

**Mid-Term Review of the UNEP Project  
Ecosystem-based Approaches for Reducing the  
Vulnerability of Food Security to the Impacts of  
Climate Change in the Chaco Region of Paraguay  
(PIMS ID 01984)**

**Version: Final**



**July 2023**

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## LIST OF ACRONYMS

AF	Adaptation Fund
CCA	Climate Change Actions
DINAC	National Directorate of Civil / Aeronautics
DMH	Directorate of Meteorology and Hydrology
DNCC	National Climate Change Direction
EbA	Ecosystem-based Adaptation
ID	Investigación para el Desarrollo
INDERT	National Institute of Rural Development and Lands
INDI	Paraguayan Institute for Indigenous People
INFONA	National Forestry Institute
IPTA	Paraguayan Institute of Agrarian Technology
LACO	Latin America and the Caribbean Office
MAG	Ministry of Agriculture and Livestock
MADES	Ministry of Environment and Sustainable Development (Previously SEAM)
MTR	Mid-Term Review
MTS	Medium-Term Strategy (UNEP)
NDC	National Determined Contribution
NGO	Non-Governmental Organization
NSC	National Steering Committee
OECD-DAC	Organization for Economic Cooperation and Development, Development Assistance Committee
PAHO	Pan-American Health Organization
PCA	Project Cooperation Agreement
PIMS	Program Information Management System
ProDoc	Project Document
PMU	Project Management Unit
PNACC	National Adaptation Plan
POW	Programme of Work (UNEP)
PPR	Project Performance Reports
PRC	Programme Review Committee
PSC	Project Steering Committee
TOC	Theory of Change
TOR	Terms of Reference

SDG	Sustainable Development Goals
SENAVE	National Service of Vegetal and Seed Health and Quality
SENASA	National Environmental Sanitation Services
SSFA	Small Scale Funding Agreement
UN	United Nations
UNEP	United Nations Environment Programme
WWF	World Wildlife Fund

## PROJECT IDENTIFICATION TABLE

**Table 1. Project Summary**

<b>UNEP PIMS ID:</b>	01984		
<b>Implementing Partners</b>	National Directorate for Climate Change (DNCC)/ Ministry of Environment and Sustainable Development (MADES in Spanish), formerly known as Secretariat of the Environment (SEAM in Spanish)		
<b>Relevant SDG(s):</b>	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries  13.1.1 Number of deaths, missing persons and directly affected persons attributed to disasters per 100,000 population 13.1.3 Proportion of local governments that adopt and implement local disaster risk reduction strategies in line with national disaster risk reduction strategies		
<b>Sub-programme:</b>	Climate Action	<b>Expected Accomplishment(s):</b>	Outcome 1B: Countries and stakeholders have increased capacity, finance and access to technologies to deliver on the adaptation and mitigation goals of the Paris Agreement
<b>UNEP approval date:</b>	30 June 2017(signature of Agreement with Adaptation Fund)	<b>Programme of Work Output(s):</b>	1.4 Sectoral partnerships and access to technologies for decarbonization, dematerialization and resilience are enhanced.
<b>Expected start date:</b>	1 Jun 2017	<b>Actual start date:</b>	11 April 2019
<b>Planned completion date:</b>	10 April 2025	<b>Actual operational completion date:</b>	
<b>Planned project budget at approval:</b>	\$6.570.000 Project Funds \$558.450 Implementing Fee \$7.128.450 Total amount	<b>Actual total expenditures reported as of December 31, 2022:</b>	\$660,069.24 *Commitments \$784,104.90 *Actuals \$1,444,174.14 *Total * Expenditure Report based on project funds only.
<b>First disbursement:</b>	\$849.901 (Upon signature)	<b>Planned date of financial closure:</b>	10 April 2026
<b>No. of formal project revisions:</b>	1	<b>Date of last approved project revision:</b>	10 October 2022
<b>No. of Steering Committee meetings:</b>	4	<b>Date of last/next Steering Committee meeting:</b>	Last: 10 December 2022      Next: TBD
<b>Mid-term Review (planned date):</b>	November 2022	<b>Mid-term Review (actual date):</b>	November 2022
<b>Terminal Review/Evaluation (planned date):</b>	TBD		

<b>Coverage - Country(ies):</b>	Paraguay	<b>Coverage - Region(s):</b>	Latin America and Caribbean
<b>Dates of previous project phases:</b>	N/A	<b>Status of future project phases:</b>	N/A

## EXECUTIVE SUMMARY

### Executive Summary – MTR EbA Chaco

The project “Ecosystem Based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco Region of Paraguay” (EbA Chaco) is funded by the Adaptation Fund through a USD 7,128,450 grant. It was launched in April 2019 and is expected to end in April 2025, after a one-year extension. The United Nations Environment Programme (UNEP) is the implementing and the executing entity for this project, in collaboration with the Ministry of Environment and Sustainable Development (MADES).

The Chaco region of Paraguay occupies the western part of the country and covers 246,925 km<sup>2</sup>. It is generally dry and sparsely populated, and hosts the largest dry forest in the world. Climate change is causing more frequent and longer droughts and unreliable rainy seasons, along with floods caused by heavy rainfall. This is aggravated by massive deforestation driven by agriculture. Water supply is of insufficient quantity, quality and continuity.

The objective of EbA Chaco is “to reduce the vulnerability of the population (selected family agriculture producers and indigenous communities) of the Chaco Region of Paraguay to the impacts of climate change on food security.” This is to be achieved through the following outcomes:

- Outcome 1: Knowledge management on vulnerability and resilience to climate change improved to implement cost-effective adaptation measures.
- Outcome 2. Adaptive capacity in rural areas of greatest vulnerability strengthened through concrete adaptation measures favouring an ecosystem-based approach
- Outcome 3. Capacity development and awareness to implement and upscale effective implementation of adaptation measures at national and local levels

The project is implemented in 11 communities in the departments of Boquerón and Alto Paraguay. Five of these communities are indigenous while six are non-indigenous or “Latina”.

The project implementation structure has evolved significantly from what was initially planned. While MADES (formerly SEAM) was the approved executing entity, upon request from MADES, in 2018, UNEP started providing direct project support services with the approval of the Adaptation Fund. A project cooperation agreement (PCA) was established between MADES and UNEP. The director of the National Directorate for Climate Change (DNCC) is the Project Director. The terms of project implementation were revisited in 2021, following a request by the Minister of MADES to the Adaptation Fund to interrupt project implementation that put the project on hold for several months that year.

The project management unit (PMU) has also significantly evolved. The project coordinator was replaced in 2021. One of the Project Officers changed while the other passed away and is currently being replaced. Six Local Technicians were hired in May 2022 to work closely with communities. A Planning and M&E Specialist position was also created.

In the absence of legal presence of the executing entity in Paraguay, UNEP has established partnerships with several organizations for the execution of project activities.

This Mid-Term Review used a mixed methods approach and both secondary and primary data, which was triangulated to come up with an evidence-based assessment. In addition to document review and



online interviews, a one-week mission to Paraguay allowed the reviewer to meet with most relevant stakeholders and visit a relevant sample of communities.

### Strategic relevance

The strategic relevance of the project is rated as *Satisfactory*. The project is aligned with Expected Achievement 1 from UNEP’s Medium-Term Strategy for 2014-2017 and with Expected Achievement A from the 2016-2017 Programme of Work as well as with the current Medium-Term Strategy 2022-2025. It is also aligned with the priorities of the Adaptation Fund. It is relevant to Sustainable Development Goals 13, 15 and 6 and aligned with several national policies.

Importantly, it aims to address crucial needs for improved hydrometeorological information and challenges faced by communities pertaining to water access, food insecurity and general vulnerability to climate change. Its collaboration with other initiatives has been limited, and engagement mechanisms planned in the ProDoc have not been established. However, it has sought to be complementary with other initiatives taking places in targeted communities.

### Quality of Project Design

The project design was generally of good quality and based on detailed analysis. It clearly presents the situation, the problem and proposed solutions. However, there are inconsistencies in the project logic which have created challenges during project implementation. The reconstruction of the theory of change during the MTR (which was not required at the time of project approval) revealed a limited consideration for behavioural changes as well as unrealistic assumptions in the project design. The indicators and targets of the results framework are often misaligned with the outcome statements, and baseline information is not available. The revised version of the results framework prepared during the inception phase was never adopted.

The project workplan is clear and mostly realistic, and the governance arrangements are clearly presented. However, they do not consider the capacity of each stakeholder to fulfil their role, including that of MADES/SEAM, which was supposed to be the executing entity. Knowledge management modalities are comprehensive and include indigenous groups but do not specifically mention women. Budgeting is adequate in relation with expectations. A complete risk assessment was conducted, however it is unclear how it was considered in the logical framework. Sustainability features were included across the project. For these reasons, the quality of project design is rated as *Moderately Satisfactory*.

### Effectiveness

Overall, the effectiveness of the project is rated as *Unsatisfactory*. Several circumstances delayed project implementation, including the process to change the executing entity from MADES to UNEP, the restrictions related to the COVID-19 pandemic and the suspension of the project at MADES request in 2021.

### Outputs

As of December 2022, some of the studies under **Component 1** have been delivered in draft versions, while others have not started or have not been contracted, creating a bottleneck for Component 2 implementation.

Under **Component 2**, although the preparation of adaptation plans has not begun and no complete adaptation measures have been implemented, the project has undertaken two rounds of “pilot measures” in 10 communities. Due to local leadership challenges, one community did not receive its first round of pilots while work was interrupted in another one. The pilot measures have supported beekeeping, increased water availability, cattle ranching and agroecological practices. The project has also delivered a dozen training workshops on EbA and a knowledge sharing workshop in December 2022. The pilot interventions were agreed upon with communities in 2020-2021 and required the existence or creation of commissions (local community management structures). Overall, there is a lack of familiarity with the project by communities, due to delays in execution lack of visual identification of investments with the project logo.

Under **Component 3**, no achievements have been recorded yet, although a capacity building plan that is under development for communities plans to include local governments. The mechanisms to engage with other institutions have not been established, and the national executing partner limits the capacity of the PMU to engage with other national institutions.

### **Outcomes**

The formulation of **Outcome 1** and of its related indicators do not provide clarity as to what is the outcome expected from Component 1. However, any outcome depends on the delivery of the different studies planned in the Component, which have yet to be finalized. The knowledge generated under Component 1 is likely to be used to design EbA measures in Component 2 and to build capacities in Component 3. There is a lack of clarity as to how knowledge generated will be stored and disseminated.

Progress on **Outcome 2** depends on the delivery of Outcome 1 and is therefore limited. Nonetheless, the pilot activities have delivered some initial benefits to communities, especially in terms of improving access to water, where most investments have focused. Anecdotally, these have translated into time savings to get water for some women, and improved water access for agriculture and livestock for men. These have also enabled progress in the establishment of some commissions. These pilots have also generated important lessons for the PMU around approaches to build and maintain community engagement, challenges of building ownership, and barriers to engaging with women and indigenous communities. To date, despite the pilot activities and trainings, there is a lack of familiarity from communities with the concepts of climate change, adaptation, EbA and with the project itself, which is widely perceived as a “water project”.

No outcomes were expected under Outcome 3 by project mid-term. As this stage, the achievements under this component are compromised by the limited engagement of institutional stakeholders in the project.

### **Likelihood of impact**

It is too early to discuss the **likelihood of impact** from this project, due to limited progress in implementation, but also due to the inconsistencies in the project logic, which raise questions about what the project is trying to achieve and how this can happen. The likelihood of impacts will likely depend on (i) the effective realization of the project activities, (ii) the awareness and ownership of communities about climate change and EbA measures, and (iii) collaboration with and support from institutions and local actors.

The **likelihood of adverse environmental, social or economic effects** is overall limited and restricted in scope. The most significant risks pertain to the effective involvement of women and indigenous communities. The project has strengthened its capacity to monitor environmental and social safeguards and has a functional grievance mechanism. Some risks pertaining to waste management, labour and maintenance of equipment may not be sufficiently monitored.

### Financial Management

Financial management is rated as *Moderately Unsatisfactory*. As of December 2022, the project's rate of expenditure stands at 12% (15% if considering un-registered expenditures), in line with the execution of activities. This rate has significantly increased in 2022. Beyond the reports extracted from Umoja, there is limited financial information available, as quarterly reports do not currently include financial information and the requirements in the PPRs are low.

### Efficiency

As of December 2022, 52% of project expenditures are related to project management costs, with actual project expenditures starting to take off in 2021. The project interruption in 2021 and subsequent changes in the implementation structure were a turning point in implementation. However, some challenges have also been present from the beginning of implementation. These include the need to establish multiple PCAs to deliver project activities combined with heavy and inflexible procurement processes. The COVID-19 pandemic limited UNEP's capacity to be present in the country, thus hindering communications and supervision capacity. Last but not least, the project had to deal with continued efforts from the national executing partner to exert control over the project beyond the purview of its agreement with UNEP. From the beginning of the project, this has translated into lengthy negotiations between UNEP and MADES for key decisions, including staffing and procurement, despite these having to follow established UNEP procedures.

While the use of UNEP processes initially generated delays as they are not well adapted for field operations, under the new implementation structure, MADES validates every output, which generates significant additional delays and unpredictability as the DNCC consults with several MADES departments before validating. Ineffective coordination and communication and limited trust among partners have had significant impacts on the project, leading to the cancellation of procurement processes needed to implement project activities, including of the process to recruit a partner to implement Component 2 EbA measures and the one for a Communication Officer.

The PMU as initially established was too small and distant from the field and lacking some key qualifications, thus delivering poor results. The first Project Coordinator underperformed and lacked management capacity, leading UNEP not to renew his contract after two years. Some PMU staff suffered harassment from the Project Coordinator and other public officials. When UNEP took decisive measures with regards to the PMU, it triggered the project suspension. Although the official reason for the cancellation request was the delays in delivering results, it is more likely due to the fact that the Project Coordinator whose contract was not renewed was in a conflict-of-interest situation. Under the revised implementation/execution structure, the PMU has been renewed and amplified, although two positions are still vacant, and a decision was made to identify a national partner for execution. The addition of Local Technicians is valuable for working closely with communities; however, most technicians are not familiar with climate change or EbA and their capacity to deliver support is variable.

Some of the efficiency challenges faced by EbA Chaco also result from the lack of clarity in the project logic. The need to establish several contractual arrangements to deliver each task, the limited expertise of the team on EbA, and now the urgency to deliver activities in the field has limited discussions on technical approaches.

Finally, key governance challenges also hamper efficiency, namely (i) the fact that the Project Steering Committee (PSC) is composed only by UNEP and MADES representatives, (ii) the apparent limited capacity of the Project Director to make decisions for the project in the name of MADES, and (iii) the lack of clarity and differentiation of UNEP's role as implementing and executing entity.

The Efficiency of the project is therefore rated as *Unsatisfactory*.

### Monitoring and reporting

The project's monitoring and reporting is rated as *Moderately Satisfactory*. The above-mentioned weaknesses in the project logic and results framework pose some real challenges for project implementation, and the project did not take advantage of the inception phase to adjust indicators or produce a baseline study. No budget was allocated to M&E before 2022. Project reports were regularly submitted late and with scarce information between 2019-2021. The incorporation of the Planning and M&E specialist in 2022 corresponds with the beginning of monitoring efforts for project outputs as well as processes for ESS and grievances. There is limited evidence of reports being used to improve project implementation.

### Sustainability

Sustainability elements were included in the ProDoc, but the project itself does not yet have an exit strategy. All the stakeholders involved are aware that the lack of ownership of the project results by communities is the main sustainability challenge to be addressed, one that affects both socio-political and financial sustainability. Institutionally, the limited engagement with relevant institutions is a threat to sustainability, and partnerships like the one with the Department of Meteorology and Hydrology will be essential. For these reasons, sustainability is rated as *Moderately Unsatisfactory*.

### Lessons learned

**Strategic relevance:** Climate change adaptation, and in particular EbA, are more effectively and efficiently implemented by actively engaging all stakeholders in the project.

#### Effectiveness:

- The pilot initiatives have highlighted practical challenges when it comes to procurement for community investments. There is a need to identify processes that allow contracting of local companies familiar with local needs but with the capacity to respond to procurement processes.
- The pilot initiatives also highlighted the importance of understanding the real barriers and motivations for communities and to identify approaches that take them into account.
- Specific measures are needed to ensure that women and indigenous peoples benefit equally from the project. This may include scaling down expectations to ensure sustainability of results.

- Effective knowledge management can have a catalytic effect for project results, even with limited results to demonstrate. Several institutions that are not yet involved in the project would benefit from taking part in knowledge sharing activities.

**Financial management:** The time currently available appears insufficient to deliver project activities and achieve full disbursement, especially considering the time required to implement processes in communities. Expanding the partnerships for project implementation is urgent. Disbursement of Output 2.2 through UNDP would require significant PMU involvement.

**Efficiency:**

- While it may seem conceptual, the lack of clarity in the project logic has to do with some project delays, and reconstructing a theory of change with clear change pathways would help align efforts across stakeholders and design effective procurement processes.
- The interim implementation structure adopted in 2021 is promising in terms of amplifying the PMU and providing additional support from UNEP through the Programme Officer in-country. However, it is counter-productive when it comes to procurement and decision-making. There is a need to differentiate responsibilities within and between execution partners.
- The PMU urgently requires the recruitment of a Communications Officer. It also lacks sufficient capacity in adaptation and EbA and clarity on the roles of the Project Officers.

**Monitoring and reporting:** Efforts to strengthen M&E tools and the quality of reporting are beneficial to the project, while more efforts are required to clarify the project logic and results framework.

**Sustainability:** Building sustainability is a priority for the PMU, which is seeking to improve awareness and ownership, and is on the lookout for opportunities to do so. Sustainability will also require the involvement of other institutions not currently involved in the project.

## Recommendations

**Recommendation 1: Modify the implementation structure to increase the efficiency of decision-making processes, starting with engaging a new Executing Entity for the project.** Key changes in the decision-making and overall implementation structure are required, including differentiation between the functions pertaining to implementation and to execution. This should involve the contracting of an Executing Entity and is urgently required. It is essential that only one set of procurement processes are applied. (*Resp.: UNEP as implementing entity*)

**Recommendation 2: Modify the governance structure to increase the involvement of project stakeholders and the effectiveness of decision-making.** This should include: (ii) widening the project steering committee to include other relevant actors; (iii) considering requesting a representative from MADES Executive Office to act as Project Director; (iv) establishing the Technical Committee and Local Committees as in the ProDoc; (v) considering strengthening the PMU with additional expertise in adaptation and EbA, gender and indigenous issues; (vi) streamlining decision-making processes by ensuring strategic decisions are made once a year by the PSC;

**Recommendation 3: Undertake a revision of the overall project logic to enhance its coherence and align expectations. Prepare a project revision to adjust outputs as well as the project timeline.** This should include the development of a theory of change and will help develop a common vision for the remainder of project implementation. This should involve the modification of project

activities and of some project outputs and would require a project revision request to the Adaptation Fund. *(Resp. Executing entity, with support from the PMU and validation from the PSC)*

**Recommendation 4: Develop a specific action plan to maximize results for women and indigenous communities, including a communication plan for indigenous communities.** As a complement to Recommendation 2, this should build an understanding of their differentiated vulnerabilities and develop tailored approaches to address them. A tailored communication plan, approach or guidelines should be developed to help build a mutual understanding between the project team and indigenous communities and overcome language and cultural barriers. This could be undertaken by an indigenous peoples specialist on the team (see Recommendation 2) *(Resp.: PMU with support from the executing entity)*

**Recommendation 5: Build the capacities of the Project Officers and Technicians to help them deliver enhanced support to and engage with communities, including by increasing the Project Officers' presence in the field.** This should include in-depth training on EbA, on UNEP processes, on ESS, gender and indigenous peoples, as well as enhanced capacity for Project Officers to supervise Local Technicians. The project should consider the possibility of having Project Officers based in Chaco. The recruitment of a female technician should be considered. The project should also support enhanced presence in the field and stronger engagement to build awareness and capacities among communities. *(Resp.: Executing Entity and the PMU.)*

## I. PROJECT OVERVIEW

1. The project “Ecosystem Based Adaptation for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco Region of Paraguay” (EbA Chaco) is funded by the Adaptation Fund through a USD \$7,128,450 grant. The project is implemented by the United Nations Environment Programme (UNEP) and executed by UNEP in collaboration with the Ministry of Environment and Sustainable Development (MADES). The project was expected to be launched in June 2017 but started in April 2019. After obtaining a one-year COVID-19 extension, the expected completion date is April 2025.
2. This Mid-Term Review was undertaken to analyze whether the project is on-track, what problems or challenges the project is encountering, and what corrective actions are required. It assesses project performance to date, along the five criteria for aid effectiveness defined by the Organization for Economic Cooperation and Development, Development Assistance Committee (OECD-DAC): relevance, effectiveness, and efficiency, and determine the likelihood of the project achieving its intended impacts and supporting their sustainability.
3. The primary audience for the review includes the main actors of project implementation and the donors, namely UNEP, MADES, the Project Management Unit (PMU), and the Adaptation Fund. Secondary audiences include local governments, project beneficiaries in communities, and other interested institutions. This review was carried out in accordance with the Terms of Reference (TOR).

### 1. Context

4. The Gran Chaco is a natural region that extends across Argentina, Brazil, Bolivia and Paraguay, which is generally dry and sparsely populated. With an area of over 1,14 million square kilometres, it is the largest dry forest in the world, and the second-largest forest biome in South America.<sup>1</sup> The Paraguayan Chaco occupies the three departments of the western part of the country: Alto Paraguay (8,234,900 ha), Boquerón (9,166,900 ha) and Presidente Hayes (7,290,700 ha).<sup>2</sup>
5. Over the last two decades, aggravated by massive deforestation to plant industrial crops and raise livestock, climate change effects have become an important threat to the livelihoods of the region’s inhabitants. The risk derives from the loss of ecosystem services due to changes in land use, logging, desertification, and salinization.
6. Droughts are becoming longer and more frequent, and the rainy season is no longer reliable. When there is actually rain, floods overtake the landscape, destroy infrastructure and pollute water reservoirs, isolating for months an already poorly communicated region. Therefore, water supply has become a limiting factor with strong deficits in terms of quantity, quality, and continuity. On several occasions, the government has had to deliver water to these regions by truck.

### 2. Project objective and components

7. The project “Ecosystem Based Approaches for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco region of Paraguay”, which unofficially changed its name to

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<sup>1</sup> <https://unsdg.un.org/latest/announcements/beyond-borders-leaving-no-one-behind-gran-chaco-region>

<sup>2</sup> ProDoc

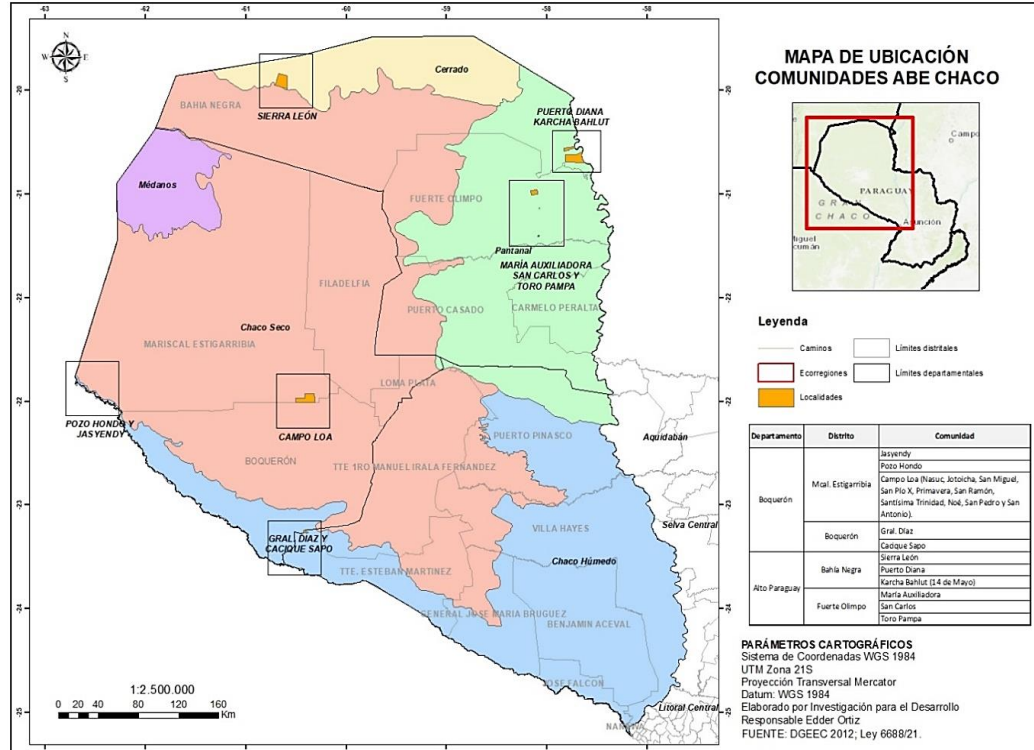
“Ecosystem Based Adaptation for Reducing the Vulnerability of Food Security to the Impacts of Climate Change in the Chaco Region of Paraguay” (EbA Chaco) seeks to address the main barriers for adaptation in the selected region. Its main goal is “to reduce the vulnerability of the population (selected family agriculture producers and indigenous communities) of the Chaco Region of Paraguay to the impacts of climate change on food security.” Specifically, the project aims to i) improve information and knowledge for climate resilience; ii) implement concrete cost-effective on-the-ground adaptation measures; and iii) strengthen the institutional capacities to adequately address climate change adaptation issues.

8. To achieve its goals, the project is organized accordingly in three components:

- Component 1: Knowledge management on vulnerability and climate change resiliency improved
- Component 2: Adaptive capacity in rural areas of greatest vulnerability strengthened through concrete agro-ecosystem based adaptation measures, and
- Component 3: Capacity development and awareness to upscale effective implementation of adaptation measures at the national and local levels.<sup>3</sup>

9. The project is implemented in 11 communities across the departments of Boquerón and Alto Paraguay. Five of these communities are indigenous while six are non-indigenous or “Latina”. Figure 1 illustrates the location of the project sites across Western Paraguay, and illustrates the different types of eco-regions that constitute the Paraguayan Chaco.

**Figure 1. Location of project sites**



Source: Investigación para el Desarrollo (ID), Plan de trabajo para caracterización de ecosistemas, 2021

<sup>3</sup> ProDoc



10. The total population of these communities (Table 2) is estimated to be around 6,300 people. These communities are diverse in terms of size, location, but also geographical organization, socio-economic context, access to natural resources and organizational capacity.

**Table 2. Communities targeted by the project**

Department	District	Community	Households	Population <sup>4</sup>
Boquerón	Mariscal Estigarribia	Indigenous community Jasyendy	52	385
		Latina community Pozo Hondo	100	410
		Indigenous community Campo Loa (Nasuc, Jotoicha, San Miguel, San Pío X, Primavera, San Ramón, Santísima Trinidad, Noé, San Pedro y San Antonio).	407	2,116
	Boquerón	Latina community General Díaz	30	159
		Indigenous community Cacique Sapo	68	401
Alto Paraguay	Bahía Negra	Latina community Sierra León	15	45
		Indigenous community Puerto Diana	255	1,224
		Indigenous community Karcha Bahlut (14 de Mayo)	24	72
	Fuerte Olimpo	Latina community María Auxiliadora	79	324
		Latina community San Carlos	30	138
		Latina community Toro Pampa	210	1,029
<b>Total</b>			<b>1,270</b>	<b>6,303</b>

Source: ID population estimates (2022)

### 3. Project implementation structure and institutional context

11. The project implementation/execution structure has evolved significantly from what was initially planned. The original project document (ProDoc) intended UNEP to be the Multilateral Implementing Agency, and the Environment Secretariat (SEAM, now MADES) to be the executing entity. However, after the project was approved and the agreement signed between the Adaptation Fund and UNEP (June 2017), the SEAM requested for UNEP to take on the role of executing entity. UNEP and SEAM engaged in discussions to identify the appropriate solution, as a result of which SEMA submitted a Request for Direct Project Services to the Adaptation Fund. The request was approved in August 2018 on the basis that “receiving project funds would require SEAM prior approval of the national budget,” which would be cumbersome and delay the project.<sup>5</sup> Through this arrangement, UNEP was to take over responsibilities pertaining to payments and procurement, in collaboration with MADES. A Project Cooperation Agreement (PCA) was signed between UNEP and MADES (April 2018).<sup>6</sup> The structure of the PMU itself has also evolved. Key agreements of this PCA include:

<sup>4</sup> Estimates based on an extrapolation of the estimated number of households and the number of people per household.

<sup>5</sup> AFB Decision B.31-32/22. Approval of direct project services, UNEP (Paraguay)

<sup>6</sup> PCA/ROLAC-CC-001/2018

- Close cooperation between parties throughout the project, with sharing of information and public relations efforts
- Management of project funds by UNEP, with administrative support from SEAM/MADES
- The implementing entity supervisory role to be held by the Regional Director (Latin America and the Caribbean Office - LACO), with a seat on the Project Steering Committee (PSC), includes the review of annual reports and ensuring the fulfilment of the disbursement timeline
- UNEP to coordinate with SEAM the preparation and execution of procurement plans, and to procure goods and services through complementary agreements using UN rules and regulations
- UNEP to ensure that project staff and consultants are highly qualified and free of conflict of interest
- SEAM to ensure project direction through the Minister of SEAM, and to ensure that their personnel fulfil their obligations in line with the PCA
- SEAM to use the inputs and equipment funded by the project only to fulfil the project
- SEAM to deliver an annual procurement plan to UNEP, approved by the Project Director, to ensure that procurement requests flow through UNEP, to prepare terms of reference for UNEP no-objection, and to sign payment requests
- People contracted for the project are not considered staff of the SEAM, neither UNEP employees
- SEAM will deliver an inception report, annual execution reports and a final project report.
- A process for project suspension or termination

12. In April 2021, the Minister of MADES requested the interruption of project activities to the Adaptation Fund. The project was stopped for approximately six months, until UNEP and MADES came to an agreement to update the project implementation structure. This did not lead to a formal modification of the PCA, but several email and letter exchanges indicate that the following changes were agreed on:

- The hiring of a UNEP Programme Officer Resident in Paraguay
- The restructuring of the Project Management Unit (PMU) and inclusion of technical validation of their outputs by MADES (see below)
- Inclusion of technical validation by MADES of everything pertaining to project execution, including those regarding outputs produced by local partners, whose contracts were amended to include deliverable validation by MADES.<sup>7</sup>

13. The project current management structure is comprised of:

- A **National Steering Committee (NSC)** chaired by the MADES and composed of representatives of MADES and UNEP.
- A **PMU** based in MADES comprised of a Project Coordinator, two Project Technical Specialists (one per department), a Planning, Monitoring and Evaluation (M&E) Specialist, an Administrative and Financial Specialist, an Administrative Assistant and two drivers. The PMU also comprises six Local Technicians to work and live on site in the Alto Paraguay and

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<sup>7</sup> See email exchanges dated 12/10/2021 “Re: Consulta sobre procesos de aprobación de Enmienda Acuerdo PNUMA – MADES Proyecto AbE Chaco”

Boquerón Departments. A communication officer is expected to be added to the team during the first semester 2023.

- The contract of the initial Project Coordinator expired in February 2021 and was not renewed, one of the Project Officials quit along with the Administrative Assistant and the drivers.
- Aside from the Administrative and Financial Officer, all the other current members of the PMU were recruited in 2022, including the Local Technicians who started in May 2022. The position for a Planning and M&E Specialist was also created in 2022 and filled in the month of March.
- Sadly, the Project Officer for Alto Paraguay who was also on board since the beginning of the project, passed away in September. One of the Local Technicians is currently performing his duties while a replacement is being sought.
- The PMU reports and seeks advice from the UNEP Task Manager and the Regional Adaptation Coordinator from the Latin America and the Caribbean Office (LACO), who, in turn, reports to the Climate Change Coordinator. At the same time, the PMU reports to the new Programme Officer Resident in Paraguay, who, in turn, reports to the Sub-regional Office for the Southern Cone of Latin America.<sup>8</sup> The PMU reports weekly and individually about conducted tasks to the National Climate Change Direction (DNCC) of MADES.
- The PMU is based in an office inside MADES, except for Local Technicians who are based close to the communities they support.
- A **Technical Support Mechanism** proposed in the ProDoc to engage operationally other institutions involved in the project has not been established.

14. The project is implemented through agreements between UNEP and different institutions to deliver their services. Agreements for less than USD 200,000 are signed through small-scale funding agreements (SSFA) and larger ones require the signature of PCAs. The following agreements have been signed:

- PCA signed with local NGO Investigación para el Desarrollo (ID) in July 2020. This partner acts as a signee of the agreements with consultants and providers, and as payer of some several bills. The PCA was to finalize in July 2021 but was extended until March 2023 through several amendments. The role of ID was also expanded to allow them to deliver outputs themselves, including the climate change vulnerability studies and other technical studies.
- An SSFA is in the process of being signed with NGO IDEA to deliver specific outputs for Component 1 and 2.
- A call for expressions of interest to local NGOs was also launched in 2022, aimed to establish a PCA for the delivery of technical assistance services as part of Component 2. However, the PCA process was cancelled, and it is not clear how planned project activities will be executed.

15. The current structure, where funds are managed directly by UNEP and who has no legal existence in Paraguay, required the establishment of different agreements to process payments. These processes are detailed in the project's operations manual.

#### 4. Project stakeholders

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<sup>8</sup> Appointed in August 2022

16. There are several groups of stakeholders for this project. The most directly involved are the implementing and executing agencies, the executing partners and the communities. The involvement of other stakeholders is variable and will be assessed during the review.

**Table 3. Stakeholders of the EbA Chaco project**

<b>Donor</b>	Adaptation Fund
<b>Implementing Agency</b>	UNEP LACO, incl. Sub-regional office for Southern Cone and Programme Officer in Paraguay
<b>Executing Agency</b>	UNEP through PMU
<b>Executing Partners<sup>9</sup></b>	MADES through DNCC ID IDEA
<b>National government stakeholders</b>	MADES National Forestry Institute (INFONA) Ministry of Agriculture and Livestock (MAG) National Direction of Civil Aeronautic (DINAC) / Direction of Meteorology and Hydrology (DMH) National Institute for Indigenous Peoples (INDI) Paraguayan Institute of Agrarian Technology (IPTA) National Service of Vegetal and Seed Health and Quality (SENAVE) National Environmental Sanitation Services (SENASA) National Institute of Rural Development and Lands (INDERT)
<b>Sub-national governments</b>	Governments of Boqueron and Alto Paraguay Districts and Municipalities of Mariscal Estigarribia, Boqueron, , Fuerte Olimpo, Bahia Negra
<b>Communities</b>	See Table 2
<b>Others</b>	Fernheim Asociation (Mennonite cooperative) National University of Asuncion, Faculty of Agricultural Sciences (UNA/FCA) Chaco Division WWF Federation for the Self-determination of Indigenous Peoples (FAPI) Fundación IDEAGRO Asociación de Servicios de Cooperación Indígena – Menonita (ASCIM)

## 5. Project financing

17. The Adaptation Fund provided a \$7,128,450 grant for this project, which is broken down across project component as follows:

**Table 4. Project budget per component**

Item	Budget (USD)	Proportion of grant
Component 1	893,483	13%
Component 2	4,585,466	64%
Component 3	494,650	7%
Project Management Costs	596,400	8%

<sup>9</sup> This is referred to by UNEP as “implementing partners” and by the Adaptation Fund as “contracting services”.

<b>Sub-total</b>	<b>6,569,999</b>	<b>92%</b>
Agency Fee	558,451	8%
<b>Total</b>	<b>7,128,450</b>	<b>100%</b>

Source: ProDoc

18. To date, the project has received two disbursements from the Adaptation Fund totalling **USD 2,255,929**:

- Initial disbursement: USD 849,901 (June 2017)
- Disbursement 1: USD 1,406,028.46 (Sept. 2021)

19. As of December 31, 2022, the project had disbursed **USD 969,182.93**, which corresponds to 15% of the Adaptation Fund grant (excluding the Agency fee) and 43% of the amount currently available to execute the project. However, only **USD 784,104.90** have been registered on Umoja: **The review will therefore use the amount registered on Umoja throughout the report.**

**Table 5. Financial status (Dec. 2022)**

	<b>USD</b>
<b>Committed</b>	474,991.21
<b>Disbursed</b>	969,182.93
<b>Total executed</b>	1,444,174.14
<b>Amount disbursed and registered on Umoja</b>	<b>784,104.90</b>

20. The staff/personnel budget line currently represents 48% of the project's expenditures, while 23% of expenses were dedicated to grants and transfers to communities.

**Table 6. Budget expenditures by type**

<b>Contract Service</b>	<b>3,608</b>	<b>0.5%</b>
<b>Equipment Vehicle Furniture</b>	56,560	7.2%
<b>Operational Other Costs</b>	40,102	5.1%
<b>Staff Personnel</b>	373,601	47.6%
<b>Transfer/Grant to IP</b>	186,270	23.8%
<b>Travel</b>	26,959	3.4%
<b>Unallocated</b>	97,005	12.4%
	<b>784,105</b>	<b>100.0%</b>

## II. REVIEW METHODS

21. The mid-term review (MTR) of the project EbA Chaco was conducted using best practices in evaluation. It seeks to be credible, independent, impartial, and useful. The review combined qualitative and quantitative methods to collect and analyze both primary and secondary data. The MTR covers the project implementation until December 31, 2022.

### 1. Process

#### 1.1. Inception

22. The review initiated on October 21, 2022 with a kick-off meeting with UNEP staff and the PMU. It was followed by a preliminary document review and additional meetings with UNEP and the PMU. The draft inception report, submitted on November 3, detailed the methodological approach for the review and included an initial review of the project design, a reconstructed theory of change (TOC) and a review matrix. Comments were received on November 16 and a feedback meeting was held on November 17. A revised Inception report was submitted on November 25 taking into account the comments received. A final version of the Inception Report was submitted on January 6 to incorporate final clarifications.

#### 1.2. Data collection

23. **Document review:** The evaluators reviewed all project-related documentation and extracted information relevant to each of the evaluation questions and indicators. Data from documents was compiled against the review matrix (Annex I. Review Matrix)

24. **Interviews and field mission:** The lead evaluator undertook a mission to Paraguay from November 28 to December 7, 2022. The detailed agenda of the mission is available in Annex IV. It included:

- 1 day in Asuncion to meet with representatives from MADES, DMH and ID
- 2 days in Filadelfia (Boquerón) to attend the first annual knowledge sharing workshop organized by the project and conduct interviews with stakeholders in parallel
- 3 days to visit communities
- 1 day to travel back to Asuncion

25. Six additional interviews were conducted online after the field visit.

26. A total of 20 interviews were undertaken with UNEP, MADES, the PMU, the Local Technicians, the Adaptation Fund, the DMH, ID, INDI, the Fernheim Association, and a representative from a local government. Additionally, seven group interviews were held in four communities (in three communities, separate interviews were undertaken with men and women). Three interviews were held with members from two other communities. The detailed list of interviews is available in Annex V.

27. Additionally, the evaluator joined in as an observer to the meeting of the PSC that was held on December 20<sup>th</sup>, 2022

### **1.3. Presentation of preliminary findings**

28. On December 21, evaluators presented the preliminary findings of the review to the PMU and UNEP through an online meeting. Representatives from MADES could not join the call. A recording and PowerPoint presentation were made available to the audience following the meeting. Comments received on this meeting were taken into account while developing the review report.

### **1.4. Reporting**

29. Evaluators carefully reviewed, triangulated and analyzed all data collected for this MTR in order to generate evidence-based answers to the review questions. The MTR is essentially formative, and therefore generates conclusions, lessons and recommendations that are applicable to the remainder of the project in order to enhance its performance and build its sustainability. The information provided in this report was valid as of when data collection was completed at the end of December 2022.
30. This Draft report was circulated among project stakeholders for comments before a final version was generated along with an executive summary.

## **2. Limits to the review**

31. The evaluation was successful at collecting data that would allow an effective assessment of the project across the evaluation criteria and key evaluation questions. The mission and subsequent interviews allowed for useful discussions with most relevant stakeholders and visits to a relevant sample of communities. The only limitation on that side was the fact that only one member of a local government could be interviewed.
32. Beyond project performance reports (PPRs) and work plans, there is limited documentation on the first two years of the project (see Monitoring and Reporting section). Extensive review time had to be destined to mine relevant information.
33. Throughout the process of this MTR, inconsistent information was provided to the reviewer about the implementation structure. Indeed, the Terms of Reference for the review state that “A Project Cooperation Agreement (PCA) was therefore signed between UNEP and MADES (2018) with UNEP acting as implementing and executing entity.” While the terminology “Request for Direct Services” is used in official documentation, interviews and comments often referred to UNEP as executing entity, or to UNEP and MADES as co-executing entities. These evolving versions have limited the capacity of the reviewer to accurately analyze the operational challenges faced by the project. The report may also include inconsistencies in the use of this terminology. This is discussed in Section 5 on Efficiency.

## **3. Ethics and human rights**

34. All individuals interviewed for the MTR were informed of the confidential nature of their contributions, and no PMU representatives were present during other stakeholders’ interviews.

### III. RECONSTRUCTED THEORY OF CHANGE

35. A theory of change (TOC) is a visual representation of the changes that are sought through an intervention, and how they are expected to lead to the desired impact. It helps ensure that the project has a clear vision for what it is aiming to achieve. For an evaluation, it helps visualize change processes to assess progress towards outcomes or impacts against the project's theory. This is how the TOC is used in this MTR.
36. The ProDoc did not include a TOC or a problem tree, therefore evaluators reconstructed the project's TOC based on the ProDoc. This representation of the TOC incorporates the underlying threats in the context, the problem, desired situation to be achieved and specific barriers that the project is seeking to address through its activities, as presented in the ProDoc. The TOC also proposes assumptions and drivers which were not specified in the ProDoc. These build in part on some of the risks and mitigation measures from the ProDoc, but also on context elements, and on identified logical gaps in what the project is expected to achieve.
37. The problem that the project seeks to address is the high vulnerability of the population of the Chaco Region of Paraguay to the impacts of climate change on food security. This is based on pre-existing high levels of food insecurity and deficits in the quantity, quality and continuity of water supply, in a context where communities rely largely on agriculture and livestock for their livelihoods. Current loss in ecosystem services is driven by land use change, logging, desertification and salinization. Climate changes are expected to cause an increase in temperature, in extreme events (mainly droughts and floods) and in rainfall spacing, exacerbating the levels of vulnerability. On the other hand, the country counts on limited information on climate variables and their impacts, which limits adaptation capacity.
38. For this reason, the project endeavours to promote the use of Ecosystem-based Adaptation (EbA) by communities and local governments, with support from national governments. To achieve this, it must address key barriers, namely:
- A limited understanding by all types of stakeholders of the role of ecosystem services in adaptation
  - A limited understanding of traditional and indigenous practices and their potential contribution to adaptation
  - Limited information, knowledge, and local knowledge sharing networks on climate change and appropriate EbA methods, in particular for women and indigenous peoples
  - Limited capacity and commitment of local governments
  - Limited uptake of adaptation measures, and
  - Continuing ecosystem degradation.

The project outputs target the generation of an evidence base and tools for understanding climate change (Component 1), the development and implementation of community adaptation plans, both to generate direct benefits and to demonstrate results (Component 2), and training and lesson sharing to build a support basis for the use of EbA (Component 3). This is expected to lead to the main three outcomes of the project and its final impact:

- Outcome 1: Knowledge management on vulnerability and resilience to climate change improved to implement cost-effective adaptation measures.



- Outcome 2. Adaptive capacity in rural areas of greatest vulnerability strengthened through concrete adaptation measures favouring an ecosystem-based approach
- Outcome 3. Capacity development and awareness to implement and upscale effective implementation of adaptation measures at national and local levels
- Impact: Decreased vulnerability of the population of the Chaco Region of Paraguay to the impacts of climate change on food security

Only Outcome 2 involves some level of behavioural change, while the other two outcomes focus on changes in capacity. Although the outputs build on each other to lead to the outcomes, the process through which this generates durable change is unclear. The desired change in behaviour is also largely unknown since two of the Outcomes do not involve behavioural change. This requires the inclusion of an assumption about the existence of a policy or institutional framework through which knowledge and capacity generated can be used by a wide range of stakeholders.

Other assumptions identified in the TOC are:

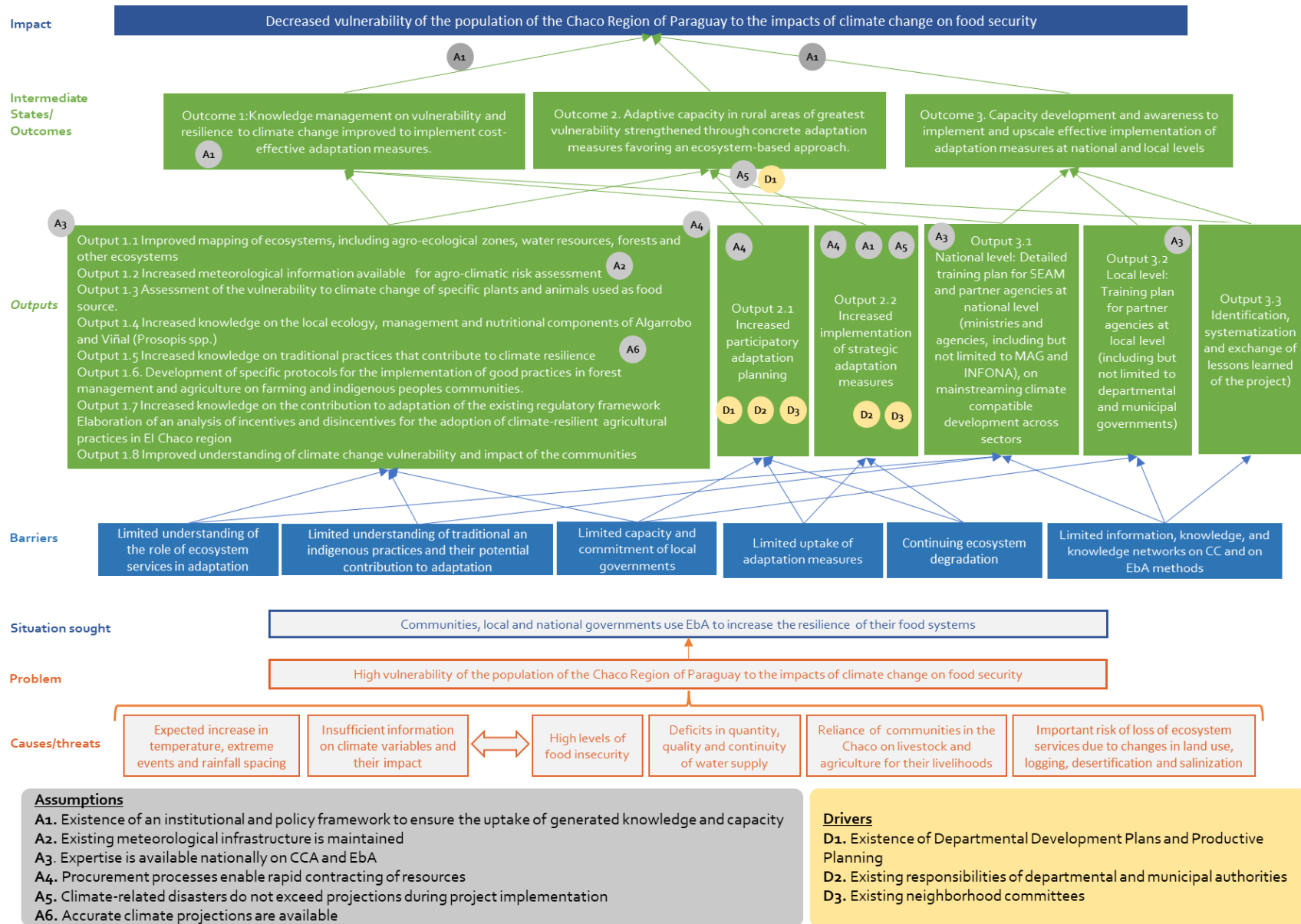
- A2. Existing meteorological infrastructure is maintained
- A3. Expertise is available nationally on CCA and EbA
- A4. Procurement processes enable rapid contracting of resources
- A5. Climate-related disasters do not exceed projections during project implementation
- A6. Accurate climate projections are available

The drivers, which are elements or factors that supports the achievement of outcomes and impacts, are the existing institutional framework. The ProDoc identifies several decentralized institutions that will be mobilized by the project and existing local development plans into which EbA can be mainstreamed. The drivers are:

- D1. Existence of Departmental Development Plans and Productive Planning
- D2. Existing responsibilities of departmental and municipal authorities
- D3. Existing neighborhood committees

Based on this reconstruction of the expected change processes, the project seems to address key barriers to the uptake of EbA by communities and local authorities, with the support of the national government. However, as will be discussed in subsequent sections, it has become clear that none of the assumptions are realistic.

Figure 2. Reconstructed Theory of Change



## IV. REVIEW FINDINGS

### 1. Strategic Relevance

#### *1.1. Alignment to UNEP's Medium-Term Strategy (MTS) and Programme of Work (POW)*

39. The EbA Chaco project is aligned to UNEP's 2014-2017 MTS, including its emerging issues for consideration, by focusing on ensuring food safety and food security attributed to challenges such as water scarcity. It also aligns through its focus on ecosystem-based approaches which advance a more integrated approach to water management, aimed at developing options for increased water efficiency. It also aligns with MTS 2022-2025 by working with policymakers, relevant partners from science and industry, indigenous peoples and local communities, vulnerable groups, the investor community and other non-governmental actors.
40. The project aligns with the MTS Climate Change Expected accomplishment 1 (EA1) Climate resilience "Ecosystem-based and supporting adaptation approaches are implemented and integrated into key sectoral and national development strategies to reduce vulnerability and strengthen resilience to climate change impacts".
41. Its alignment with UNEP's 2016-2017 POW is based on Sub-programme 1 on Climate Change:
- By focusing on reducing vulnerability and strengthening resilience to the impacts of climate change by strengthening national institutional capacities and supporting national efforts to incorporate adaptation approaches, including ecosystem-based adaptation approaches, into development planning and policymaking.
  - By conducting vulnerability and impact assessments, delivering economic analyses of climate change impacts and adaptation options and scientific and policy-related information, identifying best practices, providing adaptation planning and policy development support.
  - By trying to create an enabling environment to increase resilience in the face of climate change (Expected Accomplishment A), to demonstrate ecosystem-based and supporting adaptation approaches on the ground. Helping national agencies integrate ecosystem-based and other adaptation approaches into sectoral and national development strategies.
  - By bringing in relevant sectors of government key to ensuring that ecosystem-based adaptation is factored into the management of different sectors.
  - By promoting that policymakers are sufficiently informed, involved and committed to implementing national-level adaptation interventions, as well as ensuring that they have full access to knowledge networks, climate change tools and methodologies.
42. The project is also aligned with UNEP's 2022-2025 MTS, specifically with its "Climate stability" strategic objective.

#### *1.2. Alignment to Adaptation Fund priorities*

43. The strategic priorities of the Adaptation Fund state<sup>10</sup> that the Fund “shall assist developing-country Parties to the Kyoto Protocol and the Paris Agreement that are particularly vulnerable to the adverse effects of climate change in meeting the costs of adaptation”, with special attention to the particular needs of the most vulnerable communities and to countries with arid and semi-arid areas or areas liable to floods, drought and desertification. EbA Chaco falls under this category and caters to the most vulnerable communities of the country, including indigenous communities.

### **1.3. Relevance to Global, National and Sub-national environmental strategies and needs**

44. The EbA Chaco project is strongly aligned with Agenda 2030 and the Sustainable Development Goals (SDG), in particular SDG 13 “Climate Action” but also SDG 15 “Life on Land” and SDG 6 “Clean Water and Sanitation”.

45. At the national level, the project aligns with the following plans and strategies:

- **Paraguay’s National Development Plan 2014-2030**, specifically strategies 1.1 Equitable social development, in reducing poverty; 1.3 Participatory local development, by strengthening social capital, promoting strategic participatory process and increasing coordination between stakeholders at local level; 1.4 Adequate and sustainable habitat, by improving the physical state of human habitats; 2.1 Employment and social security, investing in vulnerable groups’ human capital; 2.3 Regionalization and productive diversification, by expanding the productivity of family agriculture and increasing household income in the Chaco; 2.4 Valorization of natural capital, in terms of afforestation and reforestation; 3.4 Global sustainability, by promoting biodiversity conservation, climate change mitigation and the sustainable use of aquifers.
- **Agrarian Strategic Framework 2010-2018**. Specifically, strategic axis 2, improving food security and developing family agriculture, and axe 5, by the design and implementation of an agriculture and livestock information system that provides climatic information to different users for decision-making.
- **Agricultural policy framework 2020-2030**. Specifically, axis 3 strengthening of public support services, under the strategic line of climate risk management.
- **National Climate Change Policy (2012)**. The three components of the project contribute to the four pillars of the policy, namely strengthening institutional capacities; financing; education, communication, and participation; and management of knowledge and technology.
- **National Climate Change Adaptation Strategy (2015)** contributing to lines of action 1.1 monitoring climate variables. 1.2 vulnerability assessments. 2.2 disseminating information. 3.1, 3.2 and 3.3 on capacity building. 4.2 mainstreaming adaptation in development plans and land use planning, in addition to a general contribution to component 5 by implementing adaptation policies.
- **National Adaptation Plan (PNACC) 2022**. Sector 6.1.5 Agriculture, Forestry and Food Security in its objective 17: Increase food security of family farmers and indigenous peoples through productive practices with an adaptation approach and access to markets for the commercialization of their products. As well as 6.1.6 Water Resources, in its objective 21: Access to safe water, promote its efficient use, through appropriate technologies for collection and storage, considering local vulnerability and climate variability.

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<sup>10</sup> OPG Annex 1

- **Cross-cutting axes of the PNACC 2022:** Risk management, by strengthening the national system for monitoring climate and meteorological variables and early warning systems. Regulatory aspects, by promoting the incorporation of climate action with emphasis on adaptation, as a central axis in local planning instruments. Gender, section by increasing the capacities of women belonging to rural communities and indigenous peoples to raise awareness and take action on the present and future impacts of climate change. Indigenous peoples, by supporting capacity building, technical and institutional support to indigenous organizations in the effective implementation of climate action plans. Technology and Research, strengthening research to generate information and develop new technologies and guide evidence-based decision making. The promotion of Nature-based Solutions to increase the adaptive capacity of priority sectors
  - **Nationally Determined Contribution (NDC)**, for Paraguay adaptation is a priority established in the National Development Plan 2014-2030. Priority sectors include (i) Water resources, (ii) Forests, (iii) Agricultural and livestock production; and (iv) land use planning.
  - **Updated Nationally Determined Contribution (NDC) 2021.** Priority sectors include: Resilient Cities and Communities, Health and Epidemiology, Ecosystems and Biodiversity, Energy, Agriculture, Forestry and Food Security, Water Resources, Transportation, and Environment.
46. According to the UN Sustainable Development Group, “Climate action efforts are vital in the Chaco region. In the summer, temperatures exceed 40 degrees Celsius, while in the south and southwest, they can reach below 0 degrees in winter. Extensive droughts alternate with floods during rainy periods. These extreme phenomena are becoming more frequent due to climate change.”<sup>11</sup> There is also an important risk of loss of ecosystem services due to changes in land use, logging, desertification, and salinization. There are strong deficits of quantity, quality and continuity of water supply.
47. Key elements for science-based decisions, such as information on climate variables and their impacts, are insufficient,<sup>12</sup> starting with the availability of meteorological stations. The Department of Meteorology and Hydrology (DMH) owns a series of stations, but more than 40% of these are not functional. Additionally, other NGOs and companies have installed their own without registering them with the DMH, and not all of these stations are equipped with all the sensors required to measure all climate related variables. During the data collection process interviewees spoke about the importance of developing and sharing information and using appropriate and compatible equipment for meteorological measurements for decision-making.
48. The challenges with water access, food insecurity and general vulnerability were observed during field visits and discussed with communities. Although the situation varies from one community to another, most of them rely on a combination of subsistence agriculture and labor on large farms. Day to day access to water is complicated by absent or poorly maintained infrastructure (see Table 7), threatening the capacity to use water for drinking, cooking, washing, but also for agriculture (gardens, small parcels, small and large cattle). The studies currently developed by the project have quantified the situation in both departments covered by the project.

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<sup>11</sup> <https://unsdg.un.org/latest/announcements/beyond-borders-leaving-no-one-behind-gran-chaco-region>

<sup>12</sup> ProDoc

**Table 7. Water needs and functioning water infrastructure capacity in the communities of Boquerón**

District	Community	Total need (m <sup>3</sup> /yr)	Functioning capacity in 2022 (m <sup>3</sup> /yr)	Observation	Proportion Functioning / Need
<b>Mariscal Estigarribia</b>	Pozo Hondo and Jasyendy	18.820	4.380	INSUFFICIENT	23%
	Pozo Hondo	10.180	4.380	INSUFFICIENT	43%
	Jasyendy	8.640	0	INSUFFICIENT	0%
	Campo Loa	46.340	6.800	INSUFFICIENT	15%
<b>Boquerón</b>	General Díaz	5.432	4.380	INSUFFICIENT	81%
	Cacique Sapo	13.262	4.380	INSUFFICIENT	33%

Source: ID, Draft Report A6. Necesidades de agua cuantificadas en las comunidades EbA Chaco del Departamento de Boquerón, Dec. 2022.

**Table 8. Water needs and functioning water infrastructure capacity in the communities of Alto Paraguay**

Community	Total need (m <sup>3</sup> /yr)	Functioning capacity in 2022 (m <sup>3</sup> /yr)	Observation	Proportion Functioning / Need
<b>Sierra León</b>	2.526	500	INSUFFICIENT	20%
<b>Puerto Diana</b>	34.486	13.100	INSUFFICIENT	38%
<b>Karcha Bahlut</b>	2.819	0	INSUFFICIENT	0%
<b>María Auxiliadora</b>	35.336	5.400	INSUFFICIENT	15%
<b>San Carlos</b>	7.262	14.700	SUFFICIENT	200 %
<b>Toro Pampa</b>	53.055	8.700	INSUFFICIENT	16%

Source: ID, Draft Report A6. Necesidades de agua cuantificadas en las comunidades EbA Chaco del Departamento de Alto Paraguay, Dec.2022.

49. Considering these circumstances, the project is relevant to local needs, as it not only starts by tackling the issues around water access, but promotes an integrated approach to adaptation and encourages the continued access to other environmental services. The project is built on detailed analysis of the local context to ensure that communities are able to prioritize the most relevant EbA measures.

#### **1.4. Complementarity and coherence with Existing Interventions**

50. According to the ProDoc, the project was designed based on the information provided by Vulnerability, Impacts and Adaptation analysis financed by the Regional Portal for Technology Transfer and Action on Climate Change in Latin America and the Caribbean (REGATTA), aimed to analyze the impact of climate change on the Great American Chaco. The ProDoc identified interventions in Paraguay implemented by UNDP, PAHO, WFO, Guyra Paraguay, and WWF that could complement EbA Chaco or where synergies could have been developed. However, there is no evidence that the project was ever in contact with these other interventions.
51. At the national level, the PMU is working on a collaboration agreement with DINAC/DMH to transfer ownership of the meteorological stations to be built so that it can ensure their maintenance after the end of the project. It has also been working with INDI to undertake the mandatory Free, Prior and

Informed Consent (FPIC) processes with indigenous communities, but there is room for further collaboration to find ways to increase the appropriation of the indigenous communities.

52. The ProDoc planned for the establishment of a Technical Committee to involve in specific activities and ensure coordination between several national entities, including the DNCC, INFONA, MAG, SENAVE, UNA and DMH, among others, which have mandates related to the objectives of the project. It also planned for two Local Coordination Committees at the department level to coordinate local interventions. The PMU initially held informative meetings with some of these institutions (DMH and INDI) as well as the departmental and district governments in question, with the intention of encouraging citizen participation and influencing their respective national and local public development plans. Nevertheless, neither of these two platforms were formally established. Currently there is a lack of engagement from many of these actors.
53. The existence of an inter-institutional group called the Risk and Climate Change Management, Working Group was identified. According to the DNCC, one of the Project Officials participated in the group meetings until June 2021. The group did not meet in 2022.
54. At the community level, the project has been careful to identify the current situation in terms of water access and livelihoods, and to provide support tailored to the needs of each community. This is important considering that many NGOs and public sector actors are present in the area providing often similar support, especially when it comes to infrastructure for water management, but also beekeeping.
55. UNEP is currently implementing two other projects in Paraguay in collaboration with MADES. Both of these projects are relatively new, especially FOLUR which was launched in September. EbA Chaco is currently collaborating with these projects to create synergies on the gender and indigenous people perspectives, focusing mainly on those cooperatives that are working with mechanisms for water harvesting, to capitalize on the experience. Paraguay +Verde seeks to ensure that vulnerable communities and family farming families have access to the benefits generated by environmental services. The FOLUR project seeks the development of gender-sensitive capacity building programs on integrated landscape management systems aimed at technically strengthening public stakeholders at the national and local levels to design, implement and monitor integrated land use plans. It will include designing and implementing an integrated information system for sustainable land use management and improve coordination between national and local governments to implement sustainable beef and soy production policies and schemes.

**Rating for Strategic Relevance: S**

## **2. Quality of Project Design**

56. The quality of project design was reviewed during the MTR Inception Phase following the UNEP template to this end. It was updated during the drafting of the report to incorporate some analysis elements not clearly visible at the beginning, however challenges pertaining to the quality of the project design are also considered across the report, including in the section "Factors affecting performance". Results are presented in Annex II.
57. The ratings for project quality range between "Moderately Unsatisfactory" and "Highly Satisfactory". The criteria regarding the Operating Context are ranked as "Unsatisfactory" as the three elements

mentioned (likelihood of conflict, natural disaster and change in national government) are not specifically mentioned throughout the ProDoc.

58. The project design is overall of good quality and based on a detailed analysis. The ratings were influenced negatively by specific aspects missing in each category, but also by issues with the overall project logic.
59. It is important to highlight that the project design appears to have initiated back in 2011, but was not finalized until 2016, while the project was approved in 2018. This may explain why some elements were not addressed, as they may not have been requested at the time.
60. The ProDoc presents the project strategic relevance to the country, the targeted areas and the relevance to the Adaptation Fund, but not to UNEP. The ProDoc does not include a TOC (which was not a requirement at the time of project design), neither does it include explicit descriptions/illustrations of causal pathways, drivers and assumptions.
61. The ProDoc clearly explains the situation, the problem and the main proposed solutions, including with descriptions of the main project stakeholders and related consultations. However, there are some gaps in the overall project logic, such as the lack of integration of the concept of food security, and the absence of clear vision of what behavioural changes the project aims to achieve among which stakeholders. Some interviewees pointed out that the proposed activities are insufficiently detailed for a project of this size, and that some of the outputs did not seem relevant, such as a study on the nutritional value of Vinal, a plant that is not consumed by humans, and only rarely by cattle. The project outcomes are not formulated as expected behavioural changes and are generally vague and not explained in the ProDoc. Some outputs are formulated as actions rather than as finished products.
62. The results framework introduces detailed results indicators and targets. However, some of the outcome indicators are not adequately aligned with the outcome statement and with targets. An updated version of the results framework developed during the inception phase of the project addressed some of these incoherences but was never formally adopted. The monitoring and evaluation (M&E) plan is detailed, including a budget and roles and responsibilities. However, it does not include a baseline study to inform all of the results indicators. The studies under Component 1 could potentially provide data for some indicators. The overall project workplan is clear and mostly realistic, except for the ambitious objective of conducting most Component 1 studies during Q3-Q4 of the first year of implementation.
63. The governance arrangements are clearly presented and supported by an organizational chart. The ProDoc identifies UNEP as the implementing entity and SEAM as the executing entity, which was modified after project approval when UNEP started providing direct project services. There is some confusion as to the difference between the Executive Committee and the Mechanism for Technical Support. The roles and responsibilities within UNEP were not specified. Although the mandates and roles of each stakeholder were described, the ProDoc did not specifically assess their capacity to fulfil their duties.
64. Knowledge management modalities are comprehensive and well described in the ProDoc, and plan to communicate with different groups, including indigenous groups, but do not specifically mention women. The approach for management of the deliverables for component 1 is unclear.



65. An initial review of the budget points to an adequate budgeting in relation with expectations, with attention to cost-effectiveness and incorporation of elements from previous projects. The project benefitted from a COVID-19-related extension.
66. The risk assessment was complete but in the absence of a TOC, it is not clear how they were considered in the logical framework of the project. Sustainability features were also incorporated in the project design. However, no upscaling or replication strategies are presented.
67. The recommendations made by the Programme Review Committee (PRC) were adopted in the final project design, however comments on the results framework could have been expected as it has several weaknesses and inconsistencies:
- It is at times unnecessarily detailed, as it includes activities (under Component 2) and a list of eight studies as individual outputs for component 1.
  - The Outcomes are the same as the Component title
  - For Outcome 1, the baseline, mid-term and final targets are not aligned with each other and with the indicator. The target involves the “Integration of climate change adaptation, including priority actions and strategic options, into at least two departmental and/or district sustainable development plans”, which does not properly align with the indicator “Increase in generation and use of climate information in sustainable development planning”
  - Furthermore, all but one of the indicators at the Output level under Outcome 1 measure the delivery of specific studies, but do not measure features related to the uptake of these studies. Only indicator 1.2.2 measures an element of dissemination of knowledge. This is inconsistent with the fact that Outcome 1 aims to improve knowledge management, not only knowledge generation.
  - The indicators for Outcome 2 are generally relevant indicators to assess adaptive capacity. However, the targets appear ambitious, both in terms of the coverage (proportion of “stakeholders identified in the baseline study”) and of specific targets (e.g., increase in cash income by 30% by mid-term).
  - Outputs 3.1 and 3.2 involve the delivery of “training plans” while the indicators measure people trained.
68. Overall, the project’s result framework is relatively inconsistent in its level of detail and its choice of indicators and targets. The work with communities in particular is measured in different ways throughout the framework: sometimes per community, sometimes per “critical area”, sometimes per hectares, sometimes per “local stakeholders” and sometimes per “beneficiaries”, which creates confusion as to what will take place in each community, but is also likely adding effort to collect information. Another weakness is that it tends to focus on specific deliverables, and not on the elements that enable the use and uptake of the tools and knowledge as they are described in the ProDoc. Outputs should ideally focus on capacity changes, while outcomes focus on behaviour changes, i.e. the use of that capacity.

<b>Rating for Quality Design:</b> MS
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### 3. Effectiveness

69. In general, the project has faced a series of circumstances that have delayed project implementation since its inception. The signature of the AF-UNEP agreement (with SEAM/MADES as executing agency) took place in April 2017. It took a year for MADES to determine its inability as an executing agent and request UNEP to deliver direct project services (April 2018). The project start-up (inception workshop) was not held until April 2019, which is the actual project start date, and a PCA was then signed with local partner ID in July 2020. In 2020, restrictive measures were established due to the COVID-19 pandemic, which delayed implementation. In April 2021, after the expiration of the first coordinator's contract, a recommendation from the Minister of MADES to the Adaptation Fund to terminate the project halted activities until August 2021. The project received support from local government representatives who expressed their support for the project to the Minister of MADES, allowing negotiations to initiate. The project was reactivated in September 2021 after the first meeting of the acting regional Director of UNEP and the Minister of MADES.

### 3.1. Achievement of Outputs

#### Component 1

70. The table below describes the achievement of outputs as of December 2022, on the basis of PPR3 and updated based on most recent information.

**Table 9. Status of the Component 1 Outputs**

Component 1	Mid-term target	Achievement as of December 2022
<b>Output 1.1 Improved mapping of ecosystems, including agro-ecological zones, water resources, forests, and other ecosystems</b>	6 detailed ecosystem maps (1 map for each of the selected communities) by mid-term	Maps elaborated and under revision
<b>Output 1.2 Increased meteorological information available for agro-climatic risk assessment</b>	3 new meteorological stations installed by mid-term 52 meteorological reports shared with farmers, herders and indigenous communities by mid-term	No stations have been installed  No reports elaborated yet
<b>Output 1.3 Assessment of the vulnerability to climate change of specific plants and animals used as food source</b>	1 comprehensive and strategic study on the impacts of climate change on plants and animals used as food source by mid-term.	The study has not been elaborated yet
<b>Output 1.4 Increased knowledge of the local ecology, management, and nutritional components of Algarrobo and Viñal (Prosopis spp.)</b>	1 study on the local ecology, management and nutritional components of Algarrobo and Viñal by mid-term	Study elaborated and under revision
<b>Output 1.5 Increased knowledge of traditional practices that contribute to climate resilience</b>	1 comprehensive and strategic study on local traditional practices that contribute to climate resilience by mid-term	Study elaborated and under revision
<b>Output 1.6 Development of specific protocols for the implementation of good practices in forest management and agriculture on farming and indigenous peoples' communities</b>	Specific protocols for the implementation of good practices in forest management and agriculture on farming and indigenous people's communities by mid-term.	No protocols have been elaborated yet
<b>Output 1.7 Increased knowledge on the contribution to adaptation of the existing</b>	1 comprehensive and strategic study on the incentives for the adoption of	The study has not been elaborated yet

<b>regulatory framework/ Elaboration of an analysis of incentives and disincentives for the adoption of climate-resilient agricultural practices in El Chaco region</b>	climate-resilient agricultural practices in El Chaco region	
<b>Output 1.8 Improved understanding of climate change vulnerability and impact of the communities</b>	6 general climate change vulnerability and impact assessments (1 for each of the selected communities) by mid-term.	Assessments have not been elaborated yet

Source: PPR3 and review of available outputs

71. The following information was obtained from PSC meeting minutes, field visit reports, requested reports and interviews conducted during the data collection process of the review.
72. With regards to Output 1.2, working meetings were held with DMH in August 2022. Since then, technical information has been exchanged on the technical requirements of the meteorological and agrometeorological stations managed by the DMH. Currently, terms of reference for the assembly of the stations and institutional agreements for the operation and maintenance of the weather stations have been drawn up and put for consideration. The georeferencing and validation of the potential locations of the stations in the field along in coordination with DMH have been put in place.
73. A local executing partner (ID) was hired to perform the vulnerability assessment. Intermediate products were delivered in August 2022 and are undergoing revision by the PMU and the MADES. They were initially submitted as an integrated deliverable, as agreed upon in the PCA, but had to be broken down into several products to align with the outputs of the results framework, as required by UNEP processes. These separated outputs were submitted in December 2022. The products include the integral methodology proposal for the Climate Change Vulnerability Assessment study; a compilation and analysis of the results of existing studies, projects, and sources of information on vulnerability in the Chaco; work plans for Rapid Ecological Assessments and field results for Boquerón and Alto Paraguay; work plans for Baseline assessments in Boquerón and Alto Paraguay; a work plan for ecosystem characterization and the ecosystems' maps. This partner will also deliver the study on local traditional practices that contribute to climate resilience study as well as the study on *Prosopis* sp. which will be included in the vulnerability assessments. According to ID, MADES and the PMU, the revision process has been lengthy and required multiple revisions. The PMU and MADES point to a weak research capacity of local partners delaying review and approval of elaborated studies and considers the need for close monitoring to improve the quality of delivered documents.
74. For Output 1.8, the project initially contracted a consultant to develop the methodology for the study, which is to be developed by ID on the basis of all the intermediate products already submitted. It is unclear why a separate contract was required for the methodology.
75. Finally, the PMU launched a call for expressions of interest from local NGOs for the elaboration of the study on the impacts of climate change on plants and animals used as food sources and the elaboration of the protocols for the implementation of good practices in forest management and agriculture in farming and indigenous people's communities. This call fulfills one of the deliverables of the Small-Scale Funding Agreement (SSFA) for which the NGO IDEA was selected and is expected to have started work in January 2023. The SSFA includes outputs 1.2 (1.2.2 partially), 1.3, 1.6, 1.7 and 2.1.
76. A complicated procurement process, which requires the involvement of MADES, UNEP and DNCC has translated into delays delivering these outputs. Other factors are discussed in the Efficiency

section. Overall, this component is the one with the most progress in terms of outputs. However, their delivery has taken much longer than initially considered in the ProDoc and constitutes a bottleneck for the activities of Component 2.

## Component 2

**Table 10. Status of the Component 2 Outputs**

Component 2	Mid-term target	Achievement as of December 2022
<b>Output 2.1. Increased participatory adaptation planning</b>	6 integrated adaptation community plans by mid-term (one per selected community)	Indicators in PPR show no progress
<b>Output 2.2 Increased implementation of strategic adaptation measures</b>	At least 5 adaptation measures are being implemented in the ten selected communities	Even though indicators in PPR show no progress, the adaptation measures matrix shows two rounds of measures adding up to 26 completed interventions

Source: PPR3

77. The PMU recently contracted the NGO IDEA for the elaboration of the protocols for the development of integrated adaptation community plans. This call is also part of the aforementioned SSFA. The TORs for the SSFA and the technical proposal submitted provided limited information about how these protocols would be developed and in particular, how women and vulnerable populations will be involved.<sup>13</sup>
78. Even though indicators in the PPR report show no progress on adaptation measures, as of December 2022, EbA Chaco has invested in two rounds of pilot investments, the first one with 18 interventions and the second with eight. According to the monitoring file for interventions, a total of 341 units of equipment have been delivered, expanded or repaired. These include water tanks, water capture systems, beekeeping equipment and livestock. These standalone interventions do not count as the “5 adaptation measures” required to achieve the project’s targets, but they are relevant initial investments in the context of the project. It should also be noted that the project requires communities to organize “commissions” (e.g. water commission, beekeeping commission, etc.) or some other kind of community structure prior to delivering investments, Where these do not already exist. Achievements on this front are not currently monitored.
79. The 26 EbA demonstration activities were undertaken in ten communities based on agreements signed with communities in 2020-2021. These initial investments were agreed upon with the communities to serve as “pilots” for future concrete measures. These were not originally planned as such in the ProDoc but respond to the dual need to address the water emergency situation that would hinder future EbA efforts and to strengthen communication with communities. In one community (Bahia Negra), works could not be initiated due to leadership challenges, and it is the only community that has not benefitted from a pilot. There have been two rounds of pilot units focused on:
80. **Improving food security through beekeeping (e.g. Cacique Sapo and Jasyendy communities):** The project provided beneficiaries with supplies and equipment as was requested by the communities of Cacique Sapo and Jasyendy (both indigenous communities). As part of complementary activities with other institutions, these two communities were already beneficiaries of an INDI project but lacked some supplies. The PMU agreed to provide them to support their production. The equipment included

<sup>13</sup> MADES has a [guide for the elaboration of local adaptation plans that could potentially be used to guide this process.](#)

honey super warmer, solar beeswax extractors as well as bee suits, hives, and queen excluders among others.

81. **Improving water availability (e.g. Pozo Hondo, General Díaz, Campo Loa, San Carlos, María Auxiliadora, Toro Pampa and Sierra León communities):** Water availability and access has proven to be a critical aspect in these communities. During the month of September 2022, a contribution was made to improve water security in the Campo Loa community. Six 5,000-liter tanks for community use were delivered to the Noé village. A 5,000-liter tank for community use was delivered to the San Miguel village. And in the village of Nasuc, 38 tanks of 1,000 liters were delivered for family use, all of them in the Campo Loa community. In the María Auxiliadora community, three tanks of 10,000 liters were provided (one of them destined to improve a treatment plant) as well as pipes and fittings for the extension of the water network in one community. The PMU has also provided support for a water distribution system through deep wells in the indigenous community of Puerto Diana. Some of the units delivered had problems, and the PMU delivered additional supplies to fix them (community of San Carlos). During the workshop in Filadelfia and subsequent field visits, community members highlighted the need for construction work to be undertaken by local providers who would be more familiar the local conditions. However, the current use of an inappropriate execution structure has translated into slow procurement processes by requiring additional approval steps. . The project was criticized for the long delays and unpredictable timelines in delivering support, and the PMU is actively trying to rebuild trust and find ways to accelerate the delivery of works. However, the recent cancellation of the related PCA very late in the process was a significant setback (see Efficiency section).
82. **Cattle ranching and agroecological practices (e.g. Karcha Bahlut and Puerto Diana communities):** The community of Puerto Diana received support with their livelihoods, specifically 9 heifers and a bull to support the silvopastoral livestock production they requested from the project. It is unclear however how this specific intervention contributes to pilot EbA.<sup>14</sup>
83. Under this component the project delivered in 2020 twelve training workshops in 10 of the 11 communities. The workshops focused on EbA concepts and achieved an attendance of 177 representatives of communities: Campo Loa, Cacique Sapo, General Díaz, Pozo Hondo, Jasyendy, and Sierra León, Karcha Balhut, San Carlos, María Auxiliadora and Toro Pampa, with a total of 63 women and 114 men. However, there was no plan to develop these topics, there were no materials; mission reports had no details on how those workshops were developed. The current PMU direction and specialists believe those communities should engage in more capacity building activities.
84. During the first two years of the project, the PMU observed that the lack of an on-the-ground technical team translated into poor engagement with communities, limited achievements and poor monitoring of progress, as reported in PPRs. The absence of a local team adversely affected communication and appropriation from beneficiary communities. During the MTR data collection, people could not remember clearly the EbA Chaco project and several water units were either damaged or not working properly. The project investments were not visually identified as having been provided by EbA Chaco/UNEP/MADES/Adaptation Fund, and community members could not clearly identify what EbA Chaco had delivered to them specifically. Finally, the EbA Chaco project is currently perceived as a “water” project, not as a climate change project coming to address a complex set of issues through an

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<sup>14</sup> This list is not exhaustive.

integrated approach. The absence of a communication strategy and long implementation delays contributed to this lack of engagement.

85. A team of Local Technicians was hired in May 2022 to counteract these problems. Their support is expected to help circulate information in both directions between the PMU and the communities. Nevertheless, interviews revealed that their performance has shown weaknesses such as limited understanding of their role, limited ability to manage communities' expectations from the project, as well as systematic failure to deliver reports on time, among others. Although most of them are qualified agricultural technicians, but feedback from different interviewees highlights that not all of them have been able to deliver good quality support for day-to-day activities. Finally, none of them are familiar with the concepts of climate change, which is a major weakness in a project of this type.
86. The conflict situation in some communities added to the challenge. Activities in the Cacique Sapo community have for example been temporarily suspended due to internal community conflicts not caused by the project. As mentioned above, Activities in Bahia Negra could not start due to a leadership crisis, now resolved.

### Component 3

**Table 11. Status of the Component 3 Outputs**

Component 3	Mid-term target	Achievement as of December 2022
<b>3.1. National level: Detailed training plan for MADES and partner agencies at national level (ministries and agencies, including but not limited to MAG and INFONA), on mainstreaming development across sectors climate compatible</b>	At least 60 SEAM staff (at least 30 women) trained by mid- term.	No achievements have been recorded
<b>3.2. Local level: Training plan for partner agencies at local level (including but not limited to departmental and municipal governments)</b>	At least 80 relevant stakeholders (at least 40 women) trained by mid- term	No achievements have been recorded
<b>3.3. Identification, systematization, and exchange of lessons learned of the project</b>	4 lesson learned documents prepared by the project by mid- term (one every 6 months from the 7th month)	No achievements have been recorded

Source: PPR3

87. Since Component 3 depends on achievements obtained from components 1 and 2, there has been no progress on these activities.
88. The workshop in Filadelfia (which pertains to Output 2.1) was the first opportunity for project stakeholders to exchange knowledge. The participants were mostly community leaders; only one representative from a local government was present. Members from three communities could not make it, which was considered a failure by the PMU. There were vivid discussions around challenges faced with the project and the presentations by community members and Local Technicians of their experiences with apiculture. It was also an opportunity to present the initial results from the ID study, but the language was not very accessible. The PMU also presented its own early lessons from their experience so far with the project.

There is no mechanism currently in place to engage all the stakeholders mentioned in Output 3.1 and 3.2 with the project. Beyond the occasional interactions with DMH and INDI, none of the institutions

that were to be part of the Technical Committee are currently involved, despite their relevant expertise and interest in the topics of the project. Several interviewees noted that the national executing partner would not allow the PMU to engage directly with other national institutions. During the December 2022 PSC meeting, options to re-activate the Technical Committee were discussed. It was considered essential to engage with them to initiate knowledge sharing and possibly establish more consultative mechanisms.

### 3.2. Achievement of Direct Outcomes

#### Outcome 1. Knowledge management on vulnerability and resilience to climate change improved to implement cost-effective adaptation measures.

89. Knowledge management is a set of processes that involves generating and disseminating information with a specific purpose. In this sense, the indicator for this outcome (Table 12) is relevant as it focuses on knowledge generation and use. However both the outcome and the indicator formulation are unclear as to what exactly is being sought as a result of this process. They do not formulate an expected behavioural change, neither do they target specific stakeholders, leaving ample room for interpretation. In this case, “knowledge management” appears to refer to the activities to be undertaken by the project and not to an outcome of the project. The established mid-term and final targets provide information to the effect that the priority is on using this information for community adaptation planning, but it is not clear if it also targets national and sub-national institutions.

**Table 12. Outcome 1 indicator, baseline, target and status as reported by the project (April 2022)**

Indicator	Baseline	Mid-term target	Status
<b>Increase in generation and use of climate information in sustainable development planning</b>	<p>Poor understanding of the impacts of climate change in the area and on some populations, geographical areas, economic sub-sectors, ecosystems and natural species.</p> <p>The region’s network of meteorological stations is poor (in a region with 246,925 km<sup>2</sup>, there are only 5 stations in operation).</p> <p>The role of traditional practices, forest standards and economic incentives is neither well understood.</p> <p>Current sustainable development plans at department and district level do not integrate adaptation issues</p>	<p>Increase in climate change information generation: 100 % of planned knowledge products elaborated</p> <p>Increase in climate change information use: integration of knowledge-based climate change adaptation priorities into community adaptation plans at least for the 6 targeted communities;</p>	<p>The project is revising intermediate products of the technical and vulnerability studies. This are undergoing revision by the PMU and the Environment Ministry (MADES) and are planned to be finished at the end of second semester 2022.</p>

Source: PPR3

90. As noted in the PPR3, “the achievement of this indicator is subject to the delivery of outputs 1.1 to 1.8 and the use of the information generated in the technical studies”. The studies are still being delivered and some have yet to start. The sites for meteorological stations have been defined, but the strategy for disseminating information is yet to be prepared. The outputs for Component 1 are expected to be used in Component 2 to develop community adaptation plans. The achievement of this outcome therefore also depends on Output 2.1.
91. According to a member of the PMU, sharing with communities as was done during the workshop in Filadelfia is how the project plans to foster the use of the knowledge generated, by making communities the custodians of this knowledge. However, this information is complex and not currently

accessible to communities; extensive pedagogic outreach efforts would be required for ownership to be built. This was observed during the workshop in Filadelfia when presenters from ID, MADES and the PMU had to make significant efforts to adapt their message to the vocabulary of community members present. While many seemed to understand the main ideas, some visibly did not. This was especially difficult for indigenous representatives, for whom Spanish is not the first language. Some community members were surprised by the preliminary results presented to them (e.g., members of a community did not understand why their food insecurity was considered as extremely high while that of a neighboring community was much lower), and while this likely was clarified during subsequent breakout sessions, this highlights the need to not only generate knowledge but also find ways to build ownership of that knowledge.

92. The reconstructed TOC indicates that Outcome 1 should also be supported by the capacity-building efforts from Component 3. Indeed, building the capacity of a wide range of local and national institutions to use the information generated would support a broader use of knowledge. This has not yet been achieved in the EbA Chaco project as no such trainings have been undertaken yet.
93. Furthermore, while there are plans in Component 3 to disseminate information through various media, it is yet unclear where the raw reports and data will be stored and who will manage this data to ensure its continued availability to all stakeholders. The ProDoc planned for several institutions to be involved in the development of this knowledge. This would have strengthened their ownership information and facilitated its use. As this was not done, the knowledge is currently at risk of being lost at the end of the project.
94. Overall, there is no evidence of outcome achievement to date as none of the direct outputs of Outcome 1 have been delivered. Measures from Component 2 contributing to Outcome 1 are expected to start early 2023, while there is no clarity yet for Component 3 activities.

### **Outcome 2. Adaptive capacity in rural areas of greatest vulnerability strengthened through concrete adaptation measures favouring an ecosystem-based approach**

95. The achievement of this outcome depends on a sequence of activities that involve first, the development of studies under Component 1, then the development of community adaptation plans (Output 2.1) and then their implementation (Output 2.2). Since none of these have been achieved, progress towards Outcome 2 is very limited.
96. Outcome 2 status as presented in Table 13 has not evolved significantly since April 2022. While the pilots have been delivered, there is currently no data available on the number of beneficiaries from these pilots. The majority of activities have a community-level scope, but each pilot may only reach a portion of the community.<sup>15</sup> The studies from Component 1 should provide baseline information about food insecurity in each community; however draft versions do not provide details on income.

**Table 13. Outcome 2 indicator, baseline, target and status as reported by the project (April 2022)**

Indicator	Baseline	Mid-term target	Status
<b>Number of males and females benefiting from the adoption of</b>	Deforestation, prolonged use of land, insufficient soil management and	60% of local stakeholders identified in the baseline study (local officials,	The technical studies are developing a baseline including the number of

<sup>15</sup> This is an output indicator, the outcome indicator would measure the proportion of community members applying climate-resilient practices for which the project provided them capacity.



<p><b>diversified, climate resilient livelihood options</b></p> <p><b>Average increase in annual cash income among beneficiaries.</b></p> <p><b>Increase in food availability given the existing and projected climate change with support from the project. (tons/year)</b></p>	<p>conservation practices and indiscriminate use of agrochemicals, among other practices, are degrading ecosystems and the provision of critical services that they entail, significantly reducing the prospect of current and future resilience.</p> <p>Baseline status of participating communities, including quantitative scores, will be assessed by the baseline study.</p>	<p>farmers, herders and indigenous people) benefit from the adoption of diversified, climate resilient livelihood options by mid-term, resulting in an average increase in annual cash income of 30%</p> <p>Average increase of 30% in food availability (tons/year)</p>	<p>beneficiaries per community.</p> <p>Nevertheless, at the time of reporting:</p> <p>there is no official number of beneficiaries in the communities that were recipients of pilot adaptation measures such as water tanks and support to their livelihoods.</p> <p>there is no official data of the annual cash income of the beneficiaries to report.</p> <p>Nevertheless, there is no official data of the food availability of the beneficiaries to report.</p> <p>This information will be generated during project implementation.</p>
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Source: PPR3

97. Pilot initiatives, which (according to interviews) were designed as a means to deliver some initial benefits to communities, focused mainly on water access. Not only is this a crucial issue across most communities, it is also a prerequisite for any future activity. This is especially true as the region has faced three consecutive years of drought. By addressing the water emergency in its target communities, the project is addressing a key need to future EbA measures.
98. The size of these investments is relatively small, and the investments are different in each community, depending on the specific context and needs. These investments build on existing infrastructure (additional capacity, closer access, repairs), and contribute to different extents to improve the conditions through which the women and men in communities access water. The individual tanks that have been provided for homes in the indigenous communities of Campo Loa and Sierra Leon are considered useful to decrease the frequency at which women have to travel to get water from the community pond (tajamar), yet they have to walk two kilometers to get to the pond, and can only bring a limited volume of water with them each time, so some of the tanks are never full. Additional investments would be required for this to make significant differences in their lives. On the other hand, in communities with already relatively developed systems, providing a solar pump (San Carlos) or building an additional tank (Maria Auxiliadora) has helped fill gaps in the distribution system, bringing water to the doorstep or to the homes, and thus making a more important difference for the end users.
99. According to discussions with communities, this enhanced access benefits women and men differently. For men, it is mostly about providing water for cattle or agriculture. For women, the difference is mainly translated in time savings from having to go get water, but also more accessible water for cooking, washing, and agriculture. These observations are somehow anecdotic, given the size and early stages of the investments. The extent to which these measures contribute to enhance communities' adaptive capacity is thus unclear. However, the pilot initiatives constitute valuable first steps in building foundations for further EbA actions.
100. Barriers remain to be addressed for communities to start consciously adopting EbA measures. In none of the communities visited were people familiar with the concept of climate change, adaptation or EbA,

except for a few people who had participated into the Filadelfia workshop. They are not familiar with what the project is trying to achieve, nor are they conscious that the project is planning to develop community adaptation plans. The project plans to address this through replications of the Filadelfia workshop within communities, and the work on community adaptation plans is also expected to start soon. To this date, however, communities are not ready yet to receive the significant investments that are planned.

101. Another barrier lies in the loss of confidence of communities on what the project can deliver given the significant delays that followed the launching of the project in 2019 and the agreements on pilot investments in 2020 and 2021. This was clearly expressed in most of the communities visited. Some women mentioned that their neighbours would not show up to meetings anymore as it was not worth their while. The PMU is trying to accelerate the pace of delivery of investments which is hindered by administrative processes (see Efficiency section).
102. The experience of the pilot projects has also demonstrated the challenge to build ownership, where progress has been uneven across communities. Some communities have functioning water commissions and are set up to maintain and operate their water infrastructure, while others do not feel compelled to do so, despite having established (on paper at least) water commissions and having requested themselves the support they received.
103. Across all of this, the challenge of effectively and significantly engaging with women and indigenous peoples remains. Given that indigenous people's language, community organization, relationship with nature as well as their very perception of the world is different, bringing the concepts of climate change and EbA has to be tailored to their reality if they are to be adopted. Despite having an indigenous Local Technician dedicated to Campo Loa, there does not appear to be a tailored approach to involve indigenous communities.
104. Although there are some women who actively participate in project activities, the MTR process shows that it is generally more difficult to involve them, yet their roles in their households and communities make them at least as important a beneficiary as men. In indigenous communities, where decisions are made by the head of the community (who is typically a man), hearing the voices of women is particularly challenging. Even if most interviewees (incl. from PMU, MADES and UNEP) are conscious of these challenges, the project has not taken any specific measure to enhance the participation of women. The project has a Gender strategy and reports on Gender Policy in the PPR. However, few measures are implemented. The main one was the incorporation of a gender and indigenous people's specialist into the ID team for Component 1, but not in direct support of the PMU as planned in the ProDoc. However, the ID deliverables available to date do not provide gender disaggregated data and limited mention of differentiated roles and vulnerabilities. In fact, to date there is not even a headcount of male vs female population in targeted communities. The results framework does not have gender disaggregated targets, and existing data on communities is not gender disaggregated. None of the six Local Technicians working with communities is a woman. While the PPR mentions extending meeting invitations to women, this is typically not sufficient to ensure meaningful participation.
105. The option of involving youth in trainings to help with the maintenance of water infrastructure was mentioned during the workshop in Filadelfia and resonated with communities, who see it as a training and work opportunity for youth. This would also contribute to the sustainability of project results.

106. As part of these pilots, the project has been working through the Project Officers and Local Technicians to establish “water commissions” that would be responsible for managing the water infrastructure, and eventually manage funds to ensure operation and maintenance of the systems. Progress has been unequal on this field, with some commissions being fully functional while others exist only on paper. These commissions aim to address the challenge of ownership over the infrastructure provided by the project.
107. Ownership has been more challenging with indigenous communities, for several reasons. There is a long history of NGOs and associations providing equipment “for free”, which then slowly decays as communities stay under the impression that it belongs to the one who built it.

**Outcome 3: Capacity development and awareness to implement and upscale effective implementation of adaptation measures at national and local levels**

108. Outcome 3 is not formulated as a behavioural change, however it is reasonable to assume that the desired change is the upscaling (or replication) of EbA measures at national and local levels by unidentified actors. The proposed indicators could be considered as proxies to actors using the capacities and knowledge acquired through the project to advance adaptation. The second indicator could be considered relevant as it would involve replication of Output 2.1, but the first indicator is largely unrelated to the project outputs and outcomes and is not likely to be influenced by the project.

**Table 14. Outcome 3 indicator, baseline, target and status (April 2022)**

Indicator	Baseline	Mid-term target	Status
<p><b>Number of assessments and strategic recommendations related to climate change adaptation developed to support environmental licensing processes</b></p> <p><b>Number of local development plans, strategies and processes that integrate adaptation to climate change concerns.</b></p>	<p>Currently, environmental licensing processes do not integrate adaptation issues.</p> <p>Current sustainable development plans at department and district level do not integrate adaptation issues.</p>	N/A	<p>No progress was expected in this period.</p> <p>No progress was expected in this period.</p>

Source: PPR3

109. As stated in PPR3, no outcomes were expected by project mid-term on Outcome 3, except for initial activities under Output 3.3.
110. The future achievements of this component are threatened by the limited engagement of institutional stakeholders in the project, as discussed in the Relevance section. The project is currently operating in a bubble within MADES, with recent efforts to coordinate with other UNEP-MADES projects in the country, but no wider outreach. A municipal government representative in Boquerón and a Member of Parliament from Alto Paraguay have stepped up to support the project. The government of Boquerón may also be familiar with the project but could not be interviewed by the MTR team, whereas in Alto Paraguay there does not seem to be any interaction with the government.

**3.3. Likelihood of Impact**

111. Given the low level of project implementation, the likelihood of impact is not possible to estimate.
112. The sections above also describe gaps and incoherences in the project's intervention logic (visually represented by the TOC) which led to questions about what exactly the project is trying to achieve, by whom and for whom. Consequently, the pathways through which change is expected to take place are not clear. Several interviewees from the PMU and UNEP mentioned lacking a common vision of what the project is trying to achieve. The PMU started working on a TOC in recent months.
113. The likelihood of the project achieving its impacts will ultimately depend on three main elements:
- **Project activities being realized:** This involves scaling and speeding up contractual processes as well as community consultations and planning. This may be particularly challenging in indigenous communities and communities with leadership conflicts. The former requires more time to accompany communities through the change process, whereas the latter requires re-thinking the approach to implementing project activities in these locations. This is reinforced by an implementation model involving multiple actors with different responsibilities (see Efficiency section) which has caused significant bottlenecks in the project implementation. Addressing these challenges has distracted from thinking strategically about how to generate the desired changes.
  - **Building awareness and ownership:** In the absence of a deep awareness of the threats of climate change and the need to adapt, there is a risk that communities will not see the need for an integrated set of actions to be undertaken, and will only adopt a few, which will limit the impacts of the project.
  - **Collaboration with and support from institutions and local actors:** These actors are essential to provide continuing support to communities in their actions and to help ensure that local development planning includes EbA. Given the high levels of vulnerability and isolation of communities, local governments and NGOs active locally can provide technical support and help connect them with other actors, markets or knowledge, beyond the life of the project. This also includes collaboration with MADES, as discussed in the efficiency section, and other national institutions in delivering project results.

### **Likelihood of adverse environmental, social or economic effects**

114. The project has an Environmental and Social Safeguards (ESS) handbook dated from 2020 that builds on Adaptation Fund and UNEP policies and incorporates the application of Paraguayan legislation. Compliance with ESS policies is monitored within PPRs. EbA Chaco also has a draft grievance mechanism through which one complaint has been processed. Another complaint was processed before the mechanism was established, earlier in 2022. Both complaints were handled rapidly although none led to changes in the practices of the project.<sup>16</sup> The grievance mechanism is aimed primarily at external stakeholders, but is not useful for project staff, as they are the ones handling the complaints.

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<sup>16</sup> The complaint lodged through the grievance mechanism by the leader of an indigenous community protested the interruption of project activities in the community while it faced internal conflicts (not caused by the project) that involved internal displacement of part of the community. The DNCC responded that it could not intervene in the community while the conflict was not resolved, as its ESS prevented it from intervening in locations undergoing forced displacement, but that it would gladly do so afterwards. The other complaint pertained to the procurement processes for the PCA and SSFA launched in 2022 for EbA activity implementation which planned a timeline of six months to deliver these activities, which was considered unrealistic by one of the organizations invited. It expressed concern about the time needed to generate ownership, especially from indigenous communities. The DNCC provided a

115. The ESS mechanism effectively identifies all relevant types of risks, including those related to access and equity, indigenous peoples and biodiversity conservation. It remains at a relatively high level, and mechanisms to ensure relevant challenges in the field are addressed proactively remain unclear. As an example, the monthly reports from Local Technicians do not include a section on ESS, even though ESS was part of their onboarding training.

116. Given the nature and focus of the project, any adverse environmental, social or economic impacts would be limited. The most significant risks are related to the effective role of women, indigenous peoples and vulnerable populations in the project, which have not yet been fully considered at the operational level, as discussed in Section 3.2.

117. Some risks were identified during field visits that may not have been fully considered yet:

- Risks related to waste generated during or after construction: While this is mentioned in the ESS handbook, measures to control this are unclear. For example, in one community a large water tank provided by the project that had fallen and broken had been replaced, but the carcass of the older tank still laid down the hill, with no cleanup plan.
- Risks related to labour and to maintenance of equipment: Planning equipment maintenance will be a priority during the second phase of the project, as the project hopes communities take responsibility of maintaining their water (and other) infrastructure. However, some are high-rise infrastructure (windmills, gutters), entailing risks of fall, while water tanks and ponds come with drowning risks. There is a need to ensure that people responsible for maintenance have safety training and equipment. Ponds should be adequately fenced, and families and children should be made aware of the risks of drowning.

118. As required by the Paraguayan legislation, a Free, Prior and Informed Consent (FPIC) process was undertaken in all the indigenous communities with support from INDI, which then provided its seal of approval to the project. Yet, most indigenous community members met during field visits expressed their lack of familiarity with the project, especially women. Some interviewees from outside MADES and the UGP mentioned that this official process may often not be sufficient to really inform communities, and this was also mentioned by some participants to the Filadelfia workshop. Nonetheless, in all communities where the project has intervened (nine out of 11), agreements on the support provided through pilot investments were signed. This points to gaps in communication about the project, delays (people may forget about the project), but also to the centralization of decision-making on the community leaders.

<b>Rating for Effectiveness:</b> <b>U</b>
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## 4. Financial Management

### 4.1. Rate of expenditure

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response explaining that project delays required this timeline, and that previous activities had been undertaken in preparation of these efforts.

119. The document repository used by the PMU contains several versions of financial reports which can only be differentiated by the dates of revision, none of these can be easily identified as the final version. The PMU provided a financial report extracted from Umoja on which this analysis is based.
120. The following table presents a comparison between the budget proposal presented on the ProDoc and the disbursements that have taken place.

**Table 15. Proportion of each component's budget spent as of Dec. 2022**

Item	Total budget (as Prodoc)	Total spent	Proportion spent
<b>Component 1</b>	893,484.00	214,645.13	24%
<b>Component 2</b>	4,585,466.00	58,495.88	1%
<b>Component 3</b>	494,650.00	12,502.37	3%
<b>Project Management Costs</b>	596,400.00	405,106.90	68%
<b>Unallocated</b>	NA	93,354.62	NA
<b>Total</b>	<b>6,570,000.00</b>	<b>784,104.90</b>	

Source: Umoja data

121. Project expenditures as of December 2022 totaled 784,104.90 USD, representing a 12% implementation rate of the total planned budget (15% when considering also the expenditures not yet registered in Umoja). The rate of disbursement was extremely low during the first two years of the project, which is consistent with delays in implementation during that same period. As already mentioned in the previous section, many of these delays are due to COVID-19 restrictions, lack of institutional coordination, project suspension, as well as slow decision-making regarding procurement procedures.

**Table 16. Annual expenditure per component**

Item	2019	2020	2021	2022	Total (as of Dec. 2022)
<b>Component 1</b>	3,171.40	28,858.24	107,430.27	75,185.22	<b>214,645.13</b>
<b>Component 2</b>	0.00	15,454.34	2,641.54	40,400.00	<b>58,495.88</b>
<b>Component 3</b>	0.00	0.00	2,612.26	9,890.11	<b>12,502.37</b>
<b>Project Execution Costs</b>	50,909.67	91,194.53	146,647.86	116,354.84	<b>405,106.90</b>
<b>Unallocated</b>	0.00	0.00	31.17	93,323.45	<b>93,354.62</b>
<b>Total</b>	<b>54,081.07</b>	<b>135,507.11</b>	<b>259,363.10</b>	<b>335,153.62</b>	<b>784,104.90</b>

Source: Umoja

122. Disbursements really started to take place in 2020. While the ProDoc did not include a timeline for expenses, its disbursement schedule planned for 80% of funds to be disbursed by the end of year 3, which is far from the case, but also unrealistic given that most funds are allocated to Component 2 which was to be implemented from year 2 to year 5. This means that implementation, as well as expenditures are taking place at a less than optimal pace.
123. According to data provided by the PMU, execution costs represent the largest portion of the budget (51.6% of the total budget spent). The expenditure for project management costs is proportional to the

stage of the project, and should be sufficient for five years but will have to be adjusted to last six years (as per amended project end date) or more.

#### 4.2. Completeness of Financial Information

124. The project does not require auditing, but audits are planned for PCA partners. Umoja reports are elaborated as required, but quarterly reports do not include financial data. PPR contain financial information, nevertheless data is not very detailed and has not been presented on a timely manner., except for PPR3. Quarterly reports started being generated in 2022, but remain in a draft state and do not yet contain financial information. Nonetheless, all interviewees from MADES, UNEP and the PMU concur that the financial management followed established procedures and was always transparent.

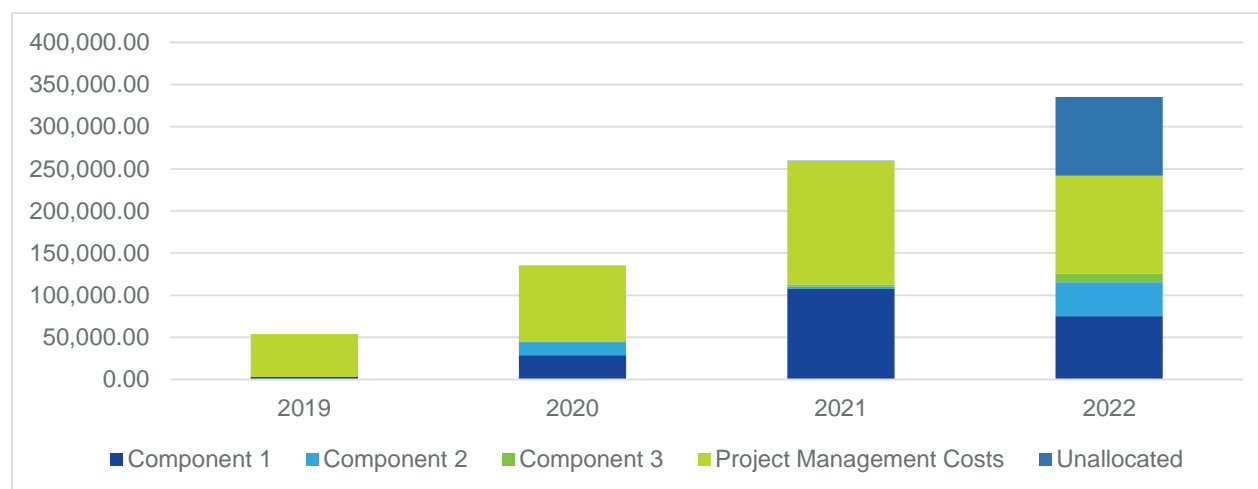
**Rating for Financial Management: MU**

### 5. Efficiency

#### 5.1. Cost-effectiveness of output achievement

125. As of December 2022, 52% of expenditures are related to project management costs, 27% to Component 1, 7% to Component 2 and 2% to Component 3.<sup>17</sup>

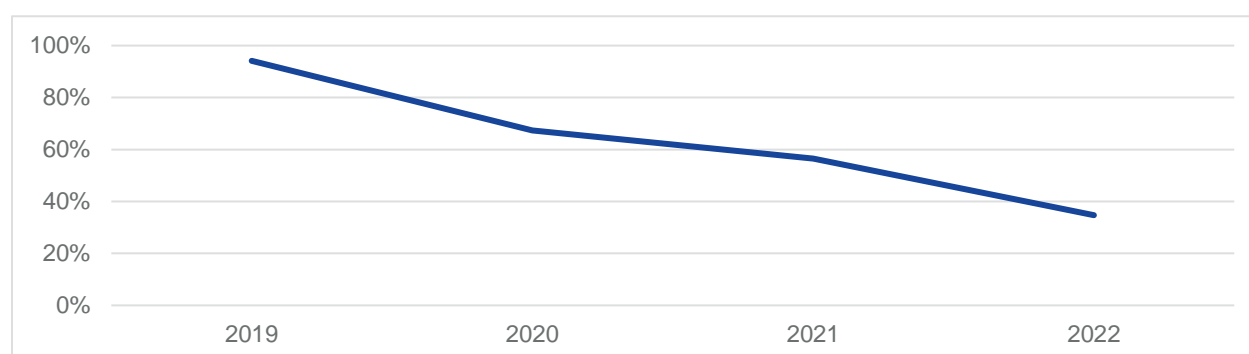
**Figure 3. EbA Chaco Expenditure per year per component (Dec. 2022)**



Source: Umoja data

126. As per Figure 3, 2021 and 2022 have been decisive in increasing the project's expenditures, essentially for the Component 1, but also to fund the pilot activities under Component 2. While the proportion of project management costs in the overall budget is extremely high at this stage of the project, its proportion has been steadily decreasing and reached 35% in 2022 (Figure 5) as more project activities are being executed.

<sup>17</sup> Unallocated amounts correspond to administrative errors in the process of being addressed.

**Figure 4. Proportion of project management costs in overall project budget (excluding agency fee)**

Source: Umoja data

127. This situation stems from a set of circumstances that will be discussed in this section. The project interruption in 2021, and the subsequent changes in its implementation structure are a turning point in this process, however some of the challenges have been a constant since the beginning of the project implementation.

128. The fact that UNEP, which delivered direct project services for the project execution, has no legal existence in Paraguay required the project to function through a series of agreements and partnerships that should enable it to deliver its outputs, which are summarized in Table 17. According to UNEP, this structure has been established in other projects in Paraguay, and “other alternatives for execution different than relying on [executing] partners are more costly and lengthy.”<sup>18</sup> However, these other projects are at an early stage, and it is therefore not possible to compare the efficiency of the processes. Between 2018 and 2020, in addition to the PCA between UNEP and MADES, two pay agent contracts (with ID and UNDP) were established, for an amount of USD 450,000. In 2021-2022, an additional amount of USD 473,696 was committed with two partners (ID and IDEA) for executing several project activities.

**Table 17. Agreements established by UNEP for the implementation of EbA Chaco**

Agreement	Date	Entity	Amount	Purpose
PCA	2018	MADES	N/A	Collaboration on project execution
PCA	06/07/2020	ID	USD 450,000	Pay agent
	Addendum 1: 05/05/2021		No cost extension	
	Addendum 2: 12/11/2021		No cost extension	
	Addendum 3: 23/05/2022		USD 273,695.93	Pay agent and extension of role to direct execution
<b>Service Level Agreement (SLA)</b>	21/05/2019	UNDP Country Office in Paraguay	N/A	Pay agent
<b>SSFA</b>	<i>Pending</i>	Instituto de Derecho y Economía Ambiental (IDEA)	USD 200,000	Implementation of project activities (Output 1.2, 1.3, 1.6, 1.7 and 2.1)

<sup>18</sup> Based on comments provided on draft MTR



Source: Multiple (TORs, contracts, addenda and annexes for each agreement)

129. In addition to the agreements presented in Table 17, procurement for another PCA was launched at the same time as the SSFA in May 2022 for an amount of USD 582,430 to implement the activities leading to Output 2.2. The invitation was sent to 12 NGOs, out of which four submitted proposals. The evaluation of the proposals showed that one of the NGOs had a much stronger proposal than the others. However, the process was cancelled in October, as MADES officials expressed having a contentious relationship with the pre-selected bidder, as reported by several interviewees, though not reported officially during the evaluation process. At the moment, there is no clear alternative plan, although using the SLA with UNDP is considered an option.<sup>19</sup>
130. The set of processes to achieve the delivery of outputs has been at the centre of the slow execution of the project. Indeed, as described in the project's Operations Manual established in 2020 and summarized in **Error! Reference source not found.**, all procurement processes have to go through multiple stages. As per the PCA UNEP-MADES, the annual procurement plan and each of the TORs have to be generated by MADES (via the PMU) and then processed using UNEP's standards either by UNEP-Panama, UNDP-Paraguay or ID. Even for the smallest purchases or low value procurements, three quotes must be obtained from providers (standard procedure for all UN Agencies), and no uni-personal companies can be registered as providers, which is a very common practice in Paraguay. Proposals or quotations then undergo several stages of review. In many cases, approvals must go through many layers, and any purchase above USD 50,000 must be authorized all the way from the head office in Kenya, generating long delays, especially if a modification of the request is required at any point in the process. In addition, any expense also has to go through the MADES internal approval chain, which involves not only DNCC but other directions who are invited to comment and validate every stage of the process. Figure 5, from the Operations Manual shows the agreed-on process to select and manage consultant's contracts, which reflects common practice for UNEP.

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<sup>19</sup> As of data collection cut-off date of December 31, 2022.

Figure 5. Steps for contracting and managing partners and consultants



Source: Operations manual, 2020.

131. Following the project suspension in 2021, a step was added to ensure that MADES would provide technical clearance over the project deliverables before UNEP’s final approval. This did not generate an amendment to the UNEP-MADES PCA, but was incorporated in all the other agreements with project partners.<sup>20</sup> However, according to UNEP and PMU interviewees, the process is much longer as MADES adds multiple layers of review into each process as other directions and MADES staff are invited to comment on each PMU or contractor output. This process is described as an “inappropriate execution structure” by UNEP which considers it as “the underlying reason for implementation delays”<sup>21</sup>. This has continued despite a memorandum from the MADES Strategic Planning Directorate stating that given that UNEP is the project executor, it has no say on the project’s contractual processes.<sup>22</sup>
132. Administrative processes have generated an administrative weight on the project and slowed execution down from the beginning, at different levels. This includes small issues like on the limited capacity to acquire project merchandising to ensure visibility of the team and the activities, but also the lack of basic equipment like pick-up covers, on which several people working on project implementation commented. On the operational side, this has generated issues in delivering the pilot initiatives, as it sometimes proved difficult to find companies capable of delivering the entire package requested by a community. When this happened, splitting the request into two or more requests required a new process and involved asking for three quotes for each segment of the work. This has also complicated the possibility for community members to become involved in providing direct labor

<sup>20</sup> Based on a review of correspondence between UNEP and MADES and addenda to UNEP-ID PCA.

<sup>21</sup> Based on comments provided on draft MTR

<sup>22</sup> Memorandum DPE No. 1520/2021.

to help on tasks like digging ponds or other. The process for delivering 18 pilot initiatives for an investment of less than USD 100,000 has thus far taken over a year.

133. Procurement processes have also proved lengthy when it came to larger investments like recruitment, partnership agreements and large purchases, in particular for the recruitment of project drivers which took more than a year, as did the purchase of office supplies, according to an email sent to the Minister of MADES in April 2021. Other delays like five months to recruit the project coordinator and six to purchase vehicles are long but not exaggerated given the importance of the investment. However, these timelines do not take into account the time taken to prepare the procurement process and agree on the TOR. These are not documented, but there is a gap of 10 months between the project inception and the launching of the recruitment process for the PCA that would allow to conduct the studies and pay project costs. According to LACO representatives there were lengthy discussions among MADES and UNEP on the expected products under the PCA and the technical team requested to undertake this work. The slow delivery challenges existed prior to the revision of the project's implementation structure, and were invoked by MADES when requesting the project interruption.
134. More recent occurrences were also identified during the review, including the duration of the process for the SSFA and the cancelled PCA (initiated in May, cancelled right before signature), as well as the cancelled recruitment of a Communications Officer for the project. The submission of ID's intermediate studies was also delayed several months to align them with UNEP's requirements.<sup>23</sup> According to the PMU, these delays are also due to discussions between ID and the PMU about the scope and depth of the studies, and the lack of a gender approach.
135. These delays are not only explained by the tedious UN standard administrative processes but also by the need to coordinate these efforts between UNEP and MADES, and in particular the multiple layers of review from MADES which go beyond what has been agreed. These additional review cycles not only take time but generate unpredictability. This was the case when the offer for the Communications Officer was published in September on Inspira, before being withdrawn as additional inputs were required from another department. In December at the PSC meeting, further delays were discussed as another MADES department was also expected to review the offer.<sup>24</sup> The Project Director's capacity to manage the project without having to obtain approval from other departments seems limited.
136. The PMU as it was planned in the ProDoc and originally implemented was too small and far from the field. Indeed, it was mostly built around a Project Coordinator and two Project Officials – one for each department – who were all to be based in Asuncion. This translated into a strong disconnect between the project and the communities, but also an over-reliance of the project on two Project Officials to coordinate all the activities in the field. This was not commensurate with the administrative weight of the project described above and with the size of the project and complexity of the activities to implement.
137. The project performance was also affected by the poor performance of the PMU during the first two years of the project. As discussed in the Monitoring and reporting section, available documentation

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<sup>23</sup> According to interviews and document review, the initial agreement was to deliver an integrated study covering several of the project outputs, however it was later decided that individual reports should be submitted for each project output.

<sup>24</sup> It is unclear whether one or more departments were expected to provide comments following the cancellation of the process, but the fact remains that, at the time of the PSC, the process had already been on hold for three months.

shows limited planning and reporting.<sup>25</sup> No PSC minutes are available for that period<sup>26</sup> and documentation of the project achievements is either not available or not clearly dated/labelled. The proposed revised results framework was not submitted to UNEP or the Adaptation Fund for approval.

138. Several testimonies indicate that the selection of PMU staff was influenced on many occasions by staff from the national executing partner, leading to the selection of PMU members who did not necessarily have the required qualifications. This situation, which lasted for the first two years of the project, included a driver with a poor driving record and no relevant experience who then caused an accident. It also included the first Project Coordinator who was related to a high-level public official. While the poor performance of the project has multiple causes, several interviewees confirm his deficiencies in terms of project management, communicating with stakeholders, and reporting, and a poor level of English. Furthermore, several interviewees reported cases of harassment against project staff by the Project Coordinator and an incident with a community leader<sup>27</sup>. According to multiple interviewees from UNEP, PMU and MADES, this situation of conflict of interest culminated in the suspension of the project once the contract of the first Project Coordinator ended and was not renewed in February 2021 due to the above-mentioned facts.
139. These interferences in the project's decision-making have significantly contributed to its slow implementation, by bringing the wrong people on board and generally complicating already complex processes. The delays in processes described above can also be partially attributed to tensions between transparent and biased selection processes generating un-needed negotiations between UNEP and MADES. In more recent occurrences, one interviewee mentioned that the selection of the new coordinator took longer than expected due to the difficulty of implementing a transparent process. The recent cancellation of the second PCA (see para. 129) is also attributed by several interviewees to the desire to see a specific candidate be selected. While the means taken to interfere have evolved with the change in the implementation structure, its effects on implementation continue.
140. For several months after the departure of the first Project Coordinator in 2021, the PMU was composed only by the Financial Specialist and one of the Project Officials, who jointly were able to keep the project alive while navigating the negotiations between the executing entities.
141. As part of the new implementation structure, the PMU has been almost entirely renewed and amplified, and is actively working at making up for lost time. This is visible in the improvement of the disbursement rates for 2022. The PMU now holds regular meetings among themselves and with the executing entities, and minutes are prepared for those meetings. The Communications Officer is urgently needed as the project has no visibility and Component 3 activities are coming up. Finally, one of the Project Official positions is vacant since September when its holder passed away. It is currently being filled by one of the Project Officials, which limits his capacity to support the communities assigned to him.
142. The hiring of six Local Technicians has made a significant difference in enhancing communications with communities and is likely to play a key role in facilitating upcoming processes. The technicians all have a background in agriculture and a good understanding of the communities they support, although their overall capacities are variable. The Project Officials and the Local Technicians bear the

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<sup>25</sup> As of PPR2, USD 369,036 had been spent out of the initial USD 850,000 disbursed upon signature in April 2019.

<sup>26</sup> The first PSC meeting minutes available are for December 2020

<sup>27</sup> According to several interviewees, this community leader wanted to store some pieces of equipment that could not be immediately used, and the (first) Project Coordinator insinuated that he wanted to steal this equipment, and travelled all the way to Chaco to collect it. The community leader then wanted to withdraw the community from the project, but was convinced otherwise by the Project Officials.

responsibility of rebuilding the trust of communities while justifying delays in implementation. Some of the Local Technicians are responsible for communities going through complex situations or for indigenous communities with high levels of vulnerability. They are in the best position to communicate key project messages to communities. However, the understanding of the project by Local Technicians appears limited, including when it comes to climate change and the concept of EbA. Most of them were hired at the same time and benefitted from two days of onboarding which covered these topics, but those who were hired later did not and thus lacked even basic understanding of the project. The Project Officials role has been *de facto* extended to coordinate the Local Technicians, but their supervisory role seems unclear to them. The support from the PMU is still limited to delegating Project Officials to coach some of the Technicians facing greater challenges, but they are expected to benefit from EbA training, as a consultant was hired in November 2022 to develop a capacity-building plan for communities and Local Technicians.

### **5.2. Effects of timing, sequence of activities and management structure on efficiency**

143. Some of the challenges faced by the project stem from the ProDoc. As discussed in the sections Quality of Project Design and Monitoring and Reporting, the project logic is not entirely clear, and this has been reported by several stakeholders as hindering progress. One of the discussions was around the geographic scope of the projects in communities. Indeed, ID's studies mapped and analyzed ecosystems in selected communities, but this did not necessarily cover an entire landscape or administrative area, which limits contextualization. The use of a territorial approach to EbA does not seem to have been considered, while it could have helped engage more actors and ensure that vulnerabilities generated by factors outside the community are effectively taken into account. PMU and MADES representatives expressed confusion as to the purpose of activities related to *vinal*, a plant that is rarely used to feed livestock because of its thorns. Yet, the related studies were requested. As per the ProDoc, the focus has been more on delivering specific studies, developing local plans and implementing local actions, and less on the wider process of change. A TOC is currently being developed.
144. As discussed above, the PMU as it was planned was too small for the size and complexity of the project. The position of M&E and planning specialist was created to strengthen the capacity of the PMU to plan and monitor its achievements. However, there is a lack of technical expertise on adaptation on the team that would be necessary to support the creation of an integrated vision of the project, especially with the cancellation of the second PCA which may require more coordination efforts from the PMU. There is no gender, indigenous peoples or safeguards specialist on the team, although some of the executing partners bring this expertise on for specific tasks. The M&E specialist is currently responsible for ESS related tasks and for the grievance mechanism. The role of the Project Officers has evolved but is still unclear.
145. The fact that the PSC is composed only of representatives of UNEP and MADES is unusual, as it is usually a space to engage different stakeholders in a transparent and consensual process. The PSC does not even include a representative from INDI and from MAG, nor from the governments of Boquerón and Alto Paraguay. This decision is especially surprising given that in another section of the ProDoc, several stakeholders are identified as likely members of the PSC. This would also have been complementary with the establishment of the Technical Committee and Local Coordination Committees.

146. Finally, as observed in the Effectiveness section, there is a bottleneck in the implementation flow, as the studies under Component 1 are required for the project to progress. Implementation delays and poor communications are contributing to limit the uptake of the project by communities.
147. Regardless of the collaboration agreement established with MADES, UNEP is the implementing entity for the Adaptation Fund. Its responsibilities include overall supervision of the project to ensure it delivers its objectives and expected results, as well as the application of transparent practices. Several of the elements mentioned in the previous sections point to an ineffective intervention of UNEP to address the challenges faced for the first two years of the project, which have been hindered by the COVID-19 situation which prevented direct presence in the country. The confusion about the respective role of UNEP and MADES in project execution, evidenced by inconsistent communication throughout the MTR process about their respective roles (see Section II.2 Limits to the review) may partially explain the observed tensions over decision-making between the partners. The collaboration agreement and UNEP's established processes were not sufficient to prevent the PMU being handicapped by personnel who did not meet the requirements of their positions and who were placed in a conflict-of-interest position. The low disbursement rates and limited capacity to deliver outputs could also have raised an alarm earlier.
148. In addition to challenges with the project implementation, UNEP does not appear to have been aware of the pressure and harassment exerted on several of the PMU members during the first years of the project. Such situations were reported by several interviewees, and are attributed not only to the first Project Coordinator, but to other public officials. Even though project staff was hired by UNEP, it was reportedly pressured to behave as government personnel, having to fill in timesheets, undergo performance evaluations by the HR department and to request permission to leave the office. Some interviewees reported the occurrence of threats of being fired being addressed to staff for not letting government officials use the project trucks. This is said to have significantly affected the team morale and ultimately led to one of the project consultants quitting, even after UNEP was notified of the issue and started to intervene.
149. According to UNEP, underperformance by the first Project Coordinator was not evident at first due to contextual conditions (e.g. early stages of the project, COVID-19), but was noted as worsening through subsequent performance reviews. To UNEP's defense, it is likely that the DNCC was not fully aware of the situation either, according to an interviewee. Another interviewee described the situation with the first Project Coordinator as misplaced trust, that could be compared to "a tiny snowball that grew progressively". However, this highlights the significant communication challenges that have undermined the UNEP-MADES partnership.
150. The UNEP-MADES PCA states that both parties are "to collaborate on all things", and defines key roles and responsibilities. Several of the situations described above where the national executing partner attempts to influence the outcome of procurement processes reflect its intent to control the project from an administrative perspective, despite having abandoned that position when it requested UNEP to provide direct project services. UNEP is also the implementing entity, which should come with a responsibility to hold the executing partners accountable for project results. There does not appear to be a clear mechanism for this to take place. In fact, in comments received on the draft version of this MTR, the DNCC claims that it is required to apply MADES sets of rules for all the projects it implements, however, this is not its role.

151. As mentioned in PPR2, “the poor/lack of communication between the project executing parties (UNEP-MADES) almost led to the cancellation of the project. This situation generated significant delays in the implementation of the project.” This is confirmed by MTR interviews, which also in large part attribute the situation to the first Project Coordinator who sought to limit communications between partners and with the PMU, while blaming project difficulties entirely on UNEP processes.
152. These miscommunications led to a loss of trust between the executing partners. It required extensive negotiations in 2021 between UNEP and MADES to establish new grounds for collaboration. In addition to the renewal and amplification of the team and the role of MADES in technical approval of the deliverables, UNEP agreed to create the position of UNEP Programme Officer in Paraguay to facilitate communication and coordination of the three UNEP projects in the country. According to UNEP and DNCC staff, the situation started to improve when UNEP staff undertook field visits to the country – which, according to UNEP, had been previously limited due to COVID-19 restrictions – and started to work more closely with MADES, establishing inter-personal relationships that facilitate collaboration.
153. The communication situation has improved with the new PMU, with enhanced support from UNEP and more frequent meetings between partners. While decision processes are still slow and the national executing partner still intervenes in stages of the procurement processes where it is not supposed to, efforts are being made to proactively communicate on key issues in order to pre-empt decision-making bottlenecks. However, the PMU, MADES and UNEP staff have a lot to do to accelerate implementation, and current processes may not be sufficient to do so.

**Rating for Efficiency: U**

## **6. Monitoring and Reporting**

### ***6.1. Monitoring Design and Budgeting***

154. Part III of the ProDoc proposes monitoring and evaluation (M&E) activities under Adaptation Fund and UNEP policies and guidelines. The M&E plan was organized around an inception workshop, an inception workshop report, annual operating plans and budgets (AOP), quarterly reports, annual management or progress reports, a mid-term review, a terminal evaluation, a final report and technical reports.
155. As discussed in sections 2 and 3 (design and effectiveness) the ProDoc has a results framework to track progress through outputs, outcomes but does not include a TOC or explicit descriptions/illustrations of causal pathways, drivers, and assumptions. The results framework introduces detailed results indicators and targets, however there is no baseline for indicator measurement. Additionally, outcomes are not formulated as expected behavioural changes and some outputs are formulated as actions rather than finished products.
156. The results framework for the project (as in the ProDoc) has several weaknesses:
- Some of the outcome indicators are not adequately aligned with the outcome statement and with targets.
  - It is at times unnecessarily detailed, as it includes activities (under Component 2) and a list of eight studies as individual outputs for component 1.

- The Outcomes are the same as the Component title
- For Outcome 1:
  - The baseline, mid-term and final targets are not aligned with each other and with the indicator. The target involves the “Integration of climate change adaptation, including priority actions and strategic options, into at least two departmental and/or district sustainable development plans”, which does not properly align with the indicator “Increase in generation and use of climate information in sustainable development planning”. Both the outcome and the indicator formulation are unclear as to what exactly is being sought as a result of this process, neither do they target specific stakeholders.
  - Furthermore, all but one of the indicators at the Output level under Outcome 1 measure the delivery of specific studies, but do not measure features related to the uptake of these studies. Only indicator 1.2.2 measures an element of dissemination of knowledge. This is inconsistent with the fact that Outcome 1 aims to improve knowledge management, not only knowledge generation.
- For Outcome 2:
  - The indicators for Outcome 2 are generally relevant indicators to assess adaptive capacity. However, the targets appear ambitious, both in terms of the coverage (proportion of “stakeholders identified in the baseline study”) and of specific targets (e.g., increase in cash income by 30% by mid-term).
  - There is currently no data available on the number of beneficiaries from these pilots. The majority of activities have a community-level scope, but each pilot may only reach a portion of the community. The number of beneficiaries should measure an output, not an outcome.
- For Outcome 3:
  - Outputs 3.1 and 3.2 involve the delivery of “training plans” while the indicators measure people trained.
  - Outcome 3 is not formulated as a behavioural change.

157. Different updated versions of the results framework were developed with an increased level of detail and specificity of outcomes, outputs and indicators, and increasingly linked the production of some outputs with their uptake and use into planning processes. These versions were informally adopted in reporting (OORs, PIMS), financial management (Umoja), mission’s reports and communication materials (MADES website), but were never submitted for revision/approval to UNEP or the AF.

158. Disaggregated indicators are presented in the Project Performance Reports (PPR) as part of its compliance requisites, nevertheless as of this review, the effects on gender cannot be measured since there is only progress on component 1 which consists on the elaboration of studies. The current draft versions of the studies do not include gender-disaggregated data on community population or other elements.

159. The ProDoc considered a budget for monitoring and evaluation. However, it did not contemplate including someone to develop these functions as part of the PMU. An M&E specialist was added to the team in March 2022, who then developed an M&E plan which includes social and environmental safeguards. The team is also considering adding EBA indicators. Up until 2022 Annual Operation Plans (AOP) did not include a monitoring, reporting and evaluation budget and presented little



information. The 2022 plan has a renewed format and for the first time there is an assigned budget and activities.

### **6.2. Monitoring of Project Implementation**

160. Project's progress is currently monitored and reported quarterly by narrative reports; through PIMS (monthly and with a six-month report against milestones to UNEP), PPR (annually to the Adaptation Fund and UN), In addition there are performance reports required by the Strategic Planning Department. AOPs and Budgets have been drafted in accordance with the Results Framework including activities to be executed monthly, but information included from 2019 to 2021 was incipient and reports were not submitted on time. As of 2022, a major effort has been made to better monitor the project.
161. Quarterly reports were elaborated but were not necessarily based on field visits prior to developing them; due to COVID restrictions to travel as well as lack of personnel. There are two PIMS (2018-2021 and 2022) with scarce information.
162. The first two PPRs report on a different version of the results framework which was never approved by UNEP or by the Adaptation Fund and therefore formally adopted. For the third PPR, the Adaptation Fund requested reporting to be made according to the approved Results framework, that is why the third annual report presents adjustments incorporating 13 outputs compared to the eight reported in previous years. However, an interview suggests that the priority for the Adaptation Fund is to have consistency in reporting from year to year rather than systematic reporting on the agreed indicators in the ProDoc which are often difficult to measure. It is thus unclear why the requirements for PPR3 were different from the ones in previous years. The reporting format for the PPRs provides very limited information on financial execution of the project.

As stated by program officials, for the third PPR, the PMU reported performance according to the approved results framework while requesting the project revision of UNEP.

163. PPR3 was the first report submitted to the Adaptation Fund on the established date.
164. With the incorporation of the Planning, M&E specialist, grievances, and safeguards are now measured and a repository for progress verification means was created. A database is being developed to track adaptation measures and after hiring local technicians, on-the-ground monitoring is taking place.
165. As part of a collaboration effort, in 2022 the PMU and MADES worked on the standardization of monthly reports for technicians. The AOP was developed and shared with the MADES Strategic Planning Directorate.

### **6.3. Project Reporting**

166. The PMU has managed to comply with reporting requirements; however, and there is little evidence that the information gathered is being used to improve the project's execution on one hand because this has not been done in a timely matter, and on the other, because the quality of information is not optimal (based on indicators' design). It is also important to consider that project delays have translated into little information available to document and report.

167. The PMU must respond to various requests for information. In the second quarter of 2022 an input was prepared for the report on the Economic Outlook for Latin America and the Caribbean 2022 prepared by OECD/CAF/European Union.

<b>Rating for Monitoring and Reporting:</b>	<b>MS</b>
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## 7. Sustainability

### 7.1. Existence of an exit strategy

168. The project does not yet have an explicit exit strategy, which is coherent with its early stage of implementation, the fact that the project was suspended and the rotation in project personnel. Nonetheless, interviews demonstrate that sustainability is in the mind of the PMU and of the executing partners, which are seeking to develop field activities in consideration of sustainability needs.

169. As per the ProDoc, financial sustainability of project results relied on the affordability of proposed solutions and on the availability of budgets within local governments to continue supporting activities. The sustainability of the EbA practices (“technologies”) relies on knowledge sharing among beneficiaries. Environmental and social sustainability are presented as “integrated into the project design”, including the consideration of the engagement of women and indigenous peoples. Finally, institutional sustainability depends on building the capacity and awareness-raising of institutions under Component 3.

### 7.2. Factors to enable or hinder sustainability

170. Most interviewees agree that the main challenge to sustainability is the current lack of ownership of the project results by communities. The main reported and observed factors causing this lack of ownership are the following, most of which were discussed in earlier sections of this report:

- Loss of confidence in the project, which raised expectations early on but took years to start delivering outputs.
- Limited awareness about climate change and the need to adapt (see “Likelihood of impact”)
- Limited understanding of the project, as most community members believe it to be a “water project”, not a climate change project.
- Limited capacity to manage and maintain the investments realized. Some water commissions are able to charge a maintenance fee while others only exist on paper. In indigenous communities, there is often the perception that the infrastructure belongs to those who paid for it, leading to limited incentives to care for it. (see “Achievement of outcomes” section)
- Limited time to build ownership, including for developing fully participatory adaptation plans and for demonstrating the benefits that can be generated through project investments.
- Distance between communities and relative isolation complicate knowledge sharing.

171. The project faces the greater challenge of generating behavioural change in a topic that can seem distant to many people.

172. On the other hand, the project can count on several assets to build this ownership:

- The opportunity of obtaining hard investments and visible benefits for each community can be leveraged as an incentive to engage in capacity-building activities.
- The Local Technicians are in a good position to communicate and share knowledge with communities in a manner that speaks to them.
- Community members expressed interest in the possibility of engaging youth in the maintenance of equipment.

173. In terms of institutional sustainability, everything is yet to be built. The engagement of local governments (department and district) is uneven, even if they hold key responsibilities in terms of adaptation planning. The lack of involvement of MAG is also a barrier, as once the contracts for the Local Technicians end as well as the support from project partners to develop project activities, there will be no extension services to continue supporting communities.

174. Fortunately, the maintenance of meteorological stations will likely fall under the responsibility of the DMH, although there is no clarity yet as to how meteorological information will be shared with communities.

175. In terms of political sustainability, a government change will take place in the Spring of 2023 whose likely effects on the project and on its sustainability are currently unknown. During the December 2022 PSC meeting, the need for the project to prepare to demonstrate its effectiveness was highlighted, and thus the urgent need for the Communication Officer.

**Rating for Sustainability: MU**

## **8. Factors Affecting Performance**

### ***8.1. Preparation and Readiness***

176. In general, the project has faced a series of circumstances that have delayed project implementation since its inception, several of which are due to issues in the project design, such as a weak project logic and unclear institutional setup. MADES' request for UNEP to execute the project has also significantly affected project execution. It is still unclear how the ProDoc was submitted and approved with MADES (SEAM) as an executing entity, since capacities should have been assessed and the document approved by both UNEP and MADES before its submission. Furthermore, the PMU as planned in the ProDoc was too small for the size and complexity of the project.

### ***8.2. Changes to adapt to COVID-19***

177. COVID-19 restricted access to communities, especially indigenous communities as some of them were entirely closed to prevent contagion. There is no evidence to suggest that project implementation was delayed because of COVID given that the PCA was not yet in place to allow activities to take place. However, according to UNEP, the COVID-19 pandemic hindered communication among parties by restricting them to online communications. It limited the possibility to organize planning and strategic missions from UNEP to the territories. Furthermore, according to UNEP, the pandemic led to a heavier workload for UNEP staff as it had to provide support for all other projects in the region. All this may have contributed to communication and supervision challenges discussed below.

### ***8.3. Quality of Project Management and Supervision***

178. For the first two years of the project, the performance of the PMU was poor, as evidenced by the limited number and quality of planning and reporting documentation and the low disbursement rates. The renewed and expanded PMU is active on several fronts to deliver activities, and working closely with UNEP and MADES. Local Technicians have been hired to improve support and communications with communities, as Project Officials are based in Asuncion.
179. Interviews and analysis indicate that project supervision by UNEP was ineffective during the two years of the project, with COVID-19 probably contributing to the situation. According to UNEP, while it was aware of the challenges faced by the PMU, it had to conduct investigations and follow due process before intervening in 2021. On the other hand, the national executing partner has been intervening on every aspect of the project, including areas pertaining to UNEP's responsibilities. While during the first part of the project, its influence focused more on procurement processes, the new management structure enables it to validate technical outputs, which is loosely interpreted as extensively reviewing and validating everything the project does and all recruitment processes.
180. There is an apparent lack of clarity regarding UNEP's role in the execution of the project, generating a lack of clarity when it comes to decision-making.
181. The narrow composition of the PSC does not favour transparent and inclusive decision-making.

#### ***8.4. Stakeholder Participation and Cooperation***

182. There is no mechanism currently in place to engage institutional stakeholders, as planned in the ProDoc. They are not included in the PSC, and other engagement committees have not been established. Only occasional interactions with the DMH and INDI take place, and none of them are included in the PSC. Some local government representatives have been involved in the project.
183. The project engaged communities early on, adopting a participatory approach to identify pilot interventions, but the contact was damaged due to project delays. Some community members have even expressed their frustration on the radio. Local Technicians have re-established a communication bridge, but still have work to do to fix the relationship.
184. Most interviewees acknowledge the challenges of engaging effectively and significantly with women and indigenous peoples, and indigenous women face particularly high barriers to participation. However, few measures are implemented to address this.

#### ***8.5. Responsiveness to Human Rights and Gender Equality***

185. EbA Chaco has been respectful of human rights during its interventions, and actively seeks to generate dialogue and mutual understanding. It has abided by the legislation around FPIC for indigenous communities, however field visits indicate that most community members are not familiar with the process, and more efforts would be required to ensure actual informed consent. As discussed above, despite the inclusion of a Gender Strategy in the ProDoc, few concrete measures have been implemented.

#### ***8.6. Environmental and Social Safeguards***

186. The nature of the project limits ESS risks. Since 2022, ESS risks are closely monitored, although some improvements may be necessary to address small-scale operational risks. The grievance mechanism is operational. The complaints received to date on the project did not directly concern harm being done

to communities. Rather, it concerned the application of a preventive decision of stopping activities in one community where involuntary displacement was taking place.

### **8.7. Country Ownership and Driven-ness**

187. Ownership is a significant challenge of which the project stakeholders are well aware, and which currently threatens the sustainability of results as many communities have demonstrated no or limited ownership over the investments from the pilot project.
188. While MADES is the executing entity, UNEP has been involved in delivering direct project services for the project execution. The Project Director within DNCC consults on most decisions with the rest of the ministry, leading to delays and unpredictability. Interviews indicate that the national executing partner has been involved in decisions beyond the purview of its agreement with UNEP, including in managing PMU staff and in influencing procurement decisions.

### **8.8. Communication and Public Awareness**

189. Communication is one of the great challenges that the project has faced, both internally and externally. Internally, less than fluid communications and unclear sharing of responsibilities contributed to a loss of trust between partners and to the suspension of the project in 2021. Externally, lack of communication with communities also affected the credibility of the project. The need to enhance communications to position the project favorably ahead of upcoming government changes was mentioned during the December 2022 PSC, making the recruitment of a Communications Officer urgent.
190. Finally, the project benefits from extremely limited visibility. The pilot investments in the communities are not labelled with the project logo, making it difficult for community members and visitors to know about the contributions of the project. Discussions with communities also show the general belief that the EbA Chaco project is about water, not climate change, and the lack of awareness about climate change and EbA. The workshop in Filadelfia allowed community leaders to get a broader sense of what the project was doing and where, including to learn about the experiences of other communities.

**Rating for Factors Affecting Performance: MS**

## V. CONCLUSIONS AND RECOMMENDATIONS

### 1. Conclusions

#### Strategic Relevance

191. The EbA Chaco project is aligned with UNEP's 2014-2017 MTS, in particular with EA1 on Climate resilience which focuses on the use of EbA approaches. It is also aligned with UNEP's 2016-2017 POW, specifically with its EA A which aims to demonstrate EbA approaches on the ground. The project is aligned with the Adaptation Fund's priority of "helping countries build resilience and adapt to climate change". It is also aligned with the 2022-2025 MTS.
192. Globally, the project is aligned with Agenda 2030 and SDG 13, 15, and 6. At the national level, it is aligned with all relevant strategies, plans and policies, including the National Development Plan 2014-2030, but also the PNACC (2022) and its cross-cutting annexes and the NDC.
193. Locally, it is designed to address the increasingly pressing challenges brought about by climate change, which start with insufficient water access but extend to food security.
194. In terms of complementarity with other interventions, the project was developed based on other initiatives, but it has not carried on efforts to coordinate with other interventions or institutions. Beyond specific collaborations with DMH and INDI, the project has not implemented the Technical Committee and the Local Coordination Committees that were meant to engage multiple actors throughout project activities. It recently started to coordinate with other UNEP projects in Paraguay. To date, the pilot projects implemented in the targeted communities have effectively complemented existing interventions and infrastructures.

#### Effectiveness

195. **At the output level**, only some outputs from Component 1 have been delivered, in draft versions, while others are soon to start or have not been contracted yet. Unfortunately, these outputs are required to implement Component 2 outputs, which has caused an important bottleneck. Two rounds of pilot initiatives have been launched in 10 communities, focusing primarily on water access, but covering also apiculture and livestock. Some activities were successful while others face maintenance issues that demonstrate a lack of ownership from communities. Under component 3, no outputs have been delivered, but a workshop in December showed the potential of fostering knowledge exchange across communities.
196. **At the outcome level**, the analysis is complicated by the lack of clarity in the project's TOC which makes it hard to both understand what the project seeks to achieve and how to measure it. Regardless, given the limited delivery of outputs, no significant outcomes have been achieved. With regards to Outcome 1, once all the studies are available, they will need to be made accessible and disseminated to communities, but also to other stakeholders, through Component 3. Outcomes under Component 2 depend on the outputs of Component 1. Pilot initiatives may have generated marginal benefits to communities in terms of time saved for women in collecting water for example. However more complete measures are required to get to real behavioural change. Achievements under Outcome 3 are threatened by the lack of engagement of institutional stakeholders.

197. It is too early to discuss the **likelihood of impact**, due to limited progress in execution but also to the gaps in the TOC change pathways. However, likelihood of impact will likely be influenced by (i) the effective realization of the project activities, (ii) the awareness and ownership of communities about climate change and EbA measures, and (iii) collaboration with and support from institutions and local actors.
198. The **likelihood of adverse environmental, social or economic effects** is overall limited and restricted in scope. The most significant risk pertains to the effective involvement of women and indigenous peoples in the project, despite the FPIC process undertaken with INDI. The project has strengthened its capacity to monitor its ESS and established a grievance mechanism. Some operational risks related to waste management, labour and maintenance of equipment may not be sufficiently monitored.

### Financial Management

199. As of the end of 2022, which corresponds approximately to 3.5 years of project execution, EbA Chaco had disbursed only 12% of project funds<sup>28</sup>, with 52% of this amount corresponding to project management costs. The disbursement of funds for project activities has significantly increased in 2022, but focus mainly on Component 1, while only 1% of the budget for Component 2 which represents 70% of the project's budget, has been spent.
200. Beyond the reports extracted from Umoja, available financial information is limited as quarterly reports do not currently include financial information and the requirements in PPRs are low.

### Efficiency

201. Given the modification of the executing arrangements after project approval and the absence of legal existence of UNEP in Paraguay, the project has established several partnerships for its execution. As of December 2022, an amount of USD 923,686 has been committed with two partners for executing several project activities, but the larger process for recruiting the partner who would execute the EbA activities (Output 2.2) was cancelled due to an untimely intervention from the national executing entity. The establishment of partnerships for project execution has been slow before and after the revision of the project implementation structure that took place in 2021.
202. Lengthy administrative and decision-making processes have contributed to the slow project execution. The individual delays of each procurement process are in most cases not extreme, but their combined effect on the process as well as the time required before each procurement process in launching each process have been significant. Interrupted or cancelled processes, on the other hand, significantly affect project performance. UNEP processes, which have been used throughout the project, are lengthy and not well adapted for managing activities in the field. Under the revised project implementation structure, this combines with the involvement of the national executing partner at all stages of the process, beyond what was initially agreed on in the UNEP-MADES PCA, which largely explain the sluggish execution since late 2021.

The PMU as initially established was too small and distant from the field for the scope and complexity of the project, and several of its members were not qualified, which limited the results delivered during the first two years of the project. UNEP's interventions to address the challenges faced during the first

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<sup>28</sup> 15% if considering amounts not yet allocated on Umoja

two years of the project, including the harassment exerted on PMU staff, proved ineffective. The COVID-19 pandemic limited UNEP capacity to be present in the field.

203. Over the last year and as a result of the revised implementation structure, the PMU has been renewed and amplified, although two positions are still vacant. The hiring of Local Technicians is a valuable addition to enhance communications between the PMU and communities, provide ongoing support and rebuild community trust. However, there are gaps in the capacities of these Local Technicians which the PMU has yet to address. The project still lacks strong capacities in climate change adaptation and EbA as well as gender, indigenous peoples and ESS expertise.

204. Some of the efficiency challenges faced by EbA Chaco also result from the lack of clarity in the project logic. The need to establish several contractual arrangements to deliver each task, the limited expertise of the team on EbA, and now the urgency to deliver activities in the field has limited discussions on technical approaches.

205. However, the underlying cause of these efficiency challenges lies in tensions in implementing the PCA between UNEP and MADES, including a lack of clarity about their respective roles and responsibilities. While the national executing partner gave up some of its responsibilities when it requested UNEP to provide direct project services, it has constantly sought to ensure its control over the project, including over staffing and procurement decisions beyond the purview of their agreed role. In the first years of project implementation, this led to the recruitment of personnel who was not qualified, and of a Project Coordinator who was placed in a conflict-of-interest position and whose replacement triggered the project suspension. Under the revised implementation structure, this involves lengthy and unpredictable approval processes for every decision or project output. Poor communication and overlapping responsibilities led to a breach of trust which caused the project to be suspended for the better part of 2021, further delaying execution.

206. These events were facilitated by several governance challenges:

- The fact that the PSC is composed only by UNEP and MADES representatives has not favoured transparent and inclusive decision-making.
- The DNCC, whose director is the Project Director, does not seem to be in a position to make decisions for the project.
- The roles and responsibilities within UNEP are unclear, especially when it comes to distinguishing between its role as executing and as implementing entity.

### **Monitoring and reporting**

207. The ProDoc included a detailed M&E plan with several reporting mechanisms, a mid-term review and a terminal evaluation. However, its results framework had several weaknesses, and in the absence of a TOC, which was not required by the Adaptation Fund, the gaps in the intervention logic were not easily identified. There are still questions about the expectations about the use of the different outputs, the role of different stakeholders and overall expected changes. The results framework developed during the inception phase was not officially adopted. There was no baseline study to inform (and adjust) project indicators, nor is there detailed gender-disaggregated information available. 2022 was the first year when the AOP included a budget for M&E and when an M&E plan was developed.



208. Reports for 2019-2021 included limited useful information and were regularly submitted late. Limited staffing and COVID-19 restrictions prevented first-hand data collection. The first PPRs also report on a version of the results framework that has not been approved, which the Adaptation Fund approved. It was only after the submission of PPR3 that the Adaptation Fund requested reporting on the approved (original) results framework. The incorporation of the Planning and M&E Specialist has allowed the project to start monitoring its outputs and outcomes more effectively, as well as ESS and grievances. To date, there is limited evidence to the effect that reporting information is being used to generate feedback to improve the project.

### Sustainability

209. Sustainability elements were included in the ProDoc, but the project itself does not yet have an exit strategy. All the stakeholders involved are aware of the fact that the lack of ownership of the project results by communities is the main sustainability challenge to be addressed. This lack of ownership is due to a loss of confidence in the project by communities, their limited awareness about climate change, EbA and the actual purpose of the EbA project, their limited capacity to manage and maintain the investment realized, the limited time left to build ownership, as well as distance and isolation of communities. The project's assets for building ownership are its capacity to invest not only on soft support, but on hard investments, and to engage with communities on an ongoing basis through Local Technicians. There is also interest from communities to engage youth in project activities.

210. Institutionally, given the track record of the project in involving other stakeholders, almost everything is yet to be constructed. The partnership with DMH will be essential to maintain the meteorological stations. Political changes in the near future pose an unknown risk to project sustainability.

### Summary of ratings

Criterion	Summary Assessment	Rating
<b>A. Strategic Relevance</b>		<b>S</b>
<i>1. Alignment to UNEP's MTS, POW and strategic priorities</i>	The project is aligned with EA1 from MTS 2014-2017 and with EA A from POW 2016-2017. By engaging with relevant national and local stakeholders, it is aligned with MTS 2022-2025.	HS
<i>2. Alignment to Donor/Partner strategic priorities</i>	The project is aligned with Adaptation Fund priorities	HS
<i>3. Relevance to regional, sub-regional and national environmental priorities</i>	The project is relevant to SDG 13, 15 and 6 and to several national policies. It addresses local water and food security crises from an EbA perspective	HS
<i>4. Complementarity with relevant existing interventions</i>	The project does not collaborate a lot with other initiatives and with key institutional actors. However, it has sought to complement existing infrastructure in communities.	MS
<b>B. Quality of Project Design</b>	The project design was generally of good quality and based on detailed analysis. However, it presented important weaknesses when it came to the clarity of the project logic, the results framework and management structure.	<b>MS</b>
<b>C. Effectiveness</b>		<b>U</b>
<i>1. Delivery of outputs</i>	Only some of the outputs from Component 1 have been delivered, in draft form. Pilot projects have been delivered in communities.	U
<i>2. Achievement of project outcomes</i>	Marginal benefits may have been generated by the pilot projects, but no significant outcomes have been achieved	U

<b>Criterion</b>	<b>Summary Assessment</b>	<b>Rating</b>
<i>3. Likelihood of impact</i>	It is too early to discuss the likelihood of impacts	NA
<b>D. Financial Management</b>		<b>MU</b>
<i>1. Rate of spend</i>	The project has spent 12% of its budget after 3.5 years of execution (as of Dec. 2022), 15% if considering expenses not yet registered on Umoja	HU
<i>2. Completeness of project financial information</i>	Financial information is not very detailed but it overall complies with the requirements.	S
<b>E. Efficiency</b>	<p>Project execution has been hampered by several factors, namely:</p> <ul style="list-style-type: none"> <li>- Need to establish multiple partnership agreements to execute activities</li> <li>- Heavy and inflexible procurement processes</li> <li>- Efforts from the national executing partner to influence the project execution processes beyond what has been agreed in the PCA, requiring lengthy negotiations.</li> <li>- Ineffective coordination and communication between the executing entity and the executing partners / slow decision-making processes</li> <li>- Limited decision-making capacity of the Project Director (DNCC)</li> <li>- Unclear differentiation between UNEP's role as executing and implementing entity</li> <li>- Lack of clarity of the project logic and indicators</li> <li>- Limited membership of PSC</li> </ul> <p>- Bottleneck created by the dependence of most activities on Component 1</p> <p>Some factors were specifically challenging during the first years of project implementation (2019-2021):</p> <ul style="list-style-type: none"> <li>- PMU small and distant from the field</li> <li>- Contracting of staff that was not qualified, including a project coordinator in a situation of conflict of interest.</li> <li>- Difficulty for UNEP to conduct field missions because of COVID-19</li> <li>- Ineffective supervision from UNEP</li> <li>- Other factors became a challenge with the implementation structure in effect since the end of 2021:</li> <li>- Expanded role of national partner to validate project outputs adds extensive review cycles and unpredictability.</li> <li>- Efforts required to expand communications and rebuild trust among partners</li> </ul>	<b>U</b>
<b>F. Monitoring and Reporting</b>		<b>MS</b>
<i>1. Monitoring design and budgeting</i>	The M&E plan was complete, but the results framework had some issues which were not addressed. No baseline was collected for the project indicators and no budget was allocated to M&E before 2022	MS
<i>2. Monitoring of project implementation</i>	<p>Project reports were submitted late and with scarce information between 2019-21. For these years, reporting was made on based on a different results framework which was never approved.</p> <p>In 2022, monitoring and reporting mechanisms have strongly improved, along with ESS monitoring.</p>	MS

<b>Criterion</b>	<b>Summary Assessment</b>	<b>Rating</b>
<i>3. Project reporting</i>	There is little evidence of reports being used to improve project implementation, but it is only as of 2022 that these reports include useful information.	MS
<b>G. Sustainability</b>		<b>MU</b>
<i>1. Socio-political sustainability</i>	There are significant challenges to be addressed in terms of ownership to build sustainability.	MU
<i>2. Financial sustainability</i>	It is unclear to date, as it will also depend on the willingness of communities to continue maintaining the investments provided by the project.	MS
<i>3. Institutional sustainability</i>	The project has built limited partnerships with institutions, which is a threat to the sustainability of its results. The partnership with DMH (under preparation) is a positive step.	MU
<b>H. Factors Affecting Performance and Cross-Cutting Issues<sup>29</sup></b>		<b>MS</b>
<i>1. Preparation and readiness</i>	Issues with the project design posed a challenge, as well as the change of executing entity from MADES/SEAM to UNEP	MS
<i>2. Quality of project management and supervision<sup>30</sup></i>	For several reasons, the performance of the PMU was poor over the first two years of the project. UNEP provided insufficient supervision, while the national executing entity has been intervening on every aspect of the project, including areas pertaining to UNEP's responsibilities. There is no differentiation between UNEP's role as executing and implementing entity	U
<i>3. Stakeholders participation and cooperation</i>	There is insufficient involvement of institutional stakeholders. Communities have been engaged in the project, and though the relationship has been strained by delays, efforts to strengthen engagement are maintained.	MS
<i>4. Responsiveness to human rights and gender equality</i>	The project has been respectful of human rights. It faces challenges in involving effectively and significantly women and indigenous communities, despite FPIC processes.	MS
<i>5. Environmental and social safeguards</i>	ESS are being closely monitored since 2022.  There are limited ESS risks related to the project, besides the above-mentioned caution that is required with regards to the engagement of women and indigenous peoples.	S
<i>6. Country ownership and drivenness</i>	Ownership is one of the significant challenges that the project implementation faces.  On the other hand, MADES has been involved as executing partner and actively ensuring country-drivenness, to an extent that it unnecessarily slows down some processes.	MS

<sup>29</sup> While ratings are required for each of these factors individually, they should be discussed within the Main Review Report as cross-cutting issues as they relate to other criteria. Note that catalytic role, replication and scaling up are expected to be discussed under Effectiveness if they are a relevant part of the TOC.

<sup>30</sup> In some cases 'project management and supervision' will refer to the supervision and guidance provided by UNEP to implementing partners and national governments while in others, specifically for GEF funded projects, it will refer to the project management performance of the Executing Agency and the technical backstopping provided by UNEP, as the Implementing Agency. Comments and a rating should be provided for both types of supervision and the overall rating for this sub-category is calculated as a simple average of the two.

<b>Criterion</b>	<b>Summary Assessment</b>	<b>Rating</b>
7. <i>Communication and public awareness</i>	Project external communications have been insufficient and the project benefits from very limited visibility.  Internal communications between co-executing partners have also been a challenge.	MS
<b>Overall Project Rating</b>		<b>MU</b>

## 2. Lessons learned

### Strategic Relevance

211. The cross-cutting nature of climate change (and particularly EbA) interventions combined with the need to generate results beyond the direct outputs of the project make the case for a closer involvement of all relevant national actors. Despite the limited capacities of some institutions to deliver services in the remote locations targeted by the project, efficiency and transparency can be enhanced by engaging actors with responsibilities in areas of the project.

### Effectiveness

212. The pilot projects have proved effective in generating valuable experiences that can feed into future decision-making for the subsequent stages of the project. These lessons include the challenges to build ownership among communities, but also practical challenges related to contracting and executing pilot projects in communities. While community members insist that local construction companies should be hired to ensure appropriateness of investments, this may prove too heavy to implement in consideration of the procurement processes in place, and especially as the second PCA was cancelled. Some interviewees consider that there may be capacity in Filadelfia to deliver the services required.

213. Challenges around ownership have been reflected in the lack of care of communities, especially indigenous communities, for the pilot investments. It is thus crucial that participatory processes, awareness, trainings and coaching are implemented jointly with the upcoming investments to ensure the expected results. As proposed in the ProDoc, it is important to understand the real barriers and motivations of project beneficiaries when implementing measures, which may not always be expressed clearly. The concept of a Community Adaptation Plan seemed quite foreign to community members, and yet a tool to plan a set of complementary and coherent EbA measures will be required in each community.

214. Unless specific measures are implemented to target women and indigenous peoples, there is a risk that these vulnerable populations will not benefit equally from the project, especially indigenous women. In the case of indigenous communities, given the existing barriers, it may be necessary to scale down expectations to ensure that what is achieved can be sustained.

215. As observed during the workshop in Filadelfia, effective knowledge management and sharing of lessons among stakeholders, especially among project beneficiaries, can have a catalytic effect for project results. Institutions not yet involved in the project would also benefit from taking part in these knowledge exchange opportunities. The experience also demonstrates that it is not necessary to wait until significant progress has been achieved to share experiences.

## **Financial Management**

216. In line with reconstructed TOC and indicators, the project must consider clear measures on how to deliver project activities and achieve disbursement of funds by the end of the project. The time available appears insufficient to do so, especially in light of the need to implement change processes within communities, which is likely to be lengthy. The partnerships currently in place do not appear sufficient, and especially delivering Output 2.2 though UNDP would require high levels of involvement from the PMU.

## **Efficiency**

217. Although it may seem conceptual, the lack of clarity in the project logic has likely to do with some of the project delays. Identifying incoherences and reconstructing the TOC, with a clear understanding of the changes sought and the pathways to get there would be very important for the project, to help the executing partners and the PMU align their efforts, especially when it comes to developing TORs for partnerships and activities.

218. The changes agreed in 2021 to facilitate project implementation are promising on many aspects. A larger PMU and a Programme Official in-country will certainly address the capacity and communication challenges faced by the project. However, it is counter-productive when it comes to addressing the issue of heavy procurement processes and slow decision-making, nor the tendency of the national executing entity to intervene in processes where it is not supposed to do so. There is still a need to differentiate responsibilities between and within each of the executing partners.

219. The PMU urgently requires the recruitment of a Communications Officer. It also lacks sufficient capacity in adaptation and EbA, in particular to build the capacity of Local Technicians, and clarification in the roles of the Project Officers.

## **Monitoring and reporting**

220. The strengthening of M&E tools and the increase in the quality of reporting is a favourable change for the project, which should be continued. This should be done jointly with efforts to clarify the TOC and the results framework. Although it is quite late to do this at project mid-term, there is an opportunity to use ID data to establish baseline indicators that will help track project achievements.

## **Sustainability**

221. There is a good understanding within the PMU that sustainability has to be built during the entire project life, and an awareness about the sustainability challenges faced by the project. There are multiple ways through which awareness and ownership can be strengthened, and direct engagement is one of them. There are other opportunities that may be leveraged to strengthen these aspects, such as aforementioned knowledge exchange and the establishment of water commissions, but also the active radio network in rural areas and other communications means that trigger engagement from participants.

222. Some of the project achievements may be lost if relevant institutions are not involved in the project.

## **3. Recommendations**

The following recommendations have been identified as short-term priorities for the project:

**Recommendation 1: Modify the implementation structure to increase the efficiency of decision-making processes, starting with engaging a new Executing Entity for the project.**

Key changes in the decision-making and the overall implementation of the project are needed to address the project's efficiency challenges. These include clearly differentiating the functions pertaining to implementation and to execution, and should prioritize the selection of a new Executing Entity with the capacity to execute all project activities.. This needs to be implemented urgently. The priorities to consider in doing so include:

- Ensure that new Executing Entity takes on the contracts of the PMU and works closely with it to enable it to perform its role, and that it provides it with the support it needs. This entity should report to the UNEP team acting as implementing entity.
- Ensure that a specific UNEP team provides oversight and high-level direction over the project, as part of its implementing entity role.
- Streamline execution processes by ensuring that only one set of procurement processes are applied to execute the agreed procurement plan, including to engage with partners and contractors

Procurement processes to recruit a Communications Officer must be prioritized. Its recruitment will fulfil several urgent needs and priorities for the project, including the development of a communication strategy, the improvement of internal communication flows, as well as the improvement of communications with communities and with partners and the development of visibility items for the project. Considering that the terms of reference have also been reviewed multiple times by MADES and UNEP, this recruitment process should not be delayed any further and should be finalized urgently. This will be undertaken by the PMU with support from the Executing Entity.

**Recommendation 2: Modify the governance structure to increase the involvement of project stakeholders and the effectiveness of decision-making.** These changes should include:

- Widen the PSC to include other relevant actors from the project beyond UNEP and MADES. The PSC should include representatives from other government institutions with responsibilities pertaining to the project (INDI, DMH, MAG, IPTA, SENAIVE, SENASA, INDERT and others as relevant) and representatives from local governments (minimally from Boquerón and Alto Paraguay) and from communities (indigenous and non-indigenous representatives).
- Consider requesting a representative from MADES Executive Office to act as Project Director and representative at the PSC.
- Establish a Technical Committee and Local Committees as planned in the Prodoc. These committees would work directly with the PMU to operationalize specific aspects of the project.
- Consider strengthening the PMU with additional expertise in climate change adaptation and EbA, as well as gender and indigenous issues.
- Streamline decision-making processes by ensuring that the PSC approves on a yearly basis an annual work plan and a procurement plan (prepared by the PMU with the support of UNEP execution team and in collaboration with DNCC), on the basis of annual project reports.

The implementation of this recommendation falls under the responsibility of UNEP as implementing entity.

**Recommendation 3: Undertake a revision of the overall project logic to enhance its coherence and align expectations. Prepare a project revision to adjust outputs as well as the project timeline.**

The development of a project TOC is a priority for its stakeholders to gain a mutual understanding of what it is the project is trying to achieve and how it plans to do so, to have a clear path to follow for the remainder of the implementation. This discussion should take into account the lessons from the first stages of project implementation, including challenges related to working in indigenous communities, integrating gender issues, and building ownership. The timeline and expectations from the project should be revised accordingly.

Given the Adaptation Fund Policies and Guidelines (OPG Annex 7), it is not possible for the project to adjust its indicators and targets, and outcomes could only be modified “under exceptional circumstances”. Therefore, the work around the TOC should consider these as fixed and focus on adjusting the outputs and activities to make sure that they are conducive to the changes the project is seeking to achieve.

- Under Outcome 1, activities – and possibly an output – could be incorporated to establish mechanisms for knowledge management that support sustained use of knowledge products generated. This is already planned, as products are shared with communities and used to help select interventions, but should be reflected in the results framework. Additional activities pertaining to institutional uptake of this knowledge should also be considered.
- Under Outcome 2, it may not be necessary to review the outputs, but it would be important to adjust activities to ensure that they account for the diversity of change processes, approaches and variables that are required for the outputs and outcomes to be realized.
- Under Outcome 3, outputs and activities should be revised to ensure that they are aligned with the indicators and targets.

The PMU should then prepare a project revision to adjust project outputs as required. The activity indicators could be eliminated in the revision as they are not required by the Adaptation Fund. A no-cost extension should be requested if deemed necessary to achieve the targets. *This task should be undertaken by the executing entity, with support from the PMU and validation from the PSC.*

**Recommendation 4: Develop a specific action plan to maximize results for women and indigenous communities, including a communication plan for indigenous communities.**

As a complement or component of Recommendation 2 on the TOC, it will be important for the project moving forward to be more intentional about engaging with indigenous peoples and with women. It should go beyond considering them as project beneficiaries and seek to understand their differentiated vulnerabilities and barriers to benefit from the project. The action plan should identify tailored approaches to ensure their effective engagement in and benefits from the project.

There is also a need to build mutual understanding between the project team and the indigenous communities. The cultural and language barriers are multiple and need to be tackled with intention

and care. The role of Indigenous Local Technician(s) will be key in helping bridge these communication gaps (this recommendation is thus linked to Recommendation 5 on building the capacity of Technicians). A tailored communication plan, approach or guidelines would help the entire project team improve its capacity to meaningfully connect with indigenous communities. This could be undertaken jointly by an indigenous peoples' specialist on the team and the Communication Officer (see Recommendation 2) *This should be undertaken by the PMU with support from the executing entity.*

**Recommendation 5: Build the capacities of the Project Officers and Technicians to help them deliver enhanced support to and engage with communities, including by increasing the Project Officers' presence in the field.**

This starts with training on climate change adaptation and EbA that goes beyond what is provided to communities, so they can add value with their support. Training should also cover UNEP processes for reporting but also cover ESS (including indigenous peoples and gender), to facilitate the application of these concepts in the field. Targeted training on gender and indigenous peoples should also be provided. UNEP should also ensure that Project Officers have the capacity to supervise Local Technicians, among others by including this in their Terms of Reference and facilitating their mobility to the field. The project should consider the possibility of having Project Officers based directly in Chaco (Filadelfia) to support this coordination effort and increase contacts with communities. Finally, recruiting a female Technician would also help improve relationships and engagement with women from communities.

The implementation of this recommendation, along with the other recommendations above that aim to improve the efficiency of implementation, increase engagement in decision-making, and improve communications should contribute to rebuilding the trust of communities. The project should support a strengthened presence of the project team on the ground, continued efforts to increase awareness and knowledge about climate change (through tailored capacity-building activities), and support to the development of community adaptation plans. *This recommendation should be implemented by UNEP, the executing entity and the PMU.*



## ANNEX I. REVIEW MATRIX

Evaluation questions	Indicators	Information source	Data collection method
<b>A. Strategic Relevance</b>			
1. To what extent is the project aligned to the UNEP Medium Term Strategy (MTS) and Programme of Work (POW) and the AF priorities?	<ul style="list-style-type: none"> <li>• Level of alignment between the project and the MTS, the POW and the AF priorities</li> </ul>	<ul style="list-style-type: none"> <li>• ProDoc and project planning documents</li> <li>• UNEP MTS, POW and AF Priorities</li> <li>• UNEP staff</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> </ul>
2. To what extent is the project responding to the national and sub-national environmental needs and priorities?	<ul style="list-style-type: none"> <li>• Level of alignment between the project and national or sub-national development plans, poverty reduction strategies, climate change strategies and other environmental agreements.</li> <li>• Level of alignment between the project and local needs and priorities</li> <li>• Level of complementarity between the project and other existing initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• ProDoc and project planning documents</li> <li>• partners, regional authorities</li> <li>• UNEP staff</li> <li>• PMU</li> <li>• Communities</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> </ul>
<b>B. Effectiveness</b>			
1. <i>Achievement of outputs:</i> Is the project successfully delivering its outputs and achieving targets as per the ProDoc?	<ul style="list-style-type: none"> <li>• Number and type of outputs delivered against the logframe's midterm and/or final targets</li> <li>• Timeliness of output delivery against the work plan</li> <li>• Quality of outputs delivered</li> <li>• Perceived level of success of on the ground intervention so far and potential gaps</li> </ul>	<ul style="list-style-type: none"> <li>• Project planning documents (quarterly and annual work plans)</li> <li>• Progress reports and monitoring reports</li> <li>• UNEP staff</li> <li>• PMU</li> <li>• Local stakeholders</li> <li>• Direct observation</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field visit</li> </ul>
2. <i>Achievement of direct outcomes:</i> Are the outputs contributing to the achievement of project's outcomes?	<ul style="list-style-type: none"> <li>• Number and extent of achievement of milestones toward meeting direct outcome indicators</li> <li>• Evidence of contribution of the project to direct outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring and reporting documents (quarterly and annual work plans)</li> <li>• PMU, UNEP</li> <li>• Local stakeholders</li> <li>• Government stakeholders, technical staff</li> <li>• Direct observation</li> <li>• PSC minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field visit</li> </ul>

<p>3. <i>Likelihood of impact (where appropriate and feasible):</i> Is the project progressing toward achievement of intended impacts? Is the project likely to generate adverse environmental, social and economic effects?</p>	<ul style="list-style-type: none"> <li>• Number and extent of achievement of milestones towards meeting impact indicators</li> <li>• Evidence and extent of barriers or enabling conditions toward achievement of impact indicators</li> <li>• Nature and likelihood of adverse environmental, social and economic effects from the project</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring and reporting documents (quarterly and annual work plans)</li> <li>• PMU, UNEP</li> <li>• Local stakeholders</li> <li>• Government stakeholders</li> <li>• Technical staff</li> <li>• Direct observation</li> <li>• PSC minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field visit</li> </ul>
<b>C. Financial Management</b>			
<p>1. Is the rate of disbursement consistent with the work plan, the length of implementation to date and the outputs delivered?</p>	<ul style="list-style-type: none"> <li>• Budget execution per year, component and output, against total budget</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring and reporting documents (quarterly, annual reports)</li> <li>• UNEP Task manager, PMU Financial Officer</li> <li>• AF/UNEP reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Desk review</li> </ul>
<p>2. Does the project comply with financial reporting and/or auditing requirements/ schedule, including quality and timeliness of reports?</p>	<ul style="list-style-type: none"> <li>• Proportion and types of financial reporting and/or auditing materials submitted a) correctly and b) on time</li> <li>• Quality of financial reporting/auditing materials</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reporting/ auditing documents (quarterly, annual reports)</li> <li>• UNEP (management), Financial Officer</li> <li>• Fund Management Officer</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Desk review</li> </ul>
<b>D. Efficiency</b>			
<p>1. To what extent are the outputs being achieved in a cost-effective manner?</p>	<ul style="list-style-type: none"> <li>• Level of alignment between planned and incurred implementation costs and nature of divergences</li> <li>• Evidence of use of financially sound practices for project execution and management</li> </ul>	<ul style="list-style-type: none"> <li>• Financial reporting/ auditing documents (quarterly, annual reports)</li> <li>• UNEP (management)</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> </ul>
<p>2. Are the timing and sequence of activities and management structure contributing to or hindering efficiency?</p>	<ul style="list-style-type: none"> <li>• Timing and sequence of outputs against work plan</li> <li>• Existence of administrative bottlenecks and nature of effects on the project</li> <li>• Nature and total delays (in months) generated by implementation bottlenecks</li> </ul>	<ul style="list-style-type: none"> <li>• Project planning and reporting documents, cooperation agreements, procurement plans, and relevant technical deliverables</li> <li>• Financial reporting/ auditing documents (quarterly, annual reports) for this project and for other similar projects</li> <li>• UNEP (management)</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> </ul>
<p>3. How is the project enhancing its cost- and time-effectiveness? Is</p>	<ul style="list-style-type: none"> <li>• Number and nature of measures implemented to enhance cost- and time- effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>• Project planning and reporting documents</li> <li>• UNEP Management</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> </ul>

efficiency likely to change before the end of the project?	<ul style="list-style-type: none"> <li>• Likelihood and effect of factors likely to enhance or hinder efficiency</li> </ul>		
<b>E. Monitoring and Reporting</b>			
<p>1. <i>Monitoring design and budgeting:</i> Is the monitoring plan well-conceived, and sufficient to monitor results and track progress toward achieving project outputs and direct outcomes?</p>	<ul style="list-style-type: none"> <li>• Use of SMART indicators</li> <li>• Existence and quality of: <ul style="list-style-type: none"> <li>○ Baseline assessment;</li> <li>○ Performance measurement framework/ logframe;</li> <li>○ Methodology;</li> <li>○ Roles and responsibilities;</li> <li>○ Budget</li> <li>○ Timeframe / work plan</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Planning documents</li> <li>• Baseline assessment report, inception report</li> <li>• Monitoring and reporting documents</li> <li>• PMU, UNEP (management)</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> </ul>
<p>2. <i>Monitoring implementation:</i> Is the monitoring plan operational and effective to track results and progress towards objectives?</p>	<ul style="list-style-type: none"> <li>• Proportion of executed monitoring budget against planned monitoring budget</li> <li>• Degree of alignment with timeline and work plan, and (if any) evidence of external factors affecting them</li> <li>• Evidence of collection of monitoring data</li> <li>• Coherence between types of reported results (activities, outputs) and actual activities and outputs on the ground</li> <li>• Collection of lessons learned and good practices on project activities and dissemination to relevant stakeholders</li> <li>• Difference between types of progress and activities reported by local stakeholders and the indicators used to assess results</li> <li>• Presence of a M&amp;E staff within the project team or M&amp;E expert hired to track and analyses progresses</li> </ul>	<ul style="list-style-type: none"> <li>• Planning documents</li> <li>• Planning meeting minutes/review procedures</li> <li>• Monitoring and reporting documents (quarterly, annual reports)</li> <li>• PMU, UNEP manager</li> <li>• Direct observation</li> <li>• Technical staff</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Desk review</li> <li>• Field Visit</li> </ul>
<p>3. <i>Project reporting:</i> Does the project comply with the progress documentation and monitoring reporting requirements/ schedule, including quality and timeliness of reports?</p>	<ul style="list-style-type: none"> <li>• Types, number and quality of reporting materials submitted a) correctly and b) on time</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring and reporting documents (quarterly, PIMS)</li> <li>• UNEP (management)</li> <li>• AF/UNEP reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Desk review</li> </ul>
<p>4. <i>Project reporting:</i> What (if any) corrective actions were taken in</p>	<ul style="list-style-type: none"> <li>• Evidence of management response/changes in project strategy/approach as a direct result of information in PPRs</li> </ul>	<ul style="list-style-type: none"> <li>• PIMs</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Desk review</li> </ul>

response to monitoring reports (such as PIMs)?		<ul style="list-style-type: none"> <li>• Workshops/Meeting minutes from technical group, steering committee, staff, stakeholders, including PSC</li> <li>• PMU, UNEP (management),</li> </ul>	
<b>F. Sustainability</b>			
1. Has the project designed and implemented an appropriate exit strategy and measures to mitigate risks to sustainability?	<ul style="list-style-type: none"> <li>• Existence, quality and use of a plan to manage financial, socio-economic, institutional, governance and environmental risks</li> <li>• Existence and quality of exit strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Project planning documents</li> <li>• PMU, UNEP (management)</li> <li>• Project monitoring and reporting docs/data (quarterly and annual reports)</li> <li>• Government stakeholders, technical staff</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Desk review</li> <li>• Field visit</li> </ul>
2. What factors are in place to enable or hinder the persistence of achieved direct outcomes?	<ul style="list-style-type: none"> <li>• Number and type of organizational arrangements that support or hinder the continuation of project activities or results (private or public sector)</li> <li>• Type of political and social conditions affecting the sustainability of direct outcomes</li> <li>• Level of declared willingness among stakeholders to take the project achievements forward</li> <li>• Level of dependence of achievements on future funding for their sustainability and likely availability of such resources</li> <li>• Existence and amount of funding opportunities to pursue/ support project results in the long term</li> </ul>	<ul style="list-style-type: none"> <li>• Project planning documents</li> <li>• PMU, UNEP (management)</li> <li>• Local stakeholders</li> <li>• Project monitoring and reporting docs/data (quarterly and annual reports)</li> <li>• Government stakeholders, technical staff</li> </ul>	<ul style="list-style-type: none"> <li>• Interviews</li> <li>• Desk review</li> <li>• Field visit</li> </ul>
<b>G. Factors Affecting Project Performance</b>			
1. <i>Preparation and readiness</i> : Did the project appropriately address any weaknesses in project design or any changes in the context or needs identified during the inception/ mobilization stage of the project?	<ul style="list-style-type: none"> <li>• Nature and extent of weaknesses, change or needs identified during the inception/ mobilization, with regards to: <ul style="list-style-type: none"> <li>○ Institutional, socio-economic, environmental or political context</li> <li>○ Nature and quality of engagement with stakeholders</li> <li>○ Capacity of partners</li> <li>○ Development of partnership arrangements</li> <li>○ Staffing and financing arrangements</li> </ul> </li> <li>• Number, quality and timeliness of adjustments made</li> <li>• Extent of beneficiary needs integrated into project design (appropriateness of strategies chosen, site</li> </ul>	<ul style="list-style-type: none"> <li>• Local implementing partners</li> <li>• Government stakeholders</li> <li>• PMU, UNEP (management)</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field visit</li> </ul>

	selection, degree of vulnerability of targeted HHs, etc.)		
2. What changes were made to adapt to the effects of COVID-19 and how might any changes affect the project's performance?	<ul style="list-style-type: none"> <li>• Nature and extent of effects of the pandemic on project activities and beneficiaries</li> <li>• Nature, quality and timeliness of adjustments made</li> <li>• Nature and extent of effects of these adjustments on the project progress towards results</li> </ul>	<ul style="list-style-type: none"> <li>• Local implementing partners</li> <li>• Government stakeholders</li> <li>• PMU, UNEP (management)</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field visit</li> </ul>
3. <i>Quality of project management and supervision</i>	<ul style="list-style-type: none"> <li>• Evidence of leadership towards achieving planned outcomes</li> <li>• Maintenance of effective team structures and partner relationships</li> <li>• Evidence of use of adaptive management to adapt to changing external and strategic contexts, to adapt communications and collaborations, and to manage risk</li> </ul>	<ul style="list-style-type: none"> <li>• Local implementing partners</li> <li>• Government stakeholders</li> <li>• Project team members</li> <li>• PMU, UNEP (management)</li> <li>• Reporting documents</li> <li>• PSC and minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field Visit</li> </ul>
5. <i>Stakeholder participation and cooperation</i> : To what extent were effective partnerships arrangements established for implementation of the project with relevant stakeholders involved in the country/region?	<ul style="list-style-type: none"> <li>• Number and types of partnerships developed between project and local bodies/organizations</li> <li>• Extent and quality of interaction/ exchange between project implementers and local partners</li> </ul>	<ul style="list-style-type: none"> <li>• Meetings/workshop minutes (steering committee)</li> <li>• Government partners and technical staff</li> <li>• Local implementing partners</li> <li>• Communities/ potential beneficiaries</li> <li>• PMU, UNEP (management)</li> <li>• PSC and minutes</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field Visit</li> </ul>
6. <i>Responsiveness to human rights and gender equity</i> : To what extent has the project applied the UN Human rights based approach, the UN Declaration on the rights of Indigenous People and UNEP's Policy and Strategy for gender Equality and the Environment?	<ul style="list-style-type: none"> <li>• Level of alignment between project design and implementation and the UN HRBA, the UN DRIP and UNEP Policy and Strategy for gender Equality and the Environment</li> </ul>	<ul style="list-style-type: none"> <li>• Planning documents</li> <li>• Monitoring and reporting documents</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> </ul>
7. <i>Responsiveness to human rights and gender equity</i> : To what extent have the project design, implementation and monitoring	<ul style="list-style-type: none"> <li>• Number and quality of measures in project design, implementation and monitoring, respectively, that address:</li> </ul>	<ul style="list-style-type: none"> <li>• Planning documents</li> <li>• Monitoring and reporting documents</li> <li>• PMU, UNEP manager</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field Visit</li> </ul>

<p>taken into account gender inequalities and differentiation?</p>	<ul style="list-style-type: none"> <li>○ Existing and potential gender inequalities in access to and control over natural resources;</li> <li>○ The role of women in mitigating or adapting to environmental changes, and engaging in environmental protection and rehabilitation</li> <li>• Level of perceived consideration of gender inequalities in the project design, implementation and monitoring</li> <li>• Number of the policies, plans, frameworks and processes supported by the project that incorporate gender dimensions</li> </ul>	<ul style="list-style-type: none"> <li>• Local communities</li> <li>• Local implementing partners</li> </ul>	
<p><i>Environmental and social safeguards: Does the project comply with UNEP's ESS requirements and minimize UNEP's environmental footprint?</i></p>	<ul style="list-style-type: none"> <li>• Proportion of ESS requirements fulfilled by the project</li> <li>• Nature of measures to minimize UNEP's environmental footprint</li> </ul>		
<p>8. <i>Country ownership and drivenness: Is the level of involvement of government/ public sector officials sufficient to ensure ownership over project outputs and outcomes and representation of all gender and marginalized groups?</i></p>	<ul style="list-style-type: none"> <li>• Number and types of representatives from government and public sector agencies involved in implementation</li> <li>• Declared willingness, and or initiatives from national stakeholders to take forward and capitalize on project results while taking into account the needs and interests of gender and marginalized groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Government partners</li> <li>• Local implementing partners</li> <li>• Project monitoring and reporting information</li> <li>• PMU and PSC</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field visit</li> </ul>
<p>9. <i>Communication and public awareness: Does the project effectively communicate lessons and experience with project partners and interested groups?</i></p>	<ul style="list-style-type: none"> <li>• Number and quality of knowledge sharing mechanisms with project partners and interested groups</li> <li>• Perceived climate change awareness by partners and interested groups about project lessons, including by gender and marginalized groups</li> <li>• Evidence of existence and use of feedback channels by partners and interested groups</li> </ul>	<ul style="list-style-type: none"> <li>• Government partners</li> <li>• Local implementing partners</li> <li>• Project monitoring and reporting information</li> <li>• PMU and PSC</li> </ul>	<ul style="list-style-type: none"> <li>• Desk review</li> <li>• Interviews</li> <li>• Field visit</li> </ul>

## ANNEX II. ASSESSMENT OF THE QUALITY OF PROJECT DESIGN

<b>A.</b>	<b>Operating Context</b>		<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section Rating:</b> <i>(see footnote 2) U</i>
1	Does the project document identify any unusually challenging operational factors that are likely to negatively affect project performance?	i) Ongoing/high likelihood of conflict?	No	Only conflict at the community level in the allocation of resources is considered	Criterion is rated for whether the operational factors have been assessed, not on the favourability of the operating context.
		ii) Ongoing/high likelihood of natural disaster?	No		
		iii) Ongoing/high likelihood of change in national government?	No		
<b>B.</b>	<b>Project Preparation</b>		<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section Rating:</b> <i>(see footnote 2) HS</i>
2	Does the project document entail clear and adequate problem and situation analyses?		Yes		
3	Does the project document include a clear and adequate stakeholder analysis, including by gender/minority groupings or indigenous peoples?		Yes		
4	<i>If yes to Q3: Does the project document provide a description of stakeholder consultation/participation during project design process? (If yes, were any key groups overlooked: government, private sector, civil society, gendered groups and those who will potentially be negatively affected)</i>		Yes		
5	Does the project document identify concerns with respect to human rights, including in relation to sustainable development? (e.g. integrated approach to human/natural systems; gender perspectives, rights of indigenous people).		Yes	As part of risk management strategy	
<b>C.</b>	<b>Strategic Relevance</b>		<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section Rating: S</b>
6		i) UNEP MTS, PoW and Strategic Priorities (including Bali Strategic	No		

	Is the project document clear in terms of its alignment and relevance to:	Plan and South-South Cooperation)			
		ii) AF/Donor strategic priorities	Yes	Section F: Alignment of the project's results framework with the AF Fund Outcome Indicator	
		iii) Regional, sub-regional and national environmental priorities?	Yes		
		iv. Complementarity with other interventions	Yes	Complementarity with other interventions is mentioned throughout the ProDoc and in a dedicated section (section F)	
<b>D</b>	<b>Intended Results and Causality</b>		<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section MU</b> <b>Rating:</b>
7	Are the causal pathways from project outputs (Availability of goods and services to intended beneficiaries) through outcomes (changes in stakeholder behaviour) towards impacts (long lasting, collective change of state) clearly and convincingly described in either the logframe or the TOC? <i>(NOTE if there is no TOC in the project design documents a reconstructed TOC at Review Inception will be needed)</i>		No	There is no TOC. The issue of food security, while justified in the needs analysis, is not clearly incorporated throughout the project.  Furthermore, there remain important questions regarding what the project seeks to achieve and how. It is unclear whether the knowledge generated in Component 1 will be used for something else than as baseline information for Component 2, and if it will feed into the trainings for Component 3. The expected achievements in terms of who will be able to do what, and what will remain after the project are unclear.	
8	Are impact drivers and assumptions clearly described for each key causal pathway?		No		
9	Are the roles of key actors and stakeholders, including gendered/minority groups, clearly described for each key causal pathway?		NA	The roles of the different institutions to be involved in project implementation are detailed, but their role in relation to the project logic is unclear.	
10	Are the outcomes realistic with respect to the timeframe and scale of the intervention?		Yes		
<b>E</b>	<b>Logical Framework and Monitoring</b>		<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section MS</b> <b>Rating:</b>



11	Does the logical framework ...	i) Capture the key elements of the Theory of Change/ intervention logic for the project?	No	No TOC. The logical framework does not mention food security. There are also logical gaps between the outputs and the outcomes, especially for Outcome 1 in which it is unclear how the project will move from delivering on studies and meteorological information to improved knowledge management.
		ii) Have appropriate and 'SMART' results at output level?	No	Some of the outputs are formulated as actions or processes rather than as finished products.  The results framework also includes activities.  In Output 1.4, the reasons for focusing on Algarrobo and Vinal are unclear, and there is some confusion about what species Algarrobo and Vinal really are.  With regards to Outcome 2, while the logic is generally clear (plan for EbA and implement it in communities), it is not effectively reflected in the logframe, related outputs are too general to frame the activities.
		iii) Have appropriate and 'SMART' results at outcome level?	Yes	Outcomes are not formulated as expected behavioural changes.  Most outcomes will be difficult to measure (e.g., changes in awareness, changes in vulnerability)
		iv) Reflect the project's scope of work and ambitions?	Yes	The scope of work remains unclear: does it aim to build national capacity to implement EbA or to empower local communities to implement it?
12	Is there baseline information in relation to key performance indicators?	Yes	However it does not directly address the indicators at outcome level. No baseline is planned to collect detailed baseline data, although some indicators could potentially be addressed by the studies of Component 1.	
13	Has the desired level of achievement (targets) been specified for indicators of outputs and outcomes?	Yes	At outcome level, targets are not aligned with indicators	
14	Are the milestones in the monitoring plan appropriate and sufficient to track progress and foster management towards outputs and outcomes?	Yes		
15	Have responsibilities for monitoring activities been made clear?	Yes		
16	Has a budget been allocated for monitoring project progress?	Yes		

17	Is the workplan clear, adequate and realistic? (e.g. Adequate time between capacity building and take up etc)	No	Workplan is clear, however conducting almost all Component 1 studies during Q3-Q4 of Y1 seems overly ambitious.	
<b>F</b>	<b>Governance and Supervision Arrangements</b>	<b>YES/NO</b>	<b>Comments/Implications for the review design</b> (e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)	<b>Section Rating: S</b>
18	Is the project governance and supervision model comprehensive, clear and appropriate? (Steering Committee, partner consultations etc.)	Yes	Yes, however, the Executive Committee is not reflected in the org chart, and the difference with the Mechanism for Technical Support is unclear  It should be noted that the ProDoc explicitly designates UNEP as the implementing entity and SEAM as the executing entity, which was modified after project approval.	
19	Are roles and responsibilities within UNEP clearly defined? (If there are no stated responsibilities for UNEP Regional Offices, note where Regional Offices should be consulted prior to, and during, the evaluation)	No		
<b>G</b>	<b>Partnerships</b>	<b>YES/NO</b>	<b>Comments/Implications for the review design</b> (e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)	<b>Section Rating: MS</b>
20	Have the capacities of partners been adequately assessed? (CHECK if partner capacity was assessed during inception/mobilisation where partners were either not known or changed after project design approval)	No	The capacity of ID was assessed later. The ProDoc does not include information about capacities (except for stating the SEAM has experience managing similar projects)	
21	Are the roles and responsibilities of external partners properly specified and appropriate to their capacities?	Yes	Although no information about capacities was included, the role of most institutional partners is clearly described	
<b>H</b>	<b>Learning, Communication and Outreach</b>	<b>YES/NO</b>	<b>Comments/Implications for the review design</b> (e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)	<b>Section Rating: S</b>
22	Does the project have a clear and adequate knowledge management approach?	Yes	Mostly yes, but the approach to ensure that the highly valuable and detailed studies delivered under component 1 seems a bit weak.	
23	Has the project identified appropriate methods for communication with key stakeholders, including gendered/minority groups, during the project life? If yes, do the plans build on an analysis of existing	No	The plans to communicate target different groups of stakeholders, including indigenous communities, but does not mention women.	

	<i>communication channels and networks used by key stakeholders?</i>			
24	Are plans in place for dissemination of results and lesson sharing at the end of the project? <i>If yes, do they build on an analysis of existing communication channels and networks?</i>	Yes		
<b>I</b>	<b>Financial Planning / Budgeting</b>	<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section HS</b> <b>Rating:</b>
25	Are the budgets / financial planning adequate at design stage? <i>(coherence of the budget, do figures add up etc.)</i>	Yes		
26	Is the resource mobilization strategy reasonable/realistic? <i>(E.g. If the expectations are over-ambitious the delivery of the project outcomes may be undermined or if under-ambitious may lead to repeated no cost extensions)</i>	Yes	Further analysis of some budget lines required	
<b>J</b>	<b>Efficiency</b>	<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section HS</b> <b>Rating:</b>
27	Has the project been appropriately designed/adapted in relation to the duration and/or levels of secured funding?	Yes		
28	Does the project design make use of / build upon pre-existing institutions, agreements and partnerships, data sources, synergies and complementarities with other initiatives, programmes and projects etc. to increase project efficiency?	Yes		
29	Does the project document refer to any value for money strategies (i.e. increasing economy, efficiency and/or cost-effectiveness)?	Yes		
30	Has the project been extended beyond its original end date? <i>(If yes, explore the reasons for delays and no-cost extensions during the evaluation)</i>	Yes	COVID-19 extension, but other factors may have played a role	
<b>K</b>	<b>Risk identification and Social Safeguards</b>	<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section MS</b> <b>Rating:</b>
31	Are risks appropriately identified in both the TOC/logic framework and the risk table? <i>(If no, include key assumptions in reconstructed TOC at Evaluation Inception)</i>	No	Only in the risk table	

32	Are potentially negative environmental, economic and social impacts of the project identified and is the mitigation strategy adequate? ( <i>consider unintended impacts</i> )	Yes		
33	Does the project have adequate mechanisms to reduce its negative environmental foot-print? ( <i>including in relation to project management and work implemented by UNEP partners</i> )	No	Negative environmental footprint is likely limited, but no specific measures to further limit it are mentioned in the ProDoc	
<b>L</b>	<b>Sustainability / Replication and Catalytic Effects</b>	<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section Rating: S</b>
34	Did the design address any/all of the following: socio-political, financial, institutional and environmental sustainability issues?	Yes		
35	Was there a credible sustainability strategy and/or appropriate exit strategy at design stage?	Yes	Some sustainability depends on the creation of a compensation mechanism, to be confirmed.	
36	Does the project design present strategies to promote/support scaling up, replication and/or catalytic action? ( <i>if yes, capture this feature in the reconstructed TOC at Review Inception</i> )	No		
<b>M</b>	<b>Identified Project Design Weaknesses/Gaps</b>	<b>YES/NO</b>	<b>Comments/Implications for the review design</b> <i>(e.g. questions, TOC assumptions and drivers, methods and approaches, key respondents etc)</i>	<b>Section Rating: NR</b>
37	Were recommendations made by the PRC adopted in the final project design? If no, what were the critical issues raised by PRC that were not addressed.	Yes		
38	Were there any critical issues not flagged by PRC? (If yes, what were they?)	Yes	Comments on the results framework could have been expected.	<b>No rating applicable.</b>
<b>N</b>	<b>Gender Marker Score</b>	<b>SCORE</b>	<b>Comments</b>	<b>No rating applicable.</b>
39	What is the Gender Marker Score applied by UNEP during project approval? ( <i>This applies for projects approved from 2017 onwards</i> )  UNEP Gender Scoring: <b>0 = gender blind:</b> Gender relevance is evident but not at all reflected in the project document.	N/A	<i>Reflections on whether the gender score appears appropriate.</i>	

<p><b>1 = gender partially mainstreamed:</b> Gender is reflected in the context, implementation, logframe, <b>or</b> the budget.</p> <p><b>2a = gender well mainstreamed throughout:</b> Gender is reflected in the context, implementation, logframe, <b>and</b> the budget.</p> <p><b>2b = targeted action on gender:</b> (to advance gender equity): the principle purpose of the project is to advance gender equality.</p> <p><b>n/a = gender is not considered applicable:</b> A gender analysis reveals that the project does not have direct interactions with, and/or impacts on, people. Therefore, gender is considered not applicable.</p>			
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## ANNEX III. MISSION PLAN

Date	Time	Person	Position	Institution
<b>28-nov</b>	Travel Montreal - Asuncion			
<b>29-nov</b>	07:00	Eduardo Mingo	Sub Director de Meteorología	DMH
		Fernando Pio	Gerente de Sistemas de Observaciones Meteorológicas	DMH
	09:30	Karina Godoy	Encargada financiera	ID
	11:30	Ulises Lovera	Director Nacional, Punto Focal	DNCC
	13:00	Graciela Miret	Directora de Planificación Estratégica,	DPE -MADES
	14:00	Jaqueline García-Yi	Programme Manager PNUMA PY	PNUMA PY
	15:00	Travel Asuncion - Filadelfia		
<b>30-nov</b>	08:00	Workshop - Lessons sharing from EbA Chaco Project		
	13:00	Candido Galeano Diaz	Encargado de mitigacion y ayuda de emergencia	Municipalidad Mcal. Estigarribia
	16:00	Blasido Gosen	Técnico local Campo Loa	EbA Chaco
		Edgar Duarte	Técnico local Pozo Hondo y Jasyrendy	EbA Chaco
		Diosnel Martinez	Técnico local General Diaz y Cacique Sapo	EbA Chaco
		Arnildo Romero	Técnico local Sierra Leon	EbA Chaco
		Juan Ortiz	Técnico local Bahía Negra, Puerto Diana y Karcha Bahlut	EbA Chaco
	18:30	Tina Alvarenga	Especialista en Pueblos indígenas y Género	ID
<b>01-déc</b>	07:15	Dennis Stahl	Gerente de cooperación vecinal	Cooperativa Ferheim
		Eduardo Klassen	Gerente administrativo	Cooperativa Ferheim
	10:30	Victor Vazquez	Director de Area Economica	ID
	12:00	Rosana Scribanno	Coordinadora técnica para estudios de Componente I	ID
	14:00	Nancy Noguera		Comunidad Sierra Leon
		Ramona Cara		
	15:30	Nora Paez	Jefa de Departamento de Adaptación	DNCC

<b>02-déc</b>	09:00	Grupos focales y visita		Campo Loa, Aldea Nasuc
	12:00	Grupos focales y visita		Campo Loa, Aldea San Ramon
	17:00	Victor BasEbA	Oficial tecnico Boquerón	UGP
<b>03-déc</b>	08:00	Travel Toro Pampa		
	15:30	Cristiano Antonio Gomez		Comunidad San Carlos
	17:45	Ylsa Avalos	Encargada de Género	DNCC
<b>04-déc</b>	09:00	Grupos focales y visita		Comunidad Maria Auxiliadora
	14:00	Grupo focal y visita		Comunidad Toro Pampa
	16:00	Alberto Montiel	Oficial tecnico Alto Paraguay / Técnico local Toro Pampa	UGP
	17:00	Raquel Vordem	Tesorera de la Comision Vecinal	Comunidad San Carlos
<b>05-déc</b>	08:00	Return travel to Asuncion		
<b>06-déc</b>	09:00	Ethel Rojas	Responsable de seguimiento, evaluacion y planificacion	UGP
	Travel Asuncion - Montreal			

## ANNEX IV. LIST OF PEOPLE INTERVIEWED

In addition to the interviews during the field visit, the following people were interviewed virtually:

<b>07-déc</b>	11:00	Ismael Sayyad	Adaptation Specialist	UNEP
<b>12-déc</b>	13:30	Mahamat Assouyouli Abakar	Punto focal,	Fondo de Adaptación
<b>13-déc</b>	14:00	Verónica Gonzalez*	Administration and Finance Specialist	UGP
<b>14-déc</b>	11:00	José Gomez	Project Coordinator	UGP
<b>15-déc</b>	10:30	Alba Guillen	Directora de Desarrollo Comunitario	INDI
<b>16-déc</b>	16:00	Marta Moneo	Programme Officer - Climate Change Adaptation	PNUMA LACO,
<b>22-déc</b>	08:30	Enrique Molas	AFOLU Project Coordinator	ICCF Paraguay



## ANNEX VI. KEY DOCUMENTS CONSULTED

*This list is not exhaustive. The reviewer was given access to the EbA Chaco sharepoint and could therefore browse through multiple documents.*

### Project design and revisions

- Project Document (as in AF website)
- AF Board Decision to approve project (Aug. 2018)
- Notification of No-cost extension from the Adaptation Fund (Oct. 2022)
- Adaptation Fund, Operational Policies and Guidelines (versions applicable Jan. 2023)

### Partnerships

- Agreement AF-UNEP (Apr. 2017)
- PCA UNEP-SEAM (2018)
- PCA UNEP-ID (July 2020), incl. Annex C (Budget)
- PCA UNEP-ID Addendum 1 (July 2021)
- PCA UNEP-ID Addendum 2 (Nov. 2021)
- PCA UNEP-ID Addendum 3 (May 2022)
- SLA UNEP-UNDP (May 2019)

### Reporting

- Inception Report (Apr. 2019)
- PPR1 (2019-20) (web)
- PPR2 (2020-21) (web)
- PPR3 (2021-22) (initial and updated version)

### Management

- Adaptation Fund Board, Request for Direct Project Services: UNEP (Paraguay), Decision B.31-32/22 (July 2018)
- Adaptation Fund Board, Approval of Direct Project Services: UNEP (Paraguay), Decision B.31-32/22 (Aug. 2018)
- UNEP, Project Operations Manual (May 2020)
- MADES Strategic Planning Directorate, Memorandum DPE No. 1520/2021 (Dec. 2021)
- UNEP, Letter to MADES “Seguimiento a iniciativas de PNUMA en Paraguay” (Jul. 2021)
- DNCC, Email “Re: Consulta sobre proceso de Aprobación de Enmienda Acuerdo PNUMA-MADES Proyecto AbE Chaco” (Oct. 2021)
- Draft Theory of Change, EbA Chaco (working document)
- PSC Meeting Minutes (Dec. 2020)
- PSC Meeting Presentation (Dec. 2020)
- PSC Meeting Minutes (Jul. 2021)
- PSC Meeting Minutes (Sept. 2021)
- PSC Meeting Minutes (Dec. 2021)
- POA 2019, 2020, 2021, 2022.

- Validated General Workplan (not dated)
- UNEP, presentation on implementation track record (Nov. 2022)
- Summary of progresses in M&E for 2022 (Dec. 2022)
- Financial summary for Baastel (Jan. 2023)
- Meeting Minutes MADES-UNEP (Sept. 2021)
- Monitoring reports from Local Technicians (random selection)

### **Outputs**

- ID, Workplan for ecosystem characterization (2021)
- ID, Draft outputs for Product 2 (Dec. 2022 version)
- ID, Database on household surveys (June 2022)

### **Grievance mechanism**

- Draft Grievance Mechanism (not dated)
- Guyra Paraguay, Letter to MADES “Postura Institucional sobre la presentación de expresión de interés para un acuerdo de Cooperación con PNUMA en el marco del proyecto AbE Chaco” (June 2022)
- DNCC, Response to Guyra Paraguay (June 2022)
- Rogelio Pena, Community Leader for Cacique Sapo, Complaint Letter (Oct. 2022)
- DNCC, Response to Mr. Pena (Note 335/22) (Oct. 2022)

### **Policies**

- MADES, National Policy on Climate Change, 2012.
- MADES, National Climate Change Plan, Mitigation Strategy, 2014.
- MADES, National Climate Change Adaptation Strategy, 2015.
- MADES, National Adaptation Plan, 2022.
- MADES, Nationally Determined Contribution, 2015.
- MADES, Updated Nationally Determined Contribution, 2021
- MADES, Guide for the development of adaptation plans by local governments, 2021.
- Government of Paraguay, National Development Plan 2014-2030
- MAG, Agrarian Strategic Framework 2010-2018

## ANNEX VII. AUDIT TRAIL



UNEPs comments to  
MTR - Version 2\_Final

## ANNEX VIII. REVIEW TORS



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Term Review AbE.pdf