

PROBLUE Annual Review 2025

Title: PROBLUE		
Programme Value £ (full life): £44,200,000		Review date: Dec 2025
Programme Code: BPFPROB	Start date: Nov 2021	End date: Mar 2027

Summary of Programme Performance

Year	FY21/22	FY22/23	FY23/24	FY25	FY26
Overall Output Score	A	A	A	A	
Risk Rating	Med	Med	Med	Med	

DevTracker Link to Business Case:	Here
DevTracker Link to results framework:	DevTracker Programme GB-GOV-7-BPFPROB

Acronym	Spelled out
BC	Business case
BEDA	Bank-Executed Disbursing Activities
BPF	Blue Planet Fund
Defra	Department for Environment, Food and Rural Affairs
FY	Financial Year
FCS	Fragile and Conflict-affected States
GPS	Global Programme on Sustainability
HMG	His Majesty's Government
IBRD	International Bank for Reconstruction and Development
ICF	International Climate Finance
IDA	International Development Association
KPI	Key Performance Indicator
LAUTRA	Indonesia Oceans for Prosperity project
LDCs	Least Developed Countries
Logframe	Logical Framework
M&E	Monitoring and evaluation
MDB	Multilateral Development Bank
MFD	Maximising Finance for Development
MPA	Marine Protected Area
ODA	Official Development Assistance
RC	Regional Coordinators
REDA	Recipient-Executed Disbursing Activities
SEAH	Sexual exploitation and abuse and sexual harassment
SDG	Sustainable Development Goal
SIDS	Small Island Developing State(s)
ToC	Theory of Change
VfM	Value for Money
WBG	World Bank Group

A. Summary and Overview

A1. Description of programme

PROBLUE¹ is the World Bank Group's (WBG) programme for mobilising blue finance towards sustainable ocean sectors and activities in developing countries. It is a multi-donor trust fund that supports the achievement of Sustainable Development Goal (SDG) 14, *Life Below Water*, and the Bank's twin goals of *ending extreme poverty and boosting shared prosperity on a liveable planet*. PROBLUE contributes to this through its investment in driving the blue economy to become sustainable. PROBLUE integrates cross-cutting themes of finance, gender, climate, poverty and livelihoods to strengthen their interventions and better respond to the challenges associated with delivering sustainable ocean action. The programme has four complementary pillars:

1. **Fisheries and aquaculture** (improving management to address overfishing and strengthen aquaculture sustainability);
2. **Preventing and managing marine pollution** (addressing threat of litter, plastics and other land-based pollution);
3. **Oceanic sectors** ('blueing' traditional and novel oceanic sectors to limit adverse impacts on ocean health), and;
4. **Integrated seascape management** (making management of coastal and marine areas more sustainable and more integrated).

PROBLUE operates through two delivery models. Bank-executed disbursing activities (BEDAs) are activities designed, managed, and implemented directly by the World Bank. They typically provide technical assistance, analytics, policy advice, and knowledge exchange to help countries strengthen the foundations needed for larger investments. Recipient-executed disbursing activities (REDAs) are projects delivered by third-party recipients, typically a ministry of the national government. REDAs finance country-led delivery of policies, infrastructure, and interventions.

The UK has committed £44.2 million to PROBLUE up until April 2027: £25m through the original business case and two financial uplifts of £12.5m (2023) and £6.7m (2025).

A2. Supporting narrative

This review covers January–December 2025. It was led by the PROBLUE programme manager with oversight from the Senior Responsible Officer (SRO) and inputs from the Programme Responsible Officer (PRO), ISBF's Gender and Social Inclusion lead, and Blue Planet Fund Regional Coordinators based overseas. Data was drawn from the PROBLUE Annual Report 2025, supplemented by delivery partner tools, case study interviews, and a site visit. Reporting quality is generally high, with Monitoring, Evaluation and Learning (MEL) developments discussed in Section B. The next review is due in March 2027.

For this Annual Review, the programme has scored an **A**, meaning it is meeting expectations and delivering outputs and outcomes consistent with plans. The score is

¹ <https://www.worldbank.org/en/programs/problue>

primarily underpinned by the output scores, which largely reflect that the programme is delivering against targets. The full extent of outcome indicator scores remains unclear as the majority of data for these is expected from 2027. Greater clarity on the performance of these outcome indicators, as well as an even greater proportion of output indicators meeting their target scores would help the programme to score more highly.

For this year's score, Defra also took into consideration the proactive nature in which the World Bank continued to engage with Defra on PROBLUE operations. Despite the UK no longer co-chairing the programme, the World Bank remain supportive in responding to UK Annual Review recommendations. Overall, the score reflects strong delivery despite geopolitical complexity and tighter Official Development Assistance (ODA) budgets. PROBLUE's REDA model continues to leverage significant finance, making limited ODA resources catalytic for sustainable development, ocean biodiversity and climate goals.

Highlights in 2025 include:

- Five new REDAs were approved, bringing total PROBLUE REDA co-financing to c.US\$21.4m and leveraging over US\$2bn in International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) resources.
- PROBLUE continued to demonstrate a strong catalytic effect, with an influence ratio of \$1:\$82 in FY25.
- Innovative financial instruments advanced, including Indonesia's Coral Bond, which secured GEF agreement on its metrics and is now preparing for launch in early 2026.
- PROBLUE supported the development of national Blue Economy strategies in Indonesia and São Tomé & Príncipe, providing the analytical foundation to help governments unlock future financing, and guide sustainable blue economy growth.
- Delivery of 917 workshops, 49 tools, and 212 knowledge products - building countries' capacity to plan, finance, and manage their ocean resources more sustainably, so they can strengthen coastal resilience, protect biodiversity, and make better evidence-based policy decisions.
- 95% of BEDA proposals within PROBLUE's portfolio support gender equality and social inclusion.

A3. Lessons Learned and Recommendations

Lessons Learned

1. Slow private finance mobilisation reflects challenges in the blue economy

Whilst PROBLUE continues to demonstrate a strong leveraging ratio in mobilising additional finance to support programme goals, this is almost exclusively made up of public finance. Whilst there are some examples of private investment coming online for some programmes (e.g. grant from BNP Paribas to the Indonesia Coral Bond²), mobilising private finance at pace and at scale remains a challenge. This shortfall highlights persistent challenges around private sector funding for the sustainable blue economy at scale, due to factors such as

² World Bank. *Indonesia Coral Bond - An Innovative Ocean Financing Instrument (English)*. Washington, D.C. : World Bank Group. <http://documents.worldbank.org/curated/en/099559205302415507>

limited project bankability, high perceived risks of blue economy investments, and limited data and evidence to underpin ocean-focused investments.

2. Fundraising and donor diversification

PROBLUE continued to raise funds during 2025, with Norway, Ireland and the UK all committing finance. However, in an increasingly unpredictable geo-political context, there is a risk the existing funding model may struggle to support long-term priorities for the programme up to 2030. The World Bank has been exploring ways to broaden its donor base to include non-sovereign donors and has been consulting the Partnership Council on governance implications. These conversations should continue with increased momentum.

3. Continued importance of mainstreaming the blue economy across the World Bank

Through influencing broader World Bank and other development finance portfolios, PROBLUE has mainstreamed blue economies at the corporate level, breaking the silos between blue economy considerations and broader development finance³. To maintain this impact, stronger collaboration with other Trust Funds and teams across the Bank is required. In line with the IEG evaluation, the World Bank should clearly state and act on its commitment to supporting a holistic approach to the blue economy.

Recommendations

The lessons identified from 2025 have led to new recommendations for this Annual Review. These are listed in Table I alongside recommendations that are still relevant from last year's review (See Annex D for closed recommendations from last year and how they were addressed). Progress on the recommendations carried forward from the 2024 review highlight ongoing efforts to strengthen delivery, risk management, and support client countries, including scaling up REDAs and translating international commitments into action.

Table I: Table of Recommendations

Recommendations from 2025 Annual Review			
Recommendation	Action owner	Detail	Timeline
Prioritise private finance mobilisation	World Bank	<p>PROBLUE should strengthen its private finance mobilisation strategy by prioritising upstream project preparation and de-risking, deepening coordination with private investors, and ensuring relevant MEL targets are in place and milestones are ambitious but achievable. The World Bank and IFC merger planned for 1 January 2026, will consolidate advisory, knowledge, treasury and several corporate functions across IBRD, IDA and IFC. This should strengthen public-private collaboration, accelerate investment pipelines and improve delivery across priority sectors, including the ocean economy.</p> <p>Note: this differs from the recommendation below on diversifying the PROBLUE donor base. This item</p>	March 2027

³ Independent Evaluation Group, August 19 2024. Making Waves: World Bank Support for the Blue Economy, 2012–23. Available online: <https://ieg.worldbankgroup.org/evaluations/making-waves>

		focusses on leveraging additional finance from the private sector to co-finance specific PROBLUE initiatives.	
Fundraising and donor diversification	World Bank	As ODA flows contract globally, PROBLUE should build on current momentum to expand the programme's donor base. This includes gaining consensus from the Partnership Council on the degree to which the donor base should be diversified. This decision should take into consideration the benefits and drawbacks of expanding the donor base beyond traditional sovereign donors to include philanthropic and/or private sector actors.	March 2027
Mainstreaming the blue economy across the World Bank	World Bank	PROBLUE should maintain its focus on mainstreaming (or "blue-ing") World Bank portfolios by working through partners and influencing World Bank operations. This includes stronger collaboration with other Trust Funds and teams across the Bank. In line with the Independent Evaluation Group (IEG) evaluation, the World Bank should clearly state and act on its commitment to supporting a holistic approach to the blue economy.	March 2027
Enhancing and recognising GESI practice across PROBLUE	World Bank / Defra	PROBLUE has been making significant progress on GESI in recent years. To continue this momentum: <ul style="list-style-type: none"> - Work to further disaggregate data on social inclusion within relevant indicators. Specifically, PROBLUE should enhance its focus on disability inclusion and reporting against this. - Explore the extent to which qualitative data can be generated through the MEL framework on social inclusion. Greater GESI specific qualitative data on the programme's ability to impact different societal groups would enhance reporting. - Defra to conduct a review into what would be required to re-score the programme as 'GESI empowering', up from its current rating as 'GESI sensitive'. 	March 2027
Review PROBLUE Theory of Change (ToC)	Defra	Defra should review the World Bank's latest ToC for PROBLUE and ensure it remains aligned with Defra's Blue Planet Fund portfolio ToC. The World Bank ToC was last updated in 2023 during the refresh of the programme's results framework.	October 2026
Ongoing recommendations from 2024 Annual Review			
Recommendation	Action owner	Progress	
Make targets more ambitious with 2030 extension, and include yearly targets for key indicators	World Bank	Progress has been achieved against this target throughout 2025, with a number of indicators being allocated ambitious 2030 targets by the World Bank (See Annex C). However, some targets, particularly for output indicators, are set to be reached early or are surpassed significantly each year. Where this is the case, the World	March 2027

		<p>Bank should review these annually and consider adjusting these to ensure suitable ambition is maintained.</p> <p>In addition, outcome and impact data remain limited, which restricts the ability to analyse the value for money of the programme. The programme should work to implement at least yearly targets for the impact and outcome indicators, as well as increasing the quantity of returned data against these. Defra can highlight priority indicators to support this appraisal to the World Bank, if there are limits on how many indicators can have annual targets set annually.</p>	
Appoint an overarching PROBLUE lead for SEAH, providing coordination between projects and the World Bank's safeguarding and GESI strategies.	World Bank	<p>Ongoing – the World Bank remain aligned with the position outlined in the central agreement they hold with the UK Government regarding safeguarding, which does not specifically require them to report on incidents of SEAH. Relevant leads in FCDO continue to work with the Bank to encourage greater transparency around approaches and reporting on SEAH within its trust-funds.</p> <p>On PROBLUE and this identified recommendation, discussions with the World Bank in early 2025 clarified how SEA/SH expertise is already accessed through regional and global SEA/SH focal points and Social Development Specialists who support all PROBLUE-cofinanced operations. Given this existing system, the Secretariat is considering whether the current PROBLUE GESI focal point could also cover SEA/SH coordination to strengthen coherence and donor engagement, without duplicating Bank processes. This remains under review.</p>	June 2026
Agree with World Bank how to escalate risks promptly, outside the cadence of formal meetings.	Defra/ World Bank	Ongoing – Defra continues to work with the World Bank to enhance two-way risk communication to provide greater transparency on fund level risk and ultimately, reassurance to donors on risk mitigation strategies. This includes when and how to report on risks. For more information, see Section D.	May 2026

B. Theory of Change and progress towards outcomes

B1. Summary

This year marked PROBLUE's sixth year of delivery. Despite geopolitical uncertainty and constrained ODA budgets, the programme continued to support coastal communities and promote the sustainable use and protection of ocean resources. PROBLUE is funded by a broad group of donors, and in 2025 the World Bank received increased contributions from the UK, Ireland and Norway. By the end of the fiscal year, total contributions reached \$291.9 million, with the UK accounting for around 16% of the burden share. This year, the UK approved an uplift of up to £12 million, extending its contribution to March 2027. The first

instalment (£6.7m) of this will be disbursed in early 2026 and will increase the UK's burden share to around 20%.

An overview of the PROBLUE portfolio during 2025

In 2025, PROBLUE expanded its support to over 100 economies and increased the value of its project portfolio to US\$229 million, representing an increase of approximately US\$47 million (around 26%) compared to 2024. The programme currently supports 167 active projects comprising both BEDAs and REDAs.

Over the year PROBLUE disbursed \$47m, launching 50 new bank-executed and 5 new recipient-executed projects. BEDAs are designed to lay the groundwork for high-impact REDA projects to thrive, and as PROBLUE matures the programme has increased the proportion of funding going into REDAs. The REDA model aligns strongly with the UK's partnership approach to development, as funds are directly controlled, managed and disbursed by the recipient country in line with their national priorities (e.g. growth, food security) and guided by evidence-based tools and policies. In 2022 the first REDA project was launched, and the transition to increasing programme funding for REDAs has grown since then. There are now fourteen live REDAs, and five new ones launched in 2025 (representing 45% of total programme funding in 2025). The UK will continue to push for increased funding to REDAs. As more REDAs have developed and been initiated, Defra is more able to test the hypothesis that BEDAs are effectively laying the foundation and stimulating demand for these projects. 2025 saw examples of how recipient executed projects have leveraged technical assistance analytics and policy engagement through bank-executed activities.

All government contributions to PROBLUE are pooled together and allocated across its different focus areas and regions. Because of this, it is not possible to show exactly how the UK's share has been used. This method is common for international multi-lateral development programmes, and safeguards are in place to manage any associated risks with this. Donors can indicate their 'preference'⁴ for funding for various themes or pillars where their interest is strongest. The UK has not preferred any of its funding this year.

Case study 1: Enabling REDAs through BEDAs

Under PROBLUE, the Pacific Ocean Advisory Programme (POAP) operates as a Bank-Executed Disbursement Activity (BEDA) to strengthen ocean governance across seven Pacific Island nations. It provides regional analytics, technical assistance and policy guidance across sustainable fisheries, marine protection and blue-economy planning. This work fills key institutional and regulatory gaps, helping countries design strategies for managing their Exclusive Economic Zones (EEZs) and marine resources. Deliverables include fisheries diagnostics, marine spatial planning tools and harmonised coastal-management guidance, with ongoing work on climate-risk modelling, blue economy investment pipelines and updated national ocean strategies. These outputs are already informing national fisheries reforms, MPA expansion and investment decisions on climate-resilient coastal infrastructure.

⁴ Donors are entitled to express a geographic and/or pillar preference to focus their contribution through the administrative agreement. It does not guarantee that the funding will be placed according to donor preference.

POAP's tools and analysis laid the groundwork for the Pacific Islands Regional Oceanscape Program (PROP) and its successor, PROPER—large Recipient-Executed projects financed by the World Bank. Together, these programmes represent over \$250 million in investment, with PROBLUE's technical assistance helping to unlock substantial IDA/IBRD financing for country-led delivery. PROP and PROPER support national agencies on fisheries management, marine protected areas and market-development initiatives. By progressing from advisory work to country-executed projects, POAP demonstrates how PROBLUE uses BEDAs to catalyse REDAs, ensuring technical groundwork translates into sustainable, locally owned ocean-governance solutions. POAP has completed nine deliverables to date, with fourteen more underway, and runs until 2028.

PROBLUE approach to co-funding and project development

The main objective of PROBLUE is to act as an accelerator and build the pipeline and portfolio of World Bank investments in the blue economy, mobilizing IDA or IBRD resources depending on the country's classification. Some of these investments may be co-financed by a PROBLUE REDA. The programme will only invest in REDAs where there is co-funding from other sources. For example, an ongoing recipient executed project in Belize based on coastal resilience and blue economy has received a PROBLUE contribution of \$4m, which has helped to unlock over \$50m of further financing, including IDA and IBRD.

The value added of the REDA is its grant status, which allows PROBLUE to finance essential "soft" upstream activities, such as policy, legal, and institutional reforms, that clients are often unwilling to borrow for. World Bank clients typically prefer to use loans for "hard" investments like infrastructure or equipment, so the REDA plays a critical role in shaping and derisking the investment pipeline. For example, in FY25, PROBLUE's REDA for the Guinea Kounki Fisheries and Aquaculture Project funded key analytical and governance work, including an assessment of the national Monitoring, Control, and Surveillance system, a roadmap for joining the Fisheries Transparency Initiative, and analysis of priority aquaculture investments, which directly informed the design of the larger US\$128m IDA/IBRD investment cofinanced by the French Development Agency (AFD). That investment is expected to finance core "hard" components such as aquaculture infrastructure, cold chain and processing facilities, and strengthened monitoring, control and surveillance (MCS) systems, demonstrating how PROBLUE's upstream grant funded work enables countries to borrow confidently for capital investments.

Case study 2: Defra visit to PROBLUE LAUTRA in Indonesia

In 2025 the Defra team travelled to Indonesia to visit the Oceans for Prosperity Project (LAUTRA)⁵. The project combines a US\$5m PROBLUE grant with a US\$210m IBRD loan to strengthen marine protected areas (MPAs) and expand sustainable coastal livelihoods. The project is due to run from 2023 – 2028. The visit confirmed that PROBLUE was critical to unlocking the larger investment, shaping Indonesia's blue finance policies, and had the potential to support long-term coastal resilience.

⁵ [World Bank Document](#)

Catalysing Investment and Policy Reform: Government ministries, including BAPPENAS and the Ministry of Marine Affairs and Fisheries, stated that LAUTRA “would not have happened without PROBLUE.” Through Component 3, PROBLUE has:

- Created Indonesia’s first Blue Finance Advisory Committee (BFAC) to coordinate policy.
- Supported a national monitoring and reporting framework for blue investments.
- Produced three national blue financing strategies focused on coastal Micro Small and Medium Enterprises (MSME), MPAs and coastal infrastructure.
- The BFAC has overseen blue finance training for 100 finance-sector participants (56 women).

These efforts have strengthened government capacity and helped advance Indonesia’s leadership in blue finance. Through informing broader cross-government planning on areas like strengthening sustainable fisheries and coastal livelihoods and supporting national targets (e.g. effectively managing 32.5 million ha of MPAs by 2030), LAUTRA aims for blue-economy priorities to be embedded across Indonesia’s wider development agenda. This is in line with its Blue Economy Roadmap and wider government priorities (e.g. food security).

Early Ecological and Socioeconomic Benefits: Despite delays in Components 1 and 2, visits to Kupang and Alor showed early gains in MPA management. Communities reported recovering fish stocks, backed by monitoring data showing increases in abundance and catch size—vital in a country reliant on fish protein. Alternative livelihoods such as seaweed farming and eco-tourism are helping stabilise incomes, support women’s participation and expand youth skills through capacity building.

Gender and Social Inclusion: Women were prominent within MSMEs visited, leading activities from seaweed cultivation to crafts. LAUTRA is already surpassing its 30% female beneficiary target in blue finance training (currently 42%).

Challenges and Learning: Delays in early project components risk slowing community-level impacts. MSMEs still face structural barriers, including remoteness, market volatility, limited credit access and climate risks. Eligibility criteria may inadvertently exclude some enterprises, increasing inequality risks. Disability inclusion is limited, and grievance mechanisms remain hard to access for remote groups.

Challenges were also voiced on slow disbursement rates within government and BAPPENAS were considering a project extension request. According to the WB’s Implementation status and progress report for LAUTRA, December 2025⁶, ‘Following the October 2025 restructuring, a scale-up of implementation disbursement readiness is accelerating. Building on recent progress, the Project is expected to sustain momentum ahead of the February 2026 Mid-Term Review mission.’

The slow level of disbursement of the loan so far to front-line initiatives highlights that while PROBLUE can demonstrate a strong leveraging ratio (1:82USD in 2025), downstream challenges (such as government re-structuring, reprioritisation or budgetary challenges) can impact the speed at which financial flows reach target activities. In this case, the Bank reported

⁶ Disclosable Version of the ISR - LAUTRA:
<https://documents1.worldbank.org/curated/en/099122425043027273/pdf/P173391-54423dc4-c8c2-4445-8bfd-2fe78e825f3f.pdf>

planned improvements in disbursement rate following restructuring of the loan but as a REDA, implementation rate hinges on close cooperation between all partners.

Overall: PROBLUE shows how a relatively small grant can unlock major development finance, catalyse policy reform and lay foundations for ecological recovery and inclusive livelihoods. Continued progress and faster disbursement is needed to translate upstream reforms into widespread community benefits.

Poverty reduction impact

PROBLUE aligns with the World Bank's mission to end extreme poverty on a liveable planet by providing the analytical foundations, policy support and investment pathways that enable countries to protect marine ecosystems, strengthen livelihoods, and build resilience to climate and economic shocks.

The programme's BEDA- and REDA-based approach means poverty alleviation impacts are both indirect and direct. PROBLUE's Bank-Executed Disbursing Activities (BEDAs) contribute to poverty-relevant outcomes by providing upstream analytics, policy advice, and capacity building that shape World Bank investments targeting jobs, livelihoods, and income generation in coastal communities. While BEDAs do not deliver direct household benefits, they indirectly support poverty reduction by strengthening the pro-poor design of IDA- and IBRD-financed operations, particularly those benefiting small-scale fishers and other vulnerable coastal groups.

REDAs contribute more directly to poverty reduction by financing on-the-ground implementation that delivers tangible benefits, such as jobs, income, and services, to coastal communities. As many REDA projects are still in early implementation, direct poverty-impact and outcome data is limited at this stage (e.g., on improved fisheries value or reduced coastal vulnerability), with more expected from 2027 onwards.

However, available evidence for PROBLUE does show that a significant share of World Bank investments informed by the programme include benefits for coastal livelihoods and vulnerable communities, supporting poverty reduction objectives. For example, in 2025 PROBLUE introduced 14 measures to strengthen the enabling environment for private investment, mobilising \$63m in additional financing. These efforts support jobs and income generation, such as enabling women seaweed producers in Tanzania to access higher-value markets, improving earnings for small-scale fishers in Kenya, and helping coastal communities in Morocco diversify livelihoods and strengthen climate resilience.

In 2025, 66% of PROBLUE funding went to low- and lower-middle-income countries, an increase on previous years. Of the 34% allocated to upper-middle-income countries, 90% supported Small Island Developing States, which are highly dependent on marine resources and vulnerable to climate impacts.

Gender Equality and Social Inclusion (GESI)

PROBLUE is currently assessed as *GESI sensitive*, with an ambition to progress towards achieving *GESI empowering* status. A recommendation has been identified in this review for Defra to explore in 2026 what actions (if any) would be required to re-score the programme.

PROBLUE should continue to align itself with the World Bank's gender and social inclusion strategy, which commits to strong ambition in this area. This year it demonstrated further

progress as the proportion of projects with gender fully integrated continued to grow. As of the end of 2025, 75% of projects now include either a dedicated gender component or integrated gender analysis. All projects since 2024 at the least recognise gender considerations in their design.

Women remain the most frequently targeted group (56% of projects) within interventions, followed by youth (22%), marginalised communities (12%), Indigenous Peoples (7%), and people with disabilities (2%). This highlights where clearer targeting and greater inclusivity are needed. Under its 2024–2030 Gender Strategy, the World Bank is committed to improving access and inclusion for these groups, who are often most excluded from coastal governance.

Gender is well integrated across PROBLUE’s MEL framework, with strengthened output and outcome indicators. Several GESI-related indicators that previously lacked targets now have 2030 end targets, including an increase in proposals with gender analysis from 120 (80%) to 350 (97%) and a new target of 5,000 practitioners with enhanced capacity to advance inclusion. While output-level progress is strong, this has yet to translate into significant returns for Impact Indicator 2, which will be monitored in future reviews.

To further embed GESI across the programme, Defra recommends improving disaggregation of social inclusion data beyond gender (with explanations where not possible) and generating more qualitative evidence on PROBLUE’s effects on different groups, including people with disabilities.

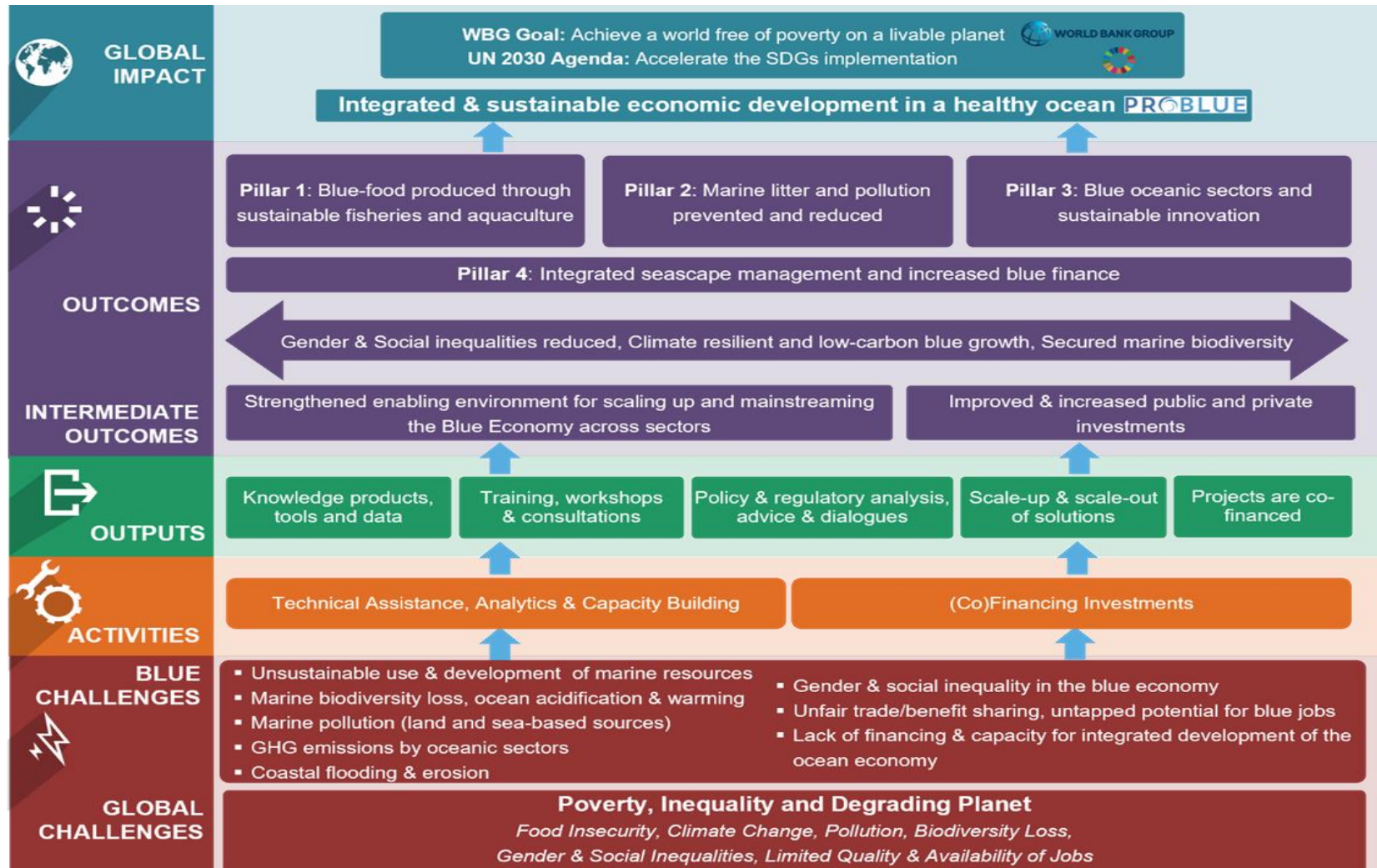
Recent case studies show how gender is being integrated into sectoral outcomes: in Sierra Leone, the *Waste to Wealth* initiative supports women-owned tourism businesses and embeds GBV safeguards; in Egypt, girls and young women receive leadership training in coastal conservation; and climate-smart aquaculture projects are strengthening opportunities for women and youth.

B1.2 Key insights into progress through impacts and outcomes

Theory of Change (ToC)

Since the PROBLUE M&E refresh conducted in 2023, the ToC (*Figure 1*) has been used as a framework for programme delivery. It illustrates how PROBLUE addresses global and ocean challenges, like poverty, climate change, and gender inequality, through technical assistance, analytics, and co-financing. These activities produce knowledge, policy advice, and training that lead to reduced social inequalities, climate-resilient growth, and stronger enabling environments. Outcomes span four pillars: sustainable fisheries, marine pollution reduction, innovation in ocean sectors, and integrated seascape management with blue finance. Together, these efforts drive sustainable development for the blue economy, supporting the Bank’s goal of ending poverty on a liveable planet and advancing the SDGs.

Figure 1: World Bank PROBLUE Theory of Change



Logframe and Outcomes progress

The World Bank continues to strengthen PROBLUE’s monitoring, evaluation and learning (MEL) approach. To coincide with the World Bank extending the programme to 2030, several of PROBLUE’s outcome and output indicators have either been allocated a target or these have grown in ambition since the last review. This corresponds with Defra’s recommendation to ensure suitably ambitious targets for all the programme’s performance indicators. Defra’s aim that all indicators should have annualised targets remains unchanged, to improve understanding of PROBLUE impact. However, the World Bank has confirmed they are unable to introduce these at present due to the demand-led nature of REDA project implementation and accountability for progress against these indicators.

Progress against certain PROBLUE outcome and impact indicators for 2025 is outlined below. To monitor PROBLUE, Defra has identified a primary set of outcomes from the broader MEL framework that align most closely with its priorities. These indicators are tracked by Defra in a logframe and act as an initial gauge of programme progress. Linear targets have been created by Defra in lieu of annual targets set by the World Bank, for the programme team to estimate progress year on year.

The impact indicators tracked in Defra’s logframe are listed in Table II. As shown, data is limited at this stage. Data is limited as projects which will report against these indicators are yet to complete and turn outputs into outcomes. Returns are expected to increase closer to 2030. These outcomes are demand led and rely on relevant projects becoming active and feeding data into these indicators.

Table II: Impact indicators in Defra’s PROBLUE logframe

Defra Impact Indicat or No.	PROBLUE Indicator	Expected results FY2025	Total project expected results FY30	PROBLUE portion expected results 2030 ⁷	Delivered to date (FY19–25)	PROBLUE portion results delivered to date
1	Greenhouse gas emission reductions (tCO ₂ eq/year)	29,582	2,292,510	50,712	.	.
2	Beneficiaries (number), disaggregated by type of benefits received, of which women (%), and of which from disadvantaged groups (%)	61,147	1,521,819	104,827	187	171

⁷ PROBLUE attribution is calculated based on the proportional contribution of PROBLUE financing to the overall project cost. For selected cases, attribution is applied at the component level, where PROBLUE financing is clearly linked to specific activities or outputs. The “PROBLUE portion” column therefore represents the share of expected (or achieved) results attributable to PROBLUE financing, aggregated across all co-financed operations.

	Of whom are women (%)	.	46	42	62	65
	Of whom are from disadvantaged groups (%)	.	TBD	TBD	.	.
3	Marine & Coastal areas under enhanced conservation and management (ha)	230,733	10,361,540	393,543	3,694,388	73,888

A lack of data has also been a barrier to understanding progress towards the three primary outcome indicators in Defra's PROBLUE logframe. Outcomes C.7 (*Agricultural area under improved practices to reduce leakage of pesticides and soil nutrients (ha)*) and C.15 (*Increase in aquaculture production from sustainable aquaculture practices (mt)*) both are yet to return any data and therefore score under-target for the year.

The outcome indicator listed in the Defra logframe that has generated data returns is 'Financing mobilised that contribute to advancing the Blue Economy'. This demonstrated substantial progress in 2025 and is well on track to meet its end of programme target (Table III). The table shows finance has continued to be mobilised at a strong rate, particularly from public finance sources. During 2025, PROBLUE support, from technical assistance to policy advice on encouraging private sector investment, helped to lay the groundwork and enabling conditions for private sector investment. Future reviews will be able to monitor how successful this work has been through monitoring progress against the disaggregated private financing indicator.

Table III: PROBLUE Outcome indicators: improving enabling conditions for a thriving blue economy.

No.	Intermediate Outcome indicators	Progress FY25	Expected result FY2025	Delivered to date (FY19–25)	End of programme target (FY30)
1	Financing mobilised that contributes to advancing the blue economy (\$)	63m	350m	416m	600m
	of which public financing	61m	.	406m	500m
	of which private financing	2m	.	10m	100m
2	Measures applied that improve the enabling environment for private investments in the blue economy (#)	14	n/a ⁸	28	60
3	Countries with strengthened engagement in the blue economy at regional level (#)	13	n/a	62	65
4	Blue economy practitioners with an enhanced capacity to advance inclusion	1459	n/a	1554	5000

⁸ Not applicable due to indicators 2, 3 and 4 not being in the Defra logframe, and therefore have not been allocated a linear annual target.

	of women or persons from disadvantaged groups (#)				
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Other PROBLUE intermediate outcome indicators (which are not in the Defra logframe) complement the progress seen in mobilising finance for the blue economy and provide a broader understanding of the influence PROBLUE is having on wider World Bank operations. For example, in Annex H, Table X highlights the clear degree of co-financing and indirect contribution brought about from PROBLUE funding. Additionally, at a national level, PROBLUE is helping lay the foundations for finance to flow into the blue economy. This is shown by the intermediate outcomes in Table XI. Through the development of policies and providing regulatory analysis, PROBLUE is supporting the creation of the enabling environment needed for investment. FY25 saw increased progress across these indicators.

PROBLUE ‘Blue-ing’ World Bank investments

These outcome indicator results demonstrate that PROBLUE is helping to mainstream blue finance and ocean health across broader World Bank development operations.

Firstly, it’s achieving this through PROBLUE’s role as a catalyst for major World Bank investments, as shown through its strong influencing ratio. PROBLUE has a multiplier effect, providing small grants and providing technical groundwork that de-risks projects and ultimately attracts further sources of funding. These other sources of financing are often non-ocean focussed, but by mobilising them PROBLUE is creating ripple effects, driving positive impact and helping to mainstream development finance that embeds the blue economy. For example, PROBLUE is increasing co-financing with other Trust Funds, such as PROGREEN. Through joint-financing projects, PROBLUE is enabling a systems (or ‘ridge to reef’) approach and positioning the programme within the Bank’s broader development finance architecture.

PROBLUE also ‘blues’ other sources of World Bank finance through its analytic work, technical assistance and capacity building. Through building up a technical foundation for potential development projects, PROBLUE can attract investment that supports the blue economy from a range of sources. For example, the POAP project (Case Study 1), through analytics on ocean governance, climate vulnerability and sustainable coastal livelihoods, has developed the foundation for attracting large scale funded operations under the Pacific Regional Oceanscape Programme from other Bank sources. This has allowed themes like ocean health to be embedded as core development priorities for Bank investments into Pacific nations.

PROBLUE’s policy and regulatory support also helps shape wider World Bank operations by creating conditions for sustainable, cross-sector growth, not only in traditionally ‘blue’ areas. For example, in Mozambique, PROBLUE’s costing analyses, strategic planning support, governance strengthening and marine spatial planning have helped build a stronger enabling environment for sustainable development. This ensures blue-economy priorities are reflected across a wider range of sectors, including tourism, transport, and coastal development.

B2. Assessment of whether the programme is on track

PROBLUE continues to demonstrate it is on track against its objectives. The programme’s output indicator scores underpin this assessment and show that largely progress towards

targets are on track. However, a number of end-of-programme output targets have already nearly been met, which highlights that these may be set too low and would benefit from being annually reviewed to ensure suitable levels of ambition.

The assessment against the outcome and impact indicators in Defra's logframe shows that the data currently available is limited and therefore harder to assess. Where data is available, promising returns against targets are demonstrated. More broadly, outcome indicators which are not tracked in the Defra logframe are showing good progress. For example, the indicator highlighting the development financing informed by PROBLUE shows that during 2025 \$82 dollars were mobilised for blue economy initiatives for every \$1 invested by the programme.

Qualitative feedback from beneficiaries highlights positive impacts from REDAs, strengthening national capacity, sustainable aquaculture, and coastal livelihoods, while monetised and unmonetised environmental and social benefits are expected to accrue over time. PROBLUE is estimated as good value for money, based on modelling from the limited data currently available. The programme is efficiently delivering outputs, catalysing co-financing and demand from client countries and giving confidence that planned outcomes, longer-term objectives and impact will be achieved. The programme is also progressing from a project management perspective. The £12m UK uplift that was approved in 2025 was effectively leveraged to increase annual targets in the MEL framework, and the Bank has provided reassurance on enhanced risk reporting, including SEAH monitoring and delivery chain mapping.

B3. Recommendation of whether the programme should continue

To date, PROBLUE has consistently met expectations and delivered progress against programme outcome and outputs, leading to 'A' scores for each of its annual reviews. Based on this, in 2025 approval was granted to extend the UK's contribution to PROBLUE until March 2027 (originally March 2026) and to grant a financial uplift of up to £12 million. PROBLUE is also at an important milestone in the programme's timeline, with new REDAs in need of funding now. Continued UK support for PROBLUE therefore provides an opportunity to deliver strong additionality, as REDAs are high impact, country-led interventions that use PROBLUE grants to incentivise joint-financing from partner countries and the private sector, for tangible outcomes aligned with domestic policy priorities. The programme continues to be strongly aligned to the broader goals of the Blue Planet Fund (BPF) portfolio of programmes, which the UK Government has set out in its BPF strategy and supports the UK's current approach to prioritising ODA spend on partnership models and investing in multilateral mechanisms.

c. Detailed output scoring

To assess PROBLUE's performance against its logframe indicators in FY2025, Defra applied a linear modelling approach to estimate annual targets. As PROBLUE does not set annual milestones and its end of programme targets run to FY2030, the MEL team distributed these targets evenly across the 12-year programme period (FY2019–FY2030). This provides a cumulative benchmark for assessing whether delivery is broadly on track. By FY2025, seven of the twelve programme years (58%) have elapsed; indicators achieving 58% or more of their

end targets can therefore be considered on track. Using this method, PROBLUE's output performance returns an overall score of **A**.

The linear method is the most appropriate method for this annual review on the basis of: limited outcome and impact level data; the absence of separate REDA and BEDA trajectories; and the risk of relying on assumptions for a nonlinear model. While this approach is pragmatic, it has recognised limitations. A linear model does not fully reflect the delivery profile of technical assistance programmes, particularly where REDAs are expected to generate results later in the programme cycle.

Within these constraints, the analysis indicates that PROBLUE remains broadly on track against its output level expectations. Of the 12 output indicators outlined below, eight met their targets and four did not. Across the three output indicator groups, this resulted in an **A+**, **A** and **B** scoring, which supports an overall average of **A**. As some of the output indicators appear to be nearing meeting their end of programme target already (e.g. Outputs C3), the World Bank should continue to review these targets to ensure they remain suitably ambitious.

C1. Output 1: Capacity Building

Output Title	Capacity building		
Output number:	1	Output Score:	A
Impact weighting (%):	33.3	Weighting revised since last AR?	n/a

Table IV: Capacity Building Indicators

Indicator(s)	Progress FY25	Delivered to date (FY19–25)	Cumulative target for FY 25	End of programme target (FY30)
# of workshops, training, consultations	215	913	933	1600
# of tools developed	54	188	158	270
# of knowledge products prepared	177	711	583	1000

Capacity building strengthens institutional, technical, and policy capacity for sustainable ocean and blue economy management in PROBLUE partner countries through workshops, training, consultations, operational tools, guidance, and knowledge products. Over 2025, the World Bank looked to emphasise alignment of capacity building with policy and investment priorities, cross-sectoral learning, and digital delivery, improving relevance and uptake.

During FY25, cumulative delivery reached 913 events, 188 tools, and 711 knowledge products. Activities have been geographically broad, demand-driven, and closely linked to

World Bank operations, supporting policy reform, project preparation, and implementation across fisheries, marine pollution, oceanic sectors, and integrated seascapes.

Overall, PROBLUE performance is shown to be strong across its capacity building work and this remains a core pillar of its approach. The indicators for tools developed and knowledge products prepared are both on track to meet their 2030 targets early, and therefore these targets should be reviewed to ensure suitable ambition. While the target for the number of events held over 2025 was narrowly missed, this indicator’s performance only needs to marginally improve to be on track to meet its end of programme target. Progress against this indicator will be tracked going forward, with any challenges to meeting it explored (like the potential for uneven demand and institutional absorptive capacity) and where possible mitigated.

C2. Output 2: Beneficiaries

Output Title	Targeted beneficiaries of operations ⁹ by PROBLUE		
Output number:	2	Output Score:	B
Impact weighting (%):	33	Weighting revised since last AR?	n/a

Table V: Output 2: Targeted beneficiaries of operations by PROBLUE

Indicator(s)	Progress FY25	Total delivered to date (FY19–25)	Cumulative target for FY 25	End of programme target (FY30)
<i>Targeted beneficiaries of World Bank operations that are informed by PROBLUE (#)</i>	43,000,000	134,000,000	134,166,667	230m
<i>Number of WB operations that will narrow gender gaps</i>	35	84	99	170
<i>Number of WB operations that will contribute to poverty alleviation</i>	38	97	105	180
<i>Number of WB operations that contribute to sustainable blue food production</i>	13	27	32	55

Output two has scored a B due to its underperformance across all four of its indicators. Targets were narrowly missed for the outputs focussing on the number of beneficiaries, narrowing gender gaps, contributing to poverty alleviation and to sustainable blue food

⁹ A PROBLUE operation is a BEDA or REDA project that is funded by the programme.

production. While the performance of these outputs only need marginal improvements to ensure they are on track to meet their 2030 targets, the UK will continue to work with the Bank to encourage greater progress and integration of these areas into PROBLUE activities and explore where improvements can be made. Further qualitative data will also continue to provide more insight into where progress is being made across these indicators.

To date, specific lessons relating to these outputs identified from 2025 highlight the importance of integrating inclusion considerations early in project design to ensure these are embedded and core to their approach. It is also important to ensure that data collection and disaggregation by disability, age, geographic location, and gender is embedded to strengthen monitoring and accountability. For 2026, priorities include further enhancing social inclusion tracking, ensuring that operational interventions continue to reach vulnerable populations, and consolidating evidence on programme impact to inform future World Bank operations.

C3. Output 3: Cross-cutting Themes

Output Title	Approving PROBLUE-supported BEDA proposals with focus, analysis and approaches on gender awareness, climate change, MFD (mobilised finance for development) & FCV (fragility, conflict & violence).		
Output number:	3	Output Score:	A+
Impact weighting (%):	33.3	Weighting revised since last AR?	n/a

Table VI: Cross-cutting themes Indicators

Indicator(s)	Progress FY25	Total delivered to date (FY19–25)	Cumulative target for FY 25	End of programme target (FY30)
<i>(96%)¹⁰ of approved PROBLUE-supported proposals with gender analysis and gender-focused approaches and strategies</i>	53	285	204	350
<i>(96%) of approved PROBLUE-supported proposals with climate change specific data and analytics</i>	53	283	198	340
<i>(16%) of approved PROBLUE-supported proposals relevant to FCV context</i>	9	50	35	60
<i>(71%) of approved PROBLUE-supported proposals with biodiversity-specific data and analytics</i>	39	85	76	130
<i>(71%) of approved PROBLUE proposals with specific data and</i>	39	192	134	230

¹⁰ The % is a function of the total number of proposed approved.

The approval process for PROBLUE-supported BEDA ensures that proposals integrate gender awareness, climate change, mobilisation of finance for development (MFD), and fragility, conflict and violence (FCV) considerations. By FY25, cumulative results since FY19 include 285 proposals with gender analysis (93% of approvals), 283 proposals with climate-specific data and analytics (92%), and 50 proposals relevant to FCV contexts (17%).

The output maintains a strong focus on integrating cross-cutting considerations into proposal design, enhancing the quality and development relevance of PROBLUE-supported interventions. Progress demonstrates consistent application of gender, climate, and FCV frameworks in proposal appraisal and approval. Key lessons highlight the value of early integration of these dimensions and coordination with regional teams to ensure context-specific relevance. All the output indicators continue to perform ahead of expectations, with ongoing emphasis on improving data tracking and alignment with wider programme priorities. Several indicators under Output 3 appear on track to meet end of programme (2030) targets early, and therefore these targets should be reviewed by the World Bank to ensure suitable ambition.

D. Risk

D1. Overview of risk management

In line with UK guidance, risks are logged and reviewed by the Programme Manager and monitored through a risk register, with oversight from the SRO and escalation to governance boards (e.g. ODA Assurance Board) as required. Risks related to delivery, funding, donor engagement, reputation, and impact are discussed, with mitigations agreed between Defra, the World Bank, and other donors via donor meetings. The World Bank accepts a moderate level of risk (as defined by its Trust Fund Assessment Form – TRAF), across strategic, stakeholder and financial risks at the fund level.

In Defra, identified risks and mitigation approaches are reviewed monthly during programme management meetings. The risk appetite for the programme is set out below. Risks outside of appetite or those that are escalating, are reported to the SRO and onwards to the Deputy Director via a regular Management Information meeting.

Table VII: PROBLUE risk appetite levels (definitions in Annex G)

Risk Category	Appetite	Set by	Date Set (DD/MM/YY)
Strategy and Context	Open	SRO	01/06/2025
Delivery and Operational	Cautious	SRO	01/06/2025
Financial and Fiduciary	Cautious	SRO	01/06/2025
Project and Programme	Open	SRO	01/06/2025
Reputational	Cautious	SRO	01/06/2025
Safeguarding	Cautious	SRO	01/06/2025

The programme operated within its risk appetite in 2025, with effective mitigation measures applied to emerging risks. A main risk that continued to be monitored centred on the programme's ability to effectively measure and evaluate its impact due to the absence of targets for numerous programme indicators. Progress to minimise this was achieved throughout the year, as end of programme targets were established and revised to ensure suitable ambition. Work between Defra and the Bank on enhanced monitoring, evaluation and learning approaches will continue in 2026.

As shown through recommendations identified in this and previous reviews, Defra continue to work with the World Bank to enhance transparency and donor confidence through improved risk communication. During 2025, Defra agreed to work with the World Bank to strengthen fund level risk reporting. The Defra programme team and ODA risk specialist has worked with the PROBLUE secretariat team to develop a proposal for the Bank to communicate programme-level risks to donors. The aim of this work is to ensure donors are kept informed, reputational risk is managed, and timely escalation occurs for any emerging issues. The proposals were discussed at a Partnership Council meeting in February 2026 and it was agreed that that Fund level risks can be reported to donors as follows:

1. Through the Partnership Council (PC) meetings, when new, emerging, or unanticipated fund level risks are identified
2. Through preparation of the Annual Report to provide an update on the risks identified at programme concept stage and describe any risks that might affect programme implementation, together with a rationale on how these are or will be managed.

The World Bank maintains robust anti-fraud, financial management, and risk policies. No incidences or risks of fraud have been reported to the Partnership Council from across PROBLUE projects to date. Full Delivery Chain Maps and associated risk mapping has not been achievable for the programme due to the scale of the programme and length of delivery chains, but also lack of specific requirement to provide them in the central UK/World Bank administrative agreement. Subsequently, Defra is unable to assess likelihood and severity of fraud risk within the programme, relying instead on the comprehensive due diligence and central assurance assessment (CAA) reports on the World Bank, completed every three years by FCDO, which review the bank's relevant policies. The new CAA for the World Bank is due in Q1 2026/27 and the programme team will ensure any relevant recommendations are applied to the risk and fraud management processes for PROBLUE.

Assurances are also provided through Trust Fund governance frameworks, including BEDAs and REDAs, which are implemented by clients and supported by the World Bank Environment and Social Framework, Procurement Framework, Financial Management, and Risk Framework. These safeguards are embedded in the Grant Agreements signed with clients receiving PROBLUE support, ensuring risks are systematically managed at both programme and project levels.

E. Programme management: delivery, commercial & financial performance

E1. Summary of Defra and delivery partner performance

E1.1 Governance

Programme forward look

Key PROBLUE milestones for 2026 include:

Month	Milestone	Information
February	Technical Partnership Council	A focused virtual meeting between the donor group and World Bank secretariat to review PROBLUE's progress, including REDA pipeline, fundraising, and donor reflections.
June	Full Partnership Council	An in-person meeting where donors and the World Bank will reconvene to review progress, discuss strategic priorities, and consider implications for PROBLUE's future direction, including long-term planning beyond 2030. In-person participation is strongly encouraged.
June	Our Ocean conference	The third PGEF will be held in June 2026 in Kenya, immediately before the Our Ocean Conference and alongside the Partnership Council. It will focus on Small-Scale Fishers, Food Security and Biodiversity in the ocean. PROBLUE is also looking to host a side-event at the conference, focussing on the programme and knowledge exchange. This remains subject to approval at time of publication.

Reflections from PROBLUE Partnership Council June 2025

A PC meeting of the PROBLUE Multi-Donor Trust Fund was held in Marseille in June 2025, hosted by Agence Française de Développement (AfD). The meeting brought together PROBLUE donors, the World Bank, and partners to review progress and strategic direction. The UK formally handed over the co-chair role to Sweden, having co-chaired the Partnership Council for the previous three years.

Discussions focussed strongly on the World Bank's jobs agenda, with recognition of the blue economy's role in generating inclusive and resilient employment, particularly through fisheries, aquaculture, tourism, and value-added processing. Senior World Bank leadership reaffirmed strong institutional support for blue economy work, reflected in increased visibility, growing investment, and positive Independent Evaluation Group findings.

The Partnership Council highlighted PROBLUE's catalytic role in leveraging finance, noting the approval of five REDAs in 2025 and their contribution to mobilising substantial co-financing. Members discussed the importance of early conversations on a potential post-2030 extension to maintain momentum and meet growing client demand.

There was also strong interest in scaling blue finance instruments, integrated seascape approaches, and cross-trust-fund collaboration, alongside recognition of the need to broaden PROBLUE's donor base in a tightening ODA environment. Gender and social inclusion

progress was acknowledged, alongside shared recognition of the need to strengthen disability inclusion and safeguarding leadership.

E1.2 Joint performance

Delivery partner performance

Finance and reporting

PROBLUE's financial management and reporting are governed by the World Bank's trust fund framework, covering both BEDAs and REDAs and embedded within grant agreements. The World Bank applies its standard financial management, procurement, environmental and social, and risk frameworks, supported by regular financial reporting, independent audits, and robust systems for fraud, corruption, and Anti-Money Laundering and Countering the Financing of Terrorism compliance.

Communication

PROBLUE colleagues are accessible, transparent and strong communicators.

Conduct and Cooperation

Defra's engagement with the PROBLUE Secretariat and technical team at the World Bank has been consistently positive. The team is responsive, supportive during annual reviews and technical visits, and open to feedback on reports, events, and PC meetings. Ensuring that Blue Planet Fund Regional Coordinators can collaborate with relevant World Bank staff at national and regional level has been welcomed during this review period.

Paris Alignment

The Paris Agreement (2015) aims to limit global warming to well below 2°C, ideally 1.5°C. PROBLUE aligns with these goals, treating climate as a cross-cutting theme. Its M&E framework tracks policy reforms and GHG reductions, with several outcome indicators aligned to International Climate Finance (ICF) methodologies.

E2. Value for Money (VfM)

An assessment of the VfM of this programme compared to the proposition in the Business Case, based on performance over the past year

E2.1 Value for Money Overview – Cost-Effectiveness

PROBLUE continues to perform well at the output level, with two thirds of indicators meeting their targets, suggesting it is on track to deliver good VfM. However, limited outcome- and impact-level data mean that confidence in the VfM assessment remains constrained. To date (FY19–25), PROBLUE has informed US\$32 billion in development financing, including US\$15.2 billion from IDA and IBRD, reaching 134 million beneficiaries (of whom 47% are women and 28% from disadvantaged groups). Each US\$1 of PROBLUE funding informs approximately US\$82 in World Bank financing, reflecting the programme's catalytic role in mobilising large-scale, inclusive development finance. PROBLUE is delivering efficiently through World Bank systems while maintaining strong fiduciary and environmental standards. Limitations remain in outcome- and impact-level data, particularly for monetisable environmental and climate benefits, which would strengthen a full VfM assessment.

Overall, available output data indicates that PROBLUE is broadly on track to deliver good value for money. However, this assessment is indicative, as the absence of outcome and impact data limits confirmation of cost-effectiveness. The lack of outcome level data for a number of indicators is highlighted by Table IX. This limits the ability to monetise benefits and reduces the certainty of the VfM analysis.

Below a VfM analysis has been conducted. The assessment uses the available data and examples to evaluate PROBLUE's performance against key VfM criteria. It examines the BCR modelling from the Business Case and Change Control Note, assesses performance against forecasts, and provides a narrative assessment of the 4 Es. It concludes with recommendations for the next 12 months, focused on improving outcome and impact data to enable deeper analysis of monetary benefits.

Table VIII: Progress Against PROBLUE Output Indicators (FY19–25)

Output Indicator	Delivered FY19–24	Progress FY25	Delivered to date (FY19–25)
Development financing informed by PROBLUE (US\$)	26.1 billion	5.9 billion	32 billion
of which IDA and IBRD financing (US\$)	11.4 billion	3.9 billion	15.2 billion
Targeted beneficiaries of World Bank operations informed by PROBLUE (#)	91m	43m	134m
of which women (%)	47%	46%	47%
of which from disadvantaged groups (%)	46%	12%	28%

Table IX: Progress Against BPF Outcome Indicators (FY19–25)

Outcome Indicator	Delivered FY19–24	Progress FY25	Delivered to date (FY19-25)
Volume of finance (£) mobilised for purposes which match BPF objectives	£275,340,000	-	£275,340,000
Increased effective and equitable representation and participation of coastal resources stakeholders in management (score)	-	-	-
Amount of waste removed from and prevented from entering the marine environment, and losses avoided in marine-related value chains due to BPF finance (tonnes)	-	-	-
Increase in aquaculture production from sustainable aquaculture practices	-	-	-

E2.3 ToC and progress towards outcomes

The ToC set out in the 2021 FBC remains valid, with PROBLUE expected to deliver poverty reduction, improved livelihoods, and healthier marine ecosystems through its four pillars (fisheries, pollution, oceanic sectors, and seascape management). Since the FBC, the ToC has been updated to reflect the programme's increased emphasis on REDAs which strengthen country ownership and deliver higher catalytic impact by unlocking larger volumes of co-financing. Progress against outcome and impact indicators in 2025 demonstrates good momentum: total development finance informed by PROBLUE has reached US\$32 billion, IDA/IBRD financing for blue economies has grown to US\$15.2 billion, and private finance has risen to US\$474 million. The PROBLUE influencing ratio for 2025 was US\$82 per PROBLUE dollar. While this demonstrates a drop compared to the 2024 ratio (\$1:\$151), this still shows good value for money through the amount of additional finance informed for blue economy initiatives. However, challenges remain in securing more comprehensive reporting from the World Bank, particularly on the quantity of outcome impact data. This impacts the effectiveness of a VfM analysis. While the refreshed M&E framework (2023) introduced new KPIs, tangible impact-level data will only emerge as REDAs mature. This means a full VfM analysis against forecasted benefits will not be possible until post-2027.

Progress against VfM recommendations from the last Annual Review:

- **Improve data collection and reporting for outcomes and impacts:** The World Bank led (with close involvement from donors) the development of a refreshed M&E framework in 2023 which introduced new KPIs across output-to-impact levels, with outcome data expected to peak from 2027 as REDAs mature.
- **Revise output targets to increase ambition:** Output delivery has expanded significantly, with 917 workshops, 49 tools, and 212 knowledge products reported in FY23/24, alongside higher gender inclusion rates (45% women participants).
- **Ensure alignment with WB strategies for procurement, GESI and poverty reduction:** UK influence has reinforced GESI and PSEAH integration into project design, strengthened donor coordination, and ensured REDAs are aligned with World Bank poverty reduction strategies and procurement standards.

Overall, PROBLUE continues to demonstrate good VfM, with early data confirming outputs are on track, demand for REDAs far exceeding current resources, and UK contributions helping to catalyse substantial co-financing and systemic change in recipient countries.

5 Es assessment

Cost-effectiveness: PROBLUE is well designed and has the potential for strong benefits against key environmental and social outcomes. As of 2025, PROBLUE's disbursement ratio is 0.445:1 (total funding disbursed: signed contributions since 2021). VfM modelling also shows strong ratios of finance informed. However, due to limited outcome and impact data, a full assessment of cost-effectiveness cannot yet be made. The BCR model is still assumption-based, with limited quantity of outcome impact level data and annual targets limiting our ability to verify cost effectiveness.

Economy: PROBLUE adheres to World Bank guidelines, including the Procurement Framework, Procurement Regulations for Investment Projection Financing Borrowers and

the Project Procurement Strategy for Development. Projects co-financed by PROBLUE are expected to provide their procurement plans as well as financial information for publication on the World Bank website, increasing the transparency and accountability of project finances. While the World Bank procurement systems therefore ensure competitive pricing, one challenge is the limited visibility HMG has on the project-level procurement systems further down the delivery chain.

Efficiency: The Mid-Term Review concluded that PROBLUE is efficient, concluding that it is on track to meet its objectives and that PROBLUE had taken action to improve efficiencies in process. As the move to REDAs progresses, this should lead to efficiency gains by placing greater emphasis on in-country implementation where local delivery expertise is at the forefront. Specific examples of programme progress across relevant outputs in 2025 include PROBLUE's delivery of 917 workshops, 49 tools, and 212 knowledge products, reaching over 25,000 people across 40 countries. REDAs also reduce transaction costs by using government and World Bank systems rather than creating parallel processes. However, due to the lack of World Bank set annualised targets on PROBLUE indicators, efficiency gains are hard to track. Most outcome-level data will only become available once REDAs mature, with results expected in 2027.

Effectiveness: It is too early to assess PROBLUE's effectiveness at converting inputs to outcomes and impact. More significant quantities of outcome level data is expected to emerge from 2027. In 2023 PROBLUE strengthened its MEL approach with a new M&E Plan with a developed set of indicators and methods. This framework should strengthen the accountability of projects alongside ongoing work to set proportionate targets. To date, PROBLUE has met its expectations in terms of programme performance, and this is demonstrated through consistent "A" AR ratings and its strong catalytic impact in terms of the finance it leverages.

Equity: Evidence in this review demonstrates positive impacts (such as upskilling, training and employment opportunities) for women and people from disadvantaged groups, and this is reflected in the targets for several indicators. The programme has shown strong progress in embedding gender considerations into its operations, and the MEL team have set annual linear targets for Output 2.1 *Number of beneficiaries, of which female* based on PROBLUE's end of programme target for this indicator. Broader challenges do remain around the limited quantity of disaggregated data, particularly for other marginalised groups (e.g. those with disabilities). The World Bank have committed to continue focussing efforts on these under-represented groups.

E2.4 Summary and recommendations

PROBLUE continues to show promising signs of demonstrating good VfM. A 2025 assessment of value for money in PROBLUE concluded that the programme has a Net Present Value of £43.8m–£170.7m and Benefit Cost Ratio of 2.3–6.2. Outputs and financing mobilised are largely on track, and REDAs deliver higher catalytic impact as shown through the programme's strong influencing ratio. However, the VFM assessment remains assumption based due to limited outcome and impact data, and WB reporting gaps constrain a full evaluation of the programme's VfM.

Recommendations

Recommendations		Action Owner
1	Build on the progress the World Bank has made to improve outcome and impact indicator reporting. Defra will highlight priority indicators from a UK perspective and encourage the Bank to maintain suitably ambitious targets across indicators, whilst also ensuring that at the least 2030 targets are in place for all indicators.	Defra
2	Prioritise and grow the proportion of funding going to REDAs.	World Bank
3	Strengthen alignment between World Bank procurement, GESI, and poverty reduction strategies.	World Bank
4	Plan for a full VfM reassessment once output and outcome data from REDA increases and matures from 2027.	Defra

Date of last narrative financial report	February 2026	Date of last audited annual statement	30 June 2025
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F. Conclusion

PROBLUE continues to perform well and is delivering against its Theory of Change, demonstrating clear catalytic impact, high levels of finance informed (every 1\$ spent on PROBLUE activities informs \$82 in additional financing), and benefits for over 134 million targeted beneficiaries. Output indicators have largely exceeded programme-end targets, showing effective delivery and efficient use of resources, with those marginally underperforming against in 2025 still demonstrating confidence that they can meet end of programme targets.

Some areas of the MEL framework remain under development. For example, PROBLUE's MEL frameworks have historically lacked fully defined annual targets, and outcome-level and environmental impact data remains limited, constraining Defra's ability to conduct a full value-for-money assessment. The secretariat has confirmed that results data against impact and outcome indicators expect to be reported from 2027. Risk reporting also remains a focus for development going into 2026, with work continuing with the World Bank to explore approaches to enhancing communication around risk management and mitigation.

Overall, considering the programme's strong results, high cost-effectiveness, catalytic financing, and continued improvements to MEL and risk management, PROBLUE is rated **A**.

The UK sees continued value in investing in the programme, and this is reflected through the recent financial uplift that was confirmed in 2025.

Annex A: Sexual Exploitation, Abuse, and Harassment

Defra expects all partners to meet internationally agreed safeguarding standards. These include either:

- IASC's Minimum Operation Standards on PSEA¹¹
- Core Humanitarian Standard on Quality and Accountability¹²

To ensure that PROBLUE supports the sustainable and integrated development of marine and coastal resources, it is essential that its approach aligns with PSEAH policies, in compliance with World Bank and Defra standards.

Based on the World Bank's clarification, many of the actions previously proposed are already met through existing ESF requirements, Good Practice Notes, Codes of Conduct, grievance mechanisms, and mandatory training. The updated Action Plan below reflects what is already in place, what is feasible for PROBLUE, and what remains for 2026.

Objectives

- Understand PROBLUE's current practices related to SEAH, including the integration of prevention of SEAH policies within its operational processes.
- Identify which of the recommended actions are most relevant and feasible for PROBLUE to implement.
- Enhance SEAH reporting and transparency while respecting confidentiality and World Bank constraints.

¹¹ <https://interagencystandingcommittee.org/iasc-task-team-accountability-affected-populations-and-protection-sexual-exploitation-and-abuse/minimum-operating-standards-mos-psea>

¹² <https://www.corehumanitarianstandard.org/the-standard/language-versions>

Annex B: Gender Equality and Social Inclusion

Defra is highly supportive of the World Bank’s robust GESI strategy and appreciates its commitment to promoting gender equality and social inclusion across its programmes. Alignment of PROBLUE with this strategy will strengthen inclusivity, improve poverty outcomes, and enhance the impact of PROBLUE-supported operations.

Based on the World Bank’s clarification, many GESI expectations are already met through the Environmental and Social Framework (ESF), Gender Strategy, Social Inclusion Framework, and the Directive on Disadvantaged or Vulnerable Groups, which explicitly includes persons with disabilities. The updated Action Plan reflects what is already in place, what is feasible for PROBLUE, and what remains for 2026.

Focus Area	Actions Planned	*Timeline	Deliverables	Outcome	Owner
Governance and Oversight	Appoint an Overarching Lead for GESI (completed)	Completed	Central point of contact for GESI	Strengthen governance by ensuring effective leadership and accountability for GESI integration.	PROBLUE Secretariat
GESI Integration and Policy Alignment	Align PROBLUE’s practices with the World Bank GESI Strategy (Completed)	Completed	GESI alignment report identifying compliance and integration gaps	Ensure consistency and adherence to GESI standards across all PROBLUE projects.	PROBLUE Secretariat (with Defra)
Monitoring and Evaluation of GESI Integration	- Implement M&E for GESI (completed) - Include disability-specific reporting in the annual reports	See associated recommendation in Section A.	M&E report tracking GESI outcomes and improvements	Evaluate effectiveness of disability integration at a programme level.	PROBLUE M&E Team (with Defra)

* The timeline for these actions will be confirmed following discussions with the PROBLUE Secretariat.

This GESI Action Plan serves as a draft proposal for collaboration between Defra and the Secretariat. Through this collaboration, we aim to ensure that GESI is deeply embedded into PROBLUE projects, achieving both improved social and poverty outcomes and alignment with the World Bank's GESI strategy.

Annex C. Indicators with Increased Targets (FY25–FY30 Compared to AR23–24)

Indicators listed reflect either (i) upward revision of existing targets or (ii) introduction of end-program targets where none previously existed, representing increased ambition relative to the AR23–24 results framework.

Category	Sub-category	Indicator	Old Target (AR23–24 / to 2025)	New Target (FY25–FY30 / to 2030)
Output 2: Cross-cutting themes	Climate	Approved proposals with climate-specific data & analytics (#, %)	120 (80%)	340 (95%)
Output 2: Cross-cutting themes	Gender	Approved proposals with gender analysis & approaches (#, %)	120 (80%)	350 (97%)
Output 2: Cross-cutting themes	MFD	Approved proposals with MFD-specific data & analytics (#, %)	43 (67%)	230 (69%)
Outcome: Enabling environment & blue finance	Inclusion capacity	Blue economy practitioners with enhanced capacity to advance inclusion (#)	No end-target in AR23–24	5,000
Outcome: Enabling environment & blue finance	Mobilization	Financing mobilised that contributes to advancing the blue economy (US\$)	No end-target in AR23–24	600,000,000
Outcome: Enabling environment & blue finance	Policy measures	Measures applied that improve enabling environment for private investments (#)	No end-target in AR23–24	60
Outcome: Enabling environment & blue finance	Regional engagement	Countries with strengthened engagement in the blue economy at regional level (#)	No target in AR23–24	65

Outcome: Improving investments	Co-financed operations	Total IDA/IBRD financing of operations cofinanced by PROBLUE (US\$)	No target in AR23–24	3,500,000,000
Outcome: Improving investments	Investment pipeline	Development financing informed (US\$)	No target in AR23–24	50,000,000,000
Outcome: Improving investments	Investment pipeline	Influence ratio (WB financing / PROBLUE support)	No target in AR23–24	1:90

Annex D: Closed Recommendations

	Recommendation	Action owner	Progress
1b	Provide more qualitative and quantitative data on project-level impact on beneficiaries in the PROBLUE Annual Report.		Closed – seen through the increase of case studies in the Annual Report and information provided through the PROBLUE website.
1c	Amend title of output 1 in the logframe and reports to include REDAs	World Bank	Closed
1d	Enhance the Delivery Partner Tool	World Bank	Closed - The Secretariat is enhancing the DP Tool in Power BI to provide up-to-date portfolio data and, where needed, additional details on activities, impact, and partners to support monitoring and Delivery Chain mapping.
5	Continue regular coordination between Defra-funded World Bank programmes and FCDO World Bank leads to align messaging and coherence	Defra	Closed – the programme team are regularly in contact with the FCDO and the GPS team to receive updates on World Bank programmes funded by HMG.
6	PROBLUE should continue increasing funding via well-designed REDA models, ensuring financing aligns with and is 'owned' by client countries. REDAs support large-scale resilience, ecosystem restoration, and climate adaptation integration.	World Bank	Closed – during 2025 PROBLUE approved five new REDAs. These grants are directly cofinancing World Bank investments and amounted to nearly \$21.4 million in FY25.
7	PROBLUE should continue to support client countries'	World Bank	Closed - PROBLUE helps countries turn international commitments into action,

	ambitions on international commitments.		for example by supporting marine spatial planning, sustainable fisheries management, climate-smart coastal investments, and ocean pollution reduction initiatives via BBNJ and the global treaty on plastic pollution
8	Broaden indicators and disaggregate data by disability, age, location, and gender to better monitor social inclusion.	World Bank	<p>Closed – PROBLUE reports results by gender and, where feasible, by disadvantaged groups or location. While gender data are consistently collected, disability disaggregation is not available across all indicators.</p> <p>In line with World Bank policy, PROBLUE secretariat cannot disaggregate indicators further. . They report against PROBLUE’s results framework, covering its 59 indicators. Under REDAs, M&E is carried out by the client based on an agreed Results Framework that includes some PROBLUE indicators.</p>

Annex E: [REDACTED]

Annex F: [REDACTED]

Annex G: Risk appetite level descriptions

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.

Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

Annex H: PROBLUE outcome indicators not included in the DEFRA logframe

Table X: PROBLUE outcome indicators for co-finance 2019-2025.

Intermediate Outcome indicators	Delivered FY19–24	Progress FY25	Delivered to date (FY19–25)	End of programme target (FY30)
World Bank operations informed ¹³ by PROBLUE (#)	59	38	97	180
Development financing informed by PROBLUE (\$)	26.1 billion	5.9 billion	32 billion	50 billion
of which IDA and IBRD financing (\$)	11.4 billion	3.9 billion	15.2 billion	.
of which client financing (\$)	13.2 billion	1.6 billion	14.8 billion	.
of which private financing (\$)	454 million	20 million	474 million	.
of which other financing (\$)	1.1 billion	423 million	1.5 billion	.

¹³ 'Informed by' in these indicators is a common terminology in World Bank publications. It is defined as activities that will indirectly contribute to results to be achieved via World Bank operations, by means of informing their preparation, design, and/or improving implementation. An indirect contribution to long-term outcomes. There are various ways in which PROBLUE can "inform" activities, and it is not solely linked to cofinancing, as many of the Bank-Executed activities are used to support the design, preparation and implementation of Bank operations, as well as country operations. Another method of informing is through collaboration with other Trust Funds, for example, PROBLUE collaborates with climate, disaster resilience, and social protection programmes.

Influence ratio: World Bank financing of informed operations / PROBLUE support (\$)		1:82	1:66	1:90
Total World Bank (IDA/IBRD) financing of operations cofinanced by PROBLUE (\$)	1.7 billion	270 million	2 billion	3.5 billion

Table XI: PROBLUE policy level outcome indicators

Intermediate outcome indicators	Delivered FY19–24	Progress FY25	Delivered to date (FY19–25)	End of programme target (FY30)
Policies, regulations, strategies, or plans informed by PROBLUE (#)	56	40	96	180
Countries where PROBLUE has informed national policies, regulations, strategies, or plans (#)	55	31	62	65