

Programme Completion Review

Title: Taskforce on Nature-related Financial Disclosures (TNFD) programme		
Final Programme Spend £ (full life): £4,301,855	Review Date: 02/11/2023	Programme Code: PO022
	Start Date: 03/06/2021	End Date: 18/09/2023

Summary of Programme Performance

Year	2022	2023						
Programme Score	A+	A+						
Residual Risk Exposure Rating	Moderate	Moderate						

This Programme Completion Review covers the second and final year of the 2021-2023 Taskforce on Nature-related Financial Disclosures (TNFD) programme. This Programme Completion Review reflects on the performance and progress of the programme, identifies the lessons learned, and formulates recommendations for future programming.

Link to TNFD DevTracker page:	DevTracker Programme GB-GOV-7-TNFD-PO002 (fcd0.gov.uk)
DevTracker Link to Business Case (and any addendum):	TNFD Business Case: https://devflow.northeurope.cloudapp.azure.com/files/documents/Business-case---TNFD-secretariat-20220816020812.docx TNFD African Voice Business Case Addendum: https://devflow.northeurope.cloudapp.azure.com/files/documents/TNFD-African-Voice-Business-Case-Addendum-20230719090735.docx
DevTracker Links to all logframes used during programme lifetime:	TNFD Log-frame: https://devflow.northeurope.cloudapp.azure.com/files/documents/TNFD-Log-frame-20230720020727.xlsx
DevTracker Links to previous Annual Reviews:	TNFD 2022 Annual Review: https://devflow.northeurope.cloudapp.azure.com/files/documents/TNFD-Annual-Review-2022-20230719090713.docx

	Starting point	Final result
Budget	£2,826,855	£2,626,855 for the main TNFD programme plus £1,675,000 for the TNFD African Voice Addendum, equating to £4,301,855.
Timeframe	June 2021 – July 2023	June 2021 – September 2023 (the final TNFD recommendations launch was moved from July to September 2023)

A. Summary and Overview

Description of the programme

The UK government's £2.8 million funding contribution to the global, market-led, and science-backed Taskforce on Nature-related Financial Disclosures (TNFD) programme supported the TNFD's mission to create a risk management and disclosure framework for organisations to report and act on their evolving nature-related risks, opportunities, impacts and dependencies, with the ultimate aim of supporting the realignment of global financial flows away from nature-negative outcomes and towards nature-positive outcomes (thus supporting both sustainable development and poverty reduction). The TNFD framework has been designed to be applicable to, and used by, businesses and financial institutions of different sizes, across sectors and jurisdictions on a voluntary basis. The final TNFD framework and disclosure recommendations were formally launched on schedule on 18th September 2023 at New York Climate Week.

The framework has been developed following the [seven TNFD principles](#) to be market usable, science-based, purpose-driven, globally inclusive, embracing a full approach to nature-related risks, employing an integrated approach to climate- and nature-related risks, and pursuing an integrative and adaptive approach to existing disclosures and other standards and national and international policy commitments, standards and market conditions respectively. The TNFD has been designed as a vehicle to change behaviour and investment decisions amongst financial institutions and corporates globally, and seeks to provide recommendations and guidance to a wide range of market participants, including investors, analysts, corporate executives, board members, regulators, stock exchanges and accounting firms. The TNFD receives funding from multiple sources, including governments and philanthropic organisations, and the UK government has been one of the largest donors to the TNFD initiative over its 'design and development' phase.

The TNFD was established in response to the growing appreciation of the need to factor nature into financial and business decisions. The concept of the TNFD was first discussed in January 2019 at the World Economic Forum's Davos meeting, and in May 2019 at the G7 Environment Ministers meeting in Metz. This was followed by a 10-month long scoping phase of the TNFD Informal Working Group. The [TNFD initiative](#) was officially launched on 10th June 2021, after securing triumvirate support from G7 Finance and Environment Ministers and political leaders.

The case for action is driven by the fact that unprecedented biodiversity loss and landscape degradation around the world is resulting in greater volatility and uncertainty around the goods and services that ecosystems provide. The World Economic Forum's ['Nature Risk Rising' report \(2020\)](#) estimated that approximately half of global GDP (US\$44 trillion) is dependent on nature, and clearly evidences that the physical, litigation and transition risks associated with nature degradation have significant macroeconomic and financial implications.

Strategic Alignment

The UK's funding contribution to the TNFD initiative aligns with the UK government's International Nature Strategy and the 2021 Integrated Review's commitment to invest in nature and a 'nature positive' economy and integrate biodiversity into economic decision-making in response to the findings of the Dasgupta Review. The TNFD programme similarly aligns with the 25-Year Environment Plan and the 2023 Green Finance Strategy's commitment to accelerate the shift to a green global financial system and catalyse green financing globally, including in emerging and developing markets. As set out in the 2023 Green Finance Strategy, the UK government recognises the TNFD framework and disclosure recommendations as the principal mechanism through which to operationalise Target 15 of the Kunming-Montreal Global Biodiversity Framework (KMGBF) concerning reporting on biodiversity-related risks, dependencies, and impacts.

Supporting narrative for the overall score and what the programme has achieved:

The key message of this Programme Completion Review is that the **programme's impact, outcomes, and outputs have either met or exceeded expectations.**

The TNFD has undertaken a two-year 'design and development' phase to build, test, consult and launch the TNFD framework and disclosure recommendations. The UK's £2.8m funding contribution was used to fund the TNFD Secretariat (including the core TNFD team), research, stakeholder engagement, working groups, technical support, data and tools development, travel, communications, and engagement at key international summits. The TNFD set up a robust architecture to support its operations, including the TNFD Taskforce, TNFD Forum, TNFD Stewardship Council, and Knowledge Hub.

The TNFD has achieved its core deliverables, namely the release of four Beta TNFD frameworks, on time and on budget. The TNFD's comprehensive 'open innovation' approach has enabled it to benefit from the expertise of wide-ranging scientific, corporate, financial, and regulatory institutions. 208 pilots, spanning multiple sectors and jurisdictions, have been undertaken to support the TNFD's iterative development process. The results over the past year suggest the TNFD has effectively raised awareness amongst both public and private institutions on the importance of addressing their nature-related risks, impacts, dependencies, and opportunities, and has enhanced their understanding of how to monitor and tackle them. The TNFD has launched 11 Consultation Groups (both at a regional and national level) across the globe to expand awareness about the TNFD and to encourage feedback and pilot testing of the framework. To accompany the various Beta Frameworks, the TNFD has published guidance on topics such as stakeholder engagement, in addition to tailored guidance on scenarios and economic sectors.

The TNFD has undertaken an active communications approach, using international media outlets, the TNFD website, LinkedIn, event attendance, and international visits to disseminate messaging and build understanding, secure significant media and opinion leader interest, and engage with critical stakeholders. As of 11th July 2023, the TNFD has 41,655 LinkedIn followers. Over 30 pieces of high-level coverage were achieved through the media briefing for the v0.4 Beta Framework, including in the Wall Street Journal, the Financial Times, The Economist, the South China Morning Post, and trade media such as ESG Investor, Environmental Finance and Responsible Investor. The TNFD has proactively participated in or presented at high-profile events including the UNFCCC COP26 and CBD COP15 summits, the World Economic Forum in Davos, the G20 Sustainable Finance Working Group meeting, and the G20 Finance Ministers & Central Bank Governors. The TNFD recently received support from the G7 leaders in the [Hiroshima Leaders' Communique](#).

At the outset, it was recognised that the availability and capability of decision-useful quality data and analytics represents a critical success factor in order to achieve the TNFD's goals of assessing nature-related risks and the conditions of nature. Consequently, the TNFD set up a [Nature-related Data Catalyst](#), which has over 251 participating data firms (as of end of October 2023). The Data Catalyst has documented the data sets that can be used at every stage of the TNFD process. It has pursued a 'leading indicators' approach, developing a tiered set of 'core global' and 'core sector' disclosure metrics that are relevant across sectors and reflect global policy priorities. This approach has provided report users with comparability across and within sectors, while providing report preparers with flexibility, reflecting the differences in nature-related issues across sectors and business models.

Overall, the operating context remains positive for the TNFD, with a growing proportion of private and public sector institutions being increasingly cognisant of the materiality of nature-related risk to their operations, outlook, and resilience.

Major lessons learned, evidence generated and recommendations:

Actions taken on recommendations from 2022 Annual Review

- **Greater transparency was recommended on how the results and findings of the TNFD's pilot programmes (such as FSD Africa and UNEP-FI) were being integrated into the development of the TNFD's beta frameworks, given the critical role the pilot programmes play in ensuring a truly global framework is developed.** Written updates have been provided on the work of these pilot testing programmes in the Quarterly Progress Reports, and their processes, feedback and

outputs have been discussed in the meetings of the TNFD Taskforce and Stewardship Council. Subsequent beta framework iterations and guidance documents have responded to specific challenges raised on data and sectoral guidance and have responded to feedback urging greater prescriptiveness on metrics and targets.

- **Data generation: a recommendation was made for the TNFD to articulate the learnings of the TNFD Data Catalyst initiative to Defra.** The TNFD has provided detailed overviews of the work and progress of the Data Catalyst initiative in its Quarterly Progress Reports to Defra. The TNFD set up the Data Catalyst, which has enabled the world's leading data preparers, aggregators, and users to congregate on a common platform to troubleshoot and collectively provide solutions. There are further plans to set up an open plan, public data utility for nature, to complement the Carney-Bloomberg Net Zero Public Data Utility (NZPDU) for climate data. The work on this will continue past the final framework publication in September.
- **International Standards Bodies: Defra recommended that the TNFD play a primary role in influencing the international gold-standard on nature-related risk and reporting in a manner that facilitates integration with leading initiatives such as the International Sustainability Standards Board (ISSB).** The TNFD has provided regular updates, via their Quarterly Progress Reports to Defra, on their efforts to facilitate the integration of the work of the TNFD into the ISSB, which is building the emerging global baseline on sustainability reporting. The ISSB is a core knowledge partner of the TNFD, and interactions between the ISSB and TNFD on technical framework development and alignment have deepened at a working level over the past year. Discussions have been held between the TNFD Co-Chairs and the ISSB Chair, and a coordination meeting was held between the TNFD and ISSB in May 2023. A limiting factor in terms of prospective pace-of-change with regarding to expanding and deepening coordination with the ISSB is the fact that the ISSB needs to complete its standard IFRS 'Agenda Consultation' process before it can significantly expand into new topics such as nature. As a result, it is not expected that the ISSB will be able to increase its focus on nature until late 2023/early 2024.
- **Taskforce Working Groups: Defra recommended stronger join-up among the TNFD Taskforce's Working Groups, particularly where significant overlap exists such as on data, metrics and targets, and the development of specific guidance.** The TNFD Secretariat has continued to reinforce its coordination efforts across Working Groups, including weekly coordination meetings of Secretariat members supporting Working Groups, strengthening the role of Working Group 6 in coordinating the TNFD's sector work, and using the Steering Committee and plenary meetings to resolve any differences of views across Working Groups.
- **KPI15 metrics: Defra recommended that an agreed methodology for [ICF KPI15](#) reporting be developed (which measures the extent to which an ICF intervention is likely to lead to Transformational Change), to ensure the programme remains on focus for delivering this objective.** The TNFD programme management team liaised with TNFD staff to develop the KPI15 metrics, and they have been reported on in this 2023 Programme Completion Review.
- **Monitoring and Delivery: Defra recommended that the TNFD increase the levels of ambition for some of the Log-frame's Milestone 2 targets for 2023 reporting.** The TNFD programme management team worked with TNFD staff to agree appropriate new milestones for 2023 that better reflected the anticipated trajectory of TNFD performance.
- **Evaluation Plan: Defra recommended developing an 'End of Programme' Evaluation Plan.** A Defra-led TNFD evaluation has not been undertaken following the TNFD's 'design and development' phase. Following discussions with relevant teams, it was felt that a comprehensive external evaluation for a two-year, £2.8 million programme would not constitute Value for Money for the taxpayer, in terms of both financial and staff resource commitment. The TNFD had already examined the performance and approach of the Taskforce on Climate-related Financial Disclosures (TCFD) and sought to learn lessons and improve on the approach it undertook in its design and development phase. As a result, the TNFD pursued a comprehensive 'open innovation' approach and engaged with multiple pilot partners to ensure widespread participation in the TNFD

development process across multiple geographies and sectors. Another reason why the decision was made not to undertake a separate Defra-commissioned evaluation was that an independent, consultant-led TNFD research project is currently being conducted ahead of the full-scale commencement of uptake activities, with the aim of informing any modifications to the general TNFD Workplan for the uptake phase and the commissioning of support from TNFD delivery partners. The evidence-based project is producing evidence on lessons learnt for scaling market adoption of global voluntary and mandatory reporting initiatives, including evaluating the strategy that the TNFD has developed for driving market adoption and meeting the capacity needs of market participants. The funding for this research project comes from the German Government's 'IKI' grant to the TNFD.

Lessons Learned over 2022-2023

A number of lessons have been learned over the past year since the last Annual Review:

- **Market engagement and communications:** Taking a comprehensive and proactive approach to market and stakeholder engagement has been instrumental to raising awareness on the TNFD and nature-related risk more broadly. In particular, active participation in key summits through TNFD-hosted events, events hosted by partners and stakeholders, and high-level bilaterals have proved invaluable in enhancing the profile of the TNFD and achieving buy-in from key stakeholders.
- **Importance of synergies between TNFD and TCFD:** The TNFD took its inspiration from the TCFD. Both initiatives seek to use the power of risk management and disclosure of financial and non-financial information from companies to investors and lenders to shift capital flows towards more sustainable outcomes. The TNFD has recognised the value of harnessing synergies with the TCFD in terms of framework design to avoid repetition, maximise the prospects of achieving integrated climate-nature disclosures, and enhance the likelihood of transformative levels of uptake following its launch.
- **TNFD recommendations:** The TNFD's 14 disclosure recommendations represents a concise, manageable number of recommendations and have been well received by markets – particularly report preparers because it builds on the 11 TCFD disclosures and adds on three more nature specific disclosures. This represents an approach greatly aligned with climate-nature integrated reporting, that has been received positively by report preparers.

Recommendations for future TNFD programming

- The UK government strongly supports the development of global standards on sustainable finance, which is critical for ensuring the dissemination of consistent and comparable information to investors and decision-makers. To this end, we recommend that the TNFD initiative should continue undertaking outreach and engagement efforts to advocate for the integration of the TNFD recommendations into the ISSB's emerging global baseline on sustainability reporting.
- In international meetings and summits, efforts should be made to reinforce the TNFD as the principal mechanism for operationalising Target 15 of the Kunming-Montreal Global Biodiversity Framework (KMGBF), which concerns reporting on biodiversity-related risks, dependencies, and impacts.
- A number of forward-leaning institutions across sectors and geographies have begun referencing the TNFD framework in their annual or sustainability reports. We recommend that the TNFD encourages all financial institutions and companies who have piloted the framework or joined the TNFD Forum to start reporting in line with the TNFD framework in their corporate disclosures.
- The TNFD should continue to try and secure G20 support and ongoing G7 support, to retain and reinforce its standing as the leading nature risk management and disclosure framework.

- The TNFD should also begin selective secondary applications of its framework, such as usability and utility for sovereign wealth funds and Multilateral Development Banks.

How this report was conducted

This 2023 Programme Completion Report drew on evidence submitted in the Log-frame and the Quarterly Progress Reports submitted to the programme management team, in addition to policies established in recent HMG publications to ensure strategic alignment.

Actions following approval of this report

Aside from uploading to DevTracker to meet our transparency and accountability requirements, there are no outstanding actions to undertake following the sign off of this Programme Completion Review.

Description of the TNFD African Voice Addendum

From November 2021 to November 2022, the UK government contributed ~£1.6 million funding for the 12-month TNFD African Voice pilot programme, which constituted an Addendum to the original TNFD Business Case. The funding was granted with the aim of ensuring that the TNFD Framework is fit for purpose across African contexts by securing engagement among African financial institutions, governments, and central banks, and to help increase the uptake of the TNFD Framework in Africa once launched.

By building awareness and institutional capacity on nature-related financial risk management within African countries and by ensuring that key financial actors across Africa can contribute their perspective in the design and development phase of the framework, the programme has supported the TNFD's goal of realigning financial flows and supporting the transition towards a nature positive economy.

The work of this Addendum was delivered by [Financial Sector Deepening Africa](#) (FSD Africa), which serves as a pilot partner of the TNFD, as part of its 'open innovation' approach to the development of the framework. FSD Africa is a specialist development agency, exclusively funded by the UK government, with a mandate to transform financial markets across sub-Saharan Africa. FSD Africa was selected to carry out the work of this Addendum owing to its unmatched level of expertise to support the targeting of financial institutions, governments, and regulators in Africa, in a manner aligned with the objectives of this programme.

Given that the activities that FSD Africa carried out for the TNFD African Voice Addendum were aligned with FSD Africa's wider programme of work (which is overwhelmingly funded by FCDO), the work completed was accounted for within the Annual Review conducted by FCDO for their wider FSD Africa programme (with Defra providing relevant input). FCDO actively monitored overall delivery through the existing FSD Africa programme's Monitoring and Evaluation activities, which included analysis of issues relating to gender equality and social inclusion (GESI), risk management, and Value for Money. The 2022 FSD Africa Annual Review can be found on DevTracker: [DevTracker Programme GB-1-205238 Documents \(fcdo.gov.uk\)](#). However, given that the work of the 12-month TNFD African Voice Addendum was not completed prior to the writing up process for the FSD Africa programme Annual Review, the Log-frame results will be assessed in this Programme Completion Review.

B: Theory of Change and Outcome Assessment

IMPACT: KPI15 indicator assessment

KPI15 is a qualitative process indicator, which assesses the extent to which International Climate Finance (ICF) programmes can be deemed likely to deliver transformational change. Transformational change is defined as ‘change which catalyses further changes’, enabling either a shift from one state to another or faster change.

Implementing Years: 2021 – 2023

Donors to the TNFD Secretariat:

Direct Funding: UK Government (Defra), Switzerland, Australia, F4B/CIFF, MacDoch Foundation.

Indirect Funding: USAID, GEF/UNEP, Global Canopy, UNDP, Norway.

Total programme size: £8,400,000

UK contribution to programme: £2,626,855

Impact Milestone 2023: 4 – partial evidence that suggests transformational change is likely.

KPI15 Score: 5 – substantial evidence that suggests transformative change is likely or already occurring.

Transformational Change criteria selected: Political will and local ownership, Capacity and Capability increased, Evidence of effectiveness is shared, Scalability, Sustainable.

How does the programme define transformational change?

The programme seeks to deliver transformational change by facilitating the redirection of global financial flows away from activities that harm nature towards nature-positive activities, including in developing countries/emerging markets, thereby supporting a nature-positive economy for sustainable development.

Transformational change would entail the significant uptake of TNFD reporting for nature-related risk management and disclosures by wide-ranging organisations across sectors, geographies, and financial markets. The integration of nature-related risks, opportunities, impacts and dependencies into financial and business decision-making will help to reduce environmental harm and increase the positive impact that companies and financial institutions have on nature and just development as a result of investment, credit and insurance underwriting decisions.

Achievement of this impact will ultimately require much longer than the two-year timeframe of the 2021-2023 TNFD programme, with significant transformational change only realistically expected to occur by circa 2028 as corporates and financial institutions start their nature-related disclosures in line with TNFD recommendations. Following the launch of the final recommendations, it is anticipated that companies will start reporting on their financial year 2024 outcomes in reports published during the course of 2025, building their disclosure ambition over time and aligning with more recommendations. For the programme’s duration, KPI15 sub-indicators will enable us to capture enough evidence to form a reasonable descriptive picture of ICF effectiveness in this area.

Baseline that transformational change is being assessed from:

Limited awareness of nature-related risks and opportunities among leading corporates and financial institutions globally.

Who else is crucial for ensuring transformational change?

Achieving transformational change will depend on contributions from a wide range of international and national-level actors, including standard-setters, regulators, governments, and central banks, in addition to significant uptake from financial institutions and companies globally.

Criteria relevant to KPI 15:

The following criteria were selected as relevant to assessing ICF KPI 15:

Political will and local ownership [TOC Level: Context]: 40%

Indicator selection narrative: *Demonstrated interest from government policy makers, regulators, and international standards development bodies is vital to achieving future regulatory arrangements for nature-related risk management and disclosure. Proactive engagement and consultations with Indigenous Peoples and Local Communities (IPLCs) will support local ownership. Engagement with Knowledge Partners is crucial to ensure key interest groups are involved in the development of the TNFD. Participation in international fora and summits is important for garnering broad support from relevant stakeholder groups and achieving high-level political buy-in. Media interviews are an important way to foster informed debate and ensure the dissemination of key information to relevant audiences.*

Indicator	Milestone	Data Results (2023)
Number of engagements with governments (policy making entities, central banks, or other regulatory entities) and major international standards-setting advisory bodies (including IFRS/ISSB and the European Financial Reporting Advisory Group (EFRAG)) by the TNFD directly or through partner channels.	Engagement with all G7 governments, 75% of G20 governments, and 10 non-G20 governments in Asia, Africa, and Latin America.	<i>Direct engagement with all G7 and G20 countries and 10 of the non-G20 countries' governments has been built with their relevant ministries, market regulators and major standard setting bodies including IFRS/ISSB and EFRAG.</i>
Were steps taken to encourage and facilitate the integration of the TNFD into ISSB's emerging global baseline for sustainability reporting (such as engagements on facilitating alignment)?	Binary: Yes/No	<i>Yes. The TNFD has been coordinating efforts with the strategic regulators, including European regulations and ISSB and kept monitoring the regulatory developments. The Secretariat had a coordination meeting which took place on 15 May.</i>
Has consolidated feedback been received from IPLCs globally, facilitated via the International Indigenous Forum on Biodiversity (IIFB) and the International Union for Conservation of Nature (IUCN)?	Binary: Yes/No	<i>Yes. The TNFD has been partnering with the IIFB and IUCN who are facilitating the engagement with international indigenous communities and have brought together multiple IPLC organizations for discussions and feedback.</i>
Number of Knowledge Partners engaged, enabling the TNFD to draw from the best existing relevant initiatives, frameworks, and standards relevant to its scope.	15	18

Number of international fora and summits where TNFD representatives have participated in order to promote and socialise the TNFD.	40	54
Number of media interviews that have been undertaken to heighten the profile of the TNFD and demonstrate its effectiveness to a wider audience.	35	69 including major media coverages

Justification of score: A score of 4 was awarded, as the TNFD has exceeded expectations in terms of its participation in events and media interviews as a way of promoting the TNFD. Important steps have also been taken to coordinate with key stakeholders and regulators, including engaging with the ISSB to encourage the integration of the TNFD into its emerging global baseline on sustainability reporting and convening multiple IPLC organisations for discussions and feedback. However, as the TNFD is still in its 'design and development' phase, it is understandable that governments, regulators and standards bodies are waiting until the final Framework is launched before definitively committing to implement TNFD-aligned policies.

Capacity and capability can be increased [TOC Level: Drivers]: 10%

Indicator selection narrative: *Organisations having the capacities and capabilities to implement TNFD reporting is necessary to deliver transformational change. The establishment of an interactive online portal will be instrumental to improving organisations' capabilities for TNFD reporting. The indicators on pilot testing the beta framework and public reporting in line with the TNFD captures those organisations that are already enhancing their capacity and capability for TNFD reporting. Investors setting expectations to companies in their portfolios demonstrates an underlying confidence in the TNFD guidance and support mechanisms available to enable them to set such expectations.*

Indicator	Milestones	Data Results 2023
Has an interactive online portal been established for organisations to access and digest guidance?	Binary: Yes/No	Yes
Number of companies and financial institutions pilot testing the TNFD beta frameworks?	100	208 organisations
Have any organisations commenced corporate reporting in line with the TNFD Framework (ahead of the launch of the final Framework in September 2023)?	Binary: Yes/No	Yes. A number of TNFD Forum companies have begun using the draft TNFD framework in their 2022 annual or sustainability reports, or in updating their policy directives, for example: ABInBev, Aviva, AXA, Bayer, BlackRock, E.Sun Financial Holdings, GSK, Holcim, Hong Kong & China Towngas Company, Kirin, KLP Group, Santander, and UBS - all signaling an initial market uptake.

Have any organisations pledged to report in line with the TNFD Framework (ahead of the launch of the final Framework in September 2023)?	Binary: Yes/No	<i>Yes. Several companies made public statements on TNFD adoption: GSK, Swire Properties, Forico, Ecopetrol, Mirova, MS&AD Insurance Group and Marubeni Corporation. Many are signing up with TNFD as Early Adopters (to be announced at Davos in Jan 2024), pledging to start disclosing in line with the final TNFD recommendations.</i>
Have any investors signalled to companies in their portfolios that they will start asking questions about nature-related risks and opportunities (aligned with the TNFD)?	Binary: Yes/No	<i>Yes. Notably Aviva Investors and Norges Bank Investment Management.</i>

Justification of score: A score of 5 was awarded. The TNFD has considerably exceeded expectations in terms of the number of institutions participating in pilot testing. Actions taken by a number of institutions to commence or pledge to commence TNFD reporting and set out TNFD-related expectations to their underlying portfolio companies represent very promising signs that the TNFD is strongly positioned to deliver substantive transformational change.

Evidence of effectiveness is shared [TOC Level: Drivers]: 20%

Indicator selection narrative: *The dissemination of results and learnings during beta framework launches represents an effective way for the sharing the credibility and usefulness of the TNFD. The number of views of the beta frameworks measures the level of interest in the TNFD and highlights the extent to which the effectiveness of the TNFD is shared. The number of activities (i.e. webinars, roadshows, stakeholder engagement events) delivered to disseminate programme information is a standard measure of whether evidence of effectiveness is shared. The dissemination of the final Framework by Taskforce members demonstrates a commitment to awareness raising with the market.*

Indicator	Milestones	Data Results 2023
Were the results and learnings from the pilots disseminated publicly during the beta framework launches?	Binary: Yes/No	<i>Yes. Results and lessons learned from the pilot testing were publicly disseminated via Piloting 'clinics', TNFD Forum webinars as well as through events and webinars of the piloting partners.</i>
Number of views of the TNFD Beta Frameworks.	100,000	750,000
Number of webinars organized for knowledge sharing, consultation, and dissemination for TNFD Forum members.	19	19
Number of roadshows/stakeholder engagement events organised on awareness raising by the TNFD.	15	15

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Justification of score: A score of 5 was awarded, as effective action has been taken to raise awareness of the TNFD and the number of views of the Beta Frameworks has far exceeded expectations.

Scalability [TOC Level: Mechanism]: 15%

Indicator selection narrative: *The scale, breadth, and depth of TNFD Forum membership indicates global market awareness on the TNFD and represents a willingness to consider voluntary adoption of the TNFD's recommendations. Assessing the number of Consultation Groups (which facilitate outreach and engagement on nature-related business and finance) enables us to quantify the number of existing coordinating networks that can be mobilised to support TNFD uptake efforts.*

Indicator	Milestones	Data Results (2023)
Number of companies, financial institutions, and market service providers who have joined the TNFD Forum (scale)	600	1080 companies, financial institutions and market service providers have joined the TNFD Forum (as of May 2023).
Number of countries and jurisdictions from which companies, financial institutions, and market service providers have joined the TNFD Forum (breadth)	40	57
Number of industry sectors represented in TNFD Forum membership (depth)	22	22
Number of Consultation Groups established to support the TNFD Forum and TNFD market engagement efforts.	10	11

Justification of score: A score of 5 was awarded as the TNFD has significantly exceeded expectations in terms of the scale and breadth of TNFD Forum membership. TNFD Forum membership signifies interest in the work of the TNFD and provides an indication of potential uptake.

Sustainable [TOC Level: Enablers]: 15%

Indicator selection narrative: *Ongoing financial and in-kind support and the establishment of an independent charitable entity to house the Framework serve as a proxy for the enduring sustainability of the TNFD. The number of knowledge partners committing to continue collaborating with the TNFD similarly indicates the ongoing level of support the TNFD can expect to facilitate wide-ranging uptake efforts.*

Indicator	Milestones	Data Results (2023)
Is the TNFD projected to be on a secure footing in terms of ongoing financial and in-kind support post-September 2023?	Binary: Yes/No	Yes, TNFD has secured a share of the \$25 million German Government (IKI) grant that has been made to the TNFD Secretariat and its implementation partners. This grant will be

		<i>complemented with additional funding from existing government donors.</i>
Have Knowledge Partners been engaged regarding the development of new collaboration opportunities and priorities for the next phase of the TNFD’s technical development (post-September 2023)?	Binary: Yes/No	<i>Yes, collaboration agreements with two are about to be signed with others underway.</i>

Justification of score: A score of 5 was awarded, as a secure financial footing for the TNFD initiative and pledges of ongoing collaboration by knowledge partners increases the likelihood of substantial transformational change being effected.

Overall score:

Criteria	Score	Weighting	Weighted Score
Political will and local ownership	4	40%	1.6
Capacity and capability can be increased	5	10%	0.5
Evidence of effectiveness is shared	5	20%	1
Scalability	5	15%	0.75
Sustainability	5	15%	0.75
TOTAL		1	

Total weighting score / Total weighting = 4.6/1 = 4.6

A whole number is needed so 4.6 rounds to a **score of 5, signifying substantial evidence that suggests transformational change is likely or already occurring.**

OUTCOMES

Outcomes		
Outcome Indicator (Units)	Final Log-frame Target	Final Result Achieved
Market awareness of the TNFD framework for nature-related risk management and disclosure: Percentage of online engagement platform surveys (including forum members) scoring: (1) understanding nature as 'useful' or 'very useful'; (2) the disclosure recommendations as 'useful' or 'very useful'; (3) the LEAP process as 'useful' or 'very useful'	50%	85%

<p>Demonstrated interest from government policy makers and regulators; and international standards development bodies in the TNFD Framework as a foundational input into possible future regulatory arrangements for nature-related risk management and disclosure: # of governments (policy making entities, Central Banks or other regulatory entities) engaged by the TNFD directly or through partner channels</p>	<p>Engagement with all G7 governments, 75% of G20 governments and 10 non-G20 governments in Asia, Africa and Latin America</p>	<p>Direct engagement with all G7 and G20 countries and 10 of the non-G20 countries' governments has been built with their relevant ministries, market regulators and major standard setting bodies including IFRS/ISSB and EFRAG.</p>
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Overall assessment of programme outcomes, impacts, sustainability and VfM

The Theory of Change's Impact will only be able to be truly realised and measured once the final TNFD framework and disclosure recommendations are published. Only then will the TNFD be able to measure the global uptake of TNFD reporting, and only then can formal steps be taken to integrate TNFD-aligned reporting into the global financial standards architecture. Consequently, KPI15 indicators were developed that would enable Defra to capture enough evidence to form a reasonable descriptive picture of ICF effectiveness in this area. Similarly, as the Theory of Change's Outcomes will only be able to be assessed once the TNFD framework and disclosure recommendations are launched, we reconceptualised the Outcomes in the Log-frame so that indicators and milestone targets could be developed for measurement purposes during the programme's implementation period. The Log-frame outcomes were achieved within timeframe and within the budget allocated.

Impact

In terms of impact, the TNFD programme is seeking to make a catalytic contribution to ensuring that international finance is redirected away from activities that harm nature towards nature-positive activities. The TNFD presents an opportunity to deliver truly transformational change in the corporate and financial sectors and support the transition to a nature positive economy.

To assess the programme's performance against KPI15, the programme management team set a range of indicators across multiple criteria, including political will and local ownership, capacity and capability can be increased, evidence of effectiveness is shared, scalability, and sustainable. We set these criteria to ensure that the TNFD is being assessed against drivers, mechanisms and enablers for achieving transformational change. Please see the KPI15 analysis section starting on p.6 for more information.

Outcome 1

In the 2022-23 reporting period, survey feedback and responses to beta v0.2, v0.3 and 0.4 were considered. Overall, 85% or 331 out of 389 online engagement platform survey respondents rated the sub-components of the framework as 'useful' and 'very useful'. The survey feedback was collected through the inline feedback dashboard in the online platform and is technologically accessible to all users and members.

At 85%, Outcome 1 achieved the same feedback score in 2023 as it did in the 2022 Annual Review. In terms of a breakdown of scores of the sub-components of the framework, 86.9% of respondents described Understanding Nature as 'very useful' or 'fairly useful'. 80% of respondents described the Disclosure Recommendations as 'very useful' or 'fairly useful'. 88.2% of respondents described the LEAP (Locate, Evaluate, Assess, Publish) process as 'very useful' or 'fairly useful'. These results suggest that the programme continues to be on track to achieve market awareness. The number of survey participants was fairly similar in 2023 to the figure for 2022. For the 'Understanding Nature' survey, the number of survey respondents decreased from 199 in 2022 to 145 in 2023. For the 'Disclosure Recommendations' survey,

the number of survey respondents increased from 95 in 2022 to 125 in 2023. For the 'LEAP process' survey, the number of survey respondents decreased from 130 in 2022 to 119 in 2023.

Outcome 2

The TNFD has delivered on its second outcome to achieve demonstrated interest in the TNFD framework from governments and international standards bodies. Engagement with governments, regulators, and international standards bodies continues to be a key priority for the Co-Chairs and Executive and Technical Director to raise awareness for the TNFD, stimulate interest, and prepare the groundwork for possible future regulatory arrangements. The TNFD has undertaken direct engagements with all G7 and G20 countries and 10 non-G20 countries through their relevant ministries and market regulators, in addition to major standard setting bodies including IFRS/ISSB and EFRAG. The TNFD Taskforce has continued briefings to the G20 Sustainable Finance Working Group, engaged all Ministries of Finance and Central Banks of G20 countries on the finance track, and provided briefings to the Network for Greening the Financial System (NGFS), the Coalition of Finance Ministers for Climate Action (CFM), alongside other government platforms, bilateral engagements, and the TNFD Forum.

Engaging with the G7 and G20 is particularly important because they represent the vast majority of jurisdictions through which global capital flows and is therefore regulated, and the ability of the TNFD to produce transformational change is dependent on the willingness of governments and regulators to incorporate TNFD recommendations into any mandatory risk management and reporting requirements in their jurisdiction. The TNFD has received strong political support from the G7 (most recently in the G7 Hiroshima Leaders' Communique from May 2023), and efforts have been made to encourage the ISSB, via its current agenda consultation, to prioritise focusing on nature-related reporting – in particular, through the integration of the TNFD into the ISSB's emerging global baseline on sustainability reporting.

Summarise the programme's Theory of Change and results framework, including any changes to outcome and impact indicators.

The TNFD Theory of Change sets out how the TNFD intends to make an impact and create change. It informs decision-making and represents a practical roadmap for how the TNFD's activities and outputs will help to achieve high ambition outcomes and impacts. Progress towards achieving the impact is measured through the Log-frame.

The experience of implementing the programme has not posed any challenges to the programme's design or the initial assumptions when designing the Theory of Change. No changes have been made to the Outcome and Impact indicators over the course of the programme, and we believe these outcomes continue to represent critical success factors for the programme. The two Outcomes set out in the Theory of Change are as follows:

- The TNFD framework allows international corporate and financial institutions to understand, map, measure, manage and report on their impact and dependencies on nature – enabling the financial sector to make more informed and robust decisions regarding nature-related risks and opportunities.
- Nature-related risk management and disclosures are integrated into existing financial standards.

The Theory of Change's assumptions and drivers held up against the realities of implementation. Sufficient funding was secured to enable the TNFD to complete the design and development phase in a comprehensive manner. More prominence has also been given to tackling the systemic challenge of biodiversity loss and nature degradation over the past two years, particularly in light of the landmark commitments made on nature at UNFCCC COP26 and CBD COP15. Furthermore, through the work of its Data Catalyst initiative, the TNFD has made a significant contribution to addressing the challenges associated with the availability and production of decision-grade, credible, location-specific, nature-related data.

Gender Equality and Social Inclusion (GESI)

The UK's ODA programmes are required to undertake meaningful consideration and analysis of pertinent gender equality and social inclusion (GESI) issues. These can include programmes' ability to reach the poorest women, communities, and other marginalised groups, such as indigenous peoples, and

consideration of how barriers to participation can be overcome and opportunities created for these groups to participate in decision-making and leadership.

The TNFD Business Case (signed off in June 2021) acknowledged that the world's poorest and most marginalised people are the most negatively affected by the impacts of biodiversity loss and climate change, with consequences including deteriorating livelihoods, income, and health. Failure to tackle biodiversity loss will perpetuate major development challenges, such as health dangers from loss of natural resources for disease prevention and increasing pressures on food production and food security. The TNFD programme, by enabling organisations to manage their nature-related risks and opportunities more robustly, will enable low and lower-middle income countries to benefit from the transition to a nature positive economy. The TNFD will catalyse better functioning markets so that businesses and financial institutions will be able to better account for their negative impacts on the most vulnerable communities.

With the focus of the TNFD being the factoring in of nature into business and financial decision-making at a corporate level, the TNFD does not directly engage with the poorest and most vulnerable, in a manner similar to other ODA programmes. However, the TNFD's decision to pursue an 'open innovation' approach to the development of the TNFD framework and disclosure recommendations has resulted in a comprehensive consultation process being undertaken with key indigenous community representatives.

Gender

The International Development Gender Equality Act (2014) sets out our obligation to consider gender equality and track results for women and girls. The TNFD Secretariat collects gender-based data on usage of the platforms it provides:

- Google Analytics is used to provide insights on the users of the beta release digital platform. At the data of this Annual Review, Google Analytics reports that 50.3% of total users are female and 49.7% are male users.
- Data is similarly collected on the users who have registered and created a digital account on the digital platform since the first beta release. Of the users who have registered over the course of the programme, 3,508 women registered on the platform over 3,823 men (along with 2,641 unspecified profiles) between March 2021 and October 2023.

The TNFD is committed to diversity and gender representation in its Secretariat, resourcing, and membership. The TNFD Secretariat has direct influence over the construct of the Secretariat team, where the ratio of women to men is 3:1. TNFD Taskforce and TNFD Forum membership is held at the level of the organisation, and the TNFD has no direct influence over the gender of the individuals who act as representatives of Taskforce or Forum members. Out of the 40 organisations represented on the TNFD Taskforce, 24 are represented by men and 16 by women.

Indigenous Peoples

The TNFD recognises the critical role that indigenous peoples play as custodians of high-biodiversity ecosystems. Indeed, indigenous peoples protect 80% of remaining biodiversity in their territories, with women at the forefront of action for land and territorial rights.¹ In recognition of the importance of indigenous peoples' participation in the TNFD's development process and to ensure the meaningful integration of GESI criteria into the TNFD programme's MEL assessments, Defra and the TNFD Secretariat agreed to set a Log-frame Indicator to measure the 'Number of IPLC consultation sessions held'. See Output 3 for more information.

Safeguarding

As part of the Business Case development process, the GFI shared its Safeguarding Policy (last revised in February 2021) with Defra, which can be found in Annex F of the TNFD Business Case. The GFI committed to report any failure to meet its safeguarding obligations or any safeguarding/fraud concerns immediately to the programme manager, who would escalate concerns as per the relevant escalation procedure. As of July 2023, no safeguarding or fraud concerns have been relayed to the programme manager.

¹ <https://www.cbd.int/article/role-indigenous-women-transmission-traditional-knowledge-IDWIP2022>

TNFD African Voice Addendum: Theory of Change and Outcome Assessment

The work of the TNFD African Voice Addendum is aligned with the overarching TNFD Theory of Change and seeks to deliver the same impact. The TNFD African Voice Addendum is similarly aligned with FSD Africa's Risk and Resilience Pillar's Theory of Change, which is framed around capturing and identifying the major risks and obstacles to resilience facing Africa and protect the lives and livelihoods of those most at risk of natural capital loss.

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

Based on the above analysis of outcome and impact achievement, the Theory of Change, Value for Money analysis (see Section E of this Annual Review), and the output scores, we believe that the TNFD programme has represented good value for money and should be considered for extension to support the TNFD's crucial uptake phase. The goals of the TNFD initiative continue to be aligned with Defra's portfolio and priorities.

C: Detailed Output Assessment

The programme will be assessed using the below scoring methodology, in line with Overseas Development Assistance (ODA) guidance.

Description	Score
Outputs substantially exceeded expectation	A++
Outputs moderately exceeded expectation	A+
Outputs met expectation	A
Outputs moderately did not meet expectation	B
Outputs substantially did not meet expectation	C

Our Output Assessment is based on the data results submitted to Defra by the TNFD on 6th June 2023, in line with our annual programme monitoring requirements.

OUTPUT 1

Output Title	Beta versions of the TNFD Framework are released and developed, prior to publication of the finalised TNFD Framework (v1.0) by September 2023.		
Output Score	A		
Impact weighting (%)	60%	Impact weighting revised since last AR?	No

Output Indicator	Final Log-frame Target	Final Result Achieved
Number of beta versions of the TNFD Framework, prior to publication of the finalised TNFD Framework (v1.0) by September 2023.	Release of three update releases of the beta Framework in June 2022, October 2022 and February 2023,	Beta v0.2, v0.3 and v0.4 of the framework were released for the market consultation and feedback respectively on 28 June 2022, 4 November 2022 and 28 March 2023. The

	prior to final recommendations document published by September 2023	final TNFD framework was also published on schedule on 18 th September 2023.
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Briefly describe the output's activities and achievements during its lifetime, and provide supporting narrative for the score.

The three Beta frameworks (v0.2, v0.3, and v0.4) were released on time and as planned for market consultation and feedback on 28 June 2022, 4 November 2022, and 28 March 2023. This output was monitored via the Quarterly Progress Reports produced ahead of each disbursement to the TNFD. At each Beta launch, key documents such as the Beta Executive Summary, main Beta release, in addition to draft guidance, were published online and disseminated to the market through various channels including social media. No changes were made to the Milestone Targets for Output Indicator 1.1.

Building on beta v0.1 and feedback from a range of market participants and other stakeholders, beta v0.2 enhanced the first update with three significant additions including (i) the first draft architecture for metrics and targets, and draft guidance on, and an illustrative set of, dependency and impact metrics; (ii) a proposed approach to specific guidance; and (iii) an update to LEAP-FI. Beta v0.3 incorporated a number of important modifications and additions from v0.2 release, based on the continued research and design of Taskforce Working Groups and feedback on v0.2 from market participants and other stakeholders. The Beta v0.3 update incorporated, for the first time, the Taskforce's recommended approach to disclosures of dependencies and impacts on nature. As part of Beta v0.3, the Taskforce has also published draft additional disclosure guidance for financial institutions and an illustrative set of assessment and disclosure metrics for financial institutions, which includes examples with links for further information.

Beta v0.4 represented the last draft of the Framework prior to the launch of the final Framework in September 2023. The Beta v0.4 release received 1750 pieces of feedback contributions from more than 200 institutions and individuals in 27 countries, and more than 60 comment letters published. In Beta v0.4, for the first time, market participants can view a full representation of the framework, including examples of additional guidance by sector and biome. Beta v0.4 contained substantive additions relating to its approach to core global and sector-specific metrics – setting out draft disclosure indicators and metrics to support this comparability across and within sectors, including for financial institutions, agriculture and food, and tropical forests. Following the Beta v0.4 launch in March 2023, the Taskforce continued to receive feedback from market participants and insights from pilot testing until 1 June 2023 in order finalise the design and development of the TNFD Framework and disclosure recommendations.

The TNFD framework is anchored by the same four pillars of the TCFD approach and all 11 of the TCFD recommended disclosures have been incorporated into the TNFD final draft, providing market participants with a high level of alignment with the structure, language and approach taken by the TCFD. This should encourage and enable market participants to move toward integrated climate-nature disclosures. This has been well-received by the market, as it enables climate and nature-related issues to be dealt with together.

Lessons learned through this output, and recommendations for future programming

The experience of this output underscored that the publication of multiple Beta iterations was of immense importance to both the testing and consultation process and to the ongoing improvement of the relevance, usability, and effectiveness of the Framework. It meant that wide-ranging stakeholders and prospective users were able to articulate their concerns and recommendations via a private consultation and feedback process, and that consequently the final Framework and disclosure recommendations were the product of a wide spectrum of opinion.

For future ODA programming, we would recommend that future frameworks, standards, and disclosure-based mechanisms should similarly pursue an 'open innovation' iterative process to ensure that buy-in is achieved from as many critical stakeholders as possible in the early stages.

OUTPUT 2

Output Title	Significant membership of the TNFD Forum achieved - representing global market awareness and willingness to consider voluntary adoption of the TNFD's recommendations		
Output Score	A++		
Impact weighting (%)	15	Impact weighting revised since last AR?	No

Output Indicator	Starting Target	Final Log-frame Target	Final Result Achieved
2.1 - # of companies and financial institutions who have joined the TNFD Forum (scale)	This indicator was originally set at 500 for the 2023 Milestone but was raised following the recommendation made in the 2022 Annual Review to heighten some of the ambitions in the Log-frame. This recommendation was made because the TNFD programme exceeded a number of the initial expectations set out in the Log-frame.	600	1080
2.2 - # of countries and jurisdictions from which companies and financial institutions have joined the TNFD Forum (breadth)	Target has not changed.	40	57
2.3 - # of industry sectors represented in the TNFD Forum membership (breadth)	This indicator was originally set at 15 but was increased to 22 following the recommendation made in the 2022 Annual Review.	22	26
2.4 - # of Consultation Groups established to support the TNFD Forum and market engagement efforts	This indicator was originally set at 6 but was heightened to 10 following the recommendation made in the 2022 Annual Review.	10	11

Briefly describe the output's activities and achievements during its lifetime, and provide supporting narrative for the score.

The programme has exceeded expectations in terms of the breadth and depth of TNFD Forum membership and the number of Consultation Groups established. The significant membership achieved of the TNFD Forum exemplifies the high level of market and stakeholder confidence in the value proposition of the TNFD. The TNFD Forum is a global multi-disciplinary consultative group of institutions, which supports the work of the TNFD Taskforce. Its membership is open to a broad range of institutional types including companies, financial institutions, public sector institutions (including regulators, pension funds and sovereign wealth funds), academic and research organisations, business associations, inter-governmental organisations, as well as conservation and civil society organisations. The Consultation Groups are designed to expand awareness about the TNFD in selected markets and to encourage feedback and pilot testing of the Framework.

Output Indicators 2.1 and 2.2 have significantly exceeded expectations, which reflects the market awareness of, and considerable interest in, the work of the TNFD initiative. It also reflects the enthusiasm for a user-friendly disclosure mechanism for managing nature-related risks and opportunities. TNFD Forum membership has grown by 28% since December 2022, and is 10 times higher than Forum membership at its inception in October 2021. As was the case in the 2022 Annual Review, the results have exceeded expectations owing to two principal reasons. Firstly, the TNFD Forum includes market consortia² who have acted as nature-forward champions and credible amplifiers within their sector and have therefore helped to catalyse wider interest in the work of the TNFD. Secondly, the TNFD has worked together with the Stewardship Council and influential policy-making platforms within the Forum to credibly position the TNFD to be positively considered and integrated on key agendas of the G7, G20, and the United Nations Framework Convention on Climate Change (UNFCCC) and the Convention on Biological Diversity (CBD) COPs.

Output Indicator 2.3, which measures the number of industry sectors represented in the TNFD Forum, was expanded from 22 to 26 industry sectors, of which 21 sectors are classified in the WEF/PwC report and additional sectors including conservation, other professional and business services and scientific research sectors.

Output Indicator 2.4 demonstrates how market-led TNFD Consultation Groups are being activated at a national and regional level to expand outreach and engagement on the TNFD Framework and nature-related business and finance more broadly. The TNFD Secretariat has established Consultation groups in India, France, Brazil, Colombia, Japan, Switzerland, Netherlands, and the UK, and established regional groups for Australia & New Zealand, ASEAN, and Nordic countries. Participation in consultation groups is open to all institutional members of the TNFD Forum from that jurisdiction, and additional conversations are underway with prospective convenors in other jurisdictions. The presence of Consultation Groups represents a strong proxy for market interest in the TNFD initiative in a particular area.

Lessons learned through this output, and recommendations for future programming

In the 2022 Annual Review, we noted that the majority of TNFD Forum members came from G7 countries, and consequently underlined the need to ensure engagement with stakeholders beyond the G7 to ensure the programme becomes truly global in scope. Over the past year, the number of countries and jurisdictions represented in the TNFD Forum has expanded from 39 to 57, with greater representation being achieved from developing countries.

OUTPUT 3

² These consortia include Business for Nature, Business Solutions for Sustainable Development (CEBDS), Ceres, Confederation of British Industries, Confederation of Indian Industries, Institute of International Finance, International Petroleum Industry Environmental Conservation Association (IPIECA), Japan Business Initiative on Biodiversity, United Nations Principles for Responsible Investment (UN PRI), World Business Council for Sustainable Development (WBCSD), World Economic Forum (WEF), and the US Chamber of Commerce.

Output Number and Title	Market and stakeholder engagement on the Beta versions of the TNFD Framework		
Output Score	A+		
Impact weighting (%)	15	Impact weighting revised since last AR?	No

Output Indicator	Starting Target	Final Log-frame Target	Final Result Achieved
3.1 - # of financial institutions and companies piloting the draft TNFD Framework	This was originally set as “at least 30 FIs and companies piloting the draft framework through 6 TNFD-supported and 18 independent TNFD pilots”.	100 corporates and financial institutions pilot testing the Framework.	208 organisations pilot testing the Framework.
3.2 - # of indigenous community consultations held	This was originally set as “Feedback received from at least 5 indigenous community organisations globally”.	10 consultations held	10 consultations held
3.3 - # of Knowledge Partners engaged, enabling the TNFD to draw from the best existing relevant initiatives, frameworks and standards relevant to its scope.	N/A	15	18

Briefly describe the output’s activities and achievements during its lifetime and provide supporting narrative for the score.

For Output Indicator 3.1, 208 companies and financial institutions have participated in the pilot testing of the TNFD framework to explore its application in their specific organisational context and provide valuable input for the TNFD framework development. Extensive pilot testing has been fundamental to the success of the TNFD, crowding-in insights from stakeholders across different sectors, geographies, and themes. In all, 36 countries and jurisdictions and 11 different sectors have been represented in the pilot testing process, with balanced participation being achieved from corporates and financial institutions. The results far exceed the internal expectations and targets originally set by the TNFD. The TNFD pilot testing process concluded on 1st June, and the results and experiences through pilot testing are being integrated into TNFD’s strategy for capacity development moving forward and the evolution of a TNFD Community of Practice.

Pilot testing has also been undertaken through the TNFD’s five pilot-testing programmes, supported by FSD Africa via the African Natural Capital Finance Alliance (ANCA), Global Canopy, the International Council on Mining and Minerals (ICMM), UNEP Finance Initiative (UNEP FI), Agence Française de Développement (AFD), and the World Business Council on Sustainable Development (WBCSD). Textile Exchange and IPIECA have also joined as pilot programme partners focusing on textiles and apparel and the oil and gas sectors respectively. Furthermore, to ensure transparency and to service the demand and interest of market participants, the TNFD convened a series of online piloting ‘clinics’ to discuss shared challenges and showcase learnings among pilot testers as a community of practice. This model proved to be highly successful, with over 300 participants worldwide typically joining these online sessions.

The TNFD has also met its target to hold 10 consultations with Indigenous Peoples and Local Communities (IPLCs). Of the 10, two were held in-person and eight were held online, with each of the consultation sessions engaging between 25 and 40 indigenous leaders. The TNFD partnered with the International Indigenous Forum on Biodiversity (IIFB) and the International Union for Conservation of Nature (IUCN) to facilitate this engagement, bringing together multiple IPLC organisations for discussions and feedback. Feedback from the IPLC community has been positive and complimentary of the process established for engaging with them. The feedback received during the consultations fed into the draft guidance for the TNFD framework on engagement with stakeholders, including rights-holders, as part of the v0.4 release in March 2023.

The TNFD has put agreements in place with [18 'core' Knowledge Partners](#) over the course of the two-year programme, exceeding its target of 15. The Knowledge Partners are leading international organisations that support the TNFD by providing best-in-class scientific and technical expertise relating to the assessment and management of financial and non-financial risks. The Knowledge Partners were recruited and deployed by the TNFD Secretariat's Technical Team to support the TNFD's Working Groups and provide in-kind or pro-bono contributions. The TNFD exceeded its target for the onboarding of Knowledge Partners because the organisations expressed significant interest in joining as Knowledge Partners to participate in the development of the Framework and the TNFD Secretariat found that there was a demand for ever-increasing levels of scientific and expert rigour.

Lessons learned through this output, and recommendations for future programming

The key lesson learned in the 2022 Annual Review was that there was a need to further deepen engagement with Knowledge Partners and be clearer in advance on what is requested of them. Following the 2022 Annual Review, the Secretariat updated the scopes of work with the Knowledge Partners, provided clarity on the timeline and provided specific requests for input from them up to June 2023.

OUTPUT 4

Output Title	Guidance published that provides support for institutions adopting and implementing the TNFD Framework.		
Output Score	A++		
Impact weighting (%)	10	Impact weighting revised since last AR?	No

Output Indicator	Final Log-frame Target	Final Result Achieved
4.1 - # of sectoral guidance documents drafted and published.	4 guidance documents	Total of 24 guidance documents and 2 discussion papers: <ul style="list-style-type: none"> • 4 sector and 4 biome guidance documents • 13 cross-sector additional guidance documents • 3 use cases • 2 discussion papers with proposed approaches to guidance

4.2 - # of guidance on data and metrics drafted and published.	Discussion paper on metrics	1 discussion paper (supplemented by 8 guidance documents relating specifically to data and metrics drafted and published.)
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Briefly describe the output's activities and achievements during its lifetime, and provide supporting narrative for the score.

The TNFD has provided sector-specific and biome-specific guidance to market participants to make their reporting and disclosure activities as efficient, comparable, and context-appropriate as possible within sectors and biomes. The priority sectors and biomes were identified based on feedback from working groups and selection criteria. Sector guidance has been produced for financial institutions (which also includes disclosure guidance), mining and metals, agriculture and food, and energy (covering two sub-sectors: oil and gas, and electric utilities and power generators). Biome guidance has been produced for tropical forests, rivers and streams, intensive land use systems (agriculture only), and marine shelf.

The TNFD has also produced guidance on metrics and targets, guidance on target-setting developed within the Science-based Targets Network (SBTN) and others, guidance on scenarios, guidance on stakeholder engagement, including rights-holder engagement. The TNFD has worked to ensure that its ultimate guidance is science-based, useful to market participant decision-making processes, and implementable. In relation to Output Indicator 4.1, the TNFD has produced more guidance than initially anticipated to ensure that wide-ranging market needs are met to support the adoption of the TNFD's recommendations. This demand reflects the strong interest that has been shown in the TNFD. All the guidance produced has been uploaded onto the TNFD Secretariat website and can be found at: <https://framework.tnfd.global/publications/>

For Output Indicator 4.2, the TNFD has not produced a separate Discussion Paper specifically on metrics as initially anticipated when the Log-frame was first developed. Instead, it produced an updated [Landscape Assessment of Nature-related Data and Analytics Availability](#) with a new case study on 'Exploring Current Data Challenges' in June 2022, which built upon the first Discussion Paper on 'Landscape Assessment of Nature-related Data and Analytics Availability' produced in March 2022 for market participants' consultation. The decision was made to incorporate a detailed overview of metrics within the 'Landscape Assessment of Nature-related Data and Analytics Availability', which therefore meant that a separate paper on metrics was superfluous. This Discussion Paper represented a significant contribution to the data and metrics debate – mapping data platforms and sources and identifying key gaps and challenges for data providers. The TNFD has complemented this publication over the past year by producing the following eight guidance documents relating specifically to data and metrics.

1. [Disclosure Metrics Annexes](#), including disclosure metrics for the agriculture and food sector, and for the tropical forest biome, March 2023
2. Guidance on metrics for the Evaluate phase of LEAP (dependencies and impacts on nature), June 2022 ([Annex 1 of beta v0.2](#))
3. Guidance on determining reference condition, June 2022 ([Annex 1a of beta v0.2](#))
4. Illustrative dependency and impact assessment metrics for pilot testing ([Annex 2 of beta v0.2](#))
5. [Illustrative indicators for nature-related risks and opportunities](#), November 2022
6. [Guidance on Response Metrics in the Prepare Phase of LEAP](#), March 2023
7. [Financial institutions metrics supplement](#), March 2023
8. [Illustrative assessment and disclosure metrics for financial institutions](#), November 2023

Lessons learned through this output, and recommendations for future programming

N/A

TNFD AFRICAN VOICE OUTPUTS

These Output Indicator results were submitted to Defra by FSD Africa, following the completion of the work undertaken as part of the TNFD African Voice Addendum from November 2021 to November 2022.

Output Title	TNFD African Voice Addendum:		
Output Score	A+		
Impact weighting (%)	N/A	Impact weighting revised since last AR?	No

Output Indicator	Final Log-frame Target	Final Result Achieved
WS1 – Academic justification of the TNFD in Africa		
Publication of ‘Nature and financial institutions in Africa: a first assessment of opportunities and risks’ report.	Report published by June 2022	Report published by June 2022
WS2 – Pilot case studies in the financial sector		
Number of partner financial institutions assessing nature-related risks and opportunities, and qualitatively or quantitatively updating their value of holdings to reflect climate or nature-related risk.	5	6
Number of institutions participating in the design of the TNFD Framework (either through formal focus groups and workshops, or through more informal feedback collection mechanisms).	5	6
WS3 – Outreach: coordinated programme of advocacy		
Number of institutions engaged in ANCA-related events	150	248
Number of participants engaged in ANCA-related events	1500	1320
Number of institutions currently taking action against nature-related risks and acting against opportunities through signing up to the African Natural Capital Alliance (ANCA). <i>Disaggregated by country, financial/non-financial institutions.</i>	36	18

Briefly describe the output’s activities and achievements during its lifetime and provide supporting narrative for the score.

FSD Africa has either met or exceeded the targets set for the majority of indicators relating to the TNFD African Voice component of the programme. Please see below an overview of the progress made against the programme’s three workstreams:

Workstream 1 – providing an academic justification for the TNFD in Africa and facilitating high-impact advocacy around that

The programme published a report, titled '[Nature and financial institutions in Africa](#)', on schedule in June 2022. It contained the first-ever published assessment of nature-related risks and opportunities for financial institutions across Africa. The report underlined the importance of nature to Africa's economy and quantified the exposure of African central banks and private financial institutions to nature-related financial risks under different scenarios of global action on nature. Beyond the analysis findings, the report also produced key learnings on market dynamics, which demonstrated both the measurable and material impacts of nature on the 'real economy' (agriculture and mining, in particular) and on the financial sector. The report was launched at a webinar in June 2022 (with 150 attendees) and included a discussion on how policymakers, international institutions, and regulators could assist in longer-term standard-setting.

Workstream 2 – constructing a series of pilot case studies in the financial sector that establishes examples of successful risk assessment and mitigation

The programme onboarded six financial institutions as 'Champions' of the TNFD in Africa – exceeding the original target of five financial institutions. These Champions both qualitatively or quantitatively updated their value of holdings to reflect climate or nature-related risk and participated in the design of the TNFD Framework, with each of the six Champions completing a nature-related risk assessment and testing the TNFD Opportunity Framework. The programme supported the development of best-in-class toolkits to support the piloting process, and delivered tranches of feedback based on learnings from the initial pilots as these findings were used to support the ongoing iterative development of the TNFD Framework. The following updates were implemented by the TNFD as a result of its decision to act upon the recommendations submitted by the FSD Africa pilot testing process:

- **Fundamentals for understanding nature:** New simplified guidance on '[Draft recommended disclosures](#)' was issued in response to feedback which noted the complexities of impacts, dependencies and risks.
- **LEAP Framework:** New exposure metrics for the '[LEAP – risk and opportunity assessment approach](#)' were developed in response to feedback calling for guidance on how to combine materiality of impacts, dependencies and risks across realms.
- **TNFD Draft Disclosures: LEAP-FI** was introduced in response to feedback calling for guidance on how financial institutions can be integrated into nature-related metrics and targets.

The six Champions proceeded to detail their short- and longer-term ambitions for the TNFD and nature more broadly in a high-level roadmap to guide their nature journeys beyond the pilot into 2023.

Workstream 3 – Outreach to the public sector through a coordinated programme of advocacy

For Workstream 3, the TNFD African Voice programme drew on outputs from Workstreams 1 and 2 to support African policymakers and regulators to influence the design of the TNFD and to integrate the preliminary framework into local disclosure regulation. The programme established and launched the [African Natural Capital Alliance](#) (ANCA) in June 2022 as the primary vehicle for driving advocacy and engagement. ANCA is a collaborative forum, whose mission is to ensure the policies and practices of financial institutions, companies, regulators, and policymakers integrate the risks and opportunities tied to Africa's natural capital.

The number of institutions participating in ANCA-related events far exceeded expectations, with 248 institutions participating (98 higher than the 150 target). Although 1320 participants engaged in ANCA events (180 fewer than the 1500 target), this was allayed by higher institutional participation. It implies that fewer staff attended the events from each respective institution that initially anticipated. But at a ratio of 5.3:1, this still represents considerable participation by staff from the participating institutions. The number of institutions who signed up to ANCA by November 2022 was notably less than the initial target set, achieving 18 rather than the 36 projected. However, this was because FSD Africa decided to pursue a more selective approach to admitting ANCA members and consequently declined quite a number of applications. As of July 2023, ANCA membership stands at 30 institutions. Defra's Addendum funding also contributed to the development of a public sector engagement strategy, which now forms the backbone of ANCA's future outreach to government and regulatory stakeholders.

Lessons learned through this output, and recommendations for future programming

N/A

E: Risk

Overview of programme risk during the past year and over the life of the programme, drawing on Defra's Risk Management Policy and wider risk guidance.

The TNFD programme has maintained a moderate risk rating over the past 12 months of the programme and continues to constitute an acceptable level of risk against Defra's risk appetite. Defra regularly reviews programme risks and developments through its governance processes, including through its quarterly reporting meetings with the TNFD and the Quarterly Progress Reports that it receives from the TNFD. Defra's membership of the TNFD Stewardship Council (which consists of the TNFD's donors) means that it has a high level of visibility over current and emerging risks.

The TNFD has continued to successfully mitigate against the risks that were identified through due diligence at the outset of the programme, in addition to the risks that were identified in the 2022 Annual Review. The TNFD's open innovation approach and comprehensive communications and stakeholder engagement plans have ensured that key players from around the world have participated in the Framework's development. The TNFD has developed piloting programmes to ensure high levels of engagement in the TNFD's pilot testing and consultation process and has continued to strengthen relationships with key ecosystem players whose role is vital for achieving extensive TNFD uptake.

The following risks below were identified and mitigated over the past year:

Funding

The biggest risk that arose since the 2022 Annual Review related to financial liquidity. In January 2022, the TNFD highlighted that they were facing a challenging cashflow situation owing to delays in the disbursement of pledged payments from other donors - in particular, due to a problem with the grant agreement IT system of one of the donors. Additional funds pledged by other donors would not arrive in time to resolve this issue owing to the need to complete project commencement procedures prior to signing the contract and disbursing the funds. As a result, GFI PMO Ltd (which hosts the TNFD Secretariat) requested an early disbursement of the June tranche of Defra funding to ensure that the TNFD could continue to work at pace and settle its contractual obligations on time so that there would be no risk to on-time delivery of the launch of the TNFD framework in September. Following the successful completion of due diligence processes, Defra consented to the early drawdown of our scheduled June payment to resolve the TNFD's cashflow challenge.

Since the 2022 Annual Review, the TNFD has continued to raise additional funds to enhance the scope of the TNFD's design and development activities by engaging with international foundations and foreign governments. As a result of these fundraising efforts, the TNFD has directly received or is in the process of receiving additional funds from the Macdoch Foundation, the German Government, and the Swiss Government. Furthermore, the issues affecting one of the original donor's grant agreement IT system has now been resolved and they will be shortly issuing the funds. Once the pledged funding from donors is secured, the TNFD will have enough funding to sustain planned operations up to the spring of 2024, supporting the TNFD's next phase on global uptake.

Resourcing challenge/Consultancy support

The TNFD Secretariat relies considerably on pro-bono secondments from consulting firms to support working groups and other projects. The TNFD had been able to secure sufficient support for the first year, but there was an emerging risk that the consulting firms would not be able to sustain their high level of investment and commitment to the TNFD. Following engagement by the TNFD with the consulting firms about their commitment and the TNFD's likely future needs, the TNFD has continued to receive strong support from consultancy firms in a manner that is well matched with resourcing needs. However, it was flagged that this pro-bono support would need to be supplemented with some expert technical consultancy

that would need to be paid for. The additional funds that have been raised from other donors are able to cover the costs for the expert technical consultancy incurred.

Risk of competing initiatives

Over the course of the TNFD's design and development phase, the TNFD has sought to maintain its position as the de-facto risk and impact assessment and disclosure nature-related framework. The TNFD has sought to develop global relevance and endorsement in order to consolidate its position as the pre-eminent nature-related framework and to reduce the probability of new, competing initiatives being launched. The extensive and unmatched level of support received from governments, regulators and the market has put the TNFD in a strong position to achieve its aims and objectives. Moreover, by aligning the framework design with the TCFD and signalling alignment to the global reporting baseline being developed by the ISSB, the TNFD is building on a strong foundation which also increases the likelihood of its success. As a result of these efforts, there are no known competing initiatives with the same amount of global endorsement and relevance.

TNFD African Voice

The overall risk level for the TNFD African Voice component was designated as Moderate, and within Defra's appetite. A moderate risk level was identified for political, financial, operational, and delivery risks, with a minor reputational risk acknowledged. FSD Africa was able to mitigate the risks identified at the outset. To ensure efficacy in meeting the Addendum's objectives, FSD Africa diligently scoped consultants who had the capacity to absorb grants or procurements to deliver high-quality outcomes and mobilise the required capacity, while ensuring that Value for Money was maintained. Clear expectations were set with the consultants, and close cooperation was maintained between FSD Africa and the TNFD Secretariat. FSD Africa was also able to leverage its trusted and creditable reputation to build on existing relationships with various stakeholders across Africa to take forward the goals of the Addendum.

Risks specific to FSD Africa as a delivery partner, rather than related to the TNFD African Voice Addendum, can be found in the latest FSD Africa Annual Review by FCDO on DevTracker: <https://devtracker.fcdo.gov.uk/projects/GB-1-205238/summary>

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

Summarise the performance of partners and Defra, notably on commercial and financial issues, and including VfM measures of economy and efficiency.

The TNFD has proven a trusted and reliable delivery partner over the duration of this programme. Defra has made payments to the TNFD Secretariat in line with a timetable agreed at the Business Case development stage, and based on deliverables that are reported on in the Quarterly Progress Reports. With regard to programme monitoring, Defra has worked closely with the TNFD to establish a common understanding of what constitutes sufficient evidence of need and what information needs to be included in the disbursement requests.

The TNFD Secretariat delivered the programme's primary output of launching the TNFD framework and disclosure recommendations on time and on budget. Defra provided cornerstone funding for the TNFD Secretariat, which had a catalytic effect in crowding in additional funding for the work of the programme. Defra's funding has ensured that the TNFD has been able to make substantive progress at pace and on a much greater scale than would otherwise be the case.

Value for Money (VfM) assessment for Annual Review

The following VfM assessment has been undertaken consistent with Foreign, Commonwealth & Development Office (FCDO) guidance. This recommends that all programmes are assessed against the following four VfM categories:

- Economy - Are we (or our agents) buying inputs of the appropriate quality at the right price?
- Efficiency – How well are we (or our agents) converting inputs into outputs?

- Effectiveness – How well are the outputs produced by an intervention having the intended effect?
- Equity – To what extent are Gender Equality and Social Inclusion (GESI) considerations incorporated into the intervention?

Economy

The UK's £2.8 million funding commitment was fundamental the core operation of the TNFD as it supported the TNFD Secretariat (including the core TNFD team), research, stakeholder engagement, working groups, technical assistance, the development of data and tools, travel, communications, and participation at significant international summits.

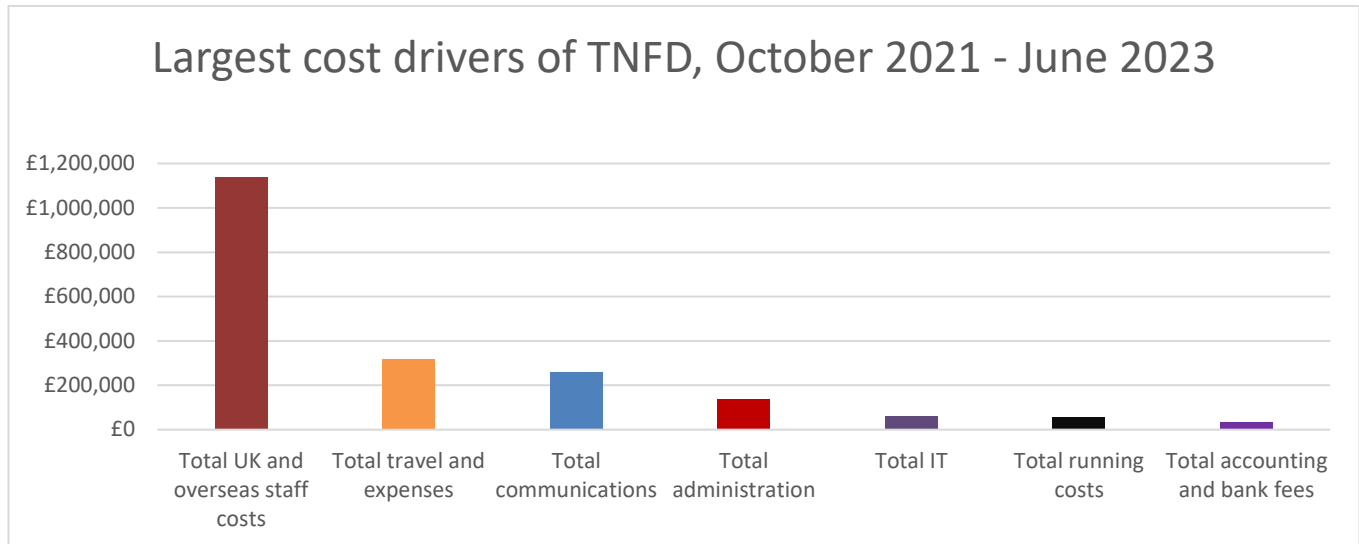


Figure 1: Largest cost drivers for TNFD

Figure 1 demonstrates the largest cost drivers for the TNFD since the onset of the scheme. The largest subset of costs are staff costs for the programme, totalling £1.1mn since the beginning of the programme and 44% of the allocated funding from Defra. This is followed by travel and expenses, and communications at 12% and 10% of total funding since October 2021, respectively.

In procurement, the TNFD operates under a commitment to openness, sustainability, competition, and transparency. The TNFD has adopted the 'MEAT' model when assessing procurement options. MEAT refers to 'Most Economically Advantageous Tender', and ensures that price and quality are optimised in every procurement decision.

When undertaking recruitment, the TNFD aim to achieve the best person-to-job fit and do so guided by the principles of fairness, consistency and zero discrimination, and in accordance with statutory regulation and best practice.

Efficiency

Figure 2 shows a further breakdown of the TNFD's running costs. The programme spent £100,000 on events and a further £114,000 on marketing consulting, in the time period between Oct 2021 – June 2023. The TNFD was represented at over 50 international events and hosted 15 stakeholder engagement events in order to support promotion of the framework. These events contributed to the programme's successful development of the framework as over 200 companies and financial institutions participated in its pilot testing, exceeding the final log-frame target of 100 companies and financial institutions (output 3).

This investment also reflects the work undertaken by the programme to grow the membership and increase the TNFD's profile. This has resulted in the TNFD forum achieving a membership of 1080 companies and financial institutions, from over 50 countries, exceeding the original targets of 600 companies and financial institutions from 40 countries (Output 2).

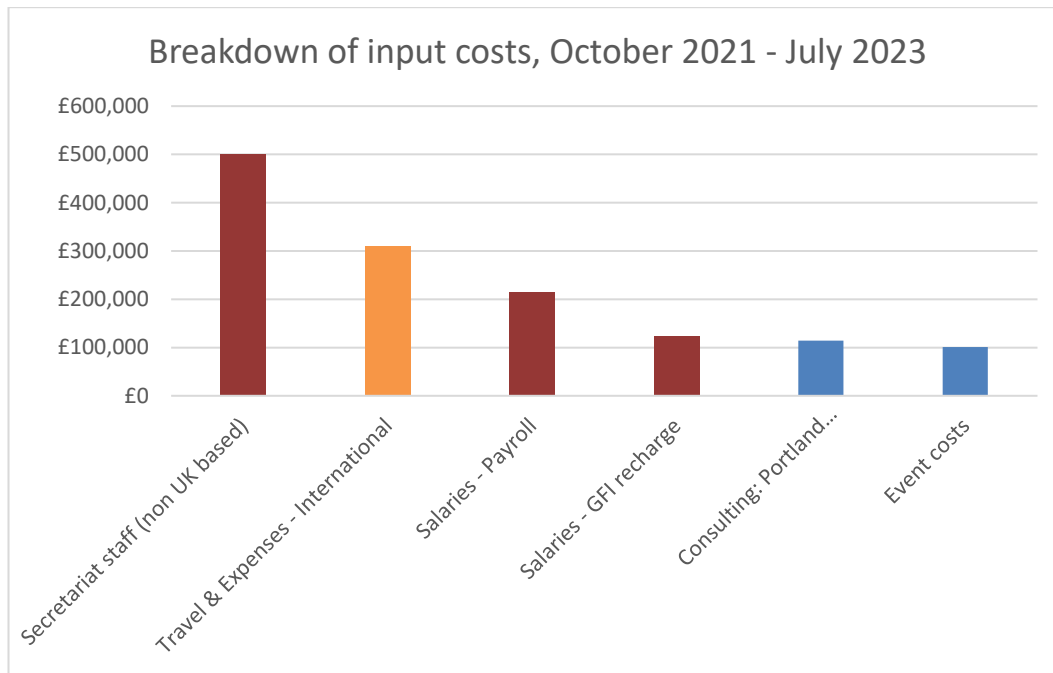


Figure 2: breakdown of input costs

The TNFD has been able to benefit from the knowledge of numerous scientific, corporate, financial, and regulatory entities because to its broad ‘open innovation’ approach. The engagement from various stakeholders supported the TNFD’s iterative development process when producing the multiple beta versions of the framework (output 1), 208 pilots have been conducted across a variety of industries and regions. This enabled each version to be rigorously tested and improved upon, based on the feedback received, resulting in the final version of the framework being the outcome of a diverse range of viewpoints.

Effectiveness

In the period between October 2021 and July 2023, the TNFD substantially exceeded expectations 3 out of 4 outputs and met expectations on the remainder. This positive output performance underlines the programme’s success in achieving its intended outcomes of:

- Outcome 1: Market awareness of the TNFD framework for nature-related risk management and disclosure
- Outcome 2: Demonstrated interest from government policy makers and regulators; and international standards development bodies in the TNFD Framework as a foundational input into possible future regulatory arrangements for nature-related risk management and disclosure.

Market awareness of the programme was assessed with an online stakeholder survey. 85% of respondents assessed the disclosure recommendations, the LEAP (Locate, Evaluate, Assess, Prepare) process, and the impact of the Beta Framework on their understanding of nature as "useful" or "very useful." This exceeded anticipated expectations and shows that the programme is on track to achieve market awareness.

The TNFD has received interest in the framework from all G7 and G20 countries, as well as 10 non-G20 countries. This is important to the effectiveness of the TNFD as this group of countries govern the majority of flows of global capital, and therefore are key to the TNFD’s capability to drive transformational change. Further to this, the TNFD has engaged major standard setting organisations such as the IFRS/ISSB and EFRAG, working with the ISSB to incorporate and prioritise nature-related reporting into its reporting practices.

Several companies have integrated the TNFD framework into their annual sustainability reports, with further companies pledging to report in line with the framework. Further examples of the effectiveness of the programme are evidenced by investors signalling to companies in their portfolio that they will begin to enquire about nature-related risks and opportunities in alignment with the TNFD.

Equity

Google Analytics is used by the Secretariat to compile data on beta release digital platform users. According to the data, 50.3% of total users are female and 49.7% are male users, which is a difference of 0.6%. According to data gathered on the number of users who have registered and created an account on the digital platform, 3,823 men have registered since the first beta release, compared to 3,508 women users - reflecting about 9% more men registered than women based on the data available. Although it must be caveated that any analysis of gender balance must be caveated by the fact that 2,641 of the registered users did not specify their gender for their profile. The TNFD's commitment to gender representation is reflected in the resourcing of the secretariat, where the ratio of men to women is 1:3.

In recognition of the importance of working with indigenous communities, the TNFD has partnered with the International Indigenous Forum on Biodiversity and the International Union for Conservation of Nature to facilitate engagement international indigenous communities.

Programme-level approach to monitoring and evaluation

The Defra programme manager and the SRO meet with TNFD/GFI representatives on a quarterly basis, covering the progress of the programme, operational processes, financial management, match funding, and risk management. These meetings are a useful forum to discuss and resolve issues relating to TNFD operations and programme management.

The TNFD Secretariat (hosted by GFI PMO Ltd) has performed diligently as the delivery partner. Comprehensive updates on programme activities, risks and finances have been provided in the Quarterly Progress Reports, TNFD contacts have been thorough and engaging in the Quarterly Meetings, requests for information by Defra have been responded to satisfactorily, and the TNFD has ensured that adequate resource is employed to support the completion of Defra's programme management-related tasks and requirements. The TNFD have completed the Quarterly Progress Reports on time and to a high standard, enabling Defra to monitor the expenditure of Defra funds.

The Defra TNFD Policy Lead acts as the main contact for the TNFD Secretariat on all matters unrelated to programme management and funding, including ensuring alignment with UK domestic policies/regulation, providing strategic input to ensure the TNFD takes action conducive to the UK government's commitments under the Green Finance Strategy and Sustainability Disclosures Requirements, and providing capacity building support to the TNFD's Knowledge Hub. Both Defra teams worked closely to ensure coherence across the policy and programming responsibilities.

The Defra TNFD Policy Lead sits on the monthly Stewardship Council meetings and raises any concerns/emerging risks, connects with other funding governments on the Stewardship Council to align on TNFD messaging, stakeholder engagement and market uptake action plans. In addition to bi-monthly catch-ups with the TNFD Co-Chair David Craig and Executive Director, Tony Goldner, further ad hoc meetings are held with certain members of the TNFD such as the Technical Director and Head of Pilots to address specific questions and discuss engagement opportunities. The Defra TNFD Policy Lead travelled to Montreal for CBD COP 15 and played a crucial intermediary role in ensuring the UK government support for the Global Biodiversity Framework (GBF) language was aligned with TNFD ambitions and wording, especially around Target 15 of the GBF. The Defra TNFD Policy Lead acts as the Lead UK government representative for engaging with the TNFD.

TNFD African Voice

Defra maintained regular contact with FSD Africa colleagues through monthly programme management meetings and through attending Steering Committee meetings relating to the programme's workstreams. The monthly programme management meetings covered operational processes, progress updates,

discussing finances, emerging risks, and provided an opportunity to give steers. Defra also liaised with FCDO on programme management issues, given that FCDO attended meetings on the FSD Africa's Board Finance and Risk Committee (FARC) as well as at an administrative/programme management level. FCDO actively monitored the overall delivery of FSD Africa, involved Defra during the Annual Review process, and shared updates with Defra as appropriate.

Financial performance over the 12-month Addendum period was positive. The Addendum funding was split into two tranches, with an initial £850,000 secured to fund the components to be delivered in the 2021/22 financial year. However, the provision of the remaining £825,000 anticipated funding was dependent on a successful bid to use a portion of underspend from the 2021 Spending Review allocation. This bid was successfully made, and the full £1,675,000 was granted to FSD Africa for the completion of all the initial activities set out in the Addendum. This provided financial certainty for the remainder of the Addendum period.