

Darwin Initiative Main: Annual Report

To be completed with reference to the “Project Reporting Information Note”:
(<https://www.darwininitiative.org.uk/resources-for-projects/information-notes-learning-notes-briefing-papers-and-reviews/>).

It is expected that this report will be a **maximum of 20 pages** in length, excluding annexes)

Submission Deadline: 30th April 2023

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1. Darwin Initiative Project Information

Project reference	27-011
Project title	Building an investment model enabling citizens to protect Liberia’s forests
Country/ies	Liberia
Lead Partner	Society for the Conservation of Nature of Liberia (SCNL)
Project partner(s)	Royal Society for the Protection of Birds (RSPB); Finance Earth (previously Environmental Finance)
Darwin Initiative grant value	£409,994
Start/end dates of project	1 October 2020 – 31 September 2023
Reporting period (e.g. Apr 2022 – Mar 2023) and number (e.g. Annual Report 1, 2, 3)	1 April 2022 – 31 March 2023 Annual Report 3
Project Leader name	Michael F. Garbo
Project website/blog/social media	
Report author(s) and date	Jamesetta Cheazar-Barquoi, Anne Gardner & Richard Hoff II- April 30, 2023

2. Project summary

Problem

Liberia’s Community Forestry legislation enables communities to manage and benefit from their forest assets and thereby reduce their poverty. By engaging Community Forest (CF) communities to conserve part of their forests, CFs can link protected areas to benefit biodiversity, particularly large, mobile species (e.g. chimpanzees and forest elephants, which face increasing threats). SCNL and the FDA are supporting six clans in the Gola Landscape to designate 7 CFs and include conservation zones in this way – (see map below). This 350,000-ha landscape contains the largest remaining tract of Upper Guinea Rainforest, a biodiversity hotspot containing 60 globally-threatened species.

However, cashflows from forest-threatening activities (unsustainable agriculture, illegal bushmeat trading and mining) provide attractive short-term income opportunities and whilst communities are willing to set conservation targets for CFs, a lack of conservation culture combined with poverty and insufficient commercial infrastructure and business support prevent communities from investing time and resources into alternative sustainable livelihoods and conservation activities.

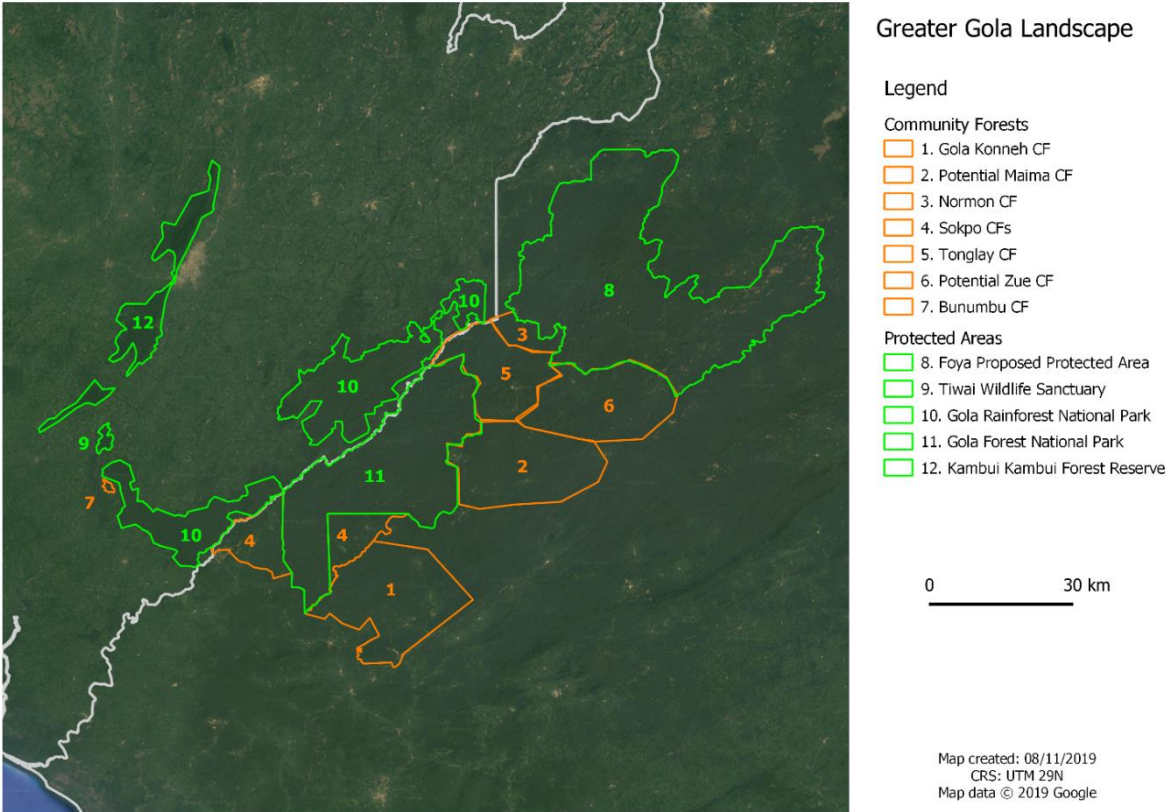
SCNL had worked for five years with the Tonglay and Normon clans and had evidence that: (1) tailored small loan schemes can incentivise uptake of sustainable income-generating activities to reduce poverty and support the establishment of conservation targets for CFs; and (2) a reliable, secure source of income could incentivise communities to conserve and monitor their CFs.

Given this experience, SCNL expected that scaled and expanded loan schemes could reduce poverty through sustainable income-generating activities whilst generating sufficient interest to pay community members to conserve CFs.

Finance Earth believes a £1.2 million impact investment fund could fund such loan schemes across the Gola Landscape. However, we lacked sufficient evidence to support the Investment Case to attract this scale of investment as well as ensuring an efficient and impactful deployment of funds.

Location

Map of the Transboundary Gola Landscape



This map shows how the Gola landscape straddles Sierra Leone (top left) and Liberia (bottom right) (country border in white).

The Darwin project area is the Normon and Tonglay Community Forests (3 and 5) which sit between (and link) the Gola Rainforest National Park in Sierra Leone (10) and the Gola Forest National Park (11) and the Foya proposed protected area (8) in Liberia.

By empowering the Normon and Tonglay Clans to set aside areas of Community Conservation Zones in their Community forests, it should be possible to link the protected areas, and enable the large roaming endangered species of the Gola Landscape (e.g. chimpanzees and forest elephants) to move around the landscape through a network of protected areas. Note that the

density of the forest on the Liberian (south-eastern) side of the border is much greater than the Sierra Leone side, presenting a critical opportunity to prevent economic development of the region from incentivising and perpetuating further deforestation.

The other community forests marked on the map have the potential, post project, to benefit from the deployment of funds from the Social and Environmental Investment Fund expected to be created through this project.

3. Project stakeholders/partners

The partnership:

The two formal partners working with SCNL are the Royal Society for the Protection of Birds (RSPB) and Finance Earth (FE) (previously Environmental Finance – they changed their name to better reflect what they do):

RSPB is the UK partner of BirdLife International, collaborating with SCNL since 2009 to conserve the Gola Forest. RSPB provides technical and financial support to SCNL to carry out the Darwin programme. Specifically, in this project RSPB:

- Supports the development of a partnership between FE and SCNL by providing significant matched funding for FE staff time and also some RSPB staff time from the sustainable finance team. Outside of this project, RSPB has contracted Finance Earth to help reduce reliance on grant funding by creating long-term sustainable financing schemes and hopes to share lessons learned with the BirdLife partners for whom they act as a supporting partner.
- Supports the SCNL project leader and co-ordinator in the delivery of their first Darwin project by providing some staff and consultant time.

Finance Earth is the UK's leading environmental impact investment advisor, with experience of designing >£150 million of social and environmental impact funds. Informed by evidence gathered through the Darwin programme, FE is working with SCNL and RSPB to design an investable model for delivering an expanded small loan programme in 12 Community Forests across the Gola transboundary region.

- FE's team brings a wealth of experience from finance, investment, fund management, engineering and charity sector backgrounds. FE works with key partners across the conservation industry to design and deliver funding models for the benefit of people and nature. Its work to date includes the design and delivery of a "Blue Impact Fund" in partnership with WWF UK, supporting impact investment in marine and coastal communities; advising the RSPB across a range of conservation investment programmes; and the development of a "Natural Environment Impact Fund" for DEFRA.

FE currently manages over £50 million of impact funds. These include Community Owned Renewable Energy (CORE), a £50 million investment fund launched in 2017 that acquires solar assets in partnership with and benefiting communities; and PICNIC, a £3.3 million impact fund launched in 2019 investing in the UK's urban parks and green spaces.

Please see **Annex 4** for the agreement between SCNL and RSPB.

In addition, SCNL are working with the Community Forest Management Bodies (CFMBs) of the Tonglay and Normon Clans and the Forestry Development Authority (FDA).

The CFMBs, appointed by the elected Community Assembly (CA) and Executive Committee (EC), oversee the activities and management of the Community Forests.

Based on past experience, the plan was for the CFMBs to manage the small loan programme within the communities, using established sub-committees to administer the funds, and monitor funded activities. With support from SCNL staff, the CFMBs were also to be responsible for overseeing the creation and management of Citizen Conservation Teams (CCTs), groups that work to protect areas of high conservation value forest in the CFs on an ongoing basis through patrolling, bio-monitoring and environmental education.

Before this Darwin project started, three rounds of loans had tested the communities' ability to administer these loans with repayment rates at over 99%. Supported by SCNL staff with training and ongoing mentoring, the members of the CFMBs built their capacity to carry out their roles and responsibilities and are receiving further training and support as part of this project.

The Forestry Development Authority (FDA) is a State Corporation with the mandate to sustainably manage and conserve all forest resources for the benefit of present and future generations of Liberians. As such, the FDA has oversight responsibility for all forest-related activities in Liberia. SCNL and RSPB are strong partners of the FDA and have been collaborating closely for many years.

The FDA is organised into three departments – conservation, community and commercial (“the three C’s”). Two FDA staff, one each from the conservation and community departments, have acted as FDA focal points for previous projects and play a key liaison role between the FDA and other partners.

Additionally, regional staff of the FDA participate in community forestry activities in the Gola region. While the regional office is small and therefore relies on partners to lead on many activities, the Regional Forester herself is from the Gola region, she is well-respected in the communities, and contributes significantly to the community forestry process.

The FDA supports this project and is particularly interested in finding mechanisms for sustainable financing of Community Forests.

4. 3. Project progress

4.1 3.1 Progress in carrying out project Activities

Overview: The small loan programme suffered considerable setbacks during the past year. Due to the deteriorating economic situation, the default rate among the borrowers increased significantly. At the same time, cash went missing from the cashboxes held by the Normon and Tonglay CFMBs. SCNL is learning from this and changing the design of the loan programme to improve the programme’s chances of success in the future. However, these factors along with others mean that the loan programme in its current form is not suitable for financing by an impact investment fund. We submitted a logframe change request earlier this year to take this evolving situation into account but have not yet received approval. Therefore, the reporting below is against the original logframe results.

Output 1: Normon and Tonglay CFMBs each demonstrate they have the capacity to run expanded small-loan schemes that reduce poverty through encouraging rainforest-friendly livelihoods.

Activity 1.1: Project coordinator and Community Mobilisation Officers (CMOs) continue regular training for CFMBs, community leadership, loan groups on the small loan programme, incorporating elements related to CCTs.

Progress: In June 2022, the project held a 10-day loan management /ownership training workshop for the 10 members of the Normon and Tonglay Clans’ CFMBs and the 24 CCTs from both clans. This refresher training for the leadership of the loan programme was intended as a reminder that “ownership is sustainability”, because projects are temporary. During this training, the CFMBs came up with ways to try and reduce the loan repayment default rate

which was increasing significantly and to deploy strategies to engage the borrowers to pay back their credit. During the training, each of the 24 CCTs were assigned to 2 or 3 of the 64 loan groups (320 women beneficiaries) to support the loan groups to keep the loan ledger updated, and increase the level of business, repayment and conservation awareness for the women in the groups. Given the high number of groups who were behind in paying their loans, the amount available in the two CFMB cashboxes was lower than it should be. Therefore, we all agreed that we would continue using project funds to pay the CCT stipends and prioritise getting new loans out to the groups that had repaid their loans while putting aside some of the interest received to pay CCT stipends in the future. **(Annex 5 - June 2022 loan training report)**

Prior to a planned cash disbursement for loans, the SCNL team conducted a five-day cash count and interest calculation/allotment training for the 12 CFMB members from both clans, December 12-17, 2022. The SCNL team was shocked to find that the physical cash counted for both clans was \$6,200,000 LRD instead of \$7,691,250LRD, a difference of \$1,491,250 LRD. SCNL held a meeting with the Clan's leadership to discuss the situation and the Paramount Chief told the CFMBs to repay all the money by July 2023. In the meantime, the cashbox locks were changed and the three keyholders changed to one SCNL staff and two women chosen from among the loan groups. For loans that started after December, the system was changed so that the loan groups managed the repayments themselves, keeping capital and savings payments in their own cashboxes, with only the interest going to the CFMBs. **(Annex 6 - December 2022 Cash Count Field Visit Report)**

At the time, the cash ledger showed 50 of the 64 loan groups had completely repaid their credits while 14 groups had made only part payment. Accordingly, the team also trained the CFMBs & CCTs on ways to be more engaging with the borrowers to ensure they pay back the loan before the end of February because they had a cash disbursement plan for March 2023.

In March 2023, the project team also conducted a 2-day training for the 10 CFMB members, 12 EC members, 20 CA members and 12 CCTs to increase understanding of the importance and essence of establishing a conservation zone in the Tonglay Community Forest. During the training, the CCT supervisor did a presentation to the community leadership of their patrol results so that the leadership developed a good understanding of the level of threats and illegal activities across the community forest. This was important as the community was beginning discussions with a logging company about logging in the CF and it was essential that the conservation zone be demarcated first. The community leadership was happy to receive the patrol information and stated their willingness for the conservation zone to be agreed and demarcated before any third-party operation in the Community Forest. The meeting to determine the conservation zone is expected to take place in May 2023. **(Annex 7 - March 2023 Conservation Zone demarcation meeting report)**

Activity 1.2: Approximately every 6 months, project coordinator and CMOs work with 10 CFMB members and community leadership to start a new round of loans with existing loan groups, including adaptation of the new loan modalities as necessary and refresher training for the members of the groups.

Progress: The loan disbursement planned for Q3 was not carried out due to the increasing number of groups who were behind in their loan payments. As of February 2023, only 50 of the 64 groups had completed their repayment. Factors contributing to the increasing number of late payments include the deteriorating economic situation in Liberia, the increasing migration of people out of the project communities, and the worsening road conditions, particularly during the rainy season, resulting in borrowers not being able to acquire necessary business materials or transport their agricultural products to markets in Monrovia. With the end of the rainy season, the road situation, at least, has improved. Rather than wait until all groups had repaid, another round of loan disbursement took place in March 2023 to the 50 groups that had completed their payments. This was the 6th round of loans for the groups that started prior to this Darwin project, and the 2nd round for the groups that started with the Darwin project. **(Annex 8 - March 2023 loan distribution report, Annex 9 - Summary of loans)**

Disbursement Summary, March 2023

2nd cycle disbursement to new groups		6th cycle disbursement to existing groups	
Loan Groups:	Loan range:	Loan Groups:	Loan range:
32	\$75.000LRD - \$200.000LRD	18	\$100,000 LRD
Norman Clan	9 groups x \$125,000LRD = \$1,125,000LRD 8 groups x \$100,000LRD = \$800,000LRD	Norman Clan	10 groups x \$100,000LRD = \$1,000,000LRD
Tonglay Clan	6 groups x \$75,000LRD = \$450,000LRD 8 groups x \$125,000LRD = \$1,000,000LRD 1 groups x \$200.000LRD = \$200,000LRD	Tonglay Clan	8 group x \$100,000LRD = \$800,000LRD
Total Amount	\$3,575,000LRD	Total Amount	\$1,800,000LRD
Total Amount disbursed in Y3Q4 to 50 loan groups			\$5,375,000LRD

Activity 1.3: Project leader, co-leader and coordinator work with Finance Earth to design and implement tests of the interest rate mechanism, using financial data collected by CMOs and M&E officer.

Progress: Based on feedback from the borrowers who had been paying 20% annually, an interest rate of 5% over 6 months was tried at the start of the project. This was later increased to 10%. Based on experience with these rates and with other rates being used in other parts of the Gola Landscape, the design for scaling up the small loan programme included the use of lower interest rates of 15% in the poorer areas of Normon, Tonglay, Maima and Zue, and 20% in other areas. The borrowers from Normon and Tonglay, with support from their political representatives, would prefer even lower interest rates but calculations showed that lowering the interest rate to below 15% would negatively impact the financial viability of the scheme. In any case, as described more fully under Output 3, the revolving loan programme design in its current form, even with 15% and 20% interest rates, will not be able to adequately support CCT stipends, hence Finance Earth are exploring alternative funding options. We have submitted a change request to this effect but have not yet received approval.

Activity 1.4: By month 6, project coordinator works with CFMBs and Clan leadership to develop and agree modalities on use of loan interest to pay stipends for CCTs and other costs.

Progress: The intent of this project was to gradually replace external funding of CCT stipends with the use of loan interest so that by the end of the project, CCT stipends were paid solely with loan interest. Given the large number of loan groups who started to be late in their payments, the use of interest to pay CCT stipends has not been possible. However, starting in July 2022, the CFMBs did start putting aside 10% of the interest payments to be used for CCT stipends after the project ends. As described more fully in Output 3, we have reluctantly come to the conclusion that the loan programme in its current form cannot support CCT stipends, and therefore Finance Earth are, as noted above, exploring alternative funding options.

With the loans decoupled from the CCT stipends, SCNL is now piloting a modified small loan modality that is more like the Village Savings and Loan Association (VSLA) approach used in other parts of West Africa. As is the case with the current system, the loan group holds and manages a cash box but the modified approach requires that each group member has to make weekly compulsory savings payments in addition to any loan payments. No loans can be made

until the members have made at least three weeks of savings payments. The savings are combined with the initial capital from the project to provide a growing pool of capital which can be loaned in different amounts to the members of the group. Interest continues to be returned to the community via the CFMBs but not necessarily for CCT stipends. In addition to the new loan modalities, all group members are now required to have a guarantor approved by their town chief. **(Annex 8 - March 2023 Loan distribution report)**

Activity 1.5: Project coordinator and CMOs provide training to the CFMBs and CFMB loan committees on implementation of agreed modalities.

Progress: In March 2023, project staff worked with the 10 CFMB members, ECs, CAs and the Paramount Chief to review lessons learned since the inception of the loan program to the present. Based on the conclusions, the communities and SCNL agreed to pilot a loan methodology that, as described above, incorporates aspects of the VSLA approach used elsewhere in West Africa. The project team then trained the CFMB members on this new approach that is being piloted with 6 groups in 2 communities **(Annex 10 - March 2023 lessons learned report)**.

Activity 1.6: CMOs continue regular ongoing monitoring of and support to the CFMBs, loan committees, and loan groups on management of the loans and on management of the interest.

Progress: As noted above, project staff worked with the CFMBs in June 2022 **(Annex 5, June 2022 Loan training report)** to assign 2 or 3 loan groups to each of the 64 CCTs. Distributing the workload in this way resulted in more consistent loan monitoring and increased environmental education with the borrowers. In addition, SCNL's new loan officer, as well as the M&E officer and CMOs, met regularly with the CFMBs to support their record keeping and improve the tracking of the programme. Additional record keeping books were supplied to the CMOs and CCT members to better support the loan groups.

Activity 1.7: CMOs provide training to borrowers to increase their capacity to run a business and access the loan scheme to increase their well-being.

Progress: With SCNL having hired a loan officer to oversee all of SCNL's small loan programmes, the loan officer is now conducting the loan training instead of the CMOs. No direct training of the borrowers was carried out during this reporting period with the loan officer focusing on improving the monitoring of the repayments.

Activity 1.8: CMOs provide training to and work with borrowers to increase capacity for forest-friendly livelihoods activities

Progress: CMOs continued to mentor borrowers in groundnut, bean and honey production as well as cocoa. Through the Liberia Forest Sector Project (LFSP) "NW Cluster Project", SCNL is carrying out some complementary interventions including the construction of a major bridge on the Kongba road, some community buildings, and the provision of solar lighting in Normon and Kongbor Towns. This is all expected to have a positive impact on business development in the area, including for the borrowers in this project. **(Annex 11 - Livelihood Interventions for LFSP Project)**

Activity 1.9: Project leader, co-leader and coordinator work with Finance Earth to test and design optimum livelihood training programmes and test livelihood programmes to grow borrowing capacity.

Progress: Due to changes in the timing of this and other projects, the resources for a more thorough testing of livelihood programmes to grow borrowing capacity were more limited than expected. Nevertheless, FE carried out a desk analysis with SCNL support to identify those livelihood activities most likely to be viable for the women in the loan groups. In addition, when other resources became available, such as the LFSP project described above, the new project activities were designed to support business development for the loan group members.

Output 2: Normon and Tonglay CCTs successfully implement conservation/monitoring activities agreed by the CFMBs, the CCTs and other community members, in return for a stipend that reduces poverty.

Activity 2.1: SCNL field staff provide information and carry out discussions about Darwin-funded pilot Citizen Conservation Teams with community members(women, men, youth, occupational groups), community and clan leaders, and CFMBs via meetings and written announcements.

Progress: During this reporting period, the project CMOs and CCTs continued to provide information about the project through the radio. Radio Kongba is the only radio station in the district and it covers all the project communities. Loan repayment announcements and environmental awareness messages are often discussed on air. In addition to the radio, the CCTs and project leaders always present the patrol data and results in person to the community leadership for action.

Activity 2.2: SCNL field staff support the CFMBs and community leadership to develop and implement selection criteria and selection process for CCTs.

Progress: This activity was completed and reported in AR1.

Activity 2.3: SCNL research technician (RT), with support from the project leaders, train all 24 permanent CCT members and at least 24 potential annual members in biomonitoring. Coordinator works with RT and CCT members to review and revise tools after 3 months, 6 months and 1 yr. Refresher training carried out at least every 6 months.

Progress: The project held six refresher training sessions in June, September and December 2022 with all 24 CCTs and 10 eco-guardians covering work planning and report writing, GPS use during patrols, compass use and data collection using navigation data sheets for tracking threats, wildlife and illegal hunting activities. The refresher training also focused on both direct and indirect fauna observation and anthropogenic observation. **(Annex 12 - CCT Training Reports)**

Activity 2.4: Project coordinator works with community members to develop patrolling tools. SCNL field staff train all 24 permanent CCT members and at least 24 potential annual members in patrolling and work with CCT members to review and revise tools.

Progress: 24 CCT members and ten eco-guardians participated in six forest patrols in both community forests, in June, September and December 2022, learning the use of the SMART app to collect data on illegal activities. **(Annex 13 - CCT patrol reports & Annex 14 - CCT patrol data)** This data is currently being used by SCNL's GIS department to create maps to inform conservation actions. The data on illegal activities provided by the CCTs was used by the CFMBs to inform their community forest management plan, and the data is also being used to decide and demarcate the conservation zone within the community forests. The results of the CCT data collection were presented to the CFMBs in July 2022 and March 2023 to create awareness about how to mitigate threats and illegal activities in the community forests.

Activity 2.5: Project coordinator develops materials for conservation education and awareness-raising; train all 24 permanent CCT members and at least 24 potential annual members in conservation education and awareness-raising; and review and revise tools after 3 months, 6 months and 1 yr. Refresher training is carried out at least every 6 months.

Progress: In July 2022, project staff held four days of environmental education training with all 24 CCT members, 10 eco-guardians, 10 CFMB members and 320 borrowers from both Normon and Tonglay Clans. This training reminded the participants that they are receiving loan support from SCNL because their communities attained their legal community forest status. Staff stressed the importance of biodiversity and encouraged the participants to be ambassadors for conservation, parading the towns with T-shirts inscribed with Darwin logo and posters with messages such as "I am a loan beneficiary helping to conserve nature", "Forest says, please don't destroy me, I give you oxygen, food, and medicine". Another poster read "The Gola malimbe (a bird unique to Liberia) says the Gola Forest is my only home". As long as the forest

is intact, and illegal activities are reduced to conserve nature, more good things will continue to come to the community. The participants were also reminded of the conservation messages they signed two years ago, along with the do's and don'ts of forest governance and management. **(Annex 15 - July 2022 Environmental Education Training Report)**

Activity 2.6: SCNL field staff support CFMBs to identify, schedule and manage the work of CCT members, including reporting by CCT members.

Progress: Project staff along with the CFMBs conducted a workshop for the CCTs on preparing their weekly work plans and monthly reports. This is a major capacity development for project reporting. The CFMBs now directly supervise the CCTs, ensuring that weekly plans are made and executed, and reports are written and submitted to the project coordinator. **(Annex 12 - CCT Training Reports)**

Activity 2.7: SCNL field staff support CFMBs to develop and implement a system for paying CCT stipends

Progress: The CFMBs now manage the stipend disbursement to the CCTs.

Activity 2.8: Project leader, co-leader and coordinator work with Finance Earth to design and implement tests of the CCT membership profile and stipend amounts.

Progress: Finance Earth modelled CCT stipends of \$35 USD, a fixed rate conversion of 5,800 Liberian Dollars (LRD), and 7,500 LRD (as preferred by SCNL given the market rate for CCTs in the region). Given the current low rates of loan repayment, Finance Earth raised concerns about the possibility of the scheme being able to consistently pay the higher rate of CCT stipend and, as described above, we have had to come to the conclusion that we need to decouple the loan programme from the payment of CCT stipends, the interest generated by the loan programme not being sufficient or consistent enough to pay the stipends.

Output 3: A social /environmental investment fund of at least £1,200,000 is secured to fund the combined small-loan and livelihood support programme at a scale that is capable of generating sufficient funds to sustainably support 12 CCTs (including the pilot areas of Tonglay and Normon).

Overview: In August 2022, Finance Earth outlined the option of a recoverable grant, in lieu of investment finance, as a means of funding the loan and CCT schemes, in response to SCNL's concerns regarding the risks involved in repayment of the loan, given the delinquency rate, and that profits from very economically challenged communities would be moved out of the area. Under a recoverable grant, there is no automatic requirement for re-payment and return.

However, after extensive review of the proposed scale-up loan programme design, irrespective of whether it is funded by a recoverable grant or investment finance, the financial viability of the design has, as of late September 2022, been brought into question. The operating and capital costs required to administer the small loans programme over 5 years are \$2,380,702 in order to deliver a total loan book of just over \$ 1 million. In addition to this, the default rates on the loan repayment by beneficiaries has increased significantly since the beginning of the project; current loan performance data suggests a significant number of borrowers at least 3 months in arrears, increasing default and delinquency risks (23% at 3-6 months; 28% at over 6 months). The worsening economic situation in the country and the large out- migration of people from the current loan scheme areas, thereby reducing the potential market in which these small business enterprises will operate, are only set to compound the financial risks associated with the scheme.

Based on the above analysis, Finance Earth have advised that opportunities to increase the small loan programme income are limited by:

- Maximum interest rates acceptable to borrowers/SCNL/politicians (of 15% or 20% depending on region)
- Difficulty to reduce loan term from 12 to 10 months (practical challenge to collect repayments combined with likely increase in default and delinquency rates)
- Difficulty to raise monthly loan repayment amounts due to economic circumstances of

target population

- Difficulty to reduce CCT stipend amounts and premium requested to deliver stipend in local currency versus US\$ (\$35 when delivered in USD versus \$50 when delivered in LB\$)
- Difficulty to scale further due to population size, outward migration and remote location.

In response to this, Finance Earth suggested exploring the possibility of separating the funding of the CCT stipends from the small loan scheme and this has been done. Finance Earth is now exploring alternative funding options and will present their findings in early May.

Activity 3.1: Finance Earth (FE) will hold regular update calls with SCNL and RSPB to feedback on programme testing and data gathering processes undertaken through Outputs 1 & 2

Progress: Finance Earth, SCNL and RSPB held regular video calls during this reporting period, including four workshops. The first workshop presented some initial financial analysis to SCNL based on the Programme Design and previously provided cost estimates. Finance Earth worked with SCNL/RSPB to receive renewed cost information suitable for modelling purposes. In the second workshop, Finance Earth presented the updated model outputs based on the Programme Design and renewed cost information. Additionally Finance Earth presented an options assessment to ensure the financial viability of the small loans programme is improved. The third workshop investigated a recoverable grant option of funding the current proposed loan scheme, given doubts raised by SCNL which included the risks associated with repaying the loan, and the fourth workshop presented possible next steps given the emergence of new data on operating costs and delinquency rates (as detailed under the overview of Output 3 above).

Activity 3.2 : Environmental Finance will compile all financial, impact and risk data gathered by SCNL and its partners for Outputs 1 and 2.

Progress: Please see Activity 3.1 above.

Activity 3.6: Environmental Finance engages with target funders on a preliminary basis / market testing

Progress: Finance Earth had initial stakeholder discussions with a potential investor (IFC). IFC is not able to lend directly to projects but works with local banks and microfinance providers. IFC conducted a scoping of the financial sector's interest in the agricultural sector, and found many local institutions reluctant to lend to this sector.

Activities 3.3, 3.4, 3.5, 3.7 & 3.8: Given the lack of financial viability of the proposed scale-up loan scheme design that has only recently come to light, these activities will be re-assessed in line with discussions of alternative schemes of which the options assessment document is to be discussed on May 4, 2023. **(Annex 16 - FE Options Assessment Document)**

Output 4: Results of the demonstrations and the Investment Case for social-environmental investment is shared with the conservation and development community across Liberia and Sierra Leone, including with other communities in the Gola Landscape, the FDA, and across Africa through the BirdLife International partnership.

Activity 4.1: Project leader engages external consultants to work with staff and communities to identify lessons learned and produce reports.

The Term of Reference for the consultant is being developed, and will be placed for advert in the next few weeks.

In the meantime, SCNL carried out a review and lessons learned session in March 2023 with the 10 CFMB members, 12 EC members, 10 CA members and the Paramount Chief of Kongba District to discuss the success and challenges of the loan scheme in totality. During this

discussion, participants suggested that persons wanting to be a part of the loan program should have a prominent guarantor to avoid huge defaults in repayment or borrowers leaving the community without paying during the loan term. Another idea was that funds could be concentrated in vocational education activities such as soap making, tailoring, and making other disinfectants for homes. Another idea included incorporating some VSLA modalities into the scheme so that borrowers are more fully responsible and take more ownership of the scheme. Examples include allocating borrowers' savings by shares, borrowers having the possibility of imposing fines/penalties if necessary, managing the repayments and savings at the group level. **(Annex 10 - March 2023 Lessons Learned Report)**

Activity 4.2: Project leader organises workshop to share lessons learned with FDA staff and the Liberia conservation community.

Progress: To be carried out in Year 4.

Activity 4.3: Project coordinator organises exchange visits and/or workshops as appropriate to share lessons learned with other communities in the Gola Landscape.

Progress: This is to be carried out mostly in Year 4. However, on May 11, 2022, Liberia and Sierra Leone did hold the Gola Transboundary Technical Dialogue Meeting as part of another project. The aim of the one-day dialogue was centred around finding lasting solutions to challenges surrounding the Greater Gola Transboundary Landscape. The discussions were annexed by two technical sessions which addressed legal issues, solutions and enabling frameworks, communication, public education, integration of security agencies, training for rangers within the context of transboundary patrols, the need for public education and awareness regarding the importance of Transboundary cooperation and joint patrols and the unavoidable need to ensure the availability of livelihoods for the people living within the proximity of the border. The Darwin project was not a direct topic of discussion but many interrelated issues such as bushmeat hunting, livelihoods, patrolling and public education were included. **(Annex 17 - Gola Transboundary Meeting Report)**

Activity 4.4: Project staff post lessons learned report and relevant explanations on relevant websites (RSPB, SCNL, GRNP, FDA, BirdLife International)

Progress: To be carried out in Year 4.

Activity 4.5: SCNL staff present lessons learned at relevant regional meetings of the BirdLife International partnership.

Progress: SCNL's Executive Director, Michael F. Garbo, represented the organisation and project at BirdLife's World Congress in the U.K. on September 12-16, 2022. This provided him the opportunity to do a presentation about SCNL's work and to share lessons learned from this project and others with conservationists, renowned environmental activists, and officials of BirdLife International and partners globally **(Annex 18 - SCNL ED Presentation at BirdLife World Congress)**.

Output 5 SCNL staff capacity to lead the Darwin Initiative project and future projects is strengthened and broadened.

Activity 5.1: SCNL project coordinator, with support from project leader and co-leader, develops annual and quarterly work plans

Progress: The project team developed a 3-year work plan at the start of the project and has developed annual work plans each year since then. The annual plans are used to develop the quarterly plans. **(Annex 19 - Updated Work plan)**

Activity 5.2: SCNL project coordinator, with support from project leader and co-leader, reviews work plans quarterly with all staff and revises as needed

Progress: Work plans continue to be reviewed and communicated with SCNL staff by the project coordinator on a quarterly basis. Quarterly work plans are used to inform the development of more detailed monthly work plans for the CMOs and CCT activities in the field.

Activity 5.3: SCNL project coordinator develops M&E plan with support from project leader and co-leader

Progress: The current M&E framework, including both data collection and project management, was updated and is currently being implemented. A review of the results framework and collection of data against indicators was done in Q4, and a revised logical framework was sent to Darwin for approval for Y4. Following discussions with Finance Earth, a review of the M&E research on the project's impacts was conducted in order to strengthen the options assessment to attract future funding. It is intended that the review of the options assessment will commence from Q1/Y4. **(Annex 20 - Updated M&E plan)**

Activity 5.4: SCNL project co-coordinator presents project results at annual meetings of the Gola Forest Bilateral Coordination Committee.

Progress: The Gola Forest Bilateral Coordination Committee has not met since this project started. However, the Technical Sub-committee did meet in Monrovia this year and topics relevant to this project were part of the agenda. Please see Activity 4.3.

Activity 5.5: SCNL finance staff develop finance reporting tools specific to this project and produce relevant financial reports on time with support from project leader and co-leader

Progress: The project-specific excel sheet for reporting and QuickBooks software reporting system are in place and are being used by the finance team.

Activity 5.6: Project leader and co-leader produce required technical reports with input from project coordinator. By Year 3, project coordinator produces technical reports with support from project leader and co-leader as needed

Progress: This report was led by SCNL's project coordinator and M&E officer with support from the RSPB.

Activity 5.7: Project coordinator regularly reviews biomonitoring reports with CFMBs and CCTs

Progress: Five biomonitoring patrol reports were produced in Q1, Q2 and Q3, 3 patrols from Tonglay and 2 patrols from Norman Clan. Norman CCTs couldn't patrol in December because of a misunderstanding related to the ongoing demarcation of the Foya Proposed Protected Area which potentially overlaps with the Norman CF. The CCTs presented the biomonitoring patrol results to the CFMBs in September 2022 through a community meeting. Illegal activities were reported to the local authorities for enforcement action.

Activity 5.8: CCTs, together with SCNL research technicians, collect biomonitoring data (e.g. loss of primary forest, signs of illegal activities including illegal hunting)

Progress: There were five CCT patrols to collect biomonitoring data during this period (June, September and December) covering both Norman and Tonglay Community Forests. The 10 CCT members were also given the opportunity to patrol in the Gola Forest National park for 3 days in February 2022. During this patrol, the CCTs used the SMART App for data collection. The extra training covered the collection of camera traps and SMART app use. **(Annex 13 - CCT Patrol Reports, Annex 14 - CCT Patrol Data)**

Activity 5.9: SCNL research technician, with support from project leader and co-leader, conducts sensitive interviews about bushmeat hunting.

Progress: In Y3Q2 September, the research technician and the CCTs conducted a field research survey on bushmeat hunting. The social/behavioural science survey targeted hunters to gain insight on hunting frequency, extent and geographical spread, potential changes in hunting activity over time, the motives and drivers of hunting and the financial gains. 52 hunters were interviewed from 6 communities. Among other things, the analysis indicated that 63% of the hunters are not citizens of Gbarpolu County, suggesting the majority of hunters are coming from outside of the local area. **(Annex 21 - Bushmeat Survey Report)**

Activity 5.10: SCNL field staff, under technical guidance of the project leader and co-leader conduct household survey and individual interviews at start and end of project.

Progress: The end-of-project household and individual survey questionnaire was developed and designed in Kobocollect in Y3Q3 December. Data collection was paused for a while due to the traditional practice of women going to the Sande Society during the close of the year. However, the women are all back now and the CMOs, CCTs and other project staff have resumed administering the questionnaire to project beneficiaries. **(Annex 22 - Survey questionnaire)**

Activity 5.11: Project leader and co-leader work with SCNL staff to analyse all data

Progress: It was intended for the social impact data to be analysed in Y3, but due to the reduction of the Y2Q4 pre-finance transfer, the social scientist consultancy fees were shifted to Y4. Nevertheless, the bushmeat survey with hunters was conducted in September by an SCNL research technician and CMOs, and the data was analysed in excel by the M&E Officer.

(Annex 21 - Bushmeat Survey report) The Progress out of Poverty Index (PPI) data for all 320 borrowers was collected using Kobo Collect in Y2 and the data was analysed by the M&E officer in Y3 Q1 and the report has now been finalised **(Annex 22 - PPI report)**. Also, the GIS department of SCNL is currently creating a map of threats within the Community Forests from the CCTs patrol data.

Activity 5.12: Finance Earth provide quarterly progress reports of development of investment fund.

Progress: Finance Earth has continued to provide quarterly progress reports. The Y3Q4 progress report will be submitted this week.

4.2 3.2 Progress towards project Outputs

Output 1. Normon and Tonglay CFMBs each demonstrate they have the capacity to run expanded small-loan schemes that reduce poverty through encouraging rainforest-friendly livelihoods.

Baseline condition: A loan scheme exists in both the Normon and Tonglay Clans, with capital being loaned to 130 women and being repaid with interest. Under the Darwin project additional funding has been made available which will be used to expand the loan schemes to benefit more women.

Indicator 1.1: The two loan schemes continue to be managed well (i.e. capital maintained) throughout the project period.

Progress: The CFMBs continued to manage the small-loan schemes in the sense that they continued to receive repayments from the loan groups and keep the ledgers up-to-date with support from the CCTs. Unfortunately, as described earlier, two challenges emerged during this reporting period. First, it became increasingly more difficult for the women to repay their loans due to the deteriorating economic situation, increasing out-migration from the area, and worsening road conditions, making it difficult to bring goods in or out of the area. The increase in late payments had started during the last reporting period but became significant enough to affect the outcome of this project more recently. Secondly, SCNL were shocked and concerned to find that some of the cash being held by the CFMBs had gone missing. For now that means less capital available for loans until the missing amounts are repaid. Given the ongoing potential for mismanagement of funds, it is reassuring that the traditional authorities were able to handle the matter and have given the CFMBs until July to replace the missing amounts. As a result of both these challenges, SCNL has revised the modalities of the small-loan schemes to give more responsibility and ownership of the programme to the women involved. Please see Activity 1.1 for more details. **(Annex 9 - Loan Summary)**

Indicator 1.2: Loan groups are able to absorb incrementally larger loan amounts over the life of the project, leading to a loan portfolio size of £20,000 for each Clan.

Progress: As evidenced by the loan ledgers, the loan portfolios increased to:

Current Norman portfolio: LRD \$ 2,925,000 / ~ £16,000*

Current Tonglay portfolio: LRD \$ 3,800,000 / ~ £18,300*

**Exchange rate used 1 GBP = 207.53 LRD to nearest £100*

Although demand remains high for the loans, it became increasingly more difficult for the women to repay their loans during this reporting period, to the point that it became apparent that this loan scheme was not suitable for an impact investment fund. At the time of the last loan disbursement, 14 groups had not repaid their last loans and were not eligible for new loans.

Indicator 1.3: The number of individuals participating in the loan scheme increases incrementally from 130 to at least 430 over the life of the project.

Progress: As evidenced by the loan ledgers, the number of borrowers is now 320. We do not anticipate adding additional borrowers before EOP given the challenges described earlier (i.e. missing cash) although a loan distribution to existing groups is planned for July, after the current loans are repaid.

Indicator 1.4: 90% of the 430 loan scheme beneficiaries report a significant positive impact on their own/their household's wellbeing (e.g., being able to pay school or medical fees, make improvements to accommodation, pay for labour to rehabilitate cocoa farms or plant and harvest more crops) as a result of engaging in the loan scheme.

Progress: As reported in AR2, 92% of loan group members surveyed in April 2021 reported a positive impact as a result of the loan programme.

Output 2. Norman and Tonglay CCTs successfully implement conservation/monitoring activities agreed by the CFMBs, the CCTs and other community members, in return for a stipend that reduces poverty.

Baseline condition: No Community Conservation Teams or any organised form of community forest protection existed before the Darwin project began.

Indicator 2.1: CCT members (12 permanent and 3 annual for each of two teams) are selected by communities using a transparent process with clear criteria by Month 6 of the project.

Progress: As reported in AR2, the CFMBs completed the selection of CCT members, 12 permanent and 12 standby members for each clan, as evidenced by the current list of CCT members.

Indicator 2.2: All CCT members (24 permanent and 6 annual) are trained in biomonitoring, patrolling, conservation education and awareness-raising by the end of Year 1.

Progress: As evidenced by the training workshop reports (**Annexes 12&15**), CCT members participated in training on patrolling, biomonitoring, and environmental education. During this reporting period they also added the use of the SMART app for recording illegal activity.

Indicator 2.3: By the end of the project, CCT members are implementing a scientifically robust but locally appropriate programme of biomonitoring, patrolling, conservation education and awareness-raising activities.

Progress: As evidenced by patrolling reports (**Annexes 13&14**), CCT members are carrying out regular patrols during which they do biomonitoring. There continues to be SCNL technical support for the patrols. CCT members participated in further environmental education training and are carrying out awareness raising activities. In particular, after patrols are completed, they present what they saw in the forest to community members and presentations are made on community radio. During this reporting period, the loan groups were divided up amongst the CCT members so that the CCT members could follow up individually with each group to support loan repayment.

Indicator 2.4: By end of project 90% of the 30 CCT members report a significant positive impact on their/their household's wellbeing as a result of engaging in the loan scheme.

Progress: The assessment carried out by the social scientist during the last reporting period

shows that the CCT members value the stipend that they are receiving as well as the skills they are learning. The impact on their household's wellbeing will be assessed at EOP.

Output 3. A social /environmental investment fund of at least £1,200,000 is secured to fund the combined small-loan and livelihood support programme at a scale that is capable of generating sufficient funds to sustainably support 12 CCTs (including the pilot areas of Tonglay and Normon).

Baseline condition: No investment fund in existence.

Indicator 3.1: An Investment Case for investors is available at the end of Year 2 of the project, based on evidence of Outputs 1 and 2.

Progress: As reported in AR2, FE carried out considerable analysis of loan modalities, loan processes, livelihoods activities, risks, and programme design, all of which fed into the development of detailed financial models. It was expected that an investment case would be available in Q1 or Q2, but the deteriorating situation of the loan repayments has led to the conclusion that this loan scheme is not suitable for an impact investment fund. FE has suggested that they carry out an options assessment with respect to alternatives for financing the loan and CCT schemes and we have submitted a change request to this effect.

Indicators 3.2 – 3.3: These indicators are no longer relevant given the conclusion that an impact investment fund is not viable in this situation. We have submitted a change request with a new logframe and revised indicators.

Output 4. Results of the demonstrations and the Investment Case for social-environmental investment are shared with the conservation and development community across Liberia and Sierra Leone, including with other communities in the Gola Landscape, the FDA, and across Africa through the BirdLife International partnership.

Baseline condition: No results shared.

Indicators 4.1, 4.2, 4.4,4.5: Planned for the last 2 months of the project.

Indicator 4.3: Reports detailing lessons learned at key milestones throughout the project made available to stakeholders in the Gola Landscape throughout the project (including with the Sierra Leone and Liberia governments, other civil society organisations).

Progress: SCNL carried out a review and lessons learned session in March 2023 with the 10 CFMB members, 12 EC members, 10 CA members and the Paramount Chief of Kongba District to discuss the success and challenges of the loan scheme in totality. Please see Activity 4.1 for details. Presentations relevant to the project were also made at the Gola Transboundary Technical Dialogue (please see Activity 4.3).

Indicator 4.6: Lessons learned report will be shared within the BirdLife International partnership at a regional meeting 1-2 months before the end of the project.

Progress: Although the final lessons learned report will not be written until EOP, SCNL's Executive Director, Michael Garbo, included information about this project in a presentation at the recent BirdLife World Congress (please see Activity 4.5).

Indicator 4.7: By mid project, 3 and by end of project, 5 other NGOs in Liberia/Africa demonstrate a commitment to replicate the pilot.

Progress: As of end Year 3, no other NGOs are demonstrating a commitment to replicate the pilot. However, the exchange visit last year with Nature Tanzania did lead to some useful learning by both organisations.

Output 5. SCNL staff capacity to lead the Darwin Initiative project and future projects is strengthened and broadened.

Baseline condition: This is the first Darwin project SCNL have led on. While staff have experience of working with other funders, they have not worked with Darwin before.

Indicator 5.1: A Monitoring and Evaluation (M&E) plan is put in place by Month 4 of the project.

Progress: The plan is complete (**Annex 20**) and is being implemented.

Indicator 5.2: A project implementation committee (PIC) is established to guide and support the project.

Progress: We did not do this but instead have been holding regular coordination meetings with the FDA.

Indicator 5.3: The implementation committee meets biannually, or more frequently as requested by committee members.

Progress: See Indicator 5.2.

Indicator 5.4: SCNL prepares regular (biannual) internal notes for the steering committee and for future records on the progress of the project.

Progress: The Gola Forest Bilateral Coordination Committee was established several years ago and was meant to serve as a steering committee for all projects implemented in the Gola Landscape in both Liberia and Sierra Leone. Although the Coordination Committee did not meet this year, the technical subcommittee did meet and topics relevant to the implementation of this project (e.g. bushmeat hunting, forest patrols, livelihoods) were discussed. Please see Activity 4.3 for details.

Indicator 5.5: A financial reporting system is in place by the end of Month 2 and financial expenditure remains within contractual limits.

Progress: The financial reporting system is functioning, as evidenced by the financial reports submitted.

4.3 3.3 Progress towards the project Outcome

Outcome: An evidence-based pilot secures £1,200,000 of social/environmental investment to finance 12 Citizen Conservation Teams through small-loan programmes, enabling community stewardship of High Conservation Value Community Forest and uplifting local economies.

Indicator 0.1: By end of project, conservation by-laws governing at least the 15,000 ha of conservation zones of the Normon Community Forest and Tonglay Community Forest are respected and enforced by community members.

Progress: As evidenced by patrol reports (**Annexes 13&14**), the CCTs are regularly patrolling the Normon and Tonglay Community Forests and those breaking the by-laws are dealt with by the traditional authorities. The Community Forests are officially approved by the Government of Liberia, governed by a Community Forest Management Agreement (CFMA), giving greater authority to the Normon and Tonglay Clans to manage their forests. Both clans now have government-approved Community Forest Management Plans that include a conservation component. For the Tonglay CF, a working session to agree the boundaries of the conservation zone is planned for May 2023 (**Annex 7**).

Indicator 0.2: By end of project, conservation goals (e.g. no loss of primary forest, no illegal activities including illegal hunting) for the conservation zones of the Normon and Tonglay Community Forests are attained and threats to biodiversity (e.g. commercial bushmeat hunting) are decreasing compared to baselines.

Progress: The conservation zones are not yet demarcated so there are not yet conservation goals specifically for these zones. However, we do have information about the CFs more generally. According to the hunting survey that was conducted, the number of hunters has declined from around 200 to 52 (**Annex 21**). An analysis of forest cover loss (**Annex 24 - Forest Cover Loss**) shows that the Tonglay and Normon Community Forests are losing roughly 0.1-0.2 % annually over the last 5 years. Figures for forest cover loss in nearby forests that are not managed as community forests are roughly 2-5 times higher.

Indicator 0.3: By the end of project, direct loan beneficiaries have increased in total from 130 to at least 430. 42 people benefit from employment in 2 pilot Citizen Conservation Teams. 24 people will be employed on a permanent basis, and 18 (6/year) will be employed annually.

Progress: As evidenced by the list of loan groups and the list of CCT members, there are currently 320 borrowers and 24 CCT members who are patrolling and receiving a regular stipend. Given recent challenges for women to repay their loans and missing cash from the CFMB cashbox, we do not anticipate reaching 430 borrowers by EOP.

Indicator 0.4: A social/environmental investment fund of £1.2 million by end of project is available to support small-loan programmes and aligned CCTs in 12 CFs (7 in Liberia, 5 in Sierra Leone).

Progress: As discussed earlier in this report, we have regrettably come to the conclusion that an impact investment fund is not viable for the loan scheme in its current form. We have therefore submitted a change request with a revised logframe that would enable Finance Earth to develop alternative financing options for the loan and CCT programmes.

4.4

4.5 3.4 Monitoring of assumptions

Assumption 1: The Government of Liberia maintains its commitment to biodiversity conservation.

Comments: The Government of Liberia has not changed its laws or policies with respect to biodiversity conservation. While the FDA has limited resources, FDA staff actively support the activities of conservation organisations and have been proactive in playing a coordinating role in the various landscapes. However, elections will take place in Liberia in October 2023 and that means that SCNL and other conservation NGOs need to be politically aware and astute to avoid conservation issues being turned into political footballs.

Assumption 2: The Forestry Development Authority (FDA) or other authorities will support the Tonglay and Normon Clans in enforcing CF bylaws.

Comments: The Community Forest Management Agreement between the Government of Liberia (via the FDA) and the Normon and Tonglay Clans was signed in May 2021, thereby giving the clans the legal right to manage and benefit from their Community Forests.

Assumption 3: There is a market for a social /environmental investment fund for the Gola region, and investors are willing to commit funds to the programme.

Comments: As discussed previously, we have regrettably come to the conclusion that the loan programme in its present form is not feasible for an impact investment fund.

Assumption 4: The interest rate charged on the loans can be set at an affordable rate for borrowers whilst generating sufficient funds to cover operating costs, CCT stipends and an appropriate return to future impact investors.

Comments: This is a key assumption, one that we analysed closely, particularly because external factors such as the LRD/USD exchange rate and economic conditions changed drastically since this project was first designed. Given the deteriorating economic conditions in the area, there is also pressure from both the communities and their political representatives to keep interest rates low, even as compared to those charged elsewhere in the country. Feedback from borrowers suggests that the key variable to affordability from their perspective is the monthly repayment amount. The levers available to adjust the repayment amount include interest rate, size of loan, and length of repayment period. We tried different combinations of these with different groups to find combinations that work. In principle, we could then increase the number of groups so that the total interest generated by the loans is sufficient to pay CCT stipends. However, the most recent repayment figures are too low for this assumption to hold true.

Assumption 5: SCNL and external partners are able to continue to provide aligned training for the CFMBs and the borrowers.

Comments: SCNL and external partners continued to provide training for the CFMBs, CCTs,

and borrowers during this reporting period, both as part of this project and as part of others. Thus far, SCNL continues to be able to obtain funding for its conservation activities, including training.

Assumption 6: Loan schemes benefiting women’s groups continue to have a positive social impact.

Comments: As evidenced by the social scientist’s baseline assessment carried out last year, the loan programme continues to have a positive impact on the borrowers, CCT members and the community at large.

Assumption 7: There are sufficient numbers of individuals (both men and women) who are willing to be members of a CCT. There are sufficient literacy skills within each CCT to be able to carry out the required activities and prepare appropriate reports/ communication.

Comments: As evidenced by the list of current CCT members, there was no difficulty in finding sufficient numbers of people to become CCT members. In addition to the 24 current members, there are 24 “standby” members who participate in all the training and are ready to step in should any of the permanent members need to be replaced.

Assumption 8: Loans do not drive bushmeat hunting.

Comments: The hunting survey (**Annex 21**) found that the number of hunters in Tonglay and Normon is decreasing. There are several factors at play. First, the borrowers sign an agreement before taking a loan that they will not engage in the bushmeat trade. As women traders are the main drivers of the bushmeat trade, this reduces the number of bush meat traders. Secondly, many hunters have chosen to become a CCT member rather than continue hunting, preferring a smaller but more regular income than hunting can provide. Finally, the CFMBs are utilising the CCT members to follow up with the borrower groups – partly to remind them of payments but also to enforce the agreement against bush meat trading.

Assumption 9: The Investment Case is sufficiently robust to attract investment from targeted investors.

Comments: As discussed previously, we have regretfully come to the conclusion that the loan programme in its present form is not feasible for an impact investment fund.

Assumption 10: Liberian conservation groups, the FDA and Birdlife International are amenable to workshops for learning about the project and lessons learned.

Comments: The FDA continues to engage with SCNL on a regular basis both through project implementation and through the convening of coordination meetings at which this project is discussed. BirdLife International invited SCNL to present on this project at a webinar in November 2021 which resulted in an exchange visit for SCNL staff to Nature Tanzania who are also implementing a small loan programme for conservation. SCNL’s Executive Director was invited to present SCNL’s work at the recent BirdLife World Congress.

Assumption 11: National conditions in Liberia continue to allow SCNL to operate effectively.

Comments: There were no issues during this reporting period that prevented SCNL from operating effectively as evidenced by this annual report. However, elections are scheduled for October 2023 and SCNL needs to be politically aware and astute to avoid problems.

4.6

4.7

4.8 **3.5 Impact: achievement of positive impact on biodiversity and poverty reduction**

Impact statement: 82,500 citizens of the Greater Gola Landscape are stewards of

c.50,000 ha of High Conservation Value Community Forest, linking protected areas to conserve the largest remaining area of Guinea Rainforest.

High level impact on biodiversity: This project contributes to the conservation of the Gola Forest Landscape, the largest remaining block of Upper Guinea Rainforest, a globally important biodiversity hotspot holding at least 60 threatened species. It does so by contributing to the establishment and protection of conservation zones within the Normon and Tonglay Community Forests, which are themselves corridors connecting three protected areas in the Gola Landscape – two in Liberia and one in Sierra Leone.

High level Impact on human wellbeing: This project has a direct impact on the wellbeing of two groups of people within the Normon and Tonglay Clans – the women borrowers within the small loan programme and the CCT members who receive a monthly stipend. Several surveys show that the women borrowers are better able to contribute to their families' wellbeing through participation in the programme. They state that they are able to contribute to costs such as school fees, medical care, and food for the family. We expect that the increased wellbeing of these households will contribute to the economic development of the broader community and therefore to the improved wellbeing of the community overall.

5. 4. Project support to the Conventions, Treaties or Agreements

Liberia's National Biodiversity Strategy and Action Plan II (NBSAP)

Target 5, Action 1 of the NBSAP aims to establish Community Forests and to "provide incentives to communities for ecosystem services". This project is expanding an existing small loan programme (the conditions of which prohibit damaging activities, e.g. commercial bushmeat hunting and trading) tripling the number of loans available to forest communities. These loans provide the incentive described by the NBSAP, encouraging communities' uptake of conservation activities.

CBD

Cooperation (Article 5) between Liberia (Community Forest Management Bodies, SCNL) and UK (Darwin Initiative, RSPB, Finance Earth) is helping protect an internationally recognised biodiversity hotspot and improve livelihoods of some of the poorest and most remote communities in Liberia. Incentivising communities living adjacent to the Gola Forest National Park (GFNP) to manage and preserve High Conservation Value Forest as Community Conservation Zones within their Community Forests will contribute to In-situ Conservation (Article 8(e,j)). The partners are pooling technical/scientific expertise to try and develop and prove a replicable sustainable financing model. In line with Article 18 we will share the model through our global networks, ensuring replicability and scalability.

CITES

A key impact of this project will be incentivising communities to abandon illegal hunting for the bushmeat trade (e.g. chimpanzees) and for the illegal wildlife trade (e.g. pangolins), both through the small-loan programme and by sustainably enabling the communities to monitor and police their Community Forests. We work closely with Blamah Goll, the Technical Manager for Research at the FDA and CITES focal point for Liberia.

6.

7. 5. Project support to poverty reduction

This project is contributing to poverty reduction in a variety of ways.

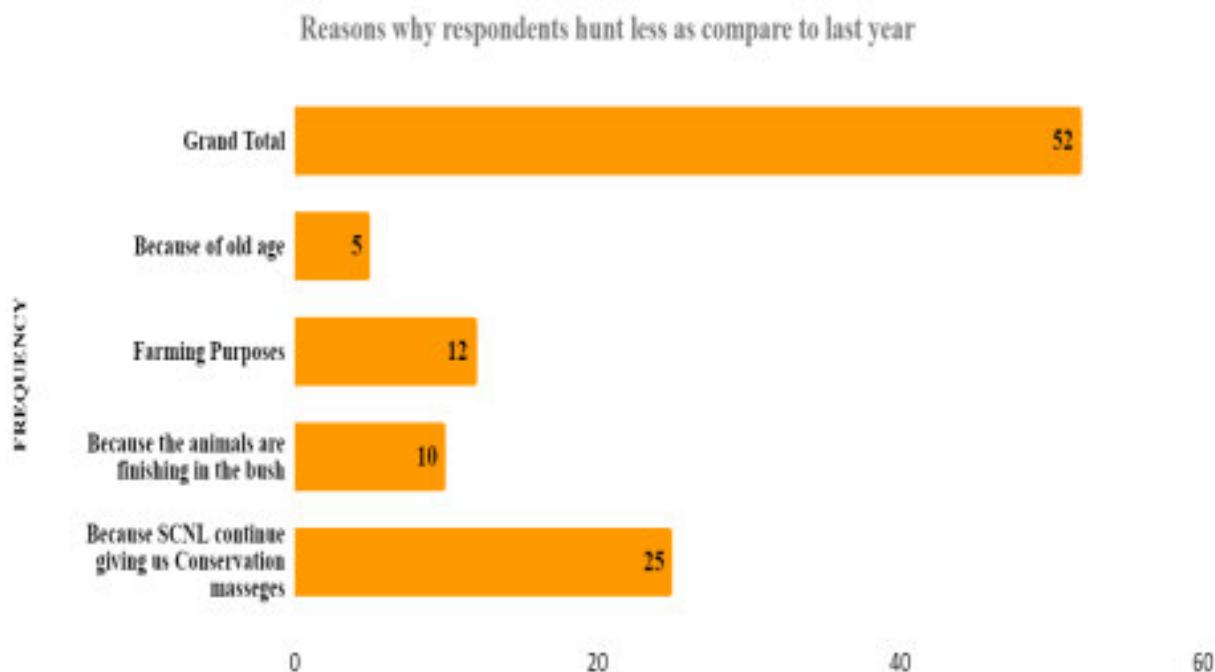
Direct beneficiaries

As described in Section 3.5, this project has a direct impact on two groups of beneficiaries, the women borrowers and the CCT members, both of whom are better able to contribute to improvements in wellbeing of their households as a result of loans and stipends respectively.

We expect that the increased wellbeing of these households will contribute to the economic development of the broader community and therefore to the improved wellbeing of the community overall (to be assessed at EOP through monitoring of the PPI of households in the community).

Community forests and ecosystem services

Through the employment of CCT members and strengthening of the CFMBs, this project contributes to the protection and management of the Normon and Tonglay Community Forests and ultimately to the conservation of the Gola Forest Landscape. Through well-managed community forests, communities safeguard the ecosystem services provided by the forest and can improve community income through forest-dependent industries. Of particular note is the decrease of hunters in the area, from around 200 to 52 (**Annex 21**).



8. 6. Gender equality and social inclusion

This project supports the economic empowerment of women in rural Liberia through a small loan programme, in which there are currently 320 borrowers. It gives these women the opportunity to improve the wellbeing of their households and thereby gives them a stronger voice within their household and within the community. By creating an environmental and social investment fund, we hoped to eventually be able to scale this programme to a much larger number of women.

The CFMBs were not able to recruit equal numbers of male and female CCT members but of the 24 permanent CCT members, 8 are female and 16 male, or 33% female and 67% male. Given local concerns about women working in the forest, we feel that this is a significant step on the road to greater gender equality.

SCNL itself now has a gender and safeguard policy that is being rolled out through staff workshops. SCNL has hired a female gender and safeguard officer to ensure women’s full participation in all aspects of SCNL’s work.

We note that all M&E data collected is sex disaggregated.

Please quantify the proportion of women on the Project Board.	The Gola Forest Bilateral Coordination Committee was intended to serve as the
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	project's steering committee but has not met since this project started.
Please quantify the proportion of project partners that are led by women, or which have a senior leadership team consisting of at least 50% women.	33%. RSPB is led by a woman. SCNL and FE are led by men.

9. 7. Monitoring and evaluation

Monitoring and evaluation is based on an M&E plan that is updated as needed to reflect changes in the project. (**Annex 20**) A tracking tool is used to record the information needed to report on the indicators included in the logframe. We note here that this project started after the Darwin Initiative introduced standard indicators. Annual and quarterly work plans are regularly reviewed to ensure that activities are implemented in a timely way.

SCNL has primary responsibility for ensuring that all M&E data is collected, with some technical support from the RSPB and FE.

The system is generally working well but like many projects working in rural West Africa, faces the challenge of collecting data in communities where most citizens are not literate.

10. 8. Lessons learnt

Lessons learned with respect to implementation of the loan scheme:

The first key lesson about the loan scheme this year was that the CFMBs were not ready to take on complete responsibility for the loan programme. When the programme first started, an SCNL staff person was one of the three key holders for the CFMB's cash box. In an effort to shift responsibility from SCNL to the CFMB, SCNL no longer held a key and was, in hindsight, more relaxed than it should have been about regular cash counts with the result that the CFMBs took cash from the cash box without documentation or approval from the community.. The traditional authorities reviewed the matter and have required the money to be returned by July 2023. The key holders for the CFMBs were changed to include two women from the loan groups and an SCNL staff again became a key holder. As described previously, SCNL is also piloting a modified approach to the loan scheme in which the women manage all the funds in their own cash box and only pass along the interest part of the funds to the CFMB.

The other critical lesson about the loan scheme this year was that after over 4 years of very high repayment rates by women in Normon and Tonglay Clans, changes in external circumstances significantly affected the women's ability to repay their loans. As described earlier there were three key factors affecting the women's ability to repay - the deteriorating economic situation in Liberia, increasing out-migration from the targeted communities, and the worsening condition of the only road to the area, making it difficult to bring goods in or send products out. As noted earlier, this has led to the conclusion that it is not viable for an impact investment fund to finance the loan scheme in its current form. In hindsight, it might have made more sense to try scaling up in less poor areas where external shocks could perhaps be absorbed with less difficulty but at the time, the decision was to start scaling up in a place where the loan programme was already functioning successfully.

As a result of these two significant setbacks to the loan programme, SCNL is piloting a modified loan modality with six groups in two communities. The new approach incorporates some ideas from the VSLA approach used in many parts of West Africa. One difference is that every borrower must have a guarantor approved by her town's chief. Secondly, a compulsory savings component was added. The savings are added to the capital provided by the project to generate a growing pool of capital that can be loaned out to group members. Capital and savings payments are managed by the group members in their own cash box; only interest payments go back to the community via the CFMB.

In addition to trying new modalities, SCNL also engaged the CCT members in the process of supporting the loan groups. The groups were divided amongst the CCT members so that each CCT member had the responsibility of supporting 2 - 3 groups - reminding them about loan repayment deadlines as well as ensuring that no borrowers were undertaking activities like bush meat trading that are detrimental to biodiversity conservation.

11. 9. Actions taken in response to previous reviews (if applicable)

The overall comment from the AR2 reviewer was that the project seemed to be moving forward to accomplish something potentially transformational but was behind in achieving planned targets and needed to do some stock taking. Since then, as will be clear from the rest of the report, there have been some serious setbacks to the loan scheme and we have come to the conclusion that an impact investment fund is not viable for the loan scheme in its current form. Stock taking is clearly needed more than ever and we have submitted a change request to try and manage the situation by proposing that FE develop options for funding alternatives instead of an impact investment fund in addition to making changes to the way the loan programme is run.

Other comments from the reviewer include the need to provide more detail about the loan situation which we have attempted to do in the body of this report and in **Annex 9**.

The other major comment concerned the need for clearer patrol reports that enable the reader to better understand what is happening conservation-wise in the forest. This is not completely addressed here as it is part of a more general challenge of gathering and analysing data collected from throughout the Gola landscape and making it accessible to those who can make use of the information to further conservation goals. The RSPB and SCNL, along with partners from Sierra Leone, have started to address this through the creation of a common Gola database, which can be used to answer basic questions such as where certain species are found, or how population levels have changed over time. In addition to using the patrol reports to share information about the forest with community members, information from the patrol reports can now be fed into the common database and contribute to a better understanding of the overall health of the Gola landscape. In addition, CCT members (as well as eco guards working in the nearby national parks) can now use the Spatial Monitoring and Reporting Tool (SMART) app on a phone enabling observations of wildlife or illegal activities to be easily mapped and shared with others. Finally, a hunter and bushmeat survey was conducted this year to provide more fulsome data about bushmeat hunting.

12. 10. Risk Management

13. The major risk to the achievement of this project's goal was that it would not be possible to scale up the loan programme to the point that an impact investment fund would be viable. That risk has been realised for all the reasons discussed earlier in the report and our efforts are now directed towards improving the loan programme and making the best use we can of what we have achieved to support the broad goals of the project even if an impact investment fund is not possible now.

A new risk to the project is the politicking that is happening now in advance of Liberia's October 2023 elections. There can be a tendency among those running for office to exacerbate the tensions already existing in areas where there are competing land use interests and it is important for SCNL to be politically aware and astute to avoid creating any long term problems.

11. Sustainability and legacy

The intended outcome of this project was the securing of a £1,200,000 impact investment fund to finance loan schemes throughout the Gola Landscape. We have not been successful in this but are devoting our efforts now to modifying the modalities of the loan scheme to improve its

chances of success in the future, as well as looking for other sustainable options for financing small loan and CCT programmes. These efforts are all part of broader efforts to improve well being and livelihoods among communities within the Gola landscape to promote the conservation of the Gola Forest.

There has been some interest in the results thus far with two other BirdLife partners who are also carrying out small loan programmes. As we continue to try different loan modalities, we expect to share our experience with others as well as incorporate it into future project design.

While we will not be successful in achieving the main outcome of this project, we think that it is nevertheless important to try and understand the reasons for this to inform future project design, for within the Gola Forest and elsewhere.

12. Darwin Initiative identity

The Darwin Initiative is perhaps best known among the communities where this project is working. All 24 CCT members and 320 borrowers have and wear T-shirts that show their affiliation with the Darwin project, including the Darwin logo. Darwin funding is acknowledged at all community meetings and training workshops funded by the Darwin project.

SCNL supporters are familiar with the project through a story in SCNL's quarterly newsletter, The Pepperbird. The story is found in Vol 07-20-2022 and is also available to read on SCNL's website: [SCNL's Microloan Program Changing Lives In Forest Edge Communities](#)

Other than one multi-country project, this project is the only Darwin Initiative project currently active in Liberia so the Darwin Initiative itself is not widely known within the country other than by those within the conservation community. Nevertheless, the British flag is well recognised and many of those who do not know the Darwin Initiative will recognise British support for work in Liberia.

13. Safeguarding

Has your Safeguarding Policy been updated in the past 12 months?	<u>Yes/No</u>
Have any concerns been investigated in the past 12 months	<u>Yes/No</u>
Does your project have a Safeguarding focal point?	<u>Yes/No</u> [<i>Hawa Biddle Dugbeh-</i> ██████████]
Has the focal point attended any formal training in the last 12 months?	<u>Yes/No</u> 1. Risk management, particularly as related to natural resource access 2. First aid.
What proportion (and number) of project staff have received formal training on Safeguarding? 2023: 8 female, 16 male participated in RSPB-led first aid training. 2023: 4 female, 6 male participated in on-line gender training.	All Monrovia-based staff have received training. Field-based staff training planned for 2023.
Has there been any lessons learnt or challenges on Safeguarding in the past 12 months? Please ensure no sensitive data is included within responses. SCNL staff who frequently travel to the field especially appreciated the First Aid training carried out by RSPB.	

Does the project have any developments or activities planned around Safeguarding in the coming 12 months? If so please specify.

1. Awareness-raising of SCNL's safeguarding policy among SCNL staff
2. Develop SCNL safeguarding strategy.
3. Carry out TOT safeguarding training for field staff

14.

14. Project expenditure

Table 1: Project expenditure during the reporting period (1 April 2022 – 31 March 2023)

Project spend (indicative) since last Annual Report	2022/23 Grant (£)	2022/23 Total Darwin Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs (see below)				
Consultancy costs				
Overhead Costs				
Travel and subsistence				
Operating Costs				
Capital items (see below)				
Monitoring & Evaluation (M&E)				
Others (see below)	£700.00	£898.00	-28.29%	
TOTAL				

Table 2: Project mobilising of matched funding during the reporting period (1 April 2022 – 31 March 2023)

	Matched funding secured to date	Total matched funding expected by end of project
Matched funding leveraged by the partners to deliver the project.		
Total additional finance mobilised by new activities building on evidence, best practices and project (£)		