote the &Green Fund as a blueprint for blended finance[33].

Rating for Communication and Public Awareness: Satisfactory

Rating for Factors Affecting Performance and Cross-Cutting Issues: Moderately Satisfactory

[31] The Executive Summary of the report describes loan structure, investment rationale, impact realized and lessons learned (2.5 pages) and is available at: https://www.andgreen.fund/wp-content/uploads/2021/05/221110_RLUExitReport_publicversion_nowatermark_FINAL.pdf (accessed 21/05/2025)
[32] The &Green Fund, About Us, https://www.andgreen.fund/about-us/ (accessed 21/05/2025)
[33] https://kpi-directory.production.wordpress-linode.linode.unep-wcmc.org/content//uploads/2024/03/Green-Case-Study-final.pdf

6 CONCLUSIONS AND RECOMMENDATIONS

6.1 Conclusions

252. The project was a pilot project for UNEP in using the GEF non-grant instrument in blended finance to provide incentives to companies for transitioning to zero-deforestation agriculture. The blended finance facility was conceived by an NGO (IDH) to support the greening of supply chains of large multinational companies. The blended finance facility was then set up as an independent non-profit entity, managed by Sail Investments. The investment logic from GEF was to "test to see if concessional finance in support of production, protection and inclusion schemes is able to shape the agricultural supply chain in a significant manner. If that is indeed the case, then there is scope to expand it to other countries or landscapes."

253. The main purpose of blended finance is to mobilize private capital towards delivering positive environmental and social outcomes. It does so by reducing the risk or enhancing returns for private investors in sectors and geographies or in businesses in which would be seen as too risky or not profitable enough. The &Green Fund was set up to raise private finance at fund level to invest into deforestation free agricultural supply chains in tropical countries. To date, it has attracted USD 27.5M of private capital from Hannover Re and Unilever. The bulk of the raised capital comes from bilateral donors (NICFI, FMO) and global environmental funds (GEF and GCF). The &Green Fund has met its targets for raising public funds (about USD 400 Million) but has not been successful in raising the planned amount of private capital at fund level (USD 600 Million). The &Green Fund follows a pattern of blended finance identified in an UN DESA policy brief[34]: concessional public finance (NICFI grant and GEF non-grant) often attracts mainly non-concessional public finance and fails to raise the necessary private capital for meeting the SDGs.

254. At investment level the &Green Fund was able to mobilize private capital. Total reported private capital mobilised at deal level was USD 11.959 billion. &Green's first deal was investment into a finance facility which executed one deal (TLFF), and later investments were made directly to agribusiness.

255. The &Green Fund offers market rate debt for large scale investments conditional to deforestation-free agriculture commitments. The &Green Fund had a portfolio of 7 investments in 2024 of which two investments were classified as ECL on their balance sheet.[35] Demand for the &Green Fund's capital are from companies that are comfortable with the scrutiny that comes with &Green's ESG due diligence for the investment and the associated reporting requirements. In addition to implementation of IFC standards and application of voluntary sustainability standards when appropriate, &Green requires its investees to avoid deforestation across all its operations. Therefore &Green may not attract the private actors who are responsible for most deforestation.

256. For example, &Green Fund's investment in Côte d'Ivoire in cocoa company ETG finances protection and restoration of forests located in ETG's sourcing landscapes, services to smallholders and other tailored sustainability sourcing programmes in their highest risk landscapes including agroforestry promotion. These activities will be in addition to ETG's Environmental and Social Management System, which implements voluntary sustainability standards and aims at compliance with EUDR.

257. Full impact of the &Green Fund, and thus the project, has not yet fully materialized and is thus difficult to assess. Most of its investments are 8-10 years and have not yet reached completion. &Green is also continuing to deploy capital. Nonetheless, the most relevant outcome for GEF was achieved: the project contributed to preserve tropical rainforest in the areas. The &Green Fund shows

[34] UN (2025), UN DESA Policy Brief No. 170 (Special Issue): Reimagining financing for the SDGs - from filling gaps to shaping finance (14/01/2025), https://desapublications.un.org/policy-briefs/un-desa-policy-brief-no-170-special-issue-reimagining-financing-sdgs-filling-gaps

[35] According to &Green, ECL here reflects that the credit risk has temporarily increased according to &Green's assessment, and it has therefore set aside a provision, as a risk mitigation measure.

that real time monitoring of forests is a viable solution for companies to show their commitment to deforestation free supply chains. The case study of Mercon shows that coffee production in Viet Nam mainly takes place in areas that were previously deforested.

258. It was a challenge for the evaluation to attribute the claimed outcomes to the activities of the companies. The case of Brazil shows which factors influence the behaviour of companies towards deforestation free supply chains. A study found that voluntary commitments of the cattle sector have contributed to curb deforestation by 15 % in the Amazon in Brazil.[36] Other influencing factors are more important: National and subnational legislation and policies play the main role for stopping deforestation in Brazil. Examples for those policies are the State of Pará linking the registration for food safety with the origin of the cattle to prove that beef sold in national and international value chains is produced deforestation-free and complies with food safety requirements. Brazil aims at full traceability of the meat produced in the country until 2032. Meat traceability is crucial to stay in export markets and get funding from Banks. The EUDR is an additional influencing factor to spur the process of creating traceability solutions.[37] In 2023, Brazilian Public Banks like BNDES started to request their clients to work deforestation free refusing loans to companies with deforested areas.[38] The BNDES uses data from MapBiomas, a national system for monitoring biomes, to track their clients. The Brazilian Central Bank has a policy not to provide subsidies to companies involved in deforestation.

259. The deals of the &Green Fund show that even if the investments have high sustainability standards, decisions by the investee company can impede impact. The &Green Fund invested into the TLFF which was closed after the RLU joint venture was dissolved. Michelin paid the loan back to the TLFF far earlier than agreed upon ending &Green's leverage on impact. In 2024, Roncador paid its loan back due to internal decisions about the company structure. Mercon went bankrupt and two investments are under expected credit loss due to issues at company level.

260. Investing in companies does not replace systemic changes such as policies towards forest protection. Public investments in companies can be used as one tool amongst many to provide incentives for companies to the transition from unsustainable to sustainable land use. That is why &Green only invests in jurisdictions where governments have a clear strategy and mechanisms in place to reduce deforestation.

261. The table below provides a summary of the ratings and findings discussed in Chapter 5. Overall, the project demonstrates a rating of 'Moderately Satisfactory'.

Table 13: Summary of project findings and ratings[39]

Criterion	Summary assessment	Rating
Strategic Relevance		**MS**

[36] Samuel, Levy A. et al. (2023) in Global Environmental Change, Deforestation in the Brazilian Amazon could be halved by scaling up the implementation of zero-deforestation cattle commitments. Article. Vol. 80, https://www.sciencedirect.com/science/article/pii/S0959378023000377?via%3Dihub

[37] Mongabay (2023), EU bill and new green policies spur progress on Brazil's cattle tracking. Article 21/09/2023. https://news.mongabay.com/2023/09/eu-bill-and-new-green-policies-spur-progress-on-brazils-cattle-tracking/

[38] Institute for Climate and Society in Brazil (2023), BNDES has already denied about 60 loan requests due to deforestation. News video no date. https://climaesociedade.org/en/bndes-has-already-denied-about-60-loan-requests-due-to-deforestation/

[39] Most criteria will be rated on a six-point scale as follows: Highly Satisfactory (HS); Satisfactory (S); Moderately Satisfactory (MS); Moderately Unsatisfactory (MU); Unsatisfactory (U); Highly Unsatisfactory (HU). Sustainability and Likelihood of Impact are rated, also on a six-point scale, from Highly Likely (HL) down to Highly Unlikely (HU) and Nature of External Context is rated from Highly Favourable (HF) to Highly Unfavourable (HU).

Criterion	Summary assessment	Rating
1. Alignment to UNEP MTS, POW and Strategic Priorities	Relevant to POW 2018-2019 Subprogramme Healthy and Production Ecosystems and halting agriculture-driven deforestation. Not well related to MTS on the need for sustainable practices in food production and manufacturing and finance facilities or blended finance are not directly mentioned. [The LUF project sits under the Subprogramme on Climate Change]	**MS**
2. Alignment to Donor/GEF/Partner strategic priorities	Blended finance is often required for funds active in sustainable land use in emerging markets to successfully raise capital from private sector. However, the &Green Fund has been more successful in raising public funds and not met its target for raising private capital at fund level.	**S**
3. Relevance to global, regional, sub-regional and national environmental priorities	The project contributed through the landscapes of the deals to the selected countries' policies and commitments to reduce deforestation while continuing to pursue agricultural production and exports, in an inclusive manner. This also contributes to SDGs, Paris agreement, and Global Biodiversity Framework.	**S**
4. Complementarity with existing interventions/ Coherence	Not addressed in the project, except for IDH TA project until 2021. It was complementary to the UNEP LUF (PIMS 2009) project.	**MS**
Quality of Project Design	Clear purpose of the project. Limited planning and implementation capacity of a newly set up fund Monitoring and evaluation structures were not fully covered. Overlap between the outcome-level results and indicators and impacts.	**MS**
Nature of External Context	Forest policies favourable, business environment favourable due to new legal requirements like EUDR.	**F**
Effectiveness		**MS**
1. Availability of outputs	Outputs available but difficult to measure like investment pipeline.	**S**
2. Achievement of project outcomes	Outcome 1.1 was partly achieved as forest protection and CO_2 mitigation targets were met while other indicators were partly met. Outcome 1.2 was partly achieved as private investment was mobilized at investment level, rather than at fund (&Green) level.	**MS**
3. Likelihood of impact	Given the early termination of some of the investments, achievement of project outcomes and factors identified in the assumptions and drivers of the RToC, long-term impacts are moderately likely for forest protection.	**ML**
Financial Management		**HS**
1. Adherence to UNEP's financial policies and procedures	Fully adherent	**HS**
2. Completeness of project financial information	Financial reports are available. As this is a non-grant and the amount is held a "receivable" in UNEP that is to be repaid by the executing partner, there are no expenditure reports from Stiching and the &Green Fund.	**S**
3. Communication between finance and project management staff	Excellent. It was very straightforward as only one transaction needed to be made.	**HS**
Efficiency	The small amount (USD 1,950,000 disbursed) of funding of the project and therefore contribution to &Green Fund limited its efficiency for both UNEP and &Green.	**MS**
Monitoring and Reporting		**S**

Criterion	Summary assessment	Rating
1. Monitoring design and budgeting	A monitoring plan was designed to track progress against results. Some indicators were not SMART.	**S**
2. Monitoring of project implementation	Limited information available due to &Green's policies. Additionality assessments are only shared with members of the Investment Committee.	**S**
3. Project reporting	PIR reports available. Changes in project design in PIR including project objective	**S**
Sustainability		**ML**
1. Socio-political sustainability	Favourable policy environment	**L**
2. Financial sustainability	Financial sustainability of &Green will depend on the performance of its current and future investments. It is in the interest of Sail Investments and investee companies to generate returns on investments.	**ML**
3. Institutional sustainability	Companies will continue the social and environmental management system if it brings internal and external benefits, which depends on company strategies (a project-based SEMS does not make sense without a company strategy and an integrated management system)	**ML**
Factors Affecting Performance		**MS**
1. Preparation and readiness	The UNEP/GEF project concept was well prepared by IDH	**MS**
2. Quality of project management and supervision	Supervision from UNEP was Satisfactory, the Task manager was informed aware of the project performance	**HS**
2.1 UNEP/Implementing Agency:	Supervision from UNEP was Highly satisfactory, Task manager was aware of the project performance	***HS***
2.2 Partners/Executing Agency:	Newly funded agency which performed well in project management, some design issues like reliance on due diligence of partners have been corrected	***S***
3. Stakeholders' participation and cooperation	stakeholder participation at community level could only be confirmed in selected cases: Investments in IDH project implemented production protection inclusion agreements with stakeholder participation.	**MU**
4. Responsiveness to human rights and gender equality	History of companies in human rights and de-forestation and ownership of agribusinesses did not play a role in selecting investments, compliance is a requirement for the concessional finance, no reporting on gender	**MU**
5. Environmental and social safeguards	Assessment was conducted, reputational damages for UNEP and contributions to un-equality are the biggest risks which are not covered by a risk assessment	**S**
6. Country ownership and driven-ness	Investments were made in approved jurisdictions which had clear strategies and mechanisms to reduce deforestation but the involvement of local authorities in the selected landscapes under PPI agreements was less than planned in the ProDoc. Limited links in Brazil and Indonesia to local administrative structures	**MU**
7. Communication and public awareness	High degree of transparency due to requirements of NICFI as a donor	**S**

Criterion	Summary assessment	Rating
Overall Project Performance Rating	**The project performed well in investing in the fund and creating monitoring structures. The investment pipeline and related due diligence leave room for improvement. Environmental benefits in forest protection have been achieved. Replication and scaling up could be limited due specificity of &Green's requirements and appetite from agribusiness for capital with constraints. The success of the investments depends very much on each investee company's strategies and policies which were not part of the ToC of the project.**	**MS**

6.2 Responses to key strategic questions

Q1: To what extent was UNEP's protocol for working with &Green and &Green's partners suitable and adequate?

262. The partnership strategy from 2011 refers to the core UN values of integrity, impartiality, and independence as the main selection criteria for partners. Selection criteria for partners of partners like clients or subcontractors do not exist in the partnership strategy. The same values should apply as selection criteria for partners of partners, or UNEP should ensure that the facilities it supports has adequate selection criteria which protect UNEP from reputational risks.

263. The list of potential clients of the &Green Fund in the ProDoc contained companies which had incidents recorded of non-compliance with national environmental laws (Marfrig, Roncador) which raises questions of integrity and by association could be a source of reputational risk to UNEP, if the partnership is not well managed.

264. The project concept was submitted to GEF in 2017 and the project was approved by GEF in 2018. The UNEP Land Use Finance project that started in 2018 and supports a suite of complementary finance facilities has supported the set-up of the &Green Fund's monitoring system. UNEP has not been part of the selection process of investments selected by the &Green Fund.

265. The selection criteria of the &Green Fund were based on potential impact of the investment and not on the past performance of the companies. The intention was to change the behaviour of companies by offering flexible capital to intensify agricultural production without encroaching on forests. The companies Marfrig and Roncador from Brazil had a track record in deforestation and the Indonesian companies with existing licenses for logging have been listed in the ProDoc as companies to be selected for potential investments. The investments were part of the companies' sustainability efforts. UNEP worked with &Green to set up its environmental and social framework, which provided binding safeguards on &Green's investees which meant that to obtain &Green's investments, the companies had to sign a company-wide zero-deforestation policy.

266. Processes for the selection of the &Green Fund as implementing agency for the UNEP/GEF project and the companies were in line with the selection criteria of the UNEP Partnership Strategy (2011). The UNEP Partnership Strategy from 2024 does not cover a partner of partners approach in projects. A partner of partner approach or subcontracting is a quite common approach in global projects.

267. The risk assessment of the UNEP/GEF project contained an assessment of the reputational risk for UNEP being associated with companies with a "heavy environmental footprint ". Reputational damage to UNEP may occur if the actions of a company are not in line with the UNEP's values or with the existing laws and social norms and values beyond laws.

268. Some of the companies had a track record in violations of national laws, human rights or contributing to inequality in the countries. IDB Invest – the private capital arm of the Inter-American Development Bank withdrew a decision in 2022 to invest USD 43 Million which would have leveraged an additional USD 142 Million into Marfrig Global Foods in 2022 due to an open letter of 275

signatories (2021). The arguments of the signatories were that public funds should not be invested into companies with such a track record.

269. UNEP’s integrity was questioned by a Vox Media investigation into the RLU project. The feedback of NGOs and media shows that the integrity of companies is a critical point for investments of public funds. UNEP´s logo on the website of the &Green Fund could be interpreted as an endorsement of the fund’s investment in companies with a questionable reputation and previous actions which are not fully in line with the UN mandate and core values.

270. UNEP´s strategy is suitable and adequate for working with partners from the private sector, however, the association with partners of partners through a finance facility was not well considered by UNEP staff. A risk monitoring strategy was not set up by UNEP because it was not requested by GEF. Risk of &Green’s individual investments were not monitored separately by the UNEP LUF project because it was not a member of the &Green Fund Advisory Board or Investment Committee. Risk monitoring exists at the level of the &Green Fund. Learning from similar cases of private sector co-operation with UN organisations or international NGOs did not occur.

271. Certification standards may support reputation risk management. Examples for management of the reputational risk are the policy of WWF regarding the voluntary standards like Rainforest Alliance or Forest Stewardship Council FSC-certified forest management.

Q2: What safeguards and risk management procedures were used for the deals entered by &Green Fund in the design and implementation of deals (investments)?

272. The &Green Fund’s process to identify and manage risks: investees must comply with three requirements:

- No deforestation no peatland no exploitation policy (NDPE)
- An Environmental and Social Action Plan (ESAP); and
- A Landscape Protection Plan (LPP)

273. The &Green Fund’s investees must commit to NDPE at company level, potentially creating impact beyond the project area and are applicable to all commodities, including palm oil.

274. The ESAP builds on IFC Performance Standards and includes specific requirements with regards to the investment projects’ environmental and social management system, audit requirements. NDPE policies including geolocation and traceability, and impact targets. In addition, a mix of standards for land tenure and sustainability is applied in the investments. Disbursements of capital are linked to ESAP implementation.

275. The Phuc Sin Corporation’s ESAP contains commitments to no deforestation in a landscape where agriculture has led to significant deforestation between 2005-2015. It aims at bringing 300 small scale farmers in zones at risk of deforestation from its supply chain to comply with EUDR. The economic impact reported is that smallholders receive economic benefits by staying in markets. The LPP describes the environment in which the company operates laying out the legal requirements of the company and the requirement of compliance with EUDR in Viet Nam.

276. The LPP describes the client’s strategy and the additionality of the strategy against sector practices in the landscape they operate. Additionally, the LPP defines the outputs and outcomes targets of the strategy, the client’s accountability and the MRV framework against these. The LPP is developed by the client in collaboration with &Green. Disbursements of capital are linked to ESAP milestones.

277. &Green’s LPPs and ESAPs detail how the company will comply with national legislation regarding forests and their NDPE commitments, as well as the MRV systems put in place, including external audits. For the RLU deal in Indonesia, the evaluation field visit found that there did not appear to be a LPP in use on site. While there were activities such as monitoring, planting of local species

and monitoring wildlife and stakeholder platforms created, not all stakeholders attend or are adhering to commitments and vulnerable indigenous peoples and local communities appear not to have been adequately consulted.

Q3: What value did UNEP add to the project? What incentives or barriers affected project implementation, replication and up-scaling?

278. UNEP acted as the implementing agency for the GEF 9719 project which was executed by the &Green Fund. UNEP gave the &Green Fund access to GEF funding because it is an implementing agency of GEF. UNEP´s role as an implementing agency was limited to overseeing project implementation and supporting the establishment of the monitoring system of &Green Fund during project implementation.

279. The UNEP Land use Finance Project (PIMS 2009) supported the fundraising and the first deals of the &Green Fund. The LUF 2009 project supported &Green in the development of its E&S framework. UNEP supported the set-up and operation of the TLFF which developed and financed the first deal of the &Green Fund. The TLFF is evaluated as a case study in a separate report which evaluates the UNEP LUF project. UNEP's role in mobilizing capital was also limited due to the size of its investment in &Green (USD 2 Million).

280. The LUF project has suggested impact indicators for sustainable land use to the &Green Fund and has offered knowledge exchange with other finance facilities.

281. The &Green Fund has mobilised an impressive selection of members on its Advisory Board, including former UN leaders, which defines the lending guidelines and approves all jurisdictions in which the Fund is able to invest. UNEP has no seat on the Advisory Board nor the investment committee. UNEP supports the areas of fundraising, ESG framework, knowledge management and communication of results. The Land Use Finance project communicates the results of the &Green Fund.

282. Multilateral development banks and DFIs have more experience doing investments in pure economic development, agribusiness, energy, infrastructure, industries and mobilizing co-funding from the private sector. Development banks are experienced actors in financing investments of public and private actors. The Dutch Entrepreneurial Development Bank (FMO) has invested in the &Green Fund and AGRI3. What is unique about the &Green Fund was its specific attention to decoupling increased agricultural production from deforestation deploying site specific monitoring. The Brazilian National Development Banks pioneers a similar monitoring approach for its investments.

283. Scaling up is challenging. At the beginning of the UNEP/GEF project, DFIs had invested in a handful of sustainable land use funds in emerging markets. DFIs rule out a lot of sustainable land use projects due to their high risk and returns that are not proportionate to the risk level. If &Green's performs financially over time, it may possibly incite DFIs to make more investments into sustainable land use.

Q4: To what extent did the project through its transactions succeed in mobilizing stakeholders, including at sub-national and community level, to commit to conservation?

284. As of December 2023, the &Green Fund had mobilized ten investees – companies into committing to conservation. The attribution of any change at subnational and community level to the project is challenging as already shown. In some cases, commodity-specific sustainability standards have been implemented prior to the deals, e.g. Rainforest Alliance in Viet Nam and Côte D'Ivoire. The standards request commitments and actions for conservation and implementation protocols for stakeholder involvement.

285. The role of PPI Agreements at subnational level is less prominent than laid out in the ProDoc. A functioning subnational level PPI Agreement exists in the State of Mato Grosso in Brazil (Evaluation

of IDH Programme in 2021)[40]. For the newer investments outside Brazil and Indonesia, PPIs are not mentioned in the landscape protection plans.

286. In the last three deals of the &Green Fund in Viet Nam and Côte d'Ivoire the companies have committed to collaborate with smallholders to comply with EUDR. Smallholders will implement measures of compliance like georeferencing their lots.

287. In the case of RLU in Indonesia, WWF Indonesia withdrew from the institutions supporting the local implementation of the investment project established by TLFF.

Q5: What can UNEP and GEF learn from this project and engagement with &Green on how to overcome the challenge of finding suitable investment opportunities and create incentives for private sector impact investments that contribute to conservation?

288. &Green focused on reducing agricultural expansion into forests. There are also other investment opportunities that lead conservation which were not part of &Green's mandate. Commercial products from tropical forests like non-timber forest products (NTPF) or genetic resources are barely explored and commercially used. Showing those R&D based investment opportunities or implementing the Access and Benefit Sharing (ABS) mechanism could be a field for UNEP to promote private sectors engagement for the protection of forests. In general, economic models for using NTFP from rainforests or community based agricultural / agroforestry activities in buffer zones from protected areas exist, but they have yet to be scaled up or included into sub-national and national policies. UNEP could play a role in promoting those investments, ensuring they are equitable.

289. Equity investment opportunities for the private sector also include relatively mature bio-based companies that develop, and market products and services derived from biological resources, such as plants, animals, enzymes, and microorganisms in expanding markets, for example in Brazil, which provide a sufficiently high return on investment in the long run. Those companies require risk reduction mechanisms to invest and infrastructure which supports R&D, clarifies legal requirements and connects actors to markets.

290. The first learning is that finance facilities such as the &Green Fund face challenges to raise private finance at fund level. In the case of &Green, this is partly due to its unusual structure as an evergreen blended finance (registered as a non-profit), and risk-return profile.

291. The second learning is that it is also challenging to deploy capital in a way that contributes to conservation and improve livelihoods while delivering returns to investors. In the six years of its existence (2018-2024), the &Green Fund has closed 10 deals of which two were repaid earlier than expected. The investment pipeline was longer (see Mid-term evaluation in 2020, PIR 2022), however, many of the deals have not met the criteria for suitable investments or the companies may not have wanted to receive funding from &Green for different reasons.

6.3 Lessons learned

Lesson Learned #1:	**Attracting private capital into blended finance facilities be challenging, even with a junior tranche in place. In &Green's case, investors in &Green's junior tranche include both public and private sector – including the Government of Norway, GCF, CAFI, FMO, Unilever and Hannover Re.**
Context/comment:	&Green has been successful at raising funds from public sources (most notably FMO and GCF).

[40] Unique (2021), Evaluation of Initiative for Sustainable Landscapes Program (ISLA). Evaluation Report

	The desired level of private sector co-funding at fund level was challenging to achieve. Setting up a blended finance facility without a track record increases the difficulty of raising private capital. The issue is systemic see UNDESA Policy Brief on blended finance One example: The Dutch Fund for Climate and Development has mobilised 0.49 EUR of private funding for 1 EUR of public funding

Lesson Learned #2:	**In practice, it is challenging for a blended finance facility like &Green to balance investors' returns expectations with donors' impact expectations – including additionality – and risk management. Investments that feature higher impact potential, often feature higher degrees of risks due to e.g. their geographical location, target stakeholder, or their novelty.**
Context/comment:	Identifying suitable investment projects proved to be a longer process for the &Green Fund than expected. The targeted agribusinesses have alternative options for financing, including some with less environmental and social requirements, which makes deploying capital challenging for &Green. Its differentiating factors are the tenor of its debt and grace period. Blended finance facilities must assess and manage multiple trade-offs, such as: - higher impact investment opportunities in the land use sector in emerging markets often come with higher degrees of risks and/or transaction costs and/or lower returns. For example, investment in smallholders has a higher transaction cost due to the need of aggregating thousands of small landowners and has a higher degree of risk due to the difficulty of securing collateral. - targeting companies who have been responsible for deforestation in the past and requiring them to change their practices going forward, brings a degree of reputational risk. - landscapes which have high rates of deforestation, are often considered to have a higher risk level by both private and public investors. Yet it is precisely in those landscapes which need investments for alternative paths of economic development.

Lesson Learned #3:	**Conditional finance can contribute to on-going change processes in companies which are caused by regulation and market demand but change in supply-chains needs a policy driven approach. Investments made by &Green and such facilities can help inform policy makers by showing what changes are possible at corporate and ground level, and the investments required.**

Context/comment:	Companies with a track record in legal and illegal deforestation and human rights violations can use the conditional finance as an incentive to change their practices and implement deforestation free production. The behaviour of companies towards deforestation can be changed by conditional finance at project level, but for supply-chain wide or landscape wide change to occur, regulation and market demand are also necessary.

Lesson Learned #4:	**A few of &Green's investment deals benefitted smallholders. Improving the livelihoods of smallholders requires tailored instruments – that address the specific challenges of smallholders and target the appropriate intermediaries. This can include blended finance as usually the level of risk of investing in smallholders is considered to be higher by investors.**
Context/comment:	As identified by a UN DESA brief, blended finance is skewed towards lower risk, lower impacts and certain regions. Fewer blended finance vehicles exist to serve smallholders like in palm oil, coffee and cocoa production contributing to improved living incomes or compliance costs or resolve land tenure conflict. This is in part because of higher transaction costs and higher real and perceived risk. Fewer blended finance vehicles target certain geographies e.g. Sub-Saharan Africa. In addition, certain activities will not successfully attract private capital due to lower returns. This is where public finance could add most value as those investments are usually higher risk, and lower returns but would need to be framed in a policy context (or development project) that benefit smallholders if significant social gains are to be achieved at community level.

Lesson Learned #5:	**&Green's due diligence process and ESG criteria allowed for investments in companies that had a track record of deforestation, as part of its impact strategy. Staff of a blended finance facility such as &Green does not know at the onset who it will invest in – what it can do is put in place solid due diligence processes. &Green's investments required those companies to improve practices going forward. UNEP through its indirect association with companies through the deals entered by the finance facility may be subject to public scrutiny unless it carefully identifies and assesses potential impact to mitigate reputational risk and reflect such considerations in its communication.**
Context/comment:	The reputation of UNEP as a partner was an important contribution for the &Green Fund. Some of &Green's investees have a track record of deforestation. &Green mainly invested in large scale agribusinesses in Brazil and Indonesia. Those companies and projects could compromise UNEP´s reputation as a credible organisation representing UN values like equality and human rights, if UNEP is unable to prove that &Green's investments led the companies to adopt sustainable practices.

6.4 Recommendations

Recommendation #1:	**Private sector mobilization through UNEP's support to finance facilities such as &Green should be more specific on**: • role of UNEP in fund management and defining impact and ESG; • size and nature of investment projects; • sources of funding; • targeted investees (e.g. agribusiness, smallholders) and type of co-investors; • required knowledge for ecosystem management; • types of land uses permitted (e.g. monoculture/agroforestry); • use of carbon and biodiversity credits as revenue streams. In addition, UNEP should seek clarification on MRV capacities, ESG, ESG verification, due diligence processes and impact investment; and seek out policy coherence and how finance facilities can inform and influence policies, as well as supply chain initiatives to maximize its impact.
Challenge/problem to be addressed by the recommendation:	Due to the small number of blended finance funds and facilities in 2018 – and to UNEP's limited administrative and human resources – the blended finance facilities supported by UNEP were selected in an ad hoc manner with no clear selection criteria and no clear strategy on how UNEP could add most value to the blended finance facilities. Drawing on learnings from UNEP's support to &Green through the UNEP/GEF "Piloting Innovative Investments for Sustainable Landscapes" (GEF ID 9719) and its support of other blended finance facilities via the LUF project (PIMS2009), UNEP can improve the efficiency and additionality of its support of blended finance facilities by setting clear selection criteria and evaluate how it can best leverage its unique selling proposition to add value. MTS and POW of UNEP, SP-CA and SP-NA mentions "increased finance" but does not refer specifically to blended finance and finance facilities. Its role is creating an enabling environment that test and mobilize private and public finance. It is not clear how finance facilities are scaled up to build synergy with policy development.
Priority Level:	Critical
Type of Recommendation	Project level
Responsibility:	UNEP Senior Management and Climate Finance Unit
Proposed implementation time-frame:	12 months

292. Cross-reference(s) to rationale and supporting discussions:

- Sections 5.1 Strategic Relevance, 5.2 Quality of Project Design, 5.9.1 Preparation and Readiness

Recommendation #2:	**UNEP should develop a communications protocol that reflects UNEP's evolving engagement with the private sector and blended finance initiatives and balance it with other dimensions of UNEP's work, for example, sustainable practices in food production and manufacturing and natural resources management for marginalized groups, in order to demonstrate mutually supportive environmental action and manage potential reputational risk to UNEP.**
Challenge/problem to be addressed by the recommendation:	UNEP's approach should draw on lessons learned from its involvement in the &Green Fund, as well as UNEP FI's membership risk assessment framework and private sector strategy. The absence of a clear risk appetite statement, screening process, and communication protocol creates uncertainty both internally and with external partners, potentially undermining UNEP's credibility with possible reputational risks and the effectiveness of its partnerships. UNEP´s role as an implementing agency in the project was limited to overseeing project implementation and supporting the establishment of the monitoring system of &Green Fund during project implementation. UNEP supports the areas of fundraising, ESG framework, knowledge management and communication of results. The Land Use Finance project communicates the results of the &Green Fund.
Priority Level:	Critical
Type of Recommendation	Project level
Responsibility:	UNEP Senior Management and Climate Finance Unit
Proposed implementation time-frame:	12 months

293. Cross-reference(s) to rationale and supporting discussions:

- Sections: 5.1 Strategic Relevance, 5.2 Quality of Project Design, 5.91. Preparation and Readiness, 5.4.1 Availability of Outputs, 5.4.2 Achievement of Outcomes (Outcome 1), 5.9.7 Communication and Public Awareness and 6.2 Response to Key Strategic Questions (Question 1)

Recommendation #3:	**UNEP could use its convening role in multistakeholder coalitions to: 1) advance finance solutions to promote investments in geographical areas and investee archetypes that are underserved by large finance institutions, or: 2) direct blended finance into niches like agroforestry with native species, financing cooperatives or bringing in knowledge of buffer zones, climate change adaptation and risk management.**
Challenge/problem to be addressed by the recommendation:	Transforming land use of the private sector requires strategies and a mix of instruments like regulation, redirection of subsidies, financial incentives and voluntary agreements. Continuous learning on the most effective approach is required to create favourable contexts for businesses and engage different communities: climate community, biodiversity community, trade community, finance community and sustainable food community. The Mercon case study (Annex I) details how in Viet Nam, policy-makers have introduced long-term reforms of the country's coffee sector. Conditional finance can contribute to on-going change processes in companies which are caused by regulation and market demand but

	change in supply-chains needs a policy driven approach from target markets. Companies that have value-based strategies are a particular good fit for UNEP. UNEP need to define the actors that it will engage with from other UN agencies, Governments to DFIs, donors, science-policy think thanks, standard setting bodies, commercial banks, investees, co-investors, companies, TA providers, etc.
Priority Level:	Critical
Type of Recommendation	Project level
Responsibility:	Senior Management
Proposed implementation time-frame:	12 months

294. Cross-reference(s) to rationale and supporting discussions:

- Sections 5.1 Strategic Relevance, 5.3 Nature of External Context, 5.8.1 Socio-Political Sustainability, Lessons Learned #3 and #4.

ANNEX I. MERCON CASE STUDY

Mercon, Viet Nam: Coffee
Sucafina's local company has acquired Mercon. The deal followed Mercon's move to file Chapter 11 bankruptcy in New York late last year (2023), driven by sharp pricing volatility and increasing borrowing costs that impacted the company's debt repayment capacity.
Note: The annual audit report of Mercon related contract at &Green website is not available and the general audit report is included on page 40 of Mercon's Annual Financial Report and which is mostly descriptive of what material was reviewed.

The Environment and Biodiversity impact related information is very basic. For instance, if 63,000 ha have been protected, there is no extra information on whether (as feared in Viet Nam) there were any negative impacts of coffee production (use of pesticides, water pollution, high-water consumption etc.).

	Description
Short description of investment	&Green partnered with Mercon for the establishment of a sustainable, climate-resilient, deforestation-free coffee supply chain in Viet Nam, the second-largest coffee-producing nation in the world, with over 80% of contributions sourced from smallholders. With the support of &Green's loan, Mercon aimed to create a blueprint of a climate-resilient, deforestation-free coffee production landscape in the country, with improved livelihood opportunities for smallholders and greater capacity to run an efficient farm-managed, deforestation-free coffee supply chain in Viet Nam. Mercon's footprint encompassed all segments of coffee value chains, from upstream Robusta production on four farms of a total of 1,644 hectares (ha), including 600 ha of forest conservation area in the Atlantic region of Nicaragua; midstream operations, including 22 wet and dry mills of which six are under Mercon's own management, plus warehousing, in countries of origin; downstream coffee sourcing and trading operations in ten countries through which Mercon sourced raw green coffee beans from more than 9,000 third-party suppliers and distributed processed coffee to consumers in 40 countries.
Commodity	Coffee supply chain in Viet Nam
Amount of &Green Investment in US$	USD20 million
Jurisdiction / subnational area like province	The Lam Dong Provincial REDD+ Action Plan (PRAP) acknowledges that the principal driver of deforestation is the conversion of forests to agriculture (>70% of GHG deforestation related emissions) (SNV, 2021). This is a mixture of direct larger scale conversion of forests for commodity crops such as coffee, tea, rubber and cashews, as well as the conversion of subsistence agricultural lands to these commodity crops which leads to the displacement of poor households (often ethnic minorities) who then shift cultivation towards the forest margins (SNV, 2021). *(See additional information on policies especially legal scenario on coffee, in Viet Nam after this Table below)*
Area covered in ha	Within the LIFT landscape model and pre-existing Mercon program, the aim is to scale up to transform the current fragmented farm-level capacity in Viet Nam to a holistic, wholesale LIFT Landscape model involving over 4,000

	Description
	hectares of productive areas and 15,000 participating coffee suppliers. LIFT is an ideal tool for this operation as it has all the necessary features and components that allow for the “incubation” of a pilot deforestation-free coffee production landscape. The initial pilot of LIFT Landscapes was to involve over 400 hectares and the participation of at least 300 local farmers.
Measures for forest protection	In 2018, Mercon’s Board of Directors formally adopted a Corporate Responsibility and Sustainability (CRS) Policy of three group-level policies: Environmental, Occupational Health and Safety (OHS), and Stakeholder Engagement policies which were implemented in 2020. These policies, as adopted by Mercon Viet Nam, are displayed in the facilities of Lam Dong Viet Nam and are considered to be in line with the International Finance Corporation (IFC) Performance Standards (PS) by Environmental Resources Management (ERM), as per due diligence results. Furthermore, during 2020 and early 2021, the Company defined a Farm Code, applicable to its Robusta farms in Nicaragua.
Implemented measures (to date) for commodity production	Forest protection and the transformation of farming practices are key components of this transaction. Arabica in the vertical segment of Mercon’s Viet Nam operations was assessed against NDPE policy by the end of 2023, assuring compliance of these supply chains by 2025 when the first NDPE verification will occur. Regarding exports, by the end of 2025 Mercon was to procure all Arabica from deforestation and exploitation-free landscapes. A similar policy is to be extended to Robusta exports by the end of 2027. Mercon committed to purchasing and sourcing coffee produced from NDPE Landscapes and implementing climate adaptation measures via the LIFT program. By 2030 it aimed to source all its coffee in vertical supply chains from LIFT landscapes.
Planned measures for commodity production (timeframe)	Mercon’s environmental and social targets included: 1. mitigation of deforestation risks and the implementation of NDPE-compliant landscapes; 2. transforming coffee supply chains and designing LIFT Landscapes; 3. reaching full compliance with International Finance Corporation Performance Standards (“IFC PS”) by the end of the third year of the loan tenure;
Implemented measures for social and economic benefits of smallholders / workers / other groups next to the investment area	According to an IFC assessment this transaction is classified as category B, a finding which was corroborated by the Environmental Risk Management (“ERM”) due diligence assessment. The ESG risks and impacts associated with this project are limited, site-specific, and can be readily addressed through generally accepted mitigation measures.

	Description
Implementation of company environmental management system or voluntary environmental standards	Mercon aimed to gradually roll out an NDPE policy in its export businesses with the goal of sourcing coffee for its Viet Nam-based business from deforestation-free coffee supply chains by 2027. Landscape Protection Plan and ESAP were prepared.
Estimated environmental outcomes	IFC's biodiversity review confirmed that in general coffee production and sourcing is in consolidated agricultural lands rather than recently deforested areas, although Viet Nam is considered "high-risk" for future deforestation. In-house forest and biodiversity screening indicated that roughly 25% of the landscape area has confirmed or potential critical habitats. The size of the farms and IFC's assessment of land use change at farms suggest a medium-level risk (B). The estimate* of the environmental targets of this project include: 1. 63,000 hectares of forest conserved; 2. 4,000 hectares of LIFT Landscapes implementing climate adaptation measures; 3. 63,400 hectares of ecosystems with improved resilience; 4. 15,000 participating coffee suppliers.
Other programmes in the investment areas which might Influence the forest cover	The assessment will include the classification of the remaining forests in terms of their biodiversity value. Net Gain is not applicable in this situation as Mercon did not have its own coffee production assets. Government of Viet Nam has several key policies and decrees (including at provincial level) that are aimed to promote coffee *(See text after the table below)*
Other measures at policy level which influences forest cover	Mercon committed to increasing its IFC PS compliance levels year-on-year and achieving a minimum of 90% compliance with all applicable Performance Standards three years after signing the loan agreement. Over the past 20 years, thanks to the Village Forest Development Societies (VFDS) which were first introduced in 2006, several milestones have been achieved. By 2019, forest coverage has reached 42% and over 779,000 ha of protection (PF) and special-use forests (SUF) were planted. Over five million jobs in the forestry sector were created. However, there remain a lot of challenges that need to be addressed. This includes an incomplete framework for forest policy at grassroots level, lack of resources and funding, and ineffective implementation of biodiversity conservation programs. Biodiversity goals were not upheld due to the lack of specific goals and framework in forestry planning. Investment into trainings for workers and local communities is also limited which partially resulted in the ineffective management and development of forests. The new 2021-2030 strategy is based on the achieved progress and presents improved targets to solve the existing issues. Adopting the global context, the objectives emphasize the development of forest quality to promote sustainable economic growth and eradicate poverty and hunger for vulnerable communities along with biodiversity protection and climate

	Description
	change adaption. The document also sets high priority on the engagement of local communities and the public in forest protection. The updated economic targets aim to increase the values of forests and develop environmental services to attract more revenue. Production forest (PDF) areas certified for Sustainable Forest Management (SFM) are set to reach one million hectares (ha) in the period of 2026-2036. At the moment, these certified PDF areas only account for 3.4% (266,974 ha) of total production forests and are lacking comparing to the target of 30% by 2020. ***https://www.climatechange.vn/climate_news/Viet Nam-forestry-development-strategy-2021-2030-issued/***
Advisory / TA to investment if relevant	Mercon, with technical assistance of &Green, had planned to conduct a local study of climate hazards related to the coffee production in Viet Nam over a mid-term perspective (8-10 years). This evaluation could not confirm if the study was conducted/ is available). The purpose of study was to guide the risk management of Mercon as well as to build the results into the LIFT Landscapes roll out strategy. It was expected to include the location of areas to be negatively or positively impacted for Arabica and Robusta production, financial scale of impacts and potential adaptation measures.

There is no separate legal framework for coffee production and trade. Although the **Vietnamese State has issued statutory and regulatory provisions relating to coffee production, all of them focus on purposes instead of providing a coherent framework.**

These provisions include, for example:
• The Law on Land mandating the types of land which can be used for coffee cultivation;
• The Law on Forestry applicable for coffee production using agroforestry;
• The Law on environmental protection regulates Environmental Impact Assessment (if applicable) in proposing and (large scale) approving coffee production projects;
• The Law on Plantation applicable for choosing coffee varieties to plant as well as general obligations of farmers on using fertilisers;
• The Law on Plant Protection and Disease control regulating the use of plant varieties, the issuance of phytosanitary certificates, and processes for monitoring and handling plant diseases;
• The Law on Food Safety applicable for coffee cultivation, processing, packaging, transporting, preserving;
• The Law on Foreign Trade Management regulates coffee export activities;

There are also several governmental activities relating to coffee production, including MARD's Project for Sustainable Development of Coffee Industry until 2020,2 MARD's Coffee replanting project for the period of 2021-2025,3 and Viet Nam State Bank's official dispatch on preferential credit for coffee replanting. At sub-national levels, there are local regulations for law enforcement and sectorial development policies to regulate the production and trade practices. For instance, local regulations on technical farming procedures ensure farming practices to meet technical requirements. ***https://euredd.efi.int/wp-content/uploads/2023/06/Preliminary-Legal-Analysis-of-Coffee-Production-and-Trade-in-Viet Nam.pdf***

There are two types of forest area where agricultural cultivation is illegal by default: special use forests, watershed protection forests with >30 degree of slope, and coastal protection forests near highly eroded areas.

In protection forests, forest owners and contracted parties (households, individuals, and residential communities)(*) are allowed to practise agroforestry legally. On protection forest land with existing forest, users must ensure neither to decrease existing forest area and its quality, nor affect the protection forest's ability to recover and protect. On protection forest land without existing forest, users must also engage in forest replanting and are able to cultivate agricultural products in up to 20% of the permitted area for watershed protection forests, and wind-and-sand-shielding forests; and up to 40% of the permitted area for submerged forests. In production forests, there are similar legal requirements for agroforestry as in protection forests. However, the maximum cultivation area is now 30% for any non-submerged production forest land. The maximum cultivation area for mangroves is still 40%, similar to protection forest land. Forest owners and contracted parties can practise agroforestry without carrying out an EIA.

Law on Environmental Protection: provides general obligations to protect the environment for various actors, including farmers, for example, the obligation to comply with regulations on fertiliser management (see Article 61.1, 61.3) and the obligation to collect and manage byproducts produced during the plantation process (see article 61.4); Environmental Impact Assessment. Law on Water Resources: regulating the exploitation of surface water and groundwater. Law on Plant Protection and Disease Control: regulating the production, trade and use of pesticides; disease control and prevention measures; obligations of farmers and state. Law on Plantation: regulating the use of plant varieties and fertiliser, detailed by:
• Decree on 84/2019/NĐ-CP on Fertiliser Management: standards and approval of fertilisers. Law on Technical Standards and Regulations provides a legal framework for national technical standards and regulations, detailed by the following legally binding instruments:
• Circular No. 37/2010/TT-BNNPTNT: provides National Technical Regulation on Food Safety and Hygiene for Green Coffee No. QCVN 01 – 26: 2010/BNNPTNT.
• Circular No. 64/2015/TT-BTNMT issues the National technical regulation on the allowable limits of heavy metals in soils No. QCVN 03-MT:2015/BTNMT;
• Decision No. 16/2008/QĐ-BTNMT issues the National technical regulation on the pesticide residues in soils No. QCVN 15: 2008/BTNMT

PROSPECTS FOR COFFEE PRODUCTION

An assessment of difficulties faced by the sector

Over the past several decades, coffee production in Viet Nam has developed as a major export-oriented industry. The country is the world's second biggest producer of coffee production and export. However, Viet Nam coffee is now faced with several challenges, the major one being:

- Climate change has brought about several disasters for coffee production in the country. These include a tropical storm in November 2007, and the record heat and drought in 2013, which disrupted most coffee-growing areas in the Central Highlands. In early 2016 El Niño conditions brought the worst drought in 20 years. Rains from December 2015 to February 2016 were 40% below the previous year's level, and by mid-March reservoirs were 15% to 35% below average levels. According to the International Center for Tropical Agriculture (CIAT), *rising temperatures and shifting rainfall patterns may cost Viet Nam 50% of its current Robusta coffee production areas by 2050.* Environmental limitations are expected to significantly reduce the land suitable for coffee trees, as average temperatures increase and the dry season becomes longer and hotter, reducing water availability. *Experts agree the outlook appears bleak, but there is hope that the country can cope by using smart agricultural practices.*
- About 50% of total coffee trees cultivating in Viet Nam are between 10 to 15 years old. This is in the area where coffee trees are at their most productive and give the highest yield. In coming years, Viet Nam's coffee production will be mainly based on this area. For the rest of the country, nearly 30% of coffee trees are between 15 to 20 years old and about 20% are more than 20 years old, beyond their most productive age, decreasing yields and outputs for farmers, season by season. If not renovated in the next few years, ageing trees will directly affect the productivity and quality of coffee in Viet Nam.
- The area of newly planted coffee trees has increased significantly in the recent past, but most of these new plantations are not in the planning regions, and are mostly situated in inadequate areas, with shallow soil, steep slopes, lack of irrigation water, etc. Therefore, although the newly planted area has increased, achieving high economic efficiency because of low productivity and high production costs due to planting in unsuitable land.
- The intensive cultivation practices used in the past utilized excessive amounts of inputs (fertilizer, irrigation, etc.), in order to achieve maximum yield. Not only did coffee trees quickly

become exhausted and lose productive capability, but such practices also resulted in severely polluted soil, leading to many diseases and pests, especially fungal ones and root nematodes.

- The form of production, small size, dispersion and relative independence of the farming households has resulted in a low quality and unstable production. The difference of investment in the various stages of coffee-harvesting and -processing between coffee producers has affected the quality of the entire coffee sector. Moreover, it is recommended that there should be one large dry mill for every 100 ha of coffee. This standard is still ‘far away’, even in potential resources areas for coffee as Dak Lak and Lam Dong. Standard storage spaces for coffee beans after processing are still lacking in quantity. As a result, quality certification is difficult to achieve.
- While coffee is a plant that needs lots of water, traditional but obsolete irrigation is still the main method used in most coffee-growing areas, causing serve ground-water loss. In many localities, the drilling of wells for irrigation has led to the destruction of ground-water resources and pollution of the soil, which is wasteful and ineffective.
- Harvesting coffee by stripping both unripe and overripe cherries from the trees, which is the customary method in the Central Highlands, is also recognized as one of the reasons for lowering the quality of Viet Namese coffee.
- The majority of the country’s coffee crop is Robusta, which fetches lower prices than premium Arabica, grown mainly in South America, a factor that limits export earnings.

In response to these challenges, Viet Namese policy-makers have been introducing long-term reforms of the country’s industry. In 2014, the Government mapped out the Sustainable Coffee Development Plan up to 2020, and Vision to 2030, an overall agenda aimed at sustainably managing economic and environmental resources for the coffee sector, increasing export earnings and ensuring stable production. The plan includes concrete economic goals for the industry’s performance, such as increasing intensive processing for added value to achieve US$6 billion in export revenue in the coming decade. It also sets out specific environmental directives, including a cap on nationwide coffee cultivation at 600,000 hectares, replacement of pest and disease resistance, rezoning coffee areas, exploring water-saving irrigation methods, as well as setting new environmental and safety standards for fertilizer and pesticide inputs.

http://www.vicofa.org.vn/country-coffee-profile-Viet Nam-bid385.html

ANNEX II. RESPONSE TO STAKEHOLDER COMMENTS

Response to stakeholder comments received but not (fully) accepted by the evaluators, where appropriate

Page Ref	Stakeholder comment	Evaluators' Response
Executive Summary, Conclusions, Para. 38. And Lesson 5	It is correct to note (Lesson 5) that &Green's criteria allowed for investment in companies with records of deforestation. In order to halt deforestation, it makes sense for the fund to work with companies who previously engaged with it. Engaging only companies with clean records may be better for signalling UNEP's virtue but could, by definition, not lead to deforestation impact. This tension should be acknowledged and, if it is the evaluators' opinion that UNEP should avoid risk at the cost of impact then this should be stated plainly.	Edited in Lesson 5 to emphasise that the selection of companies was part of its impact strategy. In working with companies, UNEP's reputation should be a priority. This implies that it should be considered alongside the priority of impact (i.e. the two should be balanced and considered simultaneously).

ANNEX III. EVALUATION FRAMEWORK/MATRIX

TOR Ref	Main Evaluation Criteria / Questions	Evaluation indicators	Sources / means of verification
Key operational / strategic questions from the TOR			
Page 8	Q1: To what extent was UNEP's protocol for working with &Green and &Green's partners suitable and adequate? • Q2: What safeguards and risk management procedures were used for the deals entered by &Green in the design and implementation of deals (investments)? • Q3: What value did UNEP add to the project? What incentives or barriers affected project implementation, replication and up-scaling? • Q4: To what extent did the project through its transactions succeed in mobilizing stakeholders, including at sub-national and community level, to commit to conservation? • Q5: What can UNEP and GEF learn from this project and engagement with &Green on how to overcome the challenge of finding suitable investment opportunities and create incentives for private sector impact investments that contribute to conservation. .	Qualitative	Interviews / surveys with responsible government entities and PMU
A. Strategic Relevance: The extent to which the activity is suited to the priorities and policies of the target group, recipient and donor?			
Page 9	Alignment to UNEPs mandate as the global environmental authority Alignment to the UNEP Medium Term Strategy (MTS), Programme of Work (POW) and Strategic Priorities. Alignment with the sponsoring parties' priorities? Bali Strategic Plan? South-South Cooperation? GEF? What was the scale and scope of the contributions to any of these?	Confirmation against its mandate as UN organisation Confirmation against past and updated priorities and strategies; Evidence of cooperation / networking / information sharing with region and other similar.	Desktop review (already confirmed for design phase). Project documentation and all relevant frameworks and reports; interviews with country stakeholders; interviews with relevant UNEP interfaces.
Page 9	Alignment to Donor/GEF/Partner Strategic Priorities Alignment with the sponsoring parties' priorities? GEF?		
Page 9	Relevance to Global, Regional, Sub-regional and National Environmental Priorities. Assess alignment with (i) SDGs and Agenda 2030, (ii) stated environmental concerns and needs of the countries, sub-regions or	Confirm alignment with (i) SDGs and Agenda 2030, (ii) stated environmental concerns and needs of the countries, sub-regions or regions where it is being implemented, (iii) Nationally Determined Contributions (NDCs) or regional agreements; and (iv) current policy priority to leave no one behind.	Desktop review (already partly confirmed). Project documentation and all relevant frameworks and reports; interviews with country stakeholders;

TOR Ref	Main Evaluation Criteria / Questions	Evaluation indicators	Sources / means of verification
	regions where it is being implemented, (iii) Nationally Appropriate Mitigation Action (NAMA) plans or regional agreements; and (iv) current policy priority to leave no one behind.		interviews with relevant UNEP and Project team.
Para 9	Complementary with existing Interventions?	Confirm against past and recently introduced interventions for synergies and alignment. Include in the assessment linkages with any UN Development Assistance Frameworks or One UN programming and/or where the UN's comparative advantage had been particularly well applied	Desktop review (already confirmed for design phase). Interviews with country stakeholders and project team.
B. Quality of Project Design			
Page 10	Matrix for assessment of quality of project design Factors affecting performance: Factors affecting this criterion may include (at the design stage): • Stakeholders participation and cooperation • Responsiveness to human rights and gender equality		
C. Nature of External Context			
Pare 10	rating is established for the project's external operating context (considering the prevalence of conflict, natural disasters and political upheaval)		
D. Effectiveness: To what extent have the expected outcomes and objectives of the project been achieved?			
Page 10	Availability of Outputs Preparation and readiness • Quality of project management and supervision		Reports from &Green, UNEP reports, landscape protection plans, monitoring data
Page 10	Achievement of Project Outcomes	performance against the project outcomes as defined in the reconstructed Theory of Change. These are outcomes that are intended to be achieved by the end of the project timeframe and within the project's resource envelope. Emphasis is placed on the achievement of project outcomes that are most important for attaining intermediate states. magnitude of UNEP's 'substantive contribution' should be included and/or 'credible association' established between project efforts and the project outcomes realised. Factors affecting this criterion may include: • Quality of project management and supervision • Stakeholders' participation and cooperation • Responsiveness to human rights and gender equality • Communication and public awareness	Reports from &Green, UNEP reports, Interviews, selected site visits
Page 11	Likelihood of Impact	Long-lasting impacts likelihood of the intended, positive impacts becoming a reality. Project objectives or goals should be incorporated in the TOC, possibly as intermediate states or long-lasting impacts.	Interviews, reports from NGOs and other internet sources, "Crystal ball and divination"

TOR Ref	Main Evaluation Criteria / Questions	Evaluation indicators	Sources / means of verification
		Essentially the approach follows a ‘likelihood tree’ from project outcomes to impacts, taking account of whether the assumptions and drivers identified in the reconstructed TOC held. Any unintended positive effects should also be identified and their causal linkages to the intended impact described. likelihood that the intervention may lead, or contribute to, unintended negative effects (e.g. will vulnerable groups such as those living with disabilities and/or women and children, be disproportionally affected by the project?). Some of these potential negative effects may have been identified in the project design as risks or as part of the analysis of Environmental and Social Safeguards. he project has played a catalytic role24 or has promoted scaling up and/or replication as part of its Theory of Change (either explicitly as in a project with a demonstration component or implicitly as expressed in the drivers required to move to outcome levels) and as factors that are likely to contribute to greater or long-lasting impact. make a substantive contribution to the long-lasting changes represented by the Sustainable Development Goals and/or the intermediate-level results reflected in UNEP’s Expected Accomplishments and the strategic priorities of funding partner(s)	
E. Financial Management: Completeness of information and communication between financial and project management staff			
Page 12	adherence to UNEP’s financial policies and procedures, completeness of financial information and communication between financial and project management staff. The Evaluation will establish the actual spend across the life of the project of funds secured from all donors. This expenditure will be reported, where possible, at output/component level and will be compared with the approved budget.	Limited as only 2 tranches of fund were transferred	Interview with financial manager
F. Efficiency: Extent to which the project delivered maximum results from the given resources			
Page 12	maximum results from the given resources. This will include an assessment of the cost-effectiveness and timeliness of project execution.		ProDoc and annual reports of &Green
G. Monitoring and reporting			
Page 12	Monitoring Design and Budgeting	sound monitoring plan that is designed to track progress against	ProDoc

TOR Ref	Main Evaluation Criteria / Questions	Evaluation indicators	Sources / means of verification
		SMART results towards the provision of the project's outputs and achievement of project outcomes, including at a level disaggregated by gender, marginalization or vulnerability, relevance and appropriateness of the project indicators as well as the methods used for tracking progress against them as part of conscious results-based management.	
Page 13	Monitoring of Project Implementation	gathered relevant and good quality baseline data that is accurately and appropriately documented. This should include monitoring the representation and participation of disaggregated groups (including gendered, marginalised or vulnerable groups, such as those living with disabilities) in project activities. It will also consider the quality of the information generated by the monitoring system during project implementation and how it was used to adapt and improve project execution, achievement of outcomes and ensure sustainability. The Evaluation should confirm that funds allocated for monitoring were used to support this activity. The performance at project completion against Core Indicator Targets should be reviewed. For projects approved prior to GEF-7, these indicators will be identified retrospectively and comments on performance provided	Annual reports of &Green
Page 13	Project Reporting	the Project Implementation Reviews and Tracking Tool for GEF-funded projects). The Evaluation will assess the extent to which both UNEP and donor reporting commitments have been fulfilled. Consideration will be given as to whether reporting has been carried out with respect to the effects of the initiative on disaggregated groups. Factors affecting this criterion may include: • Quality of project management and supervision • Responsiveness to human rights and gender equality (e.g. disaggregated indicators and data)	Project reports
H. Sustainability: Probability of direct outcomes being maintained and developed after close of intervention			
Page 14		Sustainability is understood as the probability of the benefits derived from the achievement of project outcomes being maintained and developed after the close of the intervention. key conditions or factors that are likely to undermine or contribute to the endurance of achieved project outcomes (i.e. 'assumptions' and 'drivers'). Some factors of sustainability may be embedded in the	Project reports, Interviews

TOR Ref	Main Evaluation Criteria / Questions	Evaluation indicators	Sources / means of verification
		project design and implementation approaches while others may be contextual circumstances or conditions that evolve over the life of the intervention. Where applicable an assessment of bio-physical factors that may affect the sustainability of project outcomes may also be included.	
Page 14	Socio-political Sustainability	which social or political factors support the continuation and further development of the benefits derived from project outcomes. It will consider the level of ownership, interest and commitment among government and other stakeholders to take the project achievements forwards.	Project reports, Interviews
Page 14	Financial Sustainability	project outcomes are dependent on future funding for the benefits they bring to be sustained. Secured future funding is only relevant to financial sustainability where a project's outcomes have been extended into a future project phase. Even where future funding has been secured, the question remains as to whether the project outcomes are financially sustainable.	Project reports, Interviews
Page 14	Institutional Sustainability	sustainability of project outcomes (especially those relating to policies and laws) is dependent on issues relating to institutional frameworks and governance. It will consider whether institutional achievements such as governance structures and processes, policies, sub- regional agreements, legal and accountability frameworks etc. are robust enough to continue delivering the benefits associated with the project outcomes after project closure. In particular, the Evaluation will consider whether institutional capacity development efforts are likely to be sustained. Factors affecting this criterion may include: • Stakeholders' participation and cooperation • Responsiveness to human rights and gender equality (e.g. where interventions are not inclusive, their sustainability may be undermined) • Communication and public awareness • Country ownership and driven-ness	Project reports, Interviews
I. Factors Affecting Project Performance			
Page 14	Preparation and Readiness	inception or mobilisation stage of the project (i.e. the time between project approval and first disbursement). The Evaluation will assess whether appropriate measures were taken to either address weaknesses in the project design or respond to changes that took place between project approval, the securing of funds and project mobilisation. In particular, the Evaluation will consider the nature and quality of engagement with stakeholder groups by the	Desk review, Interviews

TOR Ref	Main Evaluation Criteria / Questions	Evaluation indicators	Sources / means of verification
		project team, the confirmation of partner capacity and development of partnership agreements as well as initial staffing and financing arrangements. (Project preparation is included in the template for the assessment of Project Design Quality).	
Page 14	Quality of Project Management and Supervision	supervision and guidance provided by UNEP to implementing partners and national GEF funded Projects it may refer to the project management performance of the executing agency and the technical backstopping and supervision provided by UNEP. The performance of parties playing different roles should be discussed and a rating provided for both types of supervision (UNEP/Partner/Executing Agency) and the overall rating for this sub-category established as a simple average of the two.	Interviews, desk review
Page 15	Stakeholder Participation and Co-operation	Stakeholder participation in landscape approaches	Interviews, desk review
Page 15	Responsiveness to Human Rights and Gender Equality	Common Understanding on the human rights-based approach (HRBA) and the UN Declaration on the Rights of Indigenous People.	Interviews, desk review
Page 15	Environmental and Social Safeguards	process of environmental and social screening at the project approval stage, risk assessment and management (avoidance, minimization, mitigation or, in exceptional cases, offsetting) of potential environmental and social risks and impacts associated with project and programme activities. review risk ratings on a regular basis; monitor project implementation for possible safeguard issues; respond (where relevant) to safeguard issues through risk avoidance, minimization, mitigation or offsetting and report on the implementation of safeguard management measures taken.	Interviews, desk review
Page 16	Country Ownership and Driven-ness	quality and degree of engagement of government / public sector agencies in the project.	Interviews, desk review
Page 16	Communication and Public Awareness	Communication of results	Interviews, desk review

ANNEX IV. PEOPLE CONSULTED DURING THE EVALUATION

People consulted during the Evaluation

Organisation	Position	Role in the project	Gender
GEF Secretariat	Senior Finance Specialist, Blended Finance	-	F
UNEP	Former GEF Task Manager	GEF Task Manager	M
UNEP	Portfolio Manager Biodiversity and Land Degradation	Portfolio Manager	M
NORAD / NICFI	Director NORAD	Director International Climate and Forest Initiative, Strategic Direction	M
UNEP	Finance Manager	Finance Manager	M
SAIL Investments	Chief Sustainability Officer	Overseeing sustainability reporting	M
SAIL Investments	Senior Associate, Business Development	n/a	M
UNEP	Head, Climate Finance Unit	Advisor to the &Green Fund	M
IDH	Former IDH staff	Managed TA Facility	F
NICFI	Former NICFI staff	Supervision of NICFI	M
FMO	Regional Sector Manager	Co-investor in &Green	M

ANNEX V. KEY DOCUMENTS CONSULTED

No.	Document Title	Author/Source	Date	Description
1	&Green 2023 Annual Report	SAIL Investments	2024	Annual report https://annual-report.andgreen.fund/year/2023/
2	Quality of Project Design Table	UNEP Evaluation Office	15 April 2024	Evaluation criteria and weighted assessments for project design quality.
3	UNEG Ethical Guidelines for Evaluation	United Nations Evaluation Group (UNEG)	2020	Guidelines outlining ethical standards for UN evaluations.
4	TE Criteria Weighted Ratings Table	UNEP Evaluation Office	May 5 2025	Weighted ratings for performance metrics in project evaluations.
5	ETG Green Environmental and Social Action Plan (ESAP)	ETG	-	Plan detailing environmental and social impacts with corresponding mitigation strategies.
6	TE Overview of Evaluation Tools	UNEP	May 5 2025	Overview of evaluation tools
7	UNEP Glossary of Results Definitions	UNEP	December 2023	Instructions on integrating Theory of Change in evaluations.
8	TE List of Documents for Evaluation	UNEP	May 5 2025	List of Documents for Evaluation
9	TE Evaluation Criteria	UNEP	May 5 2025	TE Evaluation Criteria
10	TE Evaluation Criteria Ratings Matrix	UNEP	May 5 2025	Evaluation Criteria Ratings Matrix
11	Inception Report Structure and Contents	UNEP	April 15, 2024	Outline and requirements for drafting inception reports.
12	Theory of Change Reformulation Justification Table	UNEP	January 31, 2024	Justifications for modifications in Theory of Change during evaluations.
13	Main Report Structure and Contents for GEF Terminal Evaluations	UNEP	January 31, 2024	Guidance on structuring the main report for terminal evaluations of GEF projects.
14.	TE Evaluation Methodology Guidance		May 5 2025	Evaluation Methodology Guidance
15	UNEP Glossary of Results Definitions	UNEP	December 2023	Glossary defining terms used in UNEP project evaluation.
16	Terminal Evaluation Tools Description	UNEP	January 2024	Descriptions of evaluation tools for mid-term project evaluations.
17	Memorandum of Understanding with IDH	IDH & UNEP	-	MoU detailing collaboration with the Sustainable Trade Initiative (IDH).

No.	Document Title	Author/Source	Date	Description
18	Remittance Advice for 2nd Cash Advance on GEF Project 9719	UNEP	-	Remittance advice on GEF 9719 cash advance.
19	GEF Review Sheet for GEF Project ID 9719	Global Environment Facility	January 13, 2017	Comprehensive project review under GEF guidelines.
20	2022 Project Implementation Review (PIR) for GEF Project LD-9719	UNEP	-	Annual review on implementation and progress for GEF-LD-9719.
21	CEO Approval Request for NGI Project (GEF)	UNEP	December 22, 2017	Endorsement request for project approval.
22	2021 Project Implementation Review for GEF Project LD-9719	UNEP	-	Review of project implementation progress for fiscal year 2021.
23	Medium-Sized Project (MSP) Request Document	UNEP	January 13, 2017	Submission details for medium-sized project approval.
24	Theory of Change (TOC) Finance Presentation	UNEP	November 2021	Presentation on Theory of Change updates for financial project documentation.
25	IMIS PIMS 2009 Performance Highlights	UNEP	April 15, 2024	Key highlights for project tracking under IMIS PIMS system.
26	Finance ProDoc for Land Use Project	UNEP	April 25, 2018	Land Use Finance Project document focused on sustainable land use finance.
27	Evaluation Criteria and Ratings for UNEP Projects	UNEP	January 31, 2024	Detailed criteria and ratings for project evaluations.
28	Agreement between UNEP and ICRAF	UNEP & ICRAF	-	Cooperation agreement for climate and land management initiatives.
29	Project Revision No. 4 - Land Use Finance	UNEP	June 2024	Revised details for Land Use Finance Project.
30	Stakeholder Analysis Guidance for Mid-Term Evaluation	UNEP	January 31, 2024	Guidance for stakeholder analysis in evaluations.
31	RLU Exit Report for &Green Investment	&Green	November 10, 2022	Final evaluation report on &Green's investment in PT Royal Lestari Utama rubber plantations in Indonesia.
32	ToR	RCF Environmental Committee	2022	Describes the roles and activities of the Environmental Committee of the Responsible Commodities Facility Cerrado Fund
33	THE TERMINAL EVALUATION OF THE UNEP PROJECT	Roland Wong, Eugenie Katsigris	October 2023	UNEPs Inception Report, Building high-level support and capacities to enhance climate and ozone protection through cooling efficiency
34	TEMPLATE FOR THE ASSESSMENT OF PROJECT DESIGN QUALITY (PDQ	UNEP Evaluation Office		The purpose of this template is to stimulate thinking, based on a review of project design documentation, that will strengthen: a) the development of useful and insightful evaluation questions and b) the development of a robust

No.	Document Title	Author/Source	Date	Description
				causal pathway, assumptions and drivers in the reconstructed Theory of Change
35	Mid-term Evaluation of the &Green Fund	Steward RedQueen	2020	Mid Term Evaluation Report with key findings and Recommendations
36	Evaluation Framework	UNEP Evaluation Section		Main Evaluation Criteria / Questions as per 9 criteria and can be further elaborated with suggestive questions
37	UNEP GEF PIR	&Green Fund	2021	Piloting Innovative Investments for Sustainable Landscapes (GEF ID.: 9719)
38	TERMS OF REFERENCE Terminal Evaluation of the UNEP Land Use Finance Project	UNEP Management Climate Division	2024	Leveraging private finance to systematically transition to sustainable land use decoupled from deforestation, climate and ecosystem impacts (PIMS no 2009, 113.4, SMA no 37605)-Status with Summary of Findings
39	TERMS OF REFERENCE Terminal Evaluation of the UNEP/GEF project	Ecosystems Division, GEF Biodiversity and Land Degradation	2024	Piloting Innovative Investments for Sustainable Landscapes" (GEF ID 9719)
40	UNEP Partnership Policy	UNEP Inger Andsersen	2020	The purpose of this Partnership Policy is to facilitate innovative Partnerships with a broad range of Partners.These Partnerships are key to UNEP and MEA Secretariats fulfilling their roles as catalysts for transformative action to protect the environment. The Partnership Policy achieves this by establishing processes that support collaboration, reduce duplication, and contribute to effective and transparent decision-making.
41	Land Use Finance Project: Leveraging public finance to decouple private investment from deforestation, climate and ecosystem impacts	UNEP PIMS	2022	Project Performance highlights till 2022
42.	Reimagining financing for the SDGs: from filling gaps to shaping finance	UN DESA / Mariana Mazzucato	2025	
43.	&Green Nature & Biodiversity Report 2024	SAIL Investments	2024	https://annual-report.andgreen.fund/wp-content/uploads/2024/05/0000-Green-AR-2024-Annex-14-Nature-Biodiversity-Report-ST4.pdf
44	FP 212: &Green Fund: Investing in Inclusive Agriculture and Protecting Forests	FMO	2023	&Green application to GC
45	Stichting andgreen.fund Investment Principles	SAIL Investments		https://www.andgreen.fund/wp-content/uploads/2023/03/AndGreen-Investment-Principles-final.pdf

No.	Document Title	Author/Source	Date	Description
46	Stichting and Green Fund Investment Principles Annexes	SAIL Investments		https://www.andgreen.fund/wp-content/uploads/2023/03/AndGreen-Investment-Principles-Annexes-final.pdf
47	Mid Term Review of the UNEP Project Land Use Finance Project PIMS ID: 02009 2018-2023	UNEP	2022	Mid-Term Review

List of UNEP evaluation tools, templates and guidance notes available: Consulted (Few are Mentioned above)
https://communities.unep.org/display/EOU/INDEPENDENT+EVALUATION+TOOLS+AND+TEMPLATES

ANNEX VI. FINANCIAL MANAGEMENT

Table: Financial Management Table

Financial management components:		Rating	Evidence/ Comments
1. Adherence to UNEP's policies and procedures:		**HS**	
Any evidence that indicates shortcomings in the project's adherence[41] to UNEP or donor policies, procedures or rules		No	
2. Completeness of project financial information[42]:			
Provision of key documents to the reviewer (based on the responses to A-H below)		**S**	
A.	Co-financing and Project Cost's tables at design (by budget lines)	N/A	GEF's contribution to the &Green Fund was at the Fund level.
B.	Revisions to the budget	N/A	
C.	All relevant project legal agreements (e.g. SSFA, PCA, ICA)	N/A	
D.	Proof of fund transfers	Yes/	
E.	Proof of co-financing (cash and in-kind)	Yes	
F.	A summary report on the project's expenditures during the life of the project (by budget lines, project components and/or annual level)	N/A	UNEP has not received expenditure reporting from Stichting and the &Green Fund as the amount is held as a "receivable" in UNEP books.
G.	Copies of any completed audits and management responses *(where applicable)*	N/A	
H.	Any other financial information that was required for this project (list):	N/A	
3. Communication between finance and project management staff		**HS**	
Project Manager and/or Task Manager's level of awareness of the project's financial status.		HS	
Fund Management Officer's knowledge of project progress/status when disbursements are done.		HS	
Level of addressing and resolving financial management issues among Fund Management Officer and Project Manager/Task Manager.		S	
Contact/communication between by Fund Management Officer, Project Manager/Task Manager during the preparation of financial and progress reports.		HS	
Project Manager, Task Manager and Fund Management Officer responsiveness to financial requests during the review process		HS	
Overall rating		**S**	

[41] If the evaluation raises concerns over adherence with policies or standard procedures, a recommendation maybe given to cover the topic in an upcoming audit, or similar financial oversight exercise.
[42] See also document 'Criterion Rating Description' for reference

ANNEX VII. BRIEF CV OF THE EVALUATORS

Dr. Ines Freier

Profession	Independent Consultant for natural resource management, climate change adaptation and biodiversity: project design, evaluation and capacity building
Nationality	German
Country experience	• Europe: Germany, Georgia, Hungary, Poland, Estonia, Latvia, Lithuania, Denmark, • Africa: Mocambique • Americas: Argentina, Bolivia, Paraguay, Ecuador, Colombia, Panama, Costa Rica, México, Nicaragua • Asia: Sri Lanka, India, Nepal, Bhutan, Bangladesh, Uzbekistan, Kyrgyz Republic, Kazakhstan
Education	• PhD in Political Science Vechta University Germany • Post Graduate Course in Development Policy at German Development Institute Berlin, Germany (today IDOS Bonn, Germany) • Diplom (M.A equivalent) Latin American Studies and Development Economics University of Rostock, Rostock, Germany

Short biography:
Ines Freier is a Senior Consultant for evaluations, learning and knowledge management and project planning in the fields of natural resource management, biodiversity protection and climate change adaptation

Key specialties and capabilities cover:
- Evaluations of large, complex global, regional and national projects
- Community-based projects including livelihoods and SME development, local capacity development and local institutions for Natural Resource Management
- Engagement of Private Sector, value chain development

Selected assignments and experiences:
- 12/2022-04/2023: Team leader for Formative Evaluation of the project for fair working conditions on Tea Estates in Sri Lanka, Misereor/ Germany (BMZ financed),
- 06-10/2022: Formative evaluation of Fair Trade Unit of Bread for the World / Germany (BMZ financed), focus on Human Rights in value chains, *Bread for the World,*
- 08/2021-08/2022: Team leader of Terminal Evaluation of the project "The GEF Earth Fund: Conservation Agreements Private Partnership Platform" (volume: 20 Mio US$), *UNEP/GEF*: remote evaluation of conservation agreements with communities and private sector engagement with online qualitative interviews following OECD-DAC criteria *Countries:* China, India, Cambodia, Ethiopia, South Africa, Bolivia, Colombia (coastal areas), Perú, Guatemala
- 08/2020-07/2021: Team leader of Central Project Evaluation of the project on biodiversity and mainstreaming Forest Ecosystem Services / Water into forest policy and other sectors in India (volume: 12.2 Mio EUR), including TEEB Studies in India, *GIZ, India*: remote evaluation using OECD-DAC criteria, evaluation design using contribution analysis, development of methodology for a semi-remote evaluation, design of data collection and data gathering of pilot sites, writing of inception and final report
- 05/2018-10/2018: Team leader for Mid-term Review of the global Blue Forests project, using OECD-DAC criteria, GEF, field visit to Ecuador, virtual interviews in Indonesia, Madagascar, Kenya, Abu Dhabi, Mozambique,
- 05/2007-09/2007: Evaluation of projects and programmes of German technical and financial co-operation (KfW and GTZ funded by BMZ) in India, *BMZ India*: OECD-DAC criteria, portfolio analysis, contribution analysis
- 08/2006-10/2006: Research study preparing a larger thematic evaluation 'Impacts of voluntary social and environmental standards', *BMZ, global*: OECD-DAC criteria, contribution analysis.

Name	Dr. Rajan Kotru
Profession	Forester
Nationality	Indian
Country experience	● Europe: Germany ● Asia: Pakistan, Sri Lanka, China, India, Nepal
Education	● PhD Forestry from LMU Munich, Germany

Short biography:

An innovative, strategic and passionate senior international sustainable development expert, with a career spanning over 33 years and experience and expertise gained across South Asia, Europe, India and the USA. The initiation and development of ground-breaking transboundary landscapes and relationships is a specialism, founded on integrity, ethics, transparency and diplomacy, resulting in the mobilising of opposing national and local governments and private sector actors to form partnerships and the meaningful engagement for climate solutions and actions. Has mixed his development experience with research and education with renowned universities and institutions across the globe and in South Asia. Key advisor to national and international sustainable development policy influencing and champion of climate smart, eco-friendly solutions including at "Landscape Scale" in a rural development and sustainable natural resource management context; dedicated to the resilience of local communities to climate change and restoration and sustenance of ecosystem services (Carbon Sequestration in Agroforestry Value Chains) enablement of poor and disadvantaged rural-urban communities. A charismatic speaker and accessible leader, modelling and sharing best practices and creating empowered and cohesive multicultural teams. Winner of the RNRF-USA Outstanding Achievement Award 2018 for the Transboundary Programme. Finally, with engagements in post-earthquake (Nepal 2015) and flood disasters humanitarian work experience in South Asia has contributed to disaster risk mitigation at scale. Design of Carbon sequestrating tourism and landscape approach are only few resent accomplishments.

Key specialties and capabilities cover:

- Innovation and Strategy,
- Transboundary landscape approaches,
- Stakeholder engagement and community participation

Selected assignments and experiences:

- **INTERNATIONAL CHIEF TECHNICAL ADVISOR**, INDO-GERMAN CLIMATE PROGRAMME (KFW) IN TRIPURA STATE OF INDIA SINCE 2021
- **Vision Document** 2035 on Himalayas for NITI Aayog (includes Climate Resilience Strategy) – GoI and Advisor to
- **Himalaya Calling and SECURE Himalayas** Projects financed by UNDP and Government of India; 2019/2020
- Head of transboundary landscape Kailash programme at ICIMOD: Exemplary leadership of 4 Transboundary Landscape initiatives and of the Regional REDD+ Programme and influencing of National REDD+ strategies incorporating 8 Hindu Kush Himalayan countries, with a focus on Transboundary Cooperation in Conservation and Development; creating an interface for science, practice and policy and promoting the South-South dialogue – total portfolio of over 22 million USD; Concept of REDD Performance Payments to Communities and other Climate Proofing Projects with Private Sector. Pioneer for Gender Action Plans and Frameworks (2014-2019).

ANNEX VIII. GEF PORTAL INPUTS

The following table contains text to be uploaded to the GEF Portal. **<u>It will be drawn from the Evaluation Report, either as copied or summarised text.</u>** In each case, references should be provided for the paragraphs and pages of the report from which the responses have been copied or summarised.

Table X: GEF portal inputs

Question: What was the performance at the project's completion against Core Indicator Targets? (For projects approved prior to GEF-7[43], these indicators will be identified retrospectively and comments on performance provided[44]).
Response: *(Might be drawn from Monitoring and Reporting section)* The Expected impact as per GEF indicators is presented with what has been reported by &Green in 2023 with comments: 1) GEF indicator: Forest cover is maintained at 258,000 ha. Reported: 3,117,013 hectares protected. 2) GEF Indicator: Mitigated CO_2 45 Million t. Reported: 13,235,800 tCO2 climate benefits. 3) GEF Indicator: Number of hectares of HCV-HCS in seven target landscapes/ Deforestation is avoided at 180,000 ha. Not reported 4) GEF Indicator: Number of hectares of agricultural land regenerated and intensified in 7 target landscapes in three countries / Sustainable agricultural production is to be realized at 186,000 ha. Not reported. There is limited information on how agricultural land was regenerated and how sustainable agricultural production is defined in terms of ecosystem services. 5) GEF Indicator: Number of persons benefitting from the project: 15,000 households. Reported: 68,217 people benefitting Definition and measurement of benefits for smallholders and workers due to social and environmental plans and landscape protection plans not clearly defined. For the two investments in Viet Nam, benefits for smallholders are defined as staying in business due to compliance with EUDR. Measure of avoided or resolved land conflict with one case in Indonesia as an example. Reference: TE GEF9719 report, Likelihood of Impact, Table 11: Achievement of impact indicators
Question: What were the progress, challenges and outcomes regarding engagement of stakeholders in the project/program as evolved from the time of the MTR? *(This should be based on the description included in the Stakeholder Engagement Plan or equivalent documentation submitted at CEO Endorsement/Approval)*
Response: There was no MTR conducted by UNEP of GEF9719

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

[44] This is not applicable for Enabling Activities

69. The project has a number of stakeholders from the following groups: 1) investors: public and private actors (multilateral development organisations, Development Finance Institutions and national Finance Institutions); 2) investees: agribusiness: 3) smallholders in the investment areas, including women and 4) public authorities and other actors. Further private sector consultancy companies were recruited to implement several tasks related to agricultural extension services. The number of direct stakeholders of the &Green Fund is limited to the investees, potential investors into the fund, the investing donor agencies like GEF and NICFI. Local actors played a role in the PPI agreements in Brazil and Indonesia. The information provided to all stakeholders is transparent and sufficient. 233. During project preparation, IDH had consulted a number of stakeholders according to the ProDoc. Stakeholder engagement at local and regional level in the deals could not be assessed by the evaluation team due to the limited resources of the evaluation. The involvement of IDH and application of local Production Protection and Inclusion agreements was less than outlined in the ProDoc according to the documents about the deals published on the &Green website. 234. Community level engagement was not envisaged for a number of deals like Marfrig or Roncador in Brazil as these are investments into agribusiness. In the deals with smallholders involved like in Viet Nam, it is planned to train them to comply with EUDR requirements. In the RLU investment community consultations may continue under the aegis of RLU and RLU's subsidiary on the ground PT Lestari Asri Jaya (LAJ). The site visit to the RLU plantation found that for related LPP activities not all stakeholders attend or are adhering to commitments and vulnerable indigenous peoples and local communities appear not to have been adequately consulted. 235. In HSJ Colombia, communities shall be trained in fire management to protect the investment. Local agribusinesses have founded an NGO to provide access to education for children. 236. In Viet Nam, a number of smallholders will be certified under Rainforest Alliance Standard which requires a minimum of community participation. Those results cannot be attributed to the GEF / &Green requirements because the Rainforest Alliance Standard has more comprehensive requirements regarding livelihoods and community participation than IFC standards and the standard was already implemented before the investment deal. Reference: TE GEF9719 report, paras. 69, 233-236.
Question: What were the completed gender-responsive measures and, if applicable, actual gender result areas? *(This should be based on the documentation at CEO Endorsement/Approval, including gender-sensitive indicators contained in the project results framework or gender action plan or equivalent)*
Response: 237. The ESG policy of the &Green Fund refers to the IFC Performance Standards which require responsiveness to human rights and gender equality. &Green's exclusion criteria included forced and child labour and destruction of High Conservation Value areas. However, the track record of some of the agribusinesses containing previous deforestation and other human rights violations were not an exclusion criterion for the &Green Fund. 238. Gender has been mentioned in some of the ESAP but no specific measures appear to have been undertaken to contribute to gender equality. Gender is an indicator in the logframe for the

outcome 1.2 measuring the share of women and men as direct beneficiaries of GEF funding through &Green Fund in 7 target landscapes. RLU deal signed in 2019 was expected to benefit 5,000 women in Jambi province, Indonesia. The Roncador deal signed in 2020, did not actively target smallholder inclusion or social inclusion, as the social and environmental benefits were mainly generated through on-farm interventions. The DSNG deal signed in 2020 was expected to bring in a series of social benefits including job and small business opportunities, access to healthcare and education services. However, share of women and men as direct beneficiaries of GEF funding through the &Green Fund has not been tracked. 239. Investors are requested to conduct a gender study as part of the ESG policy at the beginning of the investment, however the ESAPs and LPPs do not contain specific gender indicators nor specific measures to tracking during the tenor of the investments.Reference: TE GEF9719 report, paras. 237-239.
Question: What was the progress made in the implementation of the management measures against the Safeguards Plan submitted at CEO Approval? The risk classifications reported in the latest PIR report should be verified and the findings of the effectiveness of any measures or lessons learned taken to address identified risks assessed. *(Any supporting documents gathered by the Consultant during this review should be shared with the Task Manager for uploading in the GEF Portal)*
Response: *(Might be drawn from Factors Affecting Performance section)* 240. The project document identified a comprehensive list of environmental and social risks in the targeted landscapes. 241. The UNEP Land Use Finance project has supported the &Green Fund providing an indicator framework for sustainable land use. 242. The &Green fund has set up its own ESG requirements which are based upon IFC standards and assessed by external consultants. So, the formal ESG requirements are met. The ESG requirements are implemented in the investments by appointing an ESG manager and reporting on ESG. Reference: TE GEF9719 report, paras. 240-242.
Question: What were the challenges and outcomes regarding the project's completed Knowledge Management Approach, including: Knowledge and Learning Deliverables (e.g. website/platform development); Knowledge Products/Events; Communication Strategy; Lessons Learned and Good Practice; Adaptive Management Actions? *(This should be based on the documentation approved at CEO Endorsement/Approval)*
Response: 246. The &Green Fund has shown a high degree of transparency about the deals it has made. NICFI requested this transparency as an investor into the Fund. 247.The &Green Fund's ESG framework is published online along with information about individual deals including investee companies, location and nature of the investment, amount of investment, ESAP and LPPs. Other Institutions like private investment arms of public development banks do not typically disclose all details of an investment. 248. The GEF website has published the ProDoc and the annual PIR in 2021 and 2022.

249. The &Green Fund made the closure of the RLU investment public information and published an evaluation report (Executive Summary) of the RLU deal on its website. The TLFF was the financing facility responsible for the RLU deal and the degree of disclosure of information to the public can be assessed as transparent. 250. The UNEP Land Use Finance project promotes the &Green Fund via its public outreach activities. The &Green Fund has communicated the engagement of UNEP on its website. UNEP's logo features under contributors (with GEF) and partnerships. UNEP´s engagement contributes to the credibility of the &Green Fund and its investments and to promote the &Green Fund as a blueprint for blended finance. Reference: TE GEF9719 report, paras. 246-250.
Question: What are the main findings of the evaluation?
Response: 10. The relevance of the project is rated as 'Moderately Satisfactory'. The project is aligned with the Subprogramme on Healthy and Productive Ecosystems (now Nature Action) contributing towards policymakers in the public and private sectors testing the inclusion of the health and productivity of ecosystems in economic decision-making. While UNEP's normative mandate does not make provision for non-grant instruments, this project tested the GEF non-grant instrument (loan) to a finance facility as part of creating an enabling environment in which blended finance can be used to mobilize private finance. The alignment with other possible outcomes or accomplishments in the MTS 2018-2021 related to halting agriculture-driven deforestation is not fully addressed such as the need for sustainable practices in food production and manufacturing. The project is located in GEF focal area on land degradation. Within GEF-6, the investment logic from GEF in the project was to "test to see if concessional finance in support of production, protection and inclusion schemes is able to shape the agricultural supply chain in a significant manner". The additionality of the GEF funds cannot be confirmed; the GEF's contribution to the &Green Fund was at a fund level and thus its funding (together with other contributors) was spread equitably among the Fund's activities and constituted 1.26% of all contributions. &Green does not share its additionality assessment of its investments in specific deals except for with members of its Investment Committee. 11. UNEP's mandate is to find solutions to the triple planetary crisis which covers exploring new options on how to implement conventions on climate change and biodiversity. UNEP´s instruments are scientific studies, policy support, intergovernmental co-ordination and public advocacy. The project was an opportunity for UNEP to test the non-grant instrument. Bilateral partnership with the Sustainable Trade Initiative (IDH) for the promotion of private sector engagement (through an MOU between UNEP and IDH in 2017 and amended MOU with UNEP, Rabobank, FMO and IDH in 2018) were also new to UNEP. Despite its long-standing engagement with private banks in UNEP-FI, blended finance was a new topic for UNEP to work on in 2018. 12. The &Green Fund can only invest in countries or states (also referred to as jurisdictions) that have a strategy or policy in place to curb deforestation. However, the project itself does not have a national or sub-national policy development component as such. In addition, it does not focus on improving the natural resources management for marginalised populations but on large scale investment (average size of deals in the ProDoc was USD1-3 Million, later the &Green Fund increased it to USD35 Million, with benefiting companies being mainly expanding multinational companies). To date, 12 jurisdictions have been approved by the &Green Fund Advisory Board.

13. The demand of companies as beneficiaries was tested in the project pipeline which the IDH developed in a separate project for Production Protection Inclusion Agreements. Among the companies with projects in the investment pipeline were companies with recorded incidents of deforestation and human rights violations.

14. The effectiveness of the project is rated as 'Moderately Satisfactory'. All outputs have been delivered and are available like the development of an investment pipeline, initial investments of USD162.75 M as of 2022 and 217.75M at the time of evaluation, negotiations have been conducted with public and private investors and a monitoring system of environmental and social performance at fund level was set up.

15. In 2024, seven out of ten closed deals were operational. Two loans were paid back earlier due to decisions of the company and one company went bankrupt. In 2023, two deals were reported on &Green's balance sheet as expected credit loss (ECL) provision due to an increase in credit risk, using a prudent ECL method. The fund manager and investors have stated that those businesses have since improved their business performance and expect to be able to release this provision. Liberia, which was listed in the ProDoc as a target country for &Green's investment, was not approved under &Green's Jurisdictional Eligibility Criteria (JEC) – hence no investment was made there. The deals include:

1) large plantation with improved rubber varieties, including an area in the buffer zone of a national park in Indonesia RLU Indonesia,

2) deforestation free palm oil production (PT Dharma Satya Nusantara Tbk "DSNG" Indonesia),

3) palm oil mill in Indonesia (PT Hilton Duta Lestari HDL Indonesia),

4) deforestation free cattle production in Brazil (Marfrig),

5-6) improved cattle production (Roncador in Brazil and Hacienda San José in Colombia),

7) improved production of biofuel in Brazil (Fuelling Sustainability FS) and

8-10) three deals for deforestation-free cocoa (ETC Group in Côte d'Ivoire) and coffee production (Mercon and Phuc Sin in Viet Nam).

16. The project is assessed as being successful in contributing to forest protection and reduced CO2 emissions because companies complied with the no-deforestation policy during the deal with the &Green Fund. Contributions to avoided deforestation, sustainable commodity production, livelihoods of smallholders and gender equality were reported to a much lesser degree.

17. The &Green Fund is assessed as being successful in raising public funds from GEF, national donors, and GCF but failed in achieving the aspired 1:5 private co-financing at fund level which was stated in the ProDoc. In 2023, for the application for the GCF funding, the co-financing rate was reduced to 1:1.15. At the deal level, the &Green Fund reports leveraged co-investment by the private sector ranging from 0.9 million to over 1 billion per deal (See table 8).

18. The extent to which the changes of land use practices could be sustained over the future would depend on the policy of the companies, beyond the tenor of &Green Fund's investment, and other factors like the enforcement of national forest policies. The agriculture sector will need continuous financing due to the scale of and need for e.g. replanting and adapting to climate change.

Reference: TE GEF9719 report, Executive Summary, paras. 10-18.

ANNEX IX. QUALITY ASSESSMENT OF THE EVALUATION REPORT

Quality Assessment of the Evaluation Report

Evaluand Title:

Terminal Evaluation of the UNEP/GEF Project "Piloting Innovative Investments for Sustainable Landscapes" GEF ID 9719 (2018-2022)

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

	UNEP Evaluation Office Comments	Final Report Rating
Report Quality Criteria		
Quality of the Executive Summary Purpose: acts as a stand alone and accurate summary of the main evaluation product, especially for senior management. To include: • concise overview of the evaluation object • clear summary of the evaluation objectives and scope • overall evaluation rating of the project and key features of performance (strengths and weaknesses) against exceptional criteria • reference to where the evaluation ratings table can be found within the report • summary response to key strategic evaluation questions • summary of the main findings of the exercise/synthesis of main conclusions • summary of lessons learned and recommendations.	Final report *(coverage/omissions)*: All required elements are addressed. Final report *(strengths/weaknesses)*: Summarized presentation made of the required elements of the executive summary, including a statement on the achievement of the project's outcome and summarized responses to the strategic questions.	5
Quality of the 'Introduction' Section Purpose: introduces/situates the evaluand in its institutional context, establishes its main parameters (time, value, results, geography) and the purpose of the evaluation itself. To include: • institutional context of the project (sub-programme, Division, Branch etc) • date of PRC approval, project duration and start/end dates • number of project phases (where appropriate) • results frameworks to which it contributes (e.g. POW Direct Outcome) • coverage of the evaluation (regions/countries where implemented) • implementing and funding partners • total secured budget • whether the project has been evaluated in the past (e.g. mid-term, external agency etc.)	Final report *(coverage/omissions)*: The section presents the purpose and scope of the evaluation. Final report *(strengths/weaknesses)*: Information pertaining to institutional context and the project are presented in section 3. The Project	5

• concise statement of the purpose of the evaluation and the key intended audience for the findings.		
Quality of the 'Evaluation Methods' Section Purpose: provides reader with clear and comprehensive description of evaluation methods, demonstrates the credibility of the findings and performance ratings. To include: • description of evaluation data collection methods and information sources • justification for methods used (e.g. qualitative/ quantitative; electronic/face-to-face) • number and type of respondents *(see table template)* • selection criteria used to identify respondents, case studies or sites/countries visited • strategies used to increase stakeholder engagement and consultation • methods to include the voices/experiences of different and potentially excluded groups (e.g. vulnerable, gender, marginalised etc) • details of how data were verified (e.g. triangulation, review by stakeholders etc.) • methods used to analyse data (scoring, coding, thematic analysis etc) • evaluation limitations (e.g. low/ imbalanced response rates across different groups; gaps in documentation; language barriers etc) • ethics and human rights issues should be highlighted including: how anonymity and confidentiality were protected. Is there an ethics statement? E.g. *'Throughout the evaluation process and in the compilation of the Final Evaluation Report efforts have been made to represent the views of both mainstream and more marginalised groups. All efforts to provide respondents with anonymity have been made.*	Final report *(coverage/omissions):* Required elements are covered in the section, including limitations to the evaluation. Final report *(strengths/weaknesses):* Good description of data collection challenges, limitation and risks The table of respondents is included. It would have been beneficial to include more information about how the evaluators ensured ethics, human rights and gender implications were considered in the evaluation process.	4
Quality of the 'Project' Section Purpose: describes and verifies key dimensions of the evaluand relevant to assessing its performance. To include: • *Context:* overview of the main issue that the project is trying to address, its root causes and consequences on the environment and human well-being (i.e. synopsis of the problem and situational analyses) • *Results framework*: summary of the project's results hierarchy as stated in the ProDoc (or as officially revised) • *Stakeholders:* description of groups of targeted stakeholders organised according to relevant common characteristics • *Project implementation structure and partners:* description of the implementation structure with diagram and a list of key project partners • *Changes in design during implementation:* any key events that affected the project's scope or	Final report *(coverage/omissions):* The section has the required elements and contains a description of the context, results framework, stakeholders, project implementation structure and partners, changes in design during implementation, and project financing. Final report *(strengths/weaknesses):* The results framework is presented in detail with source PIR 2022 indicated and with table 4 Proposed change of project results framework (PRF). Informative table with an overview of the &Green Fund is included.	5

parameters should be described in brief in chronological order • *Project financing:* completed tables of: (a) budget at design and expenditure by components (b) planned and actual sources of funding/co-financing		
Quality of the Theory of Change Purpose: to set out the TOC at Evaluation in diagrammatic and narrative forms to support consistent project performance; to articulate the causal pathways with drivers and assumptions and justify any reconstruction necessary to assess the project's performance. To include: • description of how the *TOC at Evaluation*[45] was designed (who was involved etc) • confirmation/reconstruction of results in accordance with UNEP definitions • articulation of causal pathways • identification of drivers and assumptions • identification of key actors in the change process • summary of the reconstruction/results re-formulation in tabular form. *The two results hierarchies (original/formal revision and reconstructed) should be presented as a two-column table to show clearly that, although wording and placement may have changed, the results 'goal posts' have not been 'moved'.* This table may have initially been presented in the Inception Report and should appear somewhere in the Main Evaluation report.	Final report *(coverage/omissions):* All required elements are included. Final report *(strengths/weaknesses):* The section presents a detailed narrative of the causal pathway with assumptions and drivers and with diagram to illustrate the RTOC.	5
Quality of Key Findings within the Report Presentation of evidence: nature of evidence should be clear (interview, document, survey, observation, online resources etc) and evidence should be explicitly triangulated unless noted as having a single source. Consistency within the report: all parts of the report should form consistent support for findings and performance ratings, which should be in line with UNEP's Criteria Ratings Matrix. Findings Statements (where applicable): The frame of reference for a finding should be an individual evaluation criterion or a strategic question from the TOR. **A finding should go beyond description and uses analysis to provide insights that aid learning specific to the evaluand.** In some cases a findings	Final report *(coverage/omissions):* Quantitative and qualitative evidence is presented. Findings are formulated based on evidence presented. Final report *(strengths/weaknesses):* Consistency is achieved in the report and all its parts to support the findings and performance ratings.	5

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

statement may articulate a key element that has determined the performance rating of a criterion. Findings will frequently provide insight into 'how' and/or 'why' questions.		
Quality of 'Strategic Relevance' Section <u>Purpose:</u> to present evidence and analysis of project strategic relevance with respect to UNEP, partner and geographic policies and strategies at the time of project approval. To include: Assessment of the evaluand's relevance vis-à-vis: • Alignment to the UNEP Medium Term Strategy (MTS), Programme of Work (POW) and Strategic Priorities • Alignment to Donor/GEF/Partners Strategic Priorities • Relevance to Regional, Sub-regional and National Environmental Priorities • Complementarity with Existing Interventions: complementarity of the project at design (or during inception/mobilisation[46]), with other interventions addressing the needs of the same target groups.	Final report *(coverage/omissions):* Each sub-category is assessed with a rating and an overall rating is provided. Final report *(strengths/weaknesses):* The section covers different aspects of the project's relevance.	5
Quality of the 'Quality of Project Design' Section <u>Purpose:</u> to present a summary of the strengths and weaknesses of the project design, on the basis that the detailed assessment was presented in the Inception Report.	Final report *(coverage/omissions):* All required elements are included in the section. Final report *(strengths/weaknesses):* A presentation of strengths and weaknesses is provided.	5
Quality of the 'Nature of the External Context' Section <u>Purpose:</u> to describe and recognise, when appropriate, key <u>external</u> features of the project's implementing context that limited the project's performance (e.g. conflict, natural disaster, political upheaval[47]), and how they affected performance. While additional details of the implementing context may be informative, this section should clearly record whether or not a major and unexpected disrupting event took place during the project's life in the implementing sites.	Final report *(coverage/omissions):* Section covers required description. Final report *(strengths/weaknesses):* The section presents relevant external factors including the COVID-19 pandemic. The assessment covers countries that &Green has made investments in.	5

[46] A project's inception or mobilization period is understood as the time between project approval and first disbursement. Complementarity <u>during project implementation</u> is considered under Efficiency, see below.

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

Quality of 'Effectiveness' Section **(i) Availability of Outputs:** <u>Purpose:</u> to present a well-reasoned, complete and evidence-based assessment of the outputs made available to the intended beneficiaries. To include: • a convincing, evidence-supported and clear presentation of the outputs made available by the project compared to its approved plans and budget • assessment of the nature and scale of outputs versus the project indicators and targets • assessment of the timeliness, quality and utility of outputs to intended beneficiaries • identification of positive or negative effects of the project on disadvantaged groups, including those with specific needs due to gender, vulnerability or marginalisation (e.g. through disability).	Final report *(coverage/omissions):* Each output is assessed and an overall rating of availability of outputs is provided. Final report *(strengths/weaknesses):* Related to Output 1.4, the key components of &Green's MRV Framework are presented.	5
ii) Achievement of Project Outcomes: <u>Purpose:</u> to present a well-reasoned, complete and evidence-based assessment of the uptake, adoption and/or implementation of outputs by the intended beneficiaries. This may include behaviour changes at an individual or collective level. To include: • a convincing and evidence-supported analysis of the uptake of outputs by intended beneficiaries • assessment of the nature, depth and scale of outcomes versus the project indicators and targets • discussion of the contribution, credible association and/or attribution of outcome level changes to the work of the project itself • any constraints to attributing effects to the projects' work • identification of positive or negative effects of the project on disadvantaged groups, including those with specific needs due to gender, vulnerability or marginalisation (e.g. through disability).	Final report *(coverage/omissions):* The section includes key required elements. Final report *(strengths/weaknesses):* The section refers to the RTOC measure of four aspects. Informative table with description of deals made by &Green and potential risk factors is included. Informative table showing leverage of private capital at investment level is included.	5
(iii) Likelihood of Impact: <u>Purpose:</u> to present an integrated analysis, guided by the causal pathways represented by the TOC, of all evidence relating to likelihood of impact, including an assessment of the extent to which drivers and assumptions necessary for change to happen, were seen to be holding. To include: • an explanation of how causal pathways emerged and change processes can be shown • an explanation of the roles played by key actors and change agents • explicit discussion of how drivers and assumptions played out • identification of any unintended negative effects of the project, especially on disadvantaged groups, including those with	Final report *(coverage/omissions):* The section contains required elements including assessment based on the extent to which drivers and assumption hold. Final report *(strengths/weaknesses):* Table provides an overview of achievement of impact indicators as assessed as reported in 2023 and long-term perspectives after closure of investment deal.	4.5

specific needs due to gender, vulnerability or marginalisation (e.g. through disability).	A discussion of positive benefits for companies and unintended negative effects is included. The discussion could have had stronger linkages with the drivers and assumptions of the RTOC but it is a challenge as likelihood of mpact depends on the lifespan of the investment and the investment deals are made by &Green.	
Quality of 'Financial Management' Section Purpose: to present an integrated analysis of all dimensions evaluated under financial management and include a completed 'financial management' table (may be annexed). Consider how well the report addresses the following: • *adherence* to UNEP's financial policies and procedures • *completeness* of financial information, including the actual project costs (total and per activity) and actual co-financing used • *communication* between financial and project management staff	Final report *(coverage/omissions):* The three sub-categories have been assessed and rated and an overall rating is provided. Final report *(strengths/weaknesses):* There was only one disbursement made to &Green during project duration, which limited the depth of information available for the assessment.	4.5
Quality of 'Efficiency' Section Purpose: to present an integrated analysis of all dimensions evaluated under efficiency (i.e. the primary categories of cost-effectiveness and timeliness). To include: • time-saving measures put in place to maximise results within the secured budget and agreed project timeframe • discussion of making use, during project implementation, of/building on pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities with other initiatives, programmes and projects etc. • implications of any delays and no cost extensions • the extent to which the management of the project minimised UNEP's environmental footprint.	Final report *(coverage/omissions):* Summarized assessment covering key aspects. Final report *(strengths/weaknesses):* The assessment of efficiency is based on activities planned in the ProDoc and the number of deals that was entered by &Green.	5
Quality of 'Monitoring and Reporting' Section Purpose: to present well-reasoned, complete and evidence-based assessment of the evaluand's monitoring and reporting. Consider how well the report addresses the following: • quality of the monitoring design and budgeting *(including SMART results with measurable indicators, resources for MTE/R etc.)* • quality of monitoring of project implementation *(including use of monitoring data for adaptive management)* • quality of project reporting *(e.g. PIMS and donor reports) *	Final report *(coverage/omissions):* Most of the required elements of the three sub-categories are addressed and ratings provided and an overall rating of the criteria. Final report *(strengths/weaknesses):* The assessment is based on reporting by and from &Green that is provided as per requirement of a finance facility and PIR 2022.	4

Quality of 'Sustainability' Section <u>Purpose:</u> to present an integrated analysis of all dimensions evaluated under sustainability (i.e. the endurance of benefits achieved at outcome level). Consider how well the report addresses the following: • socio-political sustainability • financial sustainability • institutional sustainability	Final report *(coverage/omissions):* The three sub-categories are assessed and rated, and an overall rating is provided. Final report *(strengths/weaknesses):* The assessment of institutional sustainability addresses both &Green and companies that have made deals.	5
Quality of Factors Affecting Performance Section <u>Purpose:</u> These factors are not always discussed in stand-alone sections and may be integrated in the other performance criteria as appropriate. However, if not addressed substantively in this section, a cross reference must be given to where the topic is addressed and that entry must be sufficient to justify the performance rating for these factors. Consider how well the evaluation report, either in this section or in cross-referenced sections, covers the following cross-cutting themes: • preparation and readiness • quality of project management and supervision[48] • stakeholder participation and co-operation • responsiveness to human rights and gender equality • environmental and social safeguards • country ownership and driven-ness • communication and public awareness	Final report *(coverage/omissions):* Each sub-category is assessed and rated and an overall rating is provided. Final report *(strengths/weaknesses):* Stakeholder engagement at local and regional level in the deals could not be assessed by the evaluation team due to the limited resources of the evaluation.	4.5
Quality of the Conclusions Section **(i) Conclusions Narrative:** <u>Purpose:</u> to present summative statements reflecting on prominent aspects of the <u>performance of the evaluand as a whole</u>, they should be derived from the synthesized analysis of evidence gathered during the evaluation process. To include: • compelling narrative providing an integrated summary of the strengths and weakness in overall performance (achievements and limitations) of the project • clear and succinct response to the key strategic questions • human rights and gender dimensions of the intervention should be discussed explicitly (e.g. how these dimensions were	Final report *(coverage/omissions):* The section meets requirements with Section 6.1 Conclusions and recommendations and Section 6.2 Answers to key strategic questions. Final report *(strengths/weaknesses):* The responses to the strategic questions are detailed. The table with summary of project findings and ratings is included.	5

[48] In some cases 'project management and supervision' will refer to the supervision and guidance provided by UNEP to implementing partners and national governments while in others, specifically for GEF funded projects, it will refer to the project management performance of the executing agency and the technical backstopping provided by UNEP. This includes providing the answers to the questions on Core Indicator Targets, stakeholder engagement, gender responsiveness, safeguards and knowledge management, required for the GEF portal.

considered, addressed or impacted on)		
ii) Utility of the Lessons: Purpose: to present both positive and negative lessons that have potential for wider application and use (replication and generalization) Consider how well the lessons achieve the following: • are rooted in real project experiences (i.e. derived from explicit evaluation findings or from problems encountered and mistakes made that should be avoided in the future) • briefly describe the context from which they are derived and those contexts in which they may be useful • do not duplicate recommendations	Final report *(coverage/omissions):* The five lessons are presented in the format required. Final report *(strengths/weaknesses):* The lessons relate directly to the project. It would have beneficial if a lesson had considered the gender/HR dimension.	4
(iii) Utility and Actionability of the Recommendations: Purpose: to present proposals for specific action to be taken by identified people/position-holders to resolve concrete problems affecting the project or the sustainability of its results. Consider how well the lessons achieve the following: • are feasible to implement within the timeframe and resources available (including local capacities) and specific in terms of who would do what and when • include at least one recommendation relating to strengthening the human rights and gender dimensions of UNEP interventions • represent a measurable performance target in order that the Evaluation Office can monitor and assess compliance with the recommendations. NOTES: **(i)** In cases where the recommendation is addressed to a third party, compliance can only be monitored and assessed where a contractual/legal agreement remains in place. Without such an agreement, the recommendation should be formulated to say that UNEP project staff should pass on the recommendation to the relevant third party in an effective or substantive manner. The effective transmission by UNEP of the recommendation will then be monitored for compliance. **(ii)** Where a new project phase is already under discussion or in preparation with the same third party, a recommendation can be made to address the issue in the next phase.	Final report *(coverage/omissions):* The three recommendations are presented in the format required. Final report *(strengths/weaknesses):* Priority level, type of recommendation, responsibility and Implementation time frame are specified as required.	5
Quality of Report Structure and Presentation **(i) Structure and completeness of the report:** To what extent does the report follow the Evaluation Office structure and formatting guidelines? Are all requested Annexes included and complete?	Final report *(coverage/omissions):* Well-structured and complete report. All annexes included. Final report *(strengths/weaknesses):* All annexes are included and complete.	5

(ii) Writing and formatting: Consider whether the report is well written (clear English language and grammar) with language that is adequate in quality and tone for an official document? Do visual aids, such as maps and graphs convey key information?	Final report *(coverage/omissions):* Language is appropriate and concise. Final report *(strengths/weaknesses):* Good use of tables as per guidelines.	5
OVERALL REPORT QUALITY RATING		**5**

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

At the end of the evaluation, compliance of the evaluation process against the agreed standard procedures is assessed, based on the table below.

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

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

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

Process Criterion Number	**Evaluation Office Comments**
11.	The evaluation was delayed allowing for it to be conducted in conjunction with the evaluation of the associated UNEP Land Use Finance Project.