

Programme Completion Review

Title: Biofin		
Final Programme Spend £ (full life): £2 million	Review Date:	22/08/2023
Programme Code: N/A	Start Date: 1 st March 2022	End Date: 1 st June 2023

Summary of Programme Performance

Year	2022 - 2023
Programme Score	A
Residual Risk Exposure Rating	Low

DevTracker Link to Business Case (and any addendum):	https://devflow.northeurope.cloudapp.azure.com/files/documents/BIOFIN-Business-Case-20220805120833.pdf
DevTracker Links to all logframes used during programme lifetime:	https://devflow.northeurope.cloudapp.azure.com/files/documents/Biofin-Logical-Framework-20230602040637.xlsx

A. Summary and Overview

Defra's funding to the UNDP Biodiversity Finance Initiative (Biofin) aimed to support Biofin's overall objectives to:

- Realign expenditures towards biodiversity goals,
- Generate additional resources for biodiversity conservation, and,
- Improve the effectiveness of available resources.

It aimed to do this through funding the following outputs:

- Share knowledge with governments, regulators, private finance organisations and other financial institutions for biodiversity finance planning via a Biofin 'Regional Nodes platform'.
- Support a global campaign to repurpose harmful subsidies,
- Develop a biodiversity expenditure taxonomy to support governments' biodiversity finance planning,
- Accelerate the implementation of national Biodiversity Finance Plans; and,
- Accelerate financial innovation through feasibility studies for new financial tools and frameworks.

This was Defra's first engagement with Biofin and their work. This programme was therefore limited to a short time period (1 year) with a budget of £2 million and framed as a 'pilot' exploration to engage with Biofin and their work, capitalise on their outputs and knowledge, and explore whether Defra should consider a continuation of funding for Biofin.

The programme achieved well against the above objectives and intended outputs. Key headline points are:

- The implementation of 10 Biodiversity Finance Solutions in 10 countries. Varying degrees of maturity for each solution was realised during the programme delivery period, with some overachieving and already catalysing funding towards biodiversity.
- The delivery of the Finance Resources (FIRE) for Biodiversity database: <https://fire.biofin.org/>, a listing of biodiversity finance sources globally, now live on Biofin's website with over 325 entries, with an additional 300 awaiting clearance from the Biofin team., The database can be used by any organisation or individual globally looking for finance for a biodiversity project.
- The first draft of a biodiversity finance taxonomy (GLOBE), to be used by 91 new countries creating Biodiversity Finance Plans through new Global Environmental Facility (GEF) funding.
- Sessions at Biofin's 3-day 5th Global Conference on Biodiversity in South Africa, with 1 day focused on subsidy reform and 1 day focused on the finance sector, featuring a preview screening of a video on

subsidy reform which will be translated into French, Spanish and Russian. Over 300 delegates attended from a variety of countries - the vast majority from ODA-eligible countries.

- The creation of a step-by-step guidebook on reforming environmentally-harmful subsidies 'The Nature of Subsidies', due for launch and publication in the 4th quarter of this year alongside the video. This was subsequently delayed, however a soft launch was scheduled to take place in January 2024, and a high-level launch as part of UNEA in February 2024.
- [A study on 5 countries on their finance sectors' readiness](#) to monitor, assess and disclose their exposure to nature-related financial risk, with - additional to the programme objectives - 2 countries, India and Indonesia implementing the findings of the study.

The programme scored 'A' against its final output targets, due to:

- Strong achievement against the regional nodes platform output (of which the creation of the FIRE financial resources database was a significant part), strong achievement against the subsidies campaign which encompassed Biofin's global conference, subsidies video and step-by-step subsidy reform manual, and good achievement on a number of the Biodiversity Finance Solutions.

Balanced against:

- Delays in implementation in a number of the other Biodiversity Finance Solutions, and of the finance sector innovation grants, notably the screening study measuring exposure of banking portfolios to nature-related risks, and the feasibility study on nature performance related debt-based financial instruments.

Of the outputs that were realised, some of them are well-placed to play key roles in achieving the targets in the Kunming-Montreal Global Biodiversity Framework:

- **Target 15a** around financial institutions regularly monitoring, assessing, and transparently disclosing their risks, dependencies and impacts on biodiversity:
 - The study undertaken on 5 countries on their finance sectors' readiness to disclose their exposure to nature-related financial risk, and 2 countries implementing the findings.
- **Target 18** around identifying, eliminating, phasing out or reforming incentives harmful for biodiversity:
 - The step-by-step guidebook for countries on reforming subsidies and an accompanying video, to be used as part of a global subsidy reform campaign.
- **Target 19b** around significantly increasing domestic resource mobilisation:
 - The biodiversity finance resources database (FIRE), the implementation of Biodiversity Finance Solutions.

Major lessons learned, evidence generated and recommendations

With this investment Biofin was able to work effectively across a wide range of workstreams and across a variety of countries, covering 4 continents. This is best demonstrated by the implementation of 10 Biodiversity Finance Solutions in 10 countries, which was only 1 workstream out of 5. As workstreams were numerous and nascent in many areas, achieving full understanding of them and their various contexts could at times be complex. Therefore, it is recommended that for current and future programmes working in nascent areas, sufficient and detailed consideration is given to all programmes' various workstreams, so teams can fully explore overlaps and opportunities with other teams' objectives, and ensure alignment with other Defra programmes and programmes in other government departments.

The monitoring process for the programme was monthly monitoring calls with members of the Biofin Global Team, to receive an overview of progress on the outputs, understand any changes, delays or risks in delivery, and to understand other workstreams Biofin was working on outside of Defra funding relevant to Defra, and so capitalise on these if possible. Given the breadth of Biofin's workstreams - in and outside of Defra funding - the length of calls was not sufficient to fully consider all of the workstreams in full detail. It is therefore recommended to set out in advance a clear reporting structure, including the submission of a written report in advance, the frequency and timing of reports to feed into progress updates and assessments, to compliment Defra/Biofin briefing sessions to ensure robust discussion continual monitoring of issues/risks. This is already implemented as part of the Nature Positive Economy Programme.

It is recommended that current or future programme teams create a clear dissemination plan for any products created as part of their programmes, so that all outputs can be utilised as strongly as possible from the funder as well as the delivery partner. Relevant outputs from the programme have been shared with relevant Defra teams, and through Biofin all outputs are shared and disseminated through their wide global network, including with

governments, public and private finance institutions and regulators, other non-state actors and NGOs, with the Convention on Biological Diversity, on their website, and any other relevant stakeholders as necessary.

Outputs from programmes can be disseminated to:

- Other programme teams in the International Biodiversity and Wildlife Division where work may compliment/overlap,
- Other relevant teams in the International Biodiversity and Climate Directorate,
- Nature, climate and any other relevant teams in Post in which programme work is taking place; and,
- Teams in other government departments such as H.M. Treasury, the Foreign, Commonwealth & Development Office, the Department for Energy Security & Net Zero, or the Cabinet Office as relevant.

Doing this may support other teams' workstreams through evidence sharing, ensuring overlaps are avoided on workstreams, give a greater understand of the financing of biodiversity globally, and give greater understanding of what workstreams are taking place and so may be supported in relevant countries.

How this report was conducted

Please refer to the Terms of Reference in Annex 1.

Actions following approval of this report

For delayed outputs that were undelivered during the programme delivery period, Biofin has agreed to continue work on these workstreams outside of Defra funding and the programme delivery period, and these are estimated to be completed by December 2023.

For this Review and its lessons and recommendations, it will be disseminated internally across teams.

For any outputs of the programme that have not been disseminated widely, a plan will be developed that sets out how each output can be sent to the appropriate teams across HMG (including Posts in relevant countries), so they can be capitalised upon. In addition, a greater understanding of the dissemination plans of the delivery partners for the outputs is recommended, so that any gaps can be considered. The aim would be dissemination all relevant outputs by December 2023.

This Review will be published on DevTracker in compliance with the UK Government's transparency aims and policies.

B: Theory of Change and Outcome Assessment

	Starting point	Final result
Budget	£2 million	£2 million
Timeframe	12 months	15 months

Impacts			
Impact Indicator (Units)	Starting Target (delivery period begins)	Final Logframe Target (logframe agreed)	Final Result Achieved (delivery period ends)
ICF KPI's 11 and 12: Volume of private and/or public finance leveraged for biodiversity purposes	As noted in the Logframe and due to the nature of the programme, finance results would not emerge in a one year period. It is also not possible to define specific milestones in a one year period. March 2022	As noted in the Logframe and due to the nature of the programme, finance results would not emerge in a one year period. It is also not possible to define specific milestones in a one year period. September 2022	As noted in the Logframe and due to the nature of the programme, finance results would not emerge in a one year period. It is also not possible to define specific milestones in a one year period. June 2023
Outcomes			
Outcome Indicator 1 (Units)	Starting Target	Final Logframe Target	Final Result Achieved
Number of people directly supported by Biofin through networking and training to finance biodiversity	1,000 March 2022	1,000 September 2022	1,925 June 2023
Outcome Indicator 2 (Units)	Starting Target	Final Logframe Target	Final Result Achieved
Number of finance solutions identified	200 March 2022	200 September 2022	427 June 2023

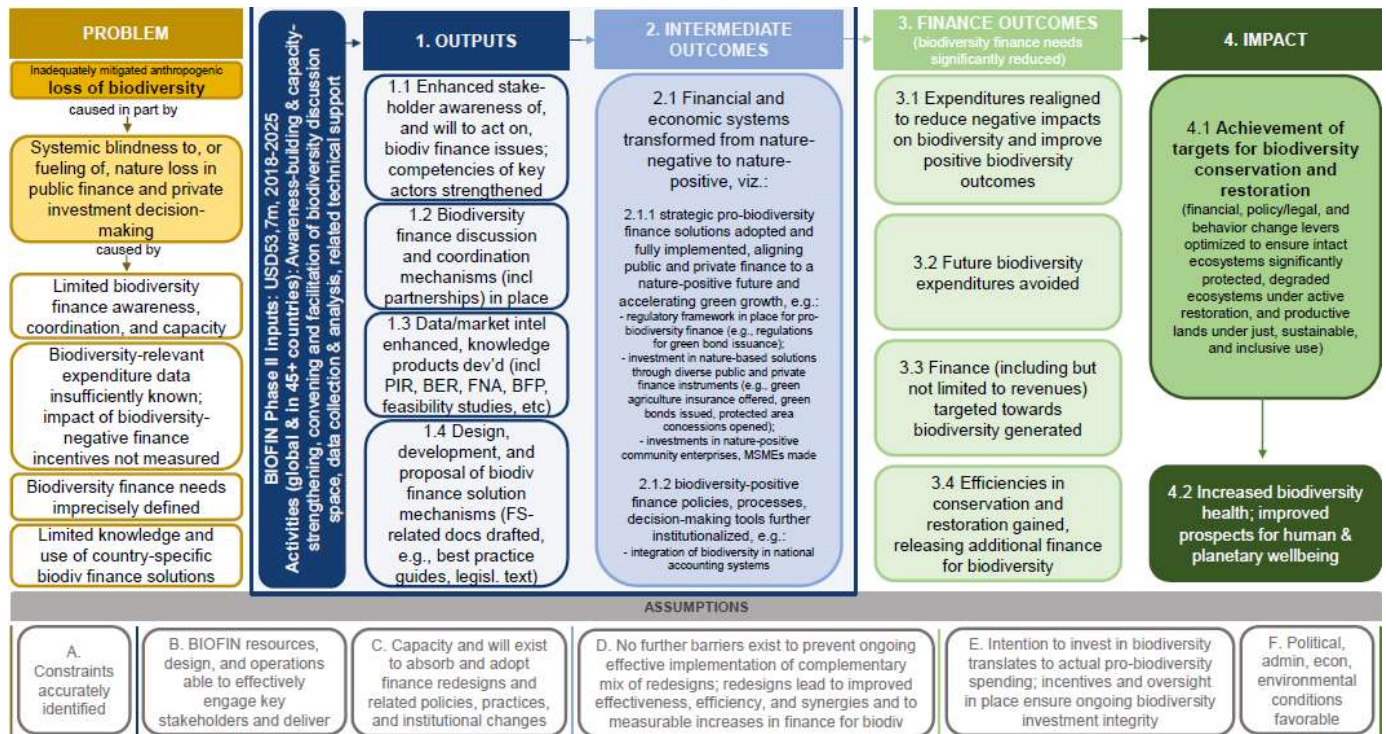
Both of the above Outcome Indicator targets were overachieved, within the delivery period and within the originally allocated budget. The delivery period was extended by 3 months and the budget did not change.

The International Climate Finance (ICF) Key Performance Indicators (KPI's) assigned to this programme were KPI's 11 and 12:

- KPI 11: Public finance mobilised for climate change purposes.
- KPI 12: Private finance mobilised for climate change purposes.

Due to the nature of Biofin's work which is focused on systemic public and private financial institution change over a longer period of time instead of meeting shorter-term funding mobilisation, it was agreed at the beginning of the programme that given the short delivery period of this 'pilot' programme, there would be insufficient data to be able to effectively set targets for and track the volume of finance mobilised. However it was decided that if further funding was likely to be granted to Biofin in future and for longer timeframes, then targets would be in place and tracked for ICF indicators. This is the case for the now-established Nature Positive Economy Programme, a 2 year programme in which Biofin is a co-delivery partner. Given the data gaps for KPI's 11 & 12, KPI 15 is now in place for this programme (likelihood of transformational change).

As this was considered as a 'pilot' programme with a 1 year delivery period, Biofin's Theory of Change was adopted for this programme, being completely reflective of the programme's impacts, outcomes and outputs. A copy can be seen below:



There were no changes to the theory of change through the programme delivery period, and the logic, supporting evidence and majority of the assumptions held up against the realities of implementation. However, given multiple global challenges such as the invasion of Ukraine and subsequent food crises, cost of living crises, inflation, de-prioritisation of biodiversity, and numerous other examples of country-specific volatility, it is recommended that a revision is considered to Assumption F: Political, administrative, economic and environmental conditions favourable, to reflect these global challenges which can affect organisation buy-in of Biofin's work and methodology. This is something that has been queried with Biofin as part of the new Nature Positive Economy Programme, which continues Defra's funding to Biofin.

The score of 'A' is given with consideration due to balancing the following considerations:

- The programme overachieving against its outcome targets,
- Where the programme did achieve against its output targets, in some cases it did so strongly,
- The programme underachieving against some output targets,
- The strong impact of Biofin's work in supporting Defra's goals as framed against the International Biodiversity and Climate Directorate's Logic Flow, and in supporting the Targets in the Kunming-Montreal Global Biodiversity Framework.

Please see section C below for a detailed output assessment.

No changes were made to the Logframe and its targets over the 1 year delivery period.

C: Detailed Output Assessment

Output Number and Title	Output 1: Regional Nodes Platform Establishment of the Regional Nodes platform providing information and knowledge on the Biofin methodology and biodiversity finance sources, providing the data and evidence needed to drive policy and practice to all CBD parties, and allowing an open 'library' of resources for all countries, including the FIRE database of Biodiversity Finance Sources		
Output Score	A		
Impact weighting (%)	25%	Impact weighting revised since last AR?	N/A – 1 year programme

Output Indicator	Starting Target	Final Logframe Target	Final Result Achieved
Number of existing entries in the Biodiversity Finance Sources database, which are now web-based, data quality-checked and improved	320 March 2022	320 September 2022	254 June 2023
Number of new entries in the Biodiversity Finance Sources database	180 March 2022	180 September 2022	300 June 2023
Number of unique visitors to the database on the BIOFIN website (https://fire.biofin.org/)	2,000 March 2022	2,000 September 2022	2,400 June 2023

The key workstream for this output was a web-based version of Biofin's database of biodiversity finance resources, the Finance Resource (FIRE) Database for Biodiversity, and this has been a success. The database is now live on Biofin's website (<https://fire.biofin.org/>), and a launch event webinar took place on Monday the 5th June 2023 in which over 300 people attended (<https://vimeo.com/833939155?share=copy>).

Since the launch, the database has been optimised so that more users can use it at the same time. Continued user feedback is being implemented to refine the user experience, and a partnership with the High Ambition Coalition (HAC) for Nature and People is being designed for match-making of their members with potential funding sources, ensuring higher stakeholder engagement. Additionally, several other partnership proposals are also under review. A dedicated LinkedIn page was also created with regular posts about entries to further engage interested individuals and organisations globally with an interest in financing biodiversity. To date there are 676 followers.

All current entries have gone through additional quality checks before uploading, and therefore the number of entries on the online platform has reduced from 320 to 254, to bring entries up to a higher standard. An ongoing review is being conducted to ensure all links are working.

Though the number of entries has not yet reached the target, there are 300+ entries imminently waiting for final clearance for entry. With the launch of these additional entries there will be an increased focus on domestic resources and development finance institutions.

The Defra programme team has disseminated details about the database to all staff in the International Biodiversity and Climate Directorate, additionally asking for it to be disseminate further to all interested parties.

As part of our outreach to Foreign, Commonwealth and Development Office (FCDO) in-country Post teams, meetings were set up with many of the teams where delivery partners on the new Nature Positive Economy Programme (Biofin and Financial Sector Deepening Africa) are working, and during those meetings have detailed the FIRE database, with the response being very positive and details being passed on through their networks. Further outreach was done to other HMG teams where again the response was positive, and the database is now part of the 10 Point Plan for Financing Biodiversity Dashboard: <https://www.financebiodiversity.org/trends>

Finally, outside of the logframe targets, with the target of at least 5 website articles published on designing national Biodiversity Finance Plans, more than 70 new articles were published ([Homepage | BIOFIN](#)). In 2022 the number of website views exceeded 230,000, which was double the number of views for 2021.

Despite some targets slightly underperforming, overall, this output has been successful, and work will continue on the database through Nature Positive Economy Programme funding through which all outputs are planned to come to fruition. Most importantly the database looks likely to be a key tool in collating a large number of available sources of biodiversity funding globally in one place. This will make the process of finding funding opportunities for biodiversity much easier, and therefore support the achievement of Defra's aims, contributing towards the targets in the Kunming-Montreal Global Biodiversity Framework.

Output Number and Title	Output 2: Global campaign for governments working to repurpose subsidies harmful to nature		
	Further awareness of the impact of subsidies harmful to nature and how they can be realigned or redirected to benefit nature		
Output Score	A		
Impact weighting (%)	25%	Impact weighting revised since last AR?	N/A – 1 year programme

Output Indicator	Starting Target	Final Logframe Target	Final Result Achieved
Number of country teams who have been briefed on the dissemination plan	38 March 2022	38 September 2022	41 June 2023
Percentage of BIOFIN event participants who rate the 5 th Global Conference on Biodiversity Finance event as having been a significant learning experience	80% March 2022	80% September 2022	77% June 2023

A half-day of Biofin's 3-day 5th Global Conference on Biodiversity was dedicated to biodiversity-harmful and biodiversity-positive subsidies/incentives, with 3 sessions throughout the day. A recording of the sessions can be seen here: <https://www.youtube.com/watch?v=ID4q87M3Rp0>.

These - alongside the other sessions at the conference - were attended by the Defra programme team members.

The opening session aimed to provide an overview of the current global situation related to subsidies and featured:

- A presentation on "Understanding Environmentally Harmful Subsidies" by Will Symes, Policy analyst in the Trade and Agriculture directorate of the OECD, of which presentation is now being used by other Defra teams working on subsidy reform,
- A video contribution from Lord Benyon, UK Minister of State for Biosecurity, Marine and Rural Affairs on the importance and urgency of subsidy reform,
- A preview of a video on environmentally-harmful subsidy reform, which can be viewed in the YouTube link above (beginning at 2:12:19). Final edits and script revisions are ongoing in consultation with Will Symes, and the video will be translated into French, Spanish & Russian, and,
- A sharing of lessons learnt on how to mainstream biodiversity into the design of subsidies, with contributions from Will Symes and representatives from Colombia, Zambia and Georgia.

The second session focussed on positive incentives, with a presentation and the sharing of experiences from representatives from Colombia, Philippines, Zambia and South Africa around the sectors of agriculture, finance, protected areas and Payments for Ecosystem Services (PES).

The third session focused on fisheries subsidy reform, with an overview from the OECD on global fisheries subsidies' issues, and with country examples from Ecuador, Sri Lanka and Panama.

77% of participants at the conference rated it as having been a significant learning experience, just short of the 80% target.

In addition to the conference, a step-by-step guidebook has been produced on environmentally-harmful subsidy reform titled "The Nature of Subsidies: how to improve their impact on biodiversity, society and fiscal systems." This

is to provide countries with a step-by-step guide to assess the extent to which subsidies and government support are having harmful impacts on biodiversity, and to create action plans to redesign and reform them. The guidebook includes a methodological approach to reforming subsidies and 10 country cases studies in developed and developing countries, and has been reviewed by UNDP, the OECD, FCDO and Defra. It is currently receiving final edits and will be published and launched early next year.

The launch is planned during an event to introduce the UNDP Nature Pledge. It will be coupled by a virtual launch supported by UNDP's global headquarters, who have selected the guidebook as a strategic publication, and there will be additional events after this to share the main concepts. The video on environmentally-harmful subsidy reform will be shown during the launch, and subsequently uploaded online and used at relevant events.

A 2-page brief was created on subsidies entitled "From Nature Negative to Nature Positive; Making Subsidies Work for, not against Biodiversity." An article related to the brief can be viewed [here](#).

For the photo stories in three key countries for online and publications, as work on the guidebook progressed it became the main repository for knowledge on subsidy reform for Biofin, and so only 1 article was delivered, [here](#).

A concept note was disseminated to all 41 countries where Biofin works to study, identify and assess environmentally-harmful subsidies/incentives and propose redesign options. This step-by-step approach held countries to:

- 1) Identify, assess, and quantify the value and the cost of each type of subsidy or incentive likely to have harmful impacts on biodiversity for each key sector identified in the country's Policy and Institutional Review (PIR),
- 2) Understand the potential of redesigning options and prioritise efforts that take into consideration a full range of social, environmental, economic and political concerns and trade-offs throughout the redesign and transition process, and,
- 3) Develop an action plan for redesigned the prioritised subsidies.

Addressing the negative environmental impacts of subsidies has remained low on the action agendas in most countries, and changing the subsidy system or even a single subsidy is a complex and politically difficult process, and so progress can be slow. However, the above outputs should help push this crucial agenda forward and the key outputs of the guidebook and video are important tools now and in future in facilitating change and building progress on environmentally-harmful subsidy reform globally. Given this, the fact that 41 countries have been briefed on the subsidies dissemination plan and that 77% of participants found the conference to be a significant learning experience, on balance this output is scored as having been successful.

Lessons learned through this output, and recommendations for future programming

A more robust tracking of the digital content for the website and social media, of the photo stories and of the dissemination plan and guidance may have ensured higher accountability for the delivery of these items, and could have meant that Defra could have reviewed them ahead of or just after publication if needed, with the potential for revisions if appropriate. For example, a request to the delivery partner to flag to the programme team when any new article and/or social media post is published online is recommended for similar programme outputs. This will be requested as relevant for the Nature Positive Economy Programme, in which the UK will continue to fund Biofin.

Output Number and Title	Output 3: Biodiversity Expenditure Taxonomy		
	The establishment of a Biodiversity Expenditure Taxonomy to classify expenditure data		
Output Score	B		
Impact weighting (%)	25%	Impact weighting revised since last AR?	N/A – 1 year programme

Output Indicator	Starting Target	Final Logframe Target	Final Result Achieved
Completion of draft taxonomy and shared with partners by March 2023	Final draft March 2022	Final draft September 2022	1 st draft June 2023

A 1st draft of the Global Biodiversity Expenditure Taxonomy (GLOBE) has been completed having had research and input from over 50 experts. GLOBE currently consists of the taxonomy, written guidance providing an overview, guidance on how it works, guidance of the Biodiversity Attribution Rate, and an overview of the Primary Biodiversity Categories, including their alignment with international conventions - in particular the Kunming-Montreal Global Biodiversity Framework.

The Taxonomy has subcategories and expenditure programs of each of those subcategories for each biodiversity category, different Biodiversity Attribution Rates according to Governmental Functions (COFOG) and the alignment to other international frameworks. The Defra programme team was given an overview and explanation of the taxonomy in April 2023, of which the presentation can be viewed [here](#).

The next step before the final draft and release is an expert-level validation and review meeting of the taxonomy, with proposed external partners including green Taxonomy experts from The Organization for Economic Cooperation and Development (OECD), the Convention on Biological Diversity (CBD), the World Conservation Monitoring Centre (WCMC), members of the UK's The Green Technical Advisory Group who provide independent, non-binding advice to Government on the design and implementation of a UK Green Taxonomy, and any other interested parties. This meeting will take place at Defra offices in London on the 10th – 12th October 2023.

While it is not yet ready for use, good progress has been made and the taxonomy will be further reviewed and refined. When completed it will be a key tool for countries to more easily examine their current levels of spending on nature for the development of national Biodiversity Finance Plans, as mentioned in Target 19b of the Kunming-Montreal Global Biodiversity Framework and give clear definitions on what can be categorised as ‘green’ finance. It will be a key tool for the additional 91 countries creating Biodiversity Finance Plans from January 2024.

Lessons learned through this output, and recommendations for future programming

The expert-level meeting was first planned to take place in June, however Biofin shifted focus to delivering their conference (moved from February to June due to a change in venue) from April onwards, and so the taxonomy was deprioritised over this period and a venue could not be sourced in time or planned for effectively. It is expected that finalising the taxonomy outside of the programme's delivery period will result in a higher quality product, with more planning and focus able to be directed on to the expert-level meeting and the taxonomy's next steps before release. Due to the above reprioritisation, it is unlikely that a different approach within Defra could have been taken given Biofin's prioritising of other workstreams.

Output Number and Title	Output 4: Finance sector innovation grants		
	The development and piloting of innovative approaches in finance through finance sector grants		
Output Score	B		
Impact weighting (%)	25%	Impact weighting revised since last AR?	N/A – 1 year programme

Output Indicator	Starting Target	Final Logframe Target	Final Result Achieved
Number of nature-related disclosure readiness studies for countries, validated by the national partners	5 March 2022	5 September 2022	5 June 2023
Number of country-level feasibility studies on nature performance related debt-based financial instruments completed	2 March 2022	2 September 2022	0 June 2023
Number of screening studies completed	1 March 2022	1 September 2022	0 June 2023

Nature related disclosure readiness studies for 5 countries

5 countries developed a nature-related disclosure readiness study:

1. Costa Rica
2. India
3. Indonesia
4. Mexico
5. Zambia

A link to a summary of the disclosure readiness studies report is [here](#).

This is a 'meta' report containing selected information for each of the 5 countries due to confidentiality considerations, however the governments of each country have access to the full reports and their recommendations.

Following the studies, 2 countries, Indonesia and India, went further to implement finance disclosure activities based on the recommendations from their reports:

Implementation in Indonesia:

After detailed discussions with Bappenas (the Ministry of National Development Planning), Biofin and the Ministry agreed on the approach to implement nature-related financial disclosures. The team had recruited one consultant to prepare an initial assessment for what biodiversity information is required from a standard sustainability report. The consultant explored 10 companies from various sectors to look at the similarities or differences of the companies' reporting items. In parallel, the team also conducted desk research to determine 100 companies with sustainability reporting. The report for 10 companies is still being finalized and planned to be presented to Bapenas. Based on the discussions, the approach will be replicated with 90 other companies' sustainability reports.

Implementation in India:

Due to a shift of worldwide UNDP enterprise resource planning systems, though some implementation began, progress was slower in India. However as of June 2023 most of the challenges had been resolved. The Biofin team in India collaborated with the Institute of Chartered Accountants of India (ICAI) to improve the nature-related disclosure processes in the country. The collaboration will ensure better implementation, but required

administrative processes to be set up, which slowed some aspects of the implementation. A policy consultant has been onboarded and has been working with Biofin on a report on 'Corporate Disclosures Related to Biodiversity in India: Status, Trends and Insights'. The consultant will be further contributing to the development of sector-specific Business Responsibility and Sustainability Report (BRSR) reporting templates. Biofin's Corporate Social Responsibility (CSR) consultant worked on a draft position paper titled 'Sector-wise allocation of CSR funds, Biodiversity and BRSR reporting'. The team onboarded a consultant to develop a biodiversity section for the BRSR framework and align it with the work of the Taskforce on Nature-Related Financial Disclosures (TNFD).

2 country-level feasibility studies on nature performance related debt-based financial instruments

This workstream focused on 2 instruments, 1 in Ecuador and 1 Costa Rica. After an analysis of debt structures and related institutions in Ecuador (and after the Final Logframe Target was agreed), it was then decided that the workstream should be relocated to Costa Rica only. Costa Rica began to assess alternatives for measuring the impact and dependencies of biodiversity-linked thematic securities and the sustainable finance framework. Key Performance Indicators (KPIs) were being developed for both bond-related types of investments and impact investment opportunities developed in the Indigenous Tourism Incubator Programme and BioAcelera for bioeconomy businesses. However progress on this workstream overall was slow, and it was not achievable within the programme delivery period. Once completed, the results are intended to be shared in regional and global Biofin meetings and via at least one article on Biofin's website, as well as during a validation meeting with key national stakeholders.

1 country-level screening study measuring the exposure of banking portfolios to nature-related risks

Biofin worked with Mexico's Central Bank (BANXICO) to strengthen its role within the TNFD and the general adoption of TNFD's **LEAP** approach in Mexico:

- Locate your interface with nature;
- Evaluate your dependencies and impacts;
- Assess your risks and opportunities; and
- Prepare to respond to nature-related risks and opportunities and report.

Biofin supported nature-related financial disclosure activities by generating information and working with consultants to create biodiversity indicators for developing dedicated investment concepts. A comprehensive study on biodiversity degradation impacts and dependencies will be conducted collaboratively with Agence Française de Développement (AFD), the World Bank, and BANXICO, however this study has been delayed due to a lack of specialised consultants available in the region. A new tendering process is currently in design, however due to the delays this workstream was not achievable within the programme delivery period. Again, the results will be shared in regional and global Biofin meetings and via at least one article on Biofin's website, and during a validation meeting with key national stakeholders. As with other workstreams, it is expected that this should complete by December 2023.

In summary, it is within expectation that nature-related disclosures studies were produced for 5 countries, and it was above expectation that 2 of those countries implemented follow-on financial disclosure work.

However, it was below expectation that the 2 feasibility studies on nature performance-related debt-based mechanisms and 1 country-level screening study measuring exposure of banking portfolios to nature-related risks were not achieved. Therefore on balance, it is justified that this workstream scored within expectation.

Lessons learned through this output, and recommendations for future programming

It was known before the end of the programme delivery period that the 2 delayed workstreams would be unachievable during the delivery period. Therefore other options could have been considered at that time, such as funding being re-allocated to different workstreams. Despite them not being achieved during the delivery period, Biofin will continue to deliver these workstreams outside of Defra funding and outside of the delivery period.

A larger dissemination plan for the nature-related disclosure readiness studies will be considered, including disseminating the studies to Post teams in the relevant countries, and across the International Biodiversity and Climate Directorate.

D: Achievement in other areas outside of Logframe Outputs

The implementation of Biodiversity Finance Plans

The implementation of ten individual Biodiversity Finance Solutions for ten Biodiversity Finance Plans is a key part of this programme, but was not an output as part of the logframe. The implementation of these plans took place through UK funding as countries did not have the financial resources available to implement themselves, but these were chosen as the countries' have a good track record of past results and implementation, and could likely take place within a one-year term. The countries are:

- | | |
|---------------|----------------|
| 1. Botswana | 6. Mexico |
| 2. Costa Rica | 7. Nepal |
| 3. Ecuador | 8. Philippines |
| 4. Georgia | 9. Sri Lanka |
| 5. Guatemala | 10. Tanzania |

1. Botswana

The design of a national action plan to repurpose biodiversity harmful subsidies

Botswana undertook a study on harmful subsidies aiming to:

- Identify, assess and quantify the value and the cost of subsidies likely to have a harmful impact on biodiversity for eight priority sectors - water, agriculture, tourism, energy, forestry, mining, protected areas, and fishing;
- Understand the potential of redesigned options and prioritise efforts that take into consideration a full range of social, environmental, economic, and political economy concerns and trade-offs throughout the re-design and transition process, including within the context of the Covid-19 recovery; and,
- Develop an action plan for redesigning the prioritised subsidies.

The work has been completed with three priorities identified for possible reform:

- Reform of insignificant mining penalties for illegal mining, considered to be an indirect, implicit subsidisation of mining offenses,
- Reform of VAT exemption for chemical inputs; and,
- Operational improvements to the national environment fund.

However due to delays the action plan has not yet been developed and implementation of chosen area(s) has not yet started, alongside the dissemination and communication plan. Biofin have agreed that work on this solution will continue outside of the delivery period and outside of Defra funding.

2. Costa Rica

Bio-business finance platform

Biofin in Costa Rica has progressed in designing new Financial Mechanisms (Raices, the Indigenous Tourism Incubator Programme and BioAcelera for bioeconomy businesses) that incorporate a framework to measure biodiversity positive impacts as well as other environmental and social positive impacts. Further, with UK funding Costa Rica was to start assessing alternatives for measuring the impact and dependencies of biodiversity-linked thematic securities and the sustainable finance framework. Nevertheless, this process has been delayed due to a slow onboarding of government and Central Bank officers, and difficulties in the procurement process. Therefore, the implementation of this solutions is delayed and has not been achieved during the delivery period. Work on this solution will continue to take place via the new funding through the Nature Positive Economy Programme.

3. Ecuador

Finance sector for biodiversity conservation

Support was given for engagement with the finance sector and the National Financing Strategy for Biodiversity. For the Finance Sector, on 22nd June there was the launch of the "SARAS Software" in coordination with The

National Corporation on Finances for the Popular Economy (CONAFIPS). This tool will allow more than 400 national-level Credit Unions to be able to apply social and environmental risk assessments to improve green credit and loans. A link to SARAS (the Environmental and Social Risk Analysis System) is [here](#).

For the National Financing Strategy for Biodiversity, technical documents were created working with the Environment Ministry: a green taxonomy for green credits (alongside draft legislation), a cooperation strategy for the Environment Ministry, and a study on environmentally-harmful subsidies. Due to changing priorities, proposed work on the feasibility study for the green finance sector mechanisms (such as green bonds) was not delivered.

4. Georgia

Catalysing reforestation and forest conservation activities through participation of the private sector and the general public

In June 2023 the Minister of Environmental Protection and Agriculture of Georgia, the Head of the National Forestry Agency (NFA) and the UNDP Resident Representative launched the [Forest Friend Platform](#) in Georgia. The platform will allow donations to be received from companies and civil society and to organise volunteer work to preserve forests in Georgia. The platform has already received \$60,000, and more companies are interested in donating.

Some companies are advocating and promoting the platform such as breweries, by placing QR codes on their beer cans/bottles so that consumers can donate.

In the long term the platform may be used for carbon credits; a carbon counter has been set on the platform. The NFA also provided \$100,000 for communications and media promotion for the platform.

5. Guatemala

Updating the finance mechanisms which determine the National Council of Protected Areas' (CONAP) income

Work in Guatemala has gone towards strengthening municipal management for effective and results-based budgeting for biodiversity. Restructuring has taken place on five municipal fees (aimed at entering parks, vehicular entrance to the municipality, solid waste, and tourism) that will be used for biodiversity conservation projects in prioritised sites. UK funding also supported the development of a proposed structure for FONACON, the fund that is to be established within the structure of the National Council of Areas Protected (CONAP) and the strategic path for its establishment and execution.

Additionally, an initial assessment of environmentally-harmful subsidies was carried out. Due to changing priorities, the updating, automating, and modernising the procedures for collecting the CONAP resources was not carried out.

6. Mexico

Financing Sustainable Forest Management through Carbon Compensation Credits

Biofin has been working at the subnational level to promote the inclusion of environmental and social safeguards into voluntary carbon markets. Currently, communities are subject to intermediaries and the structure lacks transparency and accountability. Biofin has therefore been capacity building in communities so they can have the necessary tools and skills to strengthen their negotiating position(s). A Massive Open Online Course (MOOC) has been planned for development that will be available for free in Spanish and Mayan, and it will also be piloted with governments in the Yucatan Peninsula. This will allow both parties to be better prepared to negotiate with developers.

Additionally, Biofin worked with four subnational governments in Central Mexico to improve forest carbon compensations within their carbon taxes. Biofin's role was to strengthen the states' public trust funds to be able to receive resources, develop sound forest conservation projects, and monitor the biodiversity co-benefits of climate finance.

Due to engagement issues however, the leveraging of the necessary resources to develop, certify and commercialise carbon compensation credits for El Salto's first 12,000 ha., and the building of the financial and technical proposal to increase the number of hectares to a potential of 226,000 ha. was not delivered during the delivery period.

7. Nepal

Accounting biodiversity expenditure of community-based conservation initiatives in the national system

A first inception workshop at the Sudurpaschim province was conducted for piloting the finance solutions. The workshop included selecting 3 biological corridors and 50 forest user groups for integrating biodiversity conservation and finance in the operational management plan of the community forests, and the drafting of guidelines for effective implementation of the plan, aligning with the community forestry operational plan guidelines.

The 3 biological corridors are Mohana Laljahdi, Basanta, and the Brahmadev Corridor of the Sudurpaschim province. The draft guidelines have been produced and shared with the federal and provincial stakeholders. Building on these guidelines, the forest user groups' operational plan is being revised for the next ten years in collaboration with the relevant forest office.

The piloting of the operational decentralised database on biodiversity expenditure assessments of community institutions, and subsequent capacity building of national and sub-national government offices to use the database, has not been achieved within the delivery period.

8. Philippines

Mainstreaming Biodiversity in Local Government Units

Altogether work on 3 finance solutions was supported:

1. Local implementation of biodiversity finance solutions.

This finance solution seeks to work directly with local governments to implement a broad suite of finance mechanisms including local budgets, market-based mechanisms, and transfers from national government. UK funding supported the engagement of a Responsible Party, the Philippines Biodiversity Conservation Foundation (PhilBio), to implement several finance solutions in the provinces of Negros Oriental and Negros Occidental, including securing funding from hydropower energy sources, public budgets, coral reef insurance, and a tourism ecology fee. In Negros Occidental, the Memorandum of Understanding between the provincial government and Biofin has been signed and an inception workshop was completed.

2. A gaming app.

A percentage of sales for the mobile application or its peripherals are earmarked for biodiversity conservation activities.

The mobile game app called "Animal Town" has been beta-tested by 150 individuals in several countries and will be ready for launch in the third quarter of this year. Forest Foundation Philippines (FFP) is a local non-profit trust fund and was engaged to develop an operations manual for revenue management, which included the app. The Google Play and Apple Store webpages can be viewed [here](#) and [here](#). This is a completely new area for biodiversity financing, and the potential scalability of gaming apps as a new funding mechanism for biodiversity is huge given the gaming market size, and so worthwhile exploring through this app.

3. A study on environmentally-harmful subsidies.

The study identified potentially harmful subsidies in the rice, corn and high value crops programmes of the Department of Agriculture (DA), estimated at ₱471m (\$8.65m, or £6.61m). The study will be presented to relevant DA officials to identify entry points for further work on subsidies focusing on the Joint Department of Agriculture - Department of Environment and Natural Resources (DENR) Administrative Order (JAO 2021-01) on biodiversity-friendly agricultural practices. Also included in this study is the development of a framework that will be the basis of the DENR's current agrobiodiversity conservation initiatives and its targets in the updated Philippine Biodiversity Strategy and Action Plan.

9. Sri Lanka

Supporting the establishment of a National Sustainable Tourism Certification Scheme

The Biofin team led awareness workshops for all tourism destinations targeting small and medium enterprise (SME) tourism service providers with total participation of SMEs counted at 900. Biofin also hired an international destinations management organisation to commence a sustainable destination certification for Sigiriya, located in the northern Matale District in the Central Province of Sri Lanka. The SME sustainable certification for 200 service providers was initiated. More than \$12m has been leveraged by this finance solution

representing additional investments from government, the hotel operators, and development partners including the Asian Development Bank (ADB) and the United States Agency for International Development (USAID).

The introduction and promotion of a new online biodiversity expenditure tracking platform to enable the national focal points to estimate the actual level of investments and prioritise areas that need government investments, was not achieved.

10. Tanzania

Mainstreaming Biodiversity in the Climate Change Fund and the Blue Economy Revolving Fund in Zanzibar

Delays occurred during the delivery period due to a government restructuring which resulted in the development of blue economy policy and the establishment of a new Ministry for the Blue Economy, which affected the implementation of this finance solution related to the revision of marine and terrestrial protected areas users fees. However, the initial assessment is now ongoing, and recruitment is being finalised to undertake a willingness to pay study. However, the implementation of this solutions is delayed and has not been achieved during the delivery period.

Overall, despite some outputs overachieving against the workstreams - sometimes very strongly and with finance already flowing towards biodiversity initiatives - given the majority of the outputs were unable to be delivered during the delivery period, this output did not achieve against its targets. However as with the other outputs, Biofin has agreed to continue delivery on these workstreams outside of Defra funding and the delivery period and is expected to complete work on these by December 2023.

Lessons learned through this output; recommendations for future programming

Covering programme workstreams – including on 10 Biodiversity Finance Solutions – with sufficient detail for each output during monitoring calls can be unwieldy. It can be unreasonable to schedule long monitoring calls lasting over an hour, and so it is recommended for future programmes that a report is filled out by delivery partners in advance of calls, with sections on all individual outputs for the delivery partner to report on in an appropriate level of detail, and the specific issues can be discussed in detail during the monitoring calls. For example the programme team were unaware that some workstreams had broadened out in specific countries to more than the original proposed solutions. This method could ensure greater accountability and can note any changes, difficulties or delays to workstream and programme delivery. This method is already being used in the Nature Positive Economy programme for both delivery partners, one of which is Biofin.

For all 10 countries, we plan to continue dissemination of workstreams which have carried over to the Nature Positive Economy Programme to the relevant Post in each country so they can continue to be aware of the UK-funded achievements and can capitalise on any possible opportunities to support current and future biodiversity finance work. This will ensure that any Post teams not already liaising with their local UNDP coordinator are fully aware of UK-funded programme work taking place through Biofin.

The country work that has been carried over to the Nature Positive Economy Programme are:

- **Philippines** (implementation of sub-national plans)
- **Nepal** (integrating biodiversity into community-based forestry)
- **Costa Rica** (increasing investment for bioeconomy and sustainable indigenous tourism initiatives)
- **Georgia** (platform for investments in forestry)
- **Guatemala** (results-based budgeting, design new fund for conservation)

E: Value for Money

VfM performance compared to the original VfM proposition in the Business Case

Economy

Biofin is a global partnership launched by UNDP and the European Commission that supports countries to enhance their financial management of biodiversity and ecosystems. The partnership has provided a significant amount of support in raising and managing biodiversity finance with 41 countries already at least starting a national Biofin

process. Biofin spent the £2 million allocated to the programme in the Business Case, which was disbursed via a Voluntary Contribution to the UNDP's Nature, Climate and Energy Funding Window Trust Fund.

UNDP is a trusted delivery partner with significant economies of scale. UNDP have clear Procurement Ethics, Fraud and Corrupt Practices which are premised upon achieving 4 key principles including achieving best value for money. Examples of practices adopted by UNDP which aligns with achieving best value for money includes staff who have personal or professional interests in an offer are prohibited from any involvement in the procurement process and those undertaking procurement must have the adequate knowledge and skills to address the level of complexity they are dealing with.

Efficiency

The UK's voluntary contribution is pooled with donations from other donors enabling all donor countries to have a collective measurable and significant impact in a range of areas. By pooling donations together outputs are likely maximised as economies of scale are achieved. It was noted in the Business Case that economies of scale can be obtained due to Biofin's collaboration with its extensive network of global leading experts on biodiversity finance and using its global platform to support countries outside of Biofin's core programme. It was suggested in the Business Case that additional efficiencies could be gained by establishing a close working relationship with Biofin, pooling intelligence on country needs, plans & gaps, and developing relationships with other donors to gain an understanding of what they are doing and opening opportunities for influence and alignment and avoiding duplication. Through funding the Biofin programme the above has been achieved, through:

- The 2-monthly programme update calls with the Biofin Global Team, as well as further continuous communication via email;
- The programme team's attendance at Biofin's 5th Global Biodiversity Conference, and site visit to Zambia alongside Biofin's Global Manager;
- Through conference attendance there was an opportunity to hold in-person meetings with Biofin's co-funders, including bilaterals, events, and an informal in-person steering group meeting;
- A follow-up meeting suggested by co-funder Belgium on further promoting the implementation of National Biodiversity Finance Plans, and substantially increasing the donor base by attracting more public and private donors. A second meeting on this subject will take place in September 2023.

The programme has made good progress towards achieving output indicators, suggesting a good level of efficiency. Overall, 4 of the 9 Output indicators met or exceeded expectations, 3 output indicators achieved satisfactory progress and no progress was made against 2 indicators. The programme failed to record progress against Outputs 4.2 and 4.3, with Defra made aware 4 months before the end of the programme delivery period that progress would not be made against these indicators due to mitigating circumstances. Despite the indicators not being achieved during the delivery period, Biofin will continue to deliver these workstreams outside of Defra funding.

Effectiveness

It was stated in the Business Case that there are no equivalent existing interventions that would help Defra achieve similar outcomes on biodiversity finance, and this conclusion still holds now. Biofin has continuously improved their methodology to measure existing biodiversity expenditure levels, assess future financial needs, and design comprehensive Biodiversity Finance Plans to use finance tools and solutions that increase financing, effectiveness and efficiency of biodiversity management. Given the mention of Biodiversity Plans in Target 19 of the Kunming-Montreal Global Biodiversity Framework and Biofin's sole ownership and speciality of this methodology, this strongly demonstrates the effectiveness of the programme.

All ICF projects and programmes are required to report against at least one of the ICF KPIs, but ideally against all relevant KPIs.

The KPIs assigned to this programme were KPI 11 and 12:

KPI 11: Public finance mobilised for climate change purposes,

KPI 12: Private finance mobilised for climate change purposes.

Due to the nature of Biofin's work which is focused on systemic public and private financial institution change over a long period of time instead of meeting shorter-term funding mobilisation, it was agreed at the beginning of the

programme to not set targets for tracking the volume of finance leveraged for biodiversity purposes given the short delivery period of this 'pilot' programme. However, it was agreed that if further funding was granted to Biofin in the future for longer timeframes, then relevant and effective targets would be in place and tracked against an impact indicator.

The proposed outcome of Defra's contribution to Biofin was that governments, ministries or other public body awareness and engagement in biodiversity finance increased. The programme exceeded expectations against the 2 outcome indicators demonstrating that the program was effective in achieving its proposed outcome. This was measured by:

- The number of people directly supported by BIOFIN through networking and training to finance biodiversity.
 - Target 1000 people, Achieved 1925 people
- The number of finance solutions identified.
 - Target 200 Solutions, Achieved 427 Solutions

Equity

The Biofin programme was a technical assistance programme, focused on public and private financial institution systemic change data to get more finance flowing towards biodiversity and minimising finance that degrades biodiversity. Biofin integrates Gender Equality, Disability and Social Inclusion (GESI) considerations into their delivery in several ways.

Gender considerations are mainstreamed in the Biofin process at all levels. The screening process for Finance Solutions included gender-related screening criteria, and additional guidance was then further built into new guidance materials developed for specific Finance Solutions. Biofin works to ensure equal, non-discriminatory, and active participation of all stakeholders in planning, decision making, implementation and evaluation of its activities and outcomes. Participatory approaches have been planned and undertaken in the preparation of several finance solutions, including participatory planning meetings with women organisations.

For Biofin workstreams including all UK-funded outputs, there is a gender marker to check. The marker must be at least 1 which is classed as 'No Impact', and all workstreams aim for 2 which is a 'Positive Impact'. Further, one of the criteria for Finance Solution selection is to have a positive impact on indigenous communities' livelihood or to avoid negative effects on them. Where relevant, Biofin works to ensure full participation of the local indigenous communities in any possible Finance Solution proposed to be implemented in their territory or area. The Free, Prior, and Informed Consent (FPIC) is applied and cooperation with other UNDP projects in the area is ensured. Finance Solutions are monitored and a Social and Environmental Assessment (SES) analysis is requested for Finance Solutions likely to be implemented in areas where indigenous people are living.

The results of both the gender and indigenous integration into Biofin's work can be seen in the Finance Solution Raíces (Roots), a business incubation programme for indigenous tourism, which provides gender-responsive representation for indigenous peoples and creates conditions for strengthening the economic autonomy of women through innovation. More details of this UK-funded Finance Solution can be seen above under *Output 4, Costa Rica*.

Biofin, as a UNDP programme, adheres to all of the UNDP's policies, frameworks, codes, principles, agreements and guidance around gender equality, disability and social inclusion.

Gender equality is included in all national Biodiversity Finance Plans including those funded by Defra. In 2022 Biofin continued its work in building strong partnerships as well as implementing and evaluating its activities and outcomes. Biofin's work has been strengthened through partnerships with local authorities and finding financial solutions such as crowdfunding. These approaches have strengthened the contribution of indigenous people and youth organizations, who participated in local meetings and activities. For examples of these approaches in countries implementing Biodiversity Finance Solutions through UK funding, highlights include:

- In Costa Rica the +Women +Nature Programme managed to place USD \$1,405,000 with the support of partners in 120 loans for women-led green enterprises through two credit schemes;
- The Biofin team in Mexico participated in a podcast episode on the SDG's for a high school audience to entice young people while introducing the challenges and opportunities of biodiversity and finance. The team also participated in a session with other agencies such as the OECD and the United Nations International Children's Emergency Fund (UNICEF) called "Dialogues with Generation Z: Young people working in development", which was targeted towards interns in the UK embassy.

Additionally, during the site visit in Zambia, the programme team observed presentations and discussions with the Green Finance Mainstreaming Working Group, set up with assistance from Biofin; a majority female working group made up of individuals from Zambia's financial sector regulators.

Given the absence of GESI Indicators for the programme, we recommend these are developed to enable the programmes' progress to be disaggregated by gender, disability & geography.

Programme value for money assessment

There is no evidence that the economic arguments for funding the Biofin program have changed significantly since Business Case approval. Also, there has not been any significant change to the design of the programme which will prevent it from delivering value for money in future. Although progress could not be reported at the impact level against KPI 11 and 12, good progress was reported against both output and outcome indicators suggesting the programme achieved good value for money.

F: Risk

The overall risk rating for the programme was Low, and this was maintained throughout the programme delivery period.

Again given the programme was of lower budget and framed as a 'pilot', the programme teams' risk appetite was moderate, and no risks went over the level of moderate during the delivery period, and so therefore the programme was delivered within the risk appetite.

The key risk for the programme - given it was 1 year and worked across a wide variety of workstreams - was in programme delivery, achieving all of the intended programme outputs within the delivery period. As Biofin's 5th Global Biodiversity Conference took place 3 months later than intended, the programme delivery period was then extended to accommodate this, and so this impacted on the other outputs, which were then not achieved during the delivery period. As mentioned previously, Biofin has agreed to continue work on these outputs outside of the delivery period and of Defra funding, intended to be completed by December 2023.

G: Programme Management: Commercial and Financial Performance, Monitoring and Evaluation

Performance from the delivery partner was good, with few issues during the delivery period.

Communication throughout the delivery period was timely, and almost all queries were responded to within reasonable timeframes. Monthly monitoring calls generally took place at the scheduled time, and if not, good notice was given for a change to time, which were still reasonably within the days or weeks originally scheduled. During the calls progress on all workstreams was communicated effectively, and a good working relationship was created and is still maintained, which was then strengthened further by the programme teams' attendance to Biofin's conference and subsequent site visit to Zambia with Biofin's Global Manager. Workstream delays were raised in a timely manner and mitigations were communicated, and when it was known that certain workstreams would not be able to be delivered within the delivery period, other options were raised with sufficient notice.

Despite this, towards the end of the programme delivery period the gathering of information for this Review, data for the Logframe targets, and statistics for International Climate Finance reporting became challenging due to capacity issues with the delivery partner.

In the case where programmes are not structured as a grant and so are not subject to the same reporting agreements as grant programmes, it is recommended that in advance of funding detailed reporting structures are agreed by all parties, so that reviews such as this one can be compiled and delivered within reasonable timeframes.

With regards to financial statements, the UK Government receives a yearly copy of Certified Financial Reports from the UNDP which encompasses all UNDP funding, of which Biofin is included.

As no physical assets were created for the programme there is no requirement for the disposal of assets.

Consider how Defra could have been a more effective partner to help deliver the programme, and document your lessons and recommendations for future programming

The Defra programme team could have been more prudent in communicating the expectations of delivery of data for this Review, including timelines and deadlines, so that data could be received sooner. It is recommended that for other programmes both the Principle Responsible Officer and Senior Responsible Officer attend all monitoring calls throughout the programme delivery period, so that, given a Senior Responsible Officers' higher level of experience, anything communicated can be capitalised on as necessary.

Lessons and recommendations

A full list of specific outputs should be established and agreed with the delivery partner ahead of time to ensure that programme teams know full details and specifics of what the funding organisation is 'buying', can effectively monitor their progress throughout the delivery period including the adherence of timelines, can inform other teams of the progress of relevant workstreams where necessary, can review specifics at the end of the delivery period, and can track changes/amendments as and when things change during the delivery period, if so.

A monitoring form should be created for all programmes for delivery partners to detail progress against each individual workstream/output, risks and mitigations, and anything else the delivery partner is working on/Defra teams should be aware of, in advance of regular monitoring calls. This will make it far easier to digest information, track progress and changes, and raise points or answer questions during the call.

Defra staff should undertake regular visits to monitor progress on delivery and make sure the delivery partner is delivering well, and to monitor if the delivery partner is delivering appropriately in full adherence with Defra policies, including safeguarding policies. A call beforehand with Defra's ODA Hub Due Diligence team will establish things to look for and questions to ask relevant to safeguarding.

Programme-level approach to monitoring and evaluation

Monitoring activities on the programme consisted of:

- Monitoring calls every 2 months with the delivery partner on output progress,
- Programme team attendance to Biofin's 3-day 5th Global Conference on Biodiversity & a 3-day field visit to Zambia with Biofin's Global Manager and the Country Coordinator,
- Membership of Biofin's Steering Committee made up of Biofin's donors and where meetings are held yearly,
- The submission of data and narrative received through this Review, and,
- Ad hoc emails throughout the delivery period.

An Annual Progress Report is disseminated to funders, however their report covers all work in a previous year (2022) and is published in July 2023, and so was not available to include as part of this Programme Completion Review, but will be considered as part of the new Nature Positive Economy Programme.

For wider delivery partner due diligence, an update on progress of a Central Assurance Assessment (CAA) was undertaken in June 2020 and in October 2021, from the CAA which took place in 2018. A CAA assesses a delivery partners' policies, procedures and implementation against Governance and Internal Control, Ability to Deliver, Financial Stability, Downstream Partners, and Safeguarding (including sexual harassment and sexual exploitation and abuse). In June 2020 the UNDP was given a Moderate risk rating against governance, risk management and control, and in October 2021, progress was reported against all areas made in mitigating the risks that were identified.

The monitoring and evaluation approach for this 1 year 'pilot' programme, was effective, with only 1 suggested improvement: the use of a monitoring form for the delivery partner to fill out ahead of the monitoring calls, agreed upfront before the beginning of the programme delivery period.

The approach that was in place however did match our risk management approach and programming decisions, in that all issues with regards to risk and programme management were communicated to the programme team during the monitoring calls or via email within plenty of time, so that the programme could be effectively managed and any issues effectively resolved where possible during the programme delivery period. As said above, this small change to the monitoring approach should ensure a stronger effective approach to monitoring and evaluation to future programmes with similar delivery periods and budgets.

Annex 1. Terms of Reference

BIOFIN PROGRAMME COMPLETION REVIEW TERMS OF REFERENCE

Introduction

At the end of a programme Defra undertakes a Programme Completion Review to confirm the progress made and the success of the programme.

Defra provided £2m as a Voluntary Contribution to the second phase of the UNDP's Biodiversity Finance (Biofin) (2018-2025) Initiative. Biofin is a global programme supporting low- and middle- income countries to develop and implement evidence-based Biodiversity Finance Plans. It aims to: i) realign expenditures towards biodiversity goals, ii) generate additional resources for biodiversity conservation, and iii) improve the effectiveness of available resources. Biofin accepts funding on a rolling basis from multiple donors. At the time of Defra's contribution it had funding from 8 partners of around \$65m, providing a budget of \$9-10m p.a. It is a portfolio initiative encompassing a number of different projects delivered through different methods, all contributing to common objectives and results. Defra funded Biofin to achieve a specific set of results as detailed in the Business Case during the delivery period of March 2022 – March 2023 (extended to June 2023). Biofin will support Defra in the delivery of the Programme Completion Review.

Background

Defra's contribution aimed to support ODA eligible countries to accelerate the implementation of the CBD (Convention on Biological Diversity) Kunming-Montreal Global Biodiversity Framework, and support a green and fair recovery from the Covid-19 pandemic by funding Biofin to:

- Share knowledge for biodiversity finance planning via a Biofin 'Regional Nodes platform';
- Support a global campaign to repurpose harmful subsidies;
- Develop a biodiversity expenditure taxonomy to support biodiversity finance planning;
- Accelerate the implementation of national biodiversity finance plans via grants; and,
- Accelerate financial innovation through feasibility studies for new financial tools and frameworks.

Objective of the Review

- Assess progress achieved since inception including an assessment of the quality of progress;
- Make recommendations and identify action points regarding any major issues and problems affecting progress;
- Assess and score the programme's progress during the delivery period against the Outputs in the Logframe, including a consideration of Assumptions and Risks, and determine whether and what changes are required if any;
- Assess progress towards achieving the Logframe Outputs and Outcome by the end of the programme and whether the Theory of Change is still valid;
- Review the performance of programme delivery partner and of Defra;
- Assess whether the programme delivered value for money.

Scope of the Work

Defra will review the progress of the programme against the Outcome and Outputs set out in the Business Case approved in March 2022 and based on the Logframe dated September 2022.

The review team will check not just progress made against the Logframe but also test the Logframe itself and the underpinning Theory of Change: for example, in practice, were the Outputs the right ones in order to achieve the Outcome, and were the Indicators the right ones to monitor progress.

Methodology

Tasks will include:

- A review of available documentation, such as the Logframe, progress and financial reports produced covering the review period, minutes of stakeholder meetings, and consultancy reports.

- Meetings with stakeholders, if necessary.
- A review of outputs, including a detailed narrative on each one and links to webpages and websites (if applicable).

The review of documentation will take approximately 2 weeks in June 2023 and may include follow-up request or meetings with the delivery partner.

Reporting Outputs

- A completed Programme Completion Review;
- A completed Logframe;
- A plan for distribution of the Review, including but not limited to publication on DevTracker;
- An Annex to the Programme Completion Review including these Terms of Reference
- Any further relevant documentation provided by Biofin.

Timeframe

The review will take place from June 2023 – August 2023.

Team Composition

The team will comprise:

- The programme PRO
- The programme SRO

Please note, throughout the Programme Completion Review period the Programme SRO changed 3 times during the following dates:

- August 2023 – September 2023
- September 2023 – October 2023
- October 2023 - current