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Mid-Term Performance Evaluation Report – USAID/Paraguay Forest Conservation and Agriculture Alliance

June 2019

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Front cover photograph:

Aerial image of typical land clearing patterns for cattle ranching in the Alto Paraguay region of northeastern Paraguay. Forested areas correspond to these general classifications: (1) 25% forest reserves, (2) 100 meter wide wind breaks, and (3) riparian areas; Alto Paraguay region, northeastern Paraguay; copyright - of Yawar Films/WWF-US; used with permission of WWF/Paraguay.

MID-TERM PERFORMANCE EVALUATION OF USAID/PARAGUAY FOREST CONSERVATION AND AGRICULTURE ALLIANCE

**GLOBAL DEVELOPMENT ALLIANCE TO IMPLEMENT THE
FOREST CONSERVATION AND AGRICULTURE ALLIANCE;
GLOBAL CLIMATE CHANGE/SUSTAINABLE LANDSCAPES
INITIATIVE**

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DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

CONTENTS

Acronyms.....	1
Executive Summary	2
Evaluation Purpose and Evaluation Questions	11
Project Background.....	13
Evaluation Methods and Limitations	16
Findings, Conclusions, and Recommendations.....	19
Annexes.....	40
Annex I: Evaluation Statement of Work.....	41
Annex II: Evaluation Chronogram.....	54
Annex III: Evaluation Matrix.....	55
Annex IV: Persons Interviewed.....	58
Annex V: Bibliography of Documents Reviewed.....	60
Annex VI: Disclosure of Any Conflicts of Interest.....	61
Annex VII: Evaluation Team Members	64
Annex VIII: Statement of Differences.....	65
Annex IX: WCS & Neuland Cooperative Commentaries.....	70

ACRONYMS

AF	Atlantic Forest
ARP	Paraguayan Rural Association (Asociación Rural del Paraguay)
APAD	Asociación de Productores de Agua Dulce
BMP	Best Management Practices
CFA	Collaboration for Forests and Agriculture
CRS	Certified Responsible Soybean
EU	European Union
ET	Evaluation Team
FCAA	Forest Conservation Agriculture Alliance
FECOPROD	Federación de Cooperativas de Producción
FY	Fiscal Year
GDA	Global Development Alliance
GCC	Global Climate Change
GFW	Global Forest Watch
GHG	Greenhouse Gases
GIS	Geographic Information System (SIG in Spanish)
GRSB	Global Roundtable for Sustainable Beef
IFC	International Finance Corporation
ISO	International Organization for Standardization
INFONA	National Forest Institute
LUP	Land Use Plan
MADES	Ministry of the Environment and Sustainable Development
MAG	Ministry of Agriculture and Cattle
MoU	Memorandum of Understanding
PaCha	Pantanal Chaco Project
PES	Payment for Ecosystem Services
POUT	Plan de Ordenamiento Urbano y Territorial
PRSB	Paraguayan Roundtable for Sustainable Beef
PRSF	Paraguayan Roundtable for Sustainable Finance
SOW	Statement of Work
SULU	Sustainable Land Use Project
UNDP	United Nations Development Program
UNICOOP	Central Nacional de Cooperativas
USAID	United States Agency for International Development
USG	United States Government
WCS	Wildlife Conservation Society
WP	Work Plan
WRI	World Resource Institute
WWF	World Wildlife Fund

EXECUTIVE SUMMARY

EVALUATION PURPOSE AND EVALUATION QUESTIONS

The purpose of this mid-term evaluation is to assess the performance of The Forest Conservation and Agriculture Alliance (FCAA) Activity, implemented by the World Wildlife Fund (WWF), to evaluate the activity's progress to date and to determine whether activity interventions are properly oriented to achieve the stated goals.

This performance evaluation is expected to accomplish the following: (1) to fill in evidence and learning gaps on activity performance and progress to date not available through regular monitoring efforts; (2) to recommend mid-course corrective actions necessary to improve activity effectiveness; and (3) to identify opportunities for possible future interventions in the sustainable beef/soy sectors.

The evaluation posed five questions of personnel/organizations within and outside of the FCAA Activity:

- 1) What are the strengths and weaknesses of the FCAA project approach?
- 2) What is your vision of the Alliance?
 - a. What are the advantages and disadvantages of being part of the Alliance?
 - b. Is there enough interest and financial commitment to continue working as an Alliance after USAID support ends?
- 3) Is the current governance, management, and staffing structure for the project effective to ensure the achievement of the project's objectives?
 - a. What are the external communication agreements between members?
 - b. Is the current governance and management structure effective to ensure the achievement of the Alliance's objectives beyond the life of the project?
- 4) Does WWF's management and staffing structure address the personnel requirements of the project?
 - a. With organizational chart, clear decision of the roles and responsibilities, and internal communications process?
 - b. Is there a clear strategy for coordination between the different programs that WWF implements and the roles of the teams and the personnel assigned to them?
- 5) Are pilot projects scalable, replicable, and feasible examples of sustainable practices that can be required by the Paraguayan Government to approve environmental licenses and land use plans?

The findings and recommendations from this evaluation will help to make necessary adjustments during the second half of the ongoing Project (through September 2020) and will also help to identify new or expanded interventions in the case that USAID decides to continue supporting this sector in Paraguay.

PROJECT BACKGROUND

Agricultural commodities play an important role in contributing to deforestation and the associated greenhouse gas emissions throughout the Latin America region. Commodities such as beef, coffee, cocoa, palm oil, and soybeans are some of the principle drivers of deforestation globally and throughout the region. Until recently, most deforestation was thought to be driven by small-scale producers seeking to provide for their families. However, this perception has changed due to increased meat consumption

in increasingly affluent nations, and increased resources required for meat production (e.g., significant grazing lands).

In Paraguay, these issues are of critical importance. Paraguay has one of the highest deforestation rates in the world, which is driven almost entirely by agriculture. Nearly a quarter of the Paraguayan workforce is employed by the agricultural sector, which accounted for nearly 18 percent of the country's overall GDP in 2017. Paraguay is now ranked among the top global producers for both soy and beef exports and has plans to expand both.

Paraguay is split into two agriculturally distinct regions: the Occidental or “Chaco” in the west (which includes the Chaco tropical dry forest, the Pantanal savannas and wetlands, and part of the Cerrado); and the Oriental Region in the east (which includes the Atlantic Forest and portions of the Cerrado and the Humid Chaco). For the past two decades, soy production has primarily taken place in the Oriental region. In the Chaco, cattle ranching is the predominant land use.

There is an urgent need to ensure that the rapid expansion of the agricultural frontier, which continues to be fueled by a growing global demand for soy and beef, will be implemented under a sustainable development strategy. According to Paraguay's Ministry for the Environment and Sustainable Development (MADES), 1,057,888 hectares were cleared in the Chaco region between January 2014 and January 2018. In the Atlantic Forest region, where 90 percent of forested lands have already been converted to agriculture, the 2005 Zero Deforestation Law has reduced deforestation rates by 80-90 percent, but the region is still experiencing an average rate of deforestation of 12,000 hectares per year. In this region, it is important to stop conversion, effectively manage remaining forests, and restore corridors between important remaining forest blocks.

Land use change and conversion of forests to agriculture represents the majority of Paraguay's greenhouse gas (GHG) emissions. Under a business as usual scenario, deforestation in Paraguay will continue to grow, as will associated GHG emissions.

In response to these challenges, USAID's Forest Conservation and Agriculture Alliance (FCAA) Activity seeks to reduce GHG emissions in the production of beef and soy in Paraguay by increasing investments in climate change mitigation with the participation of the private and public sectors. In addition, it aims to improve productivity in the beef sector and promote the development of sustainable landscapes.

The Alliance brings together a range of actors uniquely positioned to make this happen. The World Wildlife Fund (WWF) and the Wildlife Conservation Society (WCS) are serving as the FCAA's primary implementing partners – providing expertise on how to build environmental sustainability into agricultural operations. Two private sector partners — Minerva (Paraguay's second largest beef exporter) and the Neuland Cooperative in the Chaco— have joined FCAA. The International Finance Corporation (IFC) is also partnering with FCAA, to develop and increase access to favorable financial products for producers who adopt more sustainable practices. The Association of Municipalities in the Central Chaco is the public sector partner participating in the Alliance.

The overall purpose of this activity is to avoid deforestation and reduce GHG emissions by incentivizing a shift from traditional agricultural expansion (which has been associated with forest loss and

degradation, and is fueled by the demand for soy and beef) to a landscape of sustainable agricultural production in harmony with protection of forest ecosystems.

EVALUATION DESIGN, METHODS AND LIMITATIONS

This performance evaluation is expected to accomplish the following: (1) to fill in evidence and learning gaps on activity performance and progress to date not available through regular monitoring efforts; (2) to recommend mid-course corrective actions necessary to improve activity effectiveness; and (3) to identify opportunities for possible future interventions in the sustainable beef/soy sectors.

The findings and recommendations from this evaluation will help to make necessary adjustments during the second half of the ongoing Activity (through September 2020) and will also help to identify new or expanded interventions in the case that USAID decides to continue supporting this sector in Paraguay.

Design: An evaluation Work Plan (WP) was developed to guide the overall process. The WP components include the following:

- 1) Chronogram – details sequencing of discrete evaluation activities;
- 2) Matrix – listing of five principle questions and sub-questions and data collection methods;
- 3) Listing of potential people to interview and interview questions per person; and
- 4) Evaluation team members – roles and responsibilities.

Methods: There were two parts to the project evaluation: the internal Pause and Reflect workshop and the external Performance Evaluation.

The purpose of the Pause and Reflect workshop was to bring together the project partners to consider how the project was progressing, to discuss the successes and challenges of the project, to identify ways to improve the impacts of the current Alliance program, and to identify strategic activities and approaches to maximize project impact. During the Pause and Reflect workshop, participants prioritized the importance of addressing urgent issues within the framework of external and internal communication and defining the vision of the Alliance and guidelines for a mission, governance system, and communication strategy. Information gathered during the Pause and Reflect workshop helped inform development of the evaluation questions.

The purpose of the Mid-Term Performance Evaluation was to assess the performance of The Forest Conservation and Agriculture Alliance (FCAA) Activity, implemented by the World Wildlife Fund (WWF), to evaluate the activity's progress to date and to determine whether activity interventions are properly oriented to achieve the stated goals. The evaluation began with a desk review of project documentation such as project proposal, project strategy, annual reports, M&E plan, monitoring reports and data, Performance Monitoring Plan, and Paraguay beef sector reports. During the evaluation field work, the Evaluation Team (ET) applied primary data collection methods, primarily semi-structured, in-depth-interviews of FCAA Project partners and Alliance stakeholders, Government of Paraguay (GOP) ministry personnel, interested parties not directly affiliated with FCAA; discussions with Project managers, technical staff, Best Management Practices (BMP) technical assistance providers; and project beneficiaries, as well as non-beneficiaries. Inquiries focused on perceived Project effectiveness, constraints inhibiting effectiveness, and suggested means of overcoming these constraints. Key informants included FCAA staff, involved USAID/Paraguay personnel, sub-awardee and implementing

partners within Asuncion and the Central Chaco region, and GOP representatives at national and municipal levels.

Limitations: Not all ET members were able to participate in the Pause and Reflect Workshop preceding the mission. Because of limited time in country, interviews during the Performance Evaluation focused on two urban geographic areas: Asuncion and municipal centers in the Central Chaco region. The ET did not have the opportunity to interview people working with sustainable soy, nor the opportunity to visit the Atlantic Forest in the Oriental region of Paraguay (soy) or the Department of Alto Paraguay in extreme northeast Paraguay (cattle). All five of the Evaluation questions focused on cattle production. It would have been valuable to have visited cattle ranches and talked with Project ranchers to see firsthand on-ranch baselines monitoring work accomplished on ranches; the limited time in-country did not allow for this to occur. The ET prioritized activities undertaken in the Central Chaco geographic region, where interventions were considered to make a relatively high contribution toward achieving overall project objectives. The ET recognizes that the resulting trade-off was inadequate attention to non-Central Chaco activities, including the one activity devoted to sustainable soy. This report includes observations of activities not visited in the field, but discussed by people interviewed.

FINDINGS AND CONCLUSIONS

1) What are the strengths and weaknesses of the FCAA project approach?

Fifteen “strengths” identified detail the aspects of FCAA that partners, and people/organizations with no affiliation to FCAA, perceive the implementing partner to be doing well and advancing the overall purpose and objectives of FCAA (fifteen strengths are defined in “Findings, Conclusions, Recommendations” section of the report). The “strengths” listing focuses exclusively on cattle ranching in the Chaco. An analysis of “weaknesses” (20 identified) demonstrates opportunities to make improvements to FCAA implementation so that the Project is more effective and leads to improved accomplishments within the three Sub-Purposes and corresponding outputs/inputs.

The three Sub-Purposes in the FCAA Logistical Framework relate to supply, demand, and land use management. “Demand side” work has made little significant progress in addressing the fostering of demand from differentiated markets and the securing of large scale commitment and private sector leadership (Outputs 3.1 and 3.2 of the FCAA Logical Framework). The implementing partner has devoted much effort to this area of work, but it appears the supply-side of the equation is not ready for demanding international beef purchasers to make significant purchases at this time as a result of the quantity of beef available to enter into these markets. Sub-Purpose 1 focuses on increased supply of sustainably produced beef and soy, and advances under this sub-purpose have been positive, as demonstrated by an increase in beef supply. There have also been positive advances that have occurred in Sub-Purpose 2, which focuses on increasing of sustainable land use management of key landscapes. However, two areas emerged during interviews as those needing additional development: (1) Payment for Ecosystem Services (PES) and (2) alternative livelihoods for smallholders.

2) What is your vision of the Alliance?

The original vision for the Alliance stated a focus on reducing carbon emissions. Many conservative cattle ranchers in the Chaco region do not embrace the scientific consensus on Global Climate Change (GCC), and if they do, they see the solution in the hands of developed countries that produce the majority of carbon emissions. The original “project goal” regarding GHG emissions can be distracting for rural ranchers in the Chaco from the important message of sustainable cattle management that conserves Chaco forests. (Cooperative Agreement text – “Project goal: By 2019, reduce GHG emissions and increase productivity in the production of soybeans, associated rotational crops and beef in Paraguay by increasing investments in climate change mitigation with the participation of the private

and public sectors.”) FCAA should place emphasis on all the positive benefits of forest conservation (Logical Framework “purpose”) with beneficiaries, while decreasing attention placed on GHG emissions reductions (Logical Framework “goal”).

When asked Sub-question 1 regarding advantages and disadvantages of being a part of the Alliance, all people interviewed stated that the Alliance has gone a long way to significantly improve the relationship/confidence and levels of dialogue between the broader Paraguayan environmental non-governmental organization (NGO) community and Chaco cattle producers. The Alliance has helped move the constituents from a toxic to a productive environment. In many ways, this is a real, significant success story of the FCAA-founded Alliance, albeit one not reflected in FCAA official accomplishments to USAID/Paraguay. When asked Sub-question 2 regarding if there was enough interest and financial commitment to continue working as an Alliance after USAID support ends, most people interviewed indicated it is unlikely the Alliance will survive as an organization without the direct support/leadership of the FCAA implementing partner.

3) Is the current governance, management, and staffing structure for the project effective to ensure the achievement of the project's objectives?

Two areas of implementing partner staffing need addressing: (1) the need for an increase in the number of field-going range management technicians and (2) the need for a full-time communication specialist. There were concerns among people interviewed regarding project governance, as many felt the lack of governance from the beginning of the project, combined with poor internal and external communication, has resulted in a general lack of knowledge about project functions among Project stakeholders. The implementing partner needs to improve sharing of annual reports and other relevant information with Project stakeholders as well as select non-Project stakeholders, such as the MADES, MAG, and INFONA.

4) Does WWF's management and staffing structure address the personnel requirements of the project?

Overall, the implementing partner's in-place team is professional and motivated. However, existing range technicians are stretched thinly to cover a lot of territory and to work with many cattle producers. Additionally, the current part-time, lead communications specialist is unable to devote the time/resources that the position requires. Most of the partially USAID-funded FCAA staff in Asuncion are also financed from various other funding sources and competing priorities amongst non-USAID funded WWF projects working in the Chaco dictate how personnel are worked on any given day. When asked Sub-questions 1 and 2 regarding clear roles and responsibilities of staff and strategy for coordination among projects, implementing partner staff indicated they communicate among themselves, but there is a general lack of coordination and communication outside of the implementing partner organization.

5) Are pilot projects scalable, replicable and feasible examples of sustainable practices that can be required by the Paraguayan Government to approve environmental licenses and land use plans?

Consensus among individuals interviewed was that pilot projects are feasible, but insufficient information exists today to credibly/scientifically state that pilot projects are either scalable or replicable. ET believes that with a thorough analysis of the effectiveness of current pilot projects, the results could show that pilot projects are both scalable and replicable.

Recommendations:

The following recommendations from this evaluation are presented in prioritized order and will help to both make necessary adjustments during the second half of the ongoing Activity and identify new/expanded interventions.

- 1) A multi-stakeholder Alliance (separate from FCAA) exists in theory, but the Alliance has no formal structure, poor communications (amongst members and the broader Chaco cattle producing community), and no defined roles/responsibilities. To use an analogy from protected area management, the Alliance exists at this time as a “paper park”. A “paper park” is a national protected area that exists on maps and within official documents at the national-level of a country, but the reality of a protected area on-the-ground is another matter. Recommendations to address this issue include the following:
 - a. Develop a governance plan.
 - b. Investigate the best manner to involve GOP ministries (MAG, MADES, and INFONA) within the Alliance.
 - c. Develop a communication plan for the Alliance.
 - d. Above actions will, to no guarantee, improve the likelihood that the Alliance has a life beyond FCAA.
- 2) Project to develop an overall communications strategy. ET recommends contracting with a third-party Paraguayan entity to do a thorough analysis of FCAA’s current communication operations. Follow up with recommendations; if necessary, it may be beneficial to consider how to re-structure FCAA’s overall communication operation, addressing both internal and external communications. Note that currently, the primary communication specialist works part-time. Recommendations to address this issue include the following:
 - a. Investigate the need for a full-time communication specialist;
 - b. Analysis to address all aspects of an effective communication strategy.
 - c. Implementing partner to continue the important communication task of maintaining/improving the relationship between Chaco cattle producers and the Paraguayan environmental NGO community.
- 3) Implementing partner staffing:
 - a. Two current field, range management specialists are very effective, but the required work to be accomplished is more than either individual can accomplish in an effective manner. Investigate the employment of up to two additional range technicians to provide quality services to Chaco cattle producers. These additional personnel will be needed as FCAA moves from baseline data collection of private ranches to BMP implementation. The final number of additional range technicians to be determined via the next FCAA Work Plan.
 - b. At this time the implementing partner has one part time (100% FCAA funded) communications specialist; a part-time person is not capable of meeting the communications demands of the FCAA Project. Recommendation - employ one full-time communications specialist.
 - c. By employing additional technical range personnel, FCAA should make corresponding cuts to less than 100% FCAA-funded staff. Positions to consider for a significant reduction of level of effort: climate change mitigation specialist, finance and administrative personnel, and secondary monitoring and evaluation personnel.
 - d. At this stage of FCAA implementation, there are part-time positions that are no longer necessary; those positions should be eliminated and resulting cost savings reassigned to

- other resource areas, including market development, incentives, and working with the financial sector to improve access to rancher credit.
- e. Undertake a thorough review of their organizational chart to align it with where the Project is at this stage of implementation.
 - f. Develop a concise chart that clearly shows all the linkages between FCAA, its staff, all other non-USAID funded implementation partner projects working in the Chaco, the aim is to demonstrate potential synergistic effects of multiple projects.
- 4) FCAA has produced two high quality, comprehensive BMP Manuals; each Manual is more than 130 pages. While the overall length and thoroughness of each Manual is deemed appropriate, a significant impediment to their adoption/use by field-level cattle producers is their length. FCAA should produce a pocket-sized version of the BMP Manuals that only focuses on practical, field-level BMP implementation. The overall “tone” of the pocket-sized handbook should be 100% practical with emphasis on how BMPs are installed in the field. BMP implementation should be coupled with hands-on technical assistance by Project range technicians to ensure that the BMPs are being successfully implemented in the field. Develop a “user-friendly” training package to disseminate important elements of BMP Manuals to Chaco cattle ranchers.
 - 5) Re-focus the Project’s geographic foci from two broad ecoregions (Atlantic forest and Chaco) to focus on the Chaco region, working exclusively in sustainable cattle production. The rationale for this shift is that during the implementation to date of FCAA, the role sustainable soy plays in FCAA has gone from initially significant, to minimal as of March 2018. Project should focus its efforts in one area for the remainder of the time said area being all that implies for sustainable cattle production in the Chaco. This recommendation is not for a wholesale “walking away” from the eastern/soy region of Paraguay, FCAA to continue with any contractual obligations with soy producers and purchasers, but undertake no new soy initiatives. If a “phase two” of FCAA should result, recommend the project solely focus on sustainable cattle ranching in the Chaco region.
 - 6) Sub-Purpose 3 addresses the topic of “increased demand for more sustainably produced Paraguayan beef and soy,” which is a well-conceived objective. FCAA has expended much work in this area, but with minimal results due to conditions (criteria for sustainable beef: social and environmental) not being in place at this time to effect an increase in demand for sustainable beef. Conditions are not currently in place for Chaco cattle producers to enter demanding international markets (Japan, EU for example) due to a lack of widespread BMP implementation. Recommend the same level of effort in this area, but the implementation partner should change their strategic approach; consider utilization of a “jurisdictional approach”.
 - 7) FCAA partner WCS has done very good work in identifying biodiversity/mammals located on Chaco ranch lands, inclusive of both pastures and forest lands. Land owners have responded very positively to the monitoring work done by WCS. Their bio-monitoring results have been widely disseminated. Two recommendations:
 - a. From now forward, deemphasize WCS monitoring work; FCAA to place more emphasis on on-the-ground BMP implementation;
 - b. WCS should undertake a survey of Alto Paraguay and Chaco Central cattle farmer/model farms and farms receiving no FCAA assistance, to determine if cattle farmers discern a linkage between biodiversity conservation and forest reserves. Such a survey would help determine if a hard linkage exists between the biodiversity monitoring accomplished to date and forest conservation.
 - 8) Replicate cadaster strengthening work done for the Municipality of Filadelfia with the other three municipal governments of the Central Chaco region: (1) Mariscal Estigarriba, (2) Loma

Plata, and (3) Primer Teniente Manuel Irala Fernandez. Such an initiative would mesh well with the *Chaco Integrado* partnership formed by the same four municipalities. If this initiative were to be undertaken, it would be beneficial to replicate the same successful process used with Municipality of Filadelfia.

- 9) Recommend a Pause and Reflect workshop late this fiscal year, just prior to implementation partner preparation of their FY2020 Work-Plan, so that the Work Plan better reflects partner needs. For any potential future projects of this nature, conduct a Pause and Reflect workshop at the end of year one of implementation and again in two years' time. The use of professional facilitators helps to best manage workshop time.
- 10) Increase work in the area of "input 1.2.1 – financial instruments" that focuses on Chaco cattle producers who find it challenging to obtain financial institution credit. Chaco cattle producers not connected to a cooperative face significant obstacles obtaining credit to implement more costly BMPs. It would be opportune to collaborate with the Paraguayan Roundtable for Sustainable Finance to investigate financial incentives for BMP implementation at the field-level.
- 11) PES is an "input" of Sub-Purpose 2; implementing partner has worked in fulfilling this input, but has been met with minimal results, especially when tied to forests controlled by Chaco indigenous groups. ET understands the implementing partner has an on-going study in this area, but it is believed PES is not currently a viable solution to Chaco forest conservation. At a reduced level of effort, continue to explore discrete opportunities, but without expending significant resources.
- 12) Prior to the inception of FCAA, USAID/Paraguay produced a well-crafted Logical Framework. Critical assumptions and conditions changed over time through the implementation of the project. The FCAA Goal and Purpose should remain unchanged. Sub-Purpose 1 and 2 remain equally valid and should not be modified, except for the focus on cattle production at the expense of soy. Sub-Purpose 3 (increased demand) was originally well conceived and implemented by the implementing partner. Many results from Sub-Purpose 3 have not met expectations. Recommend the Logical Framework be reviewed/modified prior to August 2019 so that a modified Framework can inform development of the Fiscal Year 2020 Work-Plan.
- 13) Immediately begin to investigate opportunities to best involve GOP ministries within the Alliance. Their involvement is key for several reasons: (1) obtain their support for Alliance goals/objectives, and (2) to improve their capacities to incorporate sustainable development standards promoted by FCAA into their environmental management policies and environmental licenses/permits. If a "Jurisdictional Approach" is adopted by FCAA, then the support of GOP ministries will be necessary. Include those GOP ministries that have a direct role in cattle management, Environmental License issuance, and forest management/conservation.
- 14) The Goal of FCAA is very clear and well designed, but the message of GCC and reduction of carbon emissions does not resonate well amongst conservative Mennonite cooperatives in the Central Chaco region (GCC is not a shared significant concern for them). ET recommends this FCAA Goal not be in the principle message to Alliance members, Chaco cooperatives, or rural cattle farmers. Rather, the public message for FCAA should focus on the Project's "Purpose", the conservation of Chaco forests.
- 15) FCAA to work with Alliance to create a process to seek a shared common vision of a sustainable future for Chaco cattle producers. The vision would be to incorporate many elements of municipal Land Use Plans and beyond.
- 16) FCAA conclude the important work of establishing baseline data for the 20 model farms and then move into the important work of implementing BMPs on-the-ground. In the case of small- to medium-scale ranchers who lack the financial means currently to undertake the more

expensive BMPs, begin with the implementation of those BMPs that do not require significant expenditures of capital. Concurrently, continue the important work of collaborating with the Paraguay financial sector to obtain needed financing for BMP implementation for small- to medium-sized producers.

- 17) The life of the Alliance beyond the life of the project is uncertain. Recommend the Alliance develop a vision apart from FCAA goals/objectives that work to support sustainable cattle production in the Chaco. Additionally, continue working with these entities that FCAA has spawned and/or supported:
 - a. Integrated Chaco;
 - b. Paraguayan Sustainable Finance Roundtable;
 - c. Paraguayan Sustainable Beef Roundtable.
- 18) FCAA's implementing partner has several other projects operating in the broader Chaco region (inclusive of Brazil, Bolivia, and Argentina) that are financed by the Moore Foundation, Government of The Netherlands, and others. In any potential future USAID/Paraguay initiative similar to FCAA, it would be very effective for all entities to come to the table during project development to prevent a duplication of activities.
- 19) Model rancher visits/interchanges (information and sharing of experiences) at three levels: (1) between cattle farmers in Alto Paraguay and Chaco Central regions, (2) between FCAA Project ranches and sustainably managed Paraguay ranches beyond the Chaco region, and (3) between FCAA project ranchers and sustainably managed ranchers in adjoining countries with Chaco or Chaco-like ecosystems (i.e. nearby Argentina or Brazil).

EVALUATION PURPOSE & EVALUATION QUESTIONS

EVALUATION PURPOSE

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The findings and recommendations from this evaluation will help to make necessary adjustments during the second half of the ongoing Activity (through September 2020) and will also help to identify new or expanded interventions in the case that USAID decides to continue supporting this sector in Paraguay.

The primary evaluation audiences are:

- USAID Mission in Paraguay and the Environment Team in the Latin America and Caribbean (LAC) Bureau's Regional and Sustainable Development Office (LAC/RSD);
- FCAA partners: WWF, the Wildlife Conservation Society (WCS), Minerva Foods Inc., Neuland Cooperative, the Association of Municipalities in the Central Chaco, and the International Finance Corporation (IFC); and
- Paraguayan Government (Ministry for the Environment and Sustainable Development, National Forestry Institute), environmental NGOs, private sector companies working in beef production.

USAID will also disseminate the evaluation findings to secondary audiences, such as other USAID Missions working on related programming, E3's Global Climate Change (GCC) Office's Sustainable Landscapes team and the Forest and Biodiversity Team, and USAID's Office of Land and Urban. Other donor partners such as the United Nations Development Programme's "Green Commodities Program" and the Paraguayan chapter of the Roundtable on Sustainable Beef will also be interested in the findings, as would global partnerships such as the Tropical Forest Alliance 2020.

EVALUATION QUESTIONS

The evaluation posed five questions of personnel/organizations within and outside of the FCAA Activity. It is important to note that the evaluation questions were refined with USAID following the Pause and Reflect Workshop and do not necessarily reflect the same wording as the original questions stated in the SOW. However, these final evaluation questions were approved in the Evaluation Matrix as part of the workplan. The recommendations that resulted from this evaluation are presented in the "Findings, Conclusions, and Recommendations" section of the report.

The five performance evaluation questions are as follows:

- 1) What are the strengths and weaknesses of the FCAA project approach?
- 2) What is your vision of the Alliance?
 - a. What are the advantages and disadvantages of being part of the Alliance?
 - b. Is there enough interest and financial commitment to continue working as an Alliance after USAID support ends?
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PROJECT BACKGROUND

USAID's Forest Conservation and Agriculture Alliance (FCAA) Project seeks to reduce Greenhouse Gas (GHG) emissions in the production of beef and soy in Paraguay by increasing investments in climate change mitigation with the participation of the private and public sectors. In addition, it aims to improve productivity in the beef sector and promote the development of sustainable landscapes.

The Alliance brings together a range of actors uniquely positioned to accomplish its mission. The World Wildlife Fund (WWF) and the Wildlife Conservation Society (WCS) are serving as the FCAA's primary implementing partners, providing expertise on how to build environmental sustainability into agricultural operations. The International Finance Corporation (IFC) is also partnering with FCAA to develop and increase access to favorable financial products for producers who adopt more sustainable practices. Two private sector partners, Minerva (Paraguay's second largest beef exporter) and Neuland Cooperative in the Chaco, have joined FCAA, and the Association of Municipalities in the Central Chaco is the public sector partner participating in the Alliance.

Given the organizations that are participating as partners in the Alliance, most of the Activity focus to date has been in the Chaco region working on the beef sector. There have been a limited number of activities focusing on the drivers of deforestation from the soy sector in the Atlantic Forest (eastern) region of the country. The Alliance works together with the Round Table on Responsible Soy (RTRS), an international multi-stakeholder initiative that works to promote sustainable soy production and to support selected soy farmers to make the final step toward RTRS certification. The project is also providing a grant to a local NGO, *A Todo Pulmon* (ATP), to implement reforestation components in the soy belt.

The overall purpose of this Activity is to avoid deforestation and reduce GHG emissions by incentivizing a shift from traditional agricultural expansion (which has been associated with forest loss and degradation and is fueled by the demand for soy and beef) to a landscape of sustainable agricultural production in harmony with protection of forest ecosystems. The Forest Conservation Agriculture Alliance is working to achieve this by focusing on three main lines of action; each line of action has its own Theory of Change:

I. Increasing the supply of sustainably produced beef and soy

Standards for Best Sustainable Practices (BSPs) have been tailored to two distinct geographic regions (Central Chaco and Alto Paraguay [northeast Chaco region]) and are being implemented by producers. The FCAA seeks to slow traditional agricultural expansion, and associated forest land clearing (significant source of carbon emissions), by providing win-win outcomes for producers through their voluntary adoption of BSPs; this occurs by increasing their productivity and securing access to new markets. FCAA is implementing the BSPs that will help producers generate increased income on their farms in a sustainable way, without the need to expand into forested areas. At the same time, FCAA is identifying markets and traders that recognize this as a key element in their procurement strategy.

In addition, FCAA is promoting incentives for producers to adopt BSPs. Issues surrounding the supply chain in relation to producers being influenced by demand for sustainable product include the following:

- (i) Generating increased markets for Paraguayan beef and soy provides an incentive for producers to adopt the BSPs;
- (ii) Ensuring that the product can be traced from the sustainably operated farms – and through the supply chain – is the only way buyers can be assured that they get the product they want;
- (iii) Positive recognition of producers adopting BSPs provides a reputational incentive; and
- (iv) To maintain access to markets, producers must be able to generate an adequate supply; access to finance bolsters producers' ability to generate that supply.

Theory of change: **If** producers are connected to markets via traders demanding sustainability; **if** their product can be successfully traced through the supply chain; **if** they have the financing to generate enough supply to meet the needs of their buyers; and **if** they are recognized for their efforts, *they will be more likely to adopt BMPs. If they adopt BSPs, deforestation will be reduced, and along with it, GHG emissions.*

2. Increasing the sustainable land use management of key landscapes

FCAA enables policies and sustainable landscapes visions. FCAA is designing and implementing a Sustainability Vision for given landscapes (Chaco and Atlantic Forest regions), incorporating economic, environmental, and social variables. In combination with the FCAA's technical assistance for the implementation of actions toward the vision and strategies, plus mapping and monitoring methodologies in place and, the support/strengthening of enforcement agencies, the existing laws will more effectively achieve their goal of curtailing the loss of forests.

In parallel, FCAA supports improved land use management and forest restoration. FCAA is bolstering the implementation of the existing laws (the forest code, zero-deforestation law, Payment for Ecosystem Services (PES) law, and others) designed to stem forest loss and develop livelihood options for smallholders that are tied to healthy forest ecosystems and BSP implementation in agriculture. The Forest Law has a requirement for reforestation under certain conditions; FCAA provides technical support for reforestation and restoration efforts, making those efforts more successful. Developing forest-dependent alternative livelihoods for smallholders is designed to address the –issue that many smallholders are so financially strapped that they are renting their lands to agricultural developers.

Theory of change: **If** smallholders can make a living that is tied to a healthy forest ecosystem, **then** they will be financially able to withstand the offers to rent their land, and *will maintain their forests intact.*

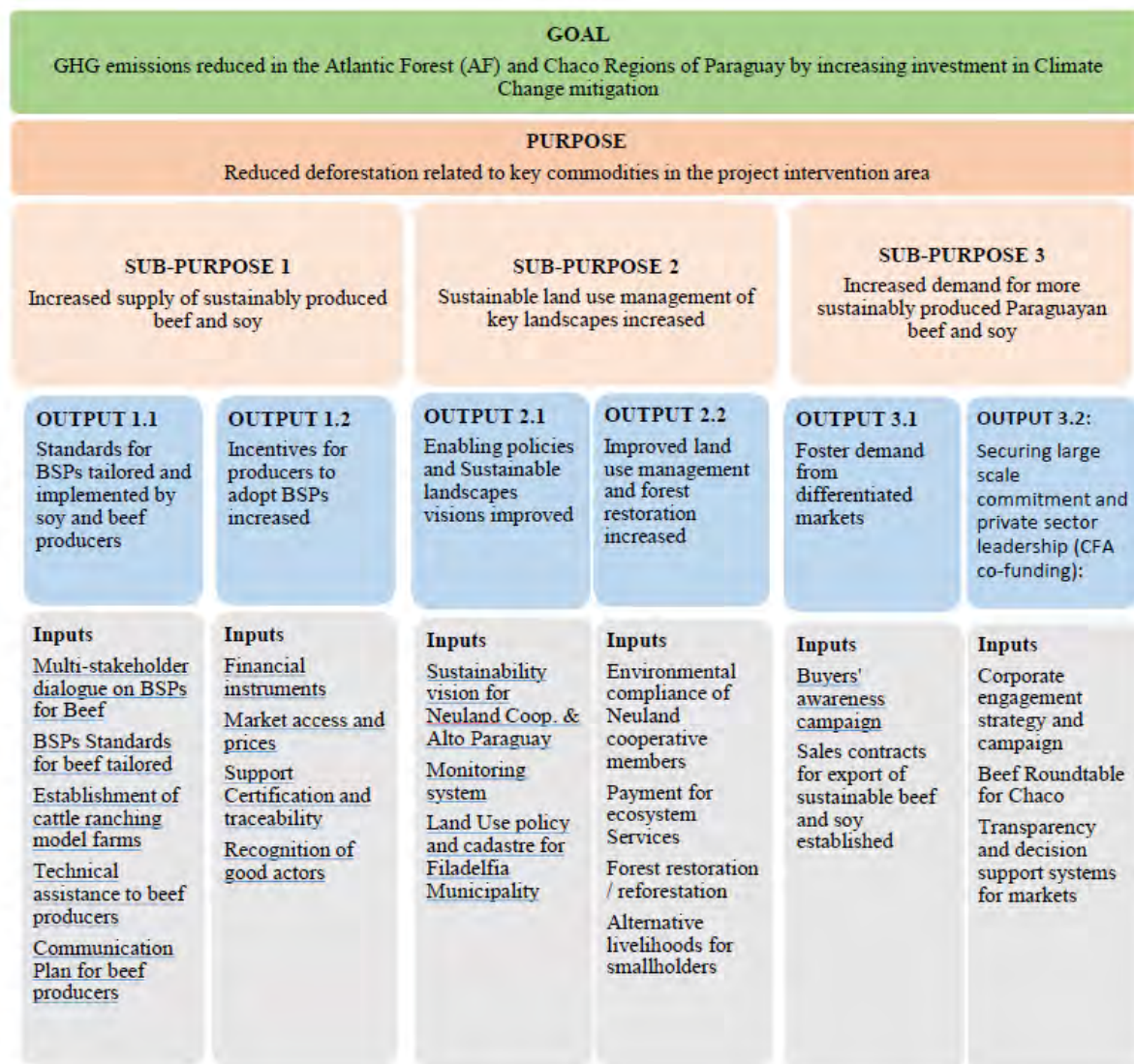
3. Increasing demand for more sustainably produced beef and soy.

The supply chains for soy and beef stretch from the producer to the trader to the corporate buyers to the retailers to the consumers; efforts are needed to spur demand throughout the supply chain. Initiatives under this component are two-pronged: (1) focus on demonstrating that there are differentiated markets that are interested in paying more for sustainable beef (business case) and (2) promoting and supporting the implementation of deforestation-free commitments of traders and retailers on a larger scale (in coordination and cooperation with the Collaboration for Forest and Agriculture and Green Commodities initiatives).

Theory of change: **If** importers desiring sustainable products are more aware of the availability of sustainably-produced products available from Paraguay, **then** links can be established with traders, and producers will have an incentive to adopt BSPs and FCAA can demonstrate that there is a business case

for adopting BSPs. **If** links are established between importers desiring sustainable products, through trade fairs, networking events and marketing campaigns, **then** demand will increase, sales contracts can be signed, and sustainable products will flow through the supply chain.

Also, **if** key companies are enabled to be more effective in cleaning their supply chains by strengthening their commitments to deforestation-free commodities, **and if** producers are enabled to adopt practices that yield better environmental performance, **then** it is possible to make a difference using sourcing commitments to drive improved practices through the supply chain, as downstream market actors are an increasingly potent leverage point for influencing the production of beef and soy. *The companies that have made early commitments will spur other key companies to implement their own commitments to eliminate any remaining deforestation in their beef and soy supply chains.*



EVALUATION METHODS & LIMITATIONS

METHODOLOGY:

A detailed Evaluation Design Matrix was developed utilizing USAID evaluation resources located within USAID's Learning Lab publically-accessible website. USAID/Paraguay reviewed/approved the Design Matrix to ensure the proposed methodology concurred with Mission expectations. The evaluation used a primarily qualitative approach through participant interviews. The open-ended questions utilized in an interview allowed for in-depth information collection on opinions and experiences for which a quantitative data collection method would not allow. The Evaluation Design Matrix was a primary component of the overall Work Plan (WP) for the evaluation; the WP was developed prior to the interview process and approved by USAID/Paraguay. Primary WP components (reference Annexes II and III) included:

- 1) Chronogram – details sequencing of discrete evaluation activities;
- 2) Matrix – listing of five principle questions and sub-questions, along with data collection methods;
- 3) Listing of potential people to interview and interview questions per person; and
- 4) Evaluation team members – roles and responsibilities.

The evaluation began with a desk review of project documentation, such as project proposal, project strategy, annual reports, M&E plan, monitoring reports and data, Performance Monitoring Plan/Results Tracking Table, and Paraguay beef sector reports. The team also reviewed Government of Paraguay (GOP) strategies addressing the forest conservation sector, beef and soy sectors, and environmental sector regarding “environmental licenses” (needed to clear land for agricultural/range purposes) issued by the Ministry of Environment and Sustainable Development (MADES in Spanish).

During the evaluation field work, the ET applied primary data collection methods, primarily semi-structured, in-depth-interviews of FCAA and Alliance stakeholders, GOP ministry personnel, entities working on sustainable beef production and land use management not directly affiliated with FCAA; discussions with Project managers, technical staff, Best Management Practices (BMP) technical assistance providers; and project beneficiaries, as well as non-beneficiaries. Inquiries focused on perceived Project effectiveness, constraints inhibiting effectiveness, and suggested means of overcoming these constraints. Key informants included FCAA staff, involved USAID/Paraguay personnel, sub-awardee and implementing partners within Asuncion and the Central Chaco region, and GOP representatives at national and municipal levels.

Because of limited time spent in the field, fieldwork did not include direct observation of Project activities such as on-ranch implementation of BMPs or biodiversity monitoring work performed; ET visited one municipal land planning unit and viewed FCAA-supported mapping products.

Sample:

Project personnel, USAID staff, and lead evaluator selected a mixed sample of interview sites/people, representing the Central Chaco agro-ecological zone and stakeholders/non-stakeholders in the City of Asuncion. Other considerations for sample selection included the ET's ability to visit multiple sites in the time available for the evaluation. The ET conducted 37 key informant interviews; reference Annex IV for a listing of people interviewed.

Analysis:

Daily, the ET recorded field notes and convened regularly to discuss and process emerging findings. The ET thus began preliminary analysis in-country during and after fieldwork. The Pause and Reflect Workshop immediately prior to the ET field provided initial findings to a sub-set of the ET. The ET continued its analysis post-mission using qualitative analytical methods.

LIMITATIONS:

Sustainable soy production in the eastern/Atlantic Forest region was an initial area of FCAA work, especially in the area of soy certification (achieving international sustainability standards). Over time FCAA moved to focus a preponderance of activities in the Chaco region working in sustainable cattle production. The ET's SOW did not include interviewing people working with sustainable soy, nor visiting the eastern/soy region of Paraguay. Additionally, all five of the Evaluation questions focused on cattle production. As a result of the lack of prioritization of sustainable soy production in the evaluation, the ET has recommended completely shifting the project focus to sustainable cattle production rather than soy.

Not all ET members were able to participate in the Pause and Reflect Workshop preceding the mission. The varied experience of ET members was both a challenge and a benefit: a challenge in that not all ET members were thoroughly familiar with the USAID performance evaluation process, and a benefit in that "fresh eyes" from varied professional backgrounds brought new analytical insights to the table. To mitigate this challenge, when in-country, the ET members worked diligently as a functioning team to share their observations and interpretations and traveled together in the field to ensure consistency in observation and interpretation.

Considering the ET's in-country time, interviews focused on two urban geographic areas: Asuncion and three municipal centers in the Central Chaco region; no on-ranch interviews were undertaken. Limited in-country time (March 18 – 27 [not inclusive of travel days]) precluded travel to two important FCAA work areas: Atlantic Forest region of eastern Paraguay and the Department of Alto Paraguay in the extreme northeast region of Paraguay. Additionally, it would have been valuable to have visited, and talked with, Project ranchers and cattle ranches, and to have seen firsthand baseline monitoring work accomplished on ranches; limited time in-country did not allow for this to occur. However, the ET was able to interview two Alto Paraguay cattle farmers who have FCAA model farms; one interview took place in Asuncion and the other in Filadelfia.

Given the allotted time for fieldwork, the ET did not review all field interventions promoted by the project. The ET prioritized those activities undertaken in the Central Chaco geographic region that had interventions considered as making a relatively high contribution toward achieving overall project

objectives. The ET recognizes that the resulting trade-off was inadequate attention to non-Central Chaco activities, including the one region devoted to sustainable soy activities. This report includes observations of activities not visited in the field, yet discussed by people interviewed.

FINDINGS, CONCLUSIONS & RECOMMENDATIONS

Principle recommendations derive from responses of people interviewed regarding the five questions USAID/Paraguay selected for the ET. Additionally, numerous findings, conclusions, and recommendations arose apart from USAID/Paraguay's listing of five questions as a result of responses from people interviewed. The Methodology section of this report details how numerous FCAA stakeholders, and people not directly affiliated with FCAA, provided responses that directly led to the following recommendations.

FINDINGS AND CONCLUSIONS:

This section of the report includes both Findings and Conclusions. Findings/Conclusions are not co-mingled, rather for each of the Five Principle SOW Questions, and associated sub-questions, Findings and Conclusions are presented separately. Findings are factual statements based on the data collected during the interview process; ET opinions are not included. Conclusions synthesize and interpret the findings and judgements are made by the ET that are supported by one or more specific findings.

1) What are the strengths and weaknesses of the FCAA project approach?

With the concurrence of USAID/Paraguay, the scope of Question One was expanded beyond what was initially contemplated. Initially, Question One only focused on the strengths/weaknesses of the project approach as perceived by FCAA non-partners; the scope was expanded to list the perceived strengths/weaknesses by both non-partners and FCAA partners. Of note is that of the 37 people interviewed, the majority had neither an overwhelming number of strength nor weakness comments, although the ET received more weakness responses than strength responses.

Weaknesses were interpreted by most people interviewed as Project areas in need of improvement. For each of the following "weaknesses" (Project areas needing improvement), a corresponding "recommendation" has been provided in the Recommendation section of this Report. In lieu of listing all the strengths/weaknesses, the ET determined the 15 most important areas to provide as "strengths". "Weaknesses" voiced by interviewees were more numerous than "strengths," therefore the 20 most significant weaknesses are listed.

FINDINGS - Project Strengths:

- 1) Through the Alliance partnership, the Project brings together representatives from two broad sectors that have traditionally had an acrimonious relationship: (1) cattle/beef production and (2) Paraguayan environmental groups. Through four years of the FCAA Project, a level of confidence has developed between Alliance partners, something that did not exist prior to the inception of FCAA. Confidence leads to the building of trust between actors.
- 2) The Alliance works with partners from diverse sectors: cattle/beef producers, environmental NGOs, beef industry, financial sector, and a municipal government.

- 3) Alliance partners have widely different goals and objectives as individual entities, but through the Alliance are working together to achieve a common goal – sustainable (encompassing social, environmental, and economic standards) cattle production that works to conserve Chaco forests.
- 4) FCAA works to create and strengthen important, independent Paraguayan bodies:
 - o Paraguayan Roundtable for Sustainable Beef – FCAA collaborated in its development;
 - o Paraguayan Roundtable for Sustainable Finance (*Mesa Paraguaya de Finanzas Sostenible* in Spanish) – created prior to FCAA
 - o *Chaco Integrado* – a formal organization of the four municipal governments covering the Central Chaco region, with the goal of bringing together various projects and initiatives that are executed in the Chaco and coordinating and integrating them sustainably to achieve efficiency and effectiveness; FCAA collaborated in its development.
- 5) Synergies have developed working with other actors that are considered “non-traditional” for the implementing partner. This is beneficial to the implementing partner because they have been able to successfully collaborate with organizations with whom they had been unsuccessful working in the past.
- 6) Strengthening of the Municipality of Filadelfia’s “land use planning” office; with FCAA hardware and training support, a fully functioning Land Use Planning office now exists that provides information on land ownership, land cover, etc. This is important because the Municipality of Filadelfia can now more easily manage and track land use changes in their municipality.
- 7) Leveraging of funds by partners demonstrates their seriousness to work together in the Alliance. Leveraging is positive because different partners are able to do more with the modest funding from FCAA.
- 8) Project produced two Best Management Practices (BMP) Manuals for cattle management (Central Chaco and Alto Paraguay regions).
- 9) Project working to conserve Chaco forests within two broad geographic areas that have seen significant deforestation and cattle ranch development over the last 20 years:
 - o Alto Paraguay (northeastern section of Paraguay)
 - o Chaco Central
- 10) Chaco cattle producers in the Alliance desire to (1) produce cattle without destroying forests that are important for biodiversity conservation and as carbon sinks for global climate change mitigation; and (2) comply with Government of Paraguay ([GOP] [INFONA]) forest conservation regulations.
- 11) There is increased cattle producer interest in wildlife conservation and the conservation of key species through work done by sub-grantee Wildlife Conservation Society.
- 12) Producers now realize that cattle production and forest conservation are complementary since there are now niche/incipient markets demanding sustainably produced beef; large-scale markets do not now exist for sustainably produced beef from the Chaco.
- 13) In the opinion of the Superintendent of Filadelfia, the municipality now has 5th best cadaster/GIS system in Paraguay, which is a vast improvement from the beginning of the Project.
- 14) Private sector Alliance partners potential/forthcoming utilization of the Alliance to better position themselves for international beef markets; highlighting the sustainable nature of their products to better enter demanding niche markets for specific cuts of beef and obtain higher economic returns due to access to these niche markets.

FINDINGS - Project Weaknesses:

- 1) The established structure (formal bylaws, roles/responsibilities, membership, etc.) of the Alliance, as it now exists, was not initially set up with the end goal envisioned of an independent body that would exist beyond the life of FCAA. The Alliance internal structure/governance is perceived as weak by its members at this time, years removed from when the internal structure was originally established. Therefore, Alliance members do not fully understand their role in the Alliance, perceive that they do not participate in decisions affecting the governance of the Alliance, and have not had the opportunity to fully benefit from what an Alliance of this type could offer.
- 2) There are poor internal and external communications within the Alliance. Additionally, actors not directly involved with FCAA view external FCAA communications as poor.
- 3) Range Management Technical Staff – the two current field, range management specialists are very effective, but the required work to be accomplished is more than what is feasible for either individual to complete in an efficient manner. Currently one technician is assigned to the distant Alto Paraguay region, and road travel times to and from Alto Paraguay from Asuncion are significant. The other technician works with cattle producers in the extensive region of Chaco Central. Since both technical staff are based in Asuncion, they spend a lot of their time traveling to reach their areas of work. Note the Neuland Cooperative and Minerva Foods both have their own, internal range technicians that coordinate with member ranchers in on-ranch range improvements. WCS has one technician that supervises other extension work not directly related to BMP implementation.
- 4) The two existing FCAA-produced BMP manuals are considered very well executed, but their complexity and size (greater than 130 pages each) make them unwieldy and unusable by field technicians (too complex for on-the-ground BMP implementation).
- 5) FCAA's mandate is to work in two broad ecoregions (Atlantic Forest and Chaco) and two corresponding production areas: soy in the Atlantic Forest Region and cattle production in the Chaco Region. Over time the FCAA focus has significantly shifted in favor of the Chaco; some people interviewed see the Atlantic Forest work with soy taking away time and energy of the implementing partner for their Chaco sustainable cattle production work.
- 6) The entrance of sustainably produced Chaco cattle into demanding international markets requires strict BMP implementation, inclusive of both social and environmental standards:
 - a. All beef producers interviewed believe entering better paying, niche international markets is key, large-scale international purchasers of sustainably produced beef do not now view Chaco produced beef as meeting stringent sustainability conditions.
 - b. There is overall pessimism that the demand-side aspect of FCAA will work because it is such a complicated, worldwide issue.
 - c. International niche markets for quality/sustainably raised beef are very small; therefore, existing premium prices paid for sustainably produced beef from the Chaco will not be reflected in the overall price of Chaco beef sold on the international market.
 - d. There is no clear plan how to best position Chaco beef in the international market. Sustainable beef export focus of the Project when most Chaco beef producers do not have the capacity to enter/compete in markets that demand quality grass-fed beef.
 - e. Paraguay exports the majority (more than 60%) of its beef; the two largest current markets are Russia and Chile (note that neither Russia nor Chile pay premium prices for grass-fed beef).

- f. Worth noting that the opposite is true for international, sustainable soy markets; a well-developed supply chain exists to meet international demand for sustainably produced soy.
- 7) The question was raised as to whether there is a clear linkage between WCS's biodiversity/mammals monitoring work (camera traps, publications, outreach, etc.) on Chaco range lands and FCAA's forest conservation mandate. Since the USAID GCC/Sustainable Landscapes funding for this project must be used to support the reduction of emissions, there is a question as to whether these funds have been used in the appropriate manner in this project.
- 8) Three of the municipal governments that make up the Central Chaco region are aware of the Municipality of Filadelfia's FCAA work to bolster their previously weak land use planning department. A perceived FCAA weakness is not working in this area with three other Central Chaco municipal governments.
- 9) FCAA and Alliance partners who participated in the recent Pause and Reflect workshop saw much benefit in such a working space, yet lamented the fact that a workshop of that nature had not occurred much earlier in the life of FCAA.
- 10) Many Chaco cattle producers have a difficult time obtaining financial institution credit to implement BMPs; this is neither an issue for large-scale cattle operations nor cooperatives who self-finance BMP implementation.
 - a. This lack of financial institution credit is, and will be, a significant limiting factor in BMP implementation amongst small- to medium-scale cattle producers.
 - b. There is a lack of financial incentives for BMP implementation at the field-level.
- 11) Implementing partner has experienced many difficulties in implementing Payment for Environmental Services (PES) in Chaco Region, especially among indigenous communities and their associated forests. A primary hurdle is finding national or international parties (primarily financial institutions) willing to fund forest conservation of indigenous lands over a long period of time; this difficulty is not unique to Paraguay.
- 12) Is the Logical Framework developed in 2014 still a valid model after four years of implementation? Thorough analysis of Logical Framework discussion from Pause and Reflect workshop should help address any uncertainty.
- 13) FCAA has written MOUs with MADES, INFONA, and other GOP agencies, but there is a lack of involvement of GOP ministries and other powerful cattle producer associations within the Alliance, viewed as a limiting factor, especially since those entities have direct influence of forest conservation and cattle ranching in the Chaco region.
 - a. GOP ministries have relatively good laws/regulations protecting forests, but field enforcement/monitoring appears to be weak in the Chaco region.
 - b. GOP ministries/institutions of interest: Secretary of Planning, Ministry of the Environment and Sustainable Development, Ministry of Agriculture and Cattle, National Institute of Forests.
 - c. Rural Producers Association (ARP) – not a GOP ministry, but a powerful cattle producer association.
- 14) For the implementing partner, it has been difficult to gain the confidence of non-traditional partners, and they must overcome significant amount of animosity due to past national-level conflicts between the Paraguay environmental community with the large and the cattle/beef industry. Note that the implementing partner has made much progress in this area since the inception of FCAA, but additional trust building work remains to be accomplished.
- 15) There has been less of a focus on the overall goal of greenhouse gas (GHG) emissions reductions; GHG emissions reductions is integral to Global Climate Change (GCC) mitigation.

Among conservative Mennonite cooperatives in the Central Chaco region, GCC is not a shared significant concern.

- 16) Alliance vision of a sustainable future (within the time constraints of the Alliance as now functioning) is not shared by all partners.
- 17) There is poor implementing partner Project management, specifically regarding communication and Alliance governance.
 - a. Implementing partner administration is seen as less than ideal by some Alliance members. High overhead costs perceived by some Alliance members. ET note – overhead costs are within USAID norms; ET does not see this as a valid issue, but this negative perception held by some Alliance members.
- 18) FCAA is not viewed as doing real on-the-ground work. There is a desire stated to begin BMP implementation as soon as possible.
- 19) There is a question of relevance of the Alliance, now that the following three Paraguayan actors have been formed and are operational in the Chaco:
 - a. Chaco Integrado – a four municipality government partnership;
 - b. Roundtable for Sustainable Finances;
 - c. Roundtable for Sustainable Beef

CONCLUSIONS:

The “strengths” identified above detail the aspects of the FCAA Project that partners, and people/organizations with no affiliation to FCAA, perceive the implementing partner to be doing well and advancing the overall Purpose and objectives of FCAA. The above “strengths” listing makes no mention of FCAA’s work with sustainable/certifiable soy in the eastern region of Paraguay. As discussed in the “limitations” narrative earlier in the Report, the ET did not interview anyone working in the soy sector. One of FCAA’s primary implementing partners in the Atlantic Forest region, *Fundacion Moises Bertoni*, was interviewed, but the interview centered around their work with sustainable financing for the cattle sector; their work with soy certification was not discussed.

An analysis of “weaknesses” demonstrates many opportunities to make improvements to FCAA implementation so that the Project is more effective and leads to improved accomplishments within the three Sub-Purposes and corresponding outputs/inputs. The “demand side” (or “Sub-Purpose 3”) has been problematic in making significant progress in addressing Outputs 3.1 or 3.2; the primary obstacle encountered by the implementing partner is potential large-scale/international purchasers of sustainable beef do not encounter a sustainable beef supply chain that is ready at this time. The implementing partner has devoted much effort to this area of work, but it appears the supply-side of the equation (sustainable cattle/beef incorporating Project BMPs) is not ready at this time (relatively few Project supported Chaco beef producers have implemented BMPs) for demanding international beef purchasers to make significant purchases at this time. Once Project BMPs are implemented on Project-assisted cattle ranches and once baseline monitoring work (assessment of range conditions, water developments (or lack thereof), forest reserves meeting legal requirements, etc.) is completed, international purchasers of sustainably produced beef will then be in a better position to consider sustainably-produced Chaco beef. Advances under Sub-Purpose 1 have been positive; numerous interviewees highlighted the “recognition of good Chaco cattle producers” event held during 2018 in Filadelfia as an event receiving favorable, national publicity.

Positive advances have occurred in Sub-Purpose 2, although two areas emerged as problematic during interviews: (1) PES and (2) alternative livelihoods for smallholders. The implementing partner has

pursued work in each area, but PES to conserve indigenous forest lands has run against a lack of viable markets (national and international) at this time to purchase carbon credits. The ET learned that an operating PES system exists in Paraguay for offsetting some significant environmental impacts of larger infrastructure projects (dams, highways, and large-scale commercial developments), although those larger-scale projects aren't located in the Chaco region at this time. Both of these work areas are addressed in the Recommendation section of this report. Note that the majority of the above listed 20 "weaknesses" have become Recommendations that are found later in this section of the report.

2) What is your vision of the Alliance?

One area of consensus amongst all people interviewed by the ET is the diverse range of stakeholders within the Alliance. The diverse range of stakeholders is most easily characterized by the "environmental community" (represented by WWF and WCS), Chaco cattle producers, municipal governments, and financiers (IFC) sitting down at the same table and discussing areas of mutual concern, primarily sustainable cattle production employing BMPs and conservation of Chaco forests. Many people interviewed emphatically stated that prior to FCAA, there was much enmity between the broader Paraguay environmental NGO community and cattle producers; the analogy of "rocks thrown between parties" was used by numerous people. All people interviewed stated that the Alliance has gone a long way to significantly improving the relationship, trust, and levels of dialogue between the broader Paraguay environmental NGO community and Chaco cattle producers.

2.1) What are the advantages and disadvantages of being part of the Alliance?

Amongst interviewees, there was much overlap between question number one (advantages/disadvantages of the FCAA Project) and this question specifically directed toward the Alliance. USAID/Paraguay did a good job of clearly articulating each question, but for many interviewees, "Project" and "Alliance" were synonymous. While the difference between Project and Alliance in English is very clear, much of this misunderstanding between Project and Alliance can be attributed to the name of the Project in Spanish; in Spanish (*Alianza Para el Desarrollo Sostenible*) people focus on the first word - "Alliance" (*Alianza*), hence a certain amount of confusion.

ET heard many more advantages than disadvantages to being within the Alliance.

The following is a non-prioritized list of advantages of being in the Alliance:

- The Alliance serves as a mechanism to break antagonisms between the broader Paraguay environmental community and cattle producers.
- Alliance has created new way of thinking about land management and BMP implementation so that forests are conserved and producers can sustainably manage their lands at a profit.
- Alliance has brought attention of the positive work the implementing partner is doing to producer groups/cooperatives working in the Chaco.
- There is an opportunity to create a brand for Alliance products.
- Producers are better able to position their beef for expanded international markets.
- There is an opportunity for individual members to think beyond traditional methods of cattle production and focus on sustainable production.
- Partners have the prestige of being part of a multi-stakeholder organization.
- There is an opportunity to exchange technology/ideas with other members of the Alliance.
- Producers are aligned with a USAID project which has potential positive use in international marketing.

- Producers have expanded their ways of thinking as a result of being part of the Alliance with regard to forest conservation (i.e. an Alto Paraguay large-scale cattle rancher has embraced wildlife corridors, something he/she could not have done prior to the Alliance).
- Alliance stakeholders are working toward a common/shared goal - increased productivity of cattle producers coupled with forest conservation.
- Alliance are seen as providing added value to Chaco cattle producers and beef supply chain companies. Cattle producers not in the Alliance aware of very positive dialogues between FCAA – Chaco cattle producers – beef supply chain companies.

The following is a non-prioritized list of disadvantages of being in the Alliance:

- The Alliance approach to sustainable beef does not align with the GOP (Ministry of Agriculture and Cattle) policies for cattle production.
- The Alliance is still seen as just a project at this time (hasn't been able to effectively grow and mature into a functioning body).
- Some cattle producers are put off by poor internal communications and lack of coordination amongst all parties.
- There is a lack of a “plus”/incentive to being in the Alliance, such as financial incentives.
- Alliance's focus on a reduction of carbon emissions is not productive to sell the advantages of the organization.

Chortitzer Cooperative (headquartered in Loma Plata) is the largest of the three cooperatives in the Central Chaco with 7,000 members, until now they have seen more disadvantages than advantages to being part of the Alliance. But by observing the FCAA and Alliance operations to date, they now see an advantage to being part of the Alliance; dialogue is currently underway to become an Alliance member. They see definite linkages between where they want to position themselves in the market and FCAA's goal of BMP implementation/sustainable beef, forest conservation, and preparing cattle producers to allow for a traceable beef supply chain. Noteworthy of the sophisticated nature of Chortitzer Cooperative, they are now working towards International Organization for Standardization (ISO) 14,000 certification, an international certification addressing social/environmental criteria.

2.2) Is there enough interest and financial commitment to continue working as an Alliance after USAID support ends?

Various people interviewed stated that the Alliance could continue after the FCAA Project ends (with zero USAID support), although most people stated they saw the Alliance coming to an end at the end of the Project. The current lack of a written governance structure and communication strategy does not bode well for the continuation of the Alliance beyond the life of the Project. Even though most people replied in the negative, many noted three self-sustaining initiatives spawned by FCAA that further the goals/objectives of the Alliance:

- Paraguayan Roundtable for Sustainable Beef;
- Paraguayan Roundtable for Sustainable Finance; and
- Integrated Chaco.

Factors working against continuation of the Alliance beyond the life of the Project include the following: (1) confidence building amongst parties is an on-going, slow process, (2) Alliance is still in its infancy and its functions/communications have never been consolidated, and (3) there is a lack of other key stakeholders (GOP ministries, indigenous communities, and small- to medium-scale producers not affiliated with a cooperative). Conversely, the many advantages listed on page 23 for individual parties to

be a part of the Alliance far outweigh the listed disadvantages; this demonstrates the many positive aspects to the Alliance and provides an impetus to reformulate/invigorate the Alliance to live up to its potential.

CONCLUSIONS:

The original vision for the Alliance stated a focus on reducing carbon emissions. Many conservative cattle ranchers in the Chaco region do not embrace the scientific consensus on GCC, and if they do, they see the solution in the hands of developed countries which produce the majority of carbon emissions. As a result, the original vision regarding carbon emissions takes away from the important message of sustainable cattle management that conserves Chaco forests. While the overall goal of the Project should remain unchanged, a new vision for the Alliance specifically is needed, and it should focus on Chaco sustainable cattle development and forest conservation. Recommend USAID/Paraguay work to improve the existing indicators to better measure advances made in this area of work and document the linkages between forest conservation and GHG emissions reductions.

All people interviewed stated that the Alliance has gone a long way to significantly improve the relationship, trust, and levels of dialogue between the broader Paraguay environmental NGO community, Chaco cattle producers, and municipal governments, moving from a toxic to a productive environment. Cattle producers interviewed stated until recently, they would not have sat down at the table with WWF/Paraguay for discussions, but the implementing partner's willingness to understand the perspectives of the cattle producers has led to increased dialogue among the groups. In many ways, this is a real, significant success story of the FCAA-founded Alliance, albeit one not reflected in FCAA official accomplishments to USAID/Paraguay.

From conversations with numerous people directly involved with the Alliance, and to a lesser extent those people not directly involved in the Alliance, there is much doubt the Alliance will survive as an organization without the direct support/leadership of the FCAA implementing partner. At this time, the FCAA implementing partner is the glue that binds the organization together, and without that "glue", the organization is unlikely to survive. At the outset of FCAA, a well-organized body with a solid governance structure was not established, resulting in the unconsolidated Alliance seen today.

It is important to note that the ET heard that some cattle/beef producers interviewed see a positive marketing link to working with a USAID sustainable beef project because of USAID's worldwide name brand recognition, although it is unclear if they see said linkage as helping to facilitate beef exports to the USA.

Important to note that the listing of advantages to being in the Alliance (reference page 23) is much longer than the listing of disadvantages (reference page 23). Recommend FCAA work with the Alliance to reinforce and further develop the many important advantages to being an Alliance member, thereby strengthening the Alliance and improving its outlook for a life beyond the timeframe of FCAA.

3) Is the current governance, management, and staffing structure for the project effective to ensure the achievement of the project's objectives?

Question three editorial note – This question was only posed to people representing organizations that had a knowledge of the FCAA management structure. Surprisingly, numerous people still discussed the "Alliance" structure versus the FCAA management structure. It is believed that confusion arises from FCAA's name in Spanish (*Alianza* [Alliance in English]) versus the word "Alliance" that refers to the multi-stakeholder organization.

Numerous people mentioned that one area needing attention is the lack of field-going range technicians in the Chaco region. Currently FCAA has a range technician for each of the two broad implementation regions, the Chaco Central and Alto Paraguay. These two individuals are the face of FCAA on the ground and the ET was informed both individuals are doing excellent work. But as FCAA moves from baseline monitoring on the 20 Model Farms to on-the-ground BMP implementation, two range technicians will be insufficient. Producers would like to see a permanent presence in the Project work areas of Project field technicians. Since both technical staff are based in Asuncion, they spend a lot of their time traveling to reach their areas of work when they could be spending more time actually working on the ground.

Due to numerous communication issues heard by the ET, the fact that FCAA's primary communication specialist is part-time becomes an issue.

3.1) What are the external communication agreements between members?

Most people interviewed mentioned the less than adequate external communications as a point of contention. Communication is key to establishing and maintaining identities for FCAA and for the Alliance, external communications were identified by interviewees as neither consistent nor effective.

An exception to the overall poorly perceived external communication efforts is the FCAA plan developed to inform Chaco cattle ranchers of the benefits of BMP implementation; that initiative has been successful. The two BMP Manuals developed were well-communicated to a broad audience. Another successful external communication initiative were FCAA radio and audiovisual efforts, including a well-attended meeting in Filadelfia to recognize outstanding cattle farmers participating with FCAA, were well-received by Chaco cattle ranchers.

Many of the implementing partner decisions directly impacting the Alliance's functioning are neither well communicated nor transparent to Alliance members. External communications have often not occurred in a timely manner leading FCAA and Alliance members feeling "in the dark".

Transparency is very important to FCAA; good external communications foster needed transparency, but communications have not been effective leading to FCAA being viewed as less than fully transparent. The implementing partner has done a poor job of sharing information (reports, procedural changes, etc.) with Alliance partners.

To an extent, perceptions have changed as a result of the presence of two implementing partner range specialists being in the field on a routine basis; both have ranching backgrounds and both speak the language of rural cattle ranchers. Over time, Alliance members and Chaco cattle rancher partners have come to see the implementing partner not as the "enemy" they were once seen as, but rather as a partner working toward the same goals of sustainable cattle ranching and forest conservation.

Implementing partner has communicated information of Life of Agreement document with partners/stakeholders, but has not shared as much information as they should have at each step of the Project. The Alliance does not have a clear governance structure, therefore, implementing partner has made decisions regarding communications that were not strategic; their approach was more reactive than proactive.

A higher-level communication issue is the ability of the implementing partner to communicate the importance of reduction of greenhouse gases in the Chaco, and its connection to sustainable cattle production. There is a reluctance of many Chaco cattle ranchers to fully embrace GCC and the need to reduce GHG emissions, as GHG emission reductions are seen more as a developed nation issue, not an issue for rural cattle farmers in the Chaco. While prioritization of reduction of GHG emissions resonates well with USAID, it does not resonate well with Chaco cattle ranchers. However, forest conservation does resonate well with the ranchers and implementing partner should work to convey message through this scope.

3.2) Is the current governance and management structure effective to ensure the achievement of the Alliance's objectives beyond the life of the project?

Similar to the responses to question 2.2, Alliance members stated that a lack of a solid governance structure has impeded its operations to date and does not bode well for the Alliance surviving as an independent body after the FCAA Project terminates. Alliance partners who brought their own money to the table to further the Alliance goals/objectives stated they would be very reluctant to do so without implementing partner support/direction. There is no clear strategic goal of the Alliance perceived by its members; nor is there a clear “road map” for the Alliance’s future direction.

CONCLUSIONS:

From a staffing structure standpoint, any increase in the number of field-going technicians would have to be offset by a reduction of implementing partner personnel in Asuncion because of availability of Project funds.

In general, external communications are seen as poor to minimally effective by FCAA partners, although there have been discrete, effective initiatives. As example of a discrete, but effective initiative was the 2018 FCAA field trip to Argentina with some Alliance members/partners to visit a novel silvo-pastoral system leaving 200 trees/hectare. Participants of the field visit felt the initiative visited was an effective learning methodology. After the field trip, what was seen and discussions held in Argentina were not effectively communicated with a wider audience. Market access should be driven by a strong communication focus; to date it appears that has not occurred.

Effective external communications with the very conservative and insular Chaco Mennonite community are not easy, it took time for Central Chaco cooperatives and the implementing partner to build trust/confidence through effective communications to ensure successful BMP implementation. Cooperative members of the Central Chaco region have seen much trust/confidence building since the inception of FCAA.

To improve external communications, the implementing partner needs to improve sharing annual reports and other relevant information with Project stakeholders as well as select non-Project stakeholders, such as the MADES, MAG, and INFONA. GOP ministries may or may not read reports/updates sent to them, but through sharing of information, goodwill and inclusion are built, thus furthering effective external communications into the future.

The responses to Question 3.2 paint a clear picture regarding the sustainability of the Alliance as currently configured. If the implementing partner wishes to see the Alliance continue beyond the life of

FCAA as a “stand alone” entity, then they must devote significant time/energy to address concerns Alliance members have regarding a lack of formal governance.

4) Does WWF's management and staffing structure address the personnel requirements of the project?

Question four editorial note - By design, this question was posed only to a small sub-set of interviewees: WWF and WCS. The rationale is that Question #4 addresses the internal structure of the implementing partner, hence the very limited people/organizations familiar with that structure.

There needs to be more of a full-time presence in the Chaco, specifically with respect to range management specialists. For the Chaco Central region, a Mennonite range specialist would instill a lot of credibility and the ability to more easily open doors. Two additional on-the-ground range specialists would go a long way towards BMP implementation on Model Ranches and beyond, especially with small-to medium-scale ranchers. Note that most large-scale cattle producers can fund their own technical experts for on-ranch work.

The current implementing partner team is talented, with a lot of motivation and synergy. Implementing partner staff take pride in working toward sustainable beef production in Paraguay. A relatively young implementing partner team brings in new ideas and energy. There are currently five full-time staff members (100% paid for by FCAA). Due to of the communication issues heard by the ET, FCAA's employment of a 100% Project-funded, part-time communications specialist is less than ideal.

4.1) With respect to the organizational chart, clear decision of the roles and responsibilities, and internal communications process?

Internal communications amongst FCAA staff appear good; weekly FCAA staff meetings play an important role in facilitating those communications. FCAA's governance structure is acceptable at this time, apart from the staffing issues mentioned above.

4.2) Is there a clear strategy for coordination between the different programs that WWF implements and the roles of the teams and the personnel assigned to them?

FCAA's implementing partner, WWF/Paraguay, manages several other projects in the Chaco region, all with non-USAID funding. Several of those projects work within the Chaco and Pantanal (eastern Alto Paraguay) regions. Implementing partner noted there exists a synergy among their various Chaco projects, and that there is learning among projects that is mutually beneficial. Conversely, the ET heard that it can be difficult for implementing partner to coordinate and prioritize work among the various projects. It is important to note that FCAA staff within the WWF/Paraguay building have segregated office spaces, in an effort to work toward maintaining a clear demarcation of FCAA staff. FCAA has five staff that are 100% FCAA paid; of those five, three are part-time employees (monitoring and evaluation specialist, communications specialist, and one range management technician). The remainder of the FCAA staff are not 100% funded by FCAA and their salaries come from FCAA and other WWF/Paraguay projects. ET heard that a “push-pull” dynamic exists with each part-time FCAA employee's time between FCAA and other assigned projects, sometimes distracting from FCAA work.

Below is a summary of non-USAID funded WWF/Paraguay projects working in the Chaco region (not all inclusive):

- (a) Pantanal – Chaco Initiative (PaCha); WWF/Paraguay and Bolivia: Promotion of BMPs through capacity building (similar goals/objectives to FCAA).
- (b) “Collaboration for Forests and Agriculture” with Moore Foundation funding: Promotion of sustainable cattle ranching and reduced deforestation in Brazil, Argentina, and Paraguay (similar goals/objectives to FCAA).
- (c) SuLu – Pantanal focused Project to promote climate change resilient planning within the region, inclusive of sustainable agricultural/range production.

CONCLUSIONS:

Overall, the implementing partner’s current team is very qualified and motivated. However, the existing range technicians are stretched too thinly to cover a lot of territory and many cattle producers, highlighting the need for additional field-going range management staff. Now that the compilation of baseline data is nearing completion on model ranches, the next phase is BMP implementation, a more robust field-going team is necessary to work with rural ranchers to assist in BMP implementation. The existing part-time, lead communications specialist (qualified individual in the eyes of the ET) is unable to devote the time/resources to FCAA that the position requires; highlighting the need for a full-time, lead communications specialist. Overall, there appears to be a lack of a coherent, up-to-date external communication strategy that allows FCAA to effectively share its messages and project successes with specific sectors of Paraguayan society. FCAA is accomplishing many positive tasks, the lack of a coherent communications strategy is hampering its overall mission.

By virtue that most of the partially USAID-funded FCAA staff in Asuncion are financed from various funding sources, competing priorities amongst non-USAID funded WWF projects working in the Chaco will dictate how personnel are worked on any given day. A clear picture of this division of labor amongst WWF project staff did not emerge to the ET. Although difficult to quantify, the ET believes that the various Chaco forest conservation/sustainable range management projects operated by WWF/Paraguay in the Chaco are having a synergistic impact. Implementation partner needs to clearly demonstrate to USAID/Paraguay how their Paraguay staff that is partially FCAA funded is working on other Chaco projects and how those efforts are working towards overall Chaco forest conservation and sustainable development; and how non-FCAA funded implementation partner staff are having positive benefits to FCAA.

5) Are pilot projects scalable, replicable, and feasible examples of sustainable practices that can be required by the Paraguayan Government to approve environmental licenses and land use plans?

Question five editorial note - Unlike the other four questions posed by the ET to people inside and outside of FCAA, responses to this question were much more diverse/divided. Note that Question #5 was posed to people directly involved with FCAA and/or Alliance, plus GOP Ministry personnel.

Of the three sub-questions inherent in Question #5 (scalable, replicable, feasible), there was a more divided opinion on “scalable” and “replicable” and more agreement on “feasible”. The consensus response to “feasible” was yes, that pilot projects are feasible both now and into the short-term future. Moving beyond “feasible” pilot projects includes the considerations of “scalable” and “replicable”.

Numerous respondents stated the replicable and scalable question cannot be answered at this time due to a lack of hard data (currently, there are natural resource and productivity baselines being compiled at

this time). The implementing partner has compiled, and continues to compile, much baseline data on each model farm so that the scalable and replicable question can be answered in a verifiable/scientific manner. If the effectiveness of any given BMP is to be accurately measured at some point in the future, an adequate baseline must exist. Other interviewees stated the pilot project work is neither scalable nor replicable at this time based on the effectiveness of pilot project implementation to date. There are many variables and complexities to understanding if the pilot projects are scalable, replicable, and/or feasible. A large-scale Alliance beef producer stated that in the absence of hard baseline data from GOP ministries, the producers rely on *Guyra Paraguay* (Paraguay environmental NGO) GIS data layers in the absence of verifiable national-level GIS data within GOP ministries.

GOP ministry personnel were not well versed on pilot projects in general, which links back to the communication issues highlighted earlier in this report. MADES personnel have not yet identified the connection between FCAA pilot projects and the implementation of BMPs and Ministry re-issuance of Environmental Licenses (*Licencias Ambientales* in Spanish). It is important to note that all 20 model ranches have valid Environmental Licenses in place. A respondent stated that pilot projects are neither scalable nor replicable at this time since changes must be made to Environmental Licenses for the pilot projects to be viable.

Another important consideration introduced by some people interviewed is the status of financial incentives. In the absence of financial incentives, the pilot projects are not easily replicated. Implementing partner desires for pilot farms to be replicated, but doubt exists if they can be replicated at this time.

Model Ranch cooperating ranchers – 10% of producers (more informed/affluent producers) - can scale-up and replicate BMP work done on their ranches due to adequate, or more than adequate, financial resources. 90% of ranchers do not have that potential due their inability to secure financing to implement BMPs. Some BMPs that lead to productivity increases (increased number of cattle per hectare) can take significant financial resources to implement. It is important that pilot project ranches share their learning experiences with neighboring ranches.

CONCLUSIONS:

Ranchers not involved with FCAA are moving ahead independently to implement aspects of BMPs, which addresses the issue of replicability to some degree. An example is neighbors of FCAA Model Farms noting whatever BMP work and replicating it on their own farms with zero assistance from FCAA. Chaco cattle farmers are coming to realize that sustainable production and forest conservation are not mutually exclusive goals.

In summary, ET heard a consensus that pilot projects are feasible, but insufficient data exists today to credibly/scientifically state that pilot projects are either scalable or replicable. ET believes that more thorough analysis of the effectiveness of the pilot projects that already exist could show that pilot projects are both scalable and replicable.

CONCLUSIONS – Beyond Scope of Five SOW Questions:

This section looks back at the original design assumptions that were formulated at the time of the FCAA development. This section answers the question - How have FCAA original project design assumptions changed over time? The following points respond to this relevant question:

- Growing international demand of green commodities and a focus on "green beef" markets – There is little doubt that this is a legitimate, on-going trend in developed countries. A beef industry executive informed the ET that his company is targeting the rising middle class in China who are desirous of higher quality, grass-fed beef. Based on much information the ET heard, it appears that in Paraguay, FCAA was a little ahead of its time regarding the “green”/sustainable beef paradigm shift; since the design of the Project, the Paraguay cattle/beef industry is looking to international “green” beef markets and embracing sustainable cattle production. Paraguay’s Sustainable Beef Roundtable and the Roundtable for Sustainable Finances are two prominent examples of Paraguay’s embrace of sustainable/“green” beef concepts. Emblematic of this trend is Cooperative working towards ISO 14,000 (socially and environmentally responsible producer) certification. ET believes this design assumption proved to be on target.
- REDD+ payments for forest conservation – Although this is a great idea that has been around for over 10 years, it has not caught on to any significant degree on a world-wide basis, even with much pushing by international conservation NGOs, USAID (world-wide), and other donors. While there are working, discrete examples world-wide, the international financial community in general has been reticent to embrace REDD+ to date. It is unclear if Paraguay’s National REDD+ strategy serves as an incentive to apply sustainable practices. ET believes this design assumption proved to be premature, unrealistic.
- Increasing beef demand in the USA and Europe – The following 2018 data from various sources depict an uneven picture of beef consumption. The data depicts recent rises and falls in per capita beef consumption the USA. Overall beef consumption per capita is increasing Europe-wide, although decreasing in the five most populous countries (Germany, UK, Spain, France, and Italy). Grass-fed beef is a definite trend in both the USA and the European Union (EU), but it is not a dominant factor in either international market. ET believes this design assumption proved to be partially (+/- 50%) correct.
 - World Resources Institute (24 January 2018): “The USDA sparked stories by predicting that Americans will eat a record amount of beef, pork and poultry during 2018. The meaty headlines aren’t necessarily wrong, but they don’t tell the whole story. Even while total US per capita consumption of meat has crept up over the past five decades, the mix of meats Americans eat has shifted dramatically, with the share of beef declining.” [underlining by report author]
 - USDA/Economic Research Service (4 June 2018): “Per capita red meat and poultry disappearance (amount used in domestic markets) is expected to reach record highs in 2018, eclipsing the previous high in 2004. Based on USDA forecasts, in 2018 Americans will have access to 222.4 pounds of red meat and poultry on a per capita. Average annual per capita disappearance of beef decreased 0.3 percent annually from 2000 to 2015 but has increased since 2016 and is expected to grow by 3.7 percent in 2018.”
 - Statista [<https://www.statista.com/statistics/679528/per-capita-meat-consumption-european-union-eu/>]: “Per capita consumption of meat is expected to increase in the

EU overall to 65.75 kilograms by 2020, whereas the individual big 5 countries (Germany, UK, Spain, France, and Italy) are predicted to experience a decrease in consumption.”

- UNDP's Green Commodities Program working to complement FCAA – ET spoke with the UNDP manager of the Green Commodities Program regarding their work with the GOP to build capacity to promote more sustainable cattle production. From general understanding of the UNDP Program, the ET believes that this original design assumption was well founded and proven to be on target.
- GOP committed to the objectives of the Project – The ET spoke with representatives of MAG, MADES, and INFONA regarding FCAA. One clear example of MADES’s commitment to sustainable cattle production is the creation of an office within MADES directly working toward sustainable cattle production – this is 100% in line with FCAA goals/objectives. GOP ministries may not be too familiar with specifics of FCAA implementation, but their policies are in line with FCAA objectives; in sum, this design assumption has proved true.
- Beef and soybeans continue to be the principle drivers of deforestation – ET did not gather any information directly regarding FCAA’s soy certification work in the eastern region of Paraguay; hence, no conclusions can be drawn. From discussions with people inside and outside of FCAA, it appears that land clearing for cattle production continues to put pressure on Chaco forests. ET learned that soy expansion in the Chaco region (not a FCAA work area) may be a looming concern regarding an increase in land clearing/deforestation. On a per hectare basis, soy production yields much higher annual returns than cattle production. Extensive Chaco grazing requires less than one animal per hectare, which is not a high financial return enterprise. ET believes this original design assumption proved to be on target.
- Markets are willing to pay premium prices for “green” beef – ET heard directly from numerous people interviewed regarding this design assumption. The current answer is decidedly “no”. ET heard that some beef exporters can access specific niche European (Germany and Switzerland named) markets paying premium prices, but only for smaller volumes of select cuts. Paraguay beef markets are working in this direction; the hope is that FCAA’s sustainable beef BMPs are moving the market in the right direction. ET believes this original design assumption proved to be premature.
- International companies are committed to taking deforestation out of their supply chains to minimize environmental, economic, and social risks, and improve their brand images. ET discussions with one, large international beef exporter affirmed that the above statement is exactly what that firm is doing at this time; said company is working hard to demonstrate to international purchasers that their beef is sustainably produced and respects international social and environmental standards. ET believes this original design assumption proved to be on target.

RECOMMENDATIONS

The following listing is prioritized, with number one being the highest priority. There exists a direct correlation between these recommendations and the FCAA “weaknesses” noted earlier in this report. All recommendations are made with one goal in mind – to improve the overall performance and effectiveness of FCAA so that Chaco cattle can be produced sustainably, forest conservation can be improved, and international markets for cattle producers can be improved/expanded. Beef product traceability is a hallmark of sustainably produced Chaco beef.

- 1) Multi-Stakeholder Alliance (separate from FCAA): A multi-stakeholder Alliance exists in theory, but the Alliance has no formal structure, poor communications (amongst members and the broader Chaco cattle producing community), and no defined roles/responsibilities. To use an analogy from protected area management, the Alliance exists at this time as a “paper park”. A “paper park” is a national protected area that exists on maps and within official documents at the national-level of a country, but the reality of a protected area on-the-ground is another matter. Recommendations to address this issue include the following:
 - a. Develop/implement a governance plan (bylaws, roles/responsibilities, membership, etc.) that addresses how to add new members, how members can depart the Alliance, frequency of meetings, and other internal business matters.
 - b. Investigate the best manner to involve GOP ministries (MAG, MADES, and INFONA) within the Alliance - perhaps in a role of less than full membership (“associate” members).
 - c. Develop a communication plan for the Alliance, addressing both internal and external communications.
 - d. Above actions will, to no guarantee, improve the likelihood that the Alliance has a life beyond FCAA.
- 2) Project needs to develop an overall communications strategy. ET recommends contracting with a third-party Paraguayan entity to do a thorough analysis of FCAA’s current communication operations. Follow up with recommendations; if necessary, it may be beneficial to consider how to re-structure FCAA’s overall communication operation, addressing both internal and external communications. Note that currently, the primary communication specialist works part-time. Recommendations to address this issue include the following:
 - a. As part of that analysis, investigate the need for a full-time communication specialist;
 - b. Conduct analysis to address communication needs and deficiencies in the areas of outreach, information dissemination, and all aspects of an effective communication strategy.
 - c. Implementing partner to continue the important communication task of maintaining/improving the relationship between Chaco cattle producers and the Paraguayan environmental NGO community. External communications are key to the maintenance/improvement of trust amongst non-traditional partners for implementing partner.
- 3) Implementing partner staffing:
 - a. The two current field, range management specialists are very effective, but the required work to be accomplished is more than either individual can accomplish in an effective manner. Investigate the employment of up to two additional range technicians to

provide quality services to Chaco cattle producers. These additional personnel will be needed as FCAA moves from baseline data collection of private ranches to BMP implementation. The final number of additional range technicians to be determined via the next FCAA Work Plan; the Work Plan should consider both full- and part-time range technician personnel.

- b. Communications – Communications emerged as a significant weakness/issue by most of the people interviewed; while both internal and external communications were of concern, there was more focus on external communications. At this time the implementing partner has one part time (100% FCAA funded) communications specialist; a part-time person is not capable of meeting the communications demands of the FCAA Project. A recommendation is to employ one full-time communications specialist to be better able to improve work in this important area.
 - c. By employing additional technical range personnel, FCAA should make corresponding cuts to less than 100% FCAA-funded staff. Positions to consider for a significant reduction of level of effort: climate change mitigation specialist, finance and administrative personnel, and secondary monitoring and evaluation personnel.
 - d. At this stage of FCAA implementation, there are part-time positions that are no longer necessary; those positions should be eliminated and resulting cost savings reassigned to other resource areas, including market development, incentives, and working with the financial sector to improve access to rancher credit.
 - e. Implementation partner to undertake a thorough review of their organizational chart to align it with where the Project is at this stage of implementation.
 - f. Implementation partner to develop a concise chart, or some other methodology, that clearly and transparently shows all the linkages between FCAA, its staff, all other implementation partner projects (and staff [non-USAID funded]) working in the Chaco with the aim of demonstrating potential synergistic effects of multiple projects.
- 4) FCAA has produced two high quality, comprehensive BMP Manuals (Alto Paraguay and Chaco Central regions); each Manual is more than 130 pages. While the overall length and thoroughness of each Manual is deemed appropriate, a significant impediment to their adoption/use by field-level cattle producers is their length. The manuals include much valid information that does not directly address the field implementation of BMPs. FCAA should produce a pocket-sized version of the BMP Manuals that only focuses on practical, field-level BMP implementation. Additionally, only one pocket-size manual/guidebook should be produced that will cover both geographic regions. The overall “tone” of the pocket-sized handbook should be 100% practical with emphasis on how BMPs are installed in the field. BMP implementation should be coupled with hands-on technical assistance by Project range technicians to ensure that the BMPs are being successfully implemented in the field.

Develop a “user-friendly” training package to disseminate important elements of BMP Manuals to Chaco cattle ranchers; geared to on-the-ground personnel; meaning practical, easy-to-understand concepts/practices. Training to encompass field exercises and visits to demonstration ranches.

- 5) Re-focus the Project’s geographic foci from two broad ecoregions (Atlantic forest and Chaco) to focus on the Chaco region (+/- 95% current level of effort), working exclusively in sustainable cattle production. The rationale for this shift is that during the implementation to date of

FCAA, the role sustainable soy plays in FCAA has gone from initially significant, to minimal as of March 2018. The Project should focus its efforts in one area for the remainder of the time said area being all that implies for sustainable cattle production in the Chaco. Additionally, forest conservation, and attendant reduction in GHG emissions, is a focus of FCAA. The amount of Atlantic Forest coverage in the eastern part of Paraguay is minimal when compared to the Chaco region, which is a case for focusing on where the most remaining intact forests are located.

This recommendation is not for a wholesale “walking away” from the eastern/soy region of Paraguay, FCAA to continue with any contractual obligations with soy producers and purchasers, but undertake no new soy initiatives. If a “phase two” of FCAA should result, recommend the project solely focus on sustainable cattle ranching in the Chaco region.

- 6) Sub-Purpose 3 addresses the topic of “increased demand for more sustainably produced Paraguayan beef and soy,” which is a well-conceived objective. FCAA has expended much work in this area, but with minimal results due to conditions (criteria for sustainable beef: social and environmental) not being in place at this time to effect an increase in demand for sustainable beef. FCAA is working diligently toward this goal, but on a relatively small-scale with 20 model farms. Conditions are not currently in place for Chaco cattle producers to enter demanding international markets (Japan, EU for example) due to a lack of widespread BMP implementation. Recommend the same level of effort in this area, but the implementation partner should change their strategic approach; consider utilization of a “jurisdictional approach”.
- 7) FCAA partner WCS has done very good work in identifying biodiversity/mammals located on Chaco ranch lands, inclusive of both pastures and forest lands. Land owners have responded very positively to the monitoring work done by WCS. Their bio-monitoring results have been widely disseminated. Two recommendations:
 - a. From now forward, deemphasize WCS monitoring work; FCAA to place more emphasis on on-the-ground BMP implementation;
 - b. WCS should undertake a survey of Alto Paraguay and Chaco Central cattle farmer/model farms and farms receiving no FCAA assistance, to determine if cattle farmers discern a linkage between biodiversity conservation and forest reserves (25% reserve, wind breaks, and riparian forests). Such a survey would help determine if a hard linkage exists between the biodiversity monitoring accomplished to date and forest conservation (FCAA “Purpose). ET heard much positive feedback of WCS’s biodiversity monitoring work (not directly related to reducing GHG emissions); ET did not hear from interviewees, nor background documentation, that WCS has made the clear linkage between their solid “biodiversity monitoring” work (camera traps, etc.) and forest conservation/reduction of GHG emissions; hence the need for the survey.
- 8) Replicate cadaster strengthening work done for the Municipality of Filadelfia with the other three municipal governments of the Central Chaco region: (1) Mariscal Estigarriba, (2) Loma Plata, and (3) Primer Teniente Manuel Irala Fernandez. Such an initiative would mesh well with the *Chaco Integrado* partnership formed by the same four municipalities. If this initiative were to be undertaken, it would be beneficial to replicate the same successful process used with Municipality of Filadelfia (analysis of each municipalities existing capabilities, staffing, cadaster equipment, etc.). A municipal government challenge in Loma Plata is that the boundaries of the

Chrotitzer Cooperative overlap to a large extent with the municipal boundary, which creates administrative challenges. By strengthening the cadaster capabilities of each municipal government, indigenous communities will be included in the work as well, which would be beneficial. It is important to note that there are significant differences between the three municipalities: size (Loma Plata is small compared to the large size of Mariscal Estigarriba), existing capabilities, and primary populations served (Mennonite, indigenous, mestizo).

- 9) By all accounts, the March 2019 Pause and Reflect workshop was well received by all participants. However, most participants stated the workshop would have been much more beneficial earlier in the life of FCAA. Recommended a Pause and Reflect workshop late this fiscal year, just prior to implementation partner preparation of their FY2020 Work-Plan, so that the Work Plan better reflects partner needs. For any potential future projects of this nature, conduct a Pause and Reflect workshop at the end of year one of implementation and again in two years' time. The use of professional facilitators helps to best manage workshop time.
- 10) Increase work in the area of "input 1.2.1 – financial instruments" that focuses on Chaco cattle producers who find it challenging to obtain financial institution credit. Chaco cattle producers not connected to a cooperative face significant obstacles obtaining credit to implement more costly BMPs. Credit for on-ranch BMP installation is not an issue for two categories of cattle producers: (1) Chaco cooperative members who have ample lines of credit available to them, and (2) large-scale/well-off cattle ranchers who have access to bank credit. It would be opportune to collaborate with the Paraguayan Roundtable for Sustainable Finance to investigate financial incentives for BMP implementation at the field-level.
- 11) PES is an "input" of Sub-Purpose 2; implementing partner has worked in fulfilling this input, but has been met with minimal results, especially when tied to forests controlled by Chaco indigenous groups. ET understands the implementing partner has an on-going study in this area, but it is believed PES is not currently a viable solution to Chaco forest conservation. At a reduced level of effort, continue to explore discrete opportunities, but without expending significant resources.
- 12) Prior to the inception of FCAA, USAID/Paraguay produced a well-crafted Logical Framework. Critical assumptions and conditions changed over time through the implementation of the project. The FCAA Goal and Purpose should remain unchanged. Sub-Purpose 1 and 2 remain equally valid and should not be modified, except for the focus on cattle production at the expense of soy. Sub-Purpose 3 (increased demand) was originally well conceived and implemented by the implementing partner. Many results from Sub-Purpose 3 have not met expectations. It takes time to implement the needed BMPs (social and environment) so that Chaco beef can meet demanding criteria of niche markets that pay premium prices. Recommend the Logical Framework be reviewed/modified prior to August 2019 so that a modified Framework can inform development of the Fiscal Year 2020 Work-Plan.
- 13) Immediately begin to investigate opportunities to best involve GOP ministries within the Alliance. Their involvement is key for several reasons: (1) obtain their support for Alliance goals/objectives, and (2) to improve their capacities to incorporate sustainable development standards promoted by FCAA into their environmental management policies and environmental licenses/permits. If a "Jurisdictional Approach is adopted by FCAA, then the support of GOP

ministries will be necessary. Recommend they not be given the same status of existing Alliance members, but rather participate in some nature of “associate, non-voting” member. The footprint of GOP ministries doing actual work in the Chaco region is very small and their influence over the Chaco is via their policy making and regulation drafting work in Asuncion. Include those GOP ministries that have a direct role in cattle management, Environmental License issuance, and forest management/conservation, including:

- a. Ministry of the Environment and Sustainable Development;
- b. Ministry of Agriculture and Cattle;
- c. National Institute of Forests.
- d. Note that GOP ministries have relatively good laws/regulations in place to address cattle management, forest conservation and environmental licensing; weaknesses occur at the field-level due to a paucity of field-going personnel in the Chaco. Forthcoming satellite monitoring software that INFONA is testing will enable the agency to do a better job of enforcing forest regulations with real-time satellite imaging data.

- 14) The Goal of FCAA is very clear and well designed, but the message of GCC and reduction of carbon emissions does not resonate well amongst conservative Mennonite cooperatives in the Central Chaco region (GCC is not a shared significant concern for them). It is understood the FCAA Goal meshes with GHG/Sustainable Landscape funding. Nonetheless, the ET recommends this FCAA Goal not be in the principle message to Alliance members, Chaco cooperatives, or rural cattle farmers. Rather, the public message for FCAA should focus on the Project’s “Purpose”, the conservation of Chaco forests.
- 15) FCAA to work with Alliance to create a process to seek a shared common vision of a sustainable future for Chaco cattle producers. The vision would be to incorporate many elements of municipal Land Use Plans (*Planes de Ordamiento* in Spanish) and beyond.
- 16) FCAA conclude the important work of establishing baseline data for the 20 model farms and then move into the important work of implementing BMPs on-the-ground. In the case of small- to medium-scale ranchers who lack the financial means currently to undertake the more expensive BMPs, begin with the implementation of those BMPs that do not require significant expenditures of capital. Concurrently, continue the important work of collaborating with the Paraguay financial sector to obtain needed financing for BMP implementation for small- to medium-sized producers.
- 17) As noted elsewhere in this Report, the life of the Alliance beyond the life of the project is uncertain. Recommend the Alliance develop a vision apart from FCAA goals/objectives that work to support sustainable cattle production in the Chaco. Additionally, continue working with these entities that FCAA has spawned and/or supported:
 - a. Integrated Chaco – a four municipality government partnership; its mission includes environmental sustainability, health of local populations, education, potable water, and other governmental functions;
 - b. Paraguayan Sustainable Finance Roundtable;
 - c. Paraguayan Sustainable Beef Roundtable.
- 18) FCAA’s implementing partner has several other projects operating in the broader Chaco region (inclusive of Brazil, Bolivia, and Argentina) that are financed by the Moore Foundation,

Government of The Netherlands, and others. In any potential future USAID/Paraguay initiative similar to FCAA, it would be very effective for all entities to come to the table during project development to prevent a duplication of activities.

- 19) Model rancher visits/interchanges (information and sharing of experiences) at three levels: (1) between cattle farmers in Alto Paraguay and Chaco Central regions, (2) between FCAA Project ranches and sustainably managed Paraguay ranches beyond the Chaco region, and (3) between FCAA project ranchers and sustainably managed ranchers in adjoining countries with Chaco or Chaco-like ecosystems (i.e. nearby Argentina or Brazil).

ANNEXES

ANNEX I: EVALUATION STATEMENT OF WORK

STATEMENT OF WORK

Midterm Performance Evaluation of The Forest Conservation and Agriculture Alliance

I. PURPOSE OF THE EVALUATION

The purpose of this mid-term evaluation is to assess the performance of The Forest Conservation and Agriculture Alliance (FCAA) Activity, implemented by the World Wildlife Fund (WWF), to evaluate the activity's progress to date and to determine whether activity interventions are properly oriented to achieve the stated goals.

Specifically, this performance evaluation is expected to (1) fill in evidence and learning gaps on activity performance and progress to date not available through regular monitoring efforts; (2) to recommend mid-course corrective actions necessary to improve activity effectiveness and (3) to identify opportunities for possible future interventions in the sector.

Audience and Intended Uses

The findings and recommendations from this evaluation will help to make necessary adjustments during the second half of the ongoing Activity (through September 2020) and will also help to identify new or expanded interventions in the case that USAID decides to continue supporting this sector in Paraguay.

The primary evaluation audiences are:

- USAID's Mission in Paraguay and the Environment Team in the Latin America and Caribbean (LAC) Bureau's Regional and Sustainable Development Office (LAC/RSD)
- FCAA partners: WWF, the Wildlife Conservation Society (WCS), Minerva Foods Inc., Neuland Cooperative, the Association of Municipalities in the Central Chaco, and the International Finance Corporation (IFC)
- Paraguayan Government (Ministry for the Environment and Sustainable Development, National Forestry Institute), environmental Non-Governmental Organizations (NGOs), private sector companies working in beef production

USAID will also disseminate the evaluation findings to secondary audiences, such as other USAID Missions working on related programming, E3's Global Climate Change (GCC) Office's Sustainable Landscapes team and the Forest and Biodiversity Team, and USAID's Office of Land and Urban. Other donor partners such as the United Nations Development Programme's "Green Commodities Program" and the Paraguayan chapter of the Roundtable on Sustainable Beef would also be interested in the findings, as would global partnerships such as the Tropical Forest Alliance 2020.

II. SUMMARY INFORMATION

Activity Name	<i>Forest Conservation and Agriculture Alliance</i>
USAID Office	LAC Regional and Sustainable Development Office (LAC/RSD)
Implementer(s)	<i>World Wildlife Fund, Inc.</i>
Cooperative Agreement #	<i>AID-OAA-A-15-00065</i>
Total Estimated Ceiling of the Evaluated Activity (TEC)	<i>\$4,000,000</i>
Life of Activity	<i>09/30/2015 - 09/29/2020</i>
Active Geographic Regions	<i>Chaco and Oriental Regions</i>

Development Objective(s) (DOs)	<i>Transition to climate-resilient, low-emission, sustainable economic growth accelerated</i>
Required evaluation?	<i>Required</i>
External or internal evaluation?	<i>External</i>

III. BACKGROUND

A. Description of the Problem and Context

Agricultural commodities play an important role in contributing to deforestation and the associated greenhouse gas emissions throughout the Latin America region. Commodities such as beef, coffee, cocoa, palm oil, and soybeans are some of the principle drivers of deforestation globally and throughout the region. Until recently, most deforestation was thought to be driven by small-scale producers seeking to provide for their families. However, this perception has changed due to increasingly affluent nations consuming more, particularly meat, and the resources required for meat production (e.g., soybean meal).

In Paraguay, these issues are of critical importance. Paraguay has one of the highest deforestation rates in the world, which is driven almost entirely by agriculture. Nearly a quarter of the Paraguayan workforce is employed by the agricultural sector, which accounted for nearly 18 percent of the country's overall GDP in 2017. Paraguay is now ranked among the top global producers for both soy and beef exports and has plans to expand both.

Paraguay is split into two agriculturally distinct regions: the Occidental or “Chaco” in the west (which includes the Chaco tropical dry forest, the Pantanal savannas and wetlands, and part of the Cerrado); and the Oriental Region in the east (which includes the Atlantic Forest and portions of the Cerrado and the Humid Chaco). For the past two decades, soy production has primarily taken place in the Oriental region. In the Chaco, cattle ranching is the predominant land use.

There is an urgent need to ensure that the rapid expansion of the agricultural frontier, which continues to be fueled by a growing global demand for soy and beef, will be implemented under a sustainable development strategy. According to Paraguay's Ministry for the Environment and Sustainable Development (MADES), 1,057,888 hectares were cleared in the Chaco region between January 2014 and January 2018. In the Atlantic Forest region, where 90 percent of forested lands have already been converted to agriculture, the 2005 Zero Deforestation Law has reduced deforestation rates by 80-90 percent, but it is still experiencing an average rate of deforestation of 12,000 hectares per year. In this region, the main need is to stop conversion, effectively manage remaining forests, and restore corridors between important remaining forest blocks.

Under a business as usual scenario, deforestation in Paraguay will continue to grow, along with associated greenhouse gas (GHG) emissions. Land use change and conversion of forests to agriculture represents the majority of Paraguay's GHG emissions¹.

B. Description of the Intervention to be Evaluated and Theory of Change

In response to these challenges, USAID's Forest Conservation and Agriculture Alliance (FCAA) Activity seeks to reduce GHG emissions in the production of beef and soy in Paraguay by increasing investments in climate change mitigation with the participation of the private and public sectors. In addition, it aims to improve productivity in the beef sector and promote the development of sustainable landscapes (see Figure 1 for the FCAA logical framework).

¹ <http://cait.wri.org/profile/Paraguay>

The Alliance brings together a range of actors uniquely positioned to make this happen. Two private sector partners — Minerva (Paraguay's second largest beef exporter) and the Neuland Cooperative in the Chaco— have joined FCAA. The International Finance Corporation (IFC) is also partnering with FCAA, to develop and increase access to favorable financial products for producers who adopt more sustainable practices. The Association of Municipalities in the Central Chaco is the public sector partner participating in the Alliance. Finally, the World Wildlife Fund (WWF) and the Wildlife Conservation Society (WCS) are serving as the FCAA's primary implementing partners – providing expertise on how to build environmental sustainability into agricultural operations.

Given the organizations that are participating as partners in the Alliance, most of the Activity focus thus far has been in the Chaco region working on the beef sector. However, there have been a limited number of activities focusing on the drivers of deforestation from the soy sector in the eastern region of the country. The Alliance works together with the Round Table on Responsible Soy (RTRS), an international multi-stakeholder initiative to promote sustainable soy production, to support selected soy farmers to make the final step towards RTRS certification. The project is also providing a grant to the local NGO a Todo Pulmon (ATP) to implement reforestation components in the soy belt.

The overall purpose of this activity is to avoid deforestation and reduce GHG emissions by incentivizing a shift from traditional agricultural expansion (which has been associated with forest loss and degradation, and is fueled by the demand for soy and beef) to a landscape of sustainable agricultural production in harmony with protection of forest ecosystems. The Forest Conservation Agriculture Alliance is working to achieve this by focusing on three main lines of action:

1. Increasing the supply of sustainably produced beef and soy

Standards for Best Sustainable Practices (BSPs) have been tailored to and are being implemented by producers. The FCAA seeks to slow traditional agricultural expansion by providing win-win outcomes for producers through their voluntary adoption of BSPs – increasing their productivity and securing access to new markets. FCAA is implementing the BSPs that will help producers generate increased income on their farms in a sustainable way, without the need to expand into forest areas. At the same time, FCAA is identifying markets and traders that recognize this as a key element in their procurement strategy.

In addition, FCAA is promoting incentives for producers to adopt BSPs. A number of issues relating to the supply chain need are in play in relation to producers being influenced by demand for sustainable product:

- (i) Generating increased markets for Paraguayan beef and soy provides an incentive for producers to adopt the BSPs;
- (ii) ensuring that the product can be traced from the sustainably operated farms – and through the supply chain – is the only way buyers can be assured that they get the product they want;
- (iii) positive recognition of producers adopting BSPs provides a reputational incentive;
- (iv) to maintain access to markets, producers must be able to generate an adequate supply – and access to finance bolsters producers' ability to generate that supply.

Theory of change: *If producers are connected to markets via traders demanding sustainability; if their product can be successfully traced through the supply chain; if they have the financing to generate enough supply to meet the needs of their buyers; and if they are recognized for their efforts, they will be more likely to adopt BSPs. If they adopt BSPs, deforestation will be reduced, and along with it, GHG emissions.*

2. Increasing the sustainable land use management of key landscapes

FCAA enables policies and sustainable landscapes visions. FCAA is designing and implementing a Sustainability Vision for given landscapes, incorporating economic, environmental and social variables. In combination with the FCAA's technical assistance for the implementation of actions towards the vision and strategies, plus mapping and monitoring methodologies in place and, the support/strengthening of enforcement agencies, the existing laws will more effectively achieve their goal of curtailing the loss of forests.

In parallel, FCAA supports improved land use management and forest restoration. FCAA is bolstering the implementation of the existing laws (the forest code, the zero-deforestation law, Payment for Ecosystem Services - PES law, and others) designed to stem forest loss and develop livelihood options for smallholders that are tied to healthy forest ecosystems and BSP's implementation in agriculture. Among other elements, The Forest Law has a requirement for reforestation under certain conditions; the FCAA's technical support for reforestation and restoration efforts will make those efforts more successful. Developing forest-dependent alternative livelihoods for smallholders is designed to address the following issue: many smallholders are so financially strapped that they are renting their lands to agricultural developers.

Theory of change: **If** smallholders can make a living that is tied to a healthy forest ecosystem, **then** they will be financially able to withstand the offers to rent their land, and *will maintain their forests intact.*

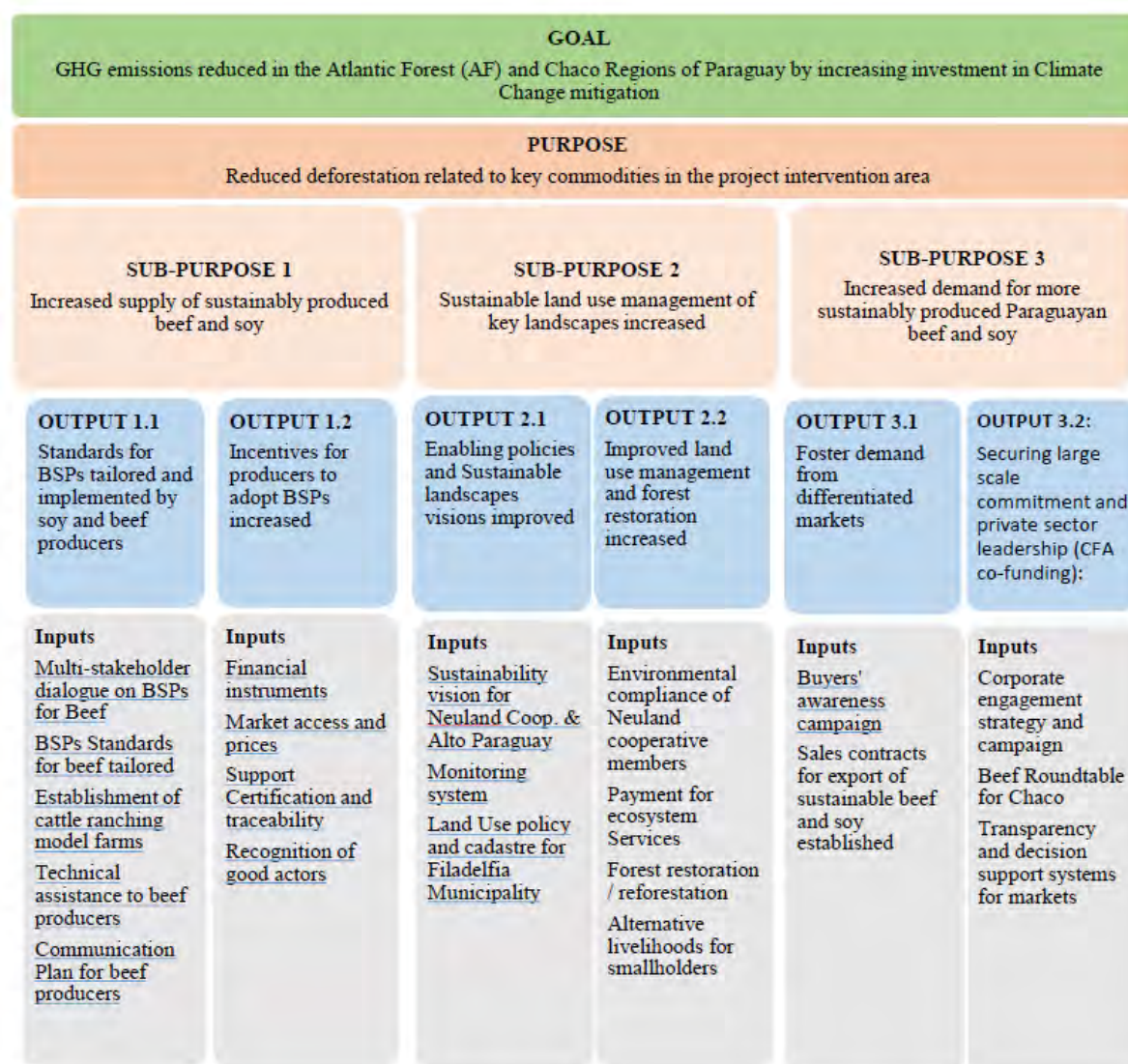
3. Increasing demand for more sustainably produced beef and soy.

The supply chains for soy and beef stretch from the producer to the trader to the corporate buyers to the retailers to the consumers – and efforts are needed to spur demand all along the chain. Efforts under this component are two pronged – the first focuses on demonstrating that there are differentiated markets that are interested in paying more for sustainable beef (business case) and the second on promoting and supporting the implementation of deforestation free commitments of traders and retailers on a larger scale (in coordination and cooperation with the Collaboration for Forest and Agriculture and Green Commodities initiatives):

Theory of change: **If** importers desiring sustainable products are more aware of the availability of sustainably products available from Paraguay, **then** links can be established with traders, producers will have an incentive to adopt BSPs and FCAA can demonstrate that there is a business case for adopting BSPs. **If** links are established between importers desiring sustainable products, through trade fairs, networking events and marketing campaigns; **then** *demand will increase, sales contracts can be signed and sustainable products will flow through the supply chain.*

Also, **if** key companies are enabled to be more effective in cleaning their supply chains by strengthening their commitments to deforestation-free commodities, **and if** producers are enabled to adopt practices that yield better environmental performance, **then** it is possible to make a difference using sourcing commitments to drive improved practices through the supply chain, as downstream market actors are an increasingly potent leverage point for influencing the production of beef and soy and *the companies that have made early commitments will spur other key companies to implement their own commitments to eliminate any remaining deforestation in their beef and soy supply chains.*

Figure 1. FCAA logical framework



C. Project or Activity Monitoring, Evaluation, and Learning (MEL) Plan

The FCAA monitoring and evaluation (M&E) [framework](#) includes a plan to evaluate and measure the Activity's long-term impact, as well as short-term-, and medium-term outcomes. The M&E plan is designed to help the project team plan, execute, monitor and report progress towards achieving the project results in a consistent and routine manner.

The list of indicators is presented in Table 1, with links to the USAID Performance Indicator Reference Sheets (PIRS) for each indicator. Annual and life-of-activity targets for each indicator may be found in the above-referenced M&E framework.

FCAA identified a total of nine indicators to measure project outcomes and impacts. The identified indicators include six standard USAID Economic Growth (EG) category indicators among three areas:

- three sustainable landscapes indicators (EG.13-3, EG.13-4 & EG.13-6);
- two agriculture indicators (EG.3.2-17 & EG.3.2-18); and
- one biodiversity conservation indicator (EG.10.2-2).

In addition, three custom indicators were developed to measure key outcomes. The M&E plan uses a system of specific, measurable, achievable, relevant, and time-bound (SMART) indicators. The indicators provide gender-disaggregated data where relevant.

Table 1. List of indicators

Level of Sub-purpose/Outputs	Indicator name	PIRS page #
GOAL: GHG emissions reduced in Paraguay by increasing investment in Climate Change mitigation.		
PURPOSE: Reduced deforestation related to key commodities in the project intervention area.	1. <i>USAID Standard Indicator EG.13-6: Greenhouse gas (GHG) emissions, estimated in metric tons of CO2 equivalent, reduced, sequestered, or avoided through sustainable landscape activities supported by USG assistance.</i> 2. <i>USAID Standard Indicator EG.13-4: Amount of investment mobilized (in USD) for sustainable landscapes as supported by USG assistance.</i> • <i>Public, domestic</i> • <i>Public, international</i> • <i>Private, domestic</i> • <i>Private, international</i>	p.12 p.16
SUB-PURPOSE 1: Increased supply of sustainably produced beef and soy.	3. <i>Custom Indicator 1: Number of tons of sustainable soy and beef produced as a result of USG assistance.</i> • <i>Commodity (Beef, Soy)</i>	p.20
OUTPUT 1.1: Standards for BSPs tailored and implemented by soy and beef producers.	4. <i>USAID Standard Indicator EG.3.2-17: Number of farmers and others who have applied improved technologies or management practices with USG assistance.</i> • <i>Value Chain Actor type: Producers</i> • <i>Sex</i> • <i>Commodity (Beef, Soy)</i> 5. <i>USAID Standard Indicator EG.3.2-18: Number of hectares under improved technologies or management practices with USG assistance.</i> • <i>Technology type</i> • <i>Commodity (Beef, Soy)</i>	p.22 p.28
OUTPUT 1.2: Incentives for producers to adopt BSPs increased.		
SUB-PURPOSE 2: Sustainable land use management of key landscapes increased.	6. <i>Custom Indicator 2: Number of indigenous communities in the Chaco obtained ecosystem services certificates as a result of USG assistance.</i> 7. <i>USAID Standard Indicator EG.10.2-2: Number of hectares of biologically significant areas under improved natural resource management as a result of USG assistance.</i> • <i>Ecosystem Category</i> • <i>Conservation Compliance Law</i>	p.34 p.36
OUTPUT 2.1: Enabling policies and Sustainable landscapes	8. <i>USAID Standard Indicator EG.13-3: Number of laws, policies, regulations or standards addressing sustainable landscapes formally proposed, adopted, or implemented as supported</i>	p.40

visions improved.	by USG assistance. • <i>National, proposed</i> • <i>National, adopted</i> • <i>National, implemented</i> • <i>Sub-national, proposed</i> • <i>Sub-national, adopted</i> • <i>Sub-national, implemented</i> • <i>Regional or international, proposed</i> • <i>Regional or international, adopted</i> • <i>Regional or international, implemented</i>	
OUTPUT 2.2: Improved land use management and forest restoration increased.		
SUB-PURPOSE 3: Increased demand for more sustainably produced Paraguayan beef and soy.	9. <i>Custom Indicator 3: Number of sales inquiries made for sustainable soy and beef as a result of USG assistance.</i> • <i>Commodity</i> • <i>Domestic / International type</i>	p.43
OUTPUT 3.1: Foster demand from differentiated markets.		
OUTPUT 3.2: Securing large scale commitment and private sector leadership (CFA co-funding).		

IV. EVALUATION QUESTIONS

The evaluation team will review and finalize the questions in collaboration with USAID prior to finalizing the evaluation design. Additionally, USAID and FCAA partners will be conducting an internal “Pause & Reflect” workshop from February 18-22, 2019 with the purpose of: 1) considering how the activity areas are progressing, 2) discussing what is working well and not as well, 3) identifying ways to improve the ongoing FCAA activity impacts, and 4) identifying activities and strategic approaches through which the greatest impact can be had through the end of the current program. As a part of this “Pause and Reflect” workshop, these questions may be refined or additional evaluation questions may be identified that should be considered as a part of the evaluation design.

In keeping with the evaluation purpose described in Section I, USAID has selected the following preliminary questions listed in order of priority and taking into account FCAA’s objectives within the overall Agency priorities (see Section III).

1. What are the strengths and weaknesses of the FCAA project approach, according to other key-stakeholders not directly involved with the project?
2. What are the advantages and disadvantages of being part of the Alliance as experienced by each of its members? Is there enough interest and financial commitment to continue working as an Alliance after USAID support ends?
3. Does the management and staffing structure address the personnel requirements of the project? Is there a clear management strategy that contributes to the achievement of the proposed project, with a clear description of the roles and responsibilities, internal and external communication agreements, organization chart and focus, etc? Is there a clear strategy for coordination between the different programs that WWF implements and the roles of the teams and the personnel assigned to them?

4. Are pilot projects scalable, replicable and feasible examples of sustainable practices that can be required by the Paraguayan Government to approve environmental licenses?
5. Is the current governance and management structure for the Alliance effective to ensure the achievement of common objectives for all its members?

In answering these questions, the evaluator shall explicitly discuss the unexpected conditions or challenges that were experienced by the activity during the first period of implementation and how the implementing partner adapted to or resolved those challenges. The evaluation team is also expected to provide recommendations based on these findings related to:

1. Adjustments needed to ensure continued and growing commitment from members of the Alliance
2. Adjustments to WWF's management and staffing structure to ensure achievement of project goals
3. Most appropriate governance and management structure for the Alliance to ensure the achievement of common objectives for all its members.
4. Examples of adaptive management practices that could ensure continued relevance, strong performance, and learning after USAID support has ended.
5. Based on findings for Evaluation Question 3, provide concrete examples of what could the Paraguayan Government include as requirements to approve environmental licenses.

The evaluation contractor shall incorporate gender concerns in the evaluation methodology (including data collection and analysis) and disaggregate data by sex, age and geographic location (for example, the Atlantic Forest vs. Chaco, or Departments within the Chaco). The evaluation team must integrate this analysis into overall evaluation findings, conclusions, and recommendations.

V. EVALUATION DESIGN AND METHODOLOGY

The contractor will submit a preliminary [evaluation design matrix](#) for review by USAID. The AOR, in consultation with USAID/Paraguay Mission and LAC/RSD, will approve the finalized evaluation design one week after submission.

In line with the USAID Evaluation Policy endorsement of mixed-method approaches, the contractor may use multiple designs to draw on both quantitative and qualitative data. Although not a requirement, the use of mixed-methods is preferable to increase confidence in the validity and reliability of the evaluation results.

Data collection techniques may include surveys, structured observations, key informant interviews, focus groups discussions, document review, and/or secondary data analysis. All data collection methods must use sex-disaggregated data and incorporate attention to gender relations in all relevant areas.

The evaluation design matrix should include a data analysis plan for each evaluation question. The evaluation team should include explicit description of major limitations in data collection and analysis.

USAID expects that, at a minimum, the evaluation team will:

- Upon award, familiarize themselves with documentation about the FCAA activity in Paraguay. USAID will ensure that this documentation is available to the team prior to their arrival in Paraguay;
- At least one member of the evaluation team will participate in the FCAA "Pause & Reflect" workshop taking place in Asuncion;
- Additionally, the evaluation team should spend two more weeks in Paraguay for data collection and initial reporting requirements.
- Review and assess the existing performance and effectiveness information or data (including information provided in quarterly and annual reports);
- Meet and interview USAID beneficiaries, partners, and government counterparts at appropriate levels in Asuncion and the Chaco region; and
- Interview USAID/Paraguay, Washington staff and a representative number of experts working in the sector.

The desk review includes at a minimum:

- FCAA Life of Agreement Strategic Plan
- FCAA Governance Structure
- Activity materials: Annual Work Plans, Annual and Quarterly Reports, MEL Plan, sector assessments, trip reports, performance reports, activity deliverables, communications materials, and related thematic reports from other sources (including other related USAID activities).

VI. DELIVERABLES AND REPORTING REQUIREMENTS

1. Evaluation Work Plan and Evaluation Design:

Within one week of the award of the contract, the lead evaluator shall complete and present a draft work plan and evaluation design to the AOR.

The work plan will include:

1. Draft schedule and logistical arrangements (all logistical arrangements will be managed by the evaluation team);
2. Members of the evaluation team, delineated by roles and responsibilities;
3. Evaluation milestones;
4. Anticipated schedule of evaluation team data collection efforts;
5. Locations and dates for piloting data collection efforts, if applicable;
6. Proposed evaluation design matrix that links the proposed Evaluation Questions to data sources, methods, and the data analysis plan.

The data analysis plan should clearly describe the evaluation team's approach for analyzing quantitative and qualitative data (as applicable), including proposed sample sizes, specific data analysis tools, and any software proposed to be used, with an explanation of how/why these selections will be useful in answering the evaluation questions for this task. Qualitative data should be coded as part of the analysis approach, and the coding used should be included in the appendix of the final report. Gender, geographic, and role (beneficiary, implementer, government official, NGO, etc.) disaggregation must be included in the data analysis where applicable.

If applicable based on the [Disclosure of Conflict of Interests Forms](#) submitted with the awardee's proposal, the evaluation design will include a conflict of interest mitigation plan.

2. In-briefing:

Within one working day of arrival in Asuncion, the evaluation team will meet with the USAID/Paraguay Mission and with FCAA implementing partner for introductions and to discuss the team's understanding of the assignment, initial assumptions, evaluation questions, methodology, and work plan, and/or to adjust the SOW, if necessary.

3. Exit Briefing:

Before departing Asuncion, the evaluation team is expected to hold an exit briefing with USAID/Paraguay to discuss the status of data collection and preliminary findings. This presentation will be scheduled as agreed upon during the in-briefing.

4. Final Presentation:

The evaluation team is expected to hold a final presentation either over the phone or using a virtual conferencing system to discuss the summary of findings, conclusions and recommendations with USAID. This presentation will be scheduled as agreed upon between USAID and the consultants.

5. Draft Evaluation Report:

The draft evaluation report should be consistent with the guidance provided in Section IX, Final Report Format. The report will address each of the questions identified in the SOW and any other issues the team considers to

have a bearing on the objectives of the evaluation. Any such issues can be included in the report only after consultation with USAID. Once the initial draft evaluation report is submitted, USAID will have eight working days in which to review and comment on the initial draft, after which point USAID/Paraguay will submit the consolidated comments to the evaluation team.

6. Final Evaluation Report:

The evaluation team will be asked to take no more than five working days to respond to and incorporate final draft evaluation report comments. USAID may review and provide comments on draft versions of the report until the analysis is considered sufficient and final. The final report should be submitted in English and Spanish.

7. Submission of Dataset(s) to the Development Data Library:

Per USAID's Open Data policy (see [ADS 579, USAID Development Data](#)), the contractor must also submit to USAID/Paraguay and the Development Data Library (DDL), at www.usaid.gov/data, in a machine-readable, non-proprietary format, a copy of any dataset created or obtained in performance of this award, if applicable. The dataset should be organized and documented for use by those not fully familiar with the intervention or evaluation.

Please review [ADS 579.3.2.2 Types of Data To Be Submitted to the DDL](#) to determine applicability.

8. Submission of Final Evaluation Report to the Development Experience Clearinghouse:

Per USAID policy ([ADS 201.3.5.18](#)), the contractor must submit the evaluation final report and its summary or summaries to the [Development Experience Clearinghouse](#) (DEC) within three months of final approval by USAID.

VII. EVALUATION TEAM COMPOSITION

The contractor must provide information about evaluation team members, including their curricula vitae, and explain how they meet the requirements listed below. Submissions of writing samples or links to past evaluation reports and related deliverables composed by proposed team members are highly desirable. Per [ADS 201.3.5.14](#), all team members must provide to USAID a signed statement attesting to a lack of conflict of interest or describing an existing conflict of interest relative to the project or activity being evaluated (i.e., a conflict of interest form).

Required qualifications and skills:

- Experience in evaluation design, methods, management, and implementation;
- Technical subject matter expertise (Sustainable Landscapes, climate change, and rangeland management);
- Background in USAID's cross-cutting activity priorities, such as gender equality and women's empowerment, youth, etc.;
- Experience working in Latin America (preferably Paraguay); and
- Professional level Spanish language proficiency.

Proposed key personnel are expected to be the people who execute the work of this contract. Any substitutes to the proposed key personnel must be vetted and approved by the AOR in consultation with USAID/Paraguay before they may begin to work. USAID may request an interview with any of the proposed evaluation team members via conference call or other means.

USAID/Paraguay and LAC/RSD may choose to observe some or all of the data collection efforts. USAID may also delegate one or more staff members to work full-time with the evaluation team or to participate in selected evaluation activities. USAID will inform the contractor in writing about any full-time or part-time USAID delegates upon the submission of an updated evaluation work plan. USAID will pre-define any staff's level of involvement by indicating the purpose of their inclusion, their role on the team and in which components of the evaluation they will participate, their expertise in the topic or sector, their expertise in evaluation design or implementation, and their anticipated level of effort (LOE). USAID maintains primary responsibility for management of its own staff. USAID will outline collaboration, delivery, and performance expectations for its staff as well as reporting lines and

how staff management roles and responsibilities will be coordinated between USAID, the contractor, and the evaluation team lead.

This plan will be finalized in consultation with the evaluation team lead, with final approval by USAID/Paraguay, to ensure it is feasible and appropriate to the evaluation objectives and USAID needs and that it addresses mitigation of risk of impeding evaluation implementation or biasing findings. All costs associated with the participation of full-time or part-time USAID delegates in the evaluation will be the responsibility of USAID.

VIII. EVALUATION SCHEDULE

The below evaluation schedule is illustrative and will be updated in collaboration with USAID prior to finalization of the work plan.

Performance Evaluation Schedule

Date or Duration	Proposed Activities	Important Considerations
February 18 - March 3, 2019	Document review. Preparation of the work plan and evaluation design.	
February 18 - March 3, 2019	Plan travel and preparations for data collection	<i>A visa is required for U.S.citizens.</i>
March 4-8, 2019	Participate in FCAA Pause and Reflect workshop.	<i>March 4 - Paraguayan Holiday</i>
March 11-15, 2019	Lead evaluator finalizes work plan and evaluation design and receives USAID review/approval.	<i>In Asunción</i>
March 18, 2019	Full team in-briefing with USAID/Paraguay	
March 19-23, 2019	Data collection & data analysis	<i>Key Informants Interviews, Focus Groups, Observations in Asuncion and the Chaco Region</i>
March 25, 2019	Exit briefing with USAID/Paraguay	
March 29, 2019	Final Presentation	
April 5, 2019	Submission of Draft Evaluation Report	
April 8 - 17, 2019	USAID and FCAA partners review draft report	<i>Provide FCAA partners with an opportunity to provide Statement of Differences</i>
April 18 - 24, 2019	Incorporate USAID comments and submit final report	<i>April 18 & 19 - Paraguayan Holidays</i>
April 25 - April 30	USAID approval of final report	<i>Required reviews: USAID/Paraguay + LAC/RSR + AOR</i>

IX. FINAL REPORT FORMAT

1. Abstract
2. Executive Summary
3. Evaluation Purpose
4. Background on the Context and the Strategies/Projects/Activities being Evaluated
5. Evaluation Questions
6. Methodology
7. Limitations to the Evaluation
8. Findings, Conclusions, and Recommendations
9. Annexes

See the [Evaluation Toolkit](#) for the [How-To Note on Preparing Evaluation Reports](#) and [ADS 201mah, USAID Evaluation Report Requirements](#). An optional [Evaluation Report Template](#) is also available in the Evaluation Toolkit.

The evaluation **abstract of no more than 250 words** should describe what was evaluated, evaluation questions, methods, and key findings or conclusions. The **executive summary should be 2–5 pages** and summarize the purpose, background of the project being evaluated, main evaluation questions, methods, findings, conclusions, recommendations and lessons learned. The evaluation methodology shall be explained in the report in detail. Limitations to the evaluation shall be disclosed in the report, with particular attention to the limitations associated with the evaluation methods (e.g., in sampling; data availability; measurement; analysis; any potential bias such as sampling/selection, measurement, interviewer, response, etc.) and their implications for conclusions drawn from the evaluation findings.

Annexes to the report must include:

- Evaluation SOW (updated, not the original, if there were any modifications);
- Evaluation methods;
- All data collection and analysis tools used in conducting the evaluation, such as questionnaires, checklists, and discussion guides;
- All sources of information or data, identified and listed;
- Statements of difference regarding significant unresolved differences of opinion by funders, implementers, and/or members of the evaluation team, if applicable;
- Signed disclosure of conflict of interest forms for all evaluation team members, either attesting to a lack of or describing existing conflicts of interest; and
- Summary information about evaluation team members, including qualifications, experience, and role on the team.

X. **CRITERIA TO ENSURE THE QUALITY OF THE EVALUATION REPORT**

Per [ADS 201maa, Criteria to Ensure the Quality of the Evaluation Report](#), draft and final evaluation reports will be evaluated against the following criteria to ensure quality:

- Evaluation reports should represent a thoughtful, well-researched, and well-organized effort to objectively evaluate the activity;
- Evaluation reports should be readily understood and should identify key points clearly, distinctly, and succinctly;
- The Executive Summary should present a concise and accurate statement of the most critical elements of the report;
- Evaluation reports should adequately address all evaluation questions included in the SOW, or the evaluation questions subsequently revised and documented in consultation and agreement with USAID;
- Evaluation methodology should be explained in detail and sources of information or data properly identified;
- Limitations to the evaluation should be disclosed in the report, with particular attention to the limitations associated with the evaluation methodology (selection bias, recall bias, unobservable differences between comparator groups, etc.);
- Evaluation findings should be presented as analyzed facts, evidence, and data and not based on anecdotes, hearsay, or simply the compilation of people's opinions;
- Conclusions should be specific, concise, and include an assessment of quality and strength of evidence to support them supported by strong quantitative and/or qualitative evidence;
- If evaluation findings assess person-level outcomes or impact, they should also be separately assessed for

- both males and females; and
- If recommendations are included, they should be supported by a specific set of findings and should be action-oriented, practical, and specific.

See [ADS 201mah. USAID Evaluation Report Requirements](#) and the [Evaluation Report Checklist and Review Template](#) from the [Evaluation Toolkit](#) for additional guidance.

XI. OTHER REQUIREMENTS

All modifications to the required elements of the SOW of the contract/agreement, whether in evaluation questions, design and methodology, deliverables and reporting, evaluation team composition, schedule, and/or other requirements will be agreed upon in writing by USAID/Paraguay. Any revisions made will be noted in the SOW annexed to the final Evaluation Report.

XII. LIST OF ANNEXES

- FCAA Life of Agreement Strategic Plan
- Annual Work Plans
- Annual Reports

ANNEX II: EVALUATION CHRONOGRAM

Mid-Term Evaluation - FCAA																
Work Plan (V 1.0, 13 March 2019)																
		Dates														
		February				March				April				May		
General Tasks	Discrete Tasks	2/4 - 2/8	2/11 - 2/15	2/18 - 2/22	2/25 - 3/1	3/4 - 3/8	3/11 - 3/15	3/18 - 3/22	3/25 - 3/29	4/1 - 4/5	4/8 - 4/12	4/15 - 4/19	4/22 - 4/26	4/29 - 5/3	5/6 - 5/10	
USAID/Paraguay - Finalize SOW																
Pre-Evaluation Preparation	USFS/IP - Form Evaluation Team															
	Data Collection - USA															
	Review USAID reports															
	Review WWF reports															
Pause & Reflect Workshop - Filadelfia	Sub-set evaluators - participate in workshop															
	Meet stakeholders; informally discuss interviews															
	issues, concerns, positive outcomes															
	Data collection/analysis															
Matrix development	Data collection															
	Develop Evaluation Matrix															
	USAID/Paraguay - approve Matrix						3/13									
Work Plan development	Data collection															
	Coordinate w/USAID/Paraguay - people/entities to interview						3/12									
	USAID/Paraguay - approve Work Plan						3/15									
Field Work	In-briefing w/Country Rep						3/19									
	Interview people/organizations - Chaco															
	Interview people/organizations - Asuncion															
	Analysis of information collected															
	Close-out briefing - Country Rep							3/28								
	Evaluation team departs for USA							3/28								
Evaluation Report Drafting	Develop rough draft report															
	Submit 1st draft report to USAID											4/16				
	USAID/Paraguay - review draft report															
	USAID/Paraguay - return Draft Report to Lead Evaluator													5/1		
	Evaluator incorporate USAID/Paraguay comments/edits															
	Submit Final Report to USAID/Paraguay														5/10	
	Phone/video confer. w/USAID/Paraguay (Mission discretion)											TBD				

ANNEX III: EVALUATION MATRIX

Evaluation Name: The Forest Conservation and Agriculture Alliance					
Evaluation Purpose: Mid-Term Performance Evaluation					
Ver 4 - 13 March 2019 (Mission Approved - 13March2019)					
General Comments: (1) Evaluation team does not need to ask all 5 principle questions to all interviewees; tailor list of questions to ask depending on the person/entity to be interviewed; reference "Who" column. (2) KEY TASK - Evaluation team to develop a <u>brief verbal pitch about the project & the technical assistance</u> given to explain to interviewees; richness (or lack thereof) of overall description to vary per person/entity to be interviewed.					
Question	Sub-Question	Comments	Who? - Data Source(s)	Data Collection Method	Spanish Translation of Interview Question
1) What are the strengths and weaknesses of the FCAA project approach? <i>[According to other key-stakeholders <u>not</u> directly involved with the project]</i>		Include people's perceptions. Ask question of <u>FCAA members</u> & non-members. Includes: strategies, technical assistance to beef producers, etc.	Non-Alliance people/entities (GOP ministries, etc.), Alliance members, WWF	Responses to interview questions; plus desk reviews	¿Cuáles son las fortalezas y debilidades del enfoque del proyecto? <i>[De acuerdo con gente/organización es no directamente involucrados en el proyecto]</i>
2) What is your vision of the Alliance?		Non-members of the Alliance may know little of the Alliance, their perceptions valid. How should it function? <u>Qué es lo que usted cree que la visión debería ser? Visión está relacionado a lo que piensa que debería ser.</u>	WWF, Alliance members, non-Alliance people/entities (GOP ministries, etc.)	Responses to interview questions; plus desk reviews; field observations where applicable	¿Cuál es su visión de la Alianza?

	2.1) What are the advantages and disadvantages of being part of the Alliance? [Experienced by each of its members]		Alliance members	Interviews	¿Cuáles son las ventajas y desventajas de ser parte de la Alianza? [Según la experiencia de cada socio de la Alianza]
	2.2) Is there enough interest and financial commitment to continue working as an Alliance after USAID support ends?+B13	This is a question primarily geared for the evaluator. The evaluator should provide a conclusion based on the interviewees' answers.	Evaluation Team, Alliance members	Interviews	¿Estaría usted dispuesto a continuar siendo parte de la Alianza una vez que termine el apoyo de USAID? Estaría dispuesto a <u>realizar algún aporte financiero</u> como socio para asegurar su funcionamiento?
3) Is the current governance, management and staffing structure for the project effective to ensure the achievement of the project's objectives?			Alliance members	Responses to interview questions; plus desk reviews	¿Cree usted que la estructura actual de gobernanza y gerenciamiento de la Alianza es efectiva para asegurar el logro de los objetivos del proyecto?
	3.1) What are the external communication agreements between members? 3.2) Is the current governance and management structure effective to ensure the achievement of the Alliance's objectives beyond the life of the project?	Specify "Alliance" as a " <u>grupo impulsor de sostenibilidad</u> ", and not as a project.	Alliance members + Asociación de Productores de Agua Dulce (APAD)	Interviews	¿Cree usted que la estructura actual de gobernanza y gerenciamiento de la Alianza es efectiva para asegurar el logro de los objetivos de la Alianza (grupo impulsor de sostenibilidad) más allá del proyecto?

4) Does WWF's management and staffing structure address the personnel requirements of the project?			WWF & WCSs	Primarily Desk Review, coupled with select interviews	¿Considera que la estructura gerencial y el personal del Proyecto son suficientes para la implementación del proyecto?
	4.1) With respect to the organizational chart, clear decision of the roles and responsibilities, and internal communications process?		WWF & WCS	Desk reviews (MOU); interviews	¿Tiene esta estrategia una clara plan de comunicación externa entre miembros?
	4.2) Is there a clear strategy for coordination between the different programs that WWF implements and the roles of the teams and the personnel assigned to them?		WWF & WCS	Primarily interviews	¿Cuenta WWF con una clara estrategia de coordinación entre los diferentes programas que implementa, con roles y de dedicación de personal bien definidos?
5) Are pilot projects scalable, replicable and feasible examples of sustainable practices that can be required by the Paraguayan Government to approve environmental licenses and land use plans?		WWF sees the 20 Pilot Projects as an end in themselves. Pilot Projects greater than the basic criteria required in a <i>Licencia Ambiental</i> .	Producers/ Cooperatives ; National Government ministries	Responses to interview questions; plus desk reviews; field observations	¿Cree que los proyectos pilotos son modelos suficientemente viables, escalables y replicables como para que el Gobierno paraguayo los pueda exigir como requisito para la aprobación de licencias ambientales y planes del uso del suelo?

ANNEX IV: PERSONS INTERVIEWED

PEOPLE INTERVIEWED FCAA MID-TERM EVALUATION REPORT

	Name	Title	Organization	Relationship to Project
1	Dr. Marcelo Gonzalez	Deputy Minister of Livestock	Ministerio de Agricultura y Ganaderia	Not directly affiliated
2	Claudia M. Gonzalez	Chief, Dept. of Sustainable Cattle Mgmt.	Ministerio de Agricultura y Ganaderia	Not directly affiliated
3	Dalma Domingues	Cattle Management Tech. Specialist	Ministerio de Agricultura y Ganaderia	Not directly affiliated
4	Blas Courirat	Cattle Management Tech. Specialist	Ministerio de Agricultura y Ganaderia	Not directly affiliated
5	Taciano Custodio	Sustainability Director	Minerva Foods	FCAA affiliated
6	Nicolas Burro S.	Vice President	Asociacion Rural del Paraguay	FCAA affiliated
7	Jose Luis Cartes	Executive Director	Guyra Paraguay	Not directly affiliated
8	Lucy Aquino	Director	WWF/Paraguay	FCAA affiliated
9	Marcelo Insaurrealde	Program Director	Solidaridad	Not directly affiliated
10	Hugo Sanchez Aguero	Director	Mesa Paraguaya de Carne Sostenible	Not directly affiliated
11	Oscar Ferreira	National Coordinator for Green Commodities	UN Development Program (UNDP)	Not directly affiliated
12	Maria del Carmen Fleytas	Director	Wildlife Conservation Society/Paraguay	FCAA affiliated
13	Angel Brusquetti	Operations Manager	Wildlife Conservation Society/Paraguay	FCAA affiliated
14	Laura Villalba	Species Conservation Coordinator	Wildlife Conservation Society/Paraguay	FCAA affiliated
15	Guillermo Terol	Program Manager	International Finance Corporation (IFC)	FCAA affiliated
16	Lorena Ramirez	Project Manager	International Finance Corporation (IFC)	FCAA affiliated
17	Karem Elizche	Program Manager	Ministerio de Ambiente y Desarrollo Sostenible (MADES)	Not directly affiliated
18	Ariel Oviedo	Minister - MADES	Ministerio de Ambiente y Desarrollo Sostenible (MADES)	Not directly affiliated
19	Graciela Soledad M. Martinez	Director – Direccion de Planificacion Estrategica	Ministerio de Ambiente y Desarrollo Sostenible	Not directly affiliated
20	Yan Speranza	Executive Director	Fundacion Moises Bertoni	FCAA affiliated
21	Martin Mongelos	Range Management Technician	WWF/Paraguay	FCAA affiliated

22	Cristina Goralewski	President	Instituto Nacional Forestal (INFONA)	Not directly affiliated
23	Carlos Irrazabal	Chief – Forest Management Division	Instituto Nacional Forestal (INFONA)	Not directly affiliated
24	Damiana Mann	Forest Planning	Instituto Nacional Forestal (INFONA)	Not directly affiliated
25	Silvana Sosa	INFONA Auditing & Internal Controls Unit	Instituto Nacional Forestal (INFONA)	Not directly affiliated
Following interviews took place in the Chaco region				
26	Gustav Sawatsky	President	Cooperativa Chortitzer	Not directly affiliated
27	Wilfried Giesbrecht	Vice-President	Cooperativa Chortitzer	Not directly affiliated
28	Rudolf Hilderbrandt	Promoter	Chaco Integrado	Not directly affiliated
29	Dr. Egon Neufeld	Director	Agropecuaria Faro Norte, SA	FCAA affiliated
30	Fernando Toews	Cooperative Social Affairs Coordinator	Fernhiem Cooperative	Not directly affiliated
31	Holger Bergen	Superintendent	Municipality of Filadelfia	FCAA affiliated
32	Walter Stockl	Superintendent	Municipality of Loma Plata	Not directly affiliated
33	Rosalia Goerzen	Technical Assistance Manager	Cooperative of Fernheim; Filadelfia	Not directly affiliated
34	Natalia Escobar Decoud	Technical Assistance Specialist	Cooperative of Fernheim; Filadelfia	Not directly affiliated
35	Alfred Fast	President	Mesa de Carne Sostenible	Not directly affiliated
36	Victor Diaz	First Secretary	Municipality of Mariscal Estigarriba	Not directly affiliated
37	Heinz Alfred Bartel	President	Neuland Cooperative	FCAA affiliated

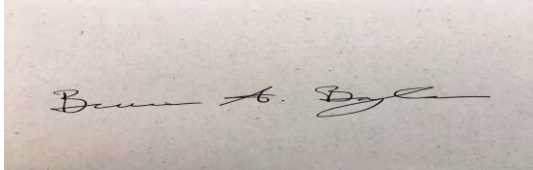
ANNEX V: DOCUMENTS REVIEWED

Documents Reviewed - Mid-Term Evaluation Process Forest Conservation and Agricultural Alliance

Ordered Alphabetically:

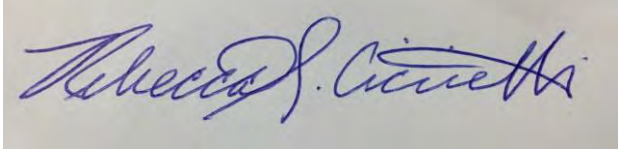
- Cooperative Agreement – AID-OAA-15-00065
- Environmental Analysis – Soybean and Meat Production in Paraguay, WWF, 2016
- FCAA Reports:
 - o Annual Reports – FY2018, FY2017
 - o Best Management Plan for Cattle Production, Alto Paraguay, Paraguay
 - o Monitoring and Evaluation Plan, November 2018
 - o Quarterly Reports – FY2018, 2017, 2016
 - o Work Plan – Year Four
- International Finance Corporation – Implementation Plan, Paraguay – Beef, 2016
- Life of Agreement Strategic Plan, Final
- Pause and Reflect Workshop Notes, March 2019
- Trip Report, USAID/REA Schmidtke, FECOPROD & WWF, December 2017
- USAID:
 - o Biodiversity and Forest Conservation Assessment, GEMS, December 2017
 - o Land Rights, Beef Commodity Chains, and Deforestation Dynamics in the Paraguayan Chaco; April 2017
 - o Monitoring Report – International Finance Corporation and Minerva Beef Project – Brazil/Paraguay, May 2013

ANNEX VI: DISCLOSURE OF ANY CONFLICTS OF INTEREST

Name	Bruce A. Bayle
Title	Evaluation Team Leader
Organization	Environmental Consultant
Evaluation Position?	☒ Team Leader ☐ Team member
Evaluation Award Number (contract or other instrument)	USAID/Paraguay PASA agreement with US Forest Service
USAID Project(s) Evaluated (Include project name(s), implementer name(s) and award number(s), if applicable)	Forest Conservation and Agricultural Alliance; Cooperative Agreement to World Wildlife Fund/Paraguay
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
If yes answered above, I disclose the following facts: <i>Real or potential conflicts of interest may include, but are not limited to:</i> 1. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated. 2. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation. 3. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project. 4. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated. 5. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated. 6. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.	
I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.	
Signature	
Date	May 9, 2019

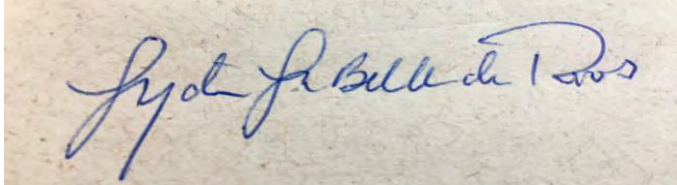
Name	Rebecca Ciciretti
Title	Evaluation Team Member
Organization	US Forest Service/International Programs
Evaluation Position?	Team Leader ☒ Team member
Evaluation Award Number (contract or other instrument)	USAID/Paraguay PASA agreement with US Forest Service
USAID Project(s) Evaluated (Include project name(s), implementer name(s) and award number(s), if applicable)	Forest Conservation and Agricultural Alliance; Cooperative Agreement to World Wildlife Fund/Paraguay
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
If yes answered above, I disclose the following facts: <i>Real or potential conflicts of interest may include, but are not limited to:</i> 7. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated. 8. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation. 9. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project. 10. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated. 11. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated. 12. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	
Date	May 9, 2019

Name	Lydia LaBelle de Rios
Title	Evaluation Team Member
Organization	US Forest Service, White River National Forest
Evaluation Position?	Team Leader ☒ Team member
Evaluation Award Number (contract or other instrument)	USAID/Paraguay PASA agreement with US Forest Service
USAID Project(s) Evaluated (Include project name(s), implementer name(s) and award number(s), if applicable)	Forest Conservation and Agricultural Alliance; Cooperative Agreement to World Wildlife Fund/Paraguay
I have real or potential conflicts of interest to disclose.	☐ Yes ☒ No
If yes answered above, I disclose the following facts: <i>Real or potential conflicts of interest may include, but are not limited to:</i> 13. Close family member who is an employee of the USAID operating unit managing the project(s) being evaluated or the implementing organization(s) whose project(s) are being evaluated. 14. Financial interest that is direct, or is significant though indirect, in the implementing organization(s) whose projects are being evaluated or in the outcome of the evaluation. 15. Current or previous direct or significant though indirect experience with the project(s) being evaluated, including involvement in the project design or previous iterations of the project. 16. Current or previous work experience or seeking employment with the USAID operating unit managing the evaluation or the implementing organization(s) whose project(s) are being evaluated. 17. Current or previous work experience with an organization that may be seen as an industry competitor with the implementing organization(s) whose project(s) are being evaluated. 18. Preconceived ideas toward individuals, groups, organizations, or objectives of the particular projects and organizations being evaluated that could bias the evaluation.	

I certify (1) that I have completed this disclosure form fully and to the best of my ability and (2) that I will update this disclosure form promptly if relevant circumstances change. If I gain access to proprietary information of other companies, then I agree to protect their information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished.

Signature	
Date	May 9, 2019

ANNEX VII: EVALUATION TEAM MEMBERS

Bruce Bayle, Environmental Consultant, Fletcher, NC, USA

Bruce is a retired natural resource manager with a 35-year career with the US Government. He worked many years for the US Forest Service in positions on rural Ranger Districts doing on-the-ground natural resource management (recreation, fire, timber, special uses, wildlife, range, and watershed management) and in the Regional Office of the Southern Region, serving as both a watershed management specialist and in analyzing the impacts of air pollutants on terrestrial ecosystems. Bruce served as USAID/Latin America and the Caribbean (LAC) Regional Environmental Advisor: three years for the Caribbean and later, five years in Bogota, Colombia for South America and subsequently in the LAC/RSD office in Washington as their biodiversity and forestry advisor. Since retirement, Bruce has worked numerous consultancies on USAID projects in LAC and West Africa. Prior to the start of his Government career, Bruce served as a Peace Corps volunteer in Guatemala.

Bruce has a B.S. in Forest Management and Environmental Studies from North Carolina State University.

Rebecca Ciciretti, U.S Forest Service International Programs, Washington, DC, USA

Rebecca joined the U.S. Forest Service Office of International Programs in 2016, working with the Latin America and Caribbean team as the Program Manager for the Chile, Haiti, and Dominican Republic programs. Most recently, her work with these programs has focused on managing technical experts on the topics of disaster mitigation, natural resource management, and protected area management.

Rebecca served as an Environmental Education Peace Corps Volunteer in El Salvador. As a Peace Corps Volunteer, she completed a fuel-efficient stove project for approximately 50 households in her community, taught environmental education classes at the local K-9 school, organized a women's small business group, and taught English classes throughout the community. Rebecca's experience with the fuel-efficient stove project sparked her interest in children's environmental health issues. As a result, Rebecca completed summer internships during graduate school at the U.S. Environmental Protection Agency's Office of Children's Health Protection and the Children's Environmental Health Network. Both internships inspired Rebecca's research as a Fulbright student grantee at the Universidad Catolica de Chile in Santiago, Chile. During her time in Chile, she researched the effect of air pollution from forest fires on children's respiratory health.

Rebecca has a B.A. in Environmental Studies and B.A. in Sociology from Case Western Reserve University, and an M.S. in Environmental Science and M.A. in Public Affairs from Indiana University.

Lydia LaBelle de Rios, Rangeland Management Specialist, US Forest Service

Lydia is responsible for the largest rangeland program of 35 permittees on the White River National Forest in Colorado. She studied and traveled extensively including study in countries of Southern Africa with Colorado State and work with Peace Corps in South America. Lydia's work is primarily in agriculture, international development, and rangeland management, currently focusing on practical rangeland monitoring techniques and people management/facilitation with the U.S. Forest Service. She has worked with the U.S. Forest Service Office of International Programs in Ethiopia and recently returned from a sabbatical in Mongolia which included range management consultation. Lydia's successes include leading teams in inventory on-the-ground, team lead through environmental policy process, and facilitation for work prioritization. Lydia lives with her husband and two sons as a bilingual household in Rifle, CO where they strive to keep foreign culture, heritage, and language in their everyday lives. Lydia has a B.S. in Rangeland Ecology and an M.S. in Watershed Science, with a focus on International development.

ANNEX VIII: STATEMENT OF DIFFERENCES

Implementation Partner Responses to select passages of Final Draft Mid-Term Evaluation Report & Evaluation Team responses to each point/concern raised by Implementation Partner

Implementation Partner Specific Concerns	Evaluation Team (ET) Responses
<u>Finding #1 (page 19 of Draft Report):</u> The structure was developed with the partners and the responsibilities were established in the work plan that was shared and/or developed with them. The responsibilities have been adapted as the project advances and are established in yearly work plans. There are some members of the alliance that receive more benefits than others in this phase, however the overall benefits will be seen in the medium to long-term. Membership is formal; all members signed a multi-partner MoU. In this MoU, the original project structure was set describing the roles and commitments of each partner, and defining each point of contact. In addition, the MoU establishes the collaboration norms: <i>"The parties will seek, to the possible extent but subject to the sole discretion of each party, to share their respective strengths, experiences, technologies, methodologies and resources with the aim of achieving these objectives..."</i> Also, the agreement creates a "Board of Directors", establishing its objectives and its communication channels: "The board of directors will be integrated by a representative of each of the parties and will meet periodically analyze the FCAA activities, progress and results, and address and resolve the problems and preoccupations related to the program, including but not limited to the execution and the communication strategy. According to the project commitments, the main partners (Neuland, WCS, Association of Municipalities of Central Chaco) have received financial and other benefits related to the good positioning of their organizations.	The draft report text for "Findings – Project Weaknesses", number 1 modified based on implementation partner's new/clarifying narrative. ET appreciative of new implementation partner narrative specific to Finding #1.
<u>Finding #3 (page 19 of draft report):</u>	The draft report text for "Findings – Project Weaknesses", number 3 modified based on

These technicians were hired to supervise Minerva's and Neuland's extension work. Minerva has its own technicians and so does Neuland. Also, WCS has one technician appointed to this project to supervise other extension work. To avoid long road travel WWF has rented a house in the Chaco. This has facilitated the work as several of the technicians and the manager of the project can thus spend extensive time in the Central Chaco. If there is a future phase of the project, WWF is willing to hire more technicians to scale up and replicate.	implementation partner's new/clarifying narrative. ET appreciative of new implementation partner narrative specific to Finding #3.
<u>Finding #7 (page 20 of draft report):</u> The work in the Municipality of Filadelfia began first, due to the leadership of Mr. Holger Bergen. Holger and his team promoted several initiatives with in the FCAA project. Additionally, in the MoU and the original "Life of Agreement" document, the centralization of activities with the Municipality of Filadelfia was strategically defined as a pilot exercise that could be scaled up to other districts with additional funds. No activities or funds were specifically defined for the other municipalities in neither of the mentioned documents. Nonetheless, scaling up good results of the Filadelfia Municipality has always been on the horizon. In fact, on May 2th, 2019, WWF signed a MoU to work with the Municipality of Mariscal Estigarribia. In the ongoing fiscal year, the project will focus on working with this Municipality with FCAA funds and leverage funding from WWF. Currently, planning and meetings are also being held to work with the Municipality of Irala Fernandez. As a contribution to the project, WWF is also working with several other partners - NGOs, the Technical Planning Secretariat (STP), local producers, the Ministry of Environment (MADES), among others - to develop Land Use Plans for the Municipalities of Bahia Negra and Puerto Casado.	The draft report text for "Findings – Project Weaknesses", number 7 was <u>not</u> modified based on implementation partner's new/clarifying narrative. ET appreciative of new implementation partner narrative specific to Finding #7. The May 2, 2019 MOU signed by the implementation partner and the Municipality of Mariscal Estigarribia is an excellent undertaking, but is beyond the scope (due to a time limitation) of the Mid-Term Evaluation.
<u>Finding #12 (now #13 - page 21 of draft report):</u>	The draft report text for "Findings – Project

The laws have numerous weaknesses; some are conflicting and confusing, contradictions exist, and the lack of regulation (implementation) is evident in both regions of the country. Gaps in the legislation and the lack of legal distinction between two very distinct regions (Western and Eastern) urgently needs to be addressed. The FCAA project is addressing legislation improvement not only within the project but also within the general focus of WWF's organization goals. In the previous administration it was very difficult to work with SEAM (Secretary of the Environment, now MADES). However, since the new administration was inaugurated members of the core team, along with USAID representatives, visited the Minister of MADES establishing a sound relationship. WWF is meeting often with the Minister of MADES and other high-level members within the Ministry. Moreover, the Minister has expressed his satisfaction with the work about construction of an Alliance in the Chaco. In the previous administration WWF had worked with the Secretary of Planning (STP), INFONA and the Ministry of Public Works (MOPC). In this new administration we are working very closely with MADES (a new MoU was signed this year), INFONA (a specific MoU was signed this year), with STP (continuing land use planning in Alto Paraguay), and with MOPC (a general MoU was signed during the previous administration and a specific one was signed this year). We are also beginning a collaboration with the Consumer Defense Secretariat (<i>Secretaria de Defensa al Consumidor- SeDeCo</i>) as well as with the Ministry of Industry and Trade. ARP participated during the early stages of the FCAA project. However, they became vociferous in expressing their disagreement on the major goal of the project: "<i>Reduction of deforestation and mitigation of climate change</i>". Several times WWF tried to bring them back to the Alliance: several presentations, letters, one-on-one meetings and even supporting some of their initiative regarding the promotion of their goals, but these efforts were not successful. Yet, some of the producers	Weaknesses", number 12 (#13) modified based on implementation partner's new/clarifying narrative. ET appreciative of new implementation partner narrative specific to Finding #12 (13). Much of the implementation partner's response deals with FCAA; whereas the thrust of Finding #12 (new #13) focuses on the Alliance.
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we are working closely with, are part of the ARP. We do understand the importance of chi s association co be part of the Alliance. WWF as one of the implementers of FCAA will continue encouraging ARP to be part of theAlliance.	
<u>Finding #13 (now #14 - page 21 of draft report):</u> This is basically part of the story of production and conservation. However, this project has made considerable progress in gathering these communities together at the same table and working toward a common goal. In fact, this has been a major achievement of the project. In this way our project is also gaining the respect of large corporations such as McDonald's, retailers and the industries. We are aware that we still have much to do, and chat much work is needed to develop and maintain chis momentum and increase our presence in the production, market and industry sectors, and among the consumers in the world. It is important co understand this issue not as a finding, but as part of an ongoing process of building trust between organizations that were historically antagonistic. As an aside, it is important to mention that several times this trust building process was disrupted by staff changes made by the partners.	The draft report text for “Findings – Project Weaknesses”, number 13 (#14) modified based on implementation partner's new/clarifying narrative relative to stating their implementation progress to date. ET appreciative of new implementation partner narrative specific to Finding #13 (14).
<u>Finding #16 (now #17 - page 21 of draft report):</u> This project has goals, objectives, sub-objectives, and activities that are suited for adaptive management according to opportunities and threats that arise during the implementation of the project. Sound planning following different methodologies and tools such as Miradi, the Open Standards and an inclusive Logical Frame work have been implemented. The internal and external communication in the Alliance needs improvement both on the part of the project managers as well as by each of the partners. While the communication should improve, prolect indicators are being accomplished, in some cases, exceeding the established values. Those that haven't been reached yet will be completed at the end of the project (see table below). Regarding the GHG goal this was not recognized as relevant by several producers, especially by some members at the ARP. Some of these	The draft report text for “Findings – Project Weaknesses”, number 16 (#17) modified based on implementation partner's new/clarifying narrative. ET appreciative of new implementation partner narrative specific to Finding #16 (17).

members do not acknowledge that GHG is a problem, perhaps due to a traditional mind-set or financial motives, or perhaps because they really do not believe anthropogenic activities are responsible for climate change. This project has always been focused on an ambitious goal: conservation and sustainable use of natural resources for future generations. <i>Note that implementation partner inserted a chart in their response that included 3 columns: (1) indicator, (2) goal, & (3) percent accomplishment; due to formatting issues, the table could not be inserted here.</i>	
<u>Finding #18 (now combined within #17 - page 21 of draft report):</u> (a) Some work projects where the municipal government was peripherally involved; no final results seen - It is difficult to reply to this statement without more information being provided. However, it is important to note that both planning and activities are well underway, leading toward the expected results. Three of the four activities planned with the Philadelphia Municipality were accomplished: 1) The Sustainability Vision; 2) First steps towards the development of a rural cadaster; and 3) Transparency systems. The fourth, which is in process and expected to be completed by the end of the project, relates to the support for the development of a land use monitoring system (or a "multi-purpose cadaster system"). (b) "High overhead costs" - Overhead has been agreed to between WWF-US and USAID in the Washington office, not only for this Project but in all Projects where WWF and USAID work together.	The draft report text for "Findings – Project Weaknesses", number 18 (now part of modified #17) modified based on implementation partner's new/clarifying narrative. ET appreciative of new implementation partner narrative specific to Finding #18 (now #17). Finding as originally drafted was vague, text modified. The statement regarding overhead costs has been modified as well.

ANNEX IX: WCS & NEULAND COOPERATIVE COMMENTARIES

This brief annex relates to thoughts reached by (1) Wildlife Conservation Society (WCS) and (2) Neuland Cooperative after reviewing the final draft report. Their respective narratives appear below (translated from the original Spanish language). This annex does not represent a Statement of Differences. The authors of this final report view each of the following two narratives as providing valid, supplementary information to the readers of this report. The authors of this report thank WCS and Neuland Cooperative for their additional, clarifying narratives.

WCS: WCS encountered no factual errors in the final draft report. WCS noted they felt insufficient attention was provided in the final draft to their work with pilot sites; the report noted the 20 pilots that WWF monitors but not work WCS has done on those sites over the previous four years; field work includes: wildlife photos taken with camera traps, final reports prepared, conclusions reached, etc. The final draft report mentions the WCS wildlife monitoring, but it is not identified as pilot work; not encountered is work done on the pilot sites dealing with native forest management, forest carbon measurements, ongoing work addressing pasture rotations, etc. WCS presumes these points were not addressed in the final draft report because WCS staff were not consulted. In light that the above points did not surface during the interview process, we suppose it is not now possible to unilaterally add these points to the final report.

[Original Spanish language narrative – “No hemos encontrado errores resaltantes. Lo que sí nos llama un poco la atención que no hay mención al trabajo de WCS en los pilotos, mencionándose como tales solamente los 20 “pilotos” que WWF monitorea y no los que hemos venido implementando nosotros desde hace 4 años, con trabajos de campo, fotos, informes finales, conclusiones, etc. Se menciona el trabajo de monitoreo de fauna, pero no está identificado como piloto, y no encontramos referencias al piloto de manejo del bosque nativo, al de medición de carbono en sistemas productivos, al que está en marcha de pastoreo rotativo, etc. Entiendo que será porque ese aspecto no fue consultado/identificado por los evaluadores? Como ya no se consultó/identificó en las entrevistas, supongo que ya no se puede agregar unilateralmente. Aguardaremos el informe final.”]

Editorial note by report authors – WCS staff were interviewed at their offices in Asuncion and WCS reports were read as part of the report preparation process. Due to time constraints, USFS consultants were unable to visit any field sites, especially those where WCS has ongoing work. Details of WCS field work would have surely been better highlighted in the final draft report if field visits had been possible.

Neuland Cooperative - In general, we do not have any specific observations to make relevant to the final draft report. I do not agree with some statements and situations described. We understand that this evaluation is just one way of assessing what the Alliance has achieved. However, it should be taken into consideration that each Alliance member has and will continue having its own perspective regarding the evaluated issues. The Evaluation should focus on the important fact that members have reached a basic consensus on fundamental elements of the Alliance. It would have been very useful to have had a Spanish language version of the final draft report since not all Alliance members have the ability to read English.

[Original Spanish language narrative – “En principio no tengo observaciones de relevancia que hacer, respecto al documento. No me identifico con algunas expresiones y realidades descritas. Entiendo que es una forma de valorar y evaluar lo hecho por la Alianza, pero que a la hora de opinar, no se debe olvidar que cada integrante de la mencionada Alianza tiene y tendrá su visión y enfoque particular sobre los ejes temáticos tratados y que la valoración se debería concentrar en el logro de haber conseguido consensos básicos en los puntos fundamentales. Además me hubiese sido de suma utilidad, tener la versión en español del documento, ya que no podemos suponer que todos los involucrados manejemos un inglés fluido.”]

Editorial note by report authors – The authors of this report thank the president of Neuland Cooperative for expressing his thoughts; report authors are in complete agreement with Neuland's additional narrative. Note that a Spanish language version of this report will soon be forthcoming (this new annex dated June 2019).

Contact information regarding this report can be obtained from:

U.S. Agency for International Development
Juan de Salazar 364 c/ Avenida Artigas
Asuncion, Paraguay