

Annual Review Template

Title: The Darwin Initiative		
Programme Value £ (full life): Up to £93.75m (2021 Business Case)		Review date: Dec 2024
Programme Code: GB-GOV-7-DarwinInitiative	Start date: Sept 2021 (current Business Case)	End date: March 2028 (current Business Case)

Summary of Programme Performance

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

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

A. SUMMARY AND OVERVIEW

A1. 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. Established in 1992, the Darwin Initiative has awarded more than £230m to over 1,320 projects in over 70 countries.

The Darwin initiative is one of three Defra Biodiversity Challenge Funds (BCFs) that share a single fund manager, alongside Darwin Plus and the Illegal Wildlife Trade Challenge Fund. For efficiency and consistency, Niras, the fund manager delivers several functions collectively for all three challenge funds. Where the Darwin Initiative shares processes with its sister funds, this annual review refers to the BCFs collectively - this report however reviews the performance of the Darwin Initiative only.

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

To assess outputs and outcomes, the annual review team analysed the results reported by projects that report against Darwin Initiative Standard Indicators (128 projects, 83% of live Darwin Initiative projects with a £62 million combined value). We compared actual progress (results) with the progress that these projects had expected to achieve during the same period (milestones).ⁱ Defra and Niras staff conducted additional validation checks on the largest reported results.

The combined results of these projects exceed milestones for 5 out of 6 outcome indicators and 3 out of 4 outputs, often by a wide margin. Table 1 summarises how output results compare with milestones.

Table 1: Comparison of results and milestones

Output no.	Output title	Impact weighting	Progress	Output score
1	Evidence is utilised, and Best Practices are developed, refined, and made accessible	25%	4 indicators exceeded milestone targets 1 indicator met milestone target	A+
2	Capability and capacity of key national and local stakeholders to deliver on biodiversity conservation and associated reductions in multi-dimensional poverty enhanced	25%	5 indicators exceeded milestone targets	A++
3	Policies and approaches enhancing biodiversity	25%	6 indicators exceeded milestone targets	A+

Output no.	Output title	Impact weighting	Progress	Output score
	conservation and associated reductions in multi-dimensional poverty available and endorsed			
4	Programme management adapts to strengthen delivery of the challenge fund	25%	Sufficient high-quality applications received. Most programmes are on track to achieve their expected outcomes. Co-finance lower than expected. Fewer deep dives completed than planned.	B

The output scores suggest an overall ‘A+’ score for programme progress is warranted. However, Defra reviewers have raised questions about whether the output milestones are as stretching as they should for a programme that, in its 2021 Business Case, was anticipated to benefit over 260,000 people and improve the management of more than 4 million ha. The review team has therefore scored the programme ‘A’ for progress in this Annual Review.

Progress against the key recommendations from the first annual review:

- *Strengthen the Fund Manager’s work to enhance grantee capability and capacity:* in 2024, ~500 prospective and new Darwin Initiative grantees attended 4 webinars, accessing information and posing questions on the application process, results measurement and reporting requirements. These webinars are one part of an expanded BCFs capability and capacity offer to grantees; the Fund Manager also issues guidance and training videos. To focus activity on the areas of greatest need, Defra and Niras have now agreed a BCFs Capability and Capacity strategy.
- *Strengthen the delivery and ambition of Building and Applying Evidence Workstream.* This workstream is now close to fulfilling its potential. 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 operate.ⁱⁱ However, despite renewed efforts by the fund manager, the number of grantees disaggregating reported results by gender remained disappointing.
- *Develop a multiyear GESI Strategy:* Niras and Defra agreed a five-year GESI strategy in April. Most deliverables for 2024 sought to ensure that all new projects consider how they could potentially, and unintentionally perpetuate gender inequality and social exclusion, then act to avoid doing such harm (Defra calls this ‘being GESI Sensitive’; it is a minimum standard; many projects actively improve gender equality and social inclusion.) Niras and Defra updated BCFs forms, guidance, webinars, and communication accordingly. Other activities included GESI training, bolstering GESI on Expert Committees, and reviewing indicators. Under the strategy and workplan we will ensure all funded projects under the BCFs portfolio are being supported to meet the GESI Sensitive minimum standard by December 2025.
- *Set more ambitious logframe milestones:* fund-level annual milestones and longer-term targets have been updated and will continue to be updated.
- *Develop ways to understand and increase fund level value for money:* The Darwin Initiative now uses indicators to assess value for money – see Section E.
- *Consult grantees on the newly developed programme-wide standard indicators and use grantees’ feedback to refine the indicators.* Niras surveyed grantees in July 2024 and used the feedback to refine the menu and wording of indicators, the logframe and Theory of Change. Niras also published an interactive Indicator Library, accessible to all through a web link. Methodologies to standardise how we measure the most complex indicators are in development.
- *Investigate and develop a policy for the role of artificial intelligence in the fund.* Niras used a Deep Dive to explore and test ways in which artificial intelligence improve BCF processes. In 2025, Niras plans to roll out some of the recommended options.
- *Develop and create a cloud-based database to securely hold and make accessible project data.* Developers completed the back end in August. Testing will take place in late 2024. Operationalisation will begin early in 2025. Niras anticipates projects accessing the database from April 2025, in line with original expectations.
- *Strengthen capacity within Defra to provide assurance and support to meet ODA obligations.* Defra has upskilled team members to enable key functions to continue, in the event of staff turnover. The programme complies with HMG ODA guidance.

A3. Major lessons and recommendations for the year ahead

1. *Improve grantees' capacity to adopt best practice in engaging with markets, to raise incomes and protect biodiversity.* Getting this right would greatly enable the Darwin Initiative projects to benefit far more people and nature, for longer. Efforts will build on the findings of a [2024 review of livelihoods programming in the BCFs](#), which highlighted significant room for improvement. (TBC, depending on modality.)
2. *Continue to build grantees' capacity to measure and disaggregate results.* Continue to develop indicator methodologies, publicise guidance and offer capacity building webinars. Track progress on disaggregation. Launch and publicise a webpage connecting grantees and results measurement experts. (By December 2025)
3. *Update logframe milestones, after Defra sets a budget for the Darwin Initiative to 2029.* Milestones should match the outcomes and impact that the Darwin Initiative expects to achieve by 2030, as outlined in its 2024 Business Case (unless the context significantly changes.) (Defra, by July 2025)
4. *Review why Darwin Initiative Innovation receives fewer high-quality applications than other Darwin Initiative funding windows; consider implications.* (Defra, by August 2025)
5. *Improve the process of reporting, collecting, storing, managing, and reporting disaggregated results data.* Niras published revised guidance in April 2024 so effect of that will be seen in data we receive April 2025, in time for next Annual Review. (Niras, by September 2025)
6. *Increase Fund Manager resourcing for the expanded Building and Applying Evidence Workstream.* The recommendations above require extra expert time. Defra should finalise a revised agreement with Niras to provide this additional support. (Defra, by April 2025)
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.* Fewer deep dives were completed during the review period than planned. Completing 10 deep dives per year is more realistic than the current target (12). Maintaining the quality and usefulness of deep dives matters more than hitting a 'number of deep dives' target. (Defra, by July 2025)
8. *Refine Fund Manager's performance management framework.* To ensure Fund Manager KPIs remain relevant and measurable. (Defra and Niras, by June 2025)
9. *Gather, analyse and report data on all Value for Money indicators* (by next Annual Review.)

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.

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

- The Darwin Initiative generates evidence to guide future interventions; enhances local and national stakeholders’ capabilities and capacity; and facilitates them testing approaches that protect biodiversity and reduce 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 ways.ⁱⁱⁱ
- 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.^{iv}

Defra and Niras, learning from the first year of measuring the programme’s results against fund-wide indicators, have made the following changes to the Darwin Initiative’s outcome and impact indicators:

- Removed impact indicator on ‘Status of Threatened Species’, due to the challenges of measuring this globally, and linking local project level action to global measures. Impact indicator 1 ‘Ecosystem Loss and Degradation Avoided (ha)’ is sufficient for assessing biodiversity impact.
- Added an outcome indicator on ‘Gender and social inclusion is advanced throughout the fund’.
- Included new indicators to measure aspects of multidimensional poverty.^v
- Added a new indicator, ‘Area newly designated as protected areas or other effective conservation measures (OECMs)’. To help capture progress on impact under Outcome Indicator 1 ‘Area under ecological management’ and capture contributions to the global 30x30 target.
- Made small clarifications to wording and associated guidance.

The Theory of Change largely continues to hold. Research commissioned by the programme has however highlighted an assumption not currently holding. ~90% of Darwin Initiative projects seek to reduce poverty in part by enabling poor women and men to earn more, in ways that also benefit biodiversity. Yet the study found that only one in six of sampled projects currently understands well the focal market, deploys evidence-based interventions to unlock market constraints, and facilitates lasting change in incentives and behaviour through close relationships with private sector partners. Strengthening the incentives and capacity of delivery partners to facilitate larger-scale, lasting changes in markets will be a priority in the years ahead. Another assumption in the theory of change that needs testing is that the biodiversity, climate and poverty reduction benefits of changes facilitated by projects continue to last, long after donor funding ends. Defra plans to test this assumption through an upcoming deep dive on sustainability and an evaluation of the Biodiversity Challenge Funds.

There has also been an unintended positive outcome during the review period: the Darwin Initiative has contributed to UK diplomacy. For example, HM Ambassadors to Morocco and Madagascar have joined Defra visits to Darwin Initiative project sites and used the visits to highlight the UK’s partnerships with both countries to protect nature, alleviate poverty and act on climate change.

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?

Overall, projects report outcomes that often far exceed planned milestones. As Table 2 illustrates, 5 out of 6 indicators exceed planned milestones, often by a wide margin. Progress on area under sustainable management practices (313,385 ha), number of people with enhanced livelihoods (16,640 people), and finance mobilised for new activities (£9,438,261) was notable.

Table 2: Comparison of Darwin Initiative outcome-level results and milestones

Indicator	Milestone for this review	Progress during this review period (inc. disaggregation)	Overall progress (over two years)
Outcome 1	Area under Ecological Management (ha) (DI1 / ICF KPI 17)		
Area under sustainable management practices	173,726 ha	313,845 ha	534,257 ^{vi}
Area improved through restoration	466 ha	2,363 ha	2,519 ha
Area newly designated as protected areas or other effective conservation measures (OECMs)	Not set (new indicator)	65,361 ha	65,361 ha
Outcome 2	Number of people with improved or protected i) livelihoods (Defra KPI DI7 & DI9), ii) disaster/climate resilience (ICF KPI1 & KPI 4), and iii) wellbeing (Defra KPI DI10)		
Number of people with enhanced livelihoods	264 people	16,300 people	16,640 people ^{vii}
Number of people with improved resilience ^{viii}	14,109 people	12,643 people	30,791 people
Outcome 3	Number of policies with biodiversity provisions that have been enacted or amended		
Number of policies with biodiversity provisions that have been enacted or amended	2	3	3
Outcome 4	Finance mobilised for new activities building on evidence, best practices and projects		
Finance mobilised for new activities building on evidence, best practices and projects	£996,500 mobilised	£9,438,261 ^{ix}	£13,302,119
Outcome 5	Gender and social inclusion is advanced throughout the fund		
	New indicator: data to follow in 2024/25 reporting period		

These results, however, come with caveats:

- The data that informs milestones and progress comes only from newer projects (83% of live projects at the time of the annual review; older ongoing projects were not required to report against these.)
- For some indicators, guidance on how to measure progress is still under development.
- More projects need to disaggregate results by gender for Defra to report gender-disaggregated results for the Darwin Initiative as a whole. We expect more projects to report gender disaggregated next year as grantees measure results using the Darwin Initiative’s standard indicators and methodologies. To support this, the Fund Manager will reinforce guidance for grantees and help grantees apply the guidance on gender disaggregation.

Behind these numbers are powerful stories of progress. For example:

- 18 Tanzanian communities have begun to tackle overgrazing and land degradation on 357,000 hectares of pasture. Pastoralists have agreed and begun to enact rotational grazing plans, to help ensure a sustainable pasture supply in a changing climate. Darwin Initiative grantee The Nature Conservancy and its local partners have facilitated these changes.
- Indonesian communities and authorities have acted to safeguard fish stocks and wider marine life, creating a new 309,000-hectare Marine Protected Area near North Misool, West Papua. Seasonal closure of specific fisheries will allow stocks to regenerate, sustaining and improving an remote coastal communities' incomes from fishing. Yayasan Konservasi Alam Nusantara and Fauna and Flora International facilitated the creation of the marine protected area. In doing so, these grantees also received funding from the Darwin Initiative and Legacy Landscapes Fund.
- Botanic Gardens Conservation International have developed a standard that will make it easier for sponsors to assess if tree planting projects use native trees, and reward these projects for protecting some of the world's 17,500 endangered tree species. The certification methodology has now been tested at over 100 sites, across six countries. Projects are certified by experts from local botanical gardens. This generates local employment and costs less than using international consultants.
- An additional 18,000 households now benefit from reduced risk of conflict with wild animals. Uganda Wildlife Authority built 48 km of electric fences to separate humans and their herds from wildlife in two national parks. The World Bank financed the fences; Darwin Initiative grantee Space for Giants built the wildlife authority's capacity to construct them.

It is not yet possible to assess progress against the Darwin Initiative's latest impact indicators. Methodologies for assessing the three impact indicators are being developed, informed by deep dives to support indicator development and implementation, and aligning with a Defra-wide process to develop methodologies for Defra International and International Climate Finance indicators.

Defra plans a second independent evaluation of the Biodiversity Challenge Funds, starting in 2025. The evaluation should generate its first findings in 2026 and conclude in 2028. Preparatory work – to agree a single, prioritised set of evaluation questions for the three challenge funds – is on track.

B3. 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. We expect to learn more about the quality and sustainability of these outcomes through the upcoming evaluation. Through its outcomes, the programme also makes important contributions to Defra International and UK International Climate Finance results.

C. DETAILED OUTPUT SCORING

Output Title	Evidence is utilised, and Best Practices are developed, refined and made accessible.		
Output number:	1	Output Score:	A+
Impact weighting (%):	25%	Weighting revised since last AR?	No
Indicators	Milestones for this review ^x	Progress for this review period	Overall progress (over 2 years)
Number of best practice guides and knowledge products developed, published and endorsed	26	89	121
No. of assessments conducted and published			
• Number of new conservation or species stock assessments published	11	11	25
• New assessments of habitat conservation action needs published	1	2	3
• New assessments of community use of biodiversity resources published	0	5	5
Number of projects contributing data, insights and case studies to national MEA related reporting processes and calls for evidence	1	2	3

Excellent progress has been made during the reporting period under this output, particularly on the number of best practice guides and knowledge products developed, published and endorsed.

The Darwin Initiative has funded the development of 89 best practice guides and knowledge products during the 2023/24 period. These were developed by over 30 projects spread throughout including, Bolivia, Cameroon, Kenya, Madagascar and dozens of other countries where the existence of biodiversity hotspots alongside poverty requires a careful and integrated approach to conservation and development. Many of these guidelines advance knowledge in technical areas such as integrated water resources management, biodiversity management, sustainable land management, grazing management, fire management, endemic species harvesting, propagation, processing, and marketing and distribution. Other knowledge products serve to build the capacity of locally led initiatives, covering topics such as organisational development, fundraising, communications, management, monitoring and evaluation.

Changes to this output during the past year
None.

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>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:	2	Output Score:	A++
Impact weighting (%):	25%	Weighting revised since last AR?	No
Indicators	Milestones for this review	Progress for this review period	Overall progress (over 2 years)
<i>Number of people from eligible countries who have completed structured and relevant training</i>	9,778 people	28,556 people ^{xi} (12,213 men; 13,808 women; remainder unstated. 336 indigenous people)	39,980 people
<i>Number of people in eligible countries who have completed secondments or placements</i>	13 people ^{xii}	96 people	112 people
<i>Number of people reporting that they are applying new capabilities (skills and knowledge) 6 (or more) months after training.</i>	353 people ^{xiii}	8,471 people (910 men; 725 women, remainder unstated. 107 indigenous people).	8,885 people
<i>Number of trainers trained reporting to have delivered further training by the end of the project.</i>	189 trainers	475 trainers (94 men; 71 women; remainder unstated. 33 indigenous people).	719 people
<i>Number of local or national organisations with improved capability and capacity.</i>	370 organisations	876 organisations	1,271 organisations

Impressive progress on this output has been achieved, with progress significantly exceeding expectation on every indicator.

These indicators are the most widely reported against in the Darwin Initiative and wider BCFs portfolio. A total of 28,556 people completed structured and relevant training under 93 of the 128 Darwin projects reporting their results in 2023/24. Of these people, 10,500 (including 6,500 women and 4,000 men) were smallholder farmers in Nepal, trained on pollination awareness, with the intention of increasing yields through enhanced pollination management practices. Elsewhere, the training has focused on adaptive management, rangelands management, climate smart agriculture, market gardens, sustainable fisheries and more. Recipients include protected area managers, common-pool resource managers, farmers, fishers, catchment management organisations, entrepreneurs and other actors in key value-chains for biodiversity and livelihoods, student organisations, women’s groups, youth groups, and a range of specialist groups who are at the forefront of ensuring that the world’s remaining biodiversity can be conserved for future generations whilst being equitably utilised as a means to address poverty.

Changes to this output during the past year

Minor changes in indicator wording have improved clarity (e.g. referencing eligible countries).

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>Policies and approaches enhancing biodiversity conservation and associated reductions in multi-dimensional poverty are available and endorsed.</i>		
Output number:	3	Output Score:	A+
Impact weighting (%):	25%	Weighting revised since last AR?	No
Indicators	Milestones for this review	Progress for this review period	Overall progress (over 2 years)
<i>Number of new or improved habitat management plans available and endorsed</i>	23 plans	65 plans	87 plans
<i>Number of new or improved species management plans available and endorsed</i>	5 plans	5 plans	11 plans
<i>Number of new or improved community management plans available and endorsed</i>	8 plans	48 plans	104 plans
<i>Number of new or improved sustainable livelihoods/ poverty reduction management plans available and endorsed</i>	9 plans	19 plans	28 plans
<i>Number of people with increased participation in governance</i>	4,436 people	12,904 people (2,170 men; 1,982 women; remainder unspecified. 409 indigenous people).	17,238 people
<i>Number of people with strengthened land tenure rights</i>	3,681 people	19,913 people (5,953 men; 6,426 women; remainder unspecified. 7,638 indigenous people).	24,663 people

Progress under this output has exceeded expectations. One indicator stands out: new / improved community management plans. Many of these come from project DAREX004, and are a major contributor to the outcome results described in section B.

During the 2023/24 period, Darwin initiative funding enabled 65 habitat management plans to be developed and endorsed by the communities who rely on these areas for their livelihoods and wellbeing. These include progress in:

- Tanzania, where associations have agreed 48 community rangeland management plans. These plans should enable shifts in grazing that enable communities to better sustain vital pasture in a changing climate.
- Indonesia, where communities have participated in the development of spatial management plans and associated legislation to ensure effective protection of nine Protected Areas in West Papua, and a social forestry scheme.^{xiv}
- The Philippines, where 14 village-level Mangrove Protection Associations have been set up.
- Nepal, where a network of 20 community groups have agreed a plan to govern and manage 1,000 ha of biodiverse forest corridor.
- Bolivia, where three municipalities have used a Darwin Initiative grant to unlock long-term investment in watershed conservation and green infrastructure.

In conjunction with community and habitat management plans, Darwin Initiative funding has advanced land tenure rights for 19,913 people, including indigenous people and local communities who safeguard key biodiversity hotspots. Countries where the Darwin Initiative has supported communities to secure their rights include Tanzania, Bolivia, Guatemala, Indonesia, Honduras, Nicaragua and Costa Rica.

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 have improved clarity.^{xv}

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:	4	Output Score:	B
Impact weighting (%):	25 %	Weighting revised since last AR?	No
Indicators	Milestones for this review	Progress for this review period	Overall progress (over 2 years)
<i>Number of high-quality applications received^{xvi}</i>	<i>No milestones set for each scheme, but sufficient quality applications are needed to spend allocated resources.</i>	<ul style="list-style-type: none">• Darwin Main stage 1: 57• Darwin Main stage 2: 43• C&C: 47• Innovation: 9• Extra: 14	N/A
<i>Annual Average Project Annual Report (AR) and Final Report (FR) Scores^{xvii}</i>	<i>Average score of 2 or lower. Scores ranging from 1.00-2.5 indicate that most projects are on track to achieve their expected outcomes.</i>	<i>Annual reports:</i> C&C: 1.84 (25 ARs) Innovation: 1.92 (13 ARs) Main: 1.82 (76 ARs) Extra: 2.25 (9 ARs) <i>Final reports:</i> C&C: 1.20 (19 FRs) Innovation: 1.25 (10 FRs) Main: 1.43 (34 FRs)	N/A
<i>Volume of matched funding secured to deliver Darwin Initiative projects</i>	£8,968,503	£6,513,679	£18,599,900
<i>Number of deep dives conducted in the Building and applying evidence Workstream</i>	12	6	11

Defra received more than three high-quality applications for every grant awarded in the Darwin Extra, Main and Capability and Capacity window.^{xviii} Darwin Initiative Innovation is an outlier, receiving only 9 applications that received a score of 4/5, or higher.

Niras reviews of project annual reports indicate that most are on track to achieve their expected outcomes.

Delivery partners completed half the targeted number of Deep Dives completed in 2023/24. This is mainly because Defra and Niras have intentionally focused on fewer, larger Deep Dives, and invested considerable time in using the findings of Deep Dives. This has ensured that the Deep Dives add value but left less time for new Deep Dives. At times, the finalisation of Deep Dives has also slowed when multiple Defra officials have sought to comment on drafts, at different stages; Defra’s recent efforts to streamline its feedback process will help.

More importantly, the Deep Dives make a difference. Recommendations have been actioned and led to improvements in the programme’s indicators, monitoring and evaluation guidance and Applicant and Grantee Webinar content. Similarly, a deep dive on markets and livelihoods has produced valuable lessons on how the Fund can better reduce poverty. It has informed updates to how the Darwin Expert Committee assess proposals’ technical quality, and the potential for sustainability and scalable results; it also informs Recommendation 1 of this Annual Review (see Section A).

In addition to outputs reported in the table above, a workplan on ‘Building and Applying Evidence’ has been developed and is operational (a key recommendation from the previous Annual Review).

C2. Describe any changes to this output during the past year

- Minor changes to indicator wording have improved clarity.^{xix}
- New indicator tracks the number of Deep Dives completed.

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

- *[Use recommendations from] Deep Dives to further strengthen the quality of the programme management, applications and the subsequent projects:* Defra and Niras have performed well here, as described above.
- Continue to seek opportunities for the Defra Secretariat to visit and build relationships with FCDO in-country: Defra Secretariat visits to Indonesia, Madagascar and Nepal were well received by UK High Commissions and Embassies. Visits assisted projects to connect and collaborate with FCDO in-country and benefited the UK diplomatically.

Recommendations for the year ahead:

- *Improve grantees’ capacity to adopt best practice in engaging with markets, to raise incomes and protect biodiversity.* Getting this right would greatly enable the Darwin Initiative projects to benefit far more people and nature, for longer. Efforts will build on the findings of a [2024 BCF Deep Dive](#), which highlighted significant room for improvement.
- *Update logframe milestones, after Defra sets a budget for the Darwin Initiative to 2029.* Milestones should match the outcomes and impact that the Darwin Initiative expects to achieve by 2030, as outlined in its 2024 Business Case (unless the context significantly changes.) (Defra, by July 2025)
- *Review why Darwin Innovation receives fewer high-quality applications than other Darwin Initiative funding windows; consider implications.*
- *Continue to build grantees’ capacity to measure and disaggregate results.* Continue to develop indicator methodologies, publicise guidance and offer capacity building webinars. Launch and publicise a webpage connecting grantees and results measurement experts.
- *Improve the process of reporting, collecting, storing, managing, and reporting disaggregated results data.* Niras published revised guidance in April 2024 so effect of that will be seen in data we receive April 2025, in time for next Annual Review.
- *Increase Fund Manager resourcing for the expanded Building and Applying Evidence Workstream.* The recommendations above require extra expert time. Defra should finalise a revised agreement with Niras to provide this additional support.
- *Lower the target for how many deep dives to commission.* Fewer deep dives were completed during the review period than planned. Completing 10 deep dives per year is more realistic than the current target (12). Maintaining the quality and usefulness of deep dives matters more than hitting a ‘number of deep dives’ target.

D: RISK

Overview of risk management

We have reviewed risk appetite for each of the risk categories against residual risk exposure over the last year, drawing on Defra’s risk management guidance and ODA risk guidance. Key findings are:

- *Strategy and Contextual:* we continue to assess the residual risk as Medium.

During the review period, Defra identified and began to mitigate a new, key strategy risk: that projects end before they embed and scale their intended policy and practice changes. To give delivery partners to make their intended changes last and scale, Defra has extended the maximum duration of Darwin Initiative Main grants from 3 to 5 years. This new approach applies from Round 31. In 2025, Defra will also consider the advantages and disadvantages of allowing longer Innovation and Capability and Capacity grants in future Rounds.

Some Darwin Initiative projects operate in fragile and conflict-affected states. Mitigations include greater due diligence and oversight of projects in high-risk areas; increased engagement with UK Embassies/ High Commissions in those countries; and additional checks for high-risk projects during reviews.
- *Delivery & Operational:* Residual risk here remains Medium. Defra and the Fund Manager both oversee the programme with a lean staffing model, limiting capacity to oversee a portfolio of often novel activities. A key delivery risk is that grantees fail to enable poor women and men to raise their incomes and benefit biodiversity sustainably and at scale, due to limited capacity in market-based approaches. This issue, and mitigations, are discussed in Section B.
- *Safeguarding:* risks here include potential for human rights abuses by conservation actors, and sexual exploitation and harassment (SEAH) by individuals carrying out project activities.

To mitigate the risk of being associated with human rights abuses, Defra has improved its use of Overseas Security and Justice Assistance (OSJA) assessment. 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’s greater involvement with delivery partners in the OSJA process, improving contextual understanding and overall risk management, is continued.

To mitigate SEAH risks, since the last review, our Fund Manager has engaged a safeguarding specialist who has reviewed our processes and recommended improvements. The specialist is preparing new guidance, due January 2025, to help applicants meet and understand the increased requirements of the Funds. The safeguarding specialist also maintains a safeguarding helpdesk, available to applicants and ongoing projects.
- *Fiduciary:* This year, detective controls identified and stopped one case of fraud. Given the mitigation steps in place, the ratings for this Risk remain the same. A routine update of the programme’s fraud risk assessment is underway.
- *Project/programme:* residual risk remains medium. The controls in place mitigate against weaknesses in project delivery, or projects not aligned to priorities.
- *Reputational:* This year, three issues have arisen with the BCFs 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 recommended to maintain the same risk rating.

Delivery remains within risk appetite. The overall approach to risk management is strong, albeit with limitations borne from the lean and centralised staffing model. 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 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.

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 overall risk of the programme is recommended to remain Medium.

E: PROGRAMME MANAGEMENT: DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE

Summarise the performance of partners and Defra, notably on commercial and financial issues. [max 1 page]

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, a multiyear contract (based on standard Defra Terms and Conditions) was awarded on in 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 responsibilities.¹² 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 Expectation)

- 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 Expectation)

- 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 from deep dives and other sources. Risk management is delivered to a high standard, and coping well with the expansion of the BCFs, both in number of grants and geographies. 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 fund-wide 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)

- The Expert Committee continues to function effectively in recommending which projects are funded, objectively and based on the agreed criteria. Many committee members are leaders in their fields yet charge only a nominal fee for their time. Recruitment in 2024 has filled skills gaps and diversified perspectives, including new experts from the Global South, independent consultants, and experts in systemic change and markets.

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 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. As detailed in section C, 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.

Awareness raising has been so successful, that Defra now has the opposite problem – the number of applications received is so high as that volumes are hard to manage. In late 2024, Defra began to evolve the objectives of the communications workstream; in 2025, this may mean doing less to raise awareness amongst grantees. This should free up time to advance the BCFs’ other communications objectives.

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

Defra

The Defra programme team continues to work closely with NIRAS. New requirements for safeguarding, GESI, and reporting have created management challenges. Communicating these to stakeholders and securing timely responses has been complex, extending beyond the original contract with our Fund Manager. This has required significant adaptability from both Defra and NIRAS to maintain progress and meet objectives. More time for stakeholder engagement and communication would have helped bring our project partners along as Defra improves its ODA programming. To better understand partner performance and the operating context, Defra conducted field visits to Indonesia and Madagascar during the review period. Defra staff visited project sites and engaged with and convened project stakeholders, including women and men and communities benefiting from the projects, local delivery partners and UK diplomats. Lessons from field visits have informed revisions to BCF guidance; generated communications material; and strengthened collaboration between projects and UK Embassies and High Commissions.

Darwin Initiative projects continue to align with UK commitments under the Paris Agreement, supporting low- and middle-income countries to mitigate and adapt climate change. Furthermore, a growing number of Darwin Main and Extra projects report their contributions to International Climate Finance (ICF) indicators. The Fund manager and Defra aggregate these results, so that they feature in the UK’s International Climate Finance reporting.

E2. 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

Economy Indicator 1		23/24
Overhead costs as a % of total programme spend	Planned	5%
	Achieved	4%
Economy Indicator 2		23/24
Quality of procurement and personnel resource management processes (RAG)	Planned	N/A New indicator
	Achieved	G
Efficiency indicator 1		23/24
Average cost per person in eligible countries who have completed structured and relevant training (£)	Planned	N/A New indicator
	Achieved	11,323
Efficiency indicator 2		23/24
Extent and quality of measures taken in last year to improve efficiency (RAG)	Planned	N/A New indicator
	Achieved	G
Effectiveness indicator 1		23/24
Ecosystem Loss Avoided (ha)	Planned	N/A New indicator
	Achieved	20,174
Effectiveness indicator 2		23/24
Number of people with Sustainable Livelihoods created or protected	Planned	264
	Achieved	16,300
Effectiveness indicator 3		23/24
Number of people supported to better adapt to the effects of climate change	Planned	62,806
	Achieved	18,425
Effectiveness indicator 4		23/24
Value of co-funding leveraged as a proportion of total grant finance awarded (%)	Planned	N/A New indicator
	Achieved	59%
Equity indicator		23/24
Proportion of project funding that goes to Low income and LMIC (%)	Planned	70%
	Achieved	91%

Economy

Defra and the Fund Manager deliver the programme with a lower-than-expected overhead cost. Fund Manager overheads and Expert Committee costs are roughly 40% lower at this point in the programme cycle than Defra envisaged in its 2021 Darwin Initiative Business Case. While savings are partially offset by higher-than-expected Defra staff costs, the combined figure (4% of programme spend) represents good value for money. Defra and the Fund Manager should be commended for delivering the programme with a lean staffing model. The Darwin Expert Committee even more so; HMG rarely accesses such highly engaged, highly experienced specialists, so affordably.

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 one of the considerations in assessing proposals. The Expert Committee tends to reject applications (or seek clarifications), if an application contains costs (including overheads) judged to be high relative to the expected outcomes.

Grantee and Expert Committee management is rated ‘green’ for several reasons. Niras has made several process improvements during the reporting period, to better identify potential underspend, schedule Expert Group meetings, and streamline expert recruitment.

Efficiency

Grantees enjoy flexibility to define what activities they conduct, to achieve the desired outcomes. This flexibility makes projects more effective. However, flexibility also means that grantees deliver a wide range of outputs. Therefore, to measure efficiency, the best we can do is to assess a subset of activities that have something in common with each other. To assess Efficiency, we compare the cost of Darwin Initiative Capability and Capacity grants with the number of people trained with funding from these grants. At £11,323, this figure appears high. We recommend that Defra and the Fund Manager assess what lies behind this figure, in the year ahead.

As detailed earlier in Section E, Defra remains satisfied with the outputs delivered by the Fund Manager. Defra is also satisfied with the Fund Manager’s effort to continuously improve efficiency. For

example, recent efforts to standardise and rationalise payments to Expert Committee members have saved time and money. Introducing a cloud-based database, and trialling artificial intelligence (where appropriate) in fund management processes, will be important to maintain the 'green' rating in 2025.

Hiring a single Fund Manager for the three BCFs remains a success; the efficiencies are substantial.

Effectiveness

The Darwin Initiative now has a system to track Effectiveness (alongside other value for money indicators, in Table 3), drawing on data from the programme's logframe. The scale of results reported thus far is modest, relative to the amount of funding invested. This is to be expected, given the time lag between delivering project activities and recording measurable changes in ecosystems and the lives of poor people. Furthermore, Darwin Initiative projects are only beginning to report against these indicators; the numbers reported capture only part of the programme's actual impact on poverty, conservation and climate change. To reduce underreporting, Defra and the Fund Manager should make results measurement a key element of their capacity building offer to grantees in the year ahead.

Analysing the data behind the effectiveness indicators, most of the impact reported to date stems from a small number of high-performing Darwin Extra projects. This indicates that a key assumption in the 2021 Business Case is holding: Darwin Extra is beginning to enable projects that demonstrate potential for large-scale outcomes to scale. This trend may also indicate opportunities to further strengthen the effectiveness of the Darwin Initiative in the years ahead, if Defra and its partners can increase the percentage of exceptionally high performing grants in the Darwin Initiative portfolio.

During the review period, Defra changed its rules governing Darwin Main applications, allowing projects from Round 30 onwards to run for five years (previously three.) This change should increase Effectiveness; grantees often need five years or more to achieve and measure large-scale, lasting outcomes and impact.

Equity

Poverty reduction and gender equality and social inclusion (GESI) are important objectives of the Darwin Initiative. During the past year, the fund's Theory of Change and logframe have been updated, to better reflect the Darwin Initiative's gender equality and multidimensional poverty alleviation objectives. Several outputs, delivered during the past year, will support these objectives: a multiyear strategy to further strengthen GESI within in the fund, updated guidance for applicants and reviewers, and new indicators that better articulate the fund's contribution to poverty reduction and equality outcomes.

As part of their assessment of Darwin Initiative Innovation, Main and Extra applications, the Darwin Expert Committee assess applications' likely contributions to poverty reduction. To receive funding, these projects must present clearly and credibly describe how activities would lead to impact on poverty.

As part of their poverty assessment, Expert Committee members consider levels of poverty within target countries and regions. At 91%, the proportion of grant funding flowing to projects that target to low and lower middle-income countries exceeds the Darwin Initiative's 70% minimum target.

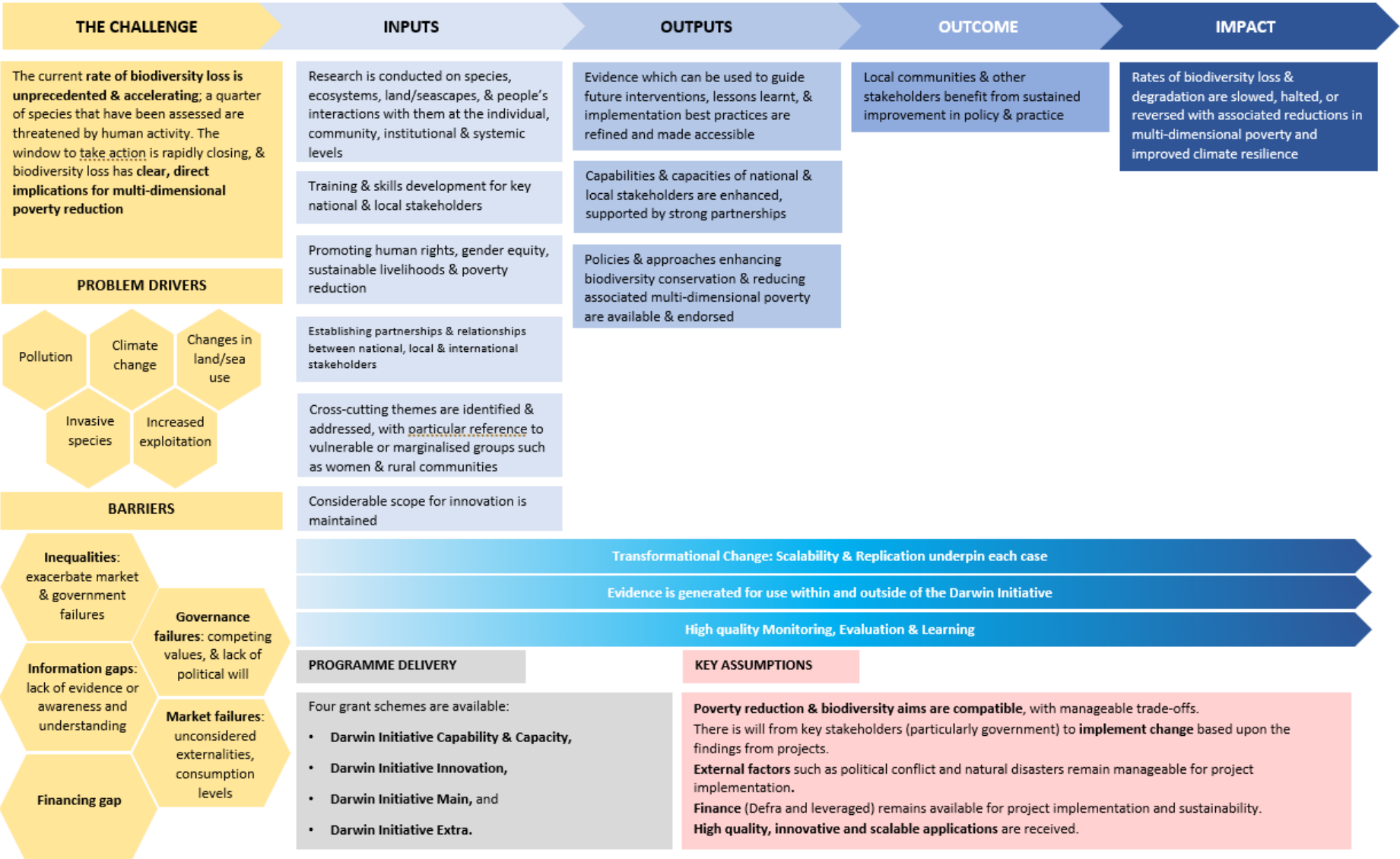
In the year ahead, the Darwin initiative aims to get better data on individual projects' contributions to gender equality and social inclusion. The Fund manager is rolling out a system to classify each as 'unaware', 'sensitive', 'empowering', or 'transformative'. By the next annual review, we should know how many projects are in each category, and how close the Darwin Initiative is to making all the projects it funds at least 'GESI Sensitive'.

Recommendations:

- Fully populate the above table for the next Annual Review to support assessment of whether plans are being achieved in the context of VfM.
- Analyse the data behind Efficiency indicator 1: seek to generate insights that enhance value for money.
- Make measurement a key element of capacity building offer to grantees in the year ahead.
- Learn from the highest performing Darwin Initiative grants; use findings to assist Expert Committee members in identifying future high-performing projects.
- Continue to classify projects as GESI 'unaware', 'sensitive', 'empowering', or 'transformative'. Use findings to gauge progress and identify areas for improvement.

Date of last narrative financial report	18 th April 2024	Date of last audited annual statement	24 th Jan 2024
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Annex A: Theory of Change



ⁱ Each year, new projects are funded, each with their own project-level targets. Fund-level targets are then updated to reflect the collective ambition of all projects. This approach, advised by FCDO in 2021, has been applied consistently since 2023.

ⁱⁱ Findings have informed how the Fund Manager builds grantee capacity on results measurement; updates to Application and Reporting Templates; Guidance notes; and the BCFs' GESI and Communications Strategies.

ⁱⁱⁱ 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.

^{iv} 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.

^v Number of people with improved or protected i) livelihoods, ii) disaster/climate resilience, and iii) wellbeing. These allow the Darwin Initiative to measure its contributions to more dimensions of poverty reduction than previously was possible. Sub-indicators under this outcome indicator go beyond the number of people reached, and measure improvements in income, food security, health, access to water, education, security, social relations, freedom of action and choice.

^{vi} Last year we reported 395,912 ha land under sustainable management. Much of this came from project DAREX004. A mid-term review of this project was commissioned and has since revealed concerns about over-reporting (poor disentangling of project impacts from wider plans at site), so this figure has not been validated, and has been included using a 50% reduction factor applied given low confidence in results so far. Agreements have been made with the Project Leader to enhance monitoring. Reported figures for this year are subject to similar concerns and have also not passed the fund management validation process, so have been excluded.

^{vii} A component of this figure (from last year) has been extrapolated from 84 households. The wording of this Standard Indicator has changed from households as a unit to people, and the assumed household size of 4.0 provides the conversion factor to people here.

^{viii} Data for this indicator reported in last years Annual Review has been adjusted because one project was subsequently found to have over-reported (during Fund Manager data validation processes). This indicates that Fund Manager validation processes are working. Improved guidance on measuring indicators will reduce such problems in the future. Following discussion with Defra monitoring and evaluation experts, and work on indicator methodologies, the Darwin Initiative will replace this indicator in 2025 with ICF KPI 1 (people supported to better adapt to the effects of climate change.) The new indicator places a lower reporting burden on grantees.

^{ix} Final Reports were used to calculate this figure this year, which is why progress significantly outstrips the milestone. The milestone here was estimated based on data from running projects, but in the future Final Reports will be used to set milestones and get data, because these provide more robust information.

^x This and all milestones are estimated based on the aggregated 'planned' figures from projects, adjusted according to estimations of what might be achieved in a single project year (rather than the full project lifetimes) and in proportion to the funds dispersed for this reporting year. Confidence in 'milestones' was low last year due to the under-reporting expected during this early stage in the roll-out of standard indicators and the associated reporting framework and the optional nature of reporting. Confidence is higher this year, as the number of reporting projects increases, but reporting still does not capture all funded projects.

^{xi} Includes 6,194 people reported under project 29-001, which expanded reach due to high levels of interest

^{xii} Low target is due to only one project having reported in 2023, when it was set

^{xiii} Only 3 projects reported against this indicator in 2022/23, hence the small target

^{xiv} Indonesia's [social forestry schemes](#) empower local communities and indigenous groups to manage and protect forests sustainably. These schemes aim to alleviate poverty, reduce deforestation, and resolve forest conflicts by granting communities legal rights to manage forest areas.

^{xv} E.g. 'Number of people with increased participation in governance' has been updated from 'Number of people with increased participation in local communities / local management organisations (i.e., participation in Governance/citizen engagement).' Similarly, 'Number of people with strengthened land tenure rights' has been updated from 'Number of Indigenous Peoples and Local Communities (people) with strengthened (recognised/clarified) tenure and/or rights'.

^{xvi} Number of eligible applications achieving an average score of 4 or higher. NB Darwin Initiative Main Applications are scored at two stages, while all other schemes are scored at only one stage

^{xvii} Code projects according to score (A++ = 1; A+ = 1; A = 1; B = 2; C = 3).

^{xviii} By 'high quality' we mean applications which the Darwin Expert Committee awarded an average score of 4/5 or higher.

^{xix} E.g. 'Programme management adapts to strengthen delivery of the challenge fund' updated to 'Programme management ensures delivery of a competitive, adaptively managed fund'.