Defra - ORRAA Programme Level Theory of Change

<table>
<tr><td>Ultimate Outcome [BPF Impact]</td><td colspan="3">Improved state of coastal resilience for 250 million people by 2030, particularly women and girls in SIDS and coastal developing countries where ORRAA finance products/projects have been deployed</td></tr>
<tr><td>Indicators</td><td colspan="3">BPF KPI 2.1: Number of people with improved climate (resilience and adaptation) outcomes due to BPF finance (#)
BPF KPI 2.2: Number of people with improved economic resilience and/or poverty outcomes due to BPF finance (#)

BPF KPI 6: Area of marine ecosystems protected, enhanced or under sustainable management practices (ha)

Number of people directly benefiting from ORRAA projects</td></tr>
<tr><td>Priority Pathways</td><td>Financial Innovation: Pioneering and scaling innovative finance and insurance products that catalyse over USD 500 million of investments to protect and regenerate valuable natural assets and build the resilience of coastal people while delivering a return on investment</td><td>Science and Research: Accelerating Ocean risk and resilience research and modelling that informs financial innovation and policy action to reduce the impacts of climate and ocean change</td><td>Policy and Governance: Informing, advancing and driving public and private policy commitments and enabling environments that value nature, build coastal resilience, reduce ocean risk and support greater investment action into a regenerative and sustainable blue economy and accelerate the delivery of the SDGs</td></tr>
<tr><td>Assumptions Outcome > impact</td><td>• Financial returns and resilience benefits are sufficient to sustain investor and partner engagement beyond initial pilots.
• Community uptake of resilience measures is maintained over time.
• Economic benefits (income stability, access to finance, reduced losses) are equitably distributed, particularly to marginalised groups, and contribute to reductions in multidimensional poverty including vulnerability to climate shocks, financial exclusion, and insecure livelihoods.</td><td>• Research and modelling outputs are sufficiently aligned with financial and insurance decision-making requirements (e.g. risk pricing, time horizons, metrics).
• Science and research are produced and disseminated in a timely way, aligned with relevant investment and policy cycles.</td><td>• Domestic policies and strategies informed by delivery partners are implemented and enforced, not only adopted on paper.
• Public institutions retain capacity and resources to operationalise policy commitments.
• Global policy and governance frameworks remain conducive, including international treaties, COP processes, and multilateral and regional institutions, to enabling Secretariat-led collaboration and narrative influence to be taken up by policymakers, finance leaders, and investors and reflected in policy commitments and implementation.</td></tr>
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Outcome indicators	*Finance and investments leveraged (directly, indirectly), scaling and replication* 1.2 (BPF KPI 1): Volume of finance mobilised for purposes that meet BPF objectives[1] (£)		*Knowledge generated, adopted and used* 2.1 Proportion of supported organisations reporting significant increases in capacity and capability to deliver improved resilience benefits [self-reported scale: no, some, significant increase]		*Policies engaged with, approved, implemented* 3.1 Number of inclusive poverty and/or marine environment policies and strategies influenced by ORRAA and ORRAA's project delivery partners [disaggregated by policies engaged with, proposed, adopted, and implemented] & [disaggregated by policy type] 3.2 Number of investment policies into a regenerative and sustainable blue economy influenced by ORRAA and ORRAA's project delivery partners [disaggregated by policies engaged with, proposed, adopted, and implemented]	
Outcomes	Leverage public & private investments in coastal natural capital that deliver against BPF objectives.	Surface, incubate and scale locally led finance and insurance solutions that build resilience for coastal ecosystems and communities	Knowledge products are used to develop strategies to better understand, analyse, predict, model and manage ocean risk	The design and implementation of gender-sensitive and ocean resilience projects in vulnerable coastal regions in the Global South are improved	The ORRAA Secretariat connects and catalyses cross-sector collaboration across the Global North and South	Secretariat convening, supporting and influencing advances the global narrative on ocean risk and coastal resilience with policymakers, finance leaders and investors
Assumptions Outputs > Outcomes	• *There is adequate demand and willingness to pay for new finance and insurance products among target users (communities, SMEs, governments).* • *When scaled, financial innovations remain appropriately structured for local risk profiles, regulatory environments, and market conditions.*		• *Willingness of intended users (practitioners, policymakers, financiers) to utilise knowledge products.* • *Supported organisations have the incentives and institutional space to apply new knowledge, tools, and methodologies in decision-making.*		• *The enabling environment supports convened organisations to sustain engagement, not one-off participation.* • *Spun off partnerships maintain the ORRAA philosophy.* • *Project partners have capacity and motivation to take up gender and social inclusion guidance, where applicable, in project and policy design, rather than remaining aspirational.*	

[1] As summarised in the BPF Theory of Change

			Secretariat-led partnerships move beyond dialogue toward joint commitments, co-investment, or coordinated action.
Output *Indicators*	*Number and Value of financial innovations, users of financial innovations, training delivered, etc.* 1.1 Value of financial services provided by ORRAA projects 1.2 Number of individuals taking up financial services [disaggregated by sex] 1.3 Number of products taken to market[i] 1.4 Number of jobs created [disaggregated by sex]	*Knowledge products created and shared* 2.1a Number of organisations receiving assistance through ORRAA (including by delivery partners and the Secretariat via the Solutions & Knowledge Network (SKN)), building capacity and capability 2.1b Number of knowledge products, workshops and seminars delivered 2.2 Number of people accessing knowledge products/events	*Organizations supported (type), partnerships formed, Secretariat role in outputs* 3.1 ORRAA projects that provide evidence of inclusive GESI-sensitive policy frameworks adopted and/or uptake of sustainable practices 3.2 Number of partnerships facilitated by the Secretariat (to include securing commitments to the #BackBlue initiative and co-developing events e.g. the Philanthropy Asia Alliance Summit event based on BEFF, etc.) 3.3 Number of events or technical dialogues hosted or facilitated by the Secretariat, including those that elevate delivery partners or Global South voices 3.4 Number of formal ORRAA ocean finance policy inputs submitted to priority fora 3.5 Number of submissions and/or engagements by ORRAA members, including implementing and private sector partners, into global policy processes 3.6 Number of ORRAA members and project partners attending global policy discussions on ocean finance 3.7 Number of background policy briefs submitted to ORRAA members, with a goal to increase policy

					coherence and SIDS informed ocean finance enabling conditions 3.8 Number of new ORRAA Alliance members from the Global South	
Outputs	Create a market for investment in coastal natural capital that yields environmental, social and economic benefits as well as financial returns	Deliver groundbreaking projects with local impact and global potential for increasing resilience	Support Alliance members, partners and communities to implement and incorporate the latest findings on ocean risk and resilience	Embed gender-sensitive strategies and environmental and social safeguards in all of ORRAA's work	Participate in key events and discussions to promote the Alliance's work, projects and fundraising goals	Bringing crucial private sector commitments and expertise to support government and not-for-profit action
Input indicators	*Projects supported, funding provided*		*Conduct research, collect and analyse data*		*Event engagements, meetings organised*	
Inputs	The instruments under ORRAA's Sea Change Impact Finance Facility (SCIFF) scoped, developed and delivered	ORRAA's Innovation Challenges and projects delivered, implemented and scaled	Conduct research, collect data and engage members through dedicated meetings, newsletters and the ORRAA Solutions Series	Analyse impacts of ocean risk on women and girls, and incorporate solutions that empower and strengthen their resilience	ORRAA Secretariat (core team and policy and coordination hub) works with ORRAA members, supports project innovation, existing ORRAA projects and engages in policy development, drawing on insights from participation in international	Engage ORRAA members and increase contributions/participation from Global South and private sector stakeholders including fundraising

					conferences and negotiations	
Assumptions - Contextual	• *Relative political stability in target geographies allows projects and investments to proceed.* • *Governments remain broadly supportive of nature-based solutions, climate adaptation, and private-sector engagement is maintained.* • *No major policy reversals undermine environmental protections or financial innovation frameworks.* • *Global and regional financial markets remain sufficiently stable to support blended finance and long-term investment horizons.* • *Insurance and reinsurance markets continue to engage with parametric and nature-linked solutions.* • *Other actors (MDBs, donors, NGOs, private sector) remain engaged, enabling complementarity rather than duplication*.					

• [i] Insurance – completed design and regulatory approval, contract underwritten, established claims and payout mechanisms, and is available for use by intended beneficiaries. Also includes insurance offerings created through expanded access to existing products, bringing coverage to underserved communities or markets.
• Credits – carbon, biodiversity, resilience, or plastic/waste credits are verified and issued under a recognised standard, listed on a registry, and available for purchase, transfer, or retirement by buyers. Also includes the development and operationalization of new credit systems, including establishment of methodologies, validation and verification processes, registration.
• Bonds – completed structuring, regulatory and credit approval, and is issued and available for subscription by investors either through private placement or open market transactions, with proceeds raised and reporting mechanisms in place.
• Funds – legally established, has secured a capital commitment from investors, and is operationally ready to deploy funds to invest in eligible project or enterprises.
• Apps & Tech – fully functional, legally compliant, publicly accessible, and actively enabling users to access the services it was designed to provide.
• Credit Enhancements (including guarantees) - instrument is legally executed, the backing capital or guarantee facility is capitalized or callable, and the terms and operational procedures for claims or risk-sharing are in place.
• Outcome-based finance - mechanism's design, outcome metrics, verification protocols, and payment structures and terms are finalised, and the vehicle is operationally ready to contract with outcome funders, investors, and implementers.
• Micro-loan facility - facility is legally established and operationally ready, with loan products, eligibility criteria, repayment terms, and disbursement processes clearly defined, and the management, monitoring, and reporting systems are in place to support loan delivery and track repayments.