

Annual Review Template

Title: The Illegal Wildlife Trade Challenge Fund		
Programme Value £ (full life): Up to £24m		Review date: December 2024
Programme Code: GB-GOV-7-IWTChallengeFund	Start date: September 2021 (current Business Case)	End date: 2024 (current Business Case)

Summary of Programme Performance

Year	2023	2024						
Overall Output Score	A	A+						
Risk Rating	Medium	Medium						

DevTracker Link to Business Case:	https://devflow.northeurope.cloudapp.azure.com/files/documents/2021-IWTCF-Business-Case-Main-20240312120313.pdf
DevTracker Link to results framework:	

A. SUMMARY AND OVERVIEW

A1. Description of programme

The Illegal Wildlife Trade Challenge Fund (IWT Challenge Fund) helps the UK meet its 2014 IWT Conference Series commitments by supporting developing countries to deliver the four pillars defined in the conference series: strengthening law enforcement, developing sustainable livelihoods, reducing demand, and ensuring effective legal frameworks. In line with the UK International Development White Paper, published in 2023, and the UK Government’s pledges to International Climate Finance, the IWT Challenge Fund continues to contribute to our commitments to conservation, climate change adaptation/mitigation, and poverty reduction.

The IWT Challenge Fund has had significant reach since its inception: committing to date over £57m to 173 projects, working with local communities in 60 countries across Africa, Asia and Central and Southern America to protect endangered species, reduce biodiversity loss, contribute to climate change adaptation and mitigation, and address some of the most pressing IWT issues. Each round typically funds 20-25 projects, under three funding schemes:

- **Evidence:** Grants from £20k - £100k to gather evidence to design an IWT intervention. Projects last less than 2 years.
- **Main:** Grants from £75k - £600k for projects that expect to deliver strong results, whilst also demonstrating the potential to scale. Projects last between 1 and 3 years.
- **Extra:** Grants from £600k - £1.5m, for projects aimed at expanding activities that have already demonstrated success and impact at a smaller scale. Projects last between 2 and 4 years.

With the IWT Challenge Fund being partly funded by International Climate Finance (ICF), the programme’s contribution to ICF targets are closely monitored. In the 23/24 reporting period that this Annual Review covers, the programme was classed as 60% ICF eligible by an ODA hub internal assessment, which was based on the increasingly available evidence on the links between climate change and IWT.

A2. Summary supporting narrative for the overall score in this review

This Annual Review assesses the third year of programming under the 2021 Business Case, reviewing the period 1 September 2023 to 31 August 2024. To assess Output and Outcome scores in this Annual Review, the team analysed results reported by projects against IWT Challenge Fund Standard Indicators¹. We compared actual progress (results) with the progress these projects had expected to achieve (milestones, or combined forecasted results), during the same period. Further detail on the methodology for calculating milestones/combined forecasted

¹Reporting on Standard Indicators is not obligatory for projects with funding agreements issued before the indicators became mandatory.

results is included in Text box 1. Results from 62 projects, with a £23 million combined value, feature in this analysis.² This is the second year results have been available for indicators, and the second Annual Review of the IWT Challenge Fund programme.

Table 1: Summary of output scores

Output no.	Output title	Impact weighting	Progress	Output score ³
1	New and enhanced tools/approaches for tackling IWT	25%	The only indicator for this output exceeded target	A+
2	Evidence, best practice, campaigns and policies on IWT generated and made available to local people and other key stakeholders	25%	11 indicators exceeded target 1 indicator missed target	A+
3	Training and skills development for key stakeholders and partners	25%	Both indicators substantially exceeded target	A++
4	Programme management ensures delivery of a competitive, adaptively managed fund	25%	The programme team does not set milestones for this indicator (except no. of deep dives). However, sufficient high-quality applications were received, and average annual report (1.00) and final (2.10) indicate that the majority of programmes are on track to achieve their expected outcomes	unscored

Results: Existing projects have made impressive progress at both Outcome level and Output level, with the majority exceeding their targets, often by a considerable margin. Only one Output indicator missed its target (see Table 1). These scores suggest an overall 'A+' score for programme progress is warranted. Consistently exceeding expectations has led to further scrutiny of methodology which is outlined in Text Box 1.

Delivery: Demand for the funding remains high with Round 10 receiving 157 applications at Stage 1, of which 50 were scored by IWT Challenge Fund Advisory Group (IWTAG) as good enough to fund. Delays in disseminating funding during this Annual Review period have occurred, partly due to the General Election and Spending Review, as well as two isolated incidents arising from assessing in-country risk levels. However, the Fund delivery remains strong, disseminating over £6.7m to 77 (existing and new) IWT Challenge Fund projects over the review period.

² Figure relates to total lifetime value of 62 reporting projects. This represents 89% of projects reporting during the Annual Review period, and 90% of projects by grant value.
³ The Defra Annual Review scoring system rates outputs as follows: A++ (substantially exceeded expectations), A+ (moderately exceeded expectations), A (met expectations), B (moderately did not meet expectations), and C (substantially did not meet expectations).

Text Box 1: Outcome and Output level results - Methodology

The programme's Outcome and Output-level results have generally exceeded expectations, though it is important to recognise the strengths and limitations of the methodology used in this assessment. With milestones being exceeded in this Annual Review we have given additional scrutiny to ensure the process by which milestones are being set and assessed is robust.

To evaluate Outcome and Output scores for this Annual Review, we applied two methods:

1. **Comparison with forecasts:** We compared project reported results with forecasted results. The selection process for funding prioritises ambitious projects, and so using this methodology means that targets will be inherently ambitious. However, this method is constrained by the early stage of reporting, as Standard Indicators are only in their second year of use. This means that not all projects (namely older projects) use them. While older ongoing projects are not required to adopt these indicators, many have voluntarily done so. As a result, the findings presented here and in Section C do not cover the entire funded portfolio. Findings presented here include data from 62 out of a potential 70 projects that received funding during this period (this equates to 89% of projects and 90% of the grant value provided).
2. **Scoring by the Fund Manager:** Progress across all IWT Challenge Fund projects is assessed on a 1–5 scale during the Annual Reporting cycle (1 = “Outcomes likely to be completely achieved”; 5 = “Outcomes unlikely to be achieved”). This year, project scores ranged from an average of 1 to an average of 2.10 (depending on the scheme and whether it was an annual or final report), indicating that most projects are on track to achieve all or most of their objectives. The Fund Manager has additional validation processes in place where projects are reporting particularly high results, so additional quality assurance has been implemented.

While these assessments provide valuable insights, some methodological challenges persist:

- **Uncertain measurement:** Guidance on how to measure some indicators is still under development. When complete, this will reduce variability in reported results.
- **Limited attribution:** Few projects included counterfactuals, complicating the attribution of results to project interventions. However, validation measures, such as expert assessments during project selection, external validation, and independent reviews of self-reported data, have minimised these risks.

Looking ahead, the pool of projects that do not use Standard Indicators will continue to diminish, enabling more comprehensive and robust comparisons between milestones and actual Outcomes. This will enhance the accuracy of Annual Review scoring over time, as a larger and more consistent dataset becomes available.

Progress against the key recommendations in the last Annual Review⁴

Significant progress has been made to strengthen the programme since the last Annual Review:

1. **Strengthened the Fund's approach to capability and capacity building.** The Capability and Capacity Strategy was developed in March 2024, responding to stakeholder needs assessments and consultations with a wide variety of stakeholders. The overall aim of the strategy is to strengthen the capabilities of individuals and organisations working on the ground; equipping them with the tools, knowledge and networks needed to address complex conservation challenges effectively. [Ongoing work by Defra and Fund Administrator (NIRAS)].
2. **Consolidated and accelerated activities to strengthen the delivery and ambition of Workstream 5: Building and Applying Evidence.** This workstream is fully operational. Evidence and analysis from the eight deep dives commissioned during the reporting period have informed a range of improvements in how the Biodiversity Challenge Funds (BCF) operate. [Ongoing work by Defra and NIRAS].
3. **Built on recommendations of the GESI deep dive, including developing guidance to applicants and reviewers and a multiyear GESI Strategy.** In April 2024, the Fund Manager and Defra agreed a five-year GESI strategy. Key deliverables for 2024 focused on ensuring that all new projects consider potential risks of perpetuating gender inequality and social exclusion, then act to avoid doing such harm, meeting the minimum standard of “GESI sensitive”. Many projects go beyond this by actively improving gender equality and social inclusion. We updated BCF forms, guidance, webinars, and communication

⁴ A full list of progress towards recommendations from the 22-23 Annual Review is given in [Annex 1](#).

accordingly. Other activities included GESI training, bolstering GESI on Expert Committees, and reviewing indicators. However, despite renewed efforts by the Fund Manager, the number of grantees disaggregating reported results by gender remained limited. We expect that this may take a little more time as projects respond to the use of new Standard Indicators, and ongoing support will be provided to applicants through the Capability and Capacity Strategy [Ongoing work by Defra and NIRAS].

4. Built on recommendations of the poverty deep dives, including guidance to applicants and reviewers.

In early 2024 we reviewed early iterations of the IWT Poverty Deep Dives (subsequently published as [Phase 1](#) and [Phase 2](#)). With early sight of these recommendations we updated guidance for Round 11 applicants. This included prompting applicants to think about how tackling IWT can itself exacerbate poverty, encouraging applicants to partner with the development sector, and promoting stronger engagement with local partners and communities in the design of projects. The [IWT and Poverty information note](#) was also published in August 2024 to coincide with the opening of the application period for Round 11. [New guidance published August 2024].

5. Widely consulted and reviewed feedback on the Theory of Change (ToC) and Standard Indicators.

The new IWT Challenge Fund Results Framework (Logframe and Standard Indicators) was launched in March 2023, with all new (and some previous) grantees reporting against the new Standard Indicators. This has enhanced meaningful data collection, including better data disaggregation. Methodologies to support sampling best practices has begun but is not yet complete. A workshop was held in July 2024 to align the ToC and logframe indicators and incorporate feedback from our Fund Manager and grantees on the use of the Standard Indicators. The results framework was subsequently updated. Evidence of causal pathways between IWT, poverty and climate change to support future improvements has been synthesised and will be incorporated into project delivery and reporting. [Updates to ToC and logframe actioned in July 2024. Continued work by Defra and NIRAS to update as needed].

6. Develop and create a cloud-based database to securely hold and make accessible project data.

The first phase of rear-end development was completed by August 2024. Piloting and testing will take place in late 2024-2025. [Ongoing work by Defra and NIRAS, with project access to database anticipated in April 2025].

A3. Major lessons and recommendations for the year ahead

- 1. Further develop IWT Challenge Fund’s approach to multi-dimensional poverty** – Recommendations from the deep dives on poverty and on markets and livelihoods have highlighted the complex, multi-dimensional links between IWT and poverty. These insights underscore the need for a more sophisticated approach to multi-dimensional poverty alleviation which looks beyond economic gain and instead includes the broad pathways that link IWT with poverty. The IWT Poverty Deep Dives Phase 1 and Phase 2 will be published in early 2025 (now available [here](#)). [Ongoing work by Defra and NIRAS to review recommendations and incorporate into guidance, application forms, workshops and project review processes prior to next AR].
- 2. Build on progress from the first year of the GESI workplan** – This year represents the first year of the GESI strategy, which included baseline scoring of projects and rollout of guidance to reviewers. Guidance to applicants and grantees needs to be improved to ensure focus is given to social inclusion as well as gender equality. Quality assurance of reviewers needs to be standardised internally to ensure robust and consistent scoring. [Ongoing work by Defra and NIRAS, with updates to guidance due before launch of subsequent rounds].
- 3. Adopt a holistic approach to evidence** – Standard Indicator reporting provides only a partial view of the Fund’s impact. Monitoring, Evaluating and Learning (MEL) must be approached holistically, incorporating deep dives and evaluations. A standardised process is needed to incorporate lessons from deep dives and stakeholder feedback into Fund planning and management. Due to challenges in conducting all planned deep dives, the ambition for the number of deep dives has been reduced to 10. Finalising planned deep dives remains a priority. [Ongoing work by Defra and NIRAS].
- 4. Incorporate new evidence on the links between climate change, biodiversity and IWT** – Reviews of the latest evidence on climate change mitigation and adaptation and the links to IWT took place this year. Using this evidence, we will update the methodologies for assessing climate change relevant projects to support a more robust assessment of ICF eligibility. [Ongoing work by Defra and NIRAS. Guidance to applicants on articulating links between IWT and poverty to be provided to applicants and a new methodology for assessing ICF eligibility will be created prior to funding of Round 11 projects].
- 5. Improve safeguarding guidance and tools** – Delivery partners have responded positively to efforts to strengthen safeguarding, as evidenced through correspondence with our safeguarding lead. Translation of our safeguarding requirements across language and cultural lines remains a challenge and partners will require ongoing support through clear guidance and practical tools. [Ongoing work by Defra and NIRAS].

- 6. **Better use of counterfactuals to generate evidence of IWT Challenge Fund project impact, and better disaggregation of data is needed**, with support to grantees provided accordingly. This includes work to identify projects with potential for counterfactual application, and support provided accordingly to integrate this into project design. This also includes improvements to the process of reporting, collecting, storing, managing, and reporting on disaggregated data during the data synthesis process. We published revised guidance in April 2024 so the effect of that will be seen in data we receive April 2025, in time for the next Annual Review. [Ongoing work by Defra and NIRAS, with an assessment of applicant use of counterfactuals due prior to next AR].
- 7. **Quantify, where possible, Value for Money achieved by the Fund** – Building on a framework developed within the BCF, quantitative value for money metrics will be tested and incorporated into the next Annual Review. [To be completed prior to next AR, with ongoing work by Defra and NIRAS].

B: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES

B1. Summarise the programme’s theory of change, including any changes to outcome and impact indicators from the original business case

The Theory of Change (ToC) shown in [Annex 2](#) describes a pathway from activities and projects supported by the Fund to the delivery of impacts on reduced pressure on wildlife from illegal trade and reduced multi-dimensional poverty. Outputs related to project interventions, evidence and best practice, and enhanced stakeholder capacity and capability are expected to lead to more effective legal frameworks and law enforcement, reductions in consumer demand and new viable options for sustainable livelihoods. External evaluation findings that a high proportion of IWT Challenge Fund projects (50%) had high impact on the IWT, strengthens the basis for this expectation. Integral to the ToC are internal feedback loops to enable and support the ability of the Fund to strengthen its delivery, for example deep dive analysis and annual report reviews feeding back into improved delivery.

A Defra/Fund Manager ToC workshop in 2024 tested application of the ToC, logframe and results framework (including Standard Indicators). Following this workshop, and feedback from grantees regarding Standard Indicators and Results Framework implementation, changes have been made to our indicators (a revised logframe is available in [Annex 3](#)):

- Impact and Outcome indicator wording (and sub-indicators) on multi-dimensional poverty and livelihoods have been adjusted, to strengthen how the Fund measures progress on multi-dimensional poverty alleviation and project contributions to climate resilience and adaptive capacity. This will also support reporting on Defra (Official Development Assistance) key performance indicators and International Climate Finance (ICF) indicators. New and adjusted sub-indicators support a more sophisticated understanding of poverty that aligns with the latest thinking in the development sector.
- An Outcome indicator on ‘Gender and social inclusion is advanced throughout the fund’ has been added with the following standard indicator, ‘Proportion of projects assessed to be at minimum GESI-sensitive’.
- The impact indicator ‘Negative impacts on source nations reduced’ has been replaced by an extended multidimensional poverty indicator. The original indicator was piloted for two years with no projects selecting and reporting on it either year.
- ‘Number of people with increased participation in local communities or local management organisations’ has been added as a sub-indicator to Outcome 5: Capabilities, capacities and partnership of national, regional and local stakeholders are enhanced.
- Light modifications to wording and associated guidance have been made to increase clarity.

The ToC logic, supporting evidence (from the 2022 external evaluation, roll-out of the IWT Challenge Fund Results Framework Methodology and deep dive studies [phase 1](#) and [phase 2](#)) and assumptions are holding up against implementation experience. However, a deep dive on poverty and IWT has shown that the Fund would benefit from a more sophisticated approach to multi-dimensional poverty alleviation, with an acknowledgement that poverty expands beyond an economic issue to also include a lack of power, prestige, voice, and an inability to define one’s future.

B2. Describe where the programme is on/off track to contribute to the expected outcomes and impact. What action is planned in the year ahead?

Impact indicators are aligned to Defra International and ICF indicators, to enable increased information sharing and aggregation across Defra’s ODA portfolio. Methodologies for assessing these indicators (Table 2) are being developed, informed by deep dives, and aligning with an ongoing Defra-wide process to develop indicator methodologies. As a result, it has not been possible to assess progress on impact. Adjustments since the previous Annual Review, based on a workshop to align the ToC, logframe and results framework, have improved alignment and better reflect the IWT Challenge Fund expected impact. Work to strengthen BCF project impact evaluation (for example using counterfactuals) in 2025, and a BCF-wide evaluation, with mid-term reporting in 2026, will also assess progress on impact indicators.

Table 2: Table indicating progress against Impact.

IMPACT: Reduced pressure on wildlife from illegal trade, and reduced multi-dimensional poverty in developing eligible countries, due to innovative and scalable solutions supported				
		Milestone for this review	Progress during this review period (inc. disaggregation)	Overall progress (over two years)
1: Multi-dimensional poverty is reduced (Defra KPI D17)	Number of people with reduced multi-dimensional poverty	New indicator (incl. sub-indicators below). Potential to report in 2024/25 if projects adopt		
	Number of people with improved food security			
	Number of people with enhanced access to water			
	Number of people with improved health			
	Number of people with improved security			
	Number of people with improved social relations			
	Number of people with improved freedom of choice and action			
2: Number of globally threatened taxa with improving conservation status (Defra KPI D12) ⁵	Number of threatened species with improving conservation status.	0	0	0

Significant progress has been achieved across several Outcome level indicators (see Table 3).

- 'Outcome 2: Legal frameworks and law enforcement strengthened', progress on the number of illegal wildlife products/ shipments detected (624), the number of wildlife crime cases submitted for prosecution (150) and the number of people charged (406) and successfully prosecuted (73) for wildlife crime far outstripped ambition.
- 'Outcome 3: Reduction in consumer demand for IWT products and awareness in wider actors on what works', the number of markets trading in IWT products closed (27) exceeded expectations. The number of consumers (those who purchase IWT products) that have demonstrated desired behaviour change missed its milestone. This was because of the five projects which reported against it, three reported a percentage of consumers (rather than an absolute number) which could not be aggregated, and the other two did not report results in 2023-24.
- 'Outcome 4: Develop Sustainable Livelihoods to benefit people directly affected by IWT and build climate resilience', the number of people reporting a decrease in unsustainable practices as a result of project activities (555) surpassed targets.
- 'Outcome 5: Capabilities, capacities and partnership of national, regional and local stakeholders are enhanced', the number of people reporting they are applying new capabilities (skills and knowledge) 6 (or more) months after training (20,754) also far outstripped expectations.

Table 3: Progress against Outcomes.

		Milestone for this review ⁶	Progress during this review period (inc. disaggregation)	Overall progress (over two years)
OUTCOME 1: Innovative solutions to further reduce IWT pressures have a high potential for scaling and wider adoption				
1: Extent to which programme is likely to contribute to Transformational Change (ICF KPI 15)	Methodology still under development – see recommendation in section A3 above.			
OUTCOME 2: Legal frameworks and law enforcement strengthened				
1: % of projects with a change in	Number of illegal wildlife products/ shipments detected	21	624	680

⁵ No milestone given very low reporting. Planned methodologies deep dive, to be completed in early 2025 will explore options for this indicator (e.g. providing a methodology for measurement or finding an alternative indicator).

⁶ Because projects do not estimate plans/targets each year of operation, milestones here (and for all outputs in Section C tables) are based on aggregated Fund level project plans (speculated during project design phases).

detections /arrests /prosecutions /convictions of IWT criminals.	Number of wildlife crime related arrests facilitated by the project.	104	307	564
	Number of wildlife crime cases submitted for prosecution.	83	150	369
	Number of people charged for wildlife crime.	46	406 (of whom 268 men; 20 women; remainder unstated)	525
	Number of charges brought for wildlife crime offenses using non-wildlife crime specific legislation	4	6	14
	Value of illegal wildlife products/shipments seized through law enforcement action facilitated by the project.	£0 ⁷	£0	£0
	Number of individuals successfully prosecuted for wildlife crimes	36	73	161
2: Number of new and/or reformed laws, policies and agreements that are enacted to address the IWT.	Number of amendments to national laws and regulations in project country(ies).	2	2	5
	Number of policies and frameworks developed or formally contributed to by projects and being implemented by appropriate authorities.	5	42	47
OUTCOME 3: Reduction in consumer demand for IWT products and awareness in wider actors on what works				
1: Number of targeted consumers that have demonstrated the desired behaviour change.	Number of consumers that have demonstrated desired behaviour change.	116	0	234
2: Number of markets trading in IWT markets closed	Number of markets trading in IWT products closed.	0	27	28
OUTCOME 4: Develop Sustainable Livelihoods to benefit people directly affected by IWT and build climate resilience				
1: Number of people with enhanced livelihoods	Number of people with Sustainable Livelihoods created or protected			
	Number of people with improved income (Defra KPI D19)	1,456	1,288	3,540
	Number of people with enhanced livelihoods and wellbeing as a result of the project (Defra KPI D10) ⁸			
2: Number of people reporting a decrease in unsustainable practices as a result of project activities	Number of people reporting a decrease in unsustainable practices as a result of project activities	57	555	575
3: Number of people with enhanced climate resilience and adaptive capacity	Number of people whose climate and disaster-resilience has been improved	New indicator (incl. sub-indicators below). Potential to report in 2024/25 if projects adopt		
	Number of people supported to cope with the effects of Climate Change			
4. Finance mobilised for new activities building on evidence, best practices and projects	No standard indicator. Captured in general reporting. Based on ICF KPI 11 & 12 methodology.	N/A	£2,171,610	£2,171,610
5. Gender and social inclusion is advanced throughout the fund	Proportion of projects assessed to be at minimum GESI-sensitive ⁹	N/A	79%	79%
OUTCOME 5: Capabilities, capacities and partnership of national, regional and local stakeholders are enhanced				
1: Number of local or national organisations with enhanced capability	Number of people reporting they are applying new capabilities (skills and knowledge) 6 (or more) months after training	990	20,754 (of whom 10,683 men; 9,885 women; remainder unstated)	21,408
	Number of government institutions/departments with enhanced	15	39	67

⁷ Where a figure of zero is listed as a milestone this is because no projects had selected to report against this standard indicator during the AR reporting period.

⁸ Methodology to be developed as part of Methodologies deep dive.

⁹ Methodology for this indicator still under development. Indicator and reporting requirements implemented in 2024/25 Reporting period. Initial efforts to disaggregate have been limited to date so reporting on this will be challenging as we work with projects to improve this. No targets set accordingly.

and capacity ¹⁰ (ICF technical assistance KPI 2)	awareness and understanding of biodiversity and associated poverty issues.			
2: Number of people with increased participation in local communities or local management organisations	Number of people with increased participation in local communities or local management organisations	New indicator. Potential to report in 2024/25 if projects adopt		

Planned actions for the year ahead:

- For this AR the dataset was insufficient to allow for meaningful gender disaggregation. This will be a priority for the next AR.
- Finalise and implement methodologies for impact indicators to enable future assessments.
- Address inconsistencies in reporting to improve data aggregation and accuracy, particularly for consumer behaviour change metrics.
- Continue aligning ToC, logframe, and results framework to refine programme tracking and evaluation. Commission an external evaluation of the three BCF, which includes the IWT Challenge Fund, in early 2025 (with mid-term results in 2026 and completion in 2028).

B3. Justify whether the programme should continue, based on its own merits and in the context of the wider portfolio.

The IWT Challenge Fund should continue due to its demonstrated results, its deliverability and alignment with Defra’s international objectives.

Evidence from the initial rollout of the new results framework highlights excellent progress against Outcome and Output level indicators. The data shows that projects are exceeding many targets, particularly in strengthening legal frameworks, law enforcement, and sustainable livelihoods.

The programme has demonstrated strong deliverability, effectively channeling funding to projects with efficiency and transparency. It maintains robust administrative processes, ensuring timely dissemination of funds, appropriate due diligence and clear communication with applicants. Regular, constructive feedback is provided to applicants, fostering trust and continuous improvement. These attributes underscore its capacity to manage and deliver resources effectively within the context of the wider portfolio.

The most recent [independent evaluation](#) of the BCFs, which include the IWT Challenge Fund, in 2022, describes projects as “ambitious and impactful”, with strong evidence it has contributed to reduced threats to endangered species.

More recently, a 2024 deep dive on IWT and poverty further underscores the programme’s positive impact, detailing how projects address poverty directly and indirectly: *“The projects displayed a range of different ways of tackling poverty, primarily shaped by their understanding of the links between poverty and IWT. These can be broadly grouped into projects that claimed a direct impact on poverty ... and those that claimed an indirect impact on poverty”*.

The markets and livelihoods deep dive described that while there are opportunities to improve how the BCFs reduce poverty through market-based approaches, *“one in six projects took approaches that were comparable to high quality programming in the development sector today, demonstrating a strong understanding of the focal market, deploying evidence-based interventions to unlock market constraints, and facilitating lasting change in incentives and behaviour through close relationships with private sector partners. While these projects remain the minority, enough exist to give confidence that sophisticated, ambitious approaches to livelihoods programming are possible”*.

The new Standard Indicators and associated reporting framework integrate Defra’s ODA Key Performance Indicators and ICF Indicators. This alignment has enhanced aggregation and reporting of results showing significant contributions to Defa. International and ICF objectives (Section C).

¹⁰ Relates to improved capability and capacity to address IWT.

C. DETAILED OUTPUT SCORING¹¹

C1. Output 1 activities

Output Title	New and enhanced tools/approaches for tackling IWT		
Output number:	1	Output Score:	A+
Impact weighting (%):	25%	Weighting revised since last AR?	Yes (up from 20%)

Traditional approaches to tackling IWT, such as law enforcement, have so far been unable to address the breadth and scale of the challenge in tackling IWT. This output measures the success of projects in learning from and applying new tools and techniques; approaches which can then be replicated and scaled to provide new solutions to the challenge of IWT.

Relevant indicator(s) and associated results this review year			
Indicator(s)	Milestone(s) for this review ¹²	Progress during this review period (inc. disaggregation)	Overall progress (over two years)
Number of new or improved approaches and tools developed for addressing IWT (D26)	3	7	12

Excellent progress has been made during the reporting period under this output, with progress exceeding milestones.

Illustrative examples of projects covered by this review that are aligned to and deliver against this Output include:

[IWT129 - Tanzanian national SMART rollout to strengthen counter wildlife trafficking](#), in its first year of operation this project has established a local institute, the College of African Wildlife Management, as a regional centre for delivering a new SMART trainer course.

[IWTEV014 - Reducing demand for pangolin scales in Traditional Chinese Medicine](#), one output of this project was three behaviour change interventions. These were developed in consultation with a wide group of experts and will be put into practice in trials targeting medical practitioners in China.

C2. Describe any changes to this output during the past year, and any planned changes as a result of this review.

Small updates to the wording of the Standard Indicators have been made to improve clarity. The revised results framework can be found in Annex 3, as detailed in Section A. This framework is designed to be flexible and will continue to be adjusted over time to ensure it stays practical and effective.

C3. Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead

See lessons and recommendations in section A3 above.

¹¹ Following the re-structuring / re-organisation of the logframe, five outputs have been reduced to four.

¹² Milestones here (and for all outputs in Section C tables) are based on Fund level plans aggregated from individual project delivery plans at the application phase. Adjustments are made based on Fund level expenditure and project duration.

Output Title	Evidence, best practice, campaigns and policies on IWT generated and made available to local people and other key stakeholders		
Output number:	2	Output Score:	A+
Impact weighting (%):	25%	Weighting revised since last AR?	Yes (up from 20%)

This output aims to tackle the gaps in knowledge on wildlife crime, at all scales. At a higher level this output aims to address the lack of common standards for successful interventions which hinder the global response to the design, implementation and monitoring of strategies to combat IWT. On the ground this output aims to contribute to knowledge sharing and best practice amongst those directly involved and impacted by IWT, as well as encompassing products produced in behaviour change campaigns.

Overall Indicator(s)	Relevant indicator(s) and associated results this review year			Overall progress (over two years)
	Indicator(s)	Milestone(s) for this review	Progress during this review period (inc. disaggregation)	
1: Number of policies, campaigns, evidence or best practice products produced.	Number of unique IWT behaviour change material messages distributed	166	1,131	1400
	Number of communication channels carrying campaign message	16	78	114
	Number of partners with influence on target audience that have distributed campaign message(s)	6	25	33
	Number of new/improved site management plans available and endorsed	3	31	37
	Number of new/improved species management plans available and endorsed	2	1	5
	Number of new/improved community management plans available and endorsed	1	21	24
	Number of best practice guides and knowledge products (i.e. product identification etc.) published and endorsed	55	82	206
2: Number of people targeted in demand countries	Number of consumers targeted in demand country(ies)	1,237	9,294 (of whom: 210 men; 584 women; remainder unstated);	11,794
3: Number of media related activities and events	Analytics for funded project specific social media posts	7,388	19,985	39,888
	Number of webinar attendees	0	234	234
	Number of decision-makers attending briefing events	43	207	285
	Number of Media related activities	11	37	55

Excellent progress has been made during the reporting period under this Output, with progress exceeding milestones on all indicators.

Illustrative examples of projects covered by this review that deliver against this Output include:

[IWT091 - Control poaching and IWT by strengthening community guardianship in Chitwan](#), aiming to reduce IWT through community engagement, this project supported 73 community groups to patrol their forests, providing community management plans and field gear.

[IWT096 - Case closed? Using historic cases to enable new financial investigations](#). Working in Zambia, Uganda, Namibia and Malawi, this project directly upskilled local enforcement, justice and private sector actors providing them with eight new knowledge products, including reports on gender and IWT, best practice and regional strategies.

[IWT087 - Combating Palawan pangolin trafficking: empowering community-based protection and pro-active enforcement](#), protecting two critical populations of Palawan pangolins, this project created multiple behaviour change materials, included calendars, billboards, stickers and a board game.

C2. Describe any changes to this output during the past year, and any planned changes as a result of this review

Small updates to the wording of the Standard Indicators have been made to improve clarity. The revised results framework can be found in Annex 3, as detailed in Section A. This framework is designed to be flexible and will continue to be adjusted over time to ensure it stays practical and effective.

The Standard Indicator list has been simplified and consolidated where possible in response to feedback from our stakeholders. A new indicator ‘Number of media related activities and events’ has been added to better capture this component of IWT information sharing. The following indicators have been retired from the list due to lack of uptake or redundancy:

- Number of training materials produced for use by host country.
- Number of other publications produced.
- Number of papers published in peer reviewed journals.

C3. Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead

See lessons and recommendations in section A3 above.

Output Title				Training and skills development for key stakeholders and partners			
Output number:		3		Output Score:		A++	
Impact weighting (%):		25%		Weighting revised since last AR?		Yes (up from 20%)	

Human and technical capacity, poor infrastructure, limited collaboration, and a lack of suitable equipment can all hinder efforts to tackle IWT across the supply chain. This output aims to measure the capacity building elements of projects with the IWT Challenge Fund programme, addressing the factors critical to creating a sustained change.

Overall Indicator(s)	Relevant indicator(s) and associated results this review year			Overall progress (over two years)
	Indicator(s)	Milestone(s) for this review	Progress during this review period (inc. disaggregation)	
1: Number of people completing structured and relevant training (ICF technical assistance KPI 2) (D02)	Number of people from eligible countries who have received structured and relevant training	889	2,910 people (of whom 512 men; 819 women; remainder unstated);	4,610
2: Number of trainers trained under the project reporting to have delivered further training (D01)	Number of trainers trained under the project reporting to have delivered further training	18	1,958 trainers (of whom 31 men; 25 women; remainder unstated);	2,001

Excellent progress has been made during the reporting period under this output, with progress dramatically exceeding milestones on the number of people from eligible countries who have received structured and relevant training, and the number of trainers trained under the project reporting to have delivered further training.

Illustrative examples of projects covered by this review that deliver against this output include:

[IWT089 - Building effective responses to illegal wildlife trade across Central Asia](#), working in Uzbekistan, Tajikistan, Kyrgyzstan, Kazakhstan to deliver training to law enforcement officers, has reported 46 trainees (20 women and 26 men) have already delivered further training to a wider network of officers on illegally traded species identification, handling protocols and sniffer dog handling.

[IWT121 - Living with wildlife: improving livelihoods in the Mole Ecological Landscape](#), focuses on developing sustainable livelihoods to benefit people directly affected by illegal wildlife trade in the Mole Ecological Landscape. In its first year this project has trained 40 community resource group leaders in leadership, group formation, law enforcement and the new wildlife law of Ghana.

C2. Describe any changes to this output during the past year, and any planned changes as a result of this review

Small updates to the wording of the Standard Indicators have been made to improve clarity. The revised results framework can be found in Annex 3, as detailed in Section A. This framework is designed to be flexible and will continue to be adjusted over time to ensure it stays practical and effective.

The Standard Indicator list has been simplified and consolidated where possible in response to feedback from our stakeholders. The following indicators have been retired from the list due to lack of uptake or lack of clarity on how to apply/measure them:

- Number of organisations completing structured and relevant training.
- Number of Sustainable Livelihoods developed or protected (as progress on this is captured under Outcome 4).

C3. Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead

See lessons and recommendations in section A3 above.

Output Title	Programme management ensures delivery of a competitive, adaptively managed fund		
Output number:	4	Output Score:	unscored
Impact weighting (%):	25%	Weighting revised since last AR?	Yes (up from 20%)

The IWT Challenge Fund is designed to respond in an agile manner to lessons learnt. Lessons are collated through structured and unstructured feedback from the IWT Advisory Group, commissioned deep dives, our Fund Manager, and from applicants, in addition to after action reviews conducted by the delivery team.

Lessons learnt are typically reflected in updated guidance and processes. As part of the BCFs, alongside the Darwin Initiative and Darwin Plus, the combined delivery mechanism with a shared Fund Manager strongly supports the rapid sharing of lessons learnt and enables each Fund to respond rapidly to mitigate risks and strengthen delivery.

Overall Indicator(s)	Relevant indicator(s) and associated results this review year			
1: Number of high-quality applications received	Results from Round 10 Stage 1, number of applications achieving an average score of acceptable (4 out of 6). This score represents a proposed project that meets most of the assessment criteria, with no major concerns identified: Evidence 12; Main 31; Extra 7		Equivalent results from Round 9 Stage 1: Evidence 8; Main 18; Extra 3	
	Results from Round 10 Stage 2, number of applications achieving an average score higher than 4 out of 6: Evidence 12; Main 29; Extra 6		Equivalent results from Round 9 Stage 2: Evidence 9; Main 16; Extra 3	
2: Annual Average Project Annual Review and Final Review Scores Scores are on 1-5 scale, 1: outcomes likely to be completely achieved, 5: outcomes unlikely to be achieved. Aim for maximum average of 2 across the portfolio.	Scheme	Report type	Projects reporting	Average score
	Main	Annual Report	25	1.96
	Main	Final Report	24	1.40
	Extra	Annual Report	3	1.67
	Evidence	Annual Report	10	2.10
	Evidence	Final Report	13	1.00
	Milestone(s) for this review		Progress during this review period (inc. disaggregation)	
3: Number of Deep Dives conducted per year	12		6	
4: Number of projects identifying as GESI Sensitive	No milestone set		16 out of 36 projects reviewed as Sensitive within their Annual Report Review ¹³	

Notes: For Annual Reports, 1 is the highest score achievable. For Final Reports the reporting convention is different. Final Report scores have therefore been converted into comparable terms as follows: A++ = 1; A+ = 1; A = 1; B = 2; C = 3. As a challenge fund projects are exploratory. It is not expected for projects to all completely achieve outcomes.

The majority of average annual scores are below 2, which indicates strong performance across the portfolio.

¹³ The figures represented here are based on reviewer’s scores of all Annual Reports submitted by mid-September 2024. It should be noted that as this is a pilot phase, there has been variance in how reviewers have responded to the GESI scaling question both across reviews and across schemes and the figures here represent general trends rather than absolute ratings of where project’s sit on the scale. The numbers here are also only capturing those that scored as GESI Sensitive and do not capture those rated as GESI Empowering or Transformative. For reference the total number of projects that scored as Not Yet Sensitive across each of the three Funds was 23.

The result on number of deep dives conducted for 2023/24 is well below the target for the year. This is partly because we have taken an intentional step towards fewer, larger deep dives. We propose adjusting ambition on number of deep dives downward accordingly. Furthermore, rounds 1 and 2 of the deep dives have been process focused (inward facing). This has meant considerable time spent adjusting internal processes based on results of deep dives, leaving limited time for initiating and managing delivery of new deep dives.

C2. Describe any changes to this output during the past year, and any planned changes as a result of this review.

Minor changes in indicator wording to improve clarity have been instituted. For example, ‘Programme management ensures delivery of a competitive, adaptively managed fund’ replaces ‘Programme management adapts to strengthen the delivery of the Challenge Fund’.

Two new outputs indicators on number of deep dives conducted and number of projects identifying as GESI sensitive have been added to support progress monitoring on these expanded work streams.

C3. Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead

See lessons and recommendations in section A3 above.

A series of deep dives has been initiated to develop recommendations to strengthen the delivery of the Fund and its impact and share learning from Fund implementation more widely. The six completed deep dives were on:

1. Application scores and project performance
2. Review of BCFs MEL reporting systems including Standard Indicators
3. Review of IWT Challenge Fund transboundary projects
4. Improving evaluation of impacts
5. Opportunities for use of AI and Large Language Models (LLMs) to improve the efficiency of synthesis processes
6. Evaluation of livelihoods programming in BCF projects

This year, ongoing deep dives have also looked at, for example, IWT and poverty linkages, and applying AI use. Publicly available deep dives can be found here: <https://iwt.challengefund.org.uk/resources/information-notes/>. Lessons from deep dives have improved programme management, and/or strengthened project delivery through developing evidence-based recommendations for consideration. Many recommendations from completed and ongoing deep dives have been actioned and led to process improvements in the programme. For example, findings from deep dives have been used to improve the Standard Indicators, monitoring and evaluation guidance and Applicant and Grantee Webinar content. Similarly, deep dives on IWT and poverty, and on markets and livelihoods have produced valuable lessons on how the Fund can better alleviate poverty. A model for using AI will be adopted to improve efficiency in BCF management.

D: RISK

Overview of risk management

High level programme risks are detailed in Table 4 of the 2023 Annual Review (available [here](#)). The established approach to risk management remains strong; reviews of programme-level risks and issues are conducted in monthly Risk Review meetings with our Fund Manager, with our risk register updated as often as is required for live issues. Risks that extend beyond the agreed risk appetite (presented in the 2024 IWT Challenge Fund Business Case) are escalated to the SRO. Delivery remains within risk appetite.

From January 2024 the Programme Board Terms of Reference were amended to include oversight of risk. Key risks are identified in the risk register, with any exceptional risks being escalated to the Programme Board by correspondence. Risks and issues identified or reported to us this year have been investigated with appropriate action taken where required, including targeting projects for independent reviews or spot audits.

Recommendations from last year have been actioned, improving risk management in the portfolio. Safeguarding checks and additional risk reviews at early application stage are improving project management and allowing swifter resolving of issues. The assessment of Overseas Security and Justice Assistance (OSJA) risks have been improved, increasing the proportion of OSJAs per round to 50% from 30%. A process to better incorporate OSJA identified risks into our project management and reporting cycle has been developed this year. Additional mitigations coming from OSJA assessments have now been incorporated into grant award letters as caveats for funding, and review of specific OSJA risks and additional mitigations at the annual report stage will be implemented at the next cycle of project annual reports. It is recommended that this year greater involvement with delivery partners in the OSJA process, improving contextual understanding and overall risk management, is continued.

The overall risk of the programme is recommended to remain **Medium**.

Strategy and Contextual

In line with last year’s review, we propose continuing to assess the residual risk as Medium. Under this category the highest risks come from projects within the programme operating in fragile, conflict-affected states with high contextual risks related to political instability. Mitigations, including an increasing oversight of projects in high-risk areas, including more OSJAs, increased engagement with FCDO posts and incorporating additional checks for high-risk projects during reviews and reporting has strengthened understanding of contextual risks and the ability to mitigate them.

Delivery & Operational

Residual risk here remains medium, with the highest risk in this risk category the capacity to effectively oversee a portfolio of often novel activities and deliver on programme objectives. The Fund Manager continues to strengthen its resource capacity, but limited resources within Defra remain and limit the effective oversight or reduce resilience risk related to Defra’s oversight.

Safeguarding

Given the context of the IWT Challenge Fund programme in addressing criminal activity, including through law enforcement, there are particular safeguarding risks associated with this programme. Since the last review, our Fund Manager has engaged a safeguarding specialist who has undertaken thorough reviews of our processes and applications, highlighting areas of concern or areas to review. This safeguarding specialist has also maintained a safeguarding helpdesk, available to both applicants and ongoing projects. Through this specialist Defra has commissioned guidance, due January 2025, for applicants to help meet and understand the increased requirements of the Fund, as well as examples of safeguarding best practice and lessons learned to be showcased across the portfolio. A Sexual Exploitation, Abuse and Sexual Harassment (SEAH) risk self-assessment was conducted in 2024, which continues to inform the programme risk register. SEAH risks are being monitored on a continuous basis.

Fiduciary

Given the mitigation steps in place for this category of risk, it is not recommended to adjust the ratings for this Risk. To note: This year, detective controls identified and stopped one case of fraud in the wider BCF portfolio.

Project/programme

It is recommended to maintain this risk as medium. We acknowledge that fraud risk is inherent for a programme of this type, but that this level of risk is within the agreed appetite for SROs. The controls in place remain suitable in mitigating against weaknesses in project delivery, or projects not aligned to priorities. A future risk that requires close observation in this area is increasing ODA compliance requirements on projects, that could shift projects away from the core objectives of the fund – tackling IWT.

Reputational

This year, three issues have arisen with the funds that potentially presented a reputational risk to HMG. These cases have been investigated and appropriate steps taken. Given the mitigation steps in place it is not recommended to adjust the ratings for this Risk.

Lessons learnt/Recommendations

- A review of programme level risks and appetite, including a fraud risk assessment, is to be complete in the next review year.
- Financial spot checks on a large, stratified sample of live projects will be completed to capture a baseline percentage for likely fraud levels within the Fund. This will help inform future review of the Fraud risk level.
- Recommendation: review, address and mitigate risks on any potential negative GESI impacts and how these are addressed, considering explicitly the risks of enforcing harmful gender norms and the risks to vulnerable communities of increased focus on law enforcement.

E: PROGRAMME MANAGEMENT: DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE

The IWT Challenge Fund is delivered by grantees, a small Defra team and an external Fund Manager with substantial input from our Advisory Group. Following a competitive process, a multiyear contract (based on standard Defra Terms and Conditions) was awarded on the 30 March 2022 to NIRAS, and is available at www.contractsfinder.service.gov.uk. This Annual Review covers the second year of the new contract.

BCF Fund Manager – NIRAS

NIRAS’ role as Fund Manager is to lead on the administration of the BCFs under guidance from Defra, including all correspondence with project partners, reporting, financial, monitoring and evaluation, communications and capacity building aspects. Defra continues to work closely with the Fund Manager, maintaining a strong working relationship, streamlining processes, aligning strategic direction and maximising learning.

The Performance Management Framework (PMF), below, is used to monitor, measure, and control the Fund Manager’s performance of contract responsibilities¹⁴. The PMF is adaptive, particularly when new capabilities are generated to monitor KPIs, where KPIs become less useful to measure performance or new workstreams are agreed with Defra.

The current PMF KPIs are summarised below along with a narrative to assess their status:

- KPI 1: Financial Management is delivered to a high standard. (Met Expectations)
- Financial systems are established and operate smoothly. Financial management is delivered well, with project claims processed efficiently. Improvements have been made to project reporting requirements this year, enabling tighter financial control over projects within year, enabling more accurate forecasting.
- KPI 2: The Funds are agile, responding to risks and opportunities to strengthen performance. (Met Expectations)
- Lessons learnt continue to be incorporated into each successive round, with a new recommendation tracker implemented to track acceptance and incorporation into the funds of recommendations arising from deep dives and other inputs. Risk management is delivered to a high standard, responding to increasing issues arising from the expanding scale of the BCFs, both in number and geography. As with any agile programme there remains scope for continued lesson learning and feedback.
- KPI 3: Clear guidance and feedback enables the key stakeholders to put forward strong applications. (Met Expectations)
- Guidance is annually reviewed by our Fund Manager and Defra to strengthen application quality, reflecting on feedback and lessons learnt from previous funding rounds and active delivery of projects. Further work is required to strengthen the adoption and value of the indicators, as well as to improve understanding amongst applicants of our terminology on poverty reduction and social inclusion.
- KPI 4: Independent expertise is efficiently targeted to identify the most transformational proposals. (Met Expectations)
- A diversity focussed recruitment campaign in 2024 led to new experts filling identified gaps in our Advisory Group and increasing the number of members to allow sufficient capacity to cover the increasing application review burden. The IWT Advisory Group has been functioning effectively in providing advice on projects according to criteria.
- KPI 5: Performance of projects is strengthened by adapting and responding to actions and recommendations arising from project reviews and feedback. (Met Expectations)
- Independent reviews of project Annual Reports and Mid-Term Reviews have been used to provide projects with recommendations to strengthen delivery, with lessons learned also being fed in to overarching guidance documents where appropriate.
- KPI 6: Capability and capacity of national and local stakeholders enhanced. (Met Expectations)
- A new strategy for Capability and Capacity was developed in this review year, focussing on ensuring that key gaps in our guidance, as defined by our stakeholders, are being met. NIRAS continues to develop

¹⁴ Close and effective collaboration between Defra and the Fund Manager makes it harder to assess the performance of Defra and Fund Manager separately. Some KPIs are partly within Defra’s control.

and deliver high quality webinars, particularly related to the application cycle and grant start-up, receiving positive assessments by participants.

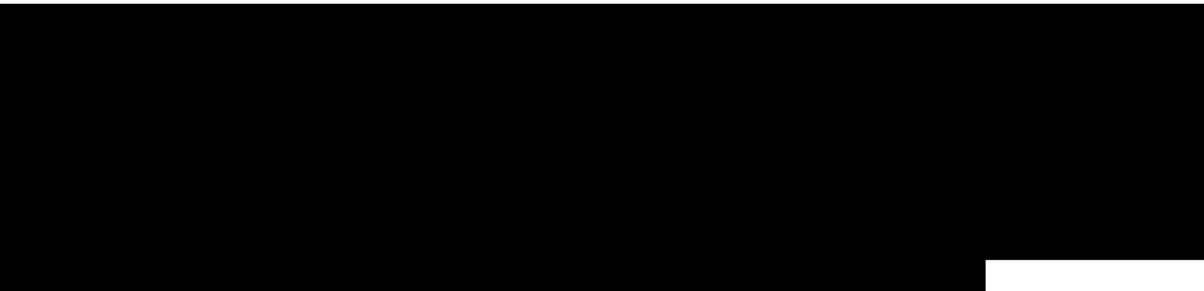
KPI 7: Evidence is utilised, and Best Practices are made available. (Met Expectations)

- The quality and usefulness of the deep dives has met, arguably exceeded, expectations. The quantity of deep dives completed was lower-than-expected, due to an intentional focus on quality and uptake. Targets will be adjusted to in 24/25 year to be more realistic and maintain a focus on quality over quantity.

KPI 8: International Awareness and Understanding of the Funds is strengthened. (Met Expectations)

- Workstream 7: The new website went live in 2024, to positive feedback from our grantees and applicants, with accessibility improved. A rolling communications plan is in place with regular monthly meetings with Defra. Project surveys show positive responses to new communications products.

Recommendation: Refine and review performance management framework to ensure KPIs remain relevant and measurable by June 2025.



E2. Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year

The Business Case set out value for money of the proposed IWT Challenge Fund programme based on:

- Delivery of similar outputs and outcomes to previous IWT Challenge Fund projects but at greater overall scale (reflecting revised programme structure).
- Post-project finance leveraged at rate greater than 1:1 to UK government Funding provided.
- Administration and evaluation costs expected to be around 6% of total budget.

The assessment of value for money for this annual review is based on the above, but with an enhanced focus on locally led delivery, gender equality, and multidimensional poverty alleviation. The programme continues to expand its scale, improve efficiency, and embed equity considerations throughout its operations. In line with the findings of the independent review of Biodiversity Challenge Projects⁵ in 2022 we conclude that IWT Challenge Fund continues to offer good value for money.

Economy

The Fund Manager contract continues to demonstrate strong value for money. This year, the implied grant administration fee [redacted] following the competitive tendering process. This reflects the programme’s ongoing commitment to minimising administrative costs and ensuring that the bulk of resources are directed towards impactful project activities.

Effectiveness

The assessment process for project proposals continues to be rigorous, with a panel of experts reviewing applications to identify those offering the strongest potential for delivering outputs and outcomes cost-effectively. In terms of outcomes, many projects have met or exceeded their expected outputs. However, we acknowledge the need for more consistent monitoring of how these outputs translate into long-term outcomes. The increased number of projects reporting against newly adopted Results Framework, with indicators focused on impact, will help improve reporting on the value for money achieved by each project.

Efficiency

A synthesis of IWT Challenge Fund projects was completed in 2024 to consider the outcomes of all active projects which had at the time of assessment submitted an Annual or Final Report. This sub-set of 70 projects were

considered in the synthesis, with total costs of £23.2 million. £7.9 million of co-finance was mobilised for these projects and the projects are estimated to have leveraged an additional £1.3m for other activities.

Equity

The IWT Challenge Fund has taken important steps towards embedding equity into its funding mechanisms, with a stronger emphasis this year on poverty, GESI and improving local access to the Fund. The commitment to equitable access to finance for high-quality projects remains a core principle, detailed in this year's new Capability and Capacity strategy. We have strengthened support for grantees, particularly in lower-income regions, through resources designed to increase support and access – for example better communication of webinars, helpdesks, as well as video guides and increased bite-sized guidance notes, all responding to feedback from our grantees.

Furthermore, gender equality and multidimensional poverty alleviation have been more explicitly mainstreamed into the Fund's Theory of Change (ToC) and logframe. This year saw the development of a multiyear GESI Strategy which includes updated guidance for applicants and reviewers, as well as new indicators that better articulate the Fund's contribution to poverty reduction and equality outcomes. A deep dive into the impact of IWT Challenge Fund projects on poverty alleviation took place this year, and its findings have already been incorporated into guidance and information notes for the upcoming funding round. Recommendations from our poverty deep dive, completed in autumn 2024, were incorporated into the latest rounds guidance and work will continue to create guidance and resources from the deep dive in early 2025.

Set out above are observations of value for money as it is not yet possible to comprehensively assess actual performance against the value for money expected at this stage. Understanding that further data and analysis are needed, a framework to assess value for money in the Darwin Initiative has been produced. It is recommended that this framework is adapted for use in evaluating the value for money in the IWT Challenge Fund, delivering results in the next annual review.

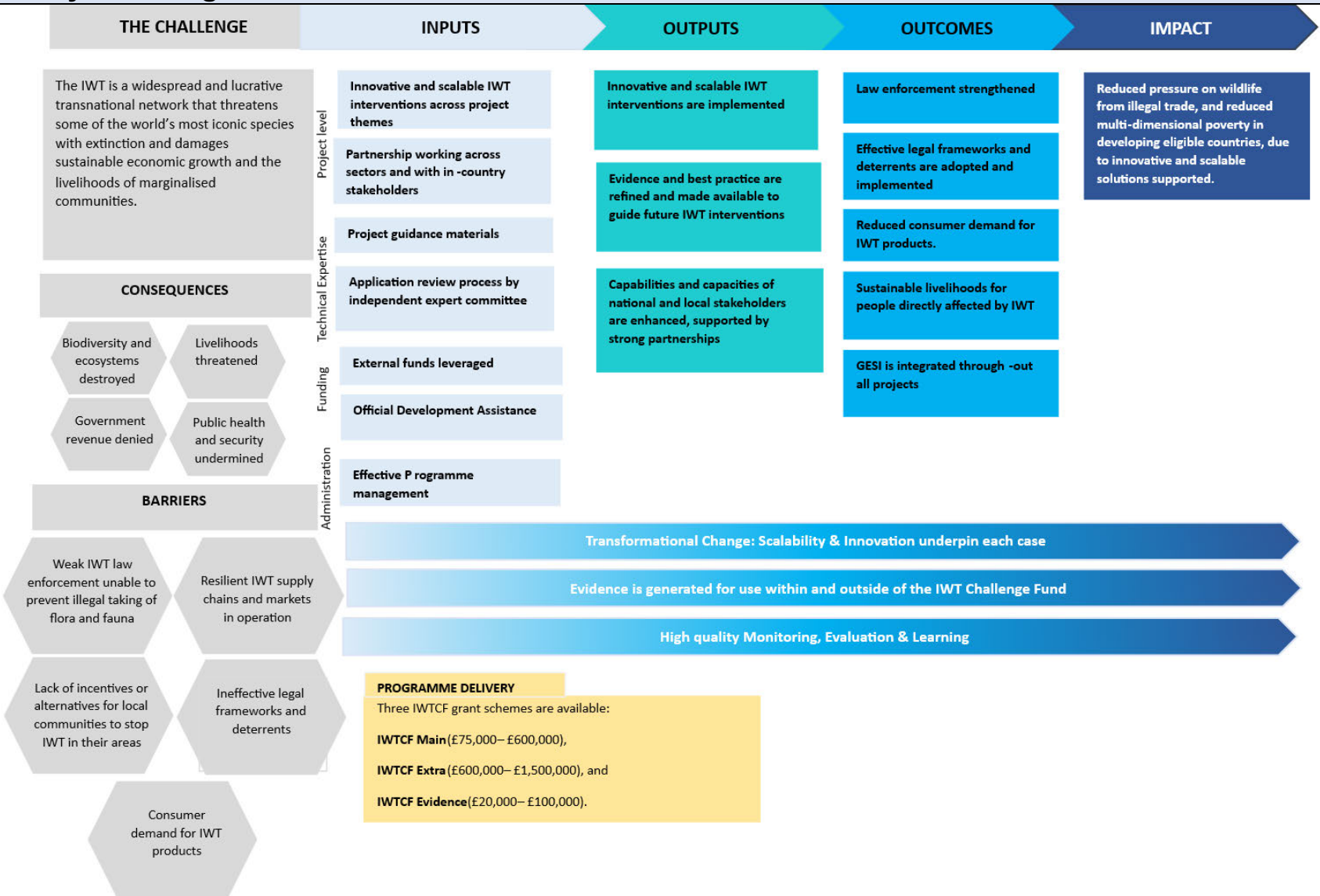
Date of last narrative financial report		Date of last audited annual statement	
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Annex 1: 22-23 Recommendations List and responses

1. Strengthen the Fund's approach to capability and capacity building. **See section A2.**
2. Consolidate and accelerate activities to strengthen the delivery and ambition of Workstream 5: Building and Applying Evidence. **See Section A2.**
 - a. Continue to reflect on recommendations that are made through the Deep Dives, to further strengthen the quality of the programme management, applications and the subsequent projects. **This has occurred, although a standardised and streamlined process for incorporating lessons from deep dives back into Fund planning and management is needed.**
 - b. Improve the process for determining targets and milestones for some indicators, to help assess performance where this is feasible and adds value. The process should be robust and repeatable to enable the potential revision of milestones and targets as grants are awarded annually. **Improve the process for determining targets and milestones for some indicators, to help assess performance where this is feasible and adds value. The process should be robust and repeatable to enable the potential revision of milestones and targets as grants are awarded annually. This process has been finalised, with new methods mainstreamed into results reporting.**
 - c. Develop methodologies for indicators where they are missing (outcome 1, indicator 1). Develop methodologies for indicators where they are missing. **Work on this has begun, and a deep dive is underway, which will inform the guidance given to grantees in 2025**
 - d. Widely consult and review feedback on the Theory of Change and standard indicators and strengthen by July 2024. **This has occurred, with a workshop held and the Results Framework adjusted accordingly.**
 - e. Ensure strong approach to identifying exemplar applications and projects as part of detailed 'building and applying evidence plan'. **Exemplar projects continue to be identified through the deep dive programme activities.**
 - f. As roll-out of the Standard Indicators strengthens the opportunities for data collation and learning from deep dives and results across all Biodiversity Challenge Fund (BCF) projects, sharing this emerging learning will increase in importance, as will testing Theory of Change assumptions and hypotheses. Defra and our Fund Manager are investing more staff time in lesson learning, results, and evaluation, which is supporting this process. **This has occurred, with refinements made accordingly.**
3. Build on recommendations of the Poverty and Gender, Equality and Social Inclusion (GESI) deep dive, including developing guidance to applicants and reviewers and a multiyear GESI Strategy. **See section A2.**
4. Develop and create cloud-based database to securely hold and make accessible project data. **See section A2.**
5. Improve accessibility and quality of our guidance and training materials, by conducting needs assessments and reviews of currently available materials. **Recommendation adopted, with needs assessments conducted including face to face consultations with stakeholders and online surveys.**
6. Continue to seek opportunities for the Defra Secretariat to visit and build relationships with FCDO in-country where there is a strong value for the Fund. **Increased dedicated resource in the BCF team has aided cross HMG working, with one team member available to build relationships, respond to queries and run learning sessions with regional groups.**
7. Strengthen efforts, including guidance and support mechanisms, to secure annually disaggregated results (especially on gender and Indigenous People and Local Communities - IPLCs) for relevant indicators. Defra staff capacity to strengthen the approach to Gender Equality and Social Inclusion (GESI) has increased, which will support the Funds' efforts in this. **Work on this has begun, with guidance provided to grantees on disaggregation, but more support is needed to increase GESI disaggregation by projects in their reporting.**
8. Include a more comprehensive risk-based review of applications at Stage 1, requesting full risk assessments earlier, as well asking applicants to respond to specific queries in their Stage 2 application. **Recommendation adopted into practice.**
9. Additional safeguarding checks undertaken this year should become normal practice in the next review year. **Recommendation adopted into practice.**
10. Continue proactive approach to major issue management. **Recommendation adopted into practice.**
11. Further operationalise annual reviews of these risks and consider ways in which projects can report against these risks as part of their annual reporting process. **Recommendation has been adopted, adapting annual report templates to better address changes to risks within project lifespans.**

- 12. Strengthen IWT Challenge Fund Communications to raise awareness and understanding through guidance and targeted communication activities and help drive the continuous improvement in the quality of applications and their alignment to the objectives of the Fund. **Recommendation adopted with a targeted approach to reach new applicants ahead of Round 11 opening.**

Annex 2: Theory of Change



Annex 3: Results Framework

[2024 IWT Challenge Fund Logframe](#)