

**Biodiversity Challenge Funds Projects
Darwin Initiative, Illegal Wildlife Trade Challenge Fund, and Darwin Plus
Half Year Report**

Note: If there is any confidential information within the report that you do not wish to be shared on our website, please ensure you clearly highlight this.

Submission Deadline: 31st October 2023

Project reference	30-007
Project title	Biocredits Investment Operations
Country(ies)/territory(ies)	Uganda and Zambia
Lead partner	The International Institute for Environment and Development
Partner(s)	Conserve Global, Tondwa Conservation Limited, Value Nature, EcoTrust Uganda
Project leader	Mr. Paul Steele
Report date and number (e.g. HYR1)	October 2023, HYR1
Project website/blog/social media	Darwin Biocredits Investment Operations IIED Project Page

Outline progress over the last 6 months (April – Sept) against the agreed project implementation timetable (if your project has started less than 6 months ago, please report on the period since start up to end September).

Although we are not looking for specific reporting against your indicators, please use this opportunity to consider the appropriateness of your M&E systems (are your indicators still relevant, can you report against any Standard Indicators, do your assumptions still hold true?). The guidance can be found on the resources page of the relevant fund website.

Below is a list of activities that were scheduled as stated in the implementation table, along with updates on the activity.

1.2 Market survey conducted to identify biocredit buyers (Yr 1 Q1-Q4) – completed

IIED worked with WBSCD and the BCA to conduct a market survey. It received 29 responses, which is an adequate sample size given the nascency of the market. It found that buyers are interested in biocredits that support meeting corporate nature strategies and targets; have high credibility and quality; are not overly complex; and potentially focus on segments of biodiversity at manageable scales, but which have real concrete and verified benefits; are fungible if possible, but fungibility is not a deal breaker; are geographically diverse, not necessarily directly linked to a company's operations on the ground; and are preferably linked/stacked with carbon credits. These findings align with the characteristics of the biocredits being sold within this project.

2.1 Project site biophysical assessment completed through a combination of satellite imagery and desk review, with relevant ground truthing where need to identify reference sites and relevant habitats for biodiversity scoring. (Yr 1 Q1-Q2) – partially completed.

In Uganda, biophysical assessment is complete and GIS imagery is in the process of being collected and analysed for landcover baseline mapping for future change detection analyses. It is being shared from

EcoTrust and ValueNature to identify relevant equipment that is to be ordered by the Q4 (and will therefore not affect spending in this year). This was partially delayed because it required understanding the Plan Vivo Nature biodiversity reporting requirements, which is being developed simultaneously with this project.

In Zambia, the biophysical assessment comprised an unsupervised land cover classification based on satellite imagery and was combined with field sample plots and site familiarity to identify available habitats for biodiversity scoring. The available habitats were then interrogated for practicality in terms of deploying and retrieving the biodiversity monitoring equipment to identify proposed sites for the location of the monitoring arrays. The proposed sites are still to be visited to establish the exact locations of the “nodes” or points for the installation of biodiversity monitoring equipment.

3.1 Engagement in international discussion with regulation and standard developers (Biodiversity Credit Alliance, WEF, UNDP, etc). (Entire project period) – Ongoing

IIED has continuously engaged in international discussions. IIED team members attend the Biodiversity Credit Alliance (BCA) Forum, every 6 weeks and act as the secretariat for the Community Advisory working group within the BCA (CAP), a group of Indigenous people and local community members looking to engage with the biodiversity credit market. Further, IIED works with a strategic working group organised by the World Economic Forum (WEF) which includes key market players such as UNDP, WBSCD and UNEPFI.

ECOTRUST is part of The **International Advisory Panel on Biodiversity Credits (IAPB)** that has been established by the UK and France government to develop a Global Roadmap on Harnessing Biodiversity Credits for People and Planet to facilitate the creation and growth of high-integrity biodiversity credit markets, and encourage enabling policy and regulatory mechanisms, in ways that are credible, timely, and coherent on an international level.

In terms of standard developers, there have been several bilateral meetings with those relevant to this project, Verra and Plan Vivo.

4.1 Community Visioning conducted using internationally recognised gender responsive methodology (Yr 1 Q1) – partially completed.

At both project sites, the partners reviewed international methodologies and agreed that the Gender Action Learning System (GALS) is the most appropriate for this project.

In Uganda, EcoTrust team has started implementing the GALS methodology, specifically using the Vision Road Journey tool. EcoTrust has previously used this tool for other projects and is therefore updating the Vision Road Journeys of community members specifically to align them to this biocredits project and is developing Vision Road Journeys for those members involved in this project who have not yet undergone through the visioning process. Training of communities in Community-based Biodiversity Monitoring has been initiated in participating communities to align the community needs with those of the biocredits requirements and create a sense of ownership within the community.

In Zambia, the implementation of the GALS has been delayed due to delays in conducting a comprehensive socio-economic baseline survey. TCL has already been in contact with a GALS facilitator in Zambia to proceed with this methodology. Further, Tondwa Conservation Ltd is working with EcoTrust to identify the appropriate tools within the GALS methodology, given EcoTrust’s experience with this tool. This will increase efficiency of implementation, which is now planned for Q4 of Y2, therefore this will not affect spending in this financial year

4.2 Site Action Planning meetings to develop management plans for specific land patches in the Northern Albertine Rift and Tondwa GMA (Y1 Q1-Q3) - ongoing

This activity is ongoing and linked to activities 2.1 and 4.1 and is scheduled to be completed on time.

5.1 Inception meeting in Uganda with all partners to strengthen partnerships and network for future sharing of lessons (Yr 1 Q1) – COMPLETED

The Inception meeting took place in Hoima, Uganda between 19th -21st of June 2023. This included two days of meetings and one day of field visits to the Kikuube landscape and the communal forest in Masindi District. The field visits included presentations from the communities on their previous work in carbon credits, and provided an opportunity for project partners to introduce themselves, and the concept of biodiversity credits. Please find workshop agenda attached in supporting documents.

We also recorded videos of partners speaking about biocredits that are available here:

<https://www.iied.org/biocredit-investment-operations-bio-finance-for-nature-people>.

5.2 Development of a communications strategy for the project to engage with global public and private experts and practitioners in conservation community and nature finance community (Yr 1 Q1) – Completed

The communications strategy has been jointly developed, including input from a communications focal point at each partner organisation. All partners got together to undertake stakeholder mapping, define joint objectives and identify key audiences for the strategy. The strategy will be adjusted whenever necessary in response to other activities (ie. sales of credits, community engagement) throughout the entirety of the project period. Additionally, an action plan for each objective is being developed. Please find communications strategy in additional documents.

2. Give details of any notable problems or unexpected developments/lessons learnt that the project has encountered over the last 6 months. Explain what impact these could have on the project and whether the changes will affect the budget and timetable of project activities.

There are no significant challenges that have developed and therefore now effect on the budget.

3. Have any of these issues been discussed with NIRAS and if so, have changes been made to the original agreement?

Discussed with NIRAS: N/A

Formal Change Request submitted: Yes (due to changes in Darwin requirements)

Received confirmation of change acceptance N/A

Change request reference if known: Unknown

4a. Please confirm your actual spend in this financial year to date (i.e. from 1 April 2023 – 30 September 2023)

Actual spend: ██████████

4b. Do you currently expect to have any significant (e.g. more than £5,000) underspend in your budget for this financial year (ending 31 March 2024)?

Yes No Estimated underspend: £

4c. If yes, then you need to consider your project budget needs carefully. Please remember that any funds agreed for this financial year are only available to the project in this financial year.

If you anticipate a significant underspend because of justifiable changes within the project, please submit a re-budget Change Request as soon as possible. There is no guarantee that Defra will agree a re-budget so please ensure you have enough time to make appropriate changes if necessary. **Please DO NOT send these in the same email as your report.**

NB: if you expect an underspend, do not claim anything more than you expect to spend this financial year.

5. Are there any other issues you wish to raise relating to the project or to BCF management, monitoring, or financial procedures?

N/A