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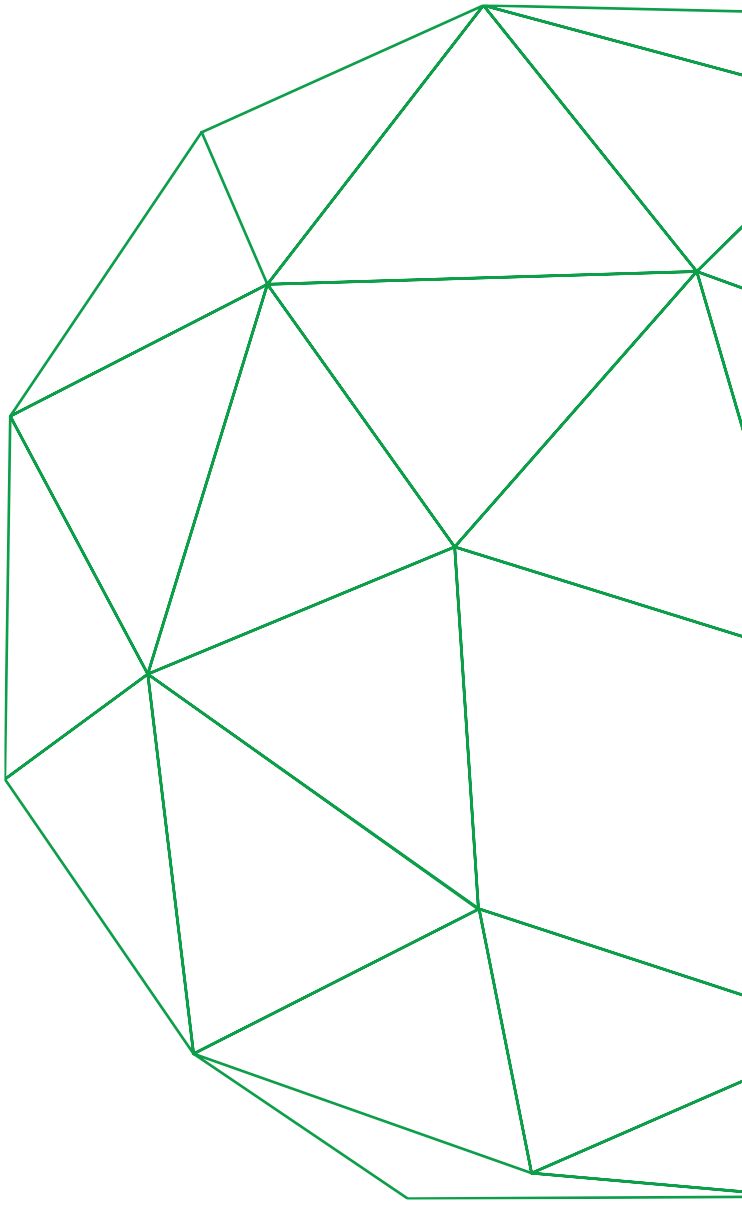
FP048

Low Emissions and Climate Resilient Agriculture Risk Sharing Facility

Guatemala, Mexico

February, 2026

Interim Evaluation Report



IDB
Inter-American Development Bank

This report presents the Interim Evaluation of the Green Climate Fund (GCF)-funded project “Low Emissions and Climate Resilient Agriculture Risk Sharing Facility”. The evaluation was independently commissioned by the Accredited Entity (AE), Inter-American Development Bank, and submitted to GCF. GCF assumes no responsibility for the accuracy of the information in this report.

Interim Evaluation of the IDB/GCF Project

"LOW EMISSIONS AND CLIMATE RESILIENT AGRICULTURE RISK SHARING FACILITY"



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Leandro Fernandez -- Principal Evaluator

Table of contents

1 The Project 11

1.1 Context 11
1.1.1 Intervention context 11
1.1.2 Institutional context 13
1.2 Results Framework 14
1.3 Project Implementation Structure and Partners 16
1.4 Stakeholders 16
1.5 Changes in Design during Implementation 20

2 Evaluation Methods 21

2.1 Evaluation Approach 21
2.2 Data Collection 22
2.2.1 Primary data sources 22
2.2.2 Strategies for inclusivity 24
2.2.3 Secondary data sources 25
2.3 Data Analysis 25
2.4 Limitations and Mitigation Strategies 26

3 Theory of Change at Evaluation 28

4 Evaluation findings (structured by Primary evaluation criteria) 30

4.1 Relevance 30
4.2 Efficiency 31
4.3 Effectiveness 34
4.3.1 Subprojects Results and Analysis: 34
Ejido Verde subproject: Transforming Degraded Community Lands into Sustainable Jobs, Incomes and Carbon Sinks 34
FUNDEA subproject: Financing climate-smart agricultural technologies for micro and small enterprises and farmers in Guatemala 35
4.3.2 Outcome-level changes attributable to the Facility 39
4.3.3 Outcome 1: Increased access to climate-resilient and low-emission finance for MSMEs 41
4.3.4 Outcome 2: Adoption of climate-smart practices and technologies by beneficiary MSMEs 41
4.3.5 Outcome 3: Enhanced resilience and adaptive capacity of targeted beneficiaries 41
4.3.6 Delivery of outputs supporting outcome achievement 42
4.3.7 Cross-cutting effects and unexpected outcomes 43
4.4 Impact – Climate and Systemic Change 44
4.4.1 Assessment Approach to Impact at Interim Stage 44
4.4.2 Climate Mitigation Impacts 45
4.4.3 Climate Adaptation Impacts 45
4.4.4 Paradigm Shift and Systemic Change 46
4.5 Monitoring and Reporting 49
4.5.1 Monitoring of Project Implementation 49
4.5.2 Project Reporting 49
4.6 Sustainability 50
4.7 Cross-Cutting Issues 51
4.7.1 Responsiveness to Human Rights and Gender Equality 51
4.7.2 Country Ownership and Drivenness 51

4.7.3 Communication and Public Awareness *52*

5 Main findings and Recommendations **53**

5.1 Main findings 53

5.2 Lessons learned and good practices 56

5.2.1 Adaptation *56*

5.2.2 Mitigation *56*

5.2.3 Summary *56*

5.3 Recommendations 58

Annex I Evaluation Framework *62*

Annex II Mission itinerary *73*

Annex III Stakeholders consulted *74*

Annex IV. Terms of reference *77*

List of acronyms and abbreviations

Acronym	Definition / Clarification
AE	Accredited Entity
APR	Annual Performance Report
CBD	Convention on Biological Diversity
GCF	Green Climate Fund
CNBV	Comisión Nacional Bancaria y de Valores (México)
CONAGUA	Comisión Nacional del Agua (México)
CONEVAL	Consejo Nacional de Evaluación de la Política de Desarrollo Social (México)
CRS	Catholic Relief Services
CSA	Climate-Smart Agriculture
EE	Executing Entity *(IDB Lab in this project)*
ESMF	Environmental and Social Management Framework
ESMS	Environmental and Social Management System
ESS	Environmental and Social Safeguards
FAO	Food and Agriculture Organization of the United Nations
FECCEG	Federación Comercializadora de Café Especial de Guatemala
FENACOAC	Federación Nacional de Cooperativas de Ahorro y Crédito de Guatemala
FGD	Focus Groups Discussions
FI	Financial Intermediary
FP048	GCF Project "Low Emissions and Climate Resilient Agriculture: Risk Sharing Facility"
FUNDEA	Fundación para el Desarrollo de la Microempresa (Guatemala)
GHG	Greenhouse Gas
Heifer	Heifer International
IDB	Inter-American Development Bank
IDB Lab	Multilateral Investment Fund (MIF) — IDB Group innovation laboratory
IFC	International Finance Corporation
IRMF	Integrated Results Management Framework (GCF)
LIBOR	London Interbank Offered Rate *(replaced by SOFR)*
M&E	Monitoring and Evaluation
MAGA	Ministerio de Agricultura, Ganadería y Alimentación (Guatemala)
MARN	Ministerio de Ambiente y Recursos Naturales (Guatemala)
MICOOPE	Microfinancieras Cooperativas de Guatemala
MINFIN	Ministerio de Finanzas Públicas (Guatemala)
MSME	Micro, Small, and Medium Enterprises
NDA	National Designated Authority
NDC	Nationally Determined Contribution
NGO	Non-Governmental Organization
OECD-DAC	Organisation for Economic Co-operation and Development – Development Assistance Committee
OEC	Observatory of Economic Complexity
PAR	Portfolio at Risk

PSU	Project Status Update
RBA	Results-Based Approach
REDD+	Reducing Emissions from Deforestation and Forest Degradation and enhancement of carbon stocks
SDG	Sustainable Development Goal
SADER	Secretaría de Agricultura y Desarrollo Rural (México)
SEMARNAT	Secretaría de Medio Ambiente y Recursos Naturales (México)
SHCP	Secretaría de Hacienda y Crédito Público (México)
SOFR	Secured Overnight Financing Rate *(replaced LIBOR)*
TA	Technical Assistance
ToC	Theory of Change
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNFCCC	United Nations Framework Convention on Climate Change
UNCCD	United Nations Convention to Combat Desertification

Symbol	Definition
tCO_2eq	Metric tons of carbon dioxide equivalent — standard unit for measuring GHG emissions and removals
ha	Hectare (10,000 square meters)
M	Millions
USD	United States Dollar

Project identification table

Table 1: Project Identification Table

Item	Description
Project Title	Low Emissions and Climate Resilient Agriculture Risk Sharing Facility (FP048)
Accredited Entity (AE)	Inter-American Development Bank (IDB)
Executing Agency (EA)	IDB Lab, in partnership with national and local financial intermediaries
Financial Intermediaries (Guatemala)	(i) FUNDEA, (ii) MICOOPE, CRS & Heifer International (FENACOAC), (iii) FECCEG
Financial Intermediaries (Mexico)	Ejido Verde, forestry, and impact funds
Project Countries	Guatemala and Mexico
National Designated Authorities (NDAs)	Guatemala: Ministry of Environment and Natural Resources (MARN) ; Mexico: Ministry of Finance and Public Credit (SHCP)
GCF Funding	USD 20 million (across concessional loans, guarantees, equity, and technical assistance)
Co-financing	A total of USD 134.75 million, including USD 10 million leveraged from the IDB, with the remainder contributed by the private sector
Approval Year	2017 (Funded Activity Agreement signed in 2018)
Implementation Period	2018–2026 (with extensions)
Total Beneficiaries (Target)	802,980 direct and indirect beneficiaries (farmers, MSMEs, and cooperative members)
Thematic Area	Cross-cutting: Mitigation & Adaptation
Mitigation Target	9.2 million tCO_2eq reduced/avoided over project lifetime
Adaptation Target	244,850 people with strengthened resilience; 199,846 hectares under improved management

Executive Summary

Project background

1. Agriculture in Guatemala and Mexico plays a critical role in rural livelihoods and national economies but faces increasing threats from climate change. Rising temperatures, erratic rainfall, and extreme weather events such as droughts and floods are reducing agricultural productivity and undermining food security. Smallholder farmers and micro, small, and medium enterprises (MSMEs) are particularly vulnerable due to their limited access to finance, information, and technologies that would allow them to adopt climate-resilient practices.

2. The GCF FP048 project was developed to address these challenges by leveraging blended finance to unlock investments in low-emission, climate-resilient agriculture. The initiative focuses on de-risking agricultural finance through an innovative risk-sharing facility that provides concessional resources alongside technical assistance. By targeting financial intermediaries and MSMEs engaged in agriculture, land use, and forestry, the project seeks to build scalable and sustainable business models that integrate climate adaptation and mitigation. This approach is aligned with national climate strategies and priorities of Guatemala and Mexico, including their Nationally Determined Contributions (NDCs) under the Paris Agreement. The Facility also supports broader GCF goals of paradigm shift, private sector mobilization, and resilience building. With a robust partnership model involving IDB, local financial institutions, and value chain actors, FP048 aims to foster systemic change in how climate risks are managed and how capital flows into sustainable agriculture sectors.

3. The evaluation sought to assess the performance of the project in terms of relevance, effectiveness, efficiency, and sustainability of results, while also examining its catalytic role and contributions to cross-cutting issues such as gender, human rights, and environmental safeguards. Performance was assessed against the nine standard GCF evaluation criteria, with ratings assigned using a six-point scale ranging from Highly Unsatisfactory to Highly Satisfactory. The evaluation had two primary purposes: accountability, by reporting to IDB, GCF, and national stakeholders on the results achieved and resources used; and learning, by identifying lessons and best practices that can inform the design and implementation of future IDB and GCF projects in similar contexts. The scope of the evaluation covered the implementation period from 2019 to 2025, including two project components: Component 1: Climate-Smart Agriculture Risk Sharing Facility. Component 2: Technical Assistance and Capacity Building. It examined both planned and actual results, including the impacts of external shocks such as political transitions and the COVID-19 pandemic on project delivery and sustainability.

4. Data collection methods included a comprehensive review of key documents, such as Annual Performance Reports (APRs), financial and co-financing reports, and relevant national policy frameworks—along with semi-structured interviews. The interviews were guided by a common set of questions aligned with the evaluation criteria (relevance, effectiveness, efficiency, sustainability, and cross-cutting issues), while maintaining flexibility to explore context-specific insights raised by respondents. Interview participants included IDB staff and consultants, government officials, project partners, and independent experts. Where feasible, the evaluation also incorporated remote consultations and focus group discussions with local stakeholders to capture beneficiary perspectives and on-the-ground implementation experiences. Field-based observations were obtained from project site visits. Additionally, secondary data and remote monitoring outputs were incorporated. Data analysis was based on a triangulation approach, applying multiple sources of evidence to validate findings. The evaluation was structured around a reconstructed Theory of Change, enabling assessment of causal pathways from project activities to outputs, outcomes, and emerging impacts.

Key findings and performance ratings[1]

5. Relevance: The project is highly aligned with the National's biodiversity and climate priorities, contributed to global environmental conventions (CBD, UNFCCC, UNCCD), addressing systemic gaps in credit access, resilience, and emissions reduction. It complements existing IDB and national rural development initiatives and meets GCF investment criteria. Rating: Satisfactory.

6. Effectiveness: In Guatemala, progress has been strong, with FUNDEA and FENACOAC demonstrating significant outreach (120,927 beneficiaries combined) and measurable productivity and resilience gains. FECCEG has launched a circular economy model in the coffee sector, already showing yield increases and improved financial liquidity. In Mexico, results are mixed: while early employment and mitigation benefits were achieved through Ejido Verde, governance and financing breakdowns led to default, exposing critical vulnerabilities. Forestry and land restoration funds have been slower to deploy than anticipated. Rating: Moderately Satisfactory.

7. Efficiency: Credit lines through cooperatives in Guatemala have been efficient and on track, while Mexico lags due to regulatory hurdles and governance issues. Financial management overall complies with GCF and IDB standards, but gender-disaggregated and safeguard reporting remain uneven. Rating: Moderately Satisfactory.

8. Sustainability: The sustainability of results varies. Guatemala's cooperative and microfinance channels demonstrate strong potential for replication and scaling, though gender equity and financing at the base of the pyramid remain challenges. In Mexico, sustainability has been undermined by governance risks and delays in forestry investment. Safeguard systems (ESMS) are in place but need reinforcement. Rating: Moderately Likely.

9. Monitoring and Reporting: Monitoring and reporting under FP048 generally complied with GCF and IDB Lab standards, though performance varied across countries and components. Annual Performance Reports (APRs) and financial statements were submitted regularly, documenting progress on key indicators, but gaps persist in gender-disaggregated reporting, GHG verification, and tracking of vulnerable groups. Despite these shortcomings, the Facility maintained sound financial accountability and adapted by reallocating resources to strengthen monitoring systems.

10. Cross-cutting issues: Gender and social inclusion remain only partially addressed. Available data suggest women's share of beneficiaries remains low, but an exact figure is not documented. Indigenous outreach is strong in Guatemala (particularly field mission visits to FUNDEA and FECCEG activities) but weaker in Mexico. Environmental and social safeguards require further strengthening, particularly at the subproject level. Rating: Moderately Satisfactory.

Conclusions

11. FP048 is performing at a Satisfactory level overall, with particularly strong results in Guatemala demonstrating the viability of cooperative and microfinance models for scaling climate-smart agriculture. However, challenges underscore the importance of governance due diligence, safeguard reinforcement, and dedicated instruments for reaching the most vulnerable groups. Overall, the project remains relevant and its Theory of Change is still plausible. However, the evaluation finds

[1] With ratings assigned using a six-point scale, the six-point scale is as follows: Highly Satisfactory (HS); Satisfactory (S); Moderately Satisfactory (MS); Moderately Unsatisfactory (MU); Unsatisfactory (U); Highly Unsatisfactory (HU). Sustainability is rated from Highly Likely (HL) down to Highly Unlikely (HU) The ratings against each criterion are 'weighted' to derive the Overall Project Performance Rating. The greatest weight is placed on the achievement of outcomes, followed by dimensions of sustainability.

that performance is highly sensitive to intermediary capacity, governance conditions, and the sequencing of financial instruments and technical assistance. Continued adaptive management will be critical to consolidating adaptation gains and strengthening the delivery trajectory of mitigation outcomes during the remaining implementation period.

Lesson Learned and Good Practices

12. The evaluation highlights that adaptation outcomes were most effectively delivered through locally embedded financial intermediaries, particularly cooperative and microfinance models, where concessional finance was combined with sustained and context-specific technical assistance. This approach facilitated uptake of climate-smart practices, early productivity gains, and improvements in livelihood resilience, especially in Guatemala.

13. A second lesson is the critical role of technical assistance in translating finance into outcomes. Technical support strengthened intermediary capacity, supported implementation of environmental and social safeguards, and enabled adoption of CSA practices. However, limitations in baseline data and gender-disaggregated monitoring constrained the ability to fully evidence resilience and inclusion outcomes at the interim stage.

14. In contrast, mitigation-oriented investments faced higher delivery risk, reflecting longer maturation timelines, greater regulatory and governance complexity, and dependence on large-scale co-financing, particularly in forestry and land-use activities. The experience of the Ejido Verde subproject illustrates the vulnerability of mitigation pipelines to institutional and financial shocks.

15. Overall, the Facility's experience underscores the importance of adaptive management in blended finance operations, enabling portfolio rebalancing and operational adjustments in response to implementation constraints, market conditions, and external risks.

Recommendations

16. To enhance performance during the remaining implementation period, the evaluation recommends strengthening mitigation outcomes delivery and the implementation trajectory, given current underperformance and elevated delivery risk. This includes close review of mitigation-oriented implementation in light of portfolio composition and pipeline maturity, and consideration of whether adjustments to indicators or related elements of the results framework may be warranted to ensure continued realism and evaluability.

17. In addition, the evaluation recommends reinforcing monitoring and reporting systems at intermediary level, particularly for mitigation results, gender-disaggregated outcomes, and environmental and social safeguards, to improve evidence-based decision-making. Further strengthening of safeguard capacity among financial intermediaries is needed to ensure consistent application of ESMS requirements and protection of vulnerable groups.

18. Finally, the evaluation recommends deepening gender-responsive and inclusive finance approaches and strengthening knowledge management and cross-country learning, to support replication of successful models and enhance the sustainability and impact of the Facility beyond the current implementation period.

1 The Project

1.1 Context

1.1.1 Intervention context

19. Agriculture in Guatemala and Mexico plays a decisive role in rural livelihoods, exports, and food security. Both countries confront structural challenges: low productivity, high levels of poverty and informality among smallholders, degradation of natural resources, and increasing climate risks. Agriculture and land use are also major contributors to greenhouse gas (GHG) emissions, underscoring the need for climate-smart transformation.

20. Guatemala: Agriculture remains a key pillar of Guatemala's economy, contributing approximately 9.7% of GDP and employing 26.7% of the workforce in 2023 (World Bank, 2024a[2], 2024b[3]). The sector underpins rural livelihoods and export earnings, as coffee, sugar, bananas, palm oil, and cardamom together accounted for nearly one-quarter of total exports, with coffee alone generating about US $1.08 billion in 2023 and exports reaching around 3.2 million 60kg bags (OEC, 2024[4]; USDA FAS, 2025[5]). Despite its macroeconomic importance, smallholder farmers often face low and volatile prices. Farm-gate values can fall below production costs, leaving many producers with incomes insufficient to cover household needs. Poverty and informality remain pervasive in rural areas: about 76% of the rural population lived in poverty in 2014, the most recent disaggregated estimate available, and approximately 90% of agricultural employment is informal, limiting access to finance and social protection (INE, 2024[6]). Credit access also remains limited, less than 5% of total banking credit is directed to the agricultural sector, one of the lowest shares in Latin America (IFC, 2023[7]). From an environmental perspective, agriculture is responsible for roughly 30% of Guatemala's national GHG emissions, nearly half associated with soil management and land-use change (Emission-Index, 2021[8]). Moreover, the coffee value chain generates large volumes of organic residues: processing approximately 5–6 kg of coffee cherries to produce 1 kg of green coffee, and if unmanaged, these by-products contribute to water pollution and methane emissions (European Coffee Federation, 2022[9]).

21. Mexico: Agriculture contributes ~3.7–3.8% of Mexico's GDP and employed ~12% of the labour force in 2023, underscoring the sector's structural relevance despite its modest macro share (World Bank,

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[2] World Bank. (2024a). Agriculture, forestry, and fishing, value added (% of GDP) – Guatemala. World Development Indicators. https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=GT

[3] World Bank. (2024b). Employment in agriculture (% of total employment) – Guatemala. World Development Indicators. https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=GT

[4] OEC. (2024). Guatemala country profile: Exports and imports (2023 data). The Observatory of Economic Complexity. https://oec.world/en/profile/country/gtm

[5] United States Department of Agriculture, Foreign Agricultural Service. (2025, April 30). Guatemala coffee annual 2025/0007. https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Coffee+Annual_Guatemala+City_Guatemala_GT2025-0007.pdf

[6] INE – Instituto Nacional de Estadística. (2024, August 21). El INE presenta cifras de pobreza en Guatemala. https://www.ine.gob.gt/2024/08/21/el-ine-presenta-cifras-de-pobreza-en-guatemala/

[7] IFC. (2023). Guatemala country private sector diagnostic. International Finance Corporation. https://www.ifc.org/content/dam/ifc/doc/2023/guatemala-country-private-sector-diagnostic-en.pdf

[8] Emission-Index. (2021). Greenhouse gas emissions by sector – Guatemala. https://www.emission-index.com/countries/guatemala

[9] European Coffee Federation. (2022, February). Journey of the bean: Coffee processing & quality. https://www.ecf-coffee.org/wp-content/uploads/2022/02/Final.-Journey-of-the-bean.pdf

2024a[10], 2024b[11]). Mexico is the world's leading producer and exporter of avocados, harvesting ~2.65 million metric tons in 2023 (with a 2.77 MMT forecast for 2024) and sustaining strong export demand; it also ranks among top global exporters in several berry categories (USDA FAS, 2024[12]). Performance, however, is dual: export-oriented agribusinesses are competitive, while smallholders cultivating staples (maize, beans) face persistent productivity gaps. Recent official briefs report maize yields of ~2.7 t/ha in rain fed systems versus ~9.3 t/ha under irrigation, with national averages around ~3.9 t/ha in 2023 (FIRA, 2024[13]). Poverty remains concentrated in rural and southern states: CONEVAL's latest national poverty release (2022) confirms high incidence in Chiapas, Oaxaca y Guerrero; rural poverty rates remain markedly above urban levels (CONEVAL, 2023/2024[14]). Financial intermediation is limited for the sector: official diagnostics consistently show credit to agriculture as a small share of bank portfolios (<< 5%), reflecting structural constraints in access to formal finance (CNBV, 2024[15]; IFC, 2023[16]). On climate, the agriculture/AFOLU system accounts for roughly low-teens percent of national GHGs, driven by deforestation, enteric fermentation and soil management (OECD, 2023[17]; SEMARNAT/INECC, 2025[18]). Land condition adds pressure: multiple technical assessments point to > 60% of territory with some degree of soil degradation, with implications for yields and water regulation (SEMARNAT/PAOT, n.d.[19]). Climate hazards amplify these stresses: Mexico experienced an exceptionally widespread drought in 2020–2021 (one of the most generalized on record), and aquifer over-exploitation is documented in several basins—e.g., Valle de

[10] World Bank. (2024a). Agriculture, forestry, and fishing, value added (% of GDP) – Mexico. https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=MX

[11] World Bank. (2024b). Employment in agriculture (% of total employment) – Mexico (ILO modelled, 2023 ≈ 11.96%). https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=MX

[12] USDA Foreign Agricultural Service (FAS). (2024, April 5). Mexico Avocado Annual (MX2024-0018) (2023 output ≈ 2.65 MMT; 2024 forecast 2.77 MMT; leadership in exports). https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Avocado+Annual_Mexico+City_Mexico_MX2024-0018.pdf

[13] FIRA. (2024). Panorama agroalimentario: Maíz 2024. (Rendimientos 2023: riego 9.30 t/ha; temporal 2.69 t/ha). https://www.fira.gob.mx/InfEspDtoXML/abrirArchivo.jsp?abreArc=122742

[14] CONEVAL. (2023–2024). Medición de la pobreza 2022 (sitio y anexo estadístico). https://www.coneval.org.mx/Medicion/MP/Paginas/Pobreza_2022.aspx

[15] Comisión Nacional Bancaria y de Valores (CNBV). (2024, October 23). Panorama anual de inclusión financiera 2024

[16] IFC. (2023). Guatemala & Mexico: Country Private Sector Diagnostics (credit to primary sectors snapshot; banking portfolio shares). https://www.ifc.org/content/dam/ifc/doc/2023/guatemala-country-private-sector-diagnostic-en.pdf

[17] OECD. (2023). Agricultural Policy Monitoring and Evaluation 2023: Mexico (sector GHG share ~low teens; AFOLU drivers). https://www.oecd.org/en/publications/agricultural-policy-monitoring-and-evaluation-2023_b14de474-en/full-report/mexico_62599e41.html

[18] SEMARNAT/INECC. (2025). Inventario nacional de emisiones de GEI 2022 (síntesis por sectores). https://www.gob.mx/cms/uploads/attachment/file/1018303/INEGYCEI__Dif_250725.pdf

[19] SEMARNAT/PAOT. (n.d.). Degradación del suelo en México (apuntes históricos; > 60% del territorio con algún grado de erosión en estimaciones clásicas).https://paot.org.mx/centro/ine-semarnat/informe02/estadisticas_2000/informe_2000/03_Suelos/3.2_Degradacion/index.htm

México—prompting water-security measures and regional hydrologic programs (UNAM, 2021[20]; Banxico, 2022[21]; CONAGUA, 2021; 2021–2024 Regional Water Programs[22]).

22. Both Guatemala and Mexico face a convergence of challenges:

    - Socioeconomic vulnerability: High rural poverty, financial exclusion, and informality constrain investment and innovation in agriculture.
    - Climate risks: Increasing frequency and intensity of droughts, hurricanes, floods, and pests threaten production stability.
    - Environmental degradation: Deforestation, soil erosion, and inefficient waste management increase emissions and undermine long-term productivity.
    - Finance gaps: Agricultural credit remains low in both countries (4% of total credit in Guatemala[23]; <3% in Mexico[24]), leaving most smallholders outside formal financial systems.

23. At the same time, both governments have made clear commitments in their Nationally Determined Contributions (NDCs) and REDD+ strategies, emphasizing sustainable agriculture, forestry, and land use. These policy frameworks create opportunities for climate finance, circular economy models, and risk-sharing mechanisms to catalyse transformative change.

1.1.2 Institutional context

24. The Low Emissions and Climate Resilient Agriculture Risk Sharing Facility (FP048) is implemented through the collaboration of the Green Climate Fund (GCF) and the Inter-American Development Bank Group (IDB Group), specifically IDB Lab as the executing agency. The Facility's governance and institutional framework rests on multi-layered partnerships: international climate finance, regional development institutions, national authorities, financial intermediaries, and producer organizations. This architecture is designed to mobilize blended finance and to ensure both technical and financial sustainability of supported interventions. IDB Lab serves as a catalytic actor, blending GCF concessional resources with private and public co-financing, while national cooperatives, funds, and banks implement lending and guarantee schemes. The Facility integrates governmental oversight, private financial institutions, producer federations, NGOs, and impact investors. This multi-actor model is essential for reaching smallholders and MSMEs in rural areas.

1.2 Results Framework

25. The Facility aims to deliver long-term mitigation and adaptation benefits by reducing GHG emissions from agriculture and land use, while enhancing the resilience of vulnerable populations. The

[20] UNAM, Instituto de Ciencias de la Atmósfera y Cambio Climático. (2021, May 14). Sequía 2020–2021: la segunda más severa del registro reciente. https://www.atmosfera.unam.mx/sequia-2020-2021-la-segunda-mas-severa-del-registro-reciente/

[21] Banco de México. (2022, August 31). Sequía en México y su potencial impacto en la actividad económica (Recuadro). https://www.banxico.org.mx/publicaciones-y-prensa/informes-trimestrales/recuadros/%7B3A0127A1-D0C9-7D61-C9AE-E57E127FB39B%7D.pdf

[22] Comisión Nacional del Agua (CONAGUA). (2021). Estadísticas del agua en México 2021. https://files.conagua.gob.mx/conagua/publicaciones/Publicaciones/EAM%202021.pdf

[23] WOCCU (Worldwide Foundation for Credit Unions). (n.d.). Guatemala: Financial inclusion / rural finance. https://www.woccu.org/global_programs/projects/guatemala2025

[24] World Bank. (2021). Mexico—Expanding Rural Finance Project (P153338) (p. 6). https://documents1.worldbank.org/curated/en/708001626185282394/pdf/Mexico-Expanding-Rural-Finance-Project.pdf

targeted lifetime reductions (~4 million tCO_2eq at mid-term) are directly aligned with the GCF Core Indicator for Mitigation. At the same time, the number of direct beneficiaries (~244,850 farmers, MSMEs, and cooperatives) contributes to the GCF Core Indicator for Adaptation, which tracks the degree of enhanced resilience of people, communities, and livelihoods. This dual-impact framing reflects a paradigm-shift ambition: simultaneously reducing emissions intensity of agriculture and increasing its adaptive capacity, consistent with both country NDCs (Guatemala and Mexico) and the GCF mandate.

Outcome level

26. **Increased Access to Finance for CSA and Forestry Investments:** This outcome focuses on the financial system's ability to channel resources into climate-smart practices. It is measured by the total financing mobilized (USD 20M GCF + USD 10M IDB Lab + ~USD 128M leveraged private finance). It complies with the principle of additionality, as concessional resources catalyse private investment that would otherwise not occur.

27. **Enhanced Productivity and Resilience in Agricultural Systems:** Indicators focus on yield increases (10%) and hectares under CSA (>199,846). This aligns with the GCF adaptation performance framework, which requires measurable improvements in resilience through adoption of adaptive technologies and practices.

28. **Reduced GHG Emissions Intensity in Farming and Forestry Value Chains:** GHG emissions per hectare and per unit of production are to be measured following IPCC/IDB methodologies. This outcome meets the GCF mitigation framework, ensuring that emission reductions are quantifiable, reportable, and verifiable.

29. **Improved Gender Inclusion in CSA Finance:** Targets specify that 30% of women beneficiaries should access financial products, 50% receive agricultural training, and 30% receive financial literacy/empowerment training. This complies with both the GCF Gender Policy and the IDB Group Gender Action Plan**,** ensuring gender-disaggregated monitoring and outcomes.

30. The Results Framework is strongly aligned with the Results-Based Approach (RBA). Its theory of change is clearly articulated, linking inputs and activities to outputs, outcomes, and long-term impacts through a logical and evidence-based chain. Indicators are designed to be SMART, covering hectares under CSA, the number of direct beneficiaries, and the proportion of women reached, ensuring progress is measurable and time-bound. The Facility also demonstrates attribution and additionality by showing how concessional resources from the GCF mobilize private capital and reduce lending risks, thereby validating the added value of public climate finance. Verification mechanisms, such as financial intermediary lending records, project M&E systems, and gender-disaggregated data, are clearly defined, meeting the RBA's requirement for transparent and evidence-based monitoring.

31. In terms of compliance with the GCF Performance Measurement Framework, the Facility incorporates both core mitigation and adaptation indicators: lifetime reductions of tCO_2eq are calculated using approved methodologies, and resilience outcomes are tracked through the number of direct beneficiaries. The mobilization of co-financing aligns with GCF's criteria on leveraging, while environmental and social safeguard requirements are upheld through the mandatory adoption of ESMS by partner financial institutions, in line with both GCF ESS and the IDB's ESPF. The Gender Policy is operationalized through explicit targets for women's access to finance and training, while the facility's institutionalization of CSA finance within rural financial systems contributes to long-term systemic change. Overall, FP048 combines quantifiable climate and development outcomes with safeguards and gender considerations, though challenges remain in ensuring consistent data

collection and verification across diverse financial intermediaries. The framework defines clear mid-targets (e.g., ~125,000 beneficiaries, 100,000 ha under CSA, 4 million tCO_2eq reductions). These are aligned with GCF core indicators and RBA principles. Nevertheless, baselines are incomplete or generic. For example, agricultural yields and GHG emission intensities are not yet fully established at the sub-project level. Without disaggregated baselines, measuring relative improvements will be challenging. Some indicators (e.g., "significant GHG reductions aligned with NDCs") are broad and require more quantitative, country-specific targets. Verification methodologies for yield increases and resilience outcomes (e.g., drought tolerance, food security indicators) are not standardized across financial intermediaries, which could lead to difficulty in demonstrating attributable impact at final impact evaluation.

32. Gender Indicators and Disaggregation: The Gender Action Plan (GAP) specifies concrete targets: 30% of women accessing finance, 50% trained in agriculture, and 30% in financial literacy. These exceed generic commitments and align with GCF's Gender Policy. Nevertheless, the lack of baseline gender data from financial intermediaries; most partners do not have robust gender-disaggregated lending records. No explicit indicators for women's leadership or decision-making power within cooperatives, despite GAP recommendations. There is a risk of meeting numeric gender targets without ensuring qualitative empowerment outcomes.

33. Environmental and Social Safeguards: Clear requirement that only FI-2 or FI-3 intermediaries (moderate/low risk) are eligible; Category A (high-risk) projects are excluded. All intermediaries must adopt ESMS before disbursement. Some capacity limitations were identified in smaller cooperatives and local intermediaries to operationalize ESMS effectively. In addition, monitoring of cumulative environmental impacts (e.g., potential land-use change from financed projects) is not sufficiently detailed and social safeguards for Indigenous Peoples are broadly referenced but not explicitly integrated into all FI sub-loan pipelines. There is a risk of uneven application of safeguards across countries and intermediaries.

34. Monitoring, Reporting, and Verification Systems: The Facility incorporates FI lending records, M&E systems, and IDB supervision missions as sources of verification. GHG accounting methodologies follow IPCC and GCF standards. Methodologies are defined at the framework level but lack harmonization at the sub-project level (e.g., coffee waste valorisation vs. pine resin plantations). Adaptation results: "Number of beneficiaries with enhanced resilience" is too broad; lacks qualitative resilience indicators (e.g., reduced income volatility, water security improvements). Data consistency is at risk because the reliance on multiple intermediaries' increases risks of fragmented reporting. Weak comparability and aggregation of results across interventions in Guatemala and Mexico.

35. The design of the project follows a clear results-based logic, establishing a connection between financial inputs and measurable climate and development outcomes through a coherent theory of change. Outputs are defined using quantifiable indicators, such as the number of beneficiaries reached, hectares managed with climate-smart practices, and tons of CO_2 equivalent reduced. This approach provides a structured framework for monitoring performance.

36. However, several key outcomes depend on external market factors, such as coffee price volatility, climate variability, and disruptions in global supply chains. This dependence presents methodological challenges when trying to attribute observed increases in yields or improvements in resilience solely to the project's interventions. Consequently, there is an inherent risk in accurately distinguishing the effects of project-funded activities from broader market trends or concurrent development initiatives. Certain private investments in Mexico, particularly in forestry and agroforestry initiatives, have shown relatively advanced levels of financial structuring and investor engagement prior to receiving concessional resources. This suggests that some of these projects may have been partially viable on their own, which could obscure the incremental impact of Green Climate Fund (GCF)

concessional finance. While these projects still align with the Facility's broader objectives, it is crucial to ensure that concessional resources are clearly directed toward addressing market gaps and enabling activities that may otherwise face barriers to implementation. These risks represent challenges in demonstrating causality and paradigm-shift potential.

1.3 Project Implementation Structure and Partners

37. The FP048 project is implemented through a multi-layered institutional structure that combines global climate finance, regional development leadership, national governmental oversight, financial intermediaries, and producer organizations. This structure ensures that both financial and technical resources reach MSMEs, cooperatives, and smallholder farmers in Guatemala and Mexico. At the global level, the GCF provides concessional resources and serves as the principal climate finance partner, while the Inter-American Development Bank Group (IDB Group), through IDB Lab, acts as the Accredited Entity and Executing Agency. IDB Lab is responsible for the overall management of the Facility, including financial structuring, oversight of safeguards, gender mainstreaming, monitoring and evaluation, and coordination with co-financing partners.

38. In Guatemala, the government's role is exercised mainly through the Ministry of Environment and Natural Resources (MARN), which issues no-objection letters, and through the Ministry of Agriculture, Livestock and Food (MAGA), and which ensure policy alignment with agricultural, environmental, and climate strategies. The implementation partners include: FUNDEA/MICOOPE, CRS, Heifer International (FENACOAC), the national federation of savings and credit cooperatives, which channels guarantees and loans to rural cooperatives and farmers. FECCEG (Federación Comercializadora de Café Especial de Guatemala), a federation of producer associations, leading circular economy initiatives in the coffee sector. Non-governmental partners such as Heifer International and Catholic Relief Services (CRS), which provide technical assistance, training, and extension services to enhance adoption of climate-smart practices.

39. In Mexico, project coordination is carried out in close collaboration with the National Designated Authority (NDA), the Ministry of Finance and Public Credit (SHCP), and with the Secretariat of Agriculture and Rural Development (SADER) and the Secretariat of Environment and Natural Resources (SEMARNAT). This coordination ensures that project activities are fully aligned with the country's Nationally Determined Contributions (NDCs), REDD+ strategies, and broader rural development and climate-resilient growth policies.

1.4 Stakeholders

40. The stakeholder landscape of FP048 is characterized by a mix of high-level financiers and regulators, financial intermediaries, and grassroots organizations that together shape the facility's effectiveness. At the international level, the GCF and IDB Lab hold the highest influence, providing concessional resources and managing overall implementation, safeguards, and results monitoring. Their leadership ensures compliance with global climate finance standards and drives alignment with RBA and GCF frameworks. At the national level, government authorities in Guatemala (MINFIN, MAGA, MARN) and Mexico (SHCP, SADER, SEMARNAT) should play a relevant gatekeeping role, ensuring that activities align with fiscal policies, agricultural strategies, and climate commitments (NDCs, REDD+). While their influence is medium, bureaucratic processes and policy changes may affect timeliness and consistency. Among financial intermediaries, FUNDEA/MICOOPE, CRS, Heifer International (FENACOAC) in Guatemala and national development banks, private financial and micro financial institutions, and impact funds are high-interest stakeholders. They directly determine the flow of finance to smallholder farmers and MSMEs, making their effective participation crucial. Their influence is substantial, though they also carry risks of credit default, risk aversion, or prioritization of

profitability over inclusiveness. At the producer and community level, organizations such as FECCEG, community ejidos, and NGOs like Heifer International and CRS ensure that resources and training reach smallholders. While their formal influence is lower than that of financial actors, their legitimacy and proximity to farmers make them indispensable for achieving adoption of climate-smart practices. Finally, the primary beneficiaries, smallholder farmers, cooperatives, and MSMEs, hold the highest interest as they are directly affected by facility outcomes. Although their formal influence is limited, the success of FP048 ultimately depends on their effective engagement, adoption of climate-smart practices, and resilience-building.

41. Engagement strategies were designed to ensure institutional ownership, technical credibility, and inclusiveness, while also responding adaptively to disruptions caused by the COVID-19 pandemic in 2020-2022. The following matrix provides a summary of the main stakeholder groups, their respective roles, level of engagement, and key findings on the effectiveness of their participation throughout the project cycle.

Table 3: Stakeholder Analysis Matrix

Stakeholder	Role	Interest	Influence	Findings and Remarks
Green Climate Fund (GCF)	Donor; sets strategic priorities; provides concessional resources	Ensure resources achieve paradigm-shift impact in mitigation/adaptation	High – funding authority	Critical for ensuring compliance with GCF standards and long-term climate impact
IDB Lab / IDB Group	Accredited/Executing Agency; manages funds, safeguards, M&E, knowledge products	Successful delivery and accountability of Facility outcomes	High implementation leadership	Plays central role in coordinating financial flows, safeguards, and M&E
MARN (Guatemala)	National Designated Authority (NDA) for the Green Climate Fund. Responsible for endorsing GCF-funded projects	Environmental authority; aligns projects with climate, REDD+, ESS frameworks. Environmental sustainability, reduced emissions, safeguards	High environmental and safeguard oversight	Key for environmental safeguards and NDC/ REDD+ alignment
MINFIN (Guatemala)	National authority; fiscal oversight, no-objection letters	Alignment with fiscal rules and transparency of financing	Medium regulatory, fiscal gatekeeping	Important fiscal oversight; may cause bureaucratic delays if not engaged early

MAGA (Guatemala)	Sector ministry; ensures agricultural alignment with CSA policies	Improved productivity, resilience, and food security	Medium – agricultural policy and extension	Influences agricultural strategy and extension services in rural areas
Ministry of Finance and Public Credit (SHCP) – Mexico	National Designated Authority (NDA) for the Green Climate Fund. Responsible for endorsing GCF-funded projects	Ensuring alignment with Mexico's national priorities, including the NDC, sectoral climate policies, and financial regulations. Provides oversight and policy coherence for GCF operations within the national financing architecture.	High influence / High interest	SHCP maintains strategic oversight but limited direct involvement in implementation. Coordination through IDB ensures compliance with national investment, environmental, and fiscal standards.
SADER (Mexico)	Sector ministry; policy coordination in agriculture and CSA finance	Scaling CSA and inclusive rural development	Medium – policy alignment in agriculture	Ensures CSA activities align with national agricultural strategies
SEMARNAT (Mexico)	Environmental authority; ensures consistency with NDCs and REDD+	Safeguards, mitigation/adaptation alignment, biodiversity conservation	Medium – environmental oversight, NDC commitments	Responsible for environmental monitoring and NDC commitments
MICOOPE (Guatemala)	Financial intermediary; channels guarantees/loans to rural cooperatives	Expanding credit portfolio; reducing risk exposure	High – determines credit delivery to rural actors	Essential for channelling guarantees and credit to rural smallholders
FECCEG (Guatemala)	Producer federation; leads circular economy	Improved incomes, reduced waste, sustainable	Medium influence in coffee sector and cooperative networks	Represents producer cooperatives; key for coffee sector transformation

	initiatives in coffee sector	coffee production		
Nat. Dev. Banks & Private FIs (Mexico)	Financial intermediaries ; deploy CSA loans/credit lines	Market expansion for CSA technologies; risk-adjusted returns	Medium/High provide credit and financing scale	Provides financing at scale; risk aversion may limit outreach
Heifer International / CRS (Guatemala)	NGOs; deliver training, technical assistance, extension support	Inclusive adoption of CSA practices; gender empowerment	Medium technical support affects adoption rates	Ensures technical capacity and training reach grassroots farmers
Community-based organizations & Ejidos	Local/community groups; implement forestry and land-use projects	Improved livelihoods, land management, resilience	Medium – local legitimacy, land access, community buy-in	Provides local legitimacy and access to land and community structures
Smallholder Farmers, Cooperatives, MSMEs	Primary beneficiaries; receive finance, training, CSA technologies	Access to finance, higher productivity, resilience, gender equity	High – ultimate project impact depends on their uptake	Core beneficiaries; ultimate success depends on their effective participation
FUNDEA (Guatemala)	Microfinance institution and subproject executing partner. .	Implements the CSA credit line for smallholder producers and MSMEs in Guatemala, focusing on adaptation investments and productivity improvements. Responsible for lending operations, data reporting, and safeguards compliance	High influence / High interest	Key delivery partner for FP048 in Guatemala. Demonstrated solid operational performance but requires stronger safeguard implementation capacity and monitoring systems. Works closely with IDB for portfolio management and gender mainstreaming.

1.5 Changes in Design during Implementation

42. During implementation, the Facility underwent several adjustments to respond to evolving financial and operational contexts in Guatemala and Mexico. One of the most significant design changes was the replacement of LIBOR with SOFR as the reference interest rate for loan operations, following

global financial market reforms. This required an amendment to the Funded Activity Agreement (FAA) and side letters to ensure alignment with the updated concessionality methodology and to maintain financial transparency and compliance with GCF requirements.

43. In 2023, the Facility requested its first extension from the GCF, and it was approved later that year. The extension aimed to ensure that ongoing subprojects were completed effectively and to adjust the implementation schedules according to the changing operational and financial situation. Additionally, the extension allowed for adjustments in the sequencing of the portfolio and ensured that the GCF-financed components aligned with the evolving operational timelines of the IDB Lab. Overall, this modification maintained the Facility's scope and objectives while making it more feasible to achieve the desired outcomes within a realistic timeframe. The ongoing execution of technical cooperation components and disbursement flows into 2025 indicate that an additional time adjustment may be required to ensure the completion of results verification, subproject closure, and reporting processes in line with GCF and IDB Lab standards. Therefore, a formal request from the IDB for a second extension has been documented.

44. Another modification was the strengthening of Environmental and Social Risk Management. At appraisal, the Facility was designed to exclude Category A projects; however, implementation required a more explicit framework for ESMS among financial intermediaries. Updated guidance documents were issued to harmonize safeguard compliance across institutions. The concessionality structure also underwent refinement to reflect updated financing conditions and risk assessments, ensuring that the GCF contribution retained its catalytic role in mobilizing private capital. Similarly, the Gender Action Plan was operationalized with clearer disaggregated targets, including a 30–50% participation of women in finance and training activities, reinforcing GCF gender policy alignment.

45. In terms of operational focus, while the Facility initially emphasized a broad range of CSA practices, early implementation experience led to greater emphasis on CSA models in Guatemala and forestry/land restoration investments in Mexico. This strategic refinement aimed to deepen impact where enabling conditions and stakeholder engagement were strongest, while still maintaining flexibility to support diversified CSA subprojects across both countries.

2 Evaluation Methods

2.1 Evaluation Approach

46. The interim evaluation of the FP048 "Low Emissions and Climate Resilient Agriculture Risk Sharing Facility" has been designed in line with the GCF Evaluation Policy, the Integrated Results Management Framework (IRMF), and the Operational Procedures for Accredited Entity-led Evaluations. The scope covers an assessment of the project's performance up to the midpoint of implementation, with particular emphasis on the extent to which progress aligns with the approved Results Framework and the intended paradigm shift objectives.

47. This evaluation used the principles outlined in the UNEG 'Ethical Guidelines for Evaluation.' The consultant team safeguards the rights and confidentiality of information providers, interviewees, and stakeholders through measures to ensure compliance with legal and other relevant codes governing data collection and reporting on data. The evaluator also ensures the security of collected information before and after the evaluation and protocols to ensure anonymity and confidentiality of sources of information where that is expected.

48. A clear separation was maintained between the evaluator and all entities involved in the design, financing, or implementation of the intervention. The evaluation team operated fully independently, with no financial, operational, or institutional ties to project stakeholders. During the design phase of the evaluation, transparency was ensured by establishing criteria, methodologies, and analytical protocols based on internationally recognized standards and good-practice benchmarks, thereby safeguarding the process from undue influence.

49. The evaluator had no role in the conception, design, or execution of the Program and has never been affiliated with any of the organizations responsible for its implementation. Likewise, the evaluator has not been employed by the IDB or IDB Lab—except as an external consultant on assignments unrelated to this Program—and has not participated in setting up or managing any component of the intervention under review. These safeguards collectively ensured that the evaluation was conducted with full independence, impartiality, and objectivity.

50. The evaluation examines project performance across six primary dimensions: relevance, efficiency, effectiveness, Monitoring and Reporting, Sustainability, and Cross-Cutting Issues. Relevance is assessed in terms of the alignment of the Facility's objectives with the climate change priorities of Guatemala and Mexico, as well as with GCF investment criteria. While Annex I presents the full evaluation framework and criteria matrix, the report narrative is organized around a streamlined set of primary criteria to enhance readability, analytical coherence, and alignment with GCF reporting practice.

51. Effectiveness focuses on the delivery of planned outputs, the achievement of intermediate outcomes, and the likelihood of reaching intended impacts. Efficiency considers financial management, implementation arrangements, and adaptive management mechanisms. The evaluation also reviews cross-cutting issues including gender responsiveness, social and environmental safeguards compliance, and stakeholder engagement, as mandated by the GCF Evaluation Standards.

52. The scope explicitly includes:

- Results and Performance: progress toward outcome and impact targets, using both GCF core indicators (GHG emissions reduced/avoided, beneficiaries with increased resilience, value of assets made more resilient, and hectares under improved practices) and project-specific indicators.

- Paradigm Shift Potential: qualitative and quantitative assessment of progress along the IRMF dimensions of scale, replicability, and sustainability.

- Enabling Environment: contributions of the Facility to strengthening institutional frameworks, market transformation, innovation, and knowledge generation, measured through IRMF enabling environment indicators.

- Stakeholder Engagement and Ownership: analysis of partnerships with national institutions, financial intermediaries, MSMEs, and smallholder farmers, as well as inclusiveness of women, youth, and Indigenous Peoples.

- Learning and Adaptive Management: identification of lessons learned, unintended effects, and recommendations for mid-course correction to optimize results during the remaining implementation period.

53. By applying a mixed-methods approach and triangulating evidence from document reviews, financial and results monitoring reports, and stakeholder consultations, the interim evaluation provides an independent and credible assessment of the Facility's progress. The scope is therefore both accountability-oriented, ensuring transparency on the use of GCF resources, and learning-oriented, providing actionable insights for adaptive management and future programming.

2.2 Data Collection

2.2.1 Primary data sources

54. The evaluation applied a mixed-methods design, integrating quantitative and qualitative approaches to assess FP048's performance against the approved Results Framework and the GCF Evaluation Policy. The methodology was grounded in the theory-based evaluation approach, using the project's Theory of Change as the primary analytical framework to validate causal pathways, test assumptions, and identify drivers and barriers of change. It also applied a utilization-focused lens, ensuring findings are actionable for IDB Lab, GCF, and national counterparts. The evaluation followed the OECD-DAC criteria adapted to GCF standards: relevance, coherence, effectiveness, efficiency, sustainability, and impact likelihood, with cross-cutting dimensions including gender equality, environmental and social safeguards, and stakeholder engagement.

55. The evaluation triangulated data from multiple complementary sources:

1. Document Review: Funded Activity Agreement (FAA) and amendments, Annual Performance Reports (APRs), financial monitoring data, Gender Action Plan, Environmental and Social Safeguards (ESS) reports, knowledge products, and intermediary reporting.

2. Stakeholder Consultations: Semi-structured interviews and focus groups with IDB Lab, financial intermediaries (e.g., FUNDEA/MICOOPE, CRS, Heifer International (FENACOAC)), NGOs, and producer and community organizations.

3. Beneficiary-based Consultations: Focus group discussions and surveys with smallholder farmers, cooperatives, and MSMEs in selected project areas to gather direct feedback on project benefits, challenges, and adoption of CSA practices.

4. Field Mission Observations: On-site visits were conducted in Guatemala to validate reported results, observe CSA practices (e.g., coffee circular economy initiatives), and assess safeguard compliance in situ. These visits included field-level interviews with beneficiaries, cooperative leaders, and local stakeholders.

5. Quantitative Data: Financial disbursement records, portfolio lending data, gender-disaggregated beneficiary counts, and monitoring indicators from intermediaries.

56. Instruments:

    - Interview Guides and Questionnaires for differentiated stakeholder groups (government, intermediaries, NGOs, beneficiaries).

    - Field Observation Checklists to systematically document CSA practices, infrastructure, safeguard measures, and gender participation.

    - Results Framework Assessment Tool for tracking indicator progress against baselines and targets.

    - Beneficiary Survey Instruments to capture farmer and cooperative-level experiences, benefits, and constraints.

    - Stakeholder Analysis Matrix for mapping engagement, influence, and collaboration dynamics.

    - Evidence Coding Matrix to organize findings by evaluation criteria.

    - Reconstructed Theory of Change as a participatory validation tool.

57. Assumptions and Limitations: The evaluation assumed that project reporting systems and intermediaries provide timely and reliable data, and that stakeholders (particularly beneficiaries) were available and willing to participate in consultations. Limitations included:

    - Data gaps, particularly around baseline yields, resilience metrics, and GHG emission intensities.

    - Attribution challenges, given market fluctuations (e.g., coffee prices) and climate shocks that affect outcomes independently of project interventions.

    - Field access constraints, as site visits were feasible in selected project areas only, which may limit representativeness of observations. Furthermore, a field mission to Mexico could not be conducted due to default and financial write-off of the Ejido Verde subproject. The implementing entity ceased operations, preventing on-site verification or beneficiary consultations.

    - Variability across different initiatives and contexts, complicating aggregation.

58. Despite these constraints, the integration of field observations and direct beneficiary feedback strengthened the validity of findings and provided grounded evidence of the project's early outcomes and challenges. Triangulation across documentary sources, stakeholder interviews, and on-site consultations ensured robustness and credibility of the evaluation results.

59. The primary purpose of the stakeholder interviews and Focus Groups Discussions (FGDs) was to collect qualitative and perception-based data to validate and enrich the findings from the desk review, progress reports and monitoring systems. These tools aimed to capture the experiential knowledge of those directly and indirectly engaged with the project across design, implementation, and use of results. The interviews and surveys provided valuable feedback on the project's achievements, gaps, and lessons learned. These consultations served to triangulate findings across multiple data sources and to ensure that stakeholder perspectives were systematically captured and reflected in the evaluation analysis. Interviewees and survey participants were selected based on specific inclusion criteria:

    - Relevance to Project Objectives: The evaluation seeks to involve individuals who are actively contributing to or benefiting from its initiatives.

    - Institutional Affiliation: Participants include representatives from key stakeholders who play critical roles in the project initiatives and implementing partners like IDB that provide technical and financial support.

    - Technical Expertise: The evaluation engages experts in several fields and environmental governance that promotes effective policy frameworks for managing natural resources.

    - Gender and Inclusion: Where possible, female professionals, gender focal points, and youth representatives were included to ensure diverse perspectives.

    - Level of Engagement: The evaluation recognizes the importance of engaging both high-level decision-makers and practitioners, including researchers and implementers, who are on the ground managing projects and driving results. This multi-tiered approach ensures that insights from various levels can inform decision-making processes effectively.

    This evaluation used the principles outlined in the UNEG 'Ethical Guidelines for Evaluation' The consultant team safeguards the rights and confidentiality of information providers, interviewees, and stakeholders through measures to ensure compliance with legal and other relevant codes governing data collection and reporting on data. The evaluation team also ensures the security of collected information before and after the evaluation and protocols to ensure anonymity and confidentiality of sources of information where that is expected. The evaluation process ensured that several key strategies remained free from external influence and bias through several key strategies: design, framework, data collection, analysis, findings, conclusions, and recommendations. A clear separation was maintained between the evaluator and the entities being assessed. The evaluation functioned independently, without any financial or operational ties to the stakeholders involved.

60. Throughout this 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. Data were collected with respect for ethics and human rights issues. All pictures were taken, and other information gathered after prior informed consent from people, all discussions remained anonymous, and all information was collected according to the UN 'Standards of Conduct'.

2.2.2 Strategies for inclusivity

61. A stakeholder mapping exercise was conducted during the inception phase to identify key actors across four tiers. The Project Document, stakeholder engagement strategies, progress reports, and consultations with Stakeholders informed the mapping. Notably, the evaluation maintained a neutral and independent stance, ensuring objectivity and minimizing potential bias in feedback collection. The evaluation team employed a mixed-method sampling strategy to ensure inclusivity and relevance while minimizing potential bias:

Purposive Sampling: This approach targeted individuals with high relevance, particularly those in leadership positions or technical coordination roles within institutions.

Snowball Sampling: This method was used to identify additional relevant stakeholders from academia, local agencies, or civil society, based on recommendations from initial interviews.

2.2.3 Secondary data sources

62. The evaluation drew extensively on a wide range of secondary data sources to assess project performance and results. Core project documentation and monitoring and reporting data were key sources of evidence. Financial and co-financing data were cross-checked using semi-annual project financial reports and the APRs which provided the most recent cumulative expenditure and co-financing figures. Additional documents collected from project partners and during consultations. The evaluation also made use of scientific publications and climate inventory records, as well as relevant national reporting to the CBD, UNFCCC, and UNCCD. Together, these secondary data sources provided a robust foundation for triangulation of evidence, enabling assessment of project design, implementation progress, financial delivery, and emerging results.

2.3 Data Analysis

63. The evaluation adopts a two-tiered approach to analysing and validating information: first, through a thorough review of project documentation, and second, by collecting data from stakeholder interviews and consultations. A comprehensive evaluation matrix was devised to guide the analysis, ensuring unbiased data collection to address the evaluation questions effectively. The methods used to analyze both quantitative and qualitative data included the following:

64. Analysis of Project Design and Implementation: This process involved examining the project's design, underlying assumptions, implementation performance, and measurable results in comparison to the management plans and results indicators. The aim was to identify any gaps between the project’s design and its actual delivery. The evaluation conducted a detailed review of the project’s logical framework, assessing the coherence between the project objectives and intended outcomes. Key materials such as progress reports, monitoring data, and financial records were analyzed to evaluate how consistently the implementation aligned with the project design.

65. A gap analysis was employed to assess performance by comparing measurable results to the expected outcomes outlined in the project’s results framework. This helped identify discrepancies between planned activities and actual results. Furthermore, indicator verification was conducted to cross-check reported achievements against the indicators established at the project's outset, ensuring an accurate evaluation of the project's success in meeting its targets. Stakeholder interviews provided additional insights into the project's execution, allowing for the validation of both successes and challenges encountered during implementation.

66. The evaluation used a combination of document review, gap analysis, and stakeholder feedback to assess the project's design, implementation performance, and overall effectiveness in achieving its intended results.

    - Descriptive Analysis and Cross-Checking: Evaluation indicators were verified against monitoring data collected from project documentation, reports, and external sources, ensuring that the findings were substantiated by reliable data

    - Thematic Narrative Analysis: A desk review was conducted to identify critical issues linked to the project indicators outlined in the evaluation matrix, enabling a deeper understanding of the project's context and impact.

    - Iterative Data Analysis: This process connects findings with the evaluation questions, facilitating the identification of key results.

67. The ToC-based approach involves evaluating a project's impact by examining whether its initiatives have led to the intended or observed changes. This analysis integrates findings from different sources to conclude the project's effectiveness, relevance, and sustainability. The evaluation tests the program theory by investigating whether and why the initiatives have caused the intended or observed outcomes.

68. All information and data collected during the evaluation process were systematically triangulated to ensure their validity and reliability. An evaluation matrix was employed to methodically address each research question, organizing the available evidence in alignment with key evaluation questions (See Annex 1). This structured approach not only facilitated the development of well-supported conclusions and actionable recommendations but also ensured that the insights derived were based on robust data.

69. Moreover, the triangulation process involved a comprehensive assessment of inputs gathered from diverse sources, including quantitative data, qualitative interviews, and stakeholder surveys across various organizational levels and categories. This multifaceted approach significantly enhanced the credibility and depth of the findings, allowing for a nuanced understanding of the subject matter.

2.4 Limitations and Mitigation Strategies

70. An evaluability assessment was conducted to determine the project's readiness for evaluation, focusing on its design, data availability, stakeholder engagement, and evaluation capacity. The findings summarize the assessment and highlights areas requiring improvement to facilitate a successful evaluation. While the assessment identified strengths, it also pinpointed several challenges and proposed strategies to effectively address these limitations. Potential Challenges and Mitigation Strategies:

71. Data Gaps: Incomplete or missing data posed a risk to conducting a comprehensive evaluation. To address this issue, the evaluation team implemented triangulation methods, using multiple data sources, including interviews, secondary reports, and external datasets, to cross-verify findings and fill information gaps.

72. Limited Stakeholder Participation: Logistical constraints risked reducing stakeholder representation, which is crucial for a thorough evaluation. To overcome this, alternative engagement methods, such as remote interviews, surveys, and consultations, were utilized to ensure the inclusion of diverse perspectives and broader representation.

73. Limited field verification: This constraint resulted from the default and cessation of operations of the Ejido Verde subproject, which made field-level verification neither feasible nor methodologically sound. The evaluation mitigated this limitation through systematic triangulation of verified secondary evidence (audited financial records, supervision and safeguard reports, default management documentation), structured remote consultations with IDB Lab staff with direct oversight responsibilities, and the application of a theory-based contribution analysis to assess plausibility of results. Findings related to Mexico were assessed using a conservative evidence standard and explicitly qualified where beneficiary-level verification was not possible, ensuring transparency and avoidance of over-claiming.

74. Attribution Challenges: Differentiating the project's specific impacts from external factors presented difficulties. The evaluation employed a theory of change approach combined with counterfactual reasoning to isolate the project's contributions and compare outcomes with other interventions in the sector.

75. Assessing Long-Term Benefits: Evaluating the project's long-term impacts was challenging due to the time required for many outcomes to fully materialize. To mitigate this, the evaluation incorporated a sustainability analysis, focusing on early indicators of potential long-term impacts and gathering stakeholder insights on the likelihood of sustained benefits.

76. Despite these limitations, the robust mitigation strategies ensured that the evaluation process could proceed effectively. The evaluation aimed to provide a reliable and comprehensive assessment of the project's performance and impacts by addressing data gaps, enhancing stakeholder participation, clarifying attribution, and analysing sustainability.

3 Theory of Change at Evaluation

77. While the Funding Proposal included an original Theory of Change (ToC) that articulated the intended intervention logic at design stage, the evaluation reconstructed the ToC as an analytical tool to assess its continued relevance, plausibility, and validity in light of implementation experience. The reconstructed ToC was not intended to replace the original design logic, but to test key assumptions, clarify causal pathways, and reflect contextual changes and differentiated delivery pathways observed during implementation. The reconstruction was informed by project documentation, field mission observations, and stakeholder and beneficiary consultations. This approach aligns with the GCF Evaluation Policy and the Integrated Results Management Framework (IRMF), which emphasize evidence-based analysis of causal linkages between project activities, outputs, outcomes, and impacts.

78. The reconstructed ToC builds on the original ToC presented in the Funding Proposal, but reflects learning from implementation and contextual changes. The original FP ToC assumed a largely linear and uniform causal pathway across Guatemala and Mexico, whereby concessional finance and technical assistance would be absorbed by financial intermediaries and MSMEs, leading directly to mitigation and adaptation outcomes at scale.

79. The reconstruction made explicit several assumptions that were implicit in the original ToC, particularly those related to intermediary capacity, governance conditions, and the role of technical assistance in sustaining outcomes and highlighted variations in how the intervention logic played out across countries. This process strengthened contribution analysis, supported a more nuanced assessment of effectiveness, and generated lessons for adaptive management and the design of future GCF-supported blended finance facilities. The reconstructed ToC differs in three key respects. First, it explicitly differentiates country-specific pathways, recognizing that cooperative-based finance in Guatemala validated the original assumptions, while forestry and impact-fund investments in Mexico were more sensitive to governance, regulatory, and market risks. Second, it makes institutional and governance assumptions explicit, treating governance stability and intermediary capacity as critical drivers of outcomes rather than implicit background conditions. Third, it elevates the role of technical assistance from a supporting input to a central mechanism for sustaining relevance, particularly for safeguards, gender mainstreaming, and risk management.

80. At its core, the Facility was designed to use blended finance instruments (loans, guarantees, equity) and technical assistance to unlock investment in CSA and forestry by MSMEs, cooperatives, and smallholder farmers. These activities are intended to produce immediate outputs such as increased access to credit, strengthened capacity of financial intermediaries, adoption of CSA practices, and functioning ESMS. Together, these outputs should generate intermediate outcomes: greater financial inclusion of rural actors, enhanced resilience of farming systems, reductions in GHG emissions intensity, and stronger gender empowerment. Over the longer term, these outcomes are expected to contribute to the project's intended impacts: reduced GHG emissions from agriculture and land use, and enhanced climate resilience of rural livelihoods in Guatemala and Mexico.

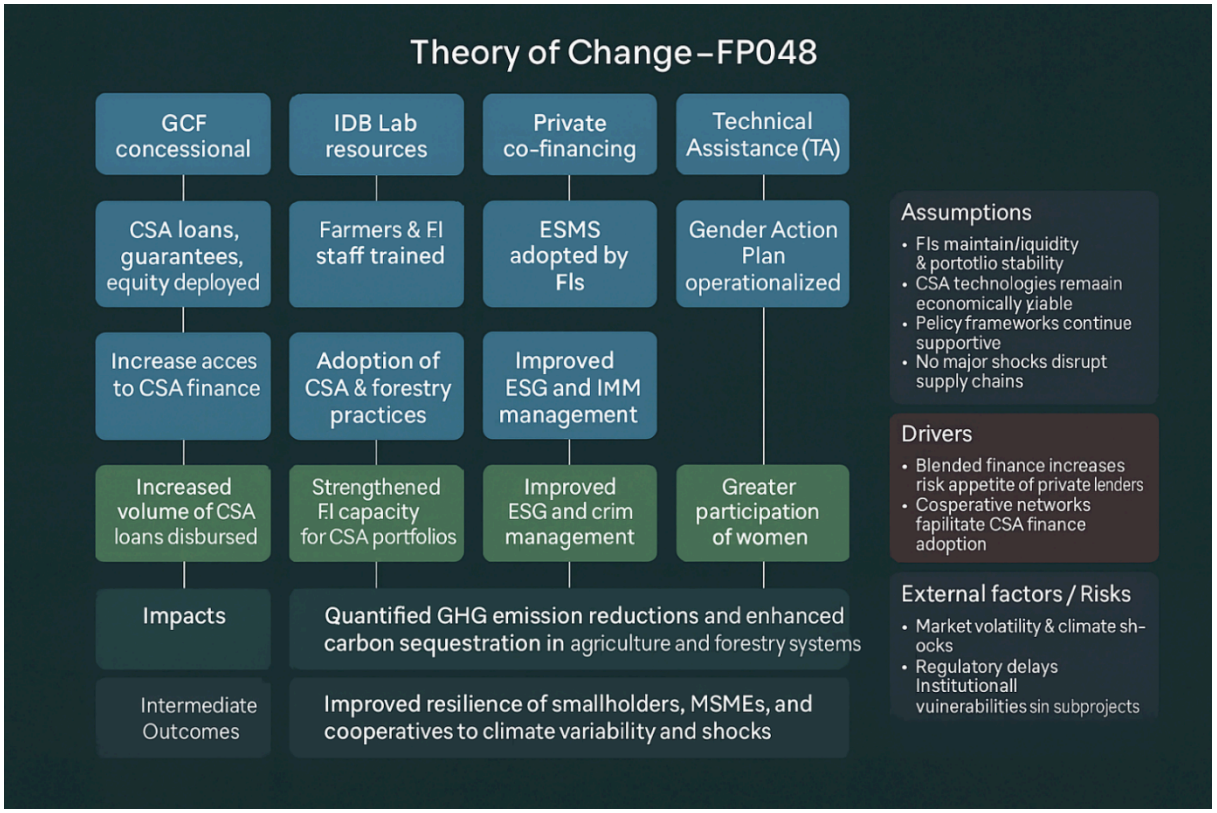
81. The ToC at evaluation also identifies key assumptions that underpin causal pathways. These include: (i) financial intermediaries will effectively channel concessional resources to smallholders and MSMEs; (ii) farmers will adopt CSA practices when credit and training are accessible; (iii) enabling policy frameworks in Guatemala and Mexico remain supportive of CSA and forestry investments; and (iv) external shocks such as climate events and market volatility will not fully offset gains from project interventions. Critical drivers include the catalytic role of concessional finance in mobilizing private sector capital, the engagement of cooperatives and producer associations in scaling CSA adoption, and the inclusion of women and Indigenous communities as active beneficiaries.

82. Field observations and beneficiary feedback confirmed that the ToC pathways remain broadly valid, but also highlighted emerging challenges. In Guatemala, cooperative-based credit lines and coffee sector circular economy models demonstrated strong uptake, reinforcing the link between concessional credit and CSA adoption. In Mexico, forestry and land restoration investments progressed more slowly, partly due to market and regulatory complexities, which suggests a weaker causal pathway in this area.

83. Overall, these differences reflect an adaptive refinement of the original design rather than a change in objectives. The core logic of using blended finance and technical assistance to catalyze low-emission and climate-resilient agriculture remains valid, while the reconstructed ToC clarifies the conditions under which this logic continues to hold in practice.

84. In summary, the ToC at evaluation confirms that the project's design logic is still plausible and relevant, but highlights the need to strengthen data systems, reinforce safeguard monitoring at intermediary level, and adapt financing models to national contexts. These refinements will ensure that the project remains on course to achieve its intended paradigm-shift contribution in line with GCF's mitigation and adaptation objectives.

Figure 1: Theory of Change



4 Evaluation findings (structured by Primary evaluation criteria)

85. The evaluation findings are structured around six primary evaluation criteria that serve as the backbone of the report: Relevance, Efficiency, Effectiveness, Monitoring and Reporting, Sustainability, and Cross-Cutting Issues. These primary criteria are fully aligned with the GCF Evaluation Policy and OECD-DAC principles. Additional criteria presented in Annex I (Evaluation Framework), such as Quality of Project Design, Coherence, and Impact Likelihood, are treated as analytical sub-dimensions within the relevant primary criteria rather than as standalone sections.

4.1 Relevance

86. The project was designed to complement and build upon existing national, regional, and international initiatives in biodiversity conservation, and climate change adaptation and mitigation. The Project implementation has strong synergies with ongoing interventions and demonstrated strong alignment with, and complementarity to, other interventions at the national, regional, and global levels. The project is well aligned with the development priorities of both countries. In Guatemala, the Facility directly supports the Ministry of Agriculture's strategies on CSA and the Ministry of Environment's goals on reducing emissions from land use and forestry. In Mexico, alignment is evident with SADER's rural development programs and SEMARNAT's forestry and REDD+ strategies. At the sectoral level, the project responds to systemic constraints faced by smallholders and MSMEs: lack of access to affordable credit, exposure to climate variability, and limited market integration. By addressing these gaps, the Facility contributes to broader objectives of poverty reduction, food security, and inclusive economic growth.

87. Since approval, the project has been implemented against a dynamic backdrop in Guatemala and Mexico. In Guatemala, climate shocks such as recurrent droughts in the Dry Corridor and international coffee price fluctuations have intensified the vulnerability of smallholder farmers. In Mexico, structural challenges in rural finance and slower-than-anticipated progress in forestry and land restoration investments have affected the pace of project uptake. Despite these shifts, the original assumptions underlying the Theory of Change remain broadly valid: concessional resources continue to be catalytic in reducing financial risks; smallholders are willing to adopt CSA practices when provided with adequate credit and training; and policy frameworks in both countries remain formally supportive of CSA and forestry. However, the evaluation found that some assumptions were only partially realized, particularly the expectation that financial intermediaries would uniformly adopt and apply robust ESMS and gender-disaggregated monitoring frameworks. While some assumptions have been challenged by contextual changes, particularly the uneven institutional capacity of financial intermediaries and the slower pace of forestry investments, the project has demonstrated adaptability. With targeted adjustments, FP048 remains a relevant and appropriate mechanism to support climate-resilient, low-emission agricultural development in both countries.

88. The project logic, using blended finance and technical assistance to unlock CSA investment, remains valid. Evidence from field missions and beneficiary consultations in Guatemala confirms that concessional finance through cooperatives such as MICOOPE, CRS, Heifer International (FENACOAC) and producer federations like FECCEG is directly linked to increased adoption of CSA practices, including soil management, circular economy models, and waste valorisation in the coffee sector. In Mexico, forestry and impact fund interventions continue to align with project objectives, though uptake has been slower, partly due to regulatory and market conditions. Forestry projects encounter numerous challenges, including complicated permitting procedures, lengthy environmental authorization processes, and fragmented land tenure arrangements, all of which hinder the timely availability of financing. Additionally, the forestry investment landscape in Mexico is limited by

restricted access to long-term capital, high perceived risks, and underdeveloped carbon market mechanisms. The Facility's programmatic relevance is reinforced by its dual mitigation and adaptation focus, consistent with both countries' Nationally Determined Contributions (NDCs) and sectoral climate action plans.

89. The evaluation finds that several systemic constraints continue to affect the Facility's ability to fully realize its intended results, particularly in relation to the consistency of environmental and social safeguard application, gender-disaggregated monitoring, and institutional risk management across intermediaries. Variations in intermediary capacity and governance arrangements have influenced implementation performance and sustainability prospects, especially in higher-risk investment contexts. These factors underscore the importance of adequate institutional capacity, risk mitigation mechanisms, and targeted technical assistance as determinants of effective delivery and sustained outcomes under blended finance operations.

90. The evaluation finds that several factors are relevant to understanding the Facility's performance to date. Evidence indicates that limitations in data systems, particularly with respect to gender-disaggregated monitoring and safeguards reporting, have affected the consistency and depth of results tracking. The analysis also finds that, while the overall project design remains relevant, performance has varied across sectors and modalities. Stronger uptake and more consistent results have been observed in loan-based financing. In addition, differences in intermediary capacity have influenced the application of Environmental and Social Management Systems and gender-related measures. These factors help explain observed variations in the relationship between financial flows and development outcomes, while the underlying intervention logic remains coherent.

91. The project was also highly complementary to ongoing national and regional initiatives, particularly in sustainable agriculture and climate adaptation and mitigation. By embedding its activities within the institutional framework of the National Climate Actions and linking to IDB's broader nature management agenda, the project ensured coherence and avoided duplication of effort. Complementarity with multilateral environmental agreement reporting frameworks (e.g., UNFCCC national actions) enhanced the project's value-added. This complementarity underscores how the project leveraged existing institutional and policy frameworks to maximize outcomes and the realization of intended synergies.

92. Overall, the project is assessed as Satisfactory (S) in terms of relevance. The intervention continues to address pressing climate and development challenges in Guatemala and Mexico, is strongly aligned with national priorities and GCF investment criteria, and retains a valid design logic.

93. Rating for Relevance: Satisfactory

4.2 Efficiency

94. Implementation efficiency varied between Guatemala and Mexico. In Guatemala, the cooperative-based model facilitated relatively smooth deployment of concessional credit, though administrative bottlenecks in processing guarantees slowed initial disbursements. In Mexico, efficiency challenges were more pronounced: impact fund operations and forestry-related investments faced delays due to lengthy regulatory approval processes, limited pipeline development, and slower-than-expected uptake by private financial institutions. Across both countries, reporting requirements on gender and safeguards were unevenly applied, creating inefficiencies in data consolidation and slowing progress toward unified monitoring.

95. Several systemic risks affected efficiency. First, institutional capacity gaps among smaller financial intermediaries limited their ability to adopt and operationalize ESMS, resulting in delays in fund disbursement. Second, macroeconomic volatility, including currency fluctuations and shifts in agricultural commodity prices, introduced uncertainty into lending conditions. Third, climate-related shocks (e.g., droughts in Guatemala's Dry Corridor and pest outbreaks in plantations) imposed additional strain, requiring flexibility in credit repayment structures. Finally, coordination challenges between intermediaries and implementing partners slowed alignment processes, particularly in Mexico's component.

96. The Facility was designed to leverage GCF's USD20 million contribution with USD10 million from IDB Lab and 124.75million in private and co-financing resources. At mid-term, half of the finance resources were committed, but the relative share of technical assistance spending was higher than anticipated due to the need for additional training, safeguard system development, and gender mainstreaming activities. Operational costs for managing multi-country implementation were higher than projected, reflecting the complexity of coordinating diverse financial intermediaries. Budget reallocations were approved to reflect shifting operational realities. Specifically, greater resources were directed to technical assistance and capacity-building activities in Guatemala, where uptake was faster, while resources in Mexico were partly reprogrammed to support pipeline development and regulatory compliance for forestry and impact fund operations. The replacement of LIBOR with SOFR as the benchmark rate also required technical adjustments in concessionality calculations, but did not significantly affect overall budget allocations.

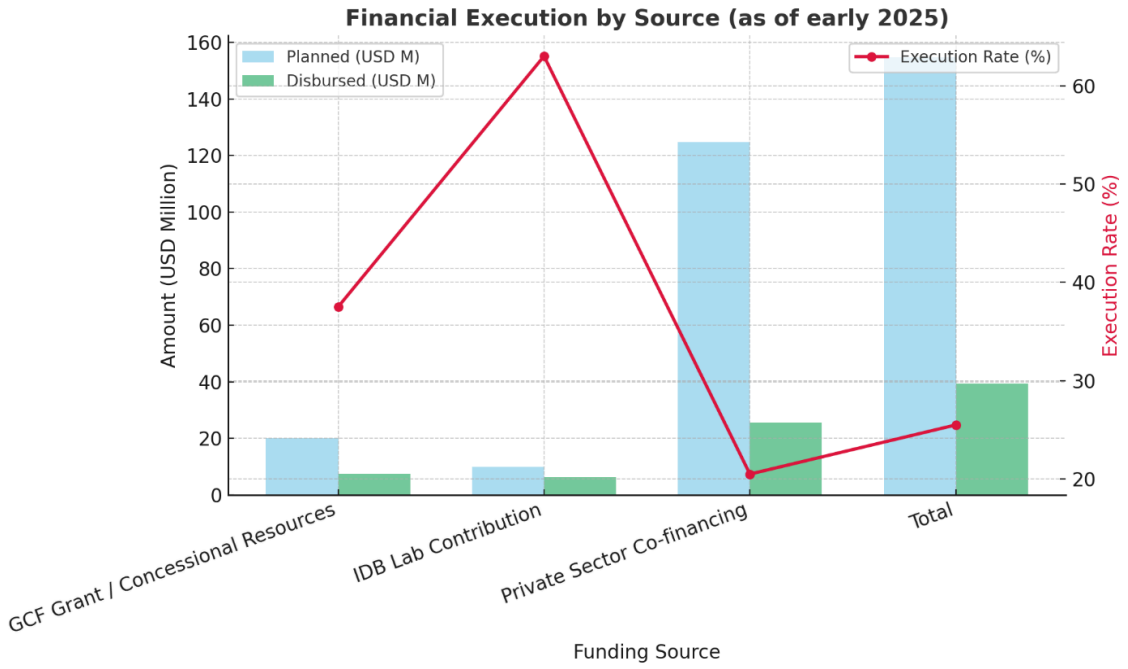
97. While disbursement levels in Guatemala were on track at mid-term, Mexico lagged behind, lowering overall financial execution efficiency. The cross-country comparison suggests that implementation structures relying on existing cooperative networks (Guatemala) were more efficient than those requiring complex fund structuring and regulatory approvals (Mexico). Nevertheless, both country programs remained within their approved budget envelopes and demonstrated adaptive management by reallocating resources to address emerging bottlenecks.

98. Financial management under FP048 has been generally sound, with funds disbursed and monitored in compliance with GCF and IDB Lab fiduciary standards. Concessional resources have been effectively managed through established financial intermediaries, particularly in Guatemala where cooperative networks facilitated timely deployment of credit lines. In Mexico, however, execution has been slower, reflecting both regulatory complexity and delays in pipeline development, which reduced overall disbursement efficiency at mid-term. The Facility adapted to global financial reforms by transitioning from LIBOR to SOFR as the benchmark interest rate, ensuring alignment with international standards and maintaining concessionality calculations. Financial reporting has been regular and consistent, though the evaluation identified a need for more granular, gender-disaggregated financial tracking and harmonized reporting formats across intermediaries. Overall, financial management is assessed as Satisfactory, with prudent oversight but scope for improvement in cross-country consistency and reporting detail.

Table 5: Financial Management Summary

Category	Planned (USD M)	Disbursed (USD M)	Execution Rate (%)	Remarks
GCF Contribution/Concessional Resources	20.0	7.5	37.5%	On track but uneven between countries.
IDB Lab Contribution	10.0	6.3	63.0%	Steady progress, disbursements linked to active subprojects.
Private Sector Co-financing	124.75	25.6	20.5%	Below target; mobilization slower in Mexico.
Total	154.75	39.4	25.5%	Overall execution at ~25% of total planned.

Figure 2: Financial Management Summary



99. The Facility's financial execution can be interpreted through two complementary lenses: direct project financing and leverage-based performance. From a financial execution perspective, progress stands at approximately 25–26% of total planned resources (USD 39.4 million of USD 154.75 million), reflecting steady disbursement of GCF and IDB Lab funds but slower mobilization of private co-financing. When analysed from a leverage-based perspective, which focuses on the core concessional and counterpart funds (GCF and IDB Lab), execution reaches nearly 46%, indicating halting operational performance among active subprojects. The lower aggregate rate is primarily due to the lag in private capital mobilization, particularly in Mexico, where pipeline development and

regulatory constraints delayed financial closure of equity operations. This distinction underscores that, while internal Facility resources are being executed efficiently, external capital leverage remains below projections and continues to be the main determinant of overall efficiency performance.

100. The evaluation rates efficiency as Moderately Satisfactory (MS). The Facility has demonstrated prudent budget management and adaptive reallocations, ensuring resources remain targeted toward achieving results. However, delays in Mexico, uneven safeguard and gender monitoring, and higher-than-expected operational costs have reduced overall efficiency. With targeted measures to streamline approval processes, enhance finance instrument flexibility, extend investment implementation period, strengthen financial intermediary capacity, and improve monitoring systems at intermediary level, efficiency could be enhanced during the remaining implementation period.

4.3 Effectiveness

101. Effectiveness is assessed as the extent to which FP048 has contributed to the achievement of its intended outcomes, in line with OECD-DAC criteria and GCF IEU guidance. Given the facility-based and multi-country nature of the intervention, outcome achievement is assessed through aggregation and triangulation of evidence across sub-projects, intermediaries, and delivery pathways, rather than at the level of individual investments.

102. The section first presents illustrative sub-project analyses to contextualize performance across different delivery modalities. This is followed by an aggregated outcome-level assessment supported by Table 7A (Outcome-Level Progress) and Table 7B (Output-Level Delivery**)**, which synthesize portfolio-wide evidence and underpin the interim effectiveness ratings

4.3.1 Subprojects Results and Analysis:

Ejido Verde subproject:Transforming Degraded Community Lands into Sustainable Jobs, Incomes and Carbon Sinks

103. Ejido Verde (EV) was conceived as one of the most innovative sub-projects under FP048, aiming to convert degraded communal (ejido) lands in Michoacán, Mexico, into sustainable pine plantations for resin extraction. With combined financing of USD 5 million (USD 3.5M from GCF and USD 1.5M from IDB Lab) plus USD 200,000 in technical assistance, the project aimed to expand and maintain commercial pine plantations over an additional 1,200 hectares, financed through IDB Lab resources, complementing the 4,262 hectares already established before project approval. The long-term target was to reach approximately 12,000 hectares, contingent upon securing additional financing from external investors beyond the Facility's contribution. The model integrated climate change mitigation through carbon sequestration, adaptation via community-based forestry, and inclusive development by generating long-term employment and income opportunities for low-income and indigenous communities.

104. During its early implementation, Ejido Verde demonstrated progress: financial statements were submitted regularly, interest payments were made on time through 2023, and the technical cooperation grant was fully executed, supporting capacity-building activities and ensuring compliance with environmental and social safeguards. The project also provided employment opportunities to rural households, with a deliberate focus on gender inclusion and participation of indigenous communities, aligning with FP048's objectives of combining climate-smart land use with social equity.

105. Starting in 2023, Ejido Verde faced significant governance and financial challenges following an internal dispute within its parent company, which resulted in management changes and the loss of

key co-financing opportunities from impact investors. These developments weakened the company's financial position, leading to missed debt service payments from early 2024 and eventual default. Despite follow-up actions by IDB Lab, the situation deteriorated further, culminating in a substantial write-down of community receivables and a sharp reduction in assets. In mid-2025, IDB initiated and completed the loan write-off process for the Ejido Verde subproject and formally notified the GCF.

106. The Ejido Verde case illustrates both the potential and risks of innovative, community-based forestry finance under FP048. On the positive side, the project demonstrated that degraded communal lands can be transformed into productive landscapes, generating significant climate mitigation benefits through carbon sequestration while also creating sustainable income streams for rural households. Its early-stage results confirmed the feasibility of mobilizing climate finance into non-traditional sectors such as resin production, with important social co-benefits in job creation, inclusion of women, and participation of indigenous communities.

107. At the same time, the experience exposed critical vulnerabilities in governance and financial structuring. The company's internal shareholder dispute, change in senior leadership and subsequent breakdown in corporate governance underscored the need for enhanced governance risks. The inability to secure and maintain large-scale impact investment partnerships (e.g., with Mirova and DFC) further highlighted the dependence of such projects on external capital inflows and the importance of diversifying financing sources. Additionally, the lack of a structured risk management framework for community receivables contributed to the erosion of assets when defaults began to accumulate. These governance failures ultimately weakened the causal pathway from concessional finance to sustained mitigation outcomes.

108. From an effectiveness perspective, the Ejido Verde experience confirms the technical feasibility and potential climate and livelihood benefits of community-based forestry finance, while also demonstrating that governance and co-financing risks can significantly weaken the causal pathway from concessional finance to sustained outcomes. As such, the contribution to mitigation and resilience outcomes is assessed as plausible but constrained.

FUNDEA subproject: Financing climate-smart agricultural technologies for micro and small enterprises and farmers in Guatemala

109. The FUNDEA subproject under FP048 is one of the most advanced and operationally consistent initiatives in Guatemala. Its primary goal is to expand access to CSA technologies and financial services for micro and smallholder farmers. FUNDEA combines concessional credit, technical assistance, and digital tools to promote the adoption of CSA. The project supports various technologies, including hydro-absorbent polymers, solar-powered irrigation pumps, and rain gauges, while also enhancing clients' financial literacy and resilience. As of 2024, FUNDEA has reported reaching 27,321 active clients (heads of household) with an outstanding gross loan portfolio of USD 65.4 million. Additionally, it has maintained a Portfolio at Risk (PAR) of more than 30 days at 2.46%, which is significantly lower than the sector's benchmark of 8%.

110. The findings presented in this section draw primarily from the Annual Performance Report (APR 2024) submitted by the subproject, complemented by semi-structured interviews and beneficiary-based consultations conducted during the evaluation process. The APR data provided quantitative evidence on outreach, portfolio performance, and results indicators, while field-level consultations enriched the analysis by capturing implementation challenges, adoption drivers, and socio-economic impacts at the beneficiary level.

111. The subproject promotes the adoption of key CSA technologies, such as hydro-absorbent polymers, solar-powered irrigation pumps, and rain gauges, while integrating financial literacy and

resilience-building components into its lending model. FUNDEA's approach leverages its extensive rural network to reach smallholders in climate-vulnerable areas, aligning with national priorities established in Guatemala's "Plan de Tecnificación Agrícola". By 2024, the institution had reported reaching 27,321 active clients, maintaining an outstanding loan portfolio of USD 65.4 million, and achieving a Portfolio at Risk (PAR) >30 days of only 2.46%, a figure significantly below the national microfinance benchmark of 8%. These results underscore the institution's sound financial management and capacity to deliver sustainable, climate-aligned financial products to small-scale producers. On the climate and development front, FUNDEA reported that by 2024, 3,197 hectares were being managed using CSA or sustainable production systems. Additionally, 3,026 farmers received training in CSA practices and financial education. Approximately 86.5% of the direct beneficiaries were identified as Indigenous, which aligns strongly with the GCF's objectives for social inclusion and vulnerability reduction. The productivity gains were significant, with average crop yields increasing by around 18% compared to baseline levels. Furthermore, early estimates suggested a reduction of 0.1 tCO_2eq, as a result of replacing diesel pumping with solar irrigation. FUNDEA has established 10 demonstration plots to pilot CSA technologies and produced audio-visual communication materials in Mayan languages, which helps facilitate outreach to Indigenous communities. The institution has also developed and begun implementing its Environmental and Social Risk Management System to be applied across more than 5,700 loan operations. While the SGRAS is functional and integrated into due diligence procedures, the monitoring and reporting capabilities at intermediary level need strengthening to fully comply with the GCF and IDB ESMF standards.

112. The outcomes for gender equality remain modest. While women have participated in training sessions and secured credit lines, they represent less than 30 percent of the direct beneficiaries. Ongoing gender-based barriers to asset ownership and the ability to use collateral are limiting women's access to finance. This situation highlights the need for customized financial products, targeted outreach efforts, and improved monitoring of gender-related indicators.

113. Overall, FUNDEA shows that microfinance institutions can effectively direct CSA financing to smallholders while maintaining high portfolio quality and promoting inclusion. The combination of concessional financing, field demonstrations, and mobile banking services helped to overcome initial hesitance toward adopting new technologies. Its approach aligns with Guatemala's National Agricultural Technification Plan (*Plan de Tecnificación Agrícola*) and is highly replicable throughout Central America. Continued investment in gender integration, digital literacy, and monitoring safeguards would be expected to strengthen FUNDEA's position as a regional leader in climate-resilient rural microfinance.

114. Evidence from the FUNDEA subproject demonstrates a strong and coherent causal link between concessional finance, technical assistance, and outcome-level results, including increased access to climate-smart finance, adoption of CSA technologies, and early productivity and resilience gains. This subproject provides robust evidence supporting achievement of FP048's intended outcomes in Guatemala and represents a comparatively strong contribution to overall effectiveness.

MICOOPE, CRS and Heifer International Subproject (FENACOAC) – Expanding Climate-Smart Finance through Cooperative Guarantees in Guatemala

115. The FENACOAC subproject seeks to strengthen the cooperative financial sector's ability to deliver CSA financing and services tailored to rural producers. Implemented in partnership with five savings and loan cooperatives (S&Ls) of the MICOOPE network, alongside Heifer International and Catholic Relief Services (CRS), the initiative builds financial inclusion for smallholder farmers by combining guarantee mechanisms, technical assistance, and innovation in agricultural risk modelling. The project's approach focuses on improving access to finance for CSA technologies, such as drip

irrigation, soil conservation structures, and bio fertilizers and on strengthening the analytical capacity of rural cooperatives to manage agricultural risks.

116. The quantitative data presented in this section are derived primarily from the APRs submitted under the Facility's official monitoring framework. Supplementary qualitative information was gathered through semi-structured interviews with subproject partners, staff, cooperative representatives, and local beneficiaries. This mixed-methods approach ensured both data reliability and contextual depth in assessing implementation progress. By 2023, the project reported having mobilized approximately USD 20.3 million in agricultural lending, supported through partial credit guarantees under the project's framework. These loans benefited around 8,564 smallholder farmers, primarily financing CSA-related investments. Complementary training activities reached 5,083 cooperative members and producers, with modules on financial literacy, savings management, business planning, and climate risk mitigation. Farmers who accessed CSA financing reported yield improvements between 15% and 20% in coffee, maize, and horticultural systems, as well as greater income stability during drought and irregular rainfall periods.

117. Beyond financing, the subproject advanced significantly in data-driven risk analysis and digitalization. The subproject and its technical partners developed a predictive agricultural credit risk model incorporating AI and Big Data, which uses crop-cycle data, agro climatic variables, and historical repayment behaviour to improve credit scoring and risk evaluation. In addition, 24 demonstration plots were established in 2023 across the cooperative network, serving as practical learning sites for soil and water management innovations. These plots became key hubs for peer-to-peer learning, where producers validated practices before adoption, effectively linking financial innovation with applied agronomic knowledge.

118. Structural inclusion challenges continue to be an issue. Financing for producers at the base of the pyramid, including indigenous and community-based smallholders, remains difficult. These groups often lack collateral, formal credit histories, and sufficient transaction volumes to meet standard cooperative lending requirements. Although FENACOAC has expanded its outreach, the credit and guarantee products primarily benefit mid-tier and commercially integrated producers, leaving the poorest and most vulnerable households underserved. Without additional mechanisms, such as micro-guarantees, blended grant-credit instruments, or community revolving funds, the Facility risks widening the gap between high-capacity and low-capacity producers, thereby limiting its ability to create transformative change in rural Guatemala.

119. The subproject illustrates that partial guarantee schemes can effectively reduce risks in CSA finance and promote credit based on cooperatives. This approach has successfully enhanced the capacity for financial intermediation and increased access to credit in rural areas that have traditionally been excluded from formal financial systems. However, the long-term sustainability of this model appears contingent on strengthening environmental and social safeguard systems, addressing gender and inclusion disparities, and creating tailored instruments to support the most climate-vulnerable segments of the rural population. The model demonstrates potential to inform as a regional blueprint for cooperative climate finance throughout Central America.

120. From an effectiveness perspective, the MICOOPE, CRS and Heifer International (FENACOAC) subproject demonstrates a strong and coherent causal pathway between concessional guarantees, cooperative-based financial intermediation, and outcome-level results. The guarantee mechanism effectively reduced lending risk for cooperatives, enabling expanded access to finance for smallholder farmers and MSMEs and supporting the uptake of climate-smart agricultural practices. Evidence from this subproject indicates meaningful progress toward FP048's intended outcomes related to financial inclusion, adoption of CSA technologies, and early resilience gains. The performance of the cooperative guarantee model in Guatemala therefore provides credible evidence

of outcome achievement and reinforces the overall effectiveness of the Facility in contexts where institutional capacity and cooperative networks are well established.

FECCEG Subproject – Circular Economy for Coffee and Climate Resilience

121. The FECCEG subproject, implemented under FP048, represents one of the most innovative and community-driven initiatives of the Facility, pioneering a circular economy model within Guatemala's coffee value chain. With total financing of approximately USD 2 million—including USD 496,000 in GCF concessional resources and USD 1.5 million from IDB Lab—the subproject seeks to convert coffee-processing residues into bio-inputs and biochar, while improving cooperative infrastructure to enhance cost efficiency and strengthen resilience among smallholder coffee producers. According to FECCEG representatives, the initiative responds to the persistent dual challenge of climate vulnerability and income instability affecting smallholders, the majority of whom (around 90%) belong to Indigenous communities in highland coffee-growing regions.

122. Given the early stage of implementation, evidence is primarily qualitative at this point. Based on interviews, by early 2025 the subproject had completed approval and disbursement processes under the Facility, allowing implementation to progress during the first semester of the year. Despite minor delays in initial fund flow, stakeholders reported that FECCEG had successfully launched key operational activities and integrated into the Facility's broader monitoring framework. Cooperative leaders and beneficiaries highlighted that the initiative had already begun to generate tangible improvements in climate adaptation, productivity, and farmer organization.

123. Interview findings indicate that FECCEG's cooperative model is strengthening local adaptive capacity through training in CSA, the establishment of demonstration plots, and the gradual adoption of bio-inputs and organic fertilization. Beneficiaries emphasized that these practices have contributed to greater soil fertility, more stable yields, and enhanced knowledge of sustainable production techniques. While quantitative indicators were not yet systematically available through the Facility's monitoring system at the time of this evaluation, local accounts suggest that the project has reached a broad base of smallholders and is beginning to influence community-level practices related to waste valorisation and water management.

124. From a mitigation perspective, FECCEG's technical team confirmed that bio-char and bio-fertilizer production had commenced on a pilot scale, but measurable GHG reductions remain preliminary. The cooperative faced several technical challenges, particularly with the bio-char furnace, which required adjustments to reduce smoke emissions and improve combustion efficiency. Staff also noted that production volumes of bio-inputs and bio-char are below original expectations, pointing to the need for operational optimization and better maintenance protocols before scaling up production.

125. Regarding safeguards and institutional systems, FECCEG has established labour, gender, and child-labour prevention policies consistent with IDB and GCF requirements. However, both staff and cooperative representatives acknowledged the need to strengthen the Environmental and Social Management System (ESMS), particularly in areas such as wastewater treatment, occupational safety, and grievance redress mechanisms.

126. Overall, the FECCEG subproject demonstrates a highly promising approach to integrating circular economy principles into a traditional agricultural value chain, reinforcing both environmental sustainability and cooperative-based market inclusion. This subproject provides additional evidence that FP048's blended finance and technical assistance approach can support progress toward

intended outcomes when delivery mechanisms align with local capacities and market conditions. The evidence indicates a plausible contribution to the project's mitigation and adaptation objectives, with effectiveness moderated by institutional capacity and external constraints.

4.3.2 Outcome-level changes attributable to the Facility

127. This section assesses the extent to which the project has achieved its intended outcomes, in accordance with OECD-DAC and GCF guidance, which define Effectiveness as the degree to which outcomes are achieved. At the outcome level, the evaluation assesses the extent to which FP048 has contributed to changes that are plausibly attributable to the Facility's blended finance and technical assistance interventions. Given the portfolio-based and financial-intermediation nature of FP048, outcome achievement is assessed through aggregation and triangulation of evidence across sub-projects, intermediaries, and delivery pathways. Sub-project evidence is therefore used to substantiate outcome-level performance rather than serving as the unit of analysis.

128. The primary purpose of FP048 to catalyse CSA investment through risk-sharing finance and technical assistance, has been partially achieved at the interim stage. In Guatemala, credit lines through cooperatives (e.g., MICOOPE) and producer federations (e.g., FECCEG) have demonstrated tangible results, with smallholders accessing concessional loans, adopting CSA practices, and participating in circular economy initiatives in the coffee sector. However, forestry and impact fund components have progressed more slowly, limiting the overall achievement of the program's purpose to date.

129. Adaptation outcomes were assessed using a combination of quantitative proxy indicators (including hectares under improved and effective management and reported changes in productivity) and qualitative evidence from beneficiary consultations, field observations, and intermediary reporting. Given baseline limitations and the interim timing of the evaluation, reductions in climate-related losses and improvements in livelihood resilience were inferred through theory-based contribution analysis rather than direct measurement-

130. Table 7A provides a consolidated overview of progress toward FP048's intended outcomes, summarizing portfolio-level evidence across countries and delivery pathways and aligning interim outcome performance with relevant IRMF and GCF core indicators. The outcome-level analysis presented below draws on Table 7A as a reference point for synthesizing evidence, identifying constraints, and substantiating interim performance ratings.

131. The outcomes presented in this table are derived from the Results Framework approved in the Funding Proposal and the Funded Activity Agreement (FAA). For evaluation purposes, these outcomes have been aligned with the Green Climate Fund's Integrated Results Management Framework (IRMF).

132. Consistent with the interim nature of the evaluation, the table prioritizes adaptation outcomes that are observable at outcome level, while mitigation outcomes, given their longer maturation timelines, are assessed primarily at impact level in Section 4.4 (Climate Impacts). Mitigation results under FP048 are operationalized primarily at impact level through PMF Indicator M4.1 / CI-6 (tCO_2e reduced or avoided).

Table 7A. Summary of Outcome-Level Progress

Outcome	Outcome description (FP/FAA):	IRMF / GCF Core Indicator alignment	What Changed (Interim Evidence)	Status	Outcome Rating	Means of Verification (MoV)
Outcome 1: Increased access to climate-resilient and low-emission finance	The Facility has contributed to expanding access to concessional, climate-resilient finance for MSMEs and smallholders through financial intermediaries and producer organizations, enabling investments in climate-smart agriculture (CSA) and resilient productive activities	Enhanced adaptive capacity and resilience through improved access to climate-resilient finance.	Portfolio-level evidence indicates increased availability and uptake of CSA-oriented financial products, particularly in Guatemala, where cooperatives and microfinance institutions have extended credit to smallholders previously excluded from formal finance. Access to finance has functioned as a key enabler for the adoption of resilient practices, with performance varying by country and intermediary capacity.	Early progress	Moderately Satisfactory	Facility monitoring reports; financial intermediary (FI) portfolio data; sub-project progress reports; interviews with implementing partners.
Outcome 2: Adoption of climate-smart practices and technologies contributing to improved resilience and adaptive capacity	Project beneficiaries have adopted climate-smart practices and resilient technologies, supported by finance and technical assistance, contributing to improved productivity, reduced climate vulnerability, and strengthened rural livelihoods.	Increased resilience of livelihoods and ecosystems through adoption of climate-smart practices.	Adoption evident where finance was complemented by sustained TA. Progress is evidenced, inter alia, by expansion in the hectares of land under improved and effective management (PMF Indicator M9.1) Changes in agricultural performance are reflected in the average percentage increase in farm productivity, although measurement at interim stage remains subject to climate variability and market factors.	Early progress	Moderately Satisfactory	Sub-project monitoring data; technical assistance reports; beneficiary surveys and interviews; field mission observations.
Outcome 3: Enhanced resilience and adaptive capacity of targeted beneficiaries	The project has contributed to strengthening the resilience and adaptive capacity of targeted beneficiaries through the combined provision of finance, technical assistance, and institutional capacity-building	Number of direct beneficiaries with increased resilience and adaptive capacity.	Early resilience signals where CSA investments and advisory services were sustained; limited direct measurement at mid-term. Increases in the area of land under improved management also contribute to enhanced resilience and adaptive capacity by improving soil health, water and climate risk management practices. Observed productivity gains also	Early progress	Moderately Satisfactory	Qualitative assessments; stakeholder interviews; field visit findings; Theory of Change analysis.

			contribute to resilience by improving production efficiency and income stability.			

4.3.3 Outcome 1: Increased access to climate-resilient and low-emission finance for MSMEs

133. The evaluation finds that FP048 has contributed to increased access to climate-resilient and low-emission finance, with performance varying across countries and delivery pathways (Table 7A). Access gains are most evident in Guatemala, where cooperative-based and producer organization channels translated concessional resources into lending at scale for smallholders and MSMEs. These delivery pathways demonstrated operational readiness and alignment with beneficiary needs, enabling earlier deployment of financial products.

134. In contrast, access-to-finance outcomes in Mexico remain limited. Delays in pipeline development, combined with regulatory and market constraints affecting forestry and impact-fund modalities, reduced the pace of deployment and moderated aggregate outcome performance. As a result, outcome achievement reflects uneven progress across the portfolio rather than a uniform pattern of change.

135. Overall, evidence indicates that the Facility's intervention logic for expanding access to climate-relevant finance remains valid, but outcome performance at mid-term has been shaped primarily by intermediary capacity, pipeline maturity, and contextual conditions. Outcome 1 is therefore assessed as Moderately Satisfactory. The following subsection examines whether increased access to finance translated into adoption of climate-smart practices and technologies among targeted beneficiaries.

4.3.4 Outcome 2: Adoption of climate-smart practices and technologies by beneficiary MSMEs

136. The evaluation finds plausible evidence that FP048 has contributed to the adoption of climate-smart practices and technologies, particularly where access to finance was complemented by sustained and context-appropriate technical assistance (Table 7A). Progress under this outcome is evidenced, inter alia, by expansion in the hectares of land under improved and effective management (PMF Indicator M9.1), reflecting uptake of climate-smart agricultural practices supported through Facility-financed investments.

137. Changes in agricultural performance are further reflected in the average percentage increase in farm productivity, an approved outcome-level indicator in the Funding Proposal. At the interim stage, observed productivity gains remain variable and are influenced by climate variability, market conditions, and differences in sub-project maturity; accordingly, productivity results are interpreted cautiously as indicative of early adoption effects rather than stabilized performance gains.

138. Adoption outcomes are strongest in Guatemala, where technical assistance was delivered consistently and aligned with producer needs. In settings where technical support was more limited or discontinuous, adoption was shallower and less sustained. Taken together, the evidence supports a partial but plausible contribution to adoption outcomes at mid-term. Outcome 2 is assessed as Moderately Satisfactory.

139. While adoption outcomes reflect changes in practices and performance, the following subsection examines whether these changes are translating into early signals of enhanced resilience and adaptive capacity.

4.3.5 Outcome 3: Enhanced resilience and adaptive capacity of targeted beneficiaries

140. The evaluation finds early and plausible contributions to enhanced resilience and adaptive capacity among targeted beneficiaries, primarily through investments that reduce climate-related production risks, improve resource management, and support diversification of production systems (Table 7A). At the interim stage, direct measurement of resilience remains limited; assessment

therefore focuses on coherence with the Theory of Change and the presence of enabling conditions associated with adaptive capacity.

141. Evidence suggests that resilience-related outcomes are more pronounced where climate-smart practices have been implemented consistently and supported by advisory services. Improvements in land management and production efficiency—captured under Outcome 2 indicators—also contribute indirectly to resilience by strengthening income stability and reducing exposure to climate shocks. Conversely, sub-projects experiencing delays or interruptions show weaker signals of resilience enhancement.

142. Given the long-term nature of resilience outcomes and the early stage of implementation for several sub-projects, the evaluation assesses progress toward this outcome on a contribution and plausibility basis. Outcome 3 is assessed as Moderately Satisfactory.

4.3.6 Delivery of outputs supporting outcome achievement

143. The outcomes summarized above reflect changes that are plausibly attributable to the Facility's interventions at the interim stage. The following subsection presents delivery of outputs that underpin these outcome-level changes. Output-level findings provide contextual evidence on implementation progress and enabling conditions, but do not, in themselves, constitute evidence of effectiveness or inform outcome ratings.

Table 7B. Summary of Output-Level Delivery

Output	Indicator	Delivery Status	Key Observations	Means of Verification
Financial instruments deployed	Credit lines, guarantees, equity instruments	Partially delivered	Stronger deployment in Guatemala; slower rollout of complex instruments (e.g., equity)	Facility financial records; FI disbursement reports; investment agreements
Technical assistance delivered	Trainings, advisory services, capacity-building	Largely delivered	High demand; TA acted as a key enabler of outcome-level adoption	Technical assistance progress reports; training materials; participant lists; interviews
Institutional capacity strengthened	ESMS adoption; initial gender practices	Partially delivered	ESMS adopted with variable depth; capacity gains uneven across intermediaries	ESMS documentation; FI self-assessments; safeguard reports
Pipeline development	Identification/preparation of eligible investments	Behind schedule in Mexico; stronger in Guatemala	Pipeline maturity remains a determinant of downstream outcomes	Pipeline tracking tools; sub-project concept notes; portfolio reviews
Knowledge and learning activities	Dissemination/learning products	Early-stage	Learning emerging through cooperative networks	Knowledge products; dissemination

				records; stakeholder feedback

144. At the output level, the evaluation examines delivery of financial instruments, technical assistance, and institutional support mechanisms intended to enable achievement of the outcomes assessed above (Table 7B). Output-level findings are presented to contextualize outcome performance and explain variations in results across countries and delivery pathways; they are not used as a basis for effectiveness ratings.

145. **Deployment of financial instruments:** The Facility has operationalized a range of blended finance instruments, including credit lines and guarantees, with delivery progressing at different speeds across contexts. Deployment has been more advanced in Guatemala, where simpler cooperative-based instruments enabled earlier disbursement. In contrast, more complex instruments—particularly those associated with forestry, land-use, and impact fund modalities, have experienced delays, affecting the overall pace of portfolio rollout.

146. **Delivery of technical assistance:** Technical assistance has been delivered to beneficiaries and financial intermediaries through training, advisory services, and capacity-building activities. Evidence indicates that technical assistance has functioned as a critical enabling output, particularly where it was sustained and closely aligned with beneficiary needs. Variations in the continuity and depth of technical assistance help explain observed differences in adoption and outcome performance across sub-projects.

147. **Strengthening of institutional capacity:** Progress has been made in strengthening the institutional capacity of participating financial intermediaries, including initial adoption and application of Environmental and Social Management Systems (ESMS) and steps toward gender-responsive practices. The depth and consistency of these capacity gains vary across intermediaries, reflecting differences in baseline capacity and implementation support, and have influenced the effectiveness of downstream delivery.

148. **Pipeline development:** Pipeline development activities have generated a portfolio of eligible investments, though maturity levels differ across countries. Pipeline maturity remains a key determinant of both output delivery and the timing of outcome realization.

4.3.7 Cross-cutting effects and unexpected outcomes

149. Unexpected positive effects included stronger-than-anticipated demand for technical assistance among financial intermediaries and producer groups, resulting in expanded TA allocations. In Guatemala, circular economy and CSA practices, particularly in the coffee sector, exceeded expected uptake, driven by cooperative leadership and market incentives. Conversely, unforeseen regulatory and market barriers in Mexico slowed investments and reduced expected leverage ratios. Climate shocks, including droughts and pest outbreaks, further exposed vulnerabilities in assumptions related to smallholder repayment capacity. Beneficiaries reported increased access to affordable credit, adoption of sustainable farming practices, and greater resilience to climate shocks. In Guatemala's coffee sector, waste-to-compost and renewable energy pilots are generating co-benefits for productivity and environmental performance.

Findings Statements on Effectiveness*:*

150. At interim stage, effectiveness is assessed as Moderately Satisfactory. The Facility has plausibly contributed to progress toward its intended outcomes, particularly in expanding access to climate-relevant finance and supporting adoption of climate-smart practices where delivery mechanisms and technical assistance were well aligned with beneficiary needs. Outcome achievement has been uneven across countries and delivery pathways, reflecting differences in intermediary capacity, pipeline maturity, and contextual constraints rather than weaknesses in the underlying intervention logic. Evidence indicates that outcomes related to access to finance and adoption of climate-smart practices are more advanced in Guatemala, where cooperative-based delivery models enabled earlier deployment and uptake. Contributions to enhanced resilience and adaptive capacity are emerging but remain at an early stage, consistent with the long-term nature of these outcomes and the interim timing of the evaluation.

151. Overall, the evaluation finds that the project's Theory of Change remains coherent and relevant. Observed outcome-level changes are broadly consistent with the intervention logic articulated in the Funding Proposal, while the pace and scale of effectiveness at mid-term are influenced primarily by implementation dynamics and external factors. Further outcome realization is therefore contingent on continued progression of investments and delivery during the remaining implementation period.

Rating for Effectiveness: Moderately Satisfactory

4.4 Impact – Climate and Systemic Change

4.4.1 Assessment Approach to Impact at Interim Stage

152. At the interim stage, the evaluation considers impact recognizing that impact-level results reflect longer-term climate and systemic change that is not expected to be fully realized within the current implementation period. In line with the theory-based evaluation approach, progress toward impact is therefore assessed on a contribution basis rather than through attribution, drawing on triangulated evidence from portfolio-level monitoring data, sub-project documentation, field observations, and stakeholder consultations.

153. The interpretation of impact-level indicators at mid-term is subject to a number of methodological considerations. As set out in the Funding Proposal, impact indicators capture different dimensions of change, including people-level, institutional, financial, and environmental aspects, without explicit differentiation by impact type, which constrains aggregation and comparability at this stage. In addition, the definition of indirect beneficiaries refers to institutional actors rather than individuals, limiting alignment with population-based GCF adaptation core indicators and requiring cautious interpretation of beneficiary reach. Several impact indicators also rely on proxy assumptions and aggregation across heterogeneous sub-projects, while the realization of mitigation and systemic change outcomes is inherently dependent on longer-term implementation and pipeline maturity.

154. Accordingly, for quantitative impact indicators, including greenhouse gas emission reductions, beneficiary reach, and private finance mobilization, the evaluation examines the plausibility of progress toward approved targets based on early implementation evidence, adoption rates of supported practices, and the maturity of investment pipelines, rather than measuring final impact values.

155. For qualitative impact dimensions, including paradigm shift and systemic change, the evaluation applies a qualitative synthesis approach, assessing whether early signals of institutionalization, replication, and changes in market behavior are observable, without presuming long-term

transformation at the interim stage. Differences in performance across countries and delivery pathways are analyzed to identify enabling and constraining factors influencing impact trajectories.

156. Consistent with GCF guidance, the following subsections assess climate impacts separately for mitigation and adaptation, enhancing analytical clarity, comparability, and alignment with GCF core indicators.

4.4.2 Climate Mitigation Impacts

157. Mitigation-oriented investments under FP048 have focused primarily on forestry and land-use activities, agroforestry systems, circular economy initiatives in agricultural value chains (notably coffee), and the promotion of low-emission agricultural practices. These investments were designed to generate greenhouse gas emission reductions through improved land management, biomass sequestration, and reductions in waste and production-related emissions. However, deployment of mitigation-intensive investments—particularly those related to forestry and land restoration—has progressed more slowly than anticipated, reflecting regulatory complexity, pipeline maturation challenges, and the longer time horizons associated with land-use mitigation pathways

158. At the interim stage, mitigation impacts are assessed primarily through progress against PMF Indicator M4.1 / CI-6 (tCO_2e reduced or avoided) and related portfolio-level mitigation pathways. The Facility's mitigation outcomes to date reflect a relatively limited emphasis on mitigation-oriented investments during the first half of implementation, with mitigation benefits arising mainly from early adoption of climate-smart practices, pilot-scale circular economy interventions in the coffee sector, and initial land-use and forestry activities. More mitigation-intensive investments, particularly forestry and land restoration operations, have experienced delays in pipeline development and deployment, constraining emission reduction performance at mid-term.

4.4.3 Climate Adaptation Impacts

159. Adaptation-oriented investments have centered on CSA financing for smallholders and MSMEs, including loans and guarantees supporting improved soil and water management, resilient production systems, and climate risk–reducing practices. These investments have been complemented by technical assistance to strengthen adaptive capacity, enhance productivity, and support uptake of CSA technologies, particularly through cooperative-based and intermediary-led delivery models.

160. Adaptation impacts are more advanced and directly observable than mitigation outcomes, reflecting earlier deployment of climate-smart agriculture financing and associated technical assistance, particularly through cooperative-based delivery models. Evidence indicates increased beneficiary reach, expansion in hectares of land under improved and effective management (PMF Indicator M9.1), and early productivity gains in selected sub-projects, particularly in Guatemala. Adaptation benefits were assessed using proxy indicators and theory-based contribution analysis, given baseline limitations and the interim timing of the evaluation.

161. These changes provide early signals of enhanced resilience and adaptive capacity, although full realization of long-term adaptation benefits is expected to occur beyond the current evaluation period. Accordingly, adaptation impacts are assessed on a contribution basis, with observed results considered indicative of progress toward longer-term resilience objectives. Mitigation performance remains comparatively weaker due to the slower maturation and deployment of mitigation-intensive investments, while achievement of mitigation targets remains technically plausible but contingent on accelerated pipeline deployment during the remaining implementation period.

4.4.4 Paradigm Shift and Systemic Change

162. Evidence indicates early signals of systemic change through the introduction and testing of blended finance and risk-sharing mechanisms that enable climate-smart agriculture and resilience-oriented investments for smallholders and MSMEs. In particular, cooperative- and intermediary-led delivery models have supported the gradual integration of climate risk considerations, environmental and social safeguards, and gender-responsive practices into lending processes. These developments align with paradigm shift dimensions related to institutional capacity building and market transformation under the GCF Results Management Framework.

163. At the market level, FP048 has demonstrated alternative financing modalities that lower barriers to access for climate-relevant investments, contributing to early learning effects and institutional uptake. These signals are most evident in Guatemala, where cooperative-based models show potential for replication and normalization of climate-smart lending, while in Mexico, experience with forestry and land-use investments highlights both the systemic potential and the regulatory and market constraints affecting scale-up. At the interim stage, evidence of replication beyond the Facility or sustained changes in broader market behavior remains limited.

164. Overall, the evaluation finds that FP048 is generating early enabling conditions for paradigm shift, including institutional learning, experimentation with innovative financing instruments, and initial embedding of climate considerations within financial systems. While systemic transformation cannot yet be confirmed, observed developments remain coherent with the paradigm shift objectives and indicators articulated in the Funding Proposal and the GCF PMF, providing a plausible foundation for longer-term systemic impact.

165. Building on the analysis of subproject performance and outcome-level findings presented in Section 4.3, the evaluation has synthesized a set of lessons learned and good practices with direct operational relevance. These lessons are organized by adaptation and mitigation dimensions, highlighting what has worked, what has not, and how emerging insights are being incorporated into ongoing implementation and portfolio management. A consolidated summary of these lessons and good practices is presented in Table 8. The table summarizes the assessment of impact-level indicators as defined in the approved Funding Proposal. The table clarifies indicator interpretation, assumptions, means of verification, and interim status to support transparency and evaluability, while preserving the original indicators, baselines, and targets approved by the GCF.

Table 8. Summary of Progress Toward Impact-Level Results

Impact Indicator	Evaluator's Interpretation / Definition	Mid-term Target	Progress at Mid-term	Status at Mid-term	Means of Verification	Key Assumptions & Limitations	Evaluator's Assessment Approach
PMFA1 / GCF adaptation core indicators: Beneficiaries with increased resilience	Individuals directly benefiting from project-supported CSA investments (primarily smallholders and MSMEs)	400,000	Direct beneficiaries reached primarily through cooperative-based lending and CSA adoption in Guatemala; coverage remains limited in Mexico due to delayed investments	Early progress	Facility Monitoring System; FI loan records; beneficiary registries	Beneficiary counts aggregated across sub-projects; proxy of 5 individuals per farm applied where individual data unavailable	Aggregation and plausibility checks against portfolio scale and geographic coverage
Total number of indirect beneficiaries (CSA service providers and value-chain actors)	CSA technology providers, extension services, and value-chain firms enabled by the Facility (treated as enabling actors, not people-level beneficiaries)	6 firms/organizations	Several CSA service providers engaged through Guatemala sub-projects; more limited engagement observed in Mexico	Early progress	Facility Monitoring System; FI and sub-project reports	Indicator refers to institutions, not individuals; not aggregated with direct beneficiaries	Verification of institutional engagement; qualitative assessment of enabling role
Volume of finance leveraged by the Fund	Public and private co-financing mobilized	US$60 million	Leverage achieved mainly through cooperative finance in Guatemala; leverage in Mexico below expectations due to	Below mid-term expectations	Facility Financial Information System; FI financial	Leverage dependent on market conditions, pipeline	Review of committed vs mobilized finance; contribution analysis

	alongside GCF resources		pipeline and regulatory constraints		statements; investment agreements	maturity, and regulatory context	
PMF Indicator M4.1 / CI-6: tCO_2e reduced or avoided	Estimated GHG emission reductions from CSA, circular economy, energy efficiency, and forestry investments	4.0 million tCO_2e	Emission reductions achieved to date represent approximately 10% of the mid-term target**,** reflecting the Facility's initial emphasis on adaptation-oriented investments that generate mitigation benefits gradually. To date, mitigation is only associated with early adoption of climate-smart practices and pilot-scale circular economy interventions, while mitigation-intensive components, particularly forestry and land-use investments, have not yet materialized	Below mid-term expectations	Facility Monitoring System; sub-project MRV methodologies; technical reports	Emission reductions depend on full deployment and sustained adoption	The evaluation finds that the mitigation potential articulated in the Funding Proposal remains technically plausible. However, based on the current trajectory, there is insufficient evidence at the interim stage to confirm that the expected mitigation outcomes can be fully realized within the remaining implementation period without changes in implementation dynamics. Portfolio documentation indicates that management has submitted, as part of the request for a second extension, a proposal for the GCF's consideration to reassess projected GHG emissions under the Facility. This action is reported for contextual purposes only.
Paradigm shift contribution	Embedding of CSA finance within rural financial systems and lending practices	Qualitative progress	Early signs of institutionalization of CSA lending within cooperative finance systems in Guatemala; limited systemic effects observed in Mexico to date	Too early to assess	Portfolio reviews; institutional and market analysis	Paradigm shift is long-term and context-dependent	Qualitative synthesis across countries focusing on replication and institutional uptake

4.5 Monitoring and Reporting

4.5.1 Monitoring of Project Implementation

166. Monitoring and reporting under FP048 have been conducted in line with GCF and IDB Lab requirements, though the quality and timeliness of reporting have varied across components and countries. The Facility submits Annual Performance Reports (APRs) and financial reports through the GCF Results Portal, which provide updates on progress toward core indicators such as GHG emission reductions, beneficiaries with increased resilience, and co-financing mobilized. In Guatemala, monitoring systems embedded in cooperative networks (e.g., MICOOPE, FECCEG) have proven effective in generating reliable data on credit flows, CSA adoption, and cooperative-level outcomes.

167. The evaluation found that while the Facility has established ESMS and initiated gender-disaggregated monitoring, gaps remain in the systematic collection and verification of data. Gender outcome tracking is incomplete, with women's participation reported at 32% against a 40–50% target, reflecting weak baseline data and inconsistent reporting frameworks across intermediaries. Similarly, monitoring of GHG outcomes relies heavily on modelled estimates, with limited field-level verification to date. Knowledge management and learning components have advanced more slowly than planned, constraining opportunities for cross-country exchange. Nonetheless, the Facility has demonstrated adaptability by reallocating technical assistance resources to strengthen monitoring capacity at intermediary level, particularly in Guatemala.

4.5.2 Project Reporting

168. The project consistently met IDB and GCF requirements for reporting, producing APRs, half-year expenditure updates, and financial statements linked to budget lines and components. Reporting was carried out ensuring alignment with corporate financial and monitoring standards. Despite some early challenges, reporting was comprehensive in documenting disbursements, expenditures, risks, co-financing levels, and progress towards outputs and outcomes.

169. On gender and social inclusion, the APR includes a dedicated section on gender mainstreaming. Reporting emphasizes that activities were conducted in an inclusive and gender-responsive manner, recognizing the different rights, needs, and roles of women and men. Specific references highlight the inclusion of women's knowledge, experiences, and roles in governance and management, as well as women's involvement as consumers and stakeholders in environmental decision-making. However, the evaluation also notes that gender engagement was constrained by limiting opportunities for direct participation. Importantly, while gender was regularly addressed in reports, the data provided was qualitative rather than systematically disaggregated (i.e., the reports did not present numeric gender-disaggregated participation indicators).

170. With respect to vulnerable or marginalized groups, including people living with disabilities, no direct information or references were found. Reporting focused primarily on ecological achievements, with stakeholder engagement described in broad terms rather than with a disaggregated lens on vulnerable populations. Although stakeholder consultations were a strength, systematic reporting on the participation or benefits for marginalized groups was limited.

171. Overall, the project demonstrated a strong commitment to M&E and the systems in place are sufficient to ensure accountability to the GCF, but improvements are required to enhance data quality, ensure timely submission across all intermediaries, and integrate gender and safeguards more systematically. Strengthening verification mechanisms and investing in harmonized data

systems will be essential to maximize credibility and support evidence-based adaptive management in the remaining implementation period.

172. Project reporting was robust in terms of financial accountability and compliance with IDB/GCF standards, while social equity dimensions were partially addressed. Gender mainstreaming was recognized as an important element, but data remained mostly descriptive. Reporting on vulnerable groups, including persons with disabilities, was absent, highlighting an area where future projects could strengthen monitoring frameworks by embedding gender-sensitive and inclusivity indicators into reporting systems.

Rating for Monitoring and Reporting: - Satisfactory

4.6 Sustainability

173. Sustainability in FP048 is understood as the project's ability to maintain climate, financial, and social benefits beyond the life of GCF support. At mid-term, the Facility has established the foundations for lasting impact, particularly in Guatemala, where cooperatives and producer organizations are integrating CSA finance into their lending portfolios. This integration suggests institutional continuity even after concessional resources are withdrawn. In Mexico, sustainability prospects are more uncertain, as the forestry and impact fund pipeline remains underdeveloped. Nonetheless, the project's blended finance approach and the catalytic role of concessional resources remain highly relevant to ensuring the persistence of CSA financing in rural systems.

174. Environmental and social safeguards have been embedded in project implementation through the adoption of ESMS by financial intermediaries, aligned with both IDB's Environmental and Social Policy Framework (ESPF) and the GCF's ESS standards. At mid-term, Guatemala's financial intermediaries have made some progress in operationalizing ESMS, aiming to ensure that financed activities avoid or mitigate adverse impacts. Nevertheless, adoption has been slower, with capacity gaps among some intermediaries. While safeguard frameworks are in place, the evaluation found that monitoring, reporting and verification are not yet systematic, especially regarding gender equity, Indigenous Peoples' engagement, and biodiversity outcomes. Strengthening safeguard implementation remains essential to ensure that environmental and social sustainability is achieved consistently across intermediaries.

175. The sustainability of FP048 is assessed as Moderately Likely (ML). From an institutional perspective, cooperatives and some intermediaries show signs of internalizing CSA finance as part of their business models, but uneven adoption of safeguards and reporting frameworks risks weakening this progress. From a financial perspective, the blended finance model demonstrates strong catalytic potential; however, slower private sector mobilization reduces overall financial sustainability at this stage. From a socio-political perspective, the Facility aligns well with national climate strategies and NDC commitments in both Guatemala and Mexico, ensuring policy support for its continuation. Still, the resilience of these commitments may be affected by political cycles and regulatory shifts, particularly in Mexico's forestry sector. Overall, while sustainability foundations are emerging, further consolidation of safeguards, financial mobilization, and institutional capacity-building is required to fully secure long-term sustainability.

Rating for Likelihood of Sustainability: Moderately likely

4.7 Cross-Cutting Issues

4.7.1 Responsiveness to Human Rights and Gender Equality

176. FP048 was designed to integrate human rights and gender equality as cross-cutting priorities, consistent with the GCF Gender Policy and the IDB Group's institutional commitments. The Facility recognizes the right of rural communities, including women, Indigenous Peoples, and marginalized smallholders, to participate equitably in climate-resilient development and access financial resources. At mid-term, the project demonstrates partial responsiveness to these principles. In Guatemala, cooperatives such as MICOOPE and producer federations like FECCEG have facilitated inclusive access to credit and training for women and Indigenous farmers, embedding gender and social equity considerations in CSA adoption. In Mexico, however, progress has been more limited, with evidence of gender inclusion but weaker documentation of Indigenous Peoples' participation, partly due to slower implementation of forestry and impact fund components.

177. The Gender Action Plan (GAP) has provided a framework for tracking women's participation, with a mid-term achievement of 32% women beneficiaries, below the 40–50% target. While this demonstrates a meaningful level of engagement, the evaluation found that gaps remain in baseline data, gender-disaggregated monitoring, and systematic integration of gender-responsive indicators across financial intermediaries. Human rights responsiveness has been more implicit, with safeguards in place to prevent exclusionary practices and ensure adherence to IDB's Environmental and Social Policy Framework. However, proactive measures to strengthen Indigenous Peoples' rights and participation, particularly in Mexico, remain underdeveloped.

178. Overall, FP048 is assessed as Moderately Satisfactory (MS) in its responsiveness to human rights and gender equality. Progress is tangible in Guatemala, where cooperative-led approaches are advancing inclusive finance, but uneven across the portfolio. For the remainder of implementation, the Facility should prioritize: (i) strengthening gender-disaggregated reporting, (ii) expanding outreach to Indigenous Peoples and marginalized groups, and (iii) reinforcing the capacity of financial intermediaries to apply rights-based and gender-responsive approaches. These steps will be critical to ensure that the project fully delivers on its equity and inclusivity objectives while aligning with GCF's mandate for climate justice.

4.7.2 Country Ownership and Drivenness

179. The Facility was designed and implemented primarily through financial intermediaries and private-sector channels, with limited direct participation of national authorities in Guatemala and Mexico. The implementation has not been characterized by strong central government involvement. This reflects its financial architecture, which emphasizes market transformation and risk-sharing mechanisms rather than policy reform or public-sector investment. Consequently, country ownership is not visible at the ministerial level; instead, it emerges at the local and community level, where producer organizations, cooperatives, and municipal actors are driving implementation.

180. In Guatemala, ownership is expressed through the engagement of cooperative networks such as MICOOPE and producer federations like FECCEG, which have integrated concessional credit into their lending portfolios and championed CSA adoption. These organizations not only manage credit disbursement but also provide training and technical assistance to smallholder farmers, ensuring that CSA practices such as soil conservation, organic composting, and circular economy models are embedded in local production systems.

181. Overall, FP048 demonstrates bottom-up country ownership, rooted in community, cooperative, and local institutional engagement rather than national government leadership. This form of ownership is consistent with the project's design as a private-sector facility but creates challenges for scaling and sustainability, as national-level policy backing is limited. For the remainder of implementation, enhancing linkages between local actors and national climate strategies would strengthen drivenness, while continuing to empower cooperatives and community-based organizations remains central to achieving long-term transformation.

4.7.3 Communication and Public Awareness

182. Communication and public awareness have been secondary but emerging elements of FP048 implementation. At the project's outset, communication strategies were not prioritized, as the Facility's design focused primarily on concessional finance flows and technical assistance. However, local partners—including cooperatives, producer organizations, and NGOs—have taken the lead in outreach and awareness-building at the community level. In Guatemala, for example, cooperative networks such as MICOOPE and producer associations like FUNDEA and FECCEG have organized training events, community workshops, and local campaigns to disseminate information on CSA practices and the benefits of concessional credit. These grassroots initiatives have been effective in raising awareness among smallholder farmers, with communication tailored to rural contexts and Indigenous communities. Seven knowledge products developed and disseminated through IDB Lab and partner networks, focusing on CSA technologies, credit guarantee models, and gender-responsive financial innovation:

183. The Facility-wide synthesis report "Lessons from Climate-Smart Microfinance in Guatemala" (IDB Lab, 2024), represents a significant knowledge output produced under FP048. It consolidates the experiences of the Facility's microfinance and cooperative partners, highlighting innovative approaches for channelling climate-smart agriculture finance to smallholders while maintaining strong portfolio performance and social inclusion. The publication demonstrates practical insights on risk-sharing mechanisms, gender-responsive financial design, and the operationalization of climate finance within local financial systems, offering a replicable model for the Latin American and Caribbean context. Nevertheless, the Facility has not yet established a coherent strategy to systematically disseminate such results at national and international levels. The absence of an integrated communication and outreach plan limits visibility and knowledge exchange with policymakers, financial institutions, and peer initiatives, thereby constraining the Facility's potential to fully showcase its paradigm-shift contributions to climate finance and rural development.

184. Overall, communication and public awareness are assessed as Moderately Satisfactory (MS). While local-level outreach has been effective in promoting CSA adoption, public visibility of the Facility at national and regional levels remains low. Strengthening communication efforts during the second half of implementation, through more structured knowledge products, policy briefs, and dissemination platforms, would enhance awareness, foster replication, and reinforce the Facility's contribution to climate finance visibility in Latin America.

Rating for Cross-Cutting Issues: Moderately Satisfactory

5 Main findings and Recommendations

5.1 Main findings

185. The main findings of the interim evaluation synthesize the evidence collected from project documentation, stakeholder consultations, field observations, and performance data. They provide an integrated assessment of the project's progress toward achieving its objectives, highlighting both achievements and areas requiring further attention. The findings are organized around the evaluation criteria established by the GCF, including relevance, effectiveness, efficiency, sustainability, and cross-cutting issues such as gender equality, safeguards, and country ownership. Together, they form the analytical foundation for the conclusions and recommendations presented in subsequent sections

186. **Replication and scalability** are central to FP048's paradigm-shift potential. The Facility was designed not only to deliver concessional credit for CSA but also to demonstrate financial models that can be replicated and scaled across institutions, sectors, and geographies. At the interim stage, promising evidence of replication has emerged in Guatemala, where cooperative networks such as MICOOPE and producer federations like FECCEG have begun to internalize concessional lending instruments and apply CSA credit methodologies beyond the initial project scope. Successful pilots in the coffee sector, including circular economy models that convert organic waste into compost and renewable energy, are being replicated within additional cooperatives, showing potential for horizontal scaling at the community and regional level. The blended finance structure—combining concessional GCF resources, IDB Lab co-financing, and private sector capital—remains a highly scalable mechanism that can be adapted to other agricultural value chains or even to different sectors requiring climate-risk reduction (e.g., water management, renewable energy in rural areas). However, scaling potential is constrained by gaps in gender and safeguards reporting, which reduce the ability to demonstrate inclusive, rights-based models, and by the absence of strong national government engagement, which limits mainstreaming into broader public policy frameworks.

187. **Technical–sectorial perspective.** The project has demonstrated that CSA finance can be effectively integrated into cooperative-based systems in Guatemala, particularly in the coffee sector where circular economy practices, climate information technologies, and soil/water management techniques are showing tangible results in productivity and resilience. The project demonstrated innovative practice by integrating ecological monitoring with carbon assessment, producing lessons of global relevance. Its use of digital platforms for climate information, provided a scalable model for transparent data-sharing that can be replicated in other contexts. These pilots confirm the technical viability of CSA models and their relevance to smallholder farming systems. In Mexico, sectorial progress has been slower, with forestry and land restoration initiatives advancing slowly due to regulatory hurdles and limited pipeline readiness. While the Facility's blended finance structure remains well-suited to addressing structural barriers in rural finance, the uneven performance between the two countries highlights the need to tailor technical assistance and sector engagement more closely to national contexts. Overall, the project confirms the technical soundness of CSA approaches but underscores that scalability depends on strengthening sector-specific enabling conditions.

188. **Management.** From an organizational and managerial perspective, the project has benefited from the IDB Lab's strong fiduciary oversight and coordination role, ensuring compliance with GCF standards and effective financial management. In Guatemala, management structures through cooperative networks and producer associations have proven efficient, enabling timely disbursement of concessional credit and delivery of technical assistance. Overall, the Facility demonstrates solid

organizational foundations, but enhanced managerial support and capacity-building for Mexican intermediaries will be critical to improve delivery in the second half of implementation.

189. **The design of sub-projects** reflects a deliberate attempt to tailor concessional finance instruments to the realities of rural economies in Guatemala and Mexico. In Guatemala, sub-projects were structured around cooperative networks and producer associations, which had both the outreach capacity and institutional readiness to channel CSA credit. This cooperative-led design facilitated rapid uptake of concessional loans, strong integration of technical assistance, and close monitoring of CSA adoption at the farmer level. Across both countries, the sub-project design process has been marked by flexibility, enabling adjustments in technical assistance budgets and lending conditions to respond to field realities. This adaptive design has been critical in ensuring local ownership, but the uneven pace of implementation highlights the importance of tailoring sub-project design not only to sectoral priorities but also to institutional and regulatory contexts.

190. **Risk management** has been approached through a combination of financial structuring, safeguard systems, and adaptive project management. At design stage, the Facility identified key risks related to credit default, environmental and social impacts, and institutional capacity of financial intermediaries. To address these, concessional resources were deployed to share risk with cooperatives and financial institutions, thereby incentivizing lending to smallholders and MSMEs that would otherwise be excluded. Despite these measures, several risks have materialized during implementation. In Guatemala, climate-related risks such as droughts and coffee rust affected the repayment capacity of smallholders, testing the resilience of concessional lending schemes. In Mexico, institutional and regulatory risks have been more acute, particularly in the forestry and land restoration pipeline, where bureaucratic hurdles and slow private-sector mobilization delayed progress and reduced co-financing leverage. These risks underscore the uneven performance across countries and highlight the need for differentiated mitigation strategies tailored to local contexts. At the Facility level, adaptive management has been an important tool for mitigating risks. Technical assistance budgets were reallocated to strengthen safeguard compliance and gender mainstreaming, while reporting systems were adjusted to improve the quality of data from financial intermediaries. The transition from LIBOR to SOFR was successfully managed to mitigate financial risks tied to global benchmark reforms, ensuring compliance with international standards. Looking forward, effective risk management will depend on consolidating monitoring systems, reinforcing local capacity in Mexico to accelerate pipeline development, and strengthening resilience measures in Guatemala to address climate shocks and safeguards.

191. **Unintended effects.** FP048 has generated a mix of unintended effects, both positive and negative, that go beyond its original design. On the positive side, in Guatemala, the integration of climate-smart practices within cooperatives has spurred unexpected innovation, which are being adopted more rapidly than anticipated and generating additional income streams for farmers. Similarly, demand for technical assistance from financial intermediaries and producer groups has exceeded projections, strengthening institutional capacity and creating spill over benefits for non-participating farmers. On the negative side, the Facility's success in expanding concessional credit has, in some cases, increased smallholder indebtedness risks when climate shocks reduced repayment capacity, particularly in coffee-growing areas affected by drought and pests. Additionally, in Mexico, the slow progress has created opportunity costs, as resources earmarked for mitigation remain underutilized, limiting expected leverage ratios. These unintended effects highlight both the potential for positive systemic change and the importance of carefully monitoring financial and social risks as the Facility scales.

192. **Relevance.** The project remains highly relevant to the climate and development needs of Guatemala and Mexico. It directly addresses systemic barriers to smallholder finance, aligns with both countries' NDCs and sectoral CSA strategies, and responds to pressing adaptation and

mitigation challenges in agriculture and forestry. The Facility's dual focus on adaptation and mitigation enhances its global relevance to the GCF portfolio. The Facility contributes to IDB Group's climate and sustainable agriculture portfolio by pioneering risk-sharing mechanisms that channel concessional finance into rural MSMEs. It adds to GCF's global portfolio on paradigm shift by demonstrating blended finance approaches in agriculture. Despite challenges, FP048 is making a catalytic contribution to embedding climate-smart finance in rural financial systems, advancing GCF's objectives on mitigation, adaptation, and private sector mobilization.

193. **Coherence.** Internal coherence is strong, with the Facility's components (risk-sharing finance and technical assistance) well integrated to address systemic barriers in sustainable agricultural finance. The design aligns with IDB Lab's priorities on financial inclusion and climate innovation, and with GCF's dual mandate on mitigation and adaptation. External coherence is evident in its alignment with the NDCs of Guatemala and Mexico, sectoral CSA strategies, and REDD+ commitments. However, coherence was uneven in practice: while synergies were achieved with coffee-sector circular economy initiatives in Guatemala, forestry and impact fund pipelines in Mexico progressed more slowly due to regulatory and market barriers

194. **Effectiveness.** The project achieved partial but tangible outcomes by mid-term. In Guatemala, concessional credit delivered increased smallholder access to finance and adoption of CSA practices, with visible results in productivity and resilience. Technical assistance demand exceeded expectations, strengthening intermediary capacity. In Mexico, forestry and impact fund investments lagged, limiting impacts. Overall effectiveness is uneven with Guatemala showing stronger progress and Mexico requiring acceleration.

195. **Efficiency.** Implementation efficiency varied significantly by country. Guatemala demonstrated smoother execution through established cooperative networks, while Mexico faced delays in regulatory approvals and pipeline development. Financial execution at mid-term was 46% of the total planned budget, with reallocations favouring technical assistance in Guatemala and regulatory support in Mexico. However, most of the financial execution was implemented through the loans instrument, underscoring the complexity to deploy resources through equity instruments. It is important to note that approximately half of the remaining resources are expected to be deployed through equity instruments, which may limit the Facility's ability to disburse funds efficiently. Equity operations typically require longer structuring periods, more complex due diligence, and higher regulatory and market readiness, all of which can slow overall fund deployment compared to loan or guarantee instruments. Operational costs were slightly higher than projected, reflecting the complexity of multi-country implementation and financial oversight is sound, but delays in Mexico and uneven safeguard reporting reduced overall efficiency.

196. **Sustainability.** Cooperative structures and producer federations create institutional anchoring for continued CSA finance. Smaller cooperatives have faced capacity constraints to apply social and environmental safeguards. Financial sustainability remains contingent on continued concessional resources and improved co-financing mobilization. Socio-political risks, particularly climate shocks and market volatility, pose further challenges to long-term durability of results.

197. **Cross-cutting issues**. Progress on gender and inclusion has been mixed. The Gender Action Plan established ambitious targets, but lack of baseline gender data and weak reporting systems constrain measurement. Women's participation in credit and training is rising but below expectations, and empowerment outcomes are not yet fully demonstrated. Safeguards compliance is formally in place, with all intermediaries adopting ESMS, but implementation capacity is uneven, especially among smaller cooperatives. Given the nature and the initial assessment on each sub-project, human rights and Indigenous Peoples' considerations are not systematically integrated into the sub-project's design. Furthermore, the project has not yet established a consistent strategy for disseminating

results to national or international audiences. This reduces the Facility's potential to demonstrate its paradigm-shift contributions more broadly.

198. Overall, the project demonstrates a performance rating of Satisfactory, with particularly strong results in cost-effectiveness, country ownership, and ecological monitoring, and moderate weaknesses in timeliness, socio-economic monitoring, and gender/inclusivity plans and reporting.

5.2 Lessons learned and good practices

199. This section synthesizes learning from facility level project implementation and the subproject case studies presented in Section 4.3.1, organized by adaptation and mitigation objectives to enhance operational relevance and transferability.

5.2.1 Adaptation

200. Adaptation-oriented investments performed more consistently where access to finance was combined with sustained, context-specific technical assistance and delivered through locally embedded intermediaries, such as cooperatives and microfinance institutions. These conditions supported uptake of climate-smart practices, improvements in land and water management, and early productivity gains. Constraints emerged where technical assistance was discontinuous, intermediary capacity varied, or gender-disaggregated data were incomplete, limiting depth of adoption and monitoring.

201. Learning from adaptation-focused subprojects has informed ongoing adjustments in Facility operations, including stronger sequencing of technical assistance with financial deployment, reinforcement of safeguards and gender practices, and improved monitoring of land management and productivity indicators.

5.2.2 Mitigation

202. Mitigation-oriented investments demonstrated technical potential but progressed more slowly due to the higher complexity, longer maturation periods, and regulatory and governance risks associated with forestry and land-use activities. Dependence on large-scale co-financing increased exposure to institutional and market shocks, constraining pipeline development and delaying realization of emission reduction benefits at interim stage.

203. Implementation experience informs ongoing refinements in mitigation investment screening and sequencing, with increased attention to governance risk, pipeline readiness, and deployment feasibility, while maintaining alignment with long-term mitigation objectives.

5.2.3 Summary

204. The contrast between adaptation and mitigation performance underscores differing risk profiles, maturation timelines, and management requirements within facility-type interventions. The Facility's experience underscores the importance of adaptive management in addressing differing maturation dynamics across climate objectives. By contrast, several lessons cut across both mitigation and adaptation, particularly in relation to adaptive management and knowledge systematization.

205. To operationalize the learning derived from implementation experience, the table below consolidates key lessons learned and good practices by adaptation and mitigation objectives. For each lesson, the table specifies what worked, what did not work, and how insights are being reflected in current Facility implementation and portfolio management.

Climate Objective	Learning Area	What Worked	What Did Not Work / Constraints	How Learning Is Being Integrated into Current Operations
Adaptation	Delivery models	Cooperative- and microfinance-based delivery models proved effective in reaching smallholders and MSMEs, facilitating uptake of climate-smart agricultural (CSA) practices and resilience-oriented investments.	Variability in intermediary capacity affected consistency of delivery and monitoring across subprojects.	Greater emphasis on selecting delivery partners with demonstrated local presence and operational readiness.
Adaptation	Finance–TA integration	Sequencing concessional finance with sustained, context-specific technical assistance strengthened adoption and early resilience outcomes.	Discontinuous or insufficiently tailored technical assistance limited depth and sustainability of practice adoption.	Stronger alignment and sequencing of technical assistance with financial deployment in ongoing operations.
Adaptation	Institutional capacity and safeguards	Incremental adoption of ESMS and gender-responsive practices supported improved risk management and delivery quality.	Incomplete gender-disaggregated data and uneven baselines constrained systematic assessment of inclusion outcomes.	Reinforced monitoring of safeguards and gender-related indicators within intermediary reporting systems.
Mitigation	Investment modalities	Blended finance and risk-sharing mechanisms demonstrated technical feasibility for forestry, land-use, and circular economy investments.	High regulatory, governance, and market complexity slowed deployment of mitigation-intensive investments.	Greater attention to pipeline readiness and governance risk screening for mitigation-oriented operations.
Mitigation	Co-financing and investor dependence	Pilot investments generated learning on integrating mitigation objectives within agricultural value chains.	Dependence on large-scale co-financing increased exposure to institutional and market shocks, delaying implementation.	Lessons incorporated into investment structuring and sequencing to reduce reliance on single co-financing sources.
Mitigation	Timing and maturation	Long-term mitigation pathways remain coherent with the Theory of Change.	Longer maturation periods delayed realization of emission reductions at interim stage.	Portfolio management increasingly differentiates timing expectations between mitigation and adaptation investments.
Cross-cutting	Adaptive management	Flexible implementation allowed adjustments to delivery modalities in response to contextual constraints.	Rigid sequencing in early stages limited responsiveness in selected subprojects.	Adaptive management practices strengthened through iterative learning and portfolio reviews.
Cross-cutting	Knowledge and learning	Subproject case studies provided rich evidence to inform portfolio-level learning.	Lessons initially captured at subproject level were not systematically synthesized by climate objective.	Learning now synthesized across mitigation and adaptation objectives to improve transferability and comparability.

Table 9. Summary of Lessons Learned and Good Practices by Adaptation and Mitigation Objectives

5.3 Recommendations

206. The recommendations presented in this section derive from the evidence gathered through the interim evaluation of FP048 and are intended to guide the remaining period of implementation. They respond to the evaluation's assessment of relevance, effectiveness, efficiency, sustainability, and cross-cutting dimensions, and are consistent with the GCF Evaluation Policy and Results Management Framework. The recommendations are forward-looking, designed to address identified gaps and risks, while also capitalizing on opportunities for enhancing impact and systemic change in CSA finance.

207. Each recommendation is formulated as an actionable activity, supported by a clear rationale, identification of responsible actors, and a realistic timeframe for implementation. This structured approach ensures that the recommendations can be directly operationalized by the Inter-American Development Bank (IDB Lab), financial intermediaries (FIs), and technical assistance providers, thereby facilitating adaptive management. The emphasis is placed on reinforcing monitoring systems at intermediary level, expanding gender and inclusion outcomes, improving safeguards, increasing flexibility in financial instruments, strengthening technical assistance, enhancing knowledge management, and forging stronger policy and partnership linkages.

208. Collectively, the recommendations seek to ensure that the facility continues to align with GCF's paradigm-shift objectives, the IDB's Nature Action priorities, and national development agendas in Guatemala and Mexico. By adopting these measures, the project can consolidate results to date, improve the quality and consistency of implementation, and expand its catalytic potential as a reference model for CSA financing across Latin America and the Caribbean.

209. The following table presents the detailed recommendations-to-actions matrix developed through the interim evaluation. It translates the evaluation findings into a structured set of activities, each accompanied by an expanded rationale, responsible actors, priority level, and indicative timeline. This format is intended to support the Inter-American Development Bank (IDB Lab), financial intermediaries, and project partners in systematically integrating the recommendations into ongoing operations and ensuring alignment with the GFC's results-based management standards.

Table 10. Recommendations

Recommendation	Activities	Rationale	Responsible Actor	Priority Level	Timeline
Increase flexibility of financial instruments and extension of investment periods	Rebalance portfolio between loans, guarantees, and equity; pilot micro-insurance; test blended finance (climate bonds, revolving funds). Future programming should prioritize the design of more flexible financial structures and investment periods. Greater flexibility in the use of funds—including the option to employ convertible debt, revenue-sharing mechanisms, or other hybrid instruments—would allow for a broader range of financing modalities to deploy resources more effectively. Such flexibility would help reduce the complexity of negotiations while preserving the upside potential for investors and maintaining the Facility's catalytic role in mobilizing private capital. Establishing strategic partnerships with local venture capital funds, accelerators, and public development banks could also help build stronger early-stage pipelines and anchor co-investment. In parallel, sustained policy dialogue with financial regulators and ministries of finance is essential to clarify rules governing impact equity and to promote the creation of enabling frameworks for blended finance	Rigid financial structures limit outreach and impact. Flexibility expands access for smallholders, strengthens resilience to shocks, and mobilizes private capital. The experience to date highlights the need for the Facility to adapt its investment architecture to evolving regional capital markets. These actions would position the Facility to respond more effectively to market realities, enhance investor confidence, and scale climate innovation through financially sustainable models across the region.19. Increase the flexibility of financial instruments and extension of investment periods. Ability to rebalance the facility's funding allocation among loans, guarantees, and equity instruments to improve accessibility and adaptability for various partners and financial intermediaries. Initiate pilot microinsurance schemes to assist smallholders in managing climate-related risks. Additionally, explore blended finance approaches, such as revolving funds or concessional co-lending, to leverage more private capital. Extending investment periods can help alleviate implementation delays caused by unexpected external challenges.	IDB Lab, GCF, FIs	High	Short-term (Year 1)
Strengthen monitoring of mitigation and adaptation results	Enhance systems to track GHG reductions, resilience, socio-economic outcomes; develop youth/gender metrics; standardize reporting across FIs.	Impact monitoring is partial and uneven. Stronger tracking ensures accountability, learning, and credibility for scaling within GCF portfolio.	IDB Lab, FIs, M&E Specialists	High	Short- to Medium-term (Years 1–2)
Expand gender and inclusion strategy	Deepen Gender Action Plan; expand training for women and youth; create tailored products	Current gender results (32%) fall below 40–50% target. Expanding outreach to women and	FIs, TA providers,	High	Short- to Medium-ter

	for women/youth enterprises; systematically monitor gender results.	youth advances inclusivity and fulfills GCF gender policy.	Gender Specialists		m (Years 1–2)
Reinforce environmental and social safeguards	Provide intensive FI training; operationalize grievance mechanisms; conduct independent audits; integrate biodiversity and Indigenous Peoples' safeguards.	Smaller cooperatives have faced capacity constraints to apply social and environmental safeguards. Strengthening ESMS and grievance systems reduces reputational risk and builds trust with communities.	FIs, IDB Safeguards Specialists	Medium	Medium-term (Years 2–3)
Strengthen knowledge management and communication	Document best practices; publish case studies; create knowledge-sharing platforms; organize cross-country workshops.	Knowledge dissemination is fragmented. Structured communication raises visibility, supports replication, and positions FP048 as a CSA finance reference in LAC.	IDB Lab, Knowledge Units, FIs	Medium	Medium- to Long-term (Years 2–3)
Build partnerships and policy linkages	Align sub-projects with national climate/agriculture plans; co-finance infrastructure with local governments; partner with buyers to certify low-carbon products.	National-level alignment and partnerships are limited. Stronger linkages scale impact, embed CSA in policy, and expand market opportunities for producers.	IDB Lab, FIs, Producer Federations, Local Gov	High	Medium-term (Years 2–3)
Institutionalize cross-cutting risk management and capacity assurance mechanisms across intermediaries	Institutionalize a cross-cutting risk management and capacity assurance mechanism across executing entities and financial intermediaries to systematically identify, monitor, and mitigate governance, fiduciary, ESS, and gender-related risks throughout the project lifecycle. The mechanism should integrate existing safeguard, gender, and monitoring requirements into a unified risk oversight function and trigger targeted Technical Assistance based on risk profiles and performance signals, particularly in higher-risk investment contexts.	This would complement existing thematic recommendations by strengthening upstream governance, early warning, and adaptive management capacity, particularly in higher-risk investment contexts	IDB Lab, in coordination with Executing Entities and Financial Intermediaries	High	Short- to Medium-term (6–12 months)
Strengthen mitigation outcomes delivery and implementation trajectory	The evaluation recommends strengthening the implementation trajectory of mitigation-oriented activities, taking into account current portfolio composition and pipeline maturity, and considering whether refinements to indicators, assumptions, or related results-framework elements may be warranted to ensure continued realism, evaluability, and alignment with	Mitigation performance at the interim stage remains below expectations, reflecting delayed deployment and the longer maturation timelines associated with mitigation-intensive investments, particularly in forestry and land-use activities. While achievement of the approved mitigation targets remains technically plausible, it is subject to heightened delivery risk.	IDB Lab, in coordination with the GCF Secretariat	High	Within the next implementation planning cycle (e.g. prior to the next APR)

	implementation dynamics over the remaining project period.				

Annex I Evaluation Framework

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
A. Relevance (Main Report Section 4.1)				
Key question for Strategic Relevance: To what extent were the Project objectives relevant and suited to the priorities, policies and strategies of the implementing agencies, donors and target groups?				
i.	Alignment to the IDB Lab strategy and other IDB strategic priorities	- Was the Project in line with IDB's? mandate and how? - Is the Project responding to IDB Lab strategies and programme of work, and how (qualitative and quantitative contributions)?	- Degree of alignment with IDB policies and mandates - Degree of alignment with IDB Lab Strategy and work programs.	- IDB publications - ProDoc - APR reports/progress reports - Interviews
ii.	Alignment to Donor Strategic Priorities (GCF)	- Was the Project responding to GCF Strategic priorities, and how (qualitative and quantitative contributions?)	- Degree of alignment with other GCF strategic policies	- ProDoc - APR reports/progress reports - Interviews Project Coordinator (PC) - GCF publications
ii.	Relevance to Regional, Sub-Regional and national Environmental Priorities	- Was the Project responding to the stated environmental concerns and needs of the countries/sub-regions/regions?	- Degree of alignment with: National and (sub) regional plans, strategies, policies and agreements	- ProDoc - APR reports/progress reports - Regional strategies and agreements - Interviews country Focal Point - Interviews with other stakeholders - Interviews with government representatives

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
iv.	Complementarity with existing interventions	- To what extent did the Project, at design and/or mobilization phase, take account of ongoing and/or planned initiatives? - To what extent did the Project team make efforts to ensure that the Project was complementary to other IDB and UN interventions, and optimize any synergies?	- Degree of potential synergies identified - Absence of duplication of efforts - Potential duplications identified at design stage - Degree of identified complementarities with other projects	- Pro Doc - APR reports/progress reports - Interviews with TM and PC - Interviews with NC and representatives of other national stakeholders - Interviews with government representatives
	B. Quality of Project Design (Section 4.1 & ToC analysis)			
Key question: How adequate was the Project design to achieve the Project Outputs, Outcomes and Objectives?				
	Relevance and logic of Project Objectives, activities, Outputs and Outcomes according Project Quality Design template (see annexes).	The Quality of Project Design is assessed using the GCF Integrated Results Management Framework.	- Result of Overall Project Design Quality rating	- ProDoc, including the Project Review Committee review sheet - Interviews
	C. Nature of External Context (Main report Section 4.5 Sustainability)			
Key question: To what extent does the project consider external factors which might have an effect on project implementation?				
	Aspects related to external operating context (considering the prevalence of conflict, natural disasters and political upheaval).	- Has the Project faced an unusually challenging operational environment that negatively affected project performance, such as: * Conflicts or security issues? * Government instability? * Risks of natural disasters?	- Number of Project delays / extensions, ProDoc/log frame revisions and budget revisions	- ProDoc - Project progress reports - APR reports - Final report Interviews with NC and representatives of other national stakeholders
	D. Effectiveness (Main Report Section 4.3 Effectiveness)			

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
Key question: To what extent did the projects achieve the expected Outcomes and Outputs?				
i.	Availability of Outputs	- Were Outputs and milestones delivered on time and as planned? If not, what were the reasons of delay/changes? - What is the quality of these Outputs? - To what extent do the Outputs contribute to their planned Outcomes? - How useful, relevant and appropriate did beneficiaries find the Outputs produced by the Project? - Which factors contributed to the achievement of Outputs (and/or what were the reasons Outputs were not produced)?	- Concrete examples of Outputs being used by end users - Approved Project budget revisions - Involvement of stakeholders in the production of Outputs	- ProDoc - Project progress reports - APR reports - Final report - Interviews with NC and representatives of other national stakeholders and beneficiaries
ii.	Achievement of direct Outcomes	- What direct Outcomes (as per the combined reconstructed TOC) have been achieved? - Are these Outcomes a result of Project intervention? - Would these have been achieved without the direct involvement of IDB Lab? Why?	- Actual use of the CSA technologies and practices - Quality and number of assessments of the status and pattern of rehabilitation processes of forest and appropriate sustainable habitat management measures -Quality and number of appropriate TA on sustainable agriculture management -Number of technical report available for decision markers -Level of dissemination of the Project's lessons learned	- ProDoc - Project progress reports - APR reports - Final report - Interviews with NC and representatives of other national stakeholders

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
iii.	Likelihood of Impact	- What is the likelihood of expected positive impacts to be realized? - To what extent have any possible negative effects been identified in the Project as risks? - How successful was the Project in playing a catalytic role and/or promoting the scaling up or replication of Project results? - Is the Project likely to contribute to the long-lasting changes represented by the Sustainable Development Goals, and/or the intermediate-level results reflected in IDB's MTS, POW and national strategic priorities of participating countries?	- Pending / already approved new Project proposal documents - Development of budget lines committed to finance the maintenance of project activities	- Likelihood of Impact Assessment - Reconstructed ToC at Design and at Evaluation - ProDoc - Project progress reports - APR reports - Financial reports - Final report - Interviews with NC and representatives of other national stakeholders -
E. Financial Management (Main Report Section 4.3 Effectiveness)				
Key question: How conducive was the financial management for the achievement of project Outputs and Outcomes?				
i	Adherence to IDB's financial policies and procedures	- Was the Project implemented in compliance with UN financial management standards and procedures?	- Approval of contracting documents, Project reports and financial reporting - Alignment of expenditures during Project implementation with approved budget	- Project budget - Financial reports, audit reports - Interview with IDB Fund Management Officer (FMO) - Interviews with TM and PC - Interviews with Project partners that received financial support
ii	Completeness of financial information	- Was the Projects' key financial information complete?	- Approval of contracting documents, Project reports and financial reporting	- Project budget - Financial reports, audit reports - Interview with IDB FMO

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
		- What was the actual expenditure across the life of the Project? - To what extent were the projects' expenditures in line with the corresponding approved budget? - What changes, if any, have been made to the projects' budget and why?	- Alignment of expenditures during Project implementation with approved budget	- Interviews with TM and PC - Interviews with Project partners that received financial support
iii	Communication between financial and Project management staff	- To what extent did the quality of communication between Project management and financial management staff affect project efficiency?	- Approval of contracting documents, Project reports and financial reporting - Alignment of expenditures during Project implementation with approved budget	- Project budget - Financial reports, audit reports - Interview with IDB FMO - Interviews with Project partners that received financial support
	F. Efficiency (Main Report Section 4.2 Efficiency)			
Key question: To what extent and how were cost-effectiveness and timeliness considered during Project implementation? How did these factors affect Project performance?				
	Cost-effectiveness and timeliness of Project execution	- Did the Project make use of / build upon pre-existing institutions, agreements and partnerships, data sources, etc. to increase Project efficiency? How? - What factors have caused delays (if any) and have affected Project execution, costs and effectiveness? How? - Were events leading to completion of activities sequenced efficiently? - What was the role of the Project's? governance structure and management approach on its efficiency? management approach on its efficiency?	- Number of Project extensions, budget adjustments, revisions - Number of measures to mitigate delays - Timeliness of report submission	- ProDoc - Project progress reports/PIR reports - Financial reports - Final report - Interviews with TM and PC - Interviews with NC and representatives of other national stakeholders

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
	G. Monitoring and Reporting (Main report Section 4.4 Monitoring)			
Key question: How were monitoring, evaluation and reporting used to support, adapt and improve Project implementation?				
i.	Monitoring design and budgeting	- To what extent were the monitoring plans designed to track progress against SMART indicators? - To what extent were the allocated funds adequate for monitoring purposes, and for the mid-term and terminal evaluations?	- Quality of monitoring plan - Number and quality of monitoring documents - Existence and quality of mid-term review reports	- ProDoc - Project budget - APR reports - Financial reports - Monitoring reports - Interviews
ii.	Monitoring of Project implementation	- To what extent were the monitoring plans operational? - To what extent did the monitoring system facilitate the timely tracking of results and progress towards Project Objectives? - To what extent was the information, generated by the monitoring system, used to adapt and improve Project execution, achievement of Outcomes and ensure sustainability?	- Number and quality of monitoring documents - Existence and quality of report and management response	- Project budget - APR reports - Financial reports - Monitoring reports - Interviews
iii.	Project reporting	- Have the 6-monthly status reports been delivered in a timely manner? - To what extent have other IDB and donor reporting requirements been fulfilled?	- Number and quality of reports delivered in line with reporting requirements - Number and quality of approved reports	- ProDoc - Mid-term review reports - Project budget - APR reports - Financial reports - Monitoring reports

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
	H. Sustainability (Main Report Section 4.5 Sustainability			
Key question: How do socio-political, financial and institutional factors affect the probability of Project Outcomes being maintained and developed after the Projects end?				
i.	Socio-political sustainability	- What is the level of ownership, interest and commitment among governments and among other main stakeholders? - What is the likelihood that the Project achievements will be taken forward at the national level, by the government (including allocation of budgets) and by the main stakeholders? - What is the likelihood that capacity development efforts continue? - Has increased capacity in the country been sustained until today?	- Number of follow-up initiatives and planning by the private sector or government (including designated budgets)	- ProDoc - Project progress reports - Steering Committee meetings - APR reports - Financial reports - Final report - Interviews with NC and representatives of other national stakeholders
ii.	Financial sustainability	- To what extent are Project Outcomes dependent on future funding for the benefits they bring to be sustained? - Is there any private sector or government funding secured to sustain activities designed by the Project? - What efforts are being made to secure funding for future complementary activities?	- Number of follow-up initiatives - Amount of new funding available	- ProDoc - Project progress reports - APR reports - Final report - Interviews with NC and representatives of other national stakeholders - Interviews/surveys with government representatives
iii.	Institutional sustainability	- To what extent were institutional frameworks, policies, and legal and accountability frameworks in place	- Number and quality of policies and legal and accountability frameworks	- ProDoc - Project progress reports - APR reports

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
		and robust enough to support the sustainability of Project Outcomes?	- Number of follow-up activities initiated by the private sector or governments	- Final report - Interviews with government representatives and other stakeholders
I. Factors and Processes Affecting Project Performance (Main Report Section Cross-cutting Issues 4.6)				
Key question: How and to what extent did certain factors – preparation and readiness, quality of Project management and supervision, stakeholder participation and cooperation, responsiveness to human rights and gender, and environmental and social safeguards - affect Project performance?				
i.	Preparation and Readiness	- Were appropriate measures taken to either address weaknesses in the Project design or respond to changes that took place between Project approval, securing of the funds and Project mobilisation? Which measures? - What was the nature and quality of engagement with stakeholder groups by the Project team during Project preparation? -Were initial staffing and financing arrangements sufficient to drive implementation?	- Number and quality of appropriate measures taken (if necessary) - Quality of partner agreements	- ProDoc - Project progress reports - APR reports - Final report - Partner agreements - Interviews with TM and PM - Interviews with NC and representatives of other national stakeholders
ii.	Quality of Project Management and Supervision	- Was Project management by IDB pro-active and responding timely	- Number of issues complicating sound Project implementation solved timely (as opposed to unsolved issues)	- ProDoc - Project progress reports - APR reports

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
		and adequality to any issues encountered within the Project? - What was the nature of communication and collaboration with stakeholders? - What was the nature of communication and collaboration with IDB staff and the UNITAR Project management staff? - How were risks managed? Did this require use of problem-solving and/or Project adaptation? How?	- (Amount of) evidence of adaptive management being applied	- Final report - Interviews with NC and representatives of other national stakeholders - Interviews with government representatives - Interviews with other stakeholders
iii.	Stakeholder Participation and Cooperation	- Were all important Project stakeholders properly identified at Project design and duly involved in Project implementation? - What consultation and communication mechanisms were put in place to ensure an active stakeholder engagement and ownership? Were these effective? - What was the level of support provided to maximise collaboration and coherence between stakeholders? - What measures were taken to ensure inclusion and participation of all differentiated groups, including gender and vulnerable groups?	- Number of stakeholders identified and actively involved in Project implementation - % of stakeholders satisfied with the stakeholder participation	- ProDoc - Project progress reports - APR reports - Final report - Interviews with NC and representatives of other national stakeholders
iv.	Responsiveness to Human Rights and Gender Equity	- To what extent did the Project intervention adhere to IDB's policy and strategy for gender and human rights?	- Number of gender and human rights stakeholders identified and actively involved in Project implementation	- UN policies and strategies on gender and human rights: UN Common Understanding on the Human Rights Based Approach (HRBA)

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
		- To what extent did Project implementation and monitoring take into consideration: -Possible inequalities (especially gender-related) -Specific vulnerabilities of disadvantaged groups (especially women, youth, children) to environmental degradation or disasters -The role of disadvantaged groups (especially gender-related) in mitigating or adapting to environmental changes and engaging in environmental protection and rehabilitation	- Number of stakeholders satisfied with the stakeholder participation realized - Evidence that sensitivity in gender has been observed in Project design, implementation and monitoring and evaluation activities, including gender distribution in participation in Project activities and events	-UN Declaration on the Rights of Indigenous People -GCF's Policy and Strategy for Gender Equality and the Environment - ProDoc - Project progress reports - Steering Committee meeting minutes and/or Workshop reports - PIR reports - Final report - Interviews with NC and representatives of other national stakeholders
v	Environmental and Social Safeguards	- To what extent were IDB's requirements, with respect to environmental and social safeguards, met (through the process of environmental and social screening at Project approval stage, risk assessment and management) of potential environmental and social risks and impacts associated with Project and programme activities? - To what extent were the following activities carried out: * Review of risk ratings on a regular basis; * Monitoring of Project implementation for possible safeguard issues;	- Frequency of review of risk ratings - Number of monitoring reports that include monitoring of safeguard issues - Evidence of adequate responses to safeguard issues	- ProDoc - Project progress reports - APR reports - Final report - Interviews with NC and representatives of other national stakeholders

No	Evaluation Criteria	Sub Questions	Indicators / Means of verification	Data Sources
		* Providing responses to safeguard issues; - To what extent did the Project management minimize IDB's environmental footprint? What measures, if any, where taken?		
vi.	Country Ownership and Driven-ness	- To what extent was the government / public sector qualitatively involved with the Project? (in respect to the need to embed the Outputs and Outcomes of Project work in their respective institutions) - How did this contribute to embed changes in their respective institutions and offices? - To what extent do these representatives/agencies consider the needs or interest of all gendered and marginalised groups?	- Number of Project Outputs and Outcomes entrenched in the national government and other stakeholders - Degree to which Project results have been adopted and championed nationally and globally.	- ProDoc - Project progress reports - APR reports - Final report - Interviews with NC and representatives of other national stakeholders - Interviews/surveys with other stakeholders - Interviews/surveys with government representatives
vi.	Communication and Public Awareness	- How were learning and experience sharing communicated between Project partners and interested groups? - Which public awareness activities were undertaken during Project implementation? - To what extent did they influence attitudes or shape behaviour among wider communities and civil society at large? How?	- Operative communication platforms - Discussion boards -Degree on awareness of stakeholders on CSA and sustainable finance	- ProDoc - Project progress reports - APR reports - Final report - Interviews with NC and representatives of other national stakeholders - Interviews with other stakeholders - -Awareness raising materials developed within the Project

Annex II Mission itinerary

y	Location	Activities	Stakeholders/Entities
3	Guatemala City	Arrival	
4	Guatemala City	Internal briefing and logistics- Introductory meeting with IDB Lab country office- Meetings with national stakeholders: • IDB Lab project officers (GU-L1178, GU-G1012, GU-L1193) •	Evaluation Team, IDB Lab (CGU)IDB Lab.
5	Chimaltenango	- Visit to FUNDEA HQ- Interviews with FUNDEA managers- Field visits to 2–3 farmers using CSA tech- FGDs with Mayan women farmers	FUNDEA, Farmers (CSA adopters), Local communities
6	Quetzaltenango & San Marcos	- Visit to FECCEG bio-inputs and biochar facilities- Interviews with cooperative leaders- Field visit to coffee farms using inputs - Household visits to Indigenous farmers- Interviews and observations on waste valorization- Discussion on biochar sales and productivity gains	FECCEG, coffee cooperatives, local farmers FECCEG, Farmers, TA providers
7	Huehuetenango	- Visits to FENACOAC and MICOOPE S&Ls- Interviews with loan officers and clients- TA partner meetings (CRS, Heifer)- Observation of digital tools	FENACOAC, CRS, Heifer, S&Ls, Farmer clients
8	Alta Verapaz	- Additional S&L visits (e.g., Cobán)- TA impact assessment in agroforestry areas- FGDs with mixed farmer groups- Data on CSA finance uptake	S&Ls, Farmers, TA partners
9			
10			
11	Virtual.	Presentation of preliminary findings- Wrap-up meeting with IDB Lab and virtual	IDB Lab, FUNDEA, FENACOAC, FECCEG, Government, TA partners
12	Guatemala City	Departure	

Annex III Stakeholders consulted

Name	Role/Organization
Germán Oliverio Jalamez	Beneficiary Chilte Community
Amanda Luz Belo	Beneficiary Chilte Community
Alma Lucrecia Cac Ack	Beneficiary Chilte Community
Herlinda Paau Cac	Beneficiary Chilte Community
Abelardo Luc Paau	Beneficiary Chilte Community
María Elena Chub Cac	Beneficiary Chilte Community
Ronald Fernando Coy	Beneficiary Itern Community
Ricardo Sebastián Leliz	Beneficiary Itern Community
Juan Jose Us Yad	Beneficiary Itern Community
Martha Maquin Chub	Beneficiary Chilte Community
Yolanda Cac Jolomna	Beneficiary Chilte Community
Edwin Antonio Cool Cac	Beneficiary Chilte Community
edin Ronaldo Cac Pocay	Beneficiary Chilte Community
Eduardo Tu Sun	Beneficiary Chilte Community
Fernando Luc Cac	Beneficiary Chilte Community
Delia Floricelda Chun	Beneficiary Chilte Community
Martha Julia Cac Ack	Beneficiary Chilte Community
Josefina Cac Carcamo	Beneficiary Chilte Community
Martha Tu Ico	Beneficiary Chilte Community
Elena Tu Sun	Beneficiary Chilte Community
Maria Luc cac	Beneficiary Chilte Community
Gloria Moira Chub Mall	Beneficiary Chilte Community
Matilde Cac Belo	Beneficiary Chilte Community
Byon Augusto Chub Caal	Beneficiary Chilte Community
Maria Elena Act Ac	Beneficiary Chilte Community
Hector Rolando Act Caal	Beneficiary Chilte Community
Oscar Tu Sun	Beneficiary Chilte Community
Irma Yolanda Caal Cac	Beneficiary Chilte Community
Filomena Cac Choc	Beneficiary Chilte Community
Maria Elena Rax Gaica	Beneficiary Chilte Community
Cristina Cac Belo	Beneficiary Chilte Community
Blanca Maribel Luc Balz	Beneficiary Chilte Community
Eulalia Cac Carcamo	Beneficiary Chilte Community
Petrona Caal Cac	Beneficiary Chilte Community
Matilde Cac Cu	Beneficiary Chilte Community
Maria Cristina Tzi Chub	Beneficiary Chilte Community
Alma Leticia Act Coo	Beneficiary Chilte Community
Imelda Ical Pop	Beneficiary Chilte Community

Manuela Batz Cac	Beneficiary Chilte Community
Yolanda Luc Paau	Beneficiary Chilte Community
Imelda Caal Cac	Beneficiary Chilte Community
Ricardo Jolamina	Beneficiary Chilte Community
Jose Atc	Quetzaltenango Indigenan Community
Maria Cleavon Coti	Quetzaltenango Indigenan Community
Miguel Lopez	Quetzaltenango Indigenan Community
Sebastian Xel	FECCEG Member
Fesbia Perez	FECCEG Member
Maira Lopez Reyes	FECCEG Member
Dulce Maria Florinda Xel Oxom	FECCEG Member
Juan F Gonzalez	FECCEG Member
Bernardino Diaz	FECCEG Member
Michael David Lopez Tax	FECCEG Member
Felicita Matilde Sic Chamorro	Financial Management Coordinator FECCEG
Cindy Gabriela Santos Serrano	FECCEG Member
Ericc Stuardo Fernandez Escolor	FECCEG Member
Ingrid Sarai Lopez Rodriguez	FECCEG Member
Amilcar Lopez Vasquez	FECCEG Member
Dina Lopez Rodriguez	FECCEG Member
Karin Rocio de Leon Serrano	FECCEG
Cristian Rafael Santiago Aguilar	FECCEG
Alvin Onofre Santos de León	Quetzaltenango
Aura Benita Alomzo Pocol	Cantel
Carolina García	Xecanacoj
Silvia Maria Guzman Alvarez	Quetzaltenango
Alain Mejia	Quetzaltenango
Jorge Oliveros	CRS
Marcelo Garcia	CRS
Alan Galvan Solis	Smarttech Chief FUNDEA
Guillermo Caal	Executive Vicechair FUNDEA
Gustavo Hernandez	National Director Heifer
Santiago Saavedra Jimenez	Gerente Desarrollo Institucional en FENACOAC
Larry PaulVer	Program Director Heifer Internacional Guatemala
Ricardo Ordoñez	Farmer/demonstrative Plot owner - FUNDEA
Luis Sinai	Farmer- FUNDEA Beneficiary
Juan Cumes	Agency Chief Tecpan - FUNDEA
Fermin Perez	Regional Supervisor- FUNDEA
Elmer Santos	Technical Advisor - FUNDEA

Jonas Arriaga	Smart Tech Management - FUNDEA
Edgar Parra Oyervides	Senior Investment Officer – IDB Lab
Andres Rubio Chacon	Investment Officer – IDB Lab
Ana Paula Mendoza Gunter	Consultant - IDB Lab

Annex IV. Terms of reference

Consultancy for Green Climate Fund Interim Evaluation- Product and External Services Consultant: IDB Lab ID RG-O1656 / GCF ID FP048: Low Emission and Climate Resilient Agriculture Risk Sharing Facility

The consultancy's main task is to develop the Interim Evaluation of a Facility (or "Project") created between the Inter-American Development Bank (IDB) and the Green Climate Fund (GCF) and managed by IDB Lab (Executing Agency). The focus is formative to get a good picture of current implementation performance and develop evidence that can be fed back into the Project to help steer its ongoing implementation toward the desired results. These can be used for improvement. This Facility and the activities to be carried out by the Consultant (or "Evaluator") are described below.

1. CONTEXT:

1.1. Project Background.

Agriculture is one of the sectors most vulnerable to climate change and is simultaneously a driver and mitigant of the underlying causes of climate change. Therefore, moving the needle on climate change in Latin America and the Caribbean (LAC) region means working in sustainable, low-carbon agricultural and forest landscapes. The concept and practice of Low-Emission Climate-Resilient Agriculture (LERA) offers a fitting toolbox to achieve mitigation and adaptation objectives in the agro-forestry sector in LAC.

LERA can be defined as a practice that "contributes to the achievement of sustainable development goals. It integrates the three dimensions of sustainable development (economic, social, and environmental) by jointly addressing food security and climate challenges. It is composed of three main pillars: (i) sustainably increasing agricultural productivity and incomes; (ii) adapting and building resilience to climate change; and (iii) reducing and/or removing greenhouse gas emissions, where possible".

LERA projects in LAC often have difficulty securing financing for innovation or growth because the financial intermediaries that service this sector do not offer products tailored to the needs of agricultural producers experimenting with new processes or expanding from small, grant-funded pilots.

As a result of the context described, on December 26th, 2018, the Green Climate Fund (GCF) and the Inter-American Development Bank (IDB) entered into a Funded Activity Agreement (FAA) for Funded Activity: FP048 "Low Emissions and Climate Resilient Agriculture Risk Sharing Facility," which became effective on January 22nd, 2019 and supports the transition to low-emission, climate-resilient agriculture in Guatemala and Mexico to unlock innovative and scalable financial instruments for MSMEs.

1.2. The Project.

The Facility created by GCF and IDB and managed by IDB Lab is a revolving low-emission, climate-resilient agriculture risk-sharing facility available to complement and leverage funding from private companies, financial service providers, such as banks, microfinance institutions, credit unions, insurance providers, and equity resources for the financing of eligible MSMEs, engaging primarily in activities in the areas of agriculture, land use, and/or forestry in the climate-smart land use sector, consistent with Guatemala's and Mexico's national climate strategies. The Facility aims to provide smallholder farmers access to climate-sound technologies to support actions and investments that can increase resilience and reduce the

vulnerability of crops to the inevitable impacts of climate change. It will support both mitigation and adaptation outcomes.

The Project has an estimated lifespan of 15 years, ending on January 22nd, 2033, and a size of USD30M (USD20M from GCF and USD10M from IDB Lab), which can be deployed until January 22nd, 2026 (a two-year extension was authorized in 2023, from the original investment date, January 22nd, 2024) through IDB Lab individual project approval. The USD30M comprises the following amounts for each of the following financial instruments:

Instrument	GCF (USD M)	IDB Lab (USD M)	Total (USD M)
Non-reimbursable	**2.14**	**1.14**	**3.28**
Grant	2.14	1.14	3.28
Reimbursable	**17.86**	**8.86**	**26.72**
Loan	5.36	4.36	9.72
Equity	11.00	3.00	14.00
Guarantee	1.50	1.50	3.00
Total	**20.00**	**10.00**	**30.00**

The amounts in the table for the reimbursable instruments were reallocated according to exercising a right in the FAA and are as follows:

Instrument	GCF (USD M)	IDB Lab (USD M)	Total (USD M)
Loan	5.896	4.796	11.42
Equity	10.614	2.714	12.60
Guarantee	1.350	1.350	2.70
Total Reimbursable	**17.86**	**8.86**	**26.72**

The portfolio (sub-projects) of the Facility is as follows:

- Ejido Verde: Transforming Degraded Community Lands into Sustainable Jobs, Incomes and Carbon Sinks
    - Executing Entity: Ejido Verde SAPI de CV
    - Country: Mexico
    - Year approved by IDB Lab: 2020
    - Objective: Provide a finance and technology package to owners of degraded and abandoned agricultural land to establish commercial agro-forestry plantations and sustainably link them as suppliers of pine resin in a manner that provides material and meaningful long-term income opportunities and environmental benefits
    - Climate alignment: Mitigation
    - Instruments provided: Loan and grant
- Funding Climate-Smart Agricultural Technologies for Micro & Small Entrepreneurs and Farmers in Guatemala
    - Executing Entity: FUNDEA
    - Country: Guatemala
    - Year approved by IDB Lab: 2020
    - Objective: Provide a loan (with financial characteristics more sensitive to the climate profile of the Guatemalan farmer) to FUNDEA so that FUNDEA offers financial and non-financial products that respond to the farmer’s demand and financial flows to adopt intelligent agricultural technologies, is a concrete response in favor of climate action, the protection of ecosystems, and has the potential to promote sustained increased income for farmers.

    - Climate alignment: Mitigation and adaptation
    - Instruments provided: Loan and grant
- Partial Guarantee Mechanism to Promote the Use of Agricultural Technologies and Practices among Small Farmers in Guatemala
    - Executing Entities: FENACOAC, Heifer International, Catholic Relief Services
    - Country: Guatemala
    - Year approved by IDB Lab: 2021
    - Objective: Support a private partial guarantee scheme to promote the use of sustainable agricultural technologies and practices with small-scale farmers in Guatemala, together with technical assistance for the small farmers, which is financially and environmentally sustainable.
    - Climate alignment: Adaptation
    - Instruments provided: Guarantee and grant
- FECCEG: Valorizing Waste by Turning It into Resources through a Circular Economy that Protects the Environment
    - Executing Entity: FECCEG
    - Country: Guatemala
    - Year approved by IDB Lab: 2024
    - Objective: Under the leadership of FECCEG, expand and advance a sustainable model for coffee production in Guatemala that supports producers' capacity to cope with climate change and helps improve their yields
    - Climate alignment: Mitigation
    - Instruments provided: Loan

2. OBJECTIVES OF THE CONSULTANCY

The consultancy is expected to provide a comprehensive account of the performance of the Facility by assessing its design, implementation, and achievement of objectives at the moment of the evaluation. They are expected to promote accountability and transparency, facilitate synthesis of lessons learned, provide feedback to allow the GCF to identify valuable portfolio data for aggregation and analysis, and provide feedback for the rest of the Project implementation.

The evaluation's primary goals are to (i) determine the level at which the objective, outcomes, and impact as stated in the Facility's logical framework are being achieved; (ii) review the effectiveness, efficiency, and timeliness of Facility implementation; (iii) analyze the effectiveness of implementation and Executing Entities arrangements;

(iv) identify issues requiring decisions and remedial actions; (v) identify lessons learned about Facility design, implementation, and management; (vi) highlight technical achievements and lessons learned; (vii) propose any mid-course corrections and/or adjustments to the implementation strategy as necessary; and (viii) verify actual direct and indirect leverage ratios – direct relates to the Facility level, whereas indirect to the Executing Entities.

Specifically, the evaluation of the Facility will examine the following aspects:

a) *General information*: This includes information such as GCF Project ID, Project name, GCF financing, promised and materialized co-financing, including IDB Lab's key objectives, Project countries, and key dates, among others.
b) *Changes in context and review of assumptions:* Was the Facility's design adequate to address the problem(s)? What internal and/or external factors influenced the ability of the Executing Agency, Executing Entities, beneficiaries, and/or stakeholders to meet projected targets at this evaluating point? Were the Project objectives and design relevant given the political, economic, and financial context?

Does the Facility remain relevant, given any context changes that may have occurred? Given changes in the region, sector, environment, and/or operational context, is there a need to reformulate the Facility's design? The Consultant should present a brief overview of the policy environment and the economic and business conditions that had, if any and applicable, an impact on the implementation of the Project.

c) *Theory of change (TOC):* Description of the Facility theory of change, including a description of the outputs, outcomes, intermediate states, and intended long-term environmental impacts of the Project; the causal pathways for the long-term impacts; and implicit and explicit assumptions. The TOC should also include the Facility's objective(s). If it already has an explicit theory of change, where appropriate, after consultations with the Project stakeholders, the Evaluator may refine this theory of change. Where an explicit TOC is not provided in the Facility's documents, the Evaluator should develop it based on information provided in the Project's documents and through consultations with the Project stakeholders.

d) *Paradigm shift:* Considering the paradigm shift baselines established within the funding proposal, the Consultant will assess progress across each of the three paradigm shift dimensions (scale, replicability, and

sustainability). Assessments will identify the evident extent of change, and a qualitative, narrative assessment should support them. The Evaluator should draw on various evidence sources when assessing, including project documentation, stakeholder interviews, and secondary data that can illustrate broader changes, such as national statistics, media reports, and reports from other organizations. While the baselines and anticipated contributions identified in the original funding proposal will provide the basis for the assessment, the Evaluator will also need to review evidence of unanticipated changes and unanticipated contributions across all dimensions. Given the complex, dynamic nature of the paradigm shift, unexpected progress may occur due to unforeseen circumstances or new opportunities arising. The goal of assessing paradigm shift is to support learning. Therefore, assessments should record evidence of paradigm shift and explain why any shift has been achieved and how the Project specifically contributed to that change.

e) *Results in terms of outputs achieved:* Outputs are tangible direct results of a project. The Consultant: (i) should assess the extent to which the key expected outputs are being delivered, and (b) identify and assess the factors that have affected the delivery of outputs.

f) *Assessment of outcome/impact:* The Consultant should (i) assess the extent to which the expected outcomes are being achieved and the extent to which its achievement is dependent on the delivery of Project outputs and (ii) also assess the factors that have affected outcome achievement. The Consultant will apply the following criteria for outcome ratings:

Outcome ratings will consider the outcome achievements of the projects against its expected targets, per the following dimensions:

- *Relevance:* Were the context, problem, needs, and priorities well analyzed and reviewed during Project initiation? Are the planned Project objectives and outcomes relevant and realistic to the situation on the ground? Is the project theory of change and intervention logic coherent and realistic? Does the TOC and intervention logic hold, or must they be adjusted?
- *Efficiency:* To what extent did the Project deal with issues and risks efficiently during implementation? To what extent did the design of the Project help or hinder achieving its own goals? Were there clear baseline indicators and/or benchmarks for performance measurements? How were these used in Project management? To what extent and how did the Project apply adaptive management?
- *Effectiveness:* Are the outputs being achieved on time? Is this achievement supportive of the TOC and pathways identified? To what extent has the Project contributed to an enabling environment? What, if any, alternative strategies would have been more effective in achieving the Project objectives?
- *Coherence in climate finance delivery with other multilateral entities:* To what extent has the Project

complemented other ongoing local-level initiatives (by stakeholders, donors, governments) on climate change adaptation or mitigation efforts?

- *Gender equity:* Are financial resources/Project activities explicitly allocated to enable women, youth, people with disability, Indigenous people, and other marginalized groups to benefit from Project interventions? Is the decision-making process transparent and inclusive of all relevant marginalized groups? To what extent are the beneficiaries satisfied with the project's results? Did the Project sufficiently address cross-cutting issues, including gender?
- *Countries' (Guatemala and Mexico) ownership of the Project*: To what extent is the Project aligned with national development plans, national plans of action on climate change, or sub-national policy, as well as projects and priorities of national partners? Is the Project as implemented responsive to local challenges and relevant/ appropriate/strategic in relation to SDG indicators, national indicators, GCF RMF[1] / PMF[2] indicators, Accredited Entity indicators, or other goals?
- *Innovation in results areas:* Which role has the Project played in the provision of 'thought leadership,' 'innovation,' or 'unlocked additional climate finance' for climate change adaptation/ mitigation in the Project and country context? Please provide concrete examples and make specific suggestions on how to enhance these roles from now on.
- *Replication and Scalability:* What are the Project's lessons learned, as well as failures/lost opportunities to date? What might have been done better or differently? Are the actions and results from Project interventions likely to be sustained, ideally through ownership by the local partners and stakeholders? What key factors will require attention to improve prospects of sustainability, scalability, or replication of Project outcomes/outputs/results?
- *Impact:* To what extent has the Project contributed or will be contributing to the desired paradigm shift?
- *Unexpected results:* How has the Project's ability to adapt and evolve been based on continuous lessons learned and the changing development landscape? Please account for factors both within the Accredited Entity, Executing Entities, and external. What factors have contributed to the unintended outcomes, outputs, activities, and results?

g) *Lessons learned:* The Consultant should identify the main lessons learned and best practices implemented or lacking thereof, which should be shared to improve similar future GCF Projects within the region and amongst other IDBG-GCF sectorial specialists.

3. DOCUMENTS TO BE REVIEWED BY THE CONSULTANT

While conducting the evaluation, the Consultant should consider the following documents for input and/or guidance.

1.1. The FP048: Climate-Smart Agriculture (CSA) Risk Sharing Facility for MSMEs Funding Proposal, including the logical framework and theory of change[3].

1.2. The Funded Activity Agreement between the IDB and the GCF for Funded Activity: FP048 "Low Emissions
and Climate Resilient Agriculture Risk Sharing Facility."

1.3. Annual performance reports (APRs) submitted to GCF in previous years.

1.4. Semi-annual financial reports submitted to GCF in previous years.

1.5. Internal reports produced by IDB Lab in relation to the Facility.

1.6. The Environmental and Social Safeguards (ESS) report for FP048: Low Emissions and Climate Resilient Agriculture Risk Sharing Facility[4].

1.7. The Gender Assessment for FP048: Low Emissions and Climate Resilient Agriculture Risk Sharing Facility[5].

1.8. The Gender Action Plan for FP048: Low Emissions and Climate Resilient Agriculture Risk Sharing Facility[6].

1.9. The Agreements signed between IDB Lab and the Executing Entities for all sub-projects contract numbers: [ME-L1302; ME-L1303; ME-T1437]; [GU-L1178; GU-L1179; GU-T1315; GU-T1316]; [GU-G1012; GU-G1013; GU-T1323; GU-T1324]; and [GU-L1193; GU-L1194].

1.10. All sub-projects documents, including the Donors Memorandum and monitoring reports.
1.11. All reports produced by the Executing Entities.
1.12. GCF Evaluation Standards[7]
1.13. GCF Evaluation Policy[8]
1.14. GCF Mitigation and Adaptation Performance Measurement Frameworks [9]
1.15. GCF Evaluation Operational Procedures and Guidelines[10]

4. METHODOLOGY

The Interim Evaluation should be rigorous, allowing for verification and triangulation of findings. It will seek, to the greatest possible extent, to be inclusive and participatory, involving principal stakeholders and beneficiaries in the analysis. A mixed methods approach is recommended, which, at a minimum, will include:

1.1. ***Desk review of Facility´s documentation.*** Review of archived material related to the Facility and its sub- projects, as well as background material used during the Facility preparation, approved Facility documents, Facility monitoring documents, disbursement reports, progress reports, action plans, quarterly/annual reports, audit reports, financial models, financial statements, ad-hoc reports, and any other information available.

1.2. ***Qualitative method – Remote and in situ interviews*****.** (i) Reviews and analysis of the Facility activities; (ii) in situ and remote interviews with key stakeholders and any other persons related to the operations and/or management of the sub-projects; (iii) in situ interviews with beneficiaries; (iv) interviews with IDB Lab staff who participated in the Facility design and execution; and (v) interviews with some Consultants and staff and/or technical assistance providers whom IDB Lab hired to support the Project.

1.3. ***Quantitative method.*** Survey or secondary data analysis to assess and validate reported results.

1.4. ***Collection of data***. Data generated from the monitoring system should be another source of information. The Consultant may propose additional methods of conducting the evaluations among other sources.

SUGGESTED OUTLINE FOR INTERIM EVALUATION REPORT

It is suggested that the Interim Evaluation Report should include, but is not limited to, the elements listed below. Other components should be included as relevant.

I. Executive Summary (no more than three pages)

a) Main Findings
b) Recommendations
c) Project Description
d) Evaluation Scope
e) Evaluation Methodology
- Design/general approach, Sources of data, Instruments, Assumptions/ Limitations

f) Methodological limitations and mitigation measures
g) Audience
h) Dissemination Plan

II. Analysis of Central Evaluation Criteria

a) Relevance
- *Changes in the Project Context and Review of Assumptions*
- *Validity of Project logic and Program relevance*
- *Alignment of the operation with the development needs of the country/sector*
- *Implications for Project Continuation/ Reformulation*
- *Relevance Evaluation*

b) Efficiency
- *Problems in Program Implementation*

- *Project challenges and risks*
- *Budget*
  - *Distribution and operation costs*
  - *Changes and reallocations*
  - *Execution*
  - *Efficiency Evaluation*

c) *Effectiveness*
- *Meeting of Program Purpose*
- Achievement of Project Outputs
- *Project Outputs and Effects*
- *Unexpected results*
- *Effectiveness Evaluation*

d) *Sustainability*
- *General Aspects*
- *Environmental and social safeguards*
- *Sustainability Evaluation*

III. Main Findings and Lesson Learned (Ensure that the findings are based on multiple sources and be clear on the strength of the evidence supporting/refuting the findings.)

a) *Replication and Scalability*
b) *Technical – Sectorial*
c) *Organizational and Managerial*
d) *Process – Design of the sub-projects*
e) *Risk management*
f) *Special Case - Ejido Verde: Transforming Degraded Community Lands into Sustainable Jobs, Incomes and Carbon Sinks*

IV. Recommendations

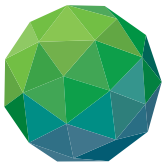
Main recommendations

V. Action Plan for the second half of execution

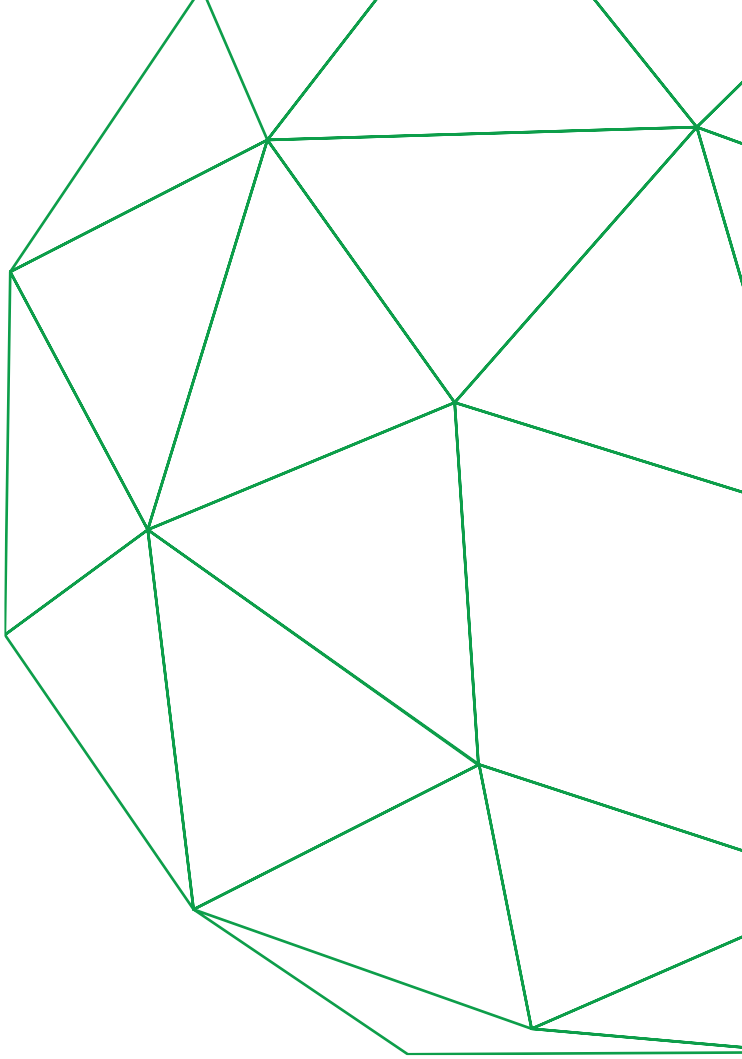
To be incorporated after receiving the Secretariat feedback

VI. Annex

Evaluation matrix, mission reports, list of interviewees, list of documents reviewed, data sources used detailed calculations and supporting evidence for mitigation and adaptation results, detailed scorecards, and others.



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