## UK Blue Carbon Fund Annual Review 2023

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| **Title:** UK Blue Carbon Fund | | |
| **Programme Value £ (full life):** £12.95m | | **Date review drafted:** November 2024 |
| **Programme Code:** ICF-PO008 | **Programme start date:** Dec 2018 | **Programme end date:** March 2026 |

**Summary of Programme Performance**

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| Year | **2018/19** | **2019/20** | **2020/21** | **2021, Jul-Dec** | **2022** | **2023** | **2024** |
| Overall Output Score | A | B | B | C | B | B |  |
| Risk Rating | Medium | Medium/High | Medium | Medium | Medium | High |  |

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| DevTracker Link to Business Case: | [Click here](https://devtracker.fcdo.gov.uk/projects/GB-GOV-7-ICF-PO008-UKBLUECARBONFUND/summary) |
| DevTracker Link to results framework: | [Click here](https://iatipublisher-prod.s3.amazonaws.com/document-link/414/2024_UKBCF_Logframe_Summary%20-%20for%20publication1751973027.xlsx) |

## A: SUMMARY AND OVERVIEW

**A1. Description of programme**

The UK Blue Carbon Fund (UKBCF) is managed by the Inter-American Development Bank (IDB). The programme aims to accelerate the development of the blue economy of four countries in Latin America and the Caribbean (LAC) - Colombia, Jamaica, Panama and Suriname - by catalysing and mobilising strategic public and private investments in the blue carbon sector and closely linked thematic areas such as sustainable fisheries, sustainable aquaculture, coastal zone management, payment for ecosystem services and eco-tourism. The project has also developed a standardised and regional Monitoring Reporting and Verification (MRV) mechanism for the blue carbon captured in mangrove forests for those countries within the UKBCF.

The programme was launched in 2019 with a funding commitment from the UK Department for Environment, Food and Rural Affairs (Defra) of £12.95 million over seven years. In 2024 IDB formally requested the extension of some projects and the Administration Agreement between the IDB and Defra. To maximise returns on existing investments and ensure projects could deliver against their objectives, Defra decided to extend the programme to March 2026 but not beyond this. As a result, some projects that had originally planned to run for longer, were adjusted to end by March 2026.

**Colombia** – **Project term: May 2021 – March 2026 (originally due to end November 2025)**

The objectives of the Colombia project are to:

* recover and conserve highly biodiverse regional urban wetlands and integrate them into urban development processes.
* strengthen the community’s management schemes for mangrove conservation and development of sustainable economic alternatives for local populations.
* systematise the lessons learned to expand the initiative to a more significant number of coastal cities in Colombia.

**Jamaica** – **Project term: January 2020 – March 2026 (originally due to end November 2026)**

In southern Clarendon, the south coast of Jamaica, more than 1,600 hectares of mangroves have been degraded due to prolonged drying from a reduction in freshwater inputs because of changes in land use for agriculture, aquaculture production, extreme weather events, coastal development, unsustainable livelihood practices, and impacts from human settlement. The project seeks to restore mangrove ecosystems in southern Clarendon to viable and healthy conditions and optimally functioning coastal forested ecosystems. The interventions are expected to improve the sequestration capacity of these restored areas to store blue carbon and improve climate change resilience.

**Panama** – **Project term: May 2020 - January 2025**

This project aims to restore, protect, or enhance mangrove management, provide training and develop innovative financing mechanisms for mangrove conservation. The operation aims to elevate the importance of Panama’s coastal natural capital (mangrove ecosystems and related wetlands), the carbon they sequester and the biodiversity they support by shifting perceptions of their value and importance through a multi-pronged approach which includes:

* delivering robust science that establishes a blue carbon baseline.
* establishing economic valuation of the ecosystem services provided by mangroves and related wetlands.
* building knowledge, awareness, and engagement with key stakeholders to drive action for the protection of these ecosystems.
* supporting and strengthening policies that promote mangrove conservation and reforestation.

**Suriname – Project term: February 2022 – March 2026 (originally due to end July 2027)**

This project aims to improve mangrove management in Suriname by applying an evidence-based approach, which will guide future conservation/restoration efforts, enhance the governance of these ecosystems, and promote sustainable livelihoods.

**Monitoring, Reporting & Verification (MRV) – Project term: August 2022 – March 2026 (originally due to end December 2027)**

Establishes a standardised and regional MRV mechanism for the blue carbon captured in mangrove forests for those countries where UKBCF is operating. It does this by collecting data through both remote sensing, including satellite imagery, and on the ground field measurements, to help develop region-specific parameters for the estimation of carbon stocks in mangroves. Blue carbon projects of the Fund will be able to:

* Improve the valuation of ecosystem services provided by blue ecosystems, including mangroves. This will enable the programmes to develop baselines for mangrove conservation and restoration.
* Potentially lead to the inclusion of blue carbon data in national NDCs, REDD+ schemes, SDG programmes, UNFCCC National Communications and carbon markets programmes.
* Utilise an MRV system for results-based payments under a reforestation programme.  There is a growing trend to support or encourage results-based actions for reforestation, conservation, or reduced deforestation efforts. In order to effectively participate in or take advantage of these types of efforts, a key element of the results-based payment scheme will be a fully functional MRV.

**Previous Reviews**

Following a change in the management within Defra, a short form Annual Review (AR) was drafted in 2022 to cover the period July to December 2021. This was agreed to allow the IDB reporting cycle to synchronise with the UK AR cycle and was the first “performance based” AR. The AR reported continued poor performance and meant a recommended C rating. This reflected the issues in this period but also more persistent, historical challenges with the programme. For example, and the effectiveness of its reporting, including challenges with the programme’s logframe and its ability to track project impacts.

Due to the outcomes of previous annual reviews, the programme was put on special measures from July 2021 to June 2022 for poor monitoring and reporting. During this time several conditions were put in place, including the development and agreement of an ICF-aligned logframe.

It was agreed by Defra and the IDB that the approved 2022 logframe would be used substantively from Spring/Summer 2022. However, limitations were found with the logframe’s ability to reflect project level outputs and outcomes at a programme indicator level. As a result, work and achievements at project level were not being fully recognised as part of programme monitoring and evaluation. Due to these ongoing limitations of the logframe, it was projected that the next two annual reviews to cover Jan-Dec 2022 and Jan-Dec 2023 would experience similar reporting and data consolidation challenges, unless the logframe was further revised and strengthened. As a result, in 2023 the logframe (see Annex A) was revised. This annual review will be the second to use the 2023 refreshed logframe.

Following three consecutive low scores in Annual Reviews (two Bs and a C), alongside the refreshed logframe, a more in-depth [Programme Review was also conducted in 2023](https://devflow.northeurope.cloudapp.azure.com/files/documents/UK-BCF-Programme-Review-%28Redacted%29-20250130040120.pdf) (resulting in the delay to the 2022 and 2023 ARs), to determine whether the programme was underperforming or whether it was performing well, but the results were not being reported accurately. Defra worked closely with IDB during this time, to collect evidence needed to answer questions regarding the root cause of the performance issues. This report produced a series of recommendations that were provided to the IDB, along with the conclusion that the monitoring and reporting systems in place were not effective enough to appraise the programme’s impact.

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

Overall, the 2023 review for UKBCF has scored a B. The scoring is based on the output scoring, summarised below, which is moderated by the qualitative evaluation of Value for Money, progress towards outcomes, approach to risk management and programme delivery.

During 2023, a full programme review of UKBCF performance since 2018 was conducted (see section A1 for more information). Due to the fact that the 2022 UKBCF annual review was compiled retrospectively in 2023, and this annual review was due within a similar time-period, programme teams have not had sufficient time to address the recommendations to improve performance set out in the full [programme review](https://devflow.northeurope.cloudapp.azure.com/files/documents/UK-BCF-Programme-Review-%28Redacted%29-20250130040120.pdf). The overlap in reviews has been considered in the scoring of this review, and a more comprehensive evaluation of progress towards addressing the recommendations will be conducted within the 2024 annual review. Within this review, consideration is also given to the extent to which IDB supported the programme review process and worked alongside Defra to identify the issues and subsequent recommended actions. Examples of the cooperation and input are captured fully in the full review, with key examples also cited here to support the scoring for the programme.

Despite scoring an A or above for each individual output indicator, Defra’s internal moderation process has recommended the overall score be reduced to a B. This was due to several outputs being achieved a year or two later than had been planned in the revised 2022 logframe, and therefore some outputs appeared to deliver work in 2023 despite no work being planned. For example, such as 2.3 *(Number of sites where a community resource monitoring protocol is in place)* and 4.1 *(Number of policy, technological, financial and regulatory assessments undertaken through the program)*.

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| **Output** | **Output description** | **Weight (%)** | **Output performance** | **Impact weighted score** |
| 1 | Assistance provided to improve the flow of ecosystem services of mangrove forests in targeted countries | 40 | A | 40 |
| 2 | Capacity building to enable communities to fully realize the co-benefits of improved outcomes in mangrove protection. | 20 | A | 20 |
| 4 | Assistance provided to develop and improve local and national frameworks for governance of mangrove forests in partner countries | 40 | A+ | 50 |
|  |  | 100 |  | 110 |
|  |  |  |  | **A** |

**Summary of key project-level achievements from 2023:**

The 2023 IDB Annual Report recorded $3,716,726 USD (38%) of the approved budget had been disbursed by the end of 2023. Each country was in a different stage of delivery, with Panama having just over a year left to run, Jamaica in delivery, Suriname and MRV starting up, and some delays in Colombia.

* **Panama:** Achievements included overall progress in conserving Parita Bay & Panama Bay mangrove habitats through robust policy measures. Additional research also took place into mangrove dynamics, which will help to inform more efficient ecosystem management and identifying priority areas for conservation and restoration. In parallel, the project continued the *Aulas Verdes* environmental education programme in 2023. The programme reached 3,758 students in 16 schools in the Bay of Panama site and 324 students in two schools in Parita Bay.
* **Jamaica:** This project continued to progress in 2023, but was slightly behind schedule, with implementation activities beginning in mangrove area 2 but delayed in areas 1, 3, and 4. Achievements included completion of detailed engineering studies and aerial surveys of vegetation growth in all four mangrove areas and hydro-meteorological monitoring started in two of the areas. Stakeholder engagement continued, with over 100 people participating in knowledge sharing and capacity building workshops.
* **Colombia:** In 2023 the executing agencies in Colombia focused on designing plans to restore mangrove ecosystems in degraded areas. Caimanera and Guacamaya made progress in terms of conservation; some of the areas have curbed the trend of deforestation and some species have slowly improved their numbers. The local fishers are also now more aware of the importance of conservation and have learned best practices to take care of the mangroves and the fauna as environmental and social assets. Within component one led by Puerta de Oro, the environmental recovery plan for Ciénaga de Mallorquín was designed alongside a governance model to guarantee the long-term sustainability of the project.
* **MRV:** During 2023 the MRV project was approved and processed its first disbursement. The consultants for the development of training (Output 1.1 and 2.1) were hired and began work. The project team also executed the first regional Blue Carbon technical training workshop, where the above ground methodology for assessing carbon stocks was shared and demonstrated.
* **Suriname:** The first disbursement request for the Suriname project, and the effective start of implementation, were expected in February 2024. In 2023 the Anton de Kom University of Suriname (AdeKus) published the vacancies for a project manager, financial expert, and financial administrator with plans to appoint those roles in early 2024.

**A3. Major lessons and recommendations for the year ahead**

As noted above, during this review period, a full review of the programme was being conducted by Defra with IDB’s support. Although challenges with consistent and timely communication across the delivery chain for the UKBCF has been cited in previous Annual Reviews as an issue, it improved in this review period, with specific efforts from Defra and IDB to engage more effectively and frequently. On occasions however, it remained a limiting factor in improving programme delivery, largely due to inconsistency in the frequency of meetings and delays in communicating risks and issues to Defra.

**Monitoring, Reporting Verification and Mechanism Workshop, Jamaica**

The Defra programme team attended a technical workshop in Jamaica in August 2023, hosted by IDB. The aim was to bring together Executing Agencies (EAs) for UKBCF projects from Panama, Jamaica, Colombia and Suriname to discuss a new project in the programme- the MRV project and to see demonstrations of the techniques being proposed to measure carbon storage potential in the field. The trip to Jamaica was a clear opportunity for the Defra team to understand the MRV project, test how well EAs felt the projects were going, build on working relationships and to test concerns relating to performance. The participation of all key stakeholders (Defra, IDB programme and project leads, and EAs) provided a valuable opportunity to seek a comprehensive and balanced understanding of the programme.

A group of people in the woods

Description automatically generated

**Defra’s conclusions from the visit:**

It was insightful to see and hear about the work that is being done by project representatives. It was evident that the projects are on track and that EAs are dedicated to the programme. In retrospect, it was clear that the issues with reporting were not unique to this project and concerted effort was made by Defra and IDB to resolve the disconnect between project and programme level reporting.

As a result of the visit, Defra fed the following recommendations into the 2023 Programme Review:

* Improve quality and frequency of communication between Defra and IDB.
* The programme logframe refresh should be guided by the projects and Theory of Change, rather than solely a top-down approach from a programme/delivery partner perspective. There are risks and difficulties of retrofitting a logframe, such as recreating targets for the beginning of the programme may not be accurate and not give us a good indication of actual progress.

Overall, in 2023 efforts to strengthen communication, including completion of the Programme Review, a site visit, an in-person workshop and collaboration to refresh the logframe, had positive outcomes for the programme.

The recommendations listed below are largely derived from the Programme Review undertaken during 2023. As this annual review has been completed retrospectively, some of the recommendations have already been actioned in 2024 and **this has been noted below in *italics***. The full list of recommendations that were identified during the [Programme Review and shared with the IDB are available here.](https://devflow.northeurope.cloudapp.azure.com/files/documents/UK-BCF-Programme-Review-%28Redacted%29-20250130040120.pdf)

1. Defra to work closely with the IDB to improve two-way communication around risk management and gain earlier visibility on risks and issues as they are identified across the programme. Through a dedicated workshop on risk Defra and IDB to agree common understanding on scale of severity of risks and issues, how and when matters are escalated and what level of detail should be communicated to Defra. These details should be maintained in a formal risk register to be owned and updated by IDB.

*This workshop was discussed during the in-person meeting between Defra and IDB in November 2023 and was subsequently held in Q1 2024/25. Following this, there has been increased focus on risk management during the regular catch ups between Defra and IDB. However, this recommendation is still relevant and ongoing and will be evaluated in the 2024 AR, with a focus on early communication of risks and strength of mitigation measures.*

1. For 2024, the IDB and Defra should collaborate to ensure effective implementation of Gender Equality and Social Inclusion (GESI) principles within the UKBCF and agree on a final GESI Action Plan. The IDB should assume primary responsibility for design and implementation of the GESI Action Plan. This includes allocating resources, establishing clear timelines, and designating GESI focal points within the implementing teams. IDB should consider employing a dedicated consultant to support integration of the GESI action plan and reporting against GESI targets as part of the programme’s final evaluation.

*This recommendation will be assessed in the 2024 Annual Review based on progress made in that year.*

1. IDB to conduct a Sexual Exploitation, Abuse and Harassment (SEAH) audit for the UKBCF programme, to ensure alignment with Defra’s commitment to SEAH risk management and in line with HMG’s aim to develop a common approach to SEAH amongst International Financial Institutions (IFIs).

*In 2023, FCDO, on behalf of 15 shareholders, wrote to several Multilateral Financial Institutions (MFIs) including the IDB, to propose introducing common aligned language on key minimum safeguarding standards and reporting of PSEAH cases into formal funding templates. Conversations with IFIs on PSEAH reporting and data are continuing. This recommendation stemmed from the IDB-Defra in person meetings in Washington DC in November 2023, and further work to develop the SEAH audit and action plan for UKBCF took place in 2024. This recommendation will therefore be covered more substantially as part of the 2024 Annual Review.*

1. Improve communication and mutual understanding of programme objectives through the revision of the Programme Management Manual. A collaborative revision of the PMM will bring the two parties together to discuss their respective objectives and expectations, and to develop a shared understanding of how to achieve the programme's goals. The revisions should include a codified set of expectations for the programme to increase transparency and accountability between the IDB and Defra.

*This recommendation is still relevant and ongoing as the revisions were due to be made in 2024. However, although improved, in 2023 communication and understanding regarding timeframes between project approval and implementation continued to cause some challenges for the programme.*

1. The programme has demonstrably surpassed targets for numerous outputs within the logical framework. A recalibration of these targets is needed to ensure they accurately reflect the programme's current capabilities.

*This recommendation was completed with the logical framework being redeveloped in 2023 and will be used for the assessment of the programme in this annual review.*

1. As part of the revision to the PMM and the logical framework, IDB and Defra should collaboratively review the projects in the pipeline that have been delayed in starting due to the Programme Review. Their objectives, timeframe for delivery and ability to support the recommendations here should be assessed before Defra provide a non-objection and the projects are initiated by IDB.

*This recommendation will be appraised in the 2024 AR.*

1. The programme was approved in 2018 and as such, the due diligence appraisal of IDB needs to be updated using the UKHMG approach to appraisals for the Bank, alongside the SEAH audit and revised approach to risk management with the IDB.

*This recommendation will be appraised in the 2024 AR.*

1. IDB and Defra should update the Theory of Change to strengthen the programme’s links to GESI and poverty alleviation.

*This recommendation has not yet been addressed but remains relevant. The priority was to ensure updates to the logframe were made first (See Section B), and the Theory of Change will now follow.*

1. The UKBCF recognises the link between healthy blue carbon ecosystems and poverty alleviation for coastal communities. The IDB's Annual Report would be strengthened by including:
   1. Disaggregated beneficiary income data.
   2. Case studies of livelihood improvements (job creation, increased fishing income).
   3. Details on women's and other marginalised group empowerment initiatives.

*These recommendations have been shared with the IDB, and the 2024 Annual Review will assess whether they have been incorporated into the IDB’s 2024 Annual Report.*

The programme team in Defra will continue to incorporate these recommendations into the programme plan for UKBCF and will evaluate their progress via the next formal Annual Review (covering between January – December 2024).

## B: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES

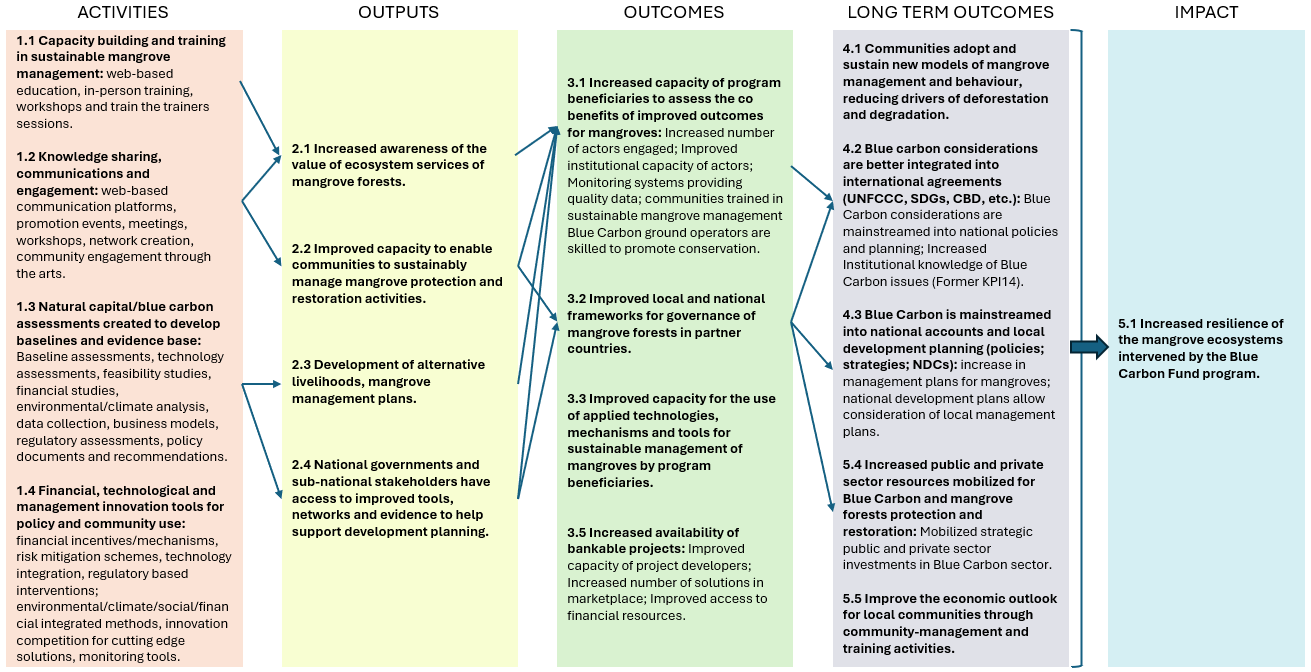
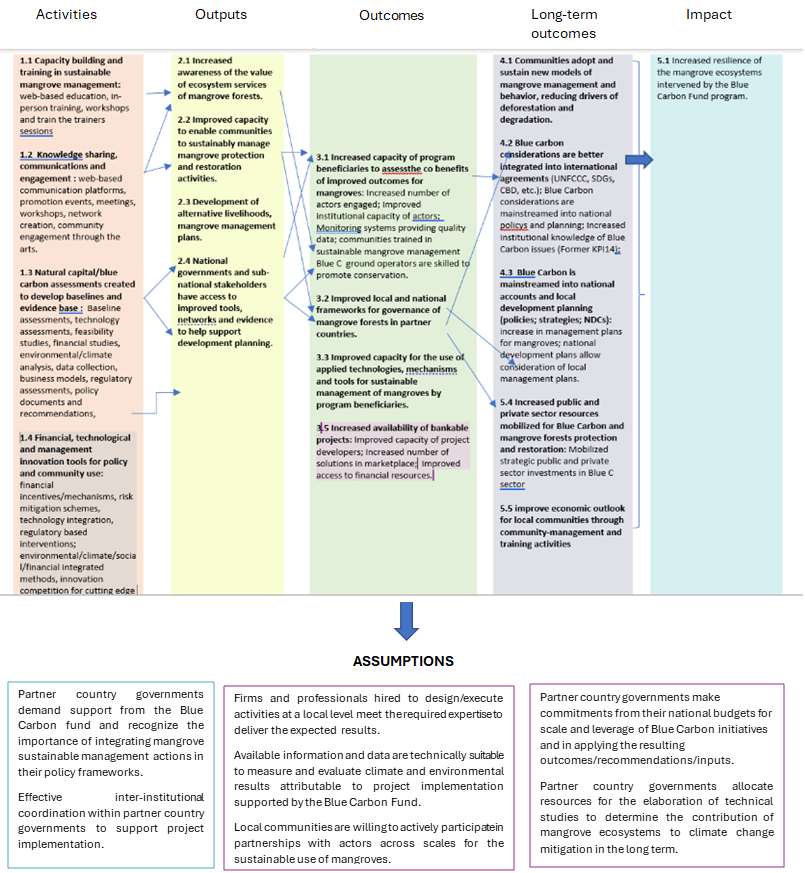
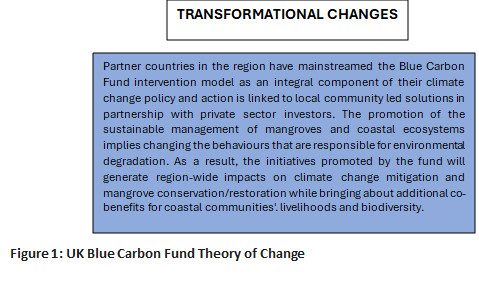
**B1. Summarise the programme’s** [**theory of change**](https://defra.sharepoint.com/:b:/t/Team569/EYKsnu69tPRGn-MDZaT7oTwBubyk9q4_JSeyjlktmKmhhg?e=qALZ5m)**, including any changes to outcome and impact indicators from the original business case.**

The IDB initially developed a Theory of Change (ToC) in 2022 as a prerequisite for removing the programme from the special measures designed to address poor performance. During the Programme Review in 2023, the ToC underwent revisions. Minor adjustments were also made to the language to better reflect the current programme delivery. From that point forward, the updated version of the Theory of Change has been in use (Figure 1).

The overall impact of the programme is increased resilience of mangrove ecosystems at UKBCF project sites. Resilience is built through activities that range from assessments of blue carbon that exist in these ecosystems, to building capacity within communities to integrate sustainable management. Ultimately these work towards outcomes that broadly both support livelihoods within local communities and positive environmental outcomes through improved management, the mainstreaming of blue carbon considerations into development planning and mobilising additional finance.

It is important to note that some points within the ToC currently lack connecting arrows. This is due to some projects within the programme – such as in Suriname – not being underway at the time of design of the Theory of Change. Once these projects are fully operational and delivering against designated outputs and outcomes, the Theory of Change will be updated. Further work is also required on the development of the ToC, to ensure that poverty reduction is sufficiently captured as a key outcome of the programme.

Since being operational, the UKBCF programme has had a focus on governance, project indicators and programme reporting. However, the programme has not effectively been able to translate project, (or output) level results against overall programme outcome and impact indicators. Reviews of the programme identified weaknesses in how the logframe was designed. These reviews indicated that issues lay with how the project level results were being aggregated, rather than with the performance and delivery of the projects themselves. This led to the reworking of the logframe in 2023 to rectify this issue.



**Figure 1**: UK Blue Carbon Fund Theory of Change

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

In this Annual Review, the output indicator scoring shows that when measured against the new logframe, most of the targets have either been met or exceeded, with just two output indicators (1.1 and 2.2) underperforming against their targets. Therefore, the areas where the programme needs to look to improve are not necessarily directly connected to the output indicators but are captured in the recommendations from this review (section A3) and in the recommendations that were generated as part of the [2023 Programme Review](https://devflow.northeurope.cloudapp.azure.com/files/documents/UK-BCF-Programme-Review-(Redacted)-20241202021257.pdf). These areas will be the focus of the year ahead and will be assessed in the 2024 Annual Review.

For outcome indicators, in 2023 the only indicator that contained targets for the year was outcome 2.2 ("*number of government, private sector and nonprofit organisations with an improved awareness in blue carbon*”). The Panama and MRV projects, while targeting organisations for 2023, were delayed in meeting these targets and expect to reach them in 2024. The Colombia project did show progress against this outcome through its work to establish a sustainable finance initiative made up of public and private organisations, aimed at supporting activities that benefit local mangrove ecosystems. These organisations included the District Mayor's Office of Barranquilla, universities, and NGOs. In Jamaica, the project at South Clarendon also progressed against this outcome. During the year, three local private sector organisations agreed partnerships with the project. Their investment will support the ongoing mangrove restoration work in South Clarendon, where to date 620 hectares of mangrove habitats have been restored.

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

Since 2019 the UKBCF has been supporting blue carbon habitats and local communities that depend on them. During 2023, output indicator results show that the programme is largely meeting the targets as defined in the logframe, and that activities are therefore supporting overall objectives. While outcome and impact data remain limited at this stage, more of this is expected as individual projects develop.

Additionally, there is high strategic value to working with and through IDB. Their knowledge and experience of working in the Latin America and Caribbean region provides a strong foundation and thematically, the programme also plays an important role in delivering against blue carbon policy priorities for the UK. Continuing until March 2026 allows Defra to maximise its initial investment,

Given continued wider performance issues, the decision was made in 2024 not to extend the programme beyond March 2026 when the current projects and promissory note are set to expire. There continues to be significant learning we can harness from the programme before it closes, and we are working with IDB on this as a priority, as well as ensuring a responsible transition is in place for communities before projects close.

## C. DETAILED OUTPUT SCORING

For more information on the refreshed logframe please refer to the [UKBCF Programme Review](https://devflow.northeurope.cloudapp.azure.com/files/documents/UK-BCF-Programme-Review-(Redacted)-20241202021257.pdf).

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| **Output Title** | Assistance provided to improve the flow of ecosystem services of mangrove forests in targeted countries | | | |
| Output number: | | 1 | Output Score: | ***A*** |
| Impact weighting (%): | | 40% | Weighting revised since last AR? | No |

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| **Output Indicator** | | **Progress** |
| 1.1 | Number of project sites (#) with an estimated blue carbon baseline scenario | **Under Target**  Target – 4  Achieved - 3 |
| 1.2 | Number of physical and biological assessments (#) of targeted areas produced | **Exceeded**  Target – 2  Achieved - 3 |
| 1.3 | Number of restoration/conservation management plans developed, adopted and implemented (#) | **Exceeded**  Target – 1  Achieved - 2 |

**C1. Briefly describe the output’s activities, and provide supporting narrative for the score.**

* 1. This output is focussed on activities that provide information on the quantity of carbon stored within a given ecosystem. Having this information is key for establishing effective management plans for these environments, as well as ensuring a reliable baseline is in place for understanding the impact of future restoration and conservation activities.

2023 was the first year with planned targets for this output indicator. The Panama, Colombia and Jamaica projects planned to start reporting on this output, however only the Colombia and Jamaica projects reported progress with blue carbon baselines completed in Caimanera & Guacamayas as well as South Clarendon. While progress was made at Panama’s Parita Bay, their completion with regards to this output will now be later than planned, resulting in this output indicator being below target for 2023.

* 1. This output encompasses activities to assess the biological status of target habitats that the UKBCF is aiming to restore and protect. Gaining this knowledge is essential when defining the management and governance approach to conserving these areas.

In 2023, three assessments were conducted; two had been planned for, both in Panama, however an additional assessment was also conducted in Colombia. This centred on a zoning study that was conducted which identified property owners, economic activities, stakeholders and the quality of the mangrove areas, among other features, in the areas of Caimanera and Guacamayas.

In 2022 this output indicator was under-target, with just one assessment achieved rather than the planned two, so the additional 2023 assessment is likely to have been delayed from the previous year. Overall, since 2020, this output indicator remains under target. By 2023, nine assessments were targeted cumulatively. As of the end of 2023, five had been achieved.

A novel way being used to carry out these assessments is being undertaken in Panama, where a “Birds as Indicators of Carbon and Ecosystem Health (BICEH)” research project is being carried out. The status and health of bird populations in the area will be used as an indicator for the condition of mangrove ecosystems. During 2023 this project continued to progress, with the field and data analysis work plan being developed, and additionally the mangrove condition and risk board database were completed.

* 1. This output measures the number of management and/or conservation plans that are designed and implemented within UKBCF projects. Effectively implemented management plans are key for providing structured and sustainable governance of an environment that benefits both ecosystems and local communities.

This output indicator substantially overperformed in 2022, with six management plans being developed, adopted and implemented in Panama, Colombia and Jamaica, ahead of the target of one. In 2023 the indicator was slightly exceeded. The target of completing one management plan in Colombia was met, and in addition a further plan was also completed in Jamaica.

In Colombia the action plan to restore and recover the environmental value of the Ciénaga de Mallorquín was developed by Ecoversa, and had a participation process including communities, local institutions and authorities.

In Jamaica implementation of restoration works commenced in mangrove area 2 whilst detailed engineering surveys were conducted in mangrove areas 1 to 4.

Overall, positive strides continue to be made to improve the flow of ecosystem services of mangrove forests in Panama, Colombia, and Jamaica. This progress paves the way for the project to achieve its goals of establishing baselines and implementing management plans for blue carbon conservation. Additionally, Suriname is due to begin reporting on output indicators 1.2 and 1.3 in 2024 and then 1.1 in 2025.

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

The logframe was substantially reworked in 2022 in advance of the 2022 AR and no further changes have been made between the 2022 review and this review. There are also currently no plans to make any additional changes to this output, or any of the output indicators between this AR and the next one, especially as the programme now looks to gather evidence and conclude by March 2026.

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

The recommendations included in the 2022 Annual Review do not specifically address this output and are captured in detail as part of section A3 (above).

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| **Output Title** | Capacity building to enable communities to fully realize the co-benefits of improved outcomes in mangrove protection. | | | |
| Output number: | | 2 | Output Score: | ***A*** |
| Impact weighting (%): | | 20% | Weighting revised since last AR? | No |

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| **Output Indicator** | | **Progress** |
| 2.1 | Number of people (#) trained in sustainable use of mangrove resources. | **Exceeded**  Target – 130  Achieved – 376 (Male: 217 / Female: 159) |
| 2.2 | Number of community-based projects for the protection of mangroves implemented (#) | **Under Target**  Target – 2  Achieved - 0 |
| 2.3 | Number of sites where a community resource monitoring protocol is in place | **Exceeded**  Target – 0  Achieved – 1 |

**C1. Briefly describe the output’s activities, and provide supporting narrative for the score.**

* 1. This output tracks the number of individuals trained in the sustainable use of mangrove resources as a result of UKBCF-funded projects.

For the second year in a row this output indicator was substantially exceeded, with 376 people (217 male and 159 female) trained in the sustainable use of mangrove resources, rather than the targeted 130. 263 of these were trained as part of the outreach activities conducted after the publication of the Parita Conservation Plan in Panama, including local authorities and other appropriate stakeholders. The additional 113 were in Jamaica as part of stakeholder engagement sessions on mangrove restoration. The target of 10 people being trained in Suriname in 2023 was not achieved.

* 1. No community-based projects for the protection of mangroves were implemented in 2023, underperforming the target of two, one of which had been planned for Panama and the other for Colombia.

The Panama based project – which focusses on the creation of a coalition of public and private organisations focused on mangrove conservation – will be completed in 2024. In Colombia, business models are being designed for community organisations which focus on the mangrove ecosystems. At the end of 2023 these were still in the design phase, with completion aimed for 2024.

* 1. Despite no new sites where a community resource monitoring protocol is in place being planned for 2023, one was delivered in Jamaica through a draft Monitoring and Evaluation Plan being developed, which includes a data collection strategy and risk assessment.

Overall, good progress toward Output 2 has been made, especially through output indicator 2.1 where the 376 people trained in Panama and Jamaica builds on 431 trained in 2022, however output indicator 2.2 is under target with no new community-based projects for the protection of mangroves being implemented in 2023. This will be a focus of the next review period.

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

The logframe was substantially reworked in 2022 in advance of the 2022 AR and no further changes have been made between the 2022 review and this review. There are also currently no plans to make any additional changes to this output, or any of the output indicators between this AR and the next one, especially as the programme now looks to gather evidence and conclude by March 2026.

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

The recommendations included in the 2022 Annual Review do not specifically address this output and are captured in detail as part of section A3 (above).

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Output Title** | Assistance provided to develop and improve local and national frameworks for governance of mangrove forests in partner countries | | | |
| Output number: | | 4 | Output Score: | ***A+*** |
| Impact weighting (%): | | 40% | Weighting revised since last AR? | No |

|  |  |  |
| --- | --- | --- |
| **Output Indicator** | | **Progress** |
| 4.1 | Number of policy, technological, financial and regulatory assessments undertaken through the program (#) | **Exceeded**  Target – 0  Achieved – 1 |
| 4.2 | Number of Knowledge Sharing platforms (#) established under the ICF program | **Exceeded**  Target – 5  Achieved – 9 |
| 4.3 | Number of knowledge products/ policy documents produced and shared (#) among Blue Carbon ground operators, enabling multi-stakeholder engagement. | **Exceeded**  Target – 17  Achieved – 54 |

**C1. Briefly describe the output’s activities, and provide supporting narrative for the score.**

* 1. This output measures the number of assessments undertaken on the mechanisms in place to effectively govern mangrove environments at each of the UKBCF project sites. This helps inform work to strengthen governance where needed.

In 2023 this output indicator was exceeded by one, with a financial sustainability mechanism related to the public-private partnership for the Ciénaga de Mallorquín being put in place in Colombia.

* 1. This output tracks the number of knowledge sharing platforms that were created within UKBCF funded projects to enable greater exchange of information around blue carbon. These could include websites or similar digital platforms, or in-person educational sessions such as technical workshops or conferences.

In 2023, nine knowledge sharing platforms were established under the programme, exceeding the target for the second year in a row. All of these were in Jamaica, with six stakeholder engagement workshops organised and two sensitization workshops on mangrove restoration conducted as part of the Jamaica project, with an additional training workshop being held as part of the regional MRV project in the form of a Blue Carbon technical training workshop.

* 1. This output tracks the number of products that have been created within UKBCF funded projects. Ranging from products focussed on new research to policy recommendations, these outputs support the governance of target environments.

In 2023 there was a target of producing and sharing 17 knowledge products and policy documents among Blue Carbon ground operators. This was significantly exceeded for the second year in a row, with 54 being achieved.

This was largely due to the finalised communication plan in Panama, with a calendar produced with all communication activities and potential events and opportunities to foster engagement with the public and ensure maximum visibility of events. Additionally, workshops took place in Panama, with five workshops held to socialise the results of the blue carbon stock study with previously engaged stakeholders and other relevant actors, especially government and local entities and eight workshops developed by Audobon to socialise the information obtained from the Science Team, ESSA Technologies, and Bay of Parita Conservation Plan.

The governance model for a public-private partnership to implement the activities to restore and improve the Ciénaga de Mallorquín ecosystem was also produced in Colombia.

Overall, significant progress in assessments, knowledge sharing, and policy development in Panama, Colombia and Jamaica has been made, however targets set for the MRV and Suriname have not been met for 2023.

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

The logframe was substantially reworked in 2022 in advance of the 2022 AR and no further changes have been made between the 2022 review and this review. There are also currently no plans to make any additional changes to this output, or any of the output indicators between this AR and the next one, especially as the programme now looks to gather evidence and conclude by March 2026.

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

The recommendations included in the 2022 Annual Review do not specifically address this output and are captured in detail as part of section A3 (above).

**D: RISK**

**Overview of risk management**

The key risks and associated mitigation measures that the Programme identified in 2023 are listed in the table below. It should be noted that the table below outlines risks mitigation measures being put in place, and therefore the current live risk ratings may be different to those shown. In some instances, risks have developed into issues, and details of these have also been outlined below. Mitigation measures range from a revision of the programme’s governance structures and processes to the coordination of risk workshops and improved MEL frameworks. All mitigating measures have been raised and discussed with IDB over the course of 2023, with some risks and issues carried over to address/maintain actions on for 2024. These are included in the recommendations in Section A.

Despite the mitigation measures, some of the risks escalated into issues during the course of the year. For example:

* **Project delivery:** Severe delays to project delivery were experienced in part due to the impact of the programme review and pause in approvals for new components. The impacts of this became clearer in 2024.
* **Communication of risk from IDB to Defra:** Project level risks were not always effectively being escalated and communicated to Defra. A formal risk register was introduced to better communicate risk status, and work began to increase awareness of expectations around risk management with delivery partners through a risk workshop held Q1 24/25 (this work will be covered in more detail within the next annual review).

As a result of these issues and the delay to initiation of pipelined projects, the programme overall may struggle to demonstrate impact against its intended outcomes in the 2024 AR and at the time of the programme closing. Included in the recommendations for 2024 therefore, is an action for IDB and Defra to compare the timelines for the programme and expected end dates of pipelined projects and evaluate the VfM of investing remaining funds into new projects or live ones

***Probability*** (or likelihood) and **impact** is based on a scale of very low > low > medium > high > very high.

***Risk Rating*** is based on the Red Amber Green (RAG) system.

Overview of top UKBCF risks in 2023

| Risk | Likelihood | Impact | Inherent risk | Mitigation | Residual  risk |
| --- | --- | --- | --- | --- | --- |
| A risk that minimum ODA standards on Gender Equality and Social Inclusion (GESI) are not met due to not being prominent enough in project design and delivery. | High | High | High | While the programme is currently listed as ‘GESI unaware’, a number of mitigations have been put in place to address this and these are outlined in Section F, namely within the GESI action plan. For example, positive outcomes for GESI will be tracked and reported through the IDB annual report. The IDB and Defra also agreed to enhance the accessibility of the logframe and review indicators to better highlight contribution to GESI. Given the impacts of the mitigations put in place to address this risk will mostly begin to be seen in 2024, the residual risk for 2023 continues to be high. We expect to see this reduce throughout 2024 as these mitigations are embedded. | High |
| Project level risks are not always tracked and escalated early enough by IDB. | High | High | High | Work with IDB to ensure proactive risk management. A formal risk register will be used to communicate risk status, mitigating actions and ongoing issues. This will increase transparency between donor and programme manager on how delays to project delivery are being dealt with appropriately and timely. A key step in progressing this mitigation will be carrying out a risk workshop with Defra’s ODA hub and IDB to increase awareness of what is needed and formalise processes. | Medium |
| Delays to implementation of approved projects may cause the programme to miss targets, underspend, and/or be unable to deliver expected results over the lifetime of the programme. | Medium | High | High | Defra and IDB ensure regular communication during project implementation and monitor timelines closely. There will also be focused work to ensure processes are streamlined where possible and projects are given the necessary support promptly deliver. Project progress and any risks will be monitored and discussed regularly by Defra and IDB. Action agreed for 2024 to revaluate spend options in the pipeline. | Medium |
| Inadequate M&E framework meaning that outcomes cannot be effectively measured, and the project cannot report effectively against KPIs and establish value for money. | High | High | High | A new MEL framework, including revised logframe, has now been developed. This will be reviewed going forward as part of project reporting. Defra continues to provide guidance and feedback to ensure products and indicator methodologies align with changing ICF requirements. | Medium |

**E: PROGRAMME MANAGEMENT:** **DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE**

**E1. Summarise the performance of partners and Defra, notably on commercial and financial issues.**

The 2022 Annual Review highlighted challenges between the IDB and Defra regarding their respective views on risk management and scale of severity of risks and issues. Although cooperation and collaboration had improved through joint working at a technical level, there were still challenges with communication across the delivery chain.

In 2022, extensive joint work took place to develop an appropriate logframe. The previous logframe that had been in place since the start of the programme was deemed to not be effective or fit-for-purpose, as it did not accurately reflect the deliverables of the programme, and did not bring the projects together in a way that Defra would be able to determine progress and performance, or adequately assess risks to the investment, environmental outcomes, or value for money (VfM). The ineffectiveness of the logframe was thought to be a large part of the reason for the programme underperforming in previous years and being graded no higher than a ‘B’ since the 2019/2020 Annual Review.

However, despite these substantial improvements to the logframe, the 2022 AR still only achieved a ‘B’, with the programme considered to be underperforming based on the lack of progress recorded against previous recommendations, programme output indicators and delays in project delivery. The 2023 Programme Review more thoroughly outlines reasons for this underperformance.

Due to both the 2022 and 2023 Annual Reviews being published behind schedule, and therefore in quick succession, this lack of progress recorded against previous recommendations as published in the last AR is likely to continue to be an issue, however as demonstrated in section C, there have been improvements to the delivery of programme output indicators, with fewer (two) under-performing, and several exceeding their targets as the programme catches up on missed targets from 2022.

The IDB and Defra also continue to work together to address the areas for improvement that were recommended as part of the 2023 Programme Review.

**Paris Alignment**

UKBCF aligns with the Paris Agreement and delivers high positive impacts for the climate, nature, and biodiversity by providing financing and capacity building to developing countries to mitigate climate change, strengthen resilience and enhance abilities to adapt to climate impacts. **E2. Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year**

A key aim of refreshing the programme logframe (already described) was to ensure project-level indicators could clearly inform programme-level impact, output and outcome indicators. For this review period, there was minimal outcome and impact data available in the logframe, including for several key outcome indicators such as “total area of mangrove forest (ha) where deforestation and degradation has been avoided or restored” (Impact Indicator 1; ICF KPI 8)” and “GHG emissions (MtCO2eq) avoided or reduced at UKBCF sites” (Impact Indicator 2; ICF KPI 6)”. Therefore, this VfM analysis is structured around qualitative assessments of the 4 E’s: economy, efficiency, effectiveness, and equity.

## Business Case VfM modelling

The UKBCF Full Business Case (2018) contained a Benefit-Cost Ratio (BCR) analysis, based on three of the indicative eight projects proposed. The analysis included the following monetised benefits:

* Greenhouse gas emissions sequestered or avoided
* Non-carbon ecosystem services
  + Coastal protection
  + Food provision

The following un-monetised benefits were also considered:

* Additional ecosystem services beyond coastal protection and food provision
* Impact of additional jobs on the local economy

The monetised benefits were then compared against a series of monetised costs, to produce the Benefit-Cost Ratio. These costs were:

* Investment costs
* Leveraging costs
* Management costs
* Staffing costs
* Opportunity cost of foregone investments
* Leakage (deforestation relocated to other areas)

The business case appraisal produced a BCR estimate of 11.5, with a Net Present Value (NPV) of £198.8m. Following the new Defra Value for Money (VfM) framework, this represents a “Very High” VfM.

As with previous Annual Reviews, we have been unable to test the monetary benefits achieved by the programme to date. This is because more impact data is required for a full VfM analysis. Only one site (Jamaica) has reported data against Impact Indicator 1: “Total area of mangrove forest (ha) where deforestation and degradation has been avoided or restored”. No data was reported against Impact Indicator 2: “GHG emissions (MtCO2eq) avoided or reduced at UKBCF sites”. Noted that this remains in line with the logframe target, with Jamaica the only project expected to report on Impact Indicator 1 up until 2024, and Impact Indicator 2 expected to receive reporting data in 2025.

Results against these indicators will ultimately form the basis of a comprehensive BCR analysis, as they will allow us to estimate the monetary benefits associated with carbon emissions and ecosystem services as in the Full Business Case.

Given the conclusions from this Review and the 4 Es Assessment below, it does not currently look likely that the programme will achieve a BCR as high as 11.5. Especially as Jamaica is currently reporting below the target for Impact Indicator 1. However, as noted above, it is not possible to reach a conclusion on this without more complete impact data, and it is still possible that a reasonable BCR is achieved.

## Economy

Economy asks whether the programme’s inputs are being purchased at a fair price. The IDB has its own internal procurement policies and procedures, which can be found online. A report by the IDB’s management on the effectiveness of internal controls and procedures over finance reporting found these processes to be effective, as of December 2022.

The UKBCF has established processes to ensure these policies are being adhered to for the programme. There is a channel of communication between Defra and the IBD on financing, through quarterly informal and verbal updates, and Defra receives an annual externally audited report for the programme.

This communication ensures checks on spending are in place; for example, the IDB must obtain approval from Defra before funding is withdrawn, meaning the programme cannot spend more than intended in the business case. Likewise, to ensure funding is not withdrawn without need, Defra monitor whether disbursement aligns with the schedule. Additionally, the IDB minimises project-level costs through in-country expertise and existing delivery frameworks. It also provides budget breakdowns at project conception.

Although the programme’s inputs seem to deliver good economy, the spend profile of the project is lower than expected. According to the IDB’s own Annual Review, by the end 2023 the programme’s total spend is $3.7 million. This is only 35% of the program's $10.5 million budget. This has increased since the 2022 Annual Review, but only by 4%. In 2023 the Fund approved one project for a total of $1.5 million, however none of this has been disbursed yet. Therefore, there is no evidence of overspending; on the contrary a year after the programme’s halfway point, spending is less than half and has not increased proportionally. This is likely due to the impact of the pause on project level approvals whilst the programme was in performance measures. As per the recommendations in Section A3, Defra are proposing discussion with IDB and EAs in 2024 on options for handling underspend and delays to the pipelined projects.

## Efficiency

Efficiency assesses the process by which the programme’s inputs are being translated into expected outputs. In some aspects, UKBCF has displayed reasonable efficiency. For example, on average, Technical Cooperations (TCs) funded by UKBCF are approved in less time than IDB’s average. The average time for approval of UKBCF TCs is 3.62 months, while the Bank average is 4.13 months.

## Effectiveness

Effectiveness measures whether the programme’s outputs are achieving intended outcomes and impacts, which are: the removal of greenhouse gas emissions, the mangrove area conserved and restored, the mangrove area under sustainable management, and the number of organisations with improved blue carbon awareness.

The IDB AR describes progress towards output 1 (ecosystem management), output 2 (community management) and output 4 (knowledge development and sensitization), using qualitative examples from selective countries. Although some are in their early stages e.g., output 1.3 (number of restoration/ conservation management plans development, adopted and implemented), plans are developing as intended so UKBCF remains on track to deliver outputs.

It is important to consider this VfM section in the context of the October 2023 UKBCF Programme Review, conducted by Defra, and its list of recommendations. One of these recommendations was to test the programme level logframe to ensure it is fit for new projects in the future. However, there is still limited data in the updated 2024 logframe. In particular, there is minimal data for “Total area of mangrove forest (ha) where deforestation and degradation has been avoided or restored” (Impact Indicator 1; ICF KPI 8), no data reported for “GHG emissions (MtCO2eq) avoided or reduced at UKBCF sites” (Impact Indicator 2; ICF KPI 6) and minimal data for “Hectares (ha) of mangrove forest under sustainable management as a result of UKBCF support” (Outcome Indicator 1.1; ICF KPI 17). The lack of reported outcomes in the refreshed logframe means that the programme’s effectiveness is difficult to substantiate, as it is unclear what is being achieved, how quickly and to what degree.

Some of this missing data is expected, as not every country is reporting on every indicator, for example, only Colombia has a target for Impact Indicator 2. Where data is missing from countries with targets towards indicators, such as Impact Indicator 1, this may be because of a lack of reporting by specific projects. There is some data available for Impact Indicator 1 which demonstrates reasonable progress towards targets; in Jamaica approximately 620 hectares of mangrove area show new growth. However, this is below the 990-hectare target in the logframe.

The IDB provides Colombia as a case study example for the programme’s effectiveness. At the time of this AR, more than ten public, private and academic entities have joined forces through the execution of the stakeholder engagement strategy. These entities, such as the District Mayor’s Office of Barranquilla, are utilizing in-kind human resources and training to carry out activities proposed in the communications strategy. As at the time of writing however, there is no evidence of these activities translating into intended outcomes and impacts, such as increasing the capacity of communities to measure benefits to mangroves, or whether, for example, such communication and stakeholder engagement is moving toward improved local and national frameworks for the governance of mangroves. In the future, these case studies should be followed up to ensure they are examples of good effectiveness.

The lack of data in the logframe does not provide a full picture of the programme’s effectiveness. For instance, during a site visit to Jamaica in 2023, EAs communicated to Defra officials that the projects were on track and being delivered to timelines. The challenges were instead linked to issues with governance, reporting and data analysis at the programme level, rather than ineffective project delivery at the country level.

Overall, the programme’s effectiveness is unclear, due to a lack of results data, though this doesn’t necessarily reflect results on the ground. Notably, Jamaica is the only project reporting outcomes and impacts, though it remains below target. However, significant gaps remain in the 2023 data, with some countries either not expected to report on indicators or having yet to do so. In response to discussions during the Programme Review on the logframe and reporting, IDB has taken steps to develop a more effective and efficient project reporting tool. If successfully implemented across the programme, this tool will enhance the ability to demonstrate project-level effectiveness more clearly.

## Equity

Equity considers whether the programme spend sufficiently reaches various groups and reflects efforts to address gender, diversity and social inclusion challenges, and whether the programme contributes to poverty reduction.

Thus far the UKBCF has not reported on GESI. The programme now has a GESI action plan. This arose from feedback in the 2022 annual review and Defra will appraise more fully how the feedback has been implemented in the 2024 AR. An example of how UKBCF plans to monitor success against future GESI outcomes in the future is the disaggregation of Output Indicator 2.1 in the logframe (Number of people trained in sustainable use of mangrove resources) by gender for each reporting country.

## Summary

In conclusion, due to the availability of information, the UKBCF’s VfM is unclear, and where information is available, the results are mixed. The programme displays good economy, as inputs are seemingly purchased at a fair price, however an area of concern is the programme’s underspend and how this may be managed as the programme nears completion.

Whilst the programme’s output indicators show good progress so far, the inconsistent communication across the delivery chain has negatively impacted UKBCF’s efficiency as actions and feedback have been slower to implement than they could have been.

|  |  |  |  |
| --- | --- | --- | --- |
| Date of last narrative financial report | 01/03/2024 | Date of last audited annual statement | 31/12/2022 |

**F: GENDER EQUALITY AND SOCIAL INCLUSION ACTION PLAN**

The UKBCF programme needs greater emphasis on GESI and to measure the impact of the projects on GESI.

Defra has worked with IDB to draft the first outline of steps required to develop a GESI Action Plan that will support greater equity and social inclusion within the programme.

See below for more detail:

**Recommendation 1: Conduct a Thorough GESI Analysis**

**Objective:** Identify how the UK Blue Carbon Fund considers gender equality and social inclusion in its design, implementation, and monitoring.

**Actions:**

* **Review projects:** Conduct a comprehensive review of existing UK Blue Carbon Fund documents, policies, and procedures to assess how GESI considerations are addressed.
* **Stakeholder Consultations:** Organise consultations with a diverse range of stakeholders, including women's groups, indigenous communities, and local communities dependent on blue carbon ecosystems, to understand their needs, priorities, and potential participation in the Fund. This will build on consultations already undertaken which have sought and analysed the views of these stakeholder groups.
* **Data Collection and Analysis:** Collect sex-disaggregated data on beneficiaries, decision-makers, and project activities to identify potential inequalities and areas for improvement.
* **Develop a GESI Framework:** Based on the findings from the review, consultations, and data analysis, develop a GESI framework that outlines principles, indicators, and targets for integrating GESI considerations into the Fund.

**Recommendation 2: Conduct an Analysis of Climate Change, Environment, Gender Equality, and Population Dynamics**

**Objective:** Assess the links between climate change, environmental degradation, gender equality, and population dynamics within the context of the UKBCFs objectives.

**Actions:**

* **Risk Analysis:** Conduct a risk analysis that considers how climate change and environmental degradation can disproportionately impact women and marginalised groups who depend on blue carbon ecosystems for their livelihoods and well-being.
* **Gender Analysis:** Analyse how the Fund's activities can empower women and promote gender equality in decision-making processes related to blue carbon conservation and management.
* **Population Dynamics Analysis:** Assess how population growth and demographic shifts can affect the sustainability of blue carbon ecosystems and consider the specific needs of women and vulnerable groups within these dynamics.
* **Develop Safeguarding Measures:** Based on the risk analysis, develop and implement safeguarding measures to mitigate potential negative impacts on women and marginalised groups.

**Recommendation 3: Review Monitoring, Evaluation, and Learning (MEL) from a GESI Perspective**

**Objective:** Ensure that the UK BCF's MEL system effectively captures and analyses data on gender equality and social inclusion.

**Actions:**

* **Review MEL indicators:** Review existing MEL indicators to ensure they adequately capture data on beneficiaries disaggregated by sex and include indicators that measure progress towards gender equality and social inclusion objectives.
* **Develop GESI-responsive data collection tools:** Develop or adapt data collection tools to collect sex-disaggregated data and information on how the Fund's activities are impacting women and marginalized groups.
* **Capacity Building:** Provide training and capacity building for MEL officers and project staff on integrating GESI considerations into data collection, analysis, and reporting.
* **Disaggregated Reporting:** Develop a system for reporting on the Fund's performance from a GESI perspective, including disaggregated data on how the Fund is benefiting women and marginalised groups.

**Additional Considerations**

* **Stakeholder Engagement:** Regularly engage with stakeholders throughout the implementation of the Action Plan to ensure their continued participation and feedback.
* **Capacity Building:** Provide training and capacity building for Fund staff and partners on GESI concepts, tools, and best practices.
* **Resource Allocation:** Allocate adequate resources for implementing the GESI Action Plan, including staffing, budget, and technical expertise.

This GESI Action Plan provides a starting point for integrating gender equality and social inclusion considerations into the UKBCF. The plan should be reviewed and updated periodically to reflect the evolving context and best practices in GESI integration.

**G: PREVENTING SEXUAL EXPLOITATION, ABUSE AND HARASSMENT (PSEAH) ACTION PLAN**

To ensure the UKBCF programme is implemented in line with the highest PSEAH standards, it is critical that the programme aligns with SEAH policies in compliance with Defra standards as outlined below.

IDB's Environmental and Social Policy Framework (ESPF) creates a framework for borrowers to assess risks for SEA and takes steps to enhance compliance. Defra and IDB are working on a PSEAH Action plan to ensure the UKBCF programme meets expected Defra standards.

To start this process, Defra developed an outline of a SEAH Action Plan; however, as with the 2022 AR, this review is retrospective therefore the IDB will feed into the Plan during 2024 (time of writing this AR), with the expectation to start implementing as soon as possible.

In 2024, Defra will review implementation of the SEAH action plan against expected standards, including related to the confidential reporting of safeguarding investigations and incidents.

**1. Alignment with Defra Standards.**

This plan focuses on the safeguarding pillar, specifically addressing the six areas outlined in Defra's SEAH safeguarding guidance:

1. Policy and procedures
2. Risk assessment and management
3. Staffing and capacity
4. Reporting and accountability
5. Safeguarding culture
6. Monitoring and evaluation

**2.  Due Diligence**

* Ensure IDB practices follow Defra's SEAH safeguarding standards.
* Conduct due diligence assessments on IDB, evaluate their SEAH safeguarding policies, procedures, and capabilities.

**3. Capacity Building and Support**

* Provide capacity building opportunities for UKBCF partners to strengthen their SEAH safeguarding frameworks.
* Share best practices and resources on SEAH prevention, reporting, and response mechanisms.
* Collaborate with partners to develop and implement context-specific SEAH safeguarding plans for individual projects.

**4. Grievance Redress Mechanism**

* Establish a clear and accessible grievance redress mechanism for reporting SEAH incidents.
* Ensure anonymity and confidentiality for individuals reporting SEAH concerns.
* Develop a transparent process for investigating and addressing reported incidents.
* Establish a Code of Conduct that aligns with Defra’s International Code of Conduct.

**5. Monitoring and Evaluation**

* Regularly monitor and evaluate the effectiveness of UKBCF's SEAH safeguarding measures.
* Conduct periodic reviews of partner safeguarding practices and project implementation.
* Utilise monitoring findings to identify areas for improvement and adapt the SEAH Action Plan accordingly.

**6. Training and Awareness**

* Include SEAH safeguarding considerations in training programmes for partner staff and beneficiaries.
* Promote a culture of open communication and zero tolerance for SEAH within the UKBCF and its downstream partner network.

**ANNEX A: LOGICAL FRAMEWORK**

### UKBCF Logframe 2024

[**See an overview of the UK Blue Carbon Fund logframe up to 2024 by clicking here**](https://iatipublisher-prod.s3.amazonaws.com/document-link/414/2024_UKBCF_Logframe_Summary%20-%20for%20publication1751973027.xlsx)