

Annual Review Template

Title: The Darwin Initiative		
Programme Value £ (full life): Up to £93.8m (2021 Business Case)		Review date: Dec 2025
Programme Code: GB-GOV-7-DarwinInitiative	Start date: April 2021 (2021 Business Case)	End date: March 2030 (current Business Case)

Summary of Programme Performance

Year	2022	2023	2024	2025				
Overall Output Score	N/A	A	A	A				
Risk Rating			Medium	Medium				

DevTracker Link to Business Case:	Darwin Initiative 2021 Business Case Darwin Initiative 2024 Business Case
DevTracker Link to results framework:	Darwin Initiative logframe

A. SUMMARY AND OVERVIEW

Description of programme

The Darwin Initiative awards grants that enable developing countries to conserve their unique biodiversity, reduce poverty and address climate change. It is likely the UK Government's longest and most widely recognised contribution to developing countries' capacity to protect nature. Since 1993, the Darwin Initiative has empowered communities to more sustainably manage up to 13 million hectares of precious natural habitats and enabled 174,000 people to improve their resilience to natural disasters and climate change.

This review covers the period September 2024 - August 2025. In February 2025 the UK Government reduced its Official Development Assistance (ODA) budget. Defra has now received a confirmed ODA allocation of £115m per year for 2026-2029. In response, the Darwin Initiative programme is adapting to a more constrained funding landscape. Plans are underway to reshape the portfolio, focusing on fewer, more targeted investments that maximise impact. These changes will be addressed in the next Annual Review.

The Darwin Initiative is one of three Defra Biodiversity Challenge Funds (BCFs) with a shared fund manager, NIRAS, alongside Darwin Plus and the Illegal Wildlife Trade Challenge Fund. For efficiency and consistency, the fund manager delivers several functions jointly across all three funds. Where processes are shared, this annual review refers to the BCFs collectively - this review however assesses the performance of the Darwin Initiative only.

Summary supporting narrative for the overall score in this review

This Annual Review assesses the fourth year of programming under the 2021 Business Case, reviewing the period 1 September 2024 to 31 August 2025.

To assess progress on outputs and outcomes, the annual review team analysed the results reported by projects that reported against Darwin Initiative Standard Indicators (155 projects, 88% of live Darwin Initiative projects with a £91 million combined value). Defra and the fund manager conducted additional validation checks on the largest reported results.

For outcomes, this review also compares actual results with the potential outcomes estimated in the 2021 Darwin Initiative Business Case. This is a new approach for the Darwin Initiative, one which improves consistency with other ODA programmes and allows Defra to compare actual benefits from Defra's investment to the estimated benefits presented to decision-makers back in 2021.

For outputs, where possible we also compare actual progress with estimates from the 2021 Business Case. However, these output estimates contain a high degree of uncertainty, as the types of output that projects deliver depends on which projects are chosen in each round of the challenge fund. To more accurately gauge if projects are delivering their expected outputs, Defra continues to set milestones by adding up what awarded projects expect to achieve when they begin, in each reporting year. Defra then compares projects' own forecasts to the output-level results they report.'

This review finds strong performance across many standard indicators, although some planned standard indicator milestones remain aspirational, with 99% of all projects meeting the GESI-sensitive minimum compliance. Reporting coverage is broad, though under-reporting in some indicators persists in disaggregation for women and indigenous groups. Notably, some projects exceeded their targets early, suggesting ambitious and effective initial planning or possibly unambitious project target milestones.

The output scores suggest an overall A score for programme progress is warranted. The combined results of these projects exceed milestones for 5 out of 11 output indicators, but with progress broadly on track with what funded projects anticipated achieving. Compared to 2021 Business Case estimates, performance on “Capability and capacity of key national and local stakeholders to deliver on biodiversity conservation and associated reductions in multi-dimensional poverty enhanced” was impressive, hence the A score for this output despite two narrowly missed milestones. Table 1 summarises how output results compare with milestones.

Table 1: Comparison of Output results and milestones

Output no.	Output title	Impact weighting	Progress	Output score
1	Capability and capacity of key national and local stakeholders to deliver on biodiversity conservation and associated reductions in multi-dimensional poverty enhanced	33%	2 indicators exceeded milestone targets 2 indicators missed milestone target	A
2	Policies and approaches enhancing biodiversity conservation and associated reductions in multi-dimensional poverty available and endorsed	33%	3 indicators exceeded milestone targets 4 indicators missed milestone target	B
3	Programme management adapts to strengthen delivery of the challenge fund	33%	Sufficient high-quality applications received. Most programmes are on track to achieve their expected outcomes. Fewer deep dives completed than planned.	A

Progress against the key recommendations from the last annual review:

- Strengthen grantees’ capacity to engage with markets to raise incomes and protect biodiversity:** Work is underway to support grantees in adopting best practices and improve how grantees engage with markets. Guidance has been updated to reflect review recommendations, and workshops have been delivered to applicants and expert reviewers in early 2025. Further support for grantees will be in the form of a seminar series in April 2026, and Defra will signal this area as a priority for Capability and Capacity bids in Round 32.
- Continue to build grantees’ capacity to measure and disaggregate results:** Indicator methodologies continue to be developed, the first of which will be publicised in November 2025. Plans to launch a new webpage connecting grantees and results with measurement experts have been adjusted to make better use of existing resources. Instead, a rubric for identifying potential projects for impact evaluation support has been developed, and an overview to piloting the impact evaluation approach has been developed.
- Update logframe milestones, after Defra sets a budget for the Darwin Initiative to 2029.** Logframe milestones have been updated. This annual review also compares progress over this reporting period with the results for outcome and output indicators estimated in the 2021 Darwin Initiative Business Case (which runs until 2028).
- Review the Darwin Innovation funding window:** Defra is reviewing the future of the standalone Innovation window, considering reduced ODA. Options are being explored to embed innovation more broadly across all BCFs schemes.
- Improve the process of reporting, collecting, storing, managing, and reporting disaggregated results data.** Progress on disaggregation has been made (supported by development and refinement of Standard Indicator guidance and reporting templates, direct engagement with projects during first year data synthesis, simplification of disaggregation requirements to focus on GESI, C&C workshops, broader integration into GESI workstream, and validation checks) as evidenced by improvements seen in data we received in April 2025. More grantee support is needed here to further improve disaggregation.
- Increase fund manager resourcing for the expanded Building and Applying Evidence Workstream.** A new contract change notice has been implemented to allow for increased and more responsive resourcing.

- 7. *Lower the target for how many deep dives to commission and add an indicator on percentage of deep dive recommendations considered and acted upon.* The target was lowered from 12 to 10 as planned, with a stronger focus placed on the quality of the deep dives and integrating emerging lessons back into BCF planning and management.
- 8. *Refine fund manager performance management framework:* Defra and our fund manager have revised the KPI framework, ensuring KPIs remain relevant and measurable, supporting more effective performance oversight.
- 9. *Gather, analyse and report data on all Value for Money indicators:* actioned (see section E2 below). The new VfM framework has been developed, applied, and subsequently adjusted (to improve on initial proposals for assessing the cost per person trained).

Major lessons and recommendations for the year ahead

The deep dive on Headline Life of Fund results looked at BCF achievements and impacts since inception in 1992 in certain key areas. Key achievements include:

- 59.2 million hectares of land and sea under ecological management since 1993 and enhanced the livelihoods of potentially over 250,000 people.
- Within this, Darwin Initiative projects enabled communities and countries to more sustainably manage almost 13 million hectares of land and sea since 1993 and enhanced the livelihoods of potentially over 182,000 people.
- Darwin Initiative projects between 1992-2024 mobilised £158 million of funding from other sources.

These results illustrate the scale of contribution to global conservation made by the Darwin Initiative and its fellow BCFs, covering an area 2.4 times larger than Great Britain and Northern Ireland.

Recommendations:

- 1. *Refine the future focus of the Darwin Initiative*, to maximise impact with reduced resources and improve how we communicate its unique value. As part of this, review countries eligible to host future Darwin Initiative grants.
- 2. *Simplify the Stage 1 application process.* Focus Stage 1 Main and Extra applications and decisions on the outcomes that projects are expected to achieve, how projects would strengthen local commitment to conservation, and how projects would facilitate lasting change.
- 3. *Refocus communications.* Given high demand, less needs to be done to raise awareness among prospective grantees. Instead, communications efforts will focus on explaining changes to the Darwin Initiative; equipping Ministers, nature diplomats and others to tell the story of what the Darwin Initiative has achieved; and convening grantees to share learning and good practice. Revise Niras' Communication Key Performance Indicator accordingly.
- 4. *Gather more data on finance mobilised by grantees after Darwin grants end*, and more data on outcomes achieved after projects end and whether projects have continued or scaled. Start to strengthen grantees' ability to unlock sustainable finance given growing interest.
- 5. *Continue to build grantees' capacity to measure and disaggregate and report results.*
 - Finalise all planned indicator methodologies and share with grantees (January 2026).
 - Support 5-10% of new Darwin Initiative grantees in accessing additional impact assessment expertise, to embed robust impact assessment into project design (September 2026). Make this offer part of the application review process, starting with Round 32, drawing on lessons from pilots under the Illegal Wildlife Trade Challenge Fund.
 - Introduce a new process to systematically review how new projects plan to report results, including Standard Indicators. Give feedback to enhance the disaggregation and quality of indicator reporting, alongside other measures to continue to improve data disaggregation.¹ (May 2026).
- 6. *Evaluate sustainability in the BCFs.* The deep dive on sustainability will be finalised in this reporting period (by mid-2026), as will the mid-term report from the external BCF evaluation (due March 2026), which has an assessment of sustainability as one of four key evaluation questions. Results will be shared through stakeholder workshops (March 2026) and fed back into BCF planning and management.

¹ For example, by developing a learning note for projects, enhancing project indicator logframe templates and standard indicator templates, enhancing checking during logframe reviews for new projects, finalising and publishing C&C resources, improving validation processes, and embedding better in broader GESI analysis

7. *Deep dive lesson dissemination and management:* Share deep dive learning across the Defra portfolio (via webinars and presentations at directorate-level meetings throughout 2026) so they are seen and used to ensure shifts in programme design and focus beyond the Darwin Initiative. Deep dives vary in the time they take to implement, and the level of effort (cost) required. It makes sense therefore to move away from two structured rounds per year, with start and end dates tailored to each individual deep dive on a rolling basis. (November 2025)
8. *Introduce a risk rating matrix for applications and formalise additional due diligence for higher-risk contexts.*
9. *Renew sampling strategy for future audits,* using the findings of recent project financial audits.
10. *Ensure 100% of projects meet GESI-sensitive standards,* with 55% already going beyond by actively empowering women and socially excluded groups.
11. *In the next Capability & Capacity window, encourage applications that upskill grantees on making markets work for people and biodiversity.* To improve project effectiveness, mainstream learning and action recommendations from the ['Evaluation of livelihoods programming in Biodiversity Challenge Funds projects' Deep Dive.](#)
12. *Forecast the likelihood that the outcomes targeted in the Business Case remain achievable by 2030. Review these targets if there is a significant mismatch.* The programme will award fewer grants each year than Defra originally planned, which means the overall outcomes may end up being lower than what we aimed for in the Business Case.

B: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES

Summarise the programme’s [theory of change](#), including any changes to outcome and impact indicators from the original business case.

Annex A: Theory of Change shows the Darwin Initiative Theory of Change. To summarise:

- The Darwin Initiative enhances stakeholders’ capabilities and capacity to find just and sustainable ways to protect nature while growing their economies and reducing poverty; and supports stakeholders to advocate for, introduce and implement policies and approaches enhancing protect biodiversity while growing economies and reducing poverty.
- These outputs lead local stakeholders to make sustained improvements in their policy and practice.
- These policy and practice changes address different dimensions of poverty, in different ways².
- The practice and policy changes also slow, halt, and reverse rates of biodiversity loss and degradation, in different ways.
- Many policy and practice changes also enable communities to adapt to, or mitigate, climate change.³

The Theory of Change largely continues to hold, although the 2024 markets and livelihoods deep dive found that only one in six of sampled projects adopted best practice in the economic development sector, with particular progress needed on market intelligence, private sector engagement and a shift from ‘direct delivery’ of aid to models more conducive to scaling and sustainability. Strengthening the incentives and capacity of delivery partners to facilitate larger-scale, lasting changes in markets remains a priority. Another assumption in the theory of change being tested (through a deep dive on sustainability, and the BCF external evaluation) is that the biodiversity, climate and poverty reduction benefits facilitated by projects continue to last, after donor funding ends.

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

The 2021 Business Case identified some outcome and output indicators based on project results from previous rounds and estimated indicative changes in these indicators by 2028. As Defra finished investing the funding approved via 2021 Business Case in/around October 2025, it is timely to compare these estimates with actual outcomes achieved to date. The table below provides a comparison of expected and actual outcomes

Table 2: Comparison of outcome performance this year with 2021 Business Case estimates

<i>Results estimated in the 2021 Darwin Initiative Business Case by 2028</i>	<i>Progress by April 2025</i>
<i>Between 4-6 million hectares under improved management</i>	<i>Darwin grants have enabled communities and countries to place 1.7 million hectares under Ecological Management since reporting began in 2022. This is slightly below what was expected at this stage; the Darwin Initiative will likely enable partners to</i>

² For example, when farmers that regenerate their soils benefit from higher agricultural yields, increasing their incomes. Or when communities and governments improve forest fire detection, reducing the frequency and severity of forest fires, which improves respiratory health in surrounding communities

³ A common example of Darwin Initiative projects enabling climate change adaptation is where projects assist farming communities to diversify their sources of income. New sources of income are important when rainfall patterns become less predictable, and farmers find it riskier to depend on one or two crops. Common examples of climate change mitigation enabled by Darwin Initiative projects include: changes in farming land use planning for slow or halt rates of deforestation; and changes in cattle grazing that improved pasture, whilst protecting the carbon stored in soils.

	<i>improve the management of 4 million ha by 2029 or 2030, 1-2 years later than initially estimated.</i>
<i>Between 200,000-350,00 individual beneficiaries of income improving or generating activities.</i>	<i>The Darwin Initiative will exceed this target by 2028. Since 2022, projects report enabling over 160,000 people to improve their resilience to climate change or natural disasters; 31,816 people with enhanced livelihoods (reporting began this year); and 4,500 women and men with improved incomes (reporting also began this year.)</i>
<i>Finance leveraged by new activities building on evidence, best practices and projects. £110m-£125m of additional post-project finance for biodiversity-related activities</i>	<i>£33 million of finance mobilised by current Darwin Initiative projects for new activities, building on evidence, best practices and past projects. This broadly meets our expectations but needs to be supplemented with data on finance mobilised after projects end, to scale or sustain changes.</i>

In comparing actual results to those estimated in the 2021 Business Case, we must consider the following:

- The Darwin Initiative has achieved more in the past three years than is reported in the table above, as only newer projects have reported outcomes (88% of live projects at the time of the annual review.) Older ongoing projects were not required to report against these indicators.
- The 2021 Business Case estimates were highly uncertain. The results estimated from future projects were extrapolated from a sample of past projects.
- Measuring the number of hectares managed more sustainably captures only a fraction of projects’ contribution to conservation. Other metrics that matter to biodiversity are harder to quantify, however.⁴
- The 2021 Business Case estimated that 40,000-65,000 people would improve food security. The Darwin Initiative only introduced a food security indicator in 2024, so comparison is impossible.
- Despite progress, many of the projects that report benefits to poor women and men do not yet disaggregate these benefits by gender. The Fund Manager will strengthen and reinforce guidance on gender disaggregation and help grantees apply the guidance, particularly in the early stages of project implementation.

The programme has also achieved important outcomes beyond those specified in the 2021 Business Case:

- 43,956 ha of ecosystem loss and degradation avoided, including 23,273 ha this year.
- 812,653 ha under sustainable management practices, including 278,396 ha this year.
- 214,725 ha improved through restoration, including 157,507 ha this year.
- 489,065 ha newly designated as protected areas or other effective conservation measures, including 347,527 ha this year.
- 52 policies with biodiversity provisions enacted or amended, including 49 this year.

Many of these results contribute to Defra-wide reporting on International Climate Finance (ICF) and Defra International indicators.

Whilst many projects have contributed to the outcomes listed above, two have made outsized contributions:

- DAREX004 *Partnering for a biodiverse, prosperous and resilient Tarangire Ecosystem landscape.* This project aims to save one of the largest wildlife migrations by keeping habitat and movement

4 These include how well an intervention: a) addresses the root causes of environmental degradation; b) improves local commitment to conservation; c) restores biodiversity in area, compared with a counterfactual.

corridors open and improving the lives of pastoralist and hunter-gatherer communities that rely on these lands. Improvements in rotational grazing, reseeded of native grasses and other changes contributed to 99% of the 157,507 hectares restored this year, much of the “Area of land or sea under ecological management” and “Area under sustainable management practices”. The project also reported 75% of the people supported to better adapt to the effects of climate change.

- *Ridge to Reef Conservation in West Papua, Indonesia.* This project strengthens protected area management, expands conservation measures, and reduce emissions by safeguarding key forests with community participation. It will also curb biodiversity threats through improved resource tenure and alternative livelihoods. 89% of reported “Ecosystem loss and degradation avoided” is due to its success.

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

The programme should continue. The Darwin Initiative is achieving significant outcomes for nature, climate and people. It is one of the few programmes in HMG’s ODA portfolio focussed on local level conservation, providing support to local organisations and indigenous people and local communities, and improving access to finance at the local level. We expect to learn more about the quality and sustainability of outcomes and impacts through the upcoming evaluation. Through its impacts and outcomes, the programme also makes important contributions to the following Defra International and UK International Climate Finance results, locking away carbon and helping to secure food supplies that we all depend on:

- Ecosystem Loss and Degradation Avoided (ha) (DEFRA KPI / ICF KPI 8)
- The extent to which the fund is likely to have a transformational (scalable) impact (ICF KPI 15)
- Area under Ecological Management (ha) (DEFRA / ICF KPI 17)
- Number of people with improved or protected i) livelihoods (Defra KPI DI7 & DI9), ii) disaster resilience /climate adaption KPI (ICF KPI1), and iii) wellbeing (Defra KPI DI10)

C. DETAILED OUTPUT SCORING

Output Title	<i>Capability and capacity of key national and local stakeholders to deliver on biodiversity conservation and associated reductions in multi-dimensional poverty enhanced.</i>		
Output number:	1	Output Score:	A
Impact weighting (%):	33%	Weighting revised since last AR?	Yes
Indicators	Milestones for this review	Progress for this review period	Overall progress (over 3 years)
<i>Number of people from eligible countries who have completed structured and relevant training</i>	30,651	33,835 (14,141 men, 16,097 women, 110 indigenous)	73,815
<i>Number of people reporting that they are applying new capabilities (skills and knowledge) 6 (or more) months after training.</i>	10,227	12,062 (4,864 men, 5,126 women, 362 indigenous)	20,947
<i>Number of trainers trained reporting to have delivered further training by the end of the project.</i>	10,621	961 (483 men, 367 women, 32 indigenous)	1,681
<i>Number of local or national organisations with improved capability and capacity.</i>	1,020	718	2,001

Good progress on this output has been achieved. The 2021 Business Case that Darwin Initiative partners would enable between 45,000-80,000 people to complete structured training with the funding it unlocked. With this funding now invested, over 70,000 people have been trained, a result in line with expectations. Hence the 'A' score for this output; over-performance in earlier years has offset slower progress in some areas over the past year. Some 103 projects (2/3 of those providing results for this annual review) contributed to the total of 33,835 people from eligible countries who have completed structured and relevant training during this reporting year, indicating that capability and capacity building remains a central part of how Darwin Initiative projects achieve their biodiversity, climate and poverty reduction goals.

Two projects are worth highlighting for their outsized contributions to this output.

- [Project 29-001, Embedding Sustainable Pollination Management into Nepalese Agricultural Systems](#), trained an additional 2,822 women and 1,454 men in biodiversity and sustainable agriculture, taking the total number of people trained above 18,000. Following training, 30% of participants practiced at least one form of pollinator-friendly management (compared with a baseline of 7%), 13% additional income from farming and 41% extra income from honey production, equating to \$62 per year per household. On the farms belonging to participants enrolled in the project's study, researchers recorded a 10% increase in insect pollinator abundance (compared with project control sites.)⁵ In October, the Darwin Initiative awarded the project five years of follow-on funding, to scale successful interventions and support a national-level recovery in pollinator populations. Given the importance of pollinators to both food production and biodiversity, their recovery will benefit Nepal's food security, economy and ecosystems.
- As part of the project "Increasing Ecological and Socio-economic Resilience of the Upper Ewaso Ng'iro North Ecosystem," 4,470 Kenyans (2,424 women and 2,046 men) were trained in nature-based solutions for water and livelihood challenges, alongside marketing, microfinance, safeguarding, governance, and participation in county decision-making.
 - These skills are critical. The ecosystem supports 1.2 million people, vital habitats, and globally important wildlife, yet climate change and unsustainable resource use have driven water scarcity, competition, and conflict. By strengthening local capacity to manage natural

⁵ Data from project reports. See [Memmot, Jane et al \(2022-2024\). 'Embedding Sustainable Pollination Management into Nepalese Agricultural Systems'. Darwin Initiative website.](#)

resources sustainably and restore degraded areas, the project enhances water security, builds climate resilience, and supports peaceful coexistence between people and wildlife.

Beyond the numbers of people, this review has heard important examples of the legacy of past Darwin Initiative investments to build capability and capacity. For example:

- The Darwin Initiative played a pivotal role in enabling the protection of Panama’s 127,000 ha Pearl Islands marine ecosystem. Darwin Initiative funding enabled the initial three-year marine biodiversity assessment (2003-2006), mapping key habitats, training Panamanian researchers, and later funding supplied scientific guidance that directly supported Panamanian authorities in legally designating the archipelago as a protected area. Darwin-funded researchers have since been central to establishing on-the-ground management: they helped draft and operationalise zoning plans, worked alongside local stakeholders, and provided sustained expertise to Panamanian environmental agencies to implement fishing regulations and zoning. These actions have safeguarded coral reefs, humpback whales, sea turtles, and threatened sharks, while supporting communities to benefit from sustainable fisheries and eco-tourism.

Changes to this output during the past year

The indicator “Number of people in eligible countries who have completed secondments or placements” has been removed from Output 2 of the logframe. This is because few projects reported on this indicator (5 this year), and so the indicator contributed little to gauging overall progress.

Progress on recommendations from the previous AR, lessons learned this year and recommendations for the year ahead

See Section A for progress on past recommendations, and recommendations for the year ahead. One recommendation relevant to this output is the encouragement of applications that upskill grantees on making markets work for people and biodiversity in the next Capability & Capacity window. This will help mainstream learning and recommendations from the markets and livelihoods deep dive into Fund management alongside seminars planned on this topic.

Output Title	<i>Policies and approaches enhancing biodiversity conservation and associated reductions in multi-dimensional poverty are available and endorsed.</i>		
Output number:	2	Output Score:	B
Impact weighting (%):	33%	Weighting revised since last AR?	Yes
Indicators	Milestones for this review	Progress for this review period	Overall progress (over 3 years)
<i>Number of new or improved habitat management plans available and endorsed</i>	81	96	183
<i>Number of new or improved species management plans available and endorsed</i>	11	9	20
<i>Number of new or improved community management plans available and endorsed</i>	69	30	134
<i>Number of new or improved sustainable livelihoods/ poverty reduction management plans available and endorsed</i>	47	16	44
<i>Number of people with increased participation in governance</i>	10,598	13,742 (2,578 men, 1,255 women)	30,981
<i>Number of people with strengthened land tenure rights (Defra KPI D18)</i>	19,932	10,280 (5,095 men, 4,639 women, 66 indigenous)	34,943
<i>Number of projects contributing data, insights and case studies to national MEA related reporting processes and calls for evidence</i>	5	25	28

Progress under this output is good but uneven across indicators.

Nearly 31,000 people have now benefited from increased participation in governance, with progress this year exceeding expectations. 33 projects contributing data (21% of projects in this review).

Project [29-020](#), *Strengthening community capacity for evidence-based forest restoration in Indonesia*, contributed significantly to the number of people with increased participation in governance, with 4,945 people benefitting from and participating in the design of sustainable forest management interventions under a Plan Vivo certified carbon project. However, disaggregation of 'Number of people with increased participation in governance' should be improved, as recommended above.

Few projects reported against the 'Number of plans' indicators.⁶ Consequently, these indicators capture less of what the overall programme achieves than do other indicators (although more projects may report against these indicators in future, as these indicators are new.) When only a small number of projects report against an indicator, results are easily skewed by individual project performance - whether above or below expectations set at the grant application stage.

The 2021 Business Case estimated, based on previous funding rounds, that grantees would facilitate or co-create 800-1,300 new or improved species/habitat management plans. To date, just over 200 such plans have been produced - significantly below the original estimate. What this tells us is that, over time, fewer projects are choosing to support habitat management plans - instead supporting other measures to protect biodiversity and reduce poverty. As the table above shows, projects that did support habitat and species management plans have come close to achieving their targets.

⁶ 6 projects reported against 'Number of new or improved species management plans available and endorsed'; 11 projects reported against 'Number of new or improved community management plans available and endorsed' and 8 against 'Number of new or improved sustainable livelihoods/ poverty reduction management plans available and endorsed.'

Changes to this output during the past year

The indicator 'Number of projects contributing data, insights and case studies to national MEA related reporting processes and calls for evidence' has been moved here from a previous Output, which was removed from the logframe.⁷

Progress on recommendations from the previous AR, lessons learned this year and recommendations for the year ahead

See Section A for progress on recommendations in the last AR, and recommendations for the year ahead.

Output Title	<i>Programme management adapts to strengthen delivery of the challenge fund</i>		
Output number:	3	Output Score:	A
Impact weighting (%):	33%	Weighting revised since last AR?	Yes
Indicators	Milestones for this review	Progress for this review period	Overall progress (over 3 years)
<i>Number of high-quality applications received⁸</i>	No milestones set for each scheme, but sufficient quality applications are needed to spend allocated resources.	Round 31: C&C: 47; Innovation: 16; Main: St1: 59; Main St2: 32; Extra: 11	N/A
<i>Annual Average Project Final Report Scores⁹</i>	Aim for average of 3 across funds, which corresponds to a score of 'A', "Outcome met expectation"	C&C: 3.55 (18 Final Reports) Innovation: 2.80 (5 Final Reports) Main: 3.20 (30 Final Reports)	N/A
<i>Volume of matched funding secured to deliver Darwin Initiative projects</i>	-	£12,817,030	£22,918,417
<i>Number of deep dives conducted</i>	10	11 (5 completed)	N/A

Defra received on average more than three high-quality applications for every grant awarded in the Darwin Extra, Main and Capability and Capacity window, with the strongest competition seen under the Extra scheme given the small number of grants awarded. Darwin Innovation is an outlier, with 1.8 applications scoring 4 or higher on average per project awarded. In absolute terms, however, this reflects an increase from 9 applications of this quality last year to 16 this year. Demand for grants continued to rise during the reporting period, prompting concerns about applicant time spent on unsuccessful bids. Defra should respond by simplifying the Stage 1 application process and investing less in outreach to new, prospective grantees.

Fund manager reviews of project reports indicate that most are on track to achieve their expected outcomes, with C&C projects performing particularly strongly. Lower scores for Innovation projects could reflect the slightly higher delivery risk associated with these projects. There were no Final Report scores for Extra projects in this period, due to when project end dates fall.

⁷ The Output 'Evidence is utilised, and Best Practices are developed, refined and made accessible' has been removed from the logframe. This output did not record one of the main ways through which the Darwin Initiative delivers change; its milestones were not stretching; and few projects reported on its indicators. The remaining three output indicators retain an equal weighting (increasing from 25% to 33%).

⁸ Number of eligible applications achieving an average score of 4 or higher. To note, Darwin Initiative experts score Main Applications at two stages, and score other schemes at only one stage.

⁹ Code projects according to score (Final Reports, letter grades are converted as follows: A++ = 5; A+ = 4; A = 3; B = 2; C = 1).

Whilst only 5 deep dives were completed in the period, 11 were initiated, significantly advanced and/or completed. Many take longer than expected to finalise, and the focus remains on quality and usefulness, with results fed back into programme planning and management.

Changes to this output during the past year

- Minor changes to indicator wording have improved clarity.
- Methodology for collecting data on matched funding changed from “Projects in latest funded round. Sourced from Applications.” The new method more accurately reflects entirety of secured matched funding. It assesses matched funding from projects in their final year of funding (information sourced from Final Reports).

Progress on recommendations from the previous AR, lessons learned this year and recommendations for the year ahead

See Section A for progress on recommendations in the last AR, and recommendations for the year ahead.

D: RISK

Overview of risk management

We have reviewed risk appetite across all categories against residual exposure over the past year, using Defra’s risk and ODA risk guidance. Delivery remains within appetite. Risk management is robust, though constrained by a lean, centralised staffing model. Reviews of programme-level risks and issues are conducted in monthly Risk Review meetings with Defra’s fund manager, with a risk register updated as often as is required for live issues. Quarterly risk review meetings involve the Senior Responsible Owner, with risks escalated when necessary. Risks and issues identified or reported this year have been investigated with appropriate action taken where required, including targeting projects for independent reviews or spot audits. A grant assurance review rated governance and risk processes ‘Green’.

Key findings over the reporting period are:

- *Strategy and Contextual:* we continue to assess the residual risk as Medium. During the reporting period, strategic issues have emerged around funding and demand. From April 2026, Defra’s investment in the Darwin Initiative will fall to around £20 million annually, down from £30 million in 2024/25, following wider ODA reductions linked to increased defence spending. Given the reduction in funding, in the months ahead Niras and Defra teams should forecast the likelihood, if the outcomes targeted in the Business Case remain achievable by 2030, and review targets if not. I’d guess that there’s a medium likelihood we won’t. Can keep the rating as ‘medium’ until we have updated forecasts? At the same time, the Darwin Initiative now shares Defra’s ODA with around 20 other nature-focused programmes. In response, Defra will refine the future focus of the Darwin Initiative, to maximise impact with reduced resources and improve how we communicate its unique value.
- *Delivery & Operational:* Residual risk here remains Medium. [REDACTED]
[REDACTED] Following announcements, grantees were contacted to help understand the acute pressures and flexibility afforded where possible. In February 2025, HMG announced a pause to bilateral aid to Rwanda, linked to conflict in the Democratic Republic of Congo. Relevant projects were contacted to understand potential impacts on their work, and FCDO engaged to understand the remit of the announcement. Following the Myanmar Earthquake in March 2025, all active projects were contacted to confirm the safety of project staff and stakeholders.
- *Safeguarding:* Defra, the Fund Manager and grantees continue to strengthen and enforce safeguarding, to minimise the risk of human rights abuses by conservation actors and sexual exploitation and harassment (SEAH) by individuals involved in project delivery.¹⁰ Whilst incidents

¹⁰ This year the Fund Manager has introduced a safeguarding policy template, so that grantees know what good practice looks like; clearer guidance on SEAH investigations; and offered targeted support to grantees, where gaps are identified in safeguarding practices. Cross-programme learning with Defra’s OCEAN programme is also strengthening safeguarding across both funds, with joint support

can occur, the strength of Darwin Initiative controls results in a level of incidents that is likely well below average levels seen in the societies where the Darwin Initiative operates. All applications are reviewed by a safeguarding specialist, and grantees have access to guidance materials and a helpdesk. To minimise the risk of human rights abuses, projects that support Protected Area enforcement, or counter environmental crime, undergo additional Overseas Security and Justice Assessments.

Whilst overall processes appear robust, we recommend introducing a risk rating matrix for applications and to formalise additional due diligence for higher-risk contexts.

- *Fiduciary:* This year, auditing was significantly expanded - from 5% to over a third of projects. One case of attempted fraud was detected through this process and stopped, demonstrating the effectiveness of our assurance mechanisms. We recommend using the findings from these audits to inform the 2025 sampling strategy. Three attempts at small-scale fraud were detected and averted, while one instance involving the unauthorised resale of goods with a value below £100 was discovered retrospectively, with action taken to prevent a recurrence. A routine update of the programme’s fraud risk assessment has taken place, with recommendations including improvements to asset management and disposal post-project. Key risks remain false applications, misreporting of results, and asset misuse. Controls are being mapped and strengthened, with a focus on proportionality and effectiveness, working towards a proactive pragmatic approach to identifying and mitigating fraud.
- *Project/programme:* residual risk remains medium. No issues in this category were identified during this period. The controls in place mitigate against weaknesses in project delivery, or projects not aligned to priorities.
- *Reputational:* when new grant awards were delayed, proactive communication with key stakeholders helped to manage reputational risks. With 140 grants in 70+ host countries, proactive engagement with UK Embassies and High Commissions remains an important way to detect, prevent and respond to reputational risks. So does project due diligence, including human rights risk assessments where projects help to enforce Protected Area rules, or counter environmental crime. Given the mitigations in place, this risk maintains the same rating.

Recommendations from last year have been actioned, improving risk management in the portfolio. Early safeguarding checks and additional risk reviews, as well as renewed engagement with UK Embassies and High Commissions, are enabling swifter resolution of concerns. The overall risk of the programme is recommended to remain Medium.

provided to shared grantees. Key grantees have continued to make tangible improvements in SEAH policies, expertise and staff training.

E: PROGRAMME MANAGEMENT: DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE

Summary of partner and Defra performance, on commercial and financial matters

The Darwin Initiative is delivered by grantees in 70+ countries, a Fund Manager, an Expert Committee and a small Defra team. Following a competitive process, Defra awarded NIRAS a multiyear Fund Manager contract in March 2022; the contract is available at www.contractsfinder.service.gov.uk. This Annual Review covers the third year of the new contract.

Commercial: NIRAS' role as fund manager is to lead the administration of the BCFs under guidance from Defra, including correspondence with project partners, reporting, financial, monitoring and evaluation, communications and some capacity building. Defra and the fund manager maintain a strong and close working relationship, while streamlining processes, aligning strategic direction and maximising learning.

Defra uses a framework to monitor, measure, and oversee the fund manager's performance of its contract responsibilities. The data, summarised in Annex B, shows that NIRAS continues to meet expectations across its Key Performance Indicators (KPIs). Notable achievements include:

- 99% of projects are now GESI-Sensitive. To achieve this, the Fund Manager has assisted and encouraged grantees to embed GESI Analysis into more projects' design and implementation; updated reporting templates, developed new resources and an online webinar. Projects scoring "Not Yet Sensitive" in their Annual Reports have received tailored support to meet minimum standards by the Half Year Report deadline.
- Strengthened safeguarding. Through improved guidance, policy templates, and targeted support for projects, including collaboration with Defra's OCEAN programme and engagement with key organisations such as WWF-UK and Fauna & Flora.

Next year's priority is to maintain high performance while strengthening the tracking of measurable indicators under the newly introduced Performance Management Framework. With significant changes anticipated for the Darwin Initiative, and a recognised need to tell a stronger public story about what the Darwin Initiative achieves, we recommend an overhaul of the communications strategy. This should include ways of measuring the contribution of communications activities to communications objectives.

Defra also led a review of the funds' risk framework, aligning it with ODA guidance and embedding monthly risk management meetings with NIRAS. In addition to fund manager mid-term review visits, Defra field visits to Nepal and Kenya have taken place during the review period, enabling Defra staff to engage directly with project stakeholders and communities, informing updates to BCF guidance, improvements to future project review, and strengthened collaboration with UK diplomatic missions.

Financial:

Defra and NIRAS work closely to monitor programme spend and ensure alignment with the original forecasted budgets. Fixed costs for grant administration have progressed as planned, with oversight mechanisms in place to maintain transparency and accountability. Variable costs have been regularly reviewed, and trials have been introduced to manage workloads effectively in response to the high volume of applications received. As a result, overall spend remains in line with forecasts, reflecting efficient financial management and operational delivery.

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

Table 3: Darwin Initiative Value for Money indicators

		23/24	24/25
Economy Indicator 1			
Overhead costs as a % of total programme spend	Planned	5%	5%
	Achieved	█%	█%
Economy Indicator 2			
Quality of procurement and personnel resource management processes (RAG)	Planned	N/A New indicator	G
	Achieved	G	G ¹¹
Efficiency indicator 1			
Extent and quality of measures taken in last year to improve efficiency (RAG)	Planned	N/A New indicator	G
	Achieved	G	A ¹²
Effectiveness indicator 1			
Ecosystem Loss Avoided (ha)	Planned	N/A New indicator	14,435
	Achieved	20,174	43,956
Effectiveness indicator 2			
Number of people with Sustainable Livelihoods created or protected	Planned	N/A New Indicator	No target
	Achieved	16,300	3,224
Effectiveness indicator 3			
Number of people supported to better adapt to the effects of climate change	Planned	62,806	28,353
	Achieved	18,425	48,183
Effectiveness indicator 4			
Value of co-funding leveraged as a proportion of total Defra grant finance awarded (%) ^{13,14}	Planned	N/A New indicator	200%
	Achieved	158%	179%
Equity indicator 1			
% of projects that are confirmed by reviewers to be at least GESI-sensitive	Planned		N/A New Indicator
	Achieved		99%
Equity indicator 2			
% of projects that are confirmed by reviewers to be at least GESI empowering	Planned		N/A New Indicator
	Achieved		55%
Equity indicator 3			
Proportion of project funding that targets low- and lower-middle income countries (%)	Planned	70%	70%
	Achieved	91%	77% ¹⁵

Economy

Defra and the fund manager continue to deliver the programme with a lower-than-expected overhead cost, representing a saving this reporting period of nearly £600,000. The combined figure (█% of programme spend) represents fair value for money. Defra and the fund manager should be commended for delivering the programme with a lean staffing model.

¹¹ Rating determination based on overall performance including strong positive feedback received from key stakeholders, Contract Change Note formalising changes to NIRAS’s scope of work to more appropriately reflect agreed levels of effort, implementation of performance management of experts and adaptive fund management through the recommendation tracker.

¹² Rating determination based overall performance including delays to grant awards, streamlining processes such as reporting, SEAH assessments and security assessments as well as improved financial reporting.

¹³ Co-financing is encouraged but not mandatory. It is considered a key factor in project selection. Target derived from reviews of other biodiversity programming.

¹⁵ 24/25 percentage drop from last year anticipated due to countries with a high number of projects moving from LMIC to UMIC status (e.g. Indonesia).

The competitive bidding process, overseen by the Expert Committee, plays a key role in controlling the costs incurred by grantees in delivering Darwin Initiative projects. Cost is a key element in assessing proposals, with a cut-off applied to overheads. The Expert Committee rejects applications or seeks clarifications where costs appear high relative to the expected outcomes.

Grantee and Expert Committee management continues to perform strongly (rating Green), with significant enhancements across workstreams. Stakeholder feedback was overwhelmingly positive (93-100% agreement), reflecting high-quality service delivery. Our fund manager's scope of work was formally updated to better align with actual effort, including revised costing for application management to improve value for Defra. The performance management system for our Expert Committee members was formalised this year as part of our commitment to continually improving our already high standards, with targeted refresher sessions further strengthening input quality and compliance. Assessment processes were adapted during the reporting period, reducing reviewers per application due to the high rate of applications. Regular consideration of recommendations supports adaptive, efficient fund management.

Efficiency

Defra delayed the award of new projects from February 2025 until September 2025, to confirm affordability following reductions in the UK's ODA budget. Managing these delays involved extra staff time, including to communicate with key stakeholders, model for different potential financial settlements, prepare key documentation and manage approvals. Due to this, the rating is Amber for the efficiency indicator.

That said, several measures were also taken to improve overall efficiency. Overseas Security and Justice Assessments and project reporting were streamlined, and SEAH reviews were aligned to reduce duplication. Financial forecasting improved with universal adoption of the Excel claims template, and a comprehensive mandated Financial Irregularity Assessment found just one irregularity. Safeguarding and fraud reporting mechanisms were strengthened, increasing case management needs. AI piloting enhanced desk-based review efficiency, and quarterly recommendations continue to support adaptive fund management.

Defra remains satisfied with the outputs delivered by the fund manager and acknowledges their ongoing efforts to improve efficiency. The decision to appoint a single fund manager for all three Biodiversity Challenge Funds continues to deliver substantial efficiencies and remains a successful model.

Previously, Defra planned to assess efficiency in part by comparing the cost of Darwin Initiative Capability and Capacity grants with the number of people trained. However, it proved impossible to isolate spending on training from other spend, so we have removed this indicator from reporting.

Effectiveness

The programme is broadly on track to achieve the biodiversity and poverty outcomes forecast in the 2021 and 2024 Business Cases. As modelling for the 2024 Business Case estimated an 83:1 cost-benefit ratio, progress continues to suggest that the programme is a cost-effective way for the UK to advance its international nature, climate and poverty reduction objectives.

Equity

Poverty reduction, gender equality and social inclusion (GESI) are important objectives of the Darwin Initiative. 99% of projects are now GESI-sensitive, based on an independent review of projects' self-assessments, and in the year ahead the Darwin Initiative targets 100% of live projects becoming GESI-Sensitive. The fund manager will continue to monitor progress and provide additional resources as needed to maintain and improve GESI integration in future reporting cycles.

Darwin Initiative applicants must credibly explain how their activities will contribute to poverty reduction, and how they will measure this contribution. Poverty considerations also influence geographic eligibility: projects in Upper Middle-Income Countries (UMICs) must meet stringent additional criteria. While the proportion of grant funding directed toward projects in low and lower-middle income countries continues to exceed the Darwin Initiative's 70% minimum target, it has declined compared to the previous year. This decrease was expected, following Indonesia's reclassification from a Lower Middle-Income Country to a UMIC - Indonesia hosts a significant number of Darwin Initiative projects. Given current financial constraints, it is recommended that the

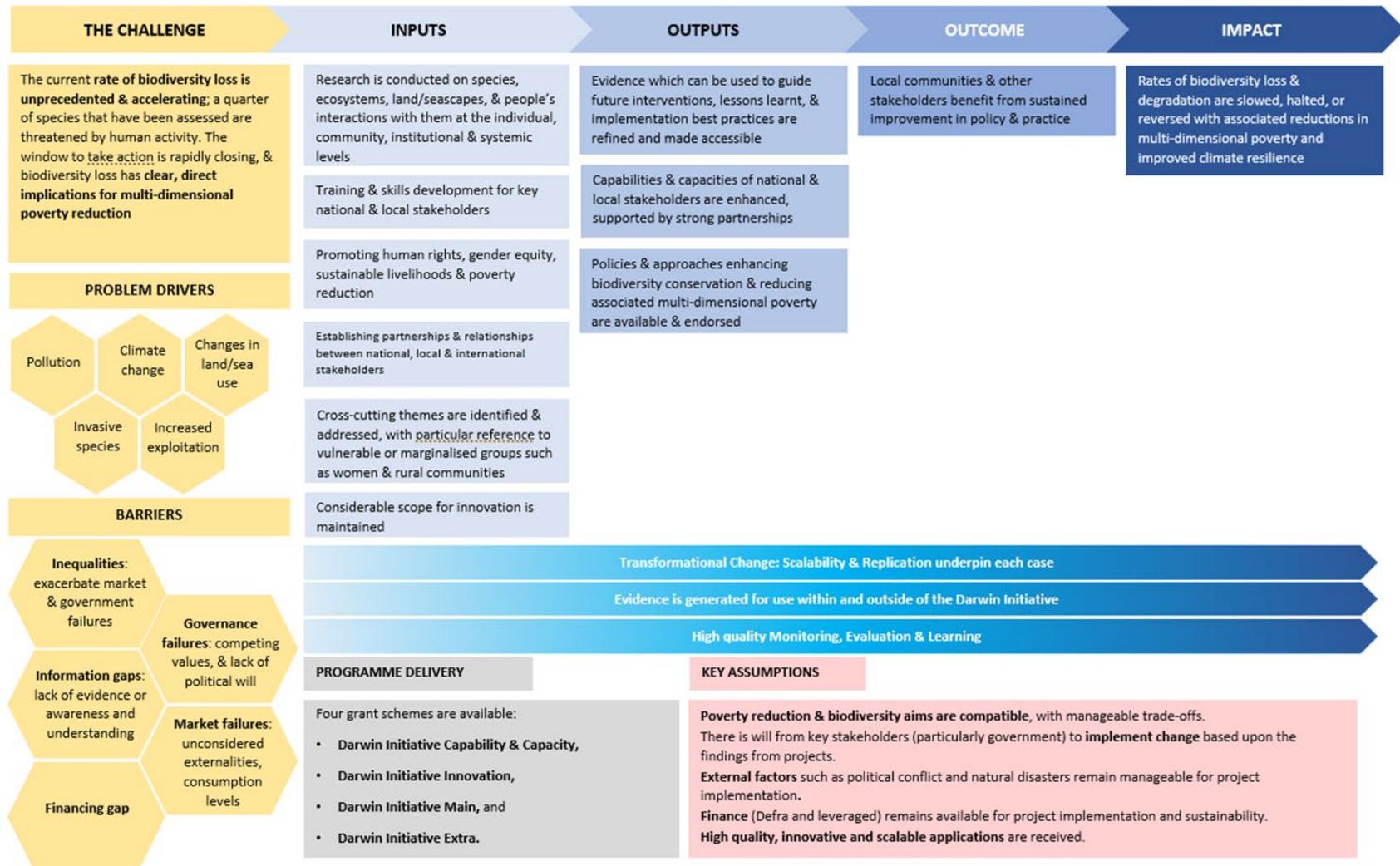
upcoming strategic review includes a reassessment of country eligibility and ensures that equity remains a central principle of the fund.

Recommendations:

- Review countries eligible to host future Darwin Initiative grants.
- Meet 100% GESI-sensitive standard across the portfolio.

Date of last narrative financial report	18 th April 2024	Date of last audited annual statement	31 st Dec 2024
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Annex A: Theory of Change



Annex B: Performance Management Framework

Table 4: Fund Manager Performance Management Framework

Workstream	Key Performance Indicator Description	Status	Key Updates / Notes
Application Process	Clear guidance and feedback enable stakeholders to submit strong applications.	Meeting Expectations	<ul style="list-style-type: none"> - Project awards delayed from Apr to Oct 2025 whilst Defra confirmed affordability; almost all awards made promptly once affordability confirmed. - Invoicing adjusted to manage uncertainty in application numbers.
Expert Groups	Independent expertise is efficiently targeted to identify the most transformational proposals	Meeting Expectations	<ul style="list-style-type: none"> - New Expert Committee Chair and 3 members recruited. - Training provided on assessment process changes and deep dive lessons.
Management of Projects	Projects strengthened in response to recommendations arising from project reviews and feedback.	Meeting Expectations	<ul style="list-style-type: none"> - Updates aligned with Gender Equality and Social Inclusion (GESI) Action Plan. - Safeguarding question refined in grantee Annual Report template. - All grantee Annual Reports reviewed by safeguarding manager. - Final Report Reviews updated to include post-project safeguarding reporting guidance.
Financial Management	Delivered to a high standard.	Meeting Expectations	<ul style="list-style-type: none"> - Shift from spot audits to Financial Irregularities Assessment on 85 projects (~1/3 of active projects).
Building and Applying Evidence	Evidence and best practices are utilised.	Meeting Expectations	<ul style="list-style-type: none"> - Deep dive recommendations integrated into templates, guidance, and strategies. - 5 deep dives completed, 6 underway, 4 in development.
Capability and Capacity Building	Capability and capacity of national and local stakeholders enhanced	Meeting Expectations	<ul style="list-style-type: none"> - 17 events, 1,363 registrants. Most watched webinar: Capability & Capacity applications (924 views). - New training videos released to guide grantees and applicants (e.g., Change Request guidance with 144 views).

			- Next phase of this workstream to focus on upskilling grantees, and convening grantees to share learning
Communications	International awareness and understanding of the Funds strengthened.	Meeting Expectations	<ul style="list-style-type: none"> - 2 newsletters. 48 articles published. - Social media growth, except slight drop in X followers. - Darwin Initiative engagement deprioritised due to high application volume. - Workstream will focus in future on communicating change, equipping Ministers and nature diplomats with content to engage their audiences, and grantee learning.
Contract Management	Agile response to risks and opportunities, to strengthen performance	Meeting Expectations	<ul style="list-style-type: none"> - Stakeholder recommendations tracked and reviewed quarterly. - Updates and revisions to contract, value for money framework, and programme management framework agreed.