

TERMS OF REFERENCE

Final evaluation of CDP's forests intervention under NICFI 2016-2020 funding

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Background

About CDP

CDP is a global non-profit that focuses investors, companies, cities, and governments to disclose and act on their environmental impacts. This network of over 515 investors and 125 purchasing companies representing over \$106 trillion in assets and purchasing power, along with policymakers and NGOs around the world, uses CDP data and insights to make better-informed decisions to shift capital towards a low-carbon, deforestation free and water secure economy. Our disclosure platform collects data annually from over 8,400 companies on their business operations related to climate change, water security, and deforestation, as well as reporting from over 920 cities, states and regions on mitigation and adaptation efforts. The result of this disclosure across sectors and geographies is the world's most comprehensive collection of accessible, comparable, and self-reported environmental data that is used to drive action by public and private actors.

About CDP Forests

The work of the organization is structured around three thematic pillars, which are climate change, water security, and forests, and four stakeholder teams that work to achieve thematic objectives.

Since 2016, CDP Forests has been managing a project composed of three sub-projects funded by NORAD through the Norway's International Climate and Forests Initiative (NICFI). The three sub-projects are the following:

- The *Power of Procurement* (PoP) project implemented over 5 years between April 2016 and February 2021.
- *South East Asian banks* (SEA banks) project, implemented between April 2019 to February 2021.
- Investor Research (IR) project, implemented between April 2019 and February 2021

A more detailed description of the three projects is provided below.

About the three projects

Power of Procurement

CDP established a supply chain reporting platform for forests commodities in 2017. With this platform, the organization works to: increase the awareness of deforestation risks among companies in different regions; increase the transparency and accountability in the supply chains of key forests risks commodities; and improve the capacity of supply chain companies so that they take action and address deforestation risks issues.

The goal of the project is to support companies in their efforts to eliminate deforestation from corporate supply chains. To deliver on this goal, the project works with purchasing companies and suppliers, to drive disclosure of companies on forests metrics, and to improve supply chain management techniques, enabling buyers to engage meaningfully with their suppliers, assess management of deforestation risks and track their progress towards becoming deforestation free.

Southeast Asian banks

CDP is developing a sustainable finance reporting framework covering both Climate Change and Forest metrics. The framework will help banks assess and improve management of forest related risks within their lending portfolios through an annual questionnaire.

Through the process of disclosure, CDP hopes to build capacity within the banking sector, raising awareness of forests related risks in lending portfolios, identifying key actions that banks can take to reduce these risks, and supporting the sector to more deeply engage with portfolio companies.

By the end of the project we hope targeted banks will have the necessary tools and evidence to shift capital away from destructive practices and move capital towards more sustainable commodity production systems.

Investor Research

The project builds on CDP's long-term experience in producing reports aimed at investors. Two reports focused on fast moving consumer goods and the agribusiness sectors examine the forest and climate risks associated with the production and investment into forests risks commodities. Dissemination of the reports via media outlets and in-person engagement will increase the impact of the findings being captured by a self-reported behavior change survey.

Objective

CDP requires a third-party consultant to provide end of project evaluation. The objectives of the evaluation are to:

- Evaluate the extent to which projects have resulted in the targeted behavioural change of key actors, including corporate buyers, suppliers, and finance organizations, towards a transition to zero deforestation practices.
- Identify and assess the drivers and obstacles to behavioural change.
- Provide recommendations for the implementing team and more generally the organization to generate learning and help strengthen the effectiveness of future projects using similar approaches (e.g. supply chain approach) in the same or other target geographies.

Scope of evaluation

This evaluation exclusively focuses on the performance of the projects in increasing transparency through disclosure and actions to transition to sustainable business practices planned or taken by companies, and financial institutions¹.

The evaluated projects cover the following geographies:

- PoP: China, Latin America (with focus on Brazil, Colombia, Peru), and Europe. In addition, the evaluation will include a performance analysis of a pilot project implemented by CDP's Colombian partner organisation, Fundación Natura; the project seeks to support the establishment of a pilot traceability system for dairy supply chain in Colombia.
- SEA Banks: Indonesia, Malaysia and Singapore, and a small sample of targeted global banks.

¹ Both PoP and SEA Banks projects include policy workstreams, whose performance and impact will be evaluated separately.

- IR: Investor markets in North America, Latin America, Japan and Europe with strong links to Forest Risk Commodities in the PoP Supply chains and through Southeast Asian bank lending. Through this evaluation, CDP hopes to compare performance of the projects across targeted geographies and expects applicants to propose an approach to do so. It should be noted that for the evaluation of the PoP project, the inclusion of China as one of target country of the evaluation is mandatory.

Criteria

In accordance with the DAC Principles for Evaluation Development Assistance, the evaluation will mainly assess the **effectiveness** of the three projects against specific outcomes (listed below), by assessing the achievement of the expected outcomes stated in the projects proposal, and providing recommendations for improving the performance of further phases of the project. The evaluation will also assess the **relevance** of the projects' strategy and provide appropriate recommendations on the projects' approaches.

Evaluation questions

Relevance

- POP: What are the strengths and weaknesses of the Supply Chain Forest program according to participating companies (buyers and suppliers)? Do participating companies recognize the Supply Chain Forest program as an added value and in what way?
- POP: If weaknesses exist or are identified by participating companies, what are the suggestions to increase value and usefulness of the Supply Chain Forest program?
- POP: Is the approach to engage purchasing companies to join the Supply Chain Forest program adequate? In what way could it be improved, or adapted to specific contexts?
- POP: What is the level of satisfaction and confidence of engaged companies (purchasing companies and suppliers) regarding the work and material provided by CDP?
- SEA Banks: Is the approach to engage financial institutions to join the 2020 financial services disclosure cycle adequate? In what way could it be improved, or adapted to specific contexts or categories of financial institutions?
- SEA Banks: What is the level of satisfaction and confidence of engaged financial institutions regarding the work and material provided by CDP?

Effectiveness

The overall guiding question to address under the effectiveness criteria is the following: *does CDP's work succeed in making a difference in the extent to which and way companies (purchasing, suppliers, financial institutions) are aware of and understand deforestation risks, and plan actions to address it.* More specifically, we expect the consultant team to research the following evaluation questions:

- PoP and SEA Banks: Does the projects and their theories of change contribute to leading companies (including financial institutions) to understand the business case of addressing deforestation issues?
- PoP, SEA Banks, IR: Has the project contributed to increasing the awareness of deforestation risks, the willingness or readiness of companies (including financial institutions) to take action to operate a transition to no deforestation practices?

- PoP, SEA banks, IR: What actions have targeted companies (including financial institutions) taken following CDP's intervention?
 - PoP: Did purchasing companies engage with their suppliers? What was the result of this engagement? What is the evidence that shows transformational change driven by engagement of purchasing companies with their supplier companies?
 - SEA Banks, IR: Did investors and financial institutions engage with their portfolio companies? What was the result of their engagement? What is the evidence that shows transformational change initiated or triggered by this engagement?
- PoP, IR: In what way and to what extent do purchasing companies use CDP's data? What are the reasons for using or not CDP data set on the decision-making process?
- PoP: Are there regional differences to which project interventions (i.e. engagement of purchasing companies with supplier companies, behavioural change of suppliers on key identified criteria) have been effective to achieve the outcomes?
- PoP, SEA Banks, IR: What effect if any has COVID 19 had on the projects' expected outcomes; what are the lessons learnt to take regarding dealing with unprecedented risks?

Assessment of the performance of the project implemented by Fundación Natura Colombia (CDP forests subgrantee under Power of Procurement project)

Effectiveness

- To what extent has the project progressed towards the objectives of supporting the establishment of a traceability system in the Caquetá area?
 - What is the level of interest, readiness, and capacities of the participating companies in the pilot project in incorporating traceability on their business practices?
 - What is the contribution of the pilot project – or what is the plausibility that the pilot project will contribute to - in supporting or strengthening the establishment of the national traceability system?
 - What has been the effect of the COVID 19 happenings on the achievements of the expected results and what are the lessons learnt to take regarding dealing with unprecedented risks?

Deliverables

The following deliverables are expected:

- Inception report², to be approved by CDP Forests before launching of the evaluation activities. Inception includes a revised list of evaluation questions if judged necessary, a detailed description of the methodology (approach and method), a sampling strategy, a detailed timeline, and an evaluation matrix.
- Data-collection tools, e.g. survey and interview guidelines.
- Raw data
- Final report³, including recommendations for potential next phases of the projects or the overall strategy implemented by CDP with the private sector.

² A template of the inception report will be shared with the selected candidate(s).

³ A template of the report will be shared with the selected candidate(s).

Guideline for proposal submission

Interested parties should send the documents listed below to linda.sansico@cdp.net. The subject line should be titled: *Evaluation-NICFI-Corporate-Behavioral-Change*. The deadline for submitting proposal for this evaluation is **September 15thth, 2020**. Questions on the terms of reference will be answered August 31st and September 14th and should be sent to the above-mentioned e-mail address.

Consultant(s) or consultant firms should have an extensive experience in evaluation of environmental corporate responsibility and preferably a sound experience in conducting evaluations using a case study approach.

Prospective candidates are expected to submit:

- A statement or cover letter describing how the candidate or team meet the requirements
- CV(s) of consultant / team members
- At least one example of similar previous evaluations
- A proposal describing the methodology**, including an evaluation matrix, and the timeline for the evaluation
- A detailed timeline*** for the evaluation
- A detailed budget

**** Note regarding methodology:**

The evaluation should be completed using a case study method. The number of case studies should be suggested by the consultant(s). The report should however include case studies of the progress of the three following categories of stakeholders: (i) supply chain companies (PoP project), (ii) financial institutions (SEA banks project), and (iii) investors (across three projects).

CDP will welcome the use of a combination of approaches, that should be suggested by the candidate consultant or consultant firm, if complementing the case study approach seems relevant. A description of the suggested methodological approach is expected in the submitted proposal and should be further detailed at inception phase of the evaluation.

***** Note regarding timeline:**

The 2020 corporates disclosure was launched on mid-April 2020 with a submission deadline of end July to end of August 2020. The candidate consultant(s) should note that the 2020 disclosure data will not be available before 30th September 2020⁴, and should plan / design its/their timeline accordingly.

⁴ Mid November for financial institutions disclosure data.