CYNOSURE

Evaluation Report

Terminal Evaluation for the

Land Degradation Neutrality (LDN) Technical Assistance Facility (TAF)

GEF Project ID - 9900

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EXECUTIVE SUMMARY

The Land Degradation Neutrality (LDN) Technical Assistance Facility (TAF) was a six-year project (2019–2025) executed by IDH with funding from GEF and AFD, with WWF-GEF as GEF Agency, and strategic oversight from Mirova and UNCCD. UNCCD and Mirova were the project (TAF) proponents, with the UNCCD GM having spearheaded the design of the LDN Fund following a COP12 decision, and Mirova having been selected to manage the LDN Fund. The TAF was designed to de-risk LDN Fund investments, maximize Environmental and Social (E&S) Impact, and serve as a platform for knowledge management and sharing. A key function of the TAF was to strengthen the pipeline of investment-ready, sustainable land-use projects in Least Developed Countries (LDCs), Small Island Developing States (SIDS), and underserved countries across Africa, Asia, and Latin America. This evaluation assessed the project's relevance, coherence, effectiveness, efficiency, impact, sustainability, safeguards, and gender mainstreaming with a particular focus on the delivery and outcomes of pre- and post-investment technical assistance (TA) provided by the LDN TAF.

The project was underpinned by a **Theory of Change** structured around four pillars: i) Pre-Investment Technical Assistance; ii) Post-Investment Technical Assistance; iii) LDN Impact Monitoring; and iv) Knowledge Management and Project Monitoring and Evaluation.

The project's **relevance** was found to be highly satisfactory, as LDN TAF was responsive to the LDN Fund's investment strategies and beneficiary needs. The LDN TAF coherence was also satisfactory, demonstrated through alignment with the strategic objectives of the LDN Fund, UNCCD, GEF, AFD, and WWF, functioning as a well-aligned complement to the Fund. It also interfaced synergistically with global efforts on LDN, including conceptual alignment with SDG 15.3 (Land Degradation Neutrality).

Effectiveness of the LDN TAF activities has been *Satisfactory*. The TAF delivered 22 pre-investment and 13 post-investment TA assignments, achieving 115% of its pre-investment delivery target and 133% of its investment outcome target. The project was also balanced in its geographic and thematic diversity, with TA delivered to 29 project developers across 20 countries, working with 28 commodities in diverse agroecological zones. Pre-investment TA significantly improved investment readiness through ESG systems design, feasibility studies, and business model refinement. Interviewed pre-investment TA recipients across the board reported enhanced investment readiness. In particular, six recipients of pre-investment TA secured LDN Fund financing, of which three also secured investments from other funds, including Komaza, Miro, and Mountain Hazelnuts. In addition, Talmond and WhatIF Foods leveraged funding from additional investors. For the rest, access to the LDN Fund investment was constrained due to a variety of factors, including high risk businesses (e.g. sourcing, projected profitability), insufficient LDN impact potential, and ticket size mismatches. Overall, the pre-investment TA was instrumental in conducting early due diligence of project developers with investment potential, contributing to the de-risking of the LDN Fund.

Post-investment TA, provided to 12 project developers which had received LDN Fund investment, played a dual role in enhancing long-term business resilience and maximizing E&S impact by strengthening ESG compliance, gender integration, income diversification, living wage assessments, and organizational strengthening. Interviewed project developers reported

strategic benefits, including improved monitoring systems, governance frameworks, resilience planning, and in some instances business diversification. However, internal capacity constraints and COVID-19 disruptions slowed uptake in some cases, with post-investment TA facing average delays of six months.

The TAF also made substantial contributions to LDN impact monitoring by supporting the development of a methodology aligned with UNCCD approach and training project developers which have received LDN Fund investment and the LDN Fund team on GIS-based tracking using QGIS and the specialized Trends.Earth tool. However, challenges related to data complexity, technological literacy, and tool usability persist. Without continued technical support, project developers may struggle to sustain monitoring, and further simplification of LDN impact monitoring tools is required for widespread adoption.

The project's **M&E** ensured tracking of results. Adaptive capacity was demonstrated through indicator revisions, flexible TA design, and real-time stakeholder feedback mechanisms. However, impact monitoring was limited as indicator G.3, which originally aimed to measure project developer progress through a standardized scorecard, was dropped during revisions to the project's results framework due to the perceived challenges associated with systematically tracking uniform impact across TA.

Additionally, the lack of monitoring of pre-investment recipients' access to non-LDN Fund financing beyond the TAF's intervention timeframe constrained the measurement of indicator G.1, weakening the assessment of the TAF's broader catalytic impact. Although the mid-term review was cancelled, mid-course corrections were made possible through a reflection session, and bi-annual meetings with donors. While targets for the development of knowledge products were exceeded, the activity could have benefited from more dedicated resources.

Project finance and co-financing performance were found to be efficient, with 94% of the total GEF allocation of USD 2 million disbursed by the end of the project. Component 1 received the largest share and accounted for 83% of total GEF expenditure, while Components 2 and 3 accounted for 7% and 9%, respectively. The TAF demonstrated strong cost efficiency and investment leverage, mobilizing over USD 75.9 million across 7 projects from the LDN Fund and other investors. Furthermore, co-financing commitments of USD 4.93 million were met, with AFD contributing USD 3.29 million (EUR 2.98m), and additional materialized support from IDH (85.8% of commitment materialized or exceeding 100% with partner contributions), Mirova (153.6%), WWF (84.6%), and UNCCD (107%). In addition, IDH leveraged a USD 4,299,054 co-financing contribution of Project Partners bringing the total co-financing amount to USD 9,089,977.

Environmental and Social Safeguards were systematically integrated using WWF's Safeguards Integrated Policies and Procedures (SIPP) and GEF policies. Although the project was categorized as low-risk or C, all TA projects underwent a review to ensure that said categorization was still accurate. Stakeholder engagement was robust with project developers and international partners, but engagement with government actors was inconsistent and was done retrospectively in some cases. Local consultants and institutions were involved in TA delivery in various instances, and communities were also engaged in a number of TAs that entailed smallholder-linked supply chains.

Although the TAF was a GEF 6 project and did not require a **gender** analysis or action plan, the TAF was effective in progressively strengthening its approach to gender mainstreaming over the project lifecycle, moving from a basic "Do No Harm" principle to a structured strategy consistent with WWF and GEF gender policies. Accordingly, Gender risks and opportunities were integrated into project screening, and Gender Action Plans were promoted in post-investment TA, resulting in tangible achievements such as greater women's participation in land management, improved access to training, and more inclusive workplace policies across project developers. However, in some project developers, gaps remain in sustaining institutional change beyond the TAF support, especially those in low-capacity settings; and social norms pertaining to gender have also proved challenging, such as Kennemer, which reported implementation was slower than expected.

The **sustainability** of the LDN TAF's outputs and outcomes is assessed as Moderately Likely. While TAF built technical capacity, piloted innovative models, and strengthened ESG practices, the durability of these gains varies across project developers. Continued strengthening of organizational capacity and availability of financial resources will be critical for the long-term institutionalization of the TA outcomes in project partners' enterprises. Knowledge products and peer learning platforms offer pathways for broader uptake, though the efforts made to expand the outreach of knowledge products will be crucial in sustaining the use of the lessons learned and other outputs. Furthermore, although the TAF influenced partners like UNCCD at the institutional level, limited government engagement at the country level reduces prospects for contribution to long-term policy integration. Sustaining TAF's outcomes will ultimately require continued investment, stronger institutional embedding, and broader dissemination of knowledge and lessons learned.

The LDN TAF experience yielded a number of critical **lessons** with relevance for future blended finance and technical assistance models. Firstly, operational independence from the investment fund allowed the TAF to provide impartial, strategic support to projects with high impact potential positioned further away from investment. Flexibility in TA delivery—through adjustments in timelines, budgeting, and safeguard strategies—was also essential to respond to evolving contexts. However, while critical for enhancing investment readiness and de-risking funding, TA alone cannot overcome systemic barriers to investment readiness. Similarly, considering the high-risk nature of LDN investments, meaningful change requires ongoing technical support, expected to be provided by the LDN Fund over the course of the loan utilization after the initial TA. Furthermore, there is substantial untapped potential for leveraging LDN investments to catalyze social and environmental change. Knowledge and lessons learned from TAF implementation can also contribute to filling the critical information gap in impact investing, the development and dissemination of this knowledge is time and resource intensive.

Recommendations

RECOMMENDATION 1: The TA should continue to be institutionalized as a core component of blended finance facilities to strategically strengthen project concepts and improve alignment with investment criteria. Such a structured approach not only supports due diligence but also helps de-risk projects for potential investors, thereby increasing the likelihood of successful capital mobilization.

RECOMMENDATION 2: Future TAFs should be designed with pathways to connect investees to multiple funds rather than relying on a single investment vehicle. Given the diversity of project profiles and the variation in investment readiness levels, a single fund's eligibility criteria—such as minimum ticket size or risk appetite—may not be suitable for all.

RECOMMENDATION 3: TA facilities should also incorporate clear exit strategies that include formalized partnerships or referral pathways to other technical or financial support providers. For example, establishing MOUs with relevant investment hubs, incubators, or donor programs can offer project developers continued access to advisory services and funding opportunities after TA completion. Furthermore, to highlight its direct or attributed contribution to investment readiness, a TAF must also periodically track the access to funding by TA recipients.

RECOMMENDATION 4: Future TA facilities should integrate an adequately resourced knowledge management function. This should include the allocation of specific human resources (e.g., a knowledge and learning officer), budget lines for documentation and dissemination, and a structured knowledge development and sharing plan.

RECOMMENDATION 5: To enable an aggregate assessment of a TAF's overall contribution, future facilities should explore the adoption of a harmonized set of core indicators to track the direct and attributable impact of TA across projects. These may include standard GEF indicators and/or indicators tailored to TA-specific interventions.

RECOMMENDATION 6: Future TA facilities and blended finance platforms should adopt more streamlined, cost-effective, and user-friendly LDN impact tracking tools that align with the operational realities and data capacities of project developers while maintaining scientific rigor. Additionally, lessons learned from the implementation of the LDN TAF impact measurement approach—particularly challenges and innovations related to Trends.Earth—should be systematically documented and disseminated across relevant stakeholder networks.

RECOMMENDATION 7: To enhance government alignment without requiring direct outreach, future TA facilities should strategically collaborate with related development initiatives supporting the public sector. By aligning with projects that have existing institutional relationships, the TAF can influence government policies and secure buy-in more efficiently, while reducing the resource burden associated with independent government engagement.