

<b>Title:</b> PROBLUE		
<b>Programme Value £ (full life):</b> £25,000,000		<b>Review date:</b> January 2024
<b>Programme Code:</b> BPFPROB	<b>Start date:</b> November 2021	<b>End date:</b> March 2026

### Summary of Programme Performance

Year	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26
Overall Output Score	A	A			
Risk Rating	Med	Med			

DevTracker Link to Business Case:	<a href="#">Here</a>
DevTracker Link to results framework:	

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## Abbreviations

<b>Acronym</b>	<b>Spelled out</b>
<b>BC</b>	Business case
<b>BETF</b>	Bank-Executed Trust Fund
<b>BPF</b>	Blue Planet Fund
<b>CMAR</b>	Corredor Marino del Pacífico Este Tropical
<b>Defra</b>	Department for Environment, Food and Rural Affairs
<b>FY</b>	Financial Year
<b>GPS</b>	Global Programme on Sustainability
<b>HMG</b>	His Majesty's Government
<b>ICF</b>	International Climate Finance
<b>KMGBF</b>	Kunming-Montréal Global Biodiversity Framework
<b>KPI</b>	Key Performance Indicator
<b>LDCs</b>	Least Developed Countries
<b>Logframe</b>	Logical Framework
<b>M&amp;E</b>	Monitoring and evaluation
<b>MDB</b>	Multilateral Development Bank
<b>MFD</b>	Maximising Finance for Development
<b>MPA</b>	Marine Protected Area
<b>MTR</b>	Mid-Term Review
<b>ODA</b>	Official Development Assistance
<b>PMO</b>	Project Management Office
<b>RAG</b>	Red, amber, green (risk)
<b>RETF</b>	Recipient-Executed Trust Fund
<b>SEAH</b>	Sexual exploitation and abuse and sexual harassment
<b>SDG</b>	Sustainable Development Goal
<b>SIDS</b>	Small Island Developing State(s)
<b>ToC</b>	Theory of Change
<b>UK</b>	United Kingdom
<b>VfM</b>	Value for Money
<b>WBG</b>	World Bank Group
<b>XWH</b>	Cross-Whitehall

## A. Summary and overview

### A1. Programme description

PROBLUE is the World Bank Group's (WBG) programme for mobilising blue finance towards sustainable ocean sectors and activities in developing countries, including Small Island Developing States (SIDS) and coastal Least Developed Countries (LDCs). 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 aims to do this by reducing the existing blue finance gap by creating the necessary enabling environment for public and private sectors to shift from unsustainable to sustainable marine economies.

The programme's overarching goal is to achieve integrated and sustainable economic development in a healthy ocean through four complementary pillars: **fisheries and aquaculture** (improving management to address overfishing and strengthen aquaculture sustainability), preventing and **managing marine pollution** (addressing threat of litter, plastics and other land-based pollution), **oceanic sectors** ('blueing' traditional and novel oceanic sectors to limit adverse impacts on ocean health) and **integrated seascape management** (making management of coastal and marine areas more sustainable and more integrated).

Across the four pillars, PROBLUE integrates cross-cutting themes of finance, gender, climate, poverty and livelihoods to strengthen their interventions and better respond to the multitude of challenges associated with taking sustainable ocean action.

The programme operates two delivery models: bank-executed trust funds (BETFs) which support the World Bank's programme, typically involving knowledge exchange, advisory services and technical assistance, and recipient-executed trust funds (RETFs) which are delivered by third-party recipients.

The UK has to date committed up to £37.5 million of which, at the time of writing, £22.75 million has been disbursed to the programme. Of this, **£14.75 million was disbursed in FY22/23**, which most closely aligns with the World Bank's financial year (**FY23 – July 2022 to June 2023**), the reporting period for this Annual Review.

### A2. Supporting narrative

PROBLUE disbursed **\$72.5m in FY23** with major progress made on the transition from foundation-setting through BETFs to bringing further recipient-executed projects online. This pivot towards RETF projects is supported by donors as the demand for such a mechanism is high and through RETFs, we envision greater country ownership and the realisation of a broader range of impacts. PROBLUE has also engaged strongly with the international blue economy landscape and is supporting countries to ready for the adoption of the World Trade Organisation (WTO) fish subsidies agreement, the Biodiversity Beyond National Jurisdiction (BBNJ) agreement, the International Maritime Organisation negotiations on decarbonising maritime shipping, and the Intergovernmental Negotiating Committee (INC) to develop an international legally binding instrument on plastic pollution.

Highlights from FY23 include:

- The publication of an independent mid-term review (KPMG, March 2023) that recognised the programme's relevance and efficacy in improving the enabling environment for the blue economy at national, regional and global levels;
- A record number of grants awarded - more than \$50 million in 47 countries;

- 97% of supported activities in FY23 included gender as a key theme, 95% contributing to climate change adaptation and/or mitigation, and 83% featuring a direct maximising finance for development (MFD) area of focus;
- PROBLUE representation at COP27 in Sharm-El-Sheik with an event focused on the Blue Economy for Resilient Africa Program (BE4RAP);
- The delivery of PROBLUE's first Global Engagement Forum in the margins of INC-2 on Abandoned, Lost or otherwise Discarded Fishing Gear (ALDFG);
- The launch of the PROBLUE Global Seaweed Market Report at Our Ocean Conference in Panama, demonstrating strong links to priority themes of food security and livelihoods.

**The programme has scored an A** against its output indicators because although the programme is consistently above target for several KPIs, this was expected based on the results and trajectory from Annual Review FY22. This analysis can be found in [Section C](#). Outcome scores were not included in the quantitative analysis but it is worth noting that most of the outcome indicators (see [B1.2.3](#)) are either on track or partially on track. We recognise the need to review the correct level of ambition for the targets going forward, which has been included as a recommendation of this AR.

### A3. Lessons learnt and recommendations

#### Lessons learnt

- Hosting donor-only sessions has helped foster good working relationships between donors and encourage open, productive discussions, leading to better cohesion and alignment on objectives.
- More frequent UK-World Bank Secretariat meetings during this Annual Review period, including one in-person meeting in Washington DC, have helped us make faster progress on crucial areas such as the Delivery Plan and M&E framework refresh, as well as to plan productive Partnership Council and technical meetings.
- The World Bank's internal delivery partner tool has proved invaluable for accessing basic project information at pace to share with interested parties across HMG. The limitation is the lack of detail associated with these projects in the database and not having an 'off-the-shelf' resource to gain rapid information on specific project activities, delivery partners etc. This information must be requested by Defra and can often be resource-intensive for World Bank colleagues to collate.

#### Recommendations

Relevant recommendations made in the previous AR are worth highlighting for continued consideration:

- i. [Recommendation for Defra and HMG] to optimise efficiency and delivery and synergies across UK-supported World Bank environmental trust funds such as PROGREEN and the Global Program on Sustainability (GPS). Further to this, harmonising SEAH approaches across HMG will ensure greater common understanding, standardisation, and guidance.
- ii. [Recommendation for Defra and HMG] to build on recommendations from the independent mid-term review to deliver greater impact through PROBLUE, with updates encouraged a year on as to how PROBLUE have addressed these recommendations.

Recommendations identified throughout this review are set out in *Table 1* below.

**Table 1**

	<b>Recommendation</b>	<b>For</b>	<b>Timing</b>
<b>1. Logframe, Theory of Change (ToC) and Monitoring &amp; Evaluation (M&amp;E)</b>			
<b>1a</b>	Following the completion of this Annual Review, we recommend that Defra’s programme management and M&E team revisit the existing logframe and ToC to identify improvements to make reflecting the autumn 2023 PROBLUE M&E framework refresh. We recommend updating the existing outcomes, outputs and indicators with the agreed revised wording, and assessing their continued compatibility with the ToC and suitability within the logframe. Indicators will be added, amended or removed on a case-by-case basis and discussed with PROBLUE, and the ToC refreshed to reflect updates in programme delivery.	Defra	Q1 FY24/25
<b>1b</b>	With reference to the number of indicators that have already exceeded their FY26 targets, we recommend that PROBLUE and Defra discuss the potential to raise ambition of these targets based on planned upcoming delivery and current trajectories. [Note: recommendation 1b from previous AR]	PROBLUE, Defra	Q1 FY24/25
<b>1c</b>	To better track progress against output indicators year-on-year, we recommend that PROBLUE and Defra consider creating annual targets for the Defra logframe output key performance indicators (KPIs). This will allow a more robust appraisal during the annual review process and clearer indication of output performance over time.	PROBLUE, Defra	Q1 FY24/25
<b>2. Communication of outcomes and impacts, including links between PROBLUE and poverty alleviation</b>			
<b>2a</b>	Further to UK input to the M&E refresh on the strengthening of PROBLUE’s poverty reduction narrative, we recommend more evidence-based reports on the impact of PROBLUE on GESI, poverty reduction and livelihoods, which would contribute to the global evidence base on the role of sustainable blue economies in reducing poverty. This should include a detailed assessment and evidence of PROBLUE GESI action in time for the next AR.	PROBLUE	Ongoing
<b>2b</b>	Success stories, activity updates and case studies should be centred around tangible outcomes and impacts, with particular focus on PROBLUE’s cross-cutting themes of gender and social inclusion, poverty reduction, climate change, MFD and fragility, conflict and violence (FCV).	PROBLUE	Ongoing

<b>3. Gender Equality and Social Inclusion (GESI) &amp; Sexual Exploitation and Abuse and Sexual Harassment (SEAH)</b>			
<b>3a</b>	Defra will develop and produce a GESI action plan for PROBLUE – as part of the Blue Planet Fund’s overarching commitment to GESI – and will socialise this with the World Bank and other PROBLUE donors.	Defra	By end Aug 2024
<b>3b</b>	Defra will conduct a SEAH risk assessment for the PROBLUE programme – as part of the Blue Planet Fund’s overarching commitment to SEAH risk management – in line with FCDO’s aim to develop a common approach to SEAH amongst International Financial Institutions (IFIs). We will socialise this with the World Bank and other PROBLUE donors with the aim of encouraging implementation of actions.	Defra	By end June 2024
<b>4. Risk management</b>			
<b>4a</b>	Work with PROBLUE to have more regular communication around risk management and earlier visibility on programme risks and issues as identified by PROBLUE.	PROBLUE, Defra	Ongoing
<b>5. Ways of working</b>			
<b>5a</b>	The collation of World Bank and donor information on engagement plans and participation in international events and fora to enable better and timelier join-up. This will allow for engagement to be accounted for in schedules and briefings, and prepared for in advance. [Note: recommendation 8 from previous AR]	PROBLUE, all donors	Ongoing
<b>5b</b>	Allow increased transparency for donors on project completion reports to improve activity information access, reducing commissioning burdens on PROBLUE when specific information is required.	PROBLUE	Q1 FY24/25
<b>5c</b>	Strengthen engagement with UK Post and BPF regional coordinators in regions of high and/or significant PROBLUE activity to gather more feedback from in-country stakeholders, expand Defra’s support offer and enable increased oversight.	Defra, Posts, PROBLUE	Ongoing

## B: Theory of Change and progress towards outcomes

### B1.1 Summary

This Annual Review marks the end of the second year of Blue Planet Fund support to PROBLUE, and the conclusion of the UK's first year as PROBLUE co-chair. This section will explore some of the key events, themes and activities during this reporting period and their contributions and linkages to achieving PROBLUE's outcomes and impacts. Theories of Change (ToC) are found in [B1.2.1](#) (PROBLUE's operational ToC) and [B1.2.2](#) (UK input into PROBLUE ToC) which demonstrate how outcomes and impacts are envisioned through programme delivery and UK support.

PROBLUE disbursed **\$72.5m in FY23** with major progress made on the transition from foundation-setting through BETFs to bringing further recipient-executed projects online. Funding to PROBLUE from all government donors is co-mingled and disbursed across PROBLUE's thematic pillars and geographies, meaning that a disaggregated view of how the UK's contribution has been spent is not possible. This approach is standard practice for multilateral mechanisms and risks are mitigated accordingly. Donors have the right to 'preference'<sup>1</sup> their funding for pillars or themes where their interest is strongest, and as explored below, the UK's role as co-chair and positive relationship with the PROBLUE Secretariat has benefited our visibility and influence as a donor.

#### **Poverty reduction impact**

The original PROBLUE business case (September 2021) sets out the case for poverty alleviation through PROBLUE through the consideration of cross-cutting issues woven throughout their work, and the inextricable links between poor coastal communities, lack of climate change resilience, exposure to environmental degradation, and developing blue economies. PROBLUE has stated their alignment with the World Bank's mission to end extreme poverty on a liveable planet. 80% of national-level funding approved during this period provided direct support to low-income countries (LICs) or Lower Middle-Income Countries (LMICs), of which seven countries also face situations of Fragility, Conflict, and Violence (FCV), increasing the need for strategic support to move towards economic and social sustainability.

Although we are cognisant of the many ways that PROBLUE's programming can be linked to poverty reduction (e.g. through alternative livelihoods, blue economic development, creating inclusive and effective policies, and sustainable seafood/aquaculture), we have noted limitations in the current M&E framework whereby poverty is not often brought out in explicit terms. The UK has taken this forward through the 2023 M&E framework refresh and will be included as a recommendation to continue to consider how poverty reduction can be reflected in PROBLUE's reporting and communication.

#### **Gender Equality and Social Inclusion (GESI) and Sexual Exploitation and Abuse and Sexual Harassment (SEAH)**

PROBLUE was classed as 'GESI sensitive'<sup>2</sup> in FY23. This scoring was determined through evidence that demonstrates gender mainstreaming in some aspects of programme design, for example M&E, but not in others, such as programme work plans. PROBLUE are taking significant steps to improve the consideration and analysis of GESI within the programme, including funding contributions to the global GESI knowledge base with the 2022 publication "Gender Integration in the Blue Economy Portfolio: Review of Experiences and Future

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<sup>1</sup> 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 able to be placed according to donor preference.

<sup>2</sup> GESI sensitive is the minimum acceptable standard of GESI awareness. The two succeeding classifications are 'GESI empowering' and 'GESI transformative'.



Opportunities”<sup>3</sup>. This assessment served to help PROBLUE teams improve gender integration into blue economy activity development, as well as demonstrate how World Bank projects have approached gender issues and the results achieved. Specific PROBLUE-supported projects, such as the West Africa Coastal Areas Management Programme (WACA), have produced technical papers on the nexus of women and mangroves in Ghana<sup>4</sup> and Guinea<sup>5</sup>, generating data to help strengthen the to better manage issues pertaining to the relationship between mangroves and women, and the livelihoods of communities dependent on mangrove products.

Acknowledging that addressing gender and other inequalities are critical for tackling poverty, Defra is strengthening its approach to and ambition on GESI and SEAH through its programming. Alongside this review - with timelines extending beyond - Defra will be conducting a GESI action plan through close consultation with PROBLUE to establish a roadmap to elevating the consideration of GESI throughout programme design, delivery and engagement. This action plan will be annexed to this annual review retrospectively. We support the existing work already being undertaken in this space which is referenced in more detail through the review, but includes action through the World Bank Group 2024-2030 Gender Strategy. This sets out a roadmap to accelerate gender equality to end poverty on a liveable planet focusing on three strategic objectives:

1. Ending gender-based violence
2. Expanding and enabling economic activities
3. Engaging women as leaders

As per recommendation 3b, we shall also conduct a SEAH safeguarding risk assessment for PROBLUE to assess gaps relating to SEAH across the Blue Planet Fund portfolio. The SEAH risk assessment has a target completion date of the end of June 2024.

### **Strength of programme evidence**

An independent internal mid-term review of PROBLUE was conducted by KPMG and finalised in FY23. This report found that despite its relative infancy, PROBLUE is a relevant and effective programme. There is some preliminary evidence to suggest that PROBLUE is improving the enabling environment at global, regional and national levels for action and positive impact relating to the blue economy. There is also evidence of PROBLUE’s influence within the World Bank to integrate the blue economy into wider WB operations and shift away from a more isolated focus on individual oceanic sectors.

We can infer from performance on outputs to date that PROBLUE is largely on track to achieve its outcomes. The ToC as set out in *B1.2.1* is a Defra team remodel of PROBLUE’s schematic which, although visually appealing, is less explicit in terms of its causal chain. We will revisit the Defra remodel of the ToC and our logframe following this review to test the continued relevance of the pathways, assumptions and evidence.

### **Bank-Executed Trust Funds (BETFs) and Recipient-Executed Trust Funds (RETFs)**

Until FY22, all PROBLUE projects were bank-executed trust funds which enabled substantial progress in building institutional and technical capacity on the blue economy and strengthening its knowledge foundation (e.g. the development of tools, proof of concept approaches etc). In FY22 3 RETFs were brought online, and a further 4 in FY23, responding to donors’ steer at the Partnership Council for PROBLUE to bolster its impact through increasing its funding share for RETFs. Examples of RETFs include Indonesia’s Oceans for Prosperity programme and Ghana’s West Africa Coastal Areas Management Programme (WACA).

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<sup>3</sup>

<https://documents1.worldbank.org/curated/en/099850010272272779/pdf/P1789110fe77140290a78e08167d14de111.pdf>

<sup>4</sup> [https://www.wacaprogram.org/sites/waca/files/knowdoc/Mangroves%20and%20Women\\_Ghana.pdf](https://www.wacaprogram.org/sites/waca/files/knowdoc/Mangroves%20and%20Women_Ghana.pdf)

<sup>5</sup>

[https://www.wacaprogram.org/sites/waca/files/knowdoc/Mangroves%20and%20Women\\_Guinea%20Conakry.pdf](https://www.wacaprogram.org/sites/waca/files/knowdoc/Mangroves%20and%20Women_Guinea%20Conakry.pdf)

### **Blue Economies for Resilient Africa Programme (BE4RAP)**

In FY23 Defra exercised its right to 'preference' its £10 million funding disbursement towards the World Bank's Blue Economy for Resilient Africa Programme (BE4RAP), launched in November 2022 and co-financed by PROBLUE. The programme works with Africa's coastal countries to leverage the opportunities and manage the risks inherent in growing their blue economies. PROBLUE contributed \$3 million to the \$13.5 million programme in FY23, which is less than the value 'preferenced' by the UK. The World Bank will continue to disburse funding beyond the limits of UK and WB financial years, through which support to the BE4RAP will continue.

PROBLUE was represented at COP27 (November 2022) with an event focused on the launch of the BE4RAP programme, which featured interventions and keynotes from partners and delegates from Egypt, Tanzania and Morocco. It will contribute to the following ToC outcomes:

- *PROBLUE partners use action roadmaps to inform policy decisions;*
- *PROBLUE partners are interested in developing integrated and sustainable healthy oceans;*
- *Countries supported in post-Covid 'blue' recovery and are better able to manage their marine resources sustainably;*
- *Livelihoods, biodiversity and climate change are at the centre of government policy-making.*

An update on BE4RAP will be included in the FY23/24 Annual Review following 18 months of delivery.

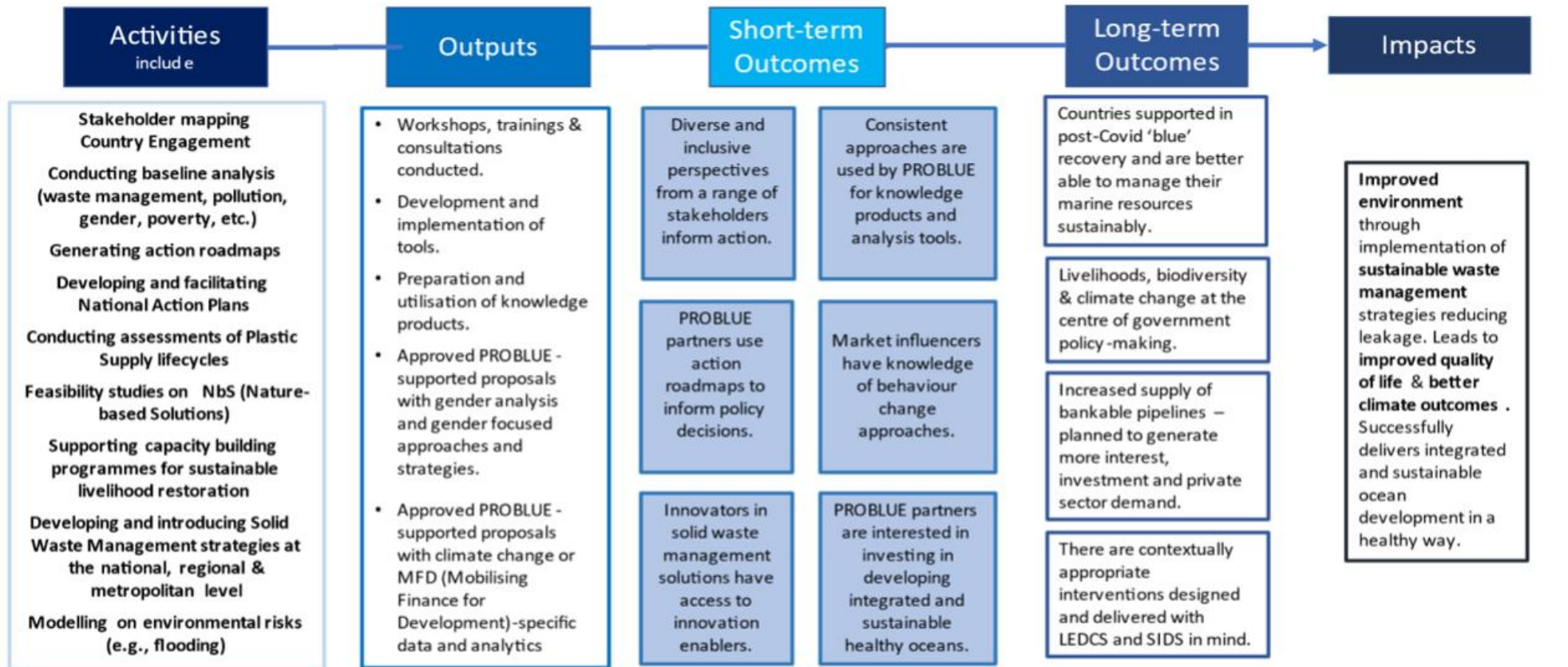
### **Programme forward look**

FY24 represents an exciting pivotal point for the programme; the M&E refresh, the proposed programme lifetime extension to 2030, the launch of the business plan and how we work to ambitious funding scenarios, and the continuation of the UK's role as co-chair. As we progress to the next reporting period, the UK has a continued role to play in supporting PROBLUE to progress programme outcomes, maintain high ambition, and support other (including new) donors to amplify PROBLUE's messaging and optimise benefits to people and communities. The GESI action plan and safeguarding risk assessment will support PROBLUE's approach to gender, social inclusion and SEAH, building on the strong foundation already in place and showcasing good practice for other programmes in the portfolio and other multilateral development banks (MDBs) more broadly.

## B1.2 Theory of Change

### 1. PROBLUE (operational level): Theory of Change

Note: This schematic is a Defra interpretation of PROBLUE's Theory of Change and is not an official World Bank document.

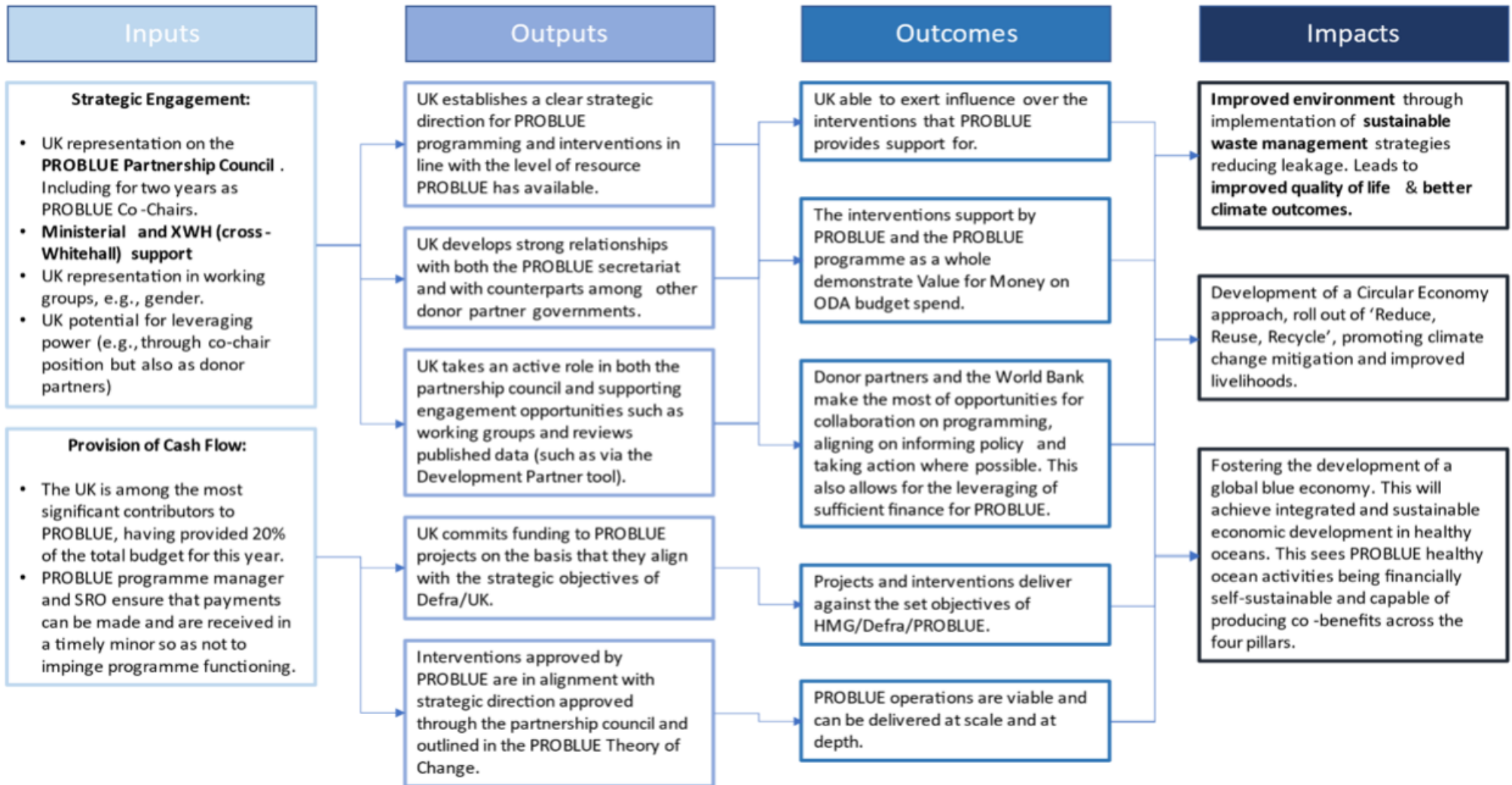


#### Relevant KPIs include:

Volume of finance mobilised for purposes which match BPF objectives; number of people, as a result of BPF finance with improved outcomes (income, ability to cope with effects of climate change, climate resilience, food security and nutrition and waste management); number of marine-related evidence, knowledge dissemination and education activities or products developed as a result of BPF finance; number of new or strengthened policies, strategies or regulations related to improving or managing the marine environment; Net change in greenhouse gas emissions— tonnes of GHG emissions reduced or avoided as a result of BPF finance; Area of marine ecosystems protected, enhanced or under sustainable management practices as a result of BPF projects; etc.

## 2. Blue Planet Fund (UK) input into PROBLUE: Theory of Change

Note: This schematic is a Defra interpretation of the UK's input into PROBLUE and is not an official World Bank document.



### 3. Key insights into progress through impacts, outcomes and outputs

Note: The indicators as displayed below are PROBLUE indicators that were selected for the original Defra PROBLUE logframe at the outset of UK support to PROBLUE. As discussed in [section B1.1](#), these will be updated following this Annual Review to reflect the current operating context and recent PROBLUE M&E framework refresh.

Level	Indicator	Base-line	Target FY26	FY23	On track?*	Scoring	Example associated activities
Impact	# Men and women in coastal areas with increased economic opportunities in traditional and/ or new economic sectors, of which women	No data	7631 <sup>6</sup> (46%)	N/A	N/A	N/A	
Impact	Leakage of plastics to the environment reduced (mt)	No data	Not yet set	N/A	N/A	N/A	
Impact	Value increase from improved handling from fisheries under improved management (US\$)	No data	Not yet set	N/A	N/A	N/A	
Outcome 1	# of national policy reforms informed in i) fisheries and aquaculture, ii) marine pollution management, iii) coastal tourism	i) 0, ii) 0, iii) 0	i) 20, ii) 25, iii) 20	i) 10, ii) 18, iii) 5	Partially	N/A	Regional workshops, policy dialogues, global and (inter)national discussions, development of policies through policy notes and briefs.
Outcome 2	\$bn in WBG resources informed	0	9	5.7	Yes	N/A	The World Bank investments that PROBLUE has helped shape, improve or inform the design or implementation of.
Outcome 3	# of investment cases in PROBLUE relevant sectors presented to potential investors	0	10	5	Yes	N/A	Investment cases where the initial analytics and calculations study show positive returns (a bankable proposal).
Outcome 4	# WBG operations that will increase the number of coastal and marine pollution hotspots managed for reduced environmental impacts	0	10	13	Yes	N/A	Kerala solid waste management project in India.
Outcome 5	# Men and women participating in planning and decision-making on	No data	1729 <sup>7</sup> (51%)	N/A <sup>8</sup>	N/A	N/A	The West Africa Coastal Areas (WACA) Program - Resilience Investment Project (ResIP): activities in

<sup>6</sup> Portion attributable to PROBLUE

<sup>7</sup> Portion attributable to PROBLUE

<sup>8</sup> Data unavailable for *outcome 5* as this is a specific RETF indicator and results are anticipated over a longer timeframe.

	the Blue Economy, of which women (%)						Guinea on the role of women in the rehabilitation of mangroves.
Output 1	# of workshops, trainings and consultations conducted	0	150	427	Yes	A	PROBLUE supported consultations with the Ministry of Fisheries and Blue Economy staff tasked with drafting the regulations under the Fisheries Act in Somalia.
Output 1	# of tools developed	0	50	85	Yes		Plastic Policy Simulator tool
Output 1	# of knowledge products prepared	0	100	322	Yes		Detox Development: Repurposing Harmful Subsidies: Economic, Social, and Environmental Impact of Harmful Fishery subsidies.
Output 2	# (%) of approved PROBLUE-supported proposals with gender analysis and gender-focused approaches and strategies	0	120 (80%)	168 (93%)	Yes	A	Incorporating gender aspects into data analyses, value chain studies, and creating gender tools and knowledge products to foster inclusivity.
Output 2	[as above] with climate change specific data and analytics	0	120 (80%)	166 (92%)	Yes		Supporting research to understand climate change impacts, developing scenarios and tools, implementing adaptation and mitigation strategies, and providing assistance in policy development and reforms.
Output 2	[as above] with MFD <sup>9</sup> -specific data and analytics	0	75 (50%)	100 (55%)	Yes		To improve sustainable tourism on SIDS, MFD has been critical in expanding assessments of the circular economy and plastic waste to identify private sector and public-private partnership (PPP) opportunities.
Output 2	[as above] relevant to FCV context	0	50 (33%)	31 (17%)	Yes		Activities that support countries classified as FCV by the World Bank.
Output 3	# of beneficiaries, of which female (%)	0	20m (50%)	31m (41%)	Yes	B	Any PROBLUE or PROBLUE-informed WB activities that involve direct or indirect support to people.
Output 3	# WBG operations that will increase men's and women's equal participation in planning and decision-making on the blue economy	0	80	12	No		Having an analysis, action, and monitoring and evaluation gender component present in the operation.

\*Methodology to determine whether an output or outcome is on track is by proportionate trajectory, based on FY23 signalling an approximate 'halfway' mark towards FY26 targets.

<sup>9</sup> MFD: Mobilising finance for development



## B2. Assessment of whether programme is on track

It must be noted upfront that the logframe by which Defra measures PROBLUE's progress is a very small subset of metrics that have been strategically sampled from PROBLUE's wider results framework to represent a range of Defra interests. There are many output and outcome indicators that PROBLUE report on that are not captured in the Defra logframe or this Annual Review and may have bearing on the overall progress of the programme. Although it would be unmanageable and unhelpful to consider every KPI in the framework through Defra reporting, it is worth acknowledging the array of metrics that the World Bank does report on to respond to the complexities of the programme. As noted in the [recommendations](#), Defra will be revising its PROBLUE logframe and ToC in line with the PROBLUE M&E framework refresh conducted in autumn 2023.

The output assessment in *section C* provides a quantitative assessment of whether output indicator targets are being met, supported by narrative. Targets are not set year on year; rather they have been set for the original programme end date of 2026. This makes it less simple to determine at any given interval whether the indicator (and thereby the programme as a whole) is on track. To provide an estimation of PROBLUE's progress, we have taken a proportionate approach. We can consider FY23 to be roughly the 'halfway mark' towards FY26 targets and therefore assess progress based on whether it is above, on, or below half of the FY26 target. By this methodology, eight out of nine output indicators are on track or above. We are recommending that PROBLUE and Defra consider creating annual targets for the Defra logframe KPIs.

Many of the outcomes as set out in [B1.2.3](#) above are on track or partially on track. We have less information on *outcome 5 - # men and women participating in planning and decision-making on the Blue Economy, of which women (%)*, which is an indicator associated with RETF projects and is therefore in a more nascent delivery stage than its BETF indicators which have been reporting for a longer time. Through the next Annual Review we would expect to see some preliminary reporting on RETF projects as more are brought online, in alignment with donors' preferences.

### **Proposed changes to the logframe/Theory of Change**

A collaborative PROBLUE M&E refresh was conducted by the Secretariat and donors in autumn 2023 (outside of this FY23 reporting period) and will be discussed in the next Annual Review. This Annual Review (FY23) has used the original Defra logframe summarised in [section B1.2.3](#) to report results. Informed by the PROBLUE M&E refresh, the logframe will be updated following this Annual Review and used in future ARs (from FY24) to report results as per *recommendation 1a* above. It is therefore worth noting the proposed changes (to be agreed) to the logframe and Theory of Change in this section that will be applied going forwards:

- Restructure the existing indicators to group the outputs by theme in a way that strengthens the flow. This has been actioned provisionally in [section C](#) to benefit this AR and gain early feedback from M&E and ODA colleagues;
- Reword output and outcome indicators in line with updates to the PROBLUE M&E framework to better capture what we are measuring;
- As per *recommendation 1c*, explore with PROBLUE colleagues the potential for instating annual targets to better reflect year-on-year progress;
- Consider whether the existing outputs, outcomes and impacts are still the right ones for the current delivery context, ensuring a balance of BETF and RETF-relevant indicators;
- Revisit *impact 1: # Men and women in coastal areas with increased economic opportunities in traditional and/ or new economic sectors, of which women*, to test whether this fits better as an outcome rather than an impact. The current target for this indicator – albeit the PROBLUE-attributable target rather than the overall target – is very low for an impact target.

- Update the ToC schematics to better reflect the (soon to be) updated logframe and M&E framework refresh.

### B3. Recommendation on whether programme should continue

The overall output scoring awards PROBLUE an 'A' for the second year in a row. This is a conservative estimate, as most output indicators have already exceeded their 2026 targets and require revision in line with ambition for the programme. As detailed in the VfM section in [Section E2](#), we are confident that our support to PROBLUE is providing value for money and has continued relevance within the BPF portfolio.

The autumn 2023 refresh of the PROBLUE results framework has established a promising foundation for the programme to evolve over the next few years, drawing out key considerations such as GESI and biodiversity and keeping the conversation open as to how we continue to improve our approach to M&E. We also commit to updating our Defra logframe following this review to optimise the information we capture from the programme.

**Defra supports the continuation of this programme.**



## C. Detailed output scoring

The output indicators detailed in the logframe have been restructured for the purposes of this AR to group the relevant KPIs together and consolidate the narratives. This should not have an impact on the scoring as all outputs were considered to have equal weighting in the logframe and previous annual review. This way of grouping the indicators will be reflected in the upcoming logframe refresh to support an optimised logframe moving forwards. Targets are currently in place for 2026 – the original programme end date – meaning that targets are not set for each individual year. The scoring for this AR will therefore take a proportional approach, whereby FY23 data are considered approximately ‘half-way’ to FY26, and trajectory and ambition of the target is considered.

The results below are presented as PROBLUE-level data (i.e. not adjusted to Defra’s attribution). To date, the share of the UK’s disbursed funding in the overall PROBLUE donor contribution pool is 13%. Although we cannot specifically attribute output and outcome results to Defra funding, we can offer a proportionate indication of Defra’s contribution by applying 13% to the results below.

### C1. Output 1: capacity building

<b>Output Title</b>	Working with local, regional & national stakeholders to conduct various capacity building activities, supporting PROBLUE pillars 1-4		
Output number:	1	Output Score:	A
Impact weighting (%):	33.3	Weighting revised since last AR?	No

Indicator(s)		Baseline	Target (FY26)	Previous cumulative (FY22)	Progress towards FY26 (FY23)
1.1	# of workshops, trainings and consultations conducted	0	150	360	427
1.2	# of tools developed	0	50	68	85
1.3	# of knowledge products prepared	0	100	236	322

*Output 1: capacity building* encapsulates the fundamental components of PROBLUE’s bank-executed trust fund offer. This output is continuing to yield results despite exceeding all three 2026 targets in the previous AR. Between July 2022 and June 2023, a further 67 workshops, trainings and consultations were conducted (*output 1.1*), 17 new tools were developed (*output 1.2*), and 86 knowledge products were prepared (*output 1.3*). Applying the average growth rate for each KPI over the last two years, PROBLUE will theoretically achieve 847 workshops, trainings and consultations, 181 tools, and 685 knowledge products by FY26 – far exceeding their initial FY26 targets of 150, 50, and 100 respectively.

In practice, this is unlikely to happen for *outputs 1.2* and *1.3*, as existing tools and knowledge products will serve multiple purposes and be taken up or adapted by different stakeholders, avoiding the need to create new ones. *Output 1.1* may continue to follow a strong growth trajectory as there will be a continual need for capacity building, training and dialogues to support the ongoing demand upskilled resource on blue economy development.

As noted in Annual Review FY22, whilst *output 1* demonstrates impressive growth for all KPIs, we would strongly recommend revisiting the ambition of the targets. As all FY26 targets were exceeded by FY22, each KPI is objectively ‘ahead of schedule’ but not ‘exceeding expectation’, as we did expect to see a sustained increase in results achieved. We recommend that *output 1* scores an **A – output met expectation** and that PROBLUE and donors consider

the current trajectory, needs and demand for this output to set a revised and more ambitious target.

Given the nature of PROBLUE and the distribution of its funding, we cannot attribute the exact amount of funding that Defra has contributed to this specific output. Therefore, illustrating a figure for Defra funding per workshop delivered to demonstrate value for money (VfM), for example, is not possible. However, as detailed in the [section E.2](#) below, PROBLUE meeting its targets to date indicates that the programme is likely on track to meet its objectives and achieve good VfM. PROBLUE has shown particularly strong performance against this output. However, more information and data will be needed over future years to test this against outcome and impact indicators.

Asides from the restructure as set out in the first paragraph of this section, there have been no changes to the output during the last year. There may be changes as a result of this review in terms of raising the ambition of this output. It is worth noting that that the FY22 Annual Review included a recommendation for Defra and PROBLUE to work together on revising the ambition for outputs, which remains to be taken forward following this review.

### Case study: North Africa and the blue economy

Workshops and partnerships for cleaner and bluer sustainable development in North Africa is an example of delivering *output 1.1*. PROBLUE delivered two regional workshops in Morocco and Tunisia with government stakeholders. In Morocco, the Ministry of Economy and Finance and sector partners were engaged to discuss collaborative budgeting for the Blue Economy and in Tunisia, consultations were held to discuss the analysis of an impact assessment of coastal erosion and marine submersion on coastal development and the tourism value chain. This forms part of a bank-executed project to strengthen analytical bases for the North African countries to develop a climate-resilient Blue Economy.

## C2. Output 2: cross-cutting themes

<b>Output Title</b>	Approving PROBLUE-supported BETF proposals with focus, analysis and approaches on gender awareness, climate change, MFD (mobilised finance for development) & FCV (fragility, conflict & violence).		
Output number:	2	Output Score:	
Impact weighting (%):	33.3	Weighting revised since last AR?	No

Indicator(s)		Baseline	Target (FY26)	Previous (FY22)	Progress towards FY26 (FY23)
2	<i>#/%<sup>10</sup> of approved PROBLUE-supported proposals with gender analysis and gender-focused approaches and strategies</i>	0	120 (80%)	Adjusted data <sup>11</sup>	168 (93%)
	<i>#/% of approved PROBLUE-supported proposals with climate change specific data and analytics</i>	0	120 (80%)		166 (92%)
	<i>#/% of approved PROBLUE-supported proposals with</i>	0	75 (50%)		100 (55%)

<sup>10</sup> The % is a function of the total number of proposed approved.

<sup>11</sup> Data for these indicators come from thematic tags assigned to proposals. Previous years' data for these indicators have been adjusted following new methodologies in tag criteria and definitions.

MFD-specific data and analytics				
#/% of approved PROBLUE-supported proposals relevant to FCV context	0	50 (33%)		31 (17%)

*Output 2: cross-cutting themes* provides a snapshot of how PROBLUE’s cross-cutting thematic priorities are integrated and represented within the PROBLUE portfolio based on number of approved BETF proposals that include these thematic focuses. Of the four themes we have chosen to capture, three (gender, climate change and MFD) are already exceeding their FY26 target in terms of quantity of proposals and proportion of total projects. The only theme that is currently below target – but on track to achieve its FY26 target<sup>12</sup> – is number of approved PROBLUE-supported proposals relevant to the fragility, conflict, and violence (FCV) context.

Although the overall cumulative percentage of 93% of proposals approved included consideration of gender analysis and gender-focused approaches, Defra has an obligation through the International Development Gender Equality Act (2014) to ensure that 100% of our ODA-supported projects consider gender-focused approaches, so we will continue to support PROBLUE in working towards this ambition. We understand that gender is a priority for the World Bank, and although the cumulative number of projects with gender considerations is at 93%, the discrete FY23 result was 99%. The 1% shortfall came from a project on the decarbonisation of shipping.

As noted in the table above, the data for previous financial years have been adjusted with regards to these indicators. During the lifespan of PROBLUE, methodologies and standards have evolved and have become more stringent, by PROBLUE’s admission. Despite confidence in the cumulative data reported in FY23, it would be unhelpful to compare the results too closely to last year’s reporting, given the changes to methodology. Instead, we can look to the targets which, as proposed in the last annual review, we recommend revisiting with PROBLUE to increase ambition. As with *output 1* above, the trajectory of these results falls in line with expectation, despite being ‘ahead of schedule’. We therefore recommend that *output 2* scores an **A – output met expectation**.

As with *output 1* above, while we cannot show the cost to Defra per output delivered, the fact that PROBLUE has performed well against targets in *output 2* indicates that it is on track to effectively deliver against intended outcomes and achieve good VfM. Again, more data will be needed to confirm this in future years.

We do not intend to change the phrasing of the existing indicators under *output 2* following this Annual Review. However, a further disaggregation to this output was added during the M&E refresh in autumn 2023 as supported by the UK, which we propose including in the Defra logframe: “#/% of approved PROBLUE-supported proposals with specific data and analytics on biodiversity”. This aligns with our strong UK position to deliver action under the Kunming-Montréal Global Biodiversity Framework (KMBGF) through our partnerships with multilateral development banks (MDBs).

### **Case study: fragility, conflict and violence (FCV)**

PROBLUE supported seven countries (16% of funding) in FY23 facing situations of FCV. Cognisant of struggles with governance, policy and regulation of environmental matters in countries or regions with fragile contexts, PROBLUE seeks opportunities to address these challenges and integrate strategies into its delivery model to improve understanding of critical barriers to the development of sustainable and healthy marine and coastal ecosystems.

<sup>12</sup> Based on methodology detailed in [Section B1.2.3](#).

An example of how PROBLUE has supported an FCV country this year is through its work in Comoros. PROBLUE supports BETF and RETF activities in the country, with the latter focusing on improving capacity at a national level and helping create regular budgetary support for fisheries management. The Comoros component of the wider Food Systems Resilience Programme (FSRP) for Eastern and Southern Africa is the only one that includes marine capture fisheries in the overall strategy to address food systems resilience.

### C3. Output 3: beneficiaries

<b>Output Title</b>	Supporting targeted beneficiaries of World Bank operations that have been informed by PROBLUE funded activities		
Output number:	3	Output Score:	B
Impact weighting (%):	33.3	Weighting revised since last AR?	No

Indicator(s)		Baseline	Target (FY26)	Previous (FY22)	Progress towards FY26 (FY23)
3.1	# of beneficiaries, of which female (%)	0	20 million (50%)	Adjusted data <sup>13</sup>	31 million (41%)
3.2	# WBG operations that will increase men's and women's equal participation in planning and decision-making on the blue economy	0	80	6	12

*Output 3: beneficiaries* focuses on the reach of PROBLUE's work and, importantly, how PROBLUE considers gender through its operations and informing of WB activities. *Indicator 3.1* looks at the number of beneficiaries targeted by PROBLUE-informed investments<sup>14</sup>, which already far exceeds the target of 20 million. The current percentage of targeted female beneficiaries is at 41%, falling below the 50% target for 2026, which is attributed to limited female representation in the sectors where some projects operate. Appropriate targets are set for individual projects according to respective baseline information, for example in Indonesia's Oceans for Prosperity Project, a 30% target for female beneficiaries is a significant increase over baseline levels of participation in decision-making.

It is difficult to assess progress of *indicator 3.1* from FY22 to FY23. An initial M&E framework was set up at pace at PROBLUE's inception alongside programme delivery. Many World Bank trust funds report on this indicator, and as PROBLUE was one of the first trust funds to do so, different methodologies have come after this. In the last year, all of the trust funds have come together and published joint guidance clarifying the criteria that must be met to qualify as a 'beneficiary', thereby becoming stricter and more stringent on what counts towards the result. The standards and methodologies have evolved and become more transparent, giving rise to adjustments in data and relying on cumulative numbers instead of year-on-year progress.

<sup>13</sup> Citation from PROBLUE: *In fiscal year 2023, reporting templates were updated, a new result tracking database was introduced, and more rigorous results data verification and validation methods were applied. Additionally, the PROBLUE results monitoring system was enhanced by integrating updated World Bank guidance for results and measurement. PROBLUE's results data have been updated to comply with these newer, and in some cases stricter, results reporting guidelines and following the application of the more advanced verification and validation methods.*

<sup>14</sup> The World Bank investments that PROBLUE has helped shape, improve or inform the design or implementation of.

*Indicator 3.2* looks at PROBLUE-informed operations that increase gender parity in blue economy decision-making. This output is significantly below target for the projected trajectory to 2026. Although *indicator 3.1* has exceeded its target, we recommend that *output 3* overall scores a **B – output moderately did not meet expectation** due to the shortfall of *indicator 3.2*.

We will be making changes to this indicator following the Annual Review. Defra contributed to PROBLUE’s M&E refresh in autumn 2023 which resulted in a more effective framework reflecting donor and programme priorities. *Indicator 3.1* will be expanded to read: “targeted beneficiaries of World Bank operations that are informed by PROBLUE (number), of which women (%), and of which from disadvantaged groups (%)”. The inclusion of the disadvantaged groups disaggregation may pertain to indigenous peoples, informal workers, youth, people with disabilities, and minorities, responding to our commitments on GESI.

Through this refresh, *indicator 3.2* has also changed. It has been subsumed under a broader indicator entitled “World Bank operations informed by PROBLUE that will narrow gender gaps (number)”. Narrowing the gender gap in operations means that there is an analysis, action, and monitoring and evaluation gender component present in the operation. Defra will be taking forward a review of this framework to assess how the logframe should be updated accordingly.

As results are below expectations with *indicator 3.2*, this demonstrates that more needs to be done to achieve good VfM for this particular output and match the effectiveness and efficiency shown so far by *outputs 1* and *2*. However, results are helping to achieve equity in impact by supporting interventions that support women, both in terms of livelihood benefits and equal participation in decision-making.

#### **Case study: Women in aquaculture**

In FY23, the PROBLUE-funded Aquabusiness Investment Advisory Platform ([Aqualvest Platform](#)), focused on gender equity through the identification of new markets and applications to increase demand for seaweed and seaweed products. Seaweed production and processing is predominantly undertaken by women in most regions where it is produced. By expanding its use and industrial processing, seaweed farming female groups are likely to benefit economically and socially while they build viable livelihoods.

The average score across all outputs is **A – met expectations**.

## D: Risk

### Overview of risk management

Risks are logged, managed and reviewed by the programme manager. Risks can arise at the delivery level, as flagged through correspondence with the World Bank, or at the programme management level, pertaining to UK or Defra risks. A risk, assumptions, issues and dependencies (RAID) log has been used to monitor project delivery, and these risks are being managed in accordance with HMG guidance and reported to the BPF Programme Board. The SRO has overall responsibility for all the risks identified in the risk register. When appropriate, risks will be escalated to the BPF Joint Management Board and/or the ODA Board.

The active programme risks are summarised in *Table 2* below in order of descending RAG (red, amber, green) rating. Changes to the risk since the last AR have been noted. We have broadly been able to operate within our risk appetite but recognise there are further mitigating actions to implement that would make our approach even more robust. We also recognise limitations in how we identify, record and manage risks whereby two-way communication with the World Bank should be improved at the early stages of risks arising. This will be included in the recommendations.

One such example is the new risk around communicating PROBLUE's safeguarding policies, approaches and procedures in shared documents. We understand and appreciate that the World Bank conforms to strict and robust safeguarding standards but we would like more assurance on how these standards are applied to PROBLUE's delivery model. It is Defra's preference to include shared language on safeguarding in the administrative agreement but as the World Bank/HMG text is standard across all agreements, we cannot update this specifically for PROBLUE. We understand that the standard agreement is being amended in 2024 to reflect these concerns, and updated text will be applied to all UK-WB agreements. Actions that will be taken forward to mitigate this include identifying key alignment in safeguarding and SEAH<sup>15</sup> requirements between the UK and the World Bank and working with colleagues across other WB trust funds to identify instances of good practice in communication of WB safeguarding policies that we can adopt. Further detail on the way the UK can support alignment between PROBLUE, World Bank standards and Defra's requirements will be included in the SEAH risk assessment, to be completed and annexed to this AR by Q2 2024/25.

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<sup>15</sup> SEAH: Sexual exploitation, abuse and harassment.



**Table 2**

Risk Description	Risk Category	Impact	Likelihood	RAG Status	Mitigating action(s)	Notes or changes since last AR
<p><b>There is a risk that</b> PROBLUE donors (and prospective new donors) endorse a programme extension to 2030 but do not commit the necessary funding <b>due to</b> respective budgetary constraints or lack of buy-in to programme outcome realisation. <b>This may result in limited</b> PROBLUE ambition to 2030, reducing the VfM for the UK and becoming a less effective delivery mechanism.</p>	Finance	High	Medium	12	<p><b>Action:</b> We have discussed fundraising at the Technical Partnership Council (Jan 2024). We are cautiously optimistic about the impact that UK funding has had on encouraging others to replenish and attracting new donors.</p> <p>Following the Partnership Council, PROBLUE took away an action to develop a realistic fundraising plan to ensure clarity on what we are working towards and how donors fit into this vision.</p>	<p>A <b>new risk</b> responding to the donor agreement to extend the fund’s lifetime from 2026 – 2030 and the need to ensure delivery during this extension can be financed.</p>

<p><b>There is a risk that</b> the World Bank's robust approach to safeguarding, and particularly SEAH, is not adequately reflected in programme documentation such as admin agreements <b>due to</b> differences in preferred language and reporting requirements. <b>This may result in</b> a lack of confidence in PROBLUE's capacity to protect its beneficiaries, stakeholders and staff.</p>	<p>People</p>	<p>High</p>	<p>Medium</p>	<p>12</p>	<p><b>Action:</b> Work with the WB and Defra ODA Hub through the renewed admin agreement to agree shared wording on safeguarding.</p> <p><b>Action:</b> Set up a call between PROBLUE and Defra ODA Hub SEAH team to identify alignment in requirements.</p> <p><b>Action:</b> Work with colleagues across GPS and PROGREEN to identify good practice in communication of WB safeguarding policies.</p> <p><b>Action:</b> Conduct the Defra-required SEAH risk assessment, drawing on FCDO's Central Assurance Assessment of the World Bank, to ensure any additional risks and issues are identified along with mitigating actions.</p>	<p><b>New risk.</b> Whilst it is well understood that the World Bank has high standards for safeguarding policies, we need to see these reflected in PROBLUE documentation and understand how these procedures work in practice. PROBLUE has never reported any issues of safeguarding breaches to Defra, unclear whether this is because none have occurred. Is this because they are not taking place? FCDO working with central WB to incorporate shared wording into HMG admin agreements.</p> <p>Note- following the ICAI review of the Blue Planet Fund in 2023, actions have been identified for Defra to implement regarding strengthening provision for GESI and SEAH. The actions listed here will inform the SEAH risk assessment and risk management for PROBLUE.</p>
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<p><b>There is a risk that</b> we do not fully realise the potential to work across GPS &amp; PROGREEN UK teams, and central World Bank/MDB leads <b>due to</b> resourcing constraints and competing delivery priorities. <b>This may result in</b> missed opportunities to optimise shared delivery, create efficiencies and bolster our programming.</p>	<p>Strategy, delivery</p>	<p>Medium</p>	<p>Medium</p>	<p>9</p>	<p><b>Action:</b> Regular engagement with cross-HMG World Bank and MDB colleagues to ensure key messaging is relayed in PROBLUE fora and views are represented. Provide opportunities for wider colleagues to feed in.</p> <p><b>Action:</b> Regular engagement with colleagues working on GPS and PROBLUE and support the scheduling of joint meetings to bring the trust-funds together.</p>	<p>This <b>risk has increased</b> since the last AR. Although efforts and progress were made in convening officials across all three funds at the Partnership Council in June, there was limited follow-up and continued engagement during this reporting period.</p>
<p><b>There is a risk that</b> some PROBLUE projects may not be sustainable long-term <b>due to</b> insufficient uptake &amp; investment by the private sector into PROBLUE projects. <b>This may result in</b> these projects becoming inviable in the long-term.</p>	<p>Finance</p>	<p>High</p>	<p>Low</p>	<p>8</p>	<p><b>Action:</b> Raise private sector funding and involvement at upcoming Technical Partnership Council (Jan 24) for PROBLUE and donor discussion.</p> <p><b>Action:</b> Seek regular evidenced updates to actively demonstrate how PROBLUE are de-risking investments. Use these updates to make sure that mechanisms are in place during project selection to guarantee that only the projects that are likely to secure sustained funding are supported by PROBLUE.</p> <p><b>Action:</b> Use methodologies for ICF KPIs 11 and 12 (linked to BPF KPI 1) to strengthen reporting and narrative around mobilising finance for development. Use this to target comms with potential new donors and investors</p>	<p><b>Risk remains</b> from last AR. Private finance for nature has evolved in the last year as a topic of global focus.</p>

<p><b>There is a risk that</b> projects are delayed or cancelled <b>due to</b> changes in country governance and political leadership in countries delivering PROBLUE projects. <b>This may result in</b> the delay or cancellation of PROBLUE projects and less impact from UK ODA funding.</p>	External context	Low	Medium	6	<p><b>Action:</b> Ongoing and active engagement with partners on the ground to keep up-to-date with political developments.</p>	<p><b>Risk remains</b> from last AR.</p>
<p><b>There is a risk that</b> PROBLUE does not enable the Blue Planet Fund to target funding in countries aligned with its priorities <b>due to</b> how funds are allocated across projects, geographies and other donor preferences. <b>This may result in</b> impact being made in countries not specifically aligned to the Blue Planet Funds priorities.</p>	Delivery	Low	Low	4	<p><b>Action:</b> Continued discussions on the preferencing of projects which target BPF priority countries.  <b>Action:</b> To ensure any UK preferencing is captured within renewed admin agreements.</p>	<p><b>New risk.</b> Donors are entitled to express preferences for their funding to be allocated to certain pillars or regions and the UK has exercised this right. However, this allocation cannot be guaranteed. This risk is low as BPF priority countries are broad and PROBLUE prioritises LDCs and SIDS.</p>

<p><b>There is a risk that</b> PROBLUE programming may promote projects which do not strongly align with the Blue Planet Fund cross-cutting themes (e.g., gender, equality and safeguarding etc.) <b>due to</b> focus on other themes or components. <b>This may result in</b> PROBLUE missing its targets and scoring poorly in Defra Annual Reviews, risking future funding commitments from the UK.</p>	<p>Delivery</p>	<p>Medium</p>	<p>Very low</p>	<p>4</p>	<p><b>Action:</b> Maintain oversight to ensure cross-cutting themes are being incorporated effectively into programming and to escalate with PROBLUE if targets are missed, including drawing on HMG technical experts (e.g. from the Defra ODA Hub).</p> <p><b>Action:</b> Maintain coordinated efforts with the other donors in the form of various working groups on the key cross-cutting issues. This will be tabled at the January 2024 Technical Partnership Council.</p>	<p><b>Risk has decreased</b> since the last AR. Although the impact remains medium, the likelihood is very low. This is in part due to the M&amp;E refresh exercise of autumn 2023, whereby the UK and other donor fed into the PROBLUE M&amp;E framework to ensure shared priorities were adequately and widely reflected.</p>
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## E: Programme management: delivery, commercial & financial performance

### E1. Summary of Defra and delivery partner performance

#### Governance

##### PROBLUE co-chair

In June 2022, the UK assumed the role of PROBLUE co-chair, a position previously held by Norway. The responsibility of the co-chair is to facilitate discussion amongst donors, decision-making by consensus, co-lead the formal Partnership Council meetings and represent the views of the donors to contribute to more effective programme direction-setting. During this first year, the UK has focused on building good relationships with both PROBLUE and other donors to optimise effective dialogues and agreeing action. This role has positioned the UK well to enable decision-making in strong alignment with UK ambitions, including Blue Planet Fund outcomes. The opportunity to serve as co-chair has strengthened delivery in line with the ToC detailed in *B1.2.2* (UK input into PROBLUE ToC), whereby outcomes such as '*UK able to exert influence over PROBLUE's interventions*' are realised.

##### PROBLUE Partnership Council June 2023

The UK co-chaired the PROBLUE Partnership Council (PC) in Accra, Ghana, in June 2023. The PC is the programme's annual meeting to bring together the World Bank, donors, and country experts for a series of workshops, dialogues, field visits and learning sessions. This wider gathering brought together three World Bank multi-donor trust funds (PROBLUE, PROGREEN and the Global Partnership on Sustainability (GPS)) and the Government of Ghana, delivery partners and local leaders to support an integrated approach to tackling sustainable environmental management issues – one of Defra's recommendations from Annual Review FY22. Crucially, key decisions were agreed during this meeting that will be implemented during FY24 (next reporting period) and progress on which will be detailed in the next Annual Review. These include:

- The formal extension of PROBLUE's lifetime from 2026 to 2030;
- The production of high-, medium-, and low-ambition programme funding scenarios to 2030 to inform fundraising and delivery expectations;
- The revision and updating of the current Monitoring and Evaluation (M&E) framework;
- Hosting a second Global Engagement Forum in 2024 – topic to be decided by donors.

##### PROBLUE Global Engagement Forum

The PROBLUE Global Engagement Forum was created to assemble diverse stakeholders to deliberate on selected thematic issues of the blue economy. FY23 saw the inaugural forum event centred on ALDFG (Abandoned, lost and discarded fishing gear) in the sidelines of the INC-2 negotiations for a legally binding instrument on plastic pollution. The session was held in collaboration with a range of organisations, and brought together 80 participants (40 in person, 40 online) across all sectors. The forum was successful in not only fostering partnerships but also raising the visibility of the ALDFG problem at INC-2, resulting in a second event at INC-3 and in a global joint agency paper. This session contributed to (and will continue to contribute to) the following programme outcomes:

- *Diverse and inclusive perspectives from a range of stakeholders inform action (on marine pollution);*
- *PROBLUE partners are interested in developing integrated and sustainable healthy oceans.*

PROBLUE shared some lessons learnt from this first Global Engagement Forum which we will ensure are taken forward to future Global Engagement Forums to optimise their impact. These include:

- Attendance is best kept relatively small (50-60 people) to be interactive and get the best from stakeholder engagement;
- Having a donor/partner working group to help organise the event positively contributed to the collaborative vision for the forum;
- Breakout groups allowed for more focused dialogues and the choice of facilitator was crucial for enabling dynamic and informed discussions.

### **Joint performance**

Overall, the Defra and PROBLUE teams work well together. Since the UK assumed its role as co-chair, Defra and PROBLUE have had a closer working relationship to reflect the increased involvement of Defra in donor relations, sponsorship of PROBLUE initiatives and organisation of secretariat-donor meetings. We would like to suggest some areas for continued collaborative working that will also be noted in the recommendations:

- Working with PROBLUE to improve two-way communication around risk management and gain earlier visibility on programme risks and issues as identified through the programme. PROBLUE are not sufficiently forthcoming with risk escalation, and risk management is not currently mainstreamed through Defra's routine meetings or information requests with the PROBLUE team;
- Working with PROBLUE to inform and produce a GESI action plan that maps the programme's roadmap to becoming 'GESI empowering', alongside a SEAH risk assessment. These are discussed further in [section B1.1](#).

### **Delivery partner performance**

#### *Finance and reporting*

As discussed, the multi-donor trust fund model does not provide a full disaggregated account of the UK's funding. However, we do have access to a live World Bank database of PROBLUE projects which are associated with budgets and timeframes, which has been invaluable for understanding spending across countries, regions, and pillars. We see annual audited World Bank trust fund financial statements via our FCDO MDB trust fund lead. PROBLUE are also forthcoming in providing information on spending allocations upon request. In March 2023, an externally contracted internal mid-term review of PROBLUE was finalised by KMPG and disseminated for PROBLUE stakeholders to consider. PROBLUE also publish an Annual Report every year – available publicly online – to set out their activities, partnerships, results and highlights. These are partly informed by individual PROBLUE project reviews that are not available to donors. We would like to work with PROBLUE to increase access to information detailed within these reports, noted in the recommendations.

#### *Communication*

PROBLUE colleagues are accessible, transparent and strong communicators. Owing to the vast array of projects and diversity of donor interests, updates regarding activities of specific UK interest, such as WACA, are often requested by Defra and fulfilled by the PROBLUE team. An area that Defra notes should be improved by PROBLUE and donors as a collective is the collation of World Bank and donor information on engagement plans and participation in international events and fora to enable better and timelier join-up. This will allow for engagement to be accounted for in schedules and briefings, and prepared for in advance.

#### *Conduct and cooperation*

The Defra team found working with PROBLUE to be consistently positive and constructive. The previous AR noted the PROBLUE team to be friendly, accommodating, professional, and passionate about their work – qualities that remain true a year on. The team are always willing to provide support and information to Defra and work at pace to provide this. A recent example of positive collaboration was through the PROBLUE M&E refresh. PROBLUE shared draft versions of the updated frameworks and encouraged open and honest feedback from donors. Following this, a workshop was held where donors provided comments to the PROBLUE team, helping to improve the framework for all stakeholders. PROBLUE were receptive to these comments, including Defra requests to bring greater focus on biodiversity and more detail on

programme learning. Beyond this, PROBLUE have lent us their time in offering insights into their methodologies to inform our BPF M&E framework.

### *Paris Alignment*

The Paris Agreement<sup>16</sup> is a legally binding international treaty on climate change, adopted in 2015 by 196 Parties at COP21 in Paris. Its goals include keeping the global temperature increase to below 2 °C, and pursue efforts to limit it to 1.5°C above pre-industrial levels. The need for mobilised financial resources to support these goals is set out in the Paris Agreement framework. Climate is a cross-cutting theme to PROBLUE; its M&E framework considers climate change across its policy reforms and measures reduction in greenhouse gas emissions as a result of its interventions. Several of its outcome-level indicators align with International Climate Finance (ICF) methodologies.

### **Defra team performance**

Defra consulted the PROBLUE team for feedback regarding aspects such as programme management, communication, support and what else they would like to see from Defra as donors. They provided the following statement:

*DEFRA continues to champion PROBLUE, providing support not only in terms of financial contributions but also in terms of innovative ideas. In its capacity as a co-chair of PROBLUE, DEFRA continues its proactive leadership role among the donors, facilitating communication, strategic planning for fundraising, and providing a unique voice on behalf of the Partnership Council. We appreciate the exchanges and input provided on M&E. DEFRA often introduces fresh perspectives to support the enhancement of the results framework. DEFRA is a valued partner and look forward to continuing our work together for the success of the Program.*

## **E2. Value for money overview**

### *1.1 Value for money (VfM) overview*

As detailed above, PROBLUE has performed well against its targets for the last year, continuing the strong delivery highlighted in the mid-term review 2022, and the Annual Report 2023. PROBLUE is on track for all but one of the output indicators, and for three (out of four with available data) of the outcome indicators. We do not believe that the output that is below target is necessarily a cause for concern, given the progress made in the M&E framework noted in section C.3 above, and PROBLUE'S commitment to promoting equity and opportunities for women across its portfolio.

Given performance to date against outputs and outcomes, it appears that PROBLUE is on track to meet its longer-term goals. However, we do not yet have strong data on impact-level indicators, which include men and women in coastal areas with increased economic opportunities in traditional and/or new economic sectors, leakage of plastics to the environment reduced, and the value increase from improved handling from fisheries under improved management. We are also currently lacking information on *outcome 5* concerning participation in decision-making. Quality impact and outcome data over time is necessary to fully establish whether PROBLUE will indeed deliver on its key targets and produce the monetary benefits we have forecasted.

### *1.2 VfM modelling analysis*

#### **Full Business Case 2021**

A detailed VfM assessment was conducted in the original business case which estimated that an initial investment of £25 million into PROBLUE could result in a positive Net Present Value of £31 million to £122 million. This assessment combined the appraisal of the different

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<sup>16</sup> <https://unfccc.int/process-and-meetings/the-paris-agreement>



investment projects proposed by the World Bank to provide an illustrative overview of the benefits and costs of the investment in PROBLUE. Since the projects are demand led, a range is presented to reflect the uncertainty in actual projects funded and resulting impacts.

### Change Control Note 2023

In Autumn 2023 [note – beyond the review window for this AR], the Blue Planet Fund team recommended an uplift in the funding provided to PROBLUE by £12.5m, to take total investment across the business case to £37.5m. The VfM analysis was updated to reflect this increase in funding, and the most recent data available to underpin the model's assumptions. Given consistent thematic alignment of new PROBLUE projects and the assumption that the programme seems to be on track to deliver benefits (social, economic, environmental), we have scaled-up the benefits proportionally with the uplift. This estimated that an investment of £37.5m into PROBLUE could result in a Net Present Social Value between £43.8m to £170.7m and a BCR of 2.34 (with an upper bound of 6.21). Given this analysis was completed recently in October 2023, there is no further evidence to suggest that these figures have changed. **Therefore, we expect PROBLUE to achieve strong VfM across the lifetime of the programme.**

The monetary benefits that were quantified in our VfM analysis comprised of:

- 1) Leakage of plastics to the environment reduced;
- 2) GHG emissions reduced;
- 3) Value increase from improved handling from fisheries under improved management

These impact-level benefits will take time to materialise. In the VfM modelling, we assumed that monetary benefits would start to be accrued from 2029. Therefore, considering we do not yet have quality impact-level data, we have been unable to estimate the actual monetary benefit delivered by PROBLUE to date. In the coming years, we will continue to monitor progress towards impacts, and once we are able to bring in quality data against these indicators a full VfM analysis will be undertaken to evaluate performance against the forecasted monetary benefits.

### *1.3 Mechanisms to ensure VfM according to the 4 E's*

#### **Economy**

Economy considers whether the inputs required for a project are being procured at the best price. By following its established procurement guidelines, the World Bank aims to deliver VfM in the following ways.

- The World Bank sets out procurement practices which should be followed to achieve VfM in its Procurement Regulations for Investment Project Financing Borrowers;
  - It ensures VfM is embedded at all stages of the procurement process including selection methods (economy), evaluation criteria (economy and effectiveness), contract type (economy) and management (economy, efficiency and effectiveness);
- Building on the procurement guidance, the World Bank's Project Procurement Strategy for Development (PPSD) is used to state the needs and objectives and identify risks and opportunities in the market analysis and operating context of a project;
  - The choice of selection methods and approaches to market are then tailored to suit the risk and value of the procurement, the operating context, and market to enable VfM to be achieved.

- PROBLUE programmes also have published procurement plans, for example for the [Cambodia Solid Waste and Plastic Management Improvement Projects noted in the Annual Report](#)
  - This makes the procurement and general finances more transparent, and helps ensure projects are selected on a strong financial basis
  - Programmes also provide detailed project information at appraisal stage to help inform PROBLUE decisions and make sure funds are shared with viable projects, for example for the [Blue Economy Program for Results](#)

### **Efficiency**

Efficiency relates to how well inputs are converted into outputs (i.e. 'spending well'). As seen in the output scoring section above, PROBLUE seems to be performing strongly against targets, and is over-performing in several instances. This is, of course, encouraging in terms of the value for money being delivered, although we need more complete outcome and impact data to fully measure PROBLUE's efficiency in delivery.

- PROBLUE is on track to meet its objectives within the initial budget;
- PROBLUE has also taken efforts to improve efficiencies in process, for instance:
  - PROBLUE changed BETF rolling proposals to periodic proposals, making the proposal management easier to handle;
  - PROBLUE also streamlined the proposals process in terms of feedback given.
- The report states that "improved efficiency gains could allow for a faster disbursement rate going forward"

### **Effectiveness**

Effectiveness refers to the ability of funding to deliver the intended outputs and outcomes. As above, PROBLUE has delivered well on its goals to date, but more complete data on outcomes and impacts are needed for a comprehensive assessment of effectiveness.

- PROBLUE recently undertook a refresh of its M&E Plan, including updated performance indicators and guidance for reporting and evaluating. This improved measurement of performance enhances performance itself as it allows for the identification of what has worked well, and also areas for improvement. and that PROBLUE is able to understand delivery to date and areas for improvement;
- PROBLUE is largely ahead of schedule in terms of outputs compared to its results framework;
  - About half of PROBLUE's outcome indicators, referring to World Bank operations catalysed, were found to be already met or on track;
  - The report also finds that PROBLUE-supported activities are seen as building capacity among external counterparts. This is important as capacity building will allow projects to continue to deliver impact at the end of PROBLUE funding;
    - Note that these findings link back to recommendation 1b (PROBLUE and Defra discuss the potential to raise ambition of targets)

### **Equity**

Equity seeks to ensure that the impacts of funding – both positive and negative – are distributed fairly, with consideration of different vulnerable groups in the population such as women and girls, those whose livelihoods are most at risk, and the young and elderly. Across Defra's work with PROBLUE, there is a strong focus on Gender Equality and Social Inclusion (GESI).

- Gender equality is one of three primary overarching themes for PROBLUE;
  - All projects require gender screening and of all approved PROBLUE proposals; to date 93% include gender analysis and gender focused approaches;



- According to the PROBLUE Annual Report for 2023, approximately 99 percent of PROBLUE funding approved last year supported gender-inclusive activities. The Annual Report also notes several examples where GESI has been put to the forefront. Note that this is illustrative considering it is difficult to provide attribution to Defra funding for these particular outputs:
  - The [PROBLUE factsheet on gender](#) details that: “PROBLUE seeks to address inequalities in the Blue Economy by closing gender gaps and promoting women’s empowerment in ocean activities. The PROBLUE Secretariat collaborates with World Bank teams to identify and enhance opportunities to integrate gender into activities”
  - PROBLUE supported the production of the World Bank report: [Gender Integration in the Blue Economy Portfolio: Review of Experiences and Future Opportunities](#) to continue exploring how best to incorporate gender in upcoming Blue Economy World Bank operations;
    - The report acknowledged that gaps still exist, namely: “1) Earmarking budgetary allocations for gender-related activities; and 2) Involvement of gender specialists in the design phase to identify the full gamut of required activities and sustainable approaches”. This Annual Review supports PROBLUE in implementing the recommendations from the report
  - In FY23, the PROBLUE-funded Aquabusiness Investment Advisory Platform ([AquaInvest Platform](#)) focused on gender equity through the identification of new markets and applications to increase demand for seaweed and seaweed products;
  - PROBLUE funding is also supporting gender equality and broader inclusion in fisheries globally through activities like “Connecting social protection and the Blue Economy in a changing climate”;
  - However, considering Output 3.2 is currently below target, more can be done here to ensure gender equality targets are met across the PROBLUE portfolio. We do expect performance here to improve in subsequent years, as shown by Defra’s and PROBLUE’s commitment to improved GESI outcomes;
- PROBLUE’s recent refresh of their Monitoring and Evaluation plan ensured GESI ran strongly throughout the programme’s results framework and KPIs. These indicators include:
  - **Output A.1:** Approved PROBLUE proposals with gender analysis and gender focused approaches and strategies (number, %);
  - **Intermediate Outcome B.7:** World Bank operations informed by PROBLUE that will narrow gender gaps (number);
  - **Outcome C.1:** Beneficiaries (number), disaggregated by type of benefits received, of which women (%), and of which from disadvantaged groups (%)
- The update to Defra’s logframe for PROBLUE includes a requirement to disaggregate by several important categories, to ensure impacts are captured across different groups, including gender, age, location and disability.