

Darwin Initiative Innovation Annual Report

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

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

Submission Deadline: 30th April 2024

Submit to: BCF-Reports@niras.com including your project ref in the subject line

Darwin Initiative Project Information

Project reference	DARNV010
Project title	Scaling evidence-based Inclusive Conservation Finance models in Uganda and Tanzania
Country/ies	Uganda and Tanzania
Lead Partner	Fauna & Flora (FI)
Project partner(s)	MCCC Ltd (renamed from Mwambao Coastal Community Network) from Tanzania and Private Forest Owner Associations (PFOA) from Uganda
Darwin Initiative grant value	£ 199,717.00
Start/end dates of project	Start date: 1 st July 2022 End date: 30 th June 2024
Reporting period (e.g. Apr 2023 – Mar 2024) and number (e.g. Annual Report 1, 2, 3)	Reporting period - 1 st April 2023 to 31 st March 2024 Annual Report number 2
Project Leader name	Kiran Mohanan, FFI
Project website/blog/social media	
Report author(s) and date	Date: 30.04.2024 Authors: Mrunmayee Amarnath (FFI) Kiran Mohanan (FFI) Rogers Niwamanya (FFI) Byron Ssemambo (FFI) Kukundakwe Mazimakwo (FFI) Hope Beatty (MCCC) Abubakar Othman (MCCC)

1. Project summary

The main innovation aspect of the project is the application of Inclusive Conservation Finance (ICF) as a financial instrument to address conservation challenges. Inclusive financial models such as Village Savings & Loan Associations (VSLA) and microloan programs have been extensively used in the development sector but are comparatively novel to the conservation sector. This project aims to strengthen the existing ICF mechanism in community groups living in high biodiversity value areas, bringing it to a stage ready for scaling up their operations and

impacts. Two project sites have been carefully selected: a forested landscape in Uganda and a seascape in Tanzania, making the lessons learned relevant for both ecosystems.

The project focuses on the northern Albertine Rift between Budongo & Mukihani Forest Reserves and Wambabya & Bugoma Forest Reserves in Uganda (**Image 1**). These linkage areas in the Albertine Rift are key for Eastern Chimpanzees (*Pan troglodytes schweinfurthii*), classified as Endangered (IUCN Red List). ICF models supported by this project address the key challenges of this landscape: habitat degradation and forest fragmentation due to subsistence farming. In Tanzania, ICF models support mangrove restoration, reef ecosystem health, improve the sustainability of key fisheries, reduce targeted hunting of vulnerable fish species, and examine the threats to cetaceans, sharks, and turtles in the Pemba Channel Conservation Area (PECCA) in Pemba Island and in the Tumbatu Island Conservation Area (TUMCA) in Unguja Island, Zanzibar archipelago (**Image 2**). The region was declared a Conservation Area in 2005 by the Government of Zanzibar.

This work in Uganda builds on FFI's previous and current work to establish VSLAs to incentivise and create financial resources for conservation activities. It has historically been funded by the United States Fish and Wildlife Service (USFWS) and has received funding under Darwin's Covid-19 Rapid Response (CV19RR26). VSLAs were set up, and revolving funds were provided to groups performing savings and loan operations well. Similarly, in Tanzania, eco-credit groups were piloted under the Darwin Initiative (24-008), and currently, 27 groups have been formed in the project sites, providing loans to community members committed to local co-management rules for sustainable resource use. Overall results of pilot models were promising at the beginning of this project, with 257 community members engaged in natural resource management and 74 biodiversity-friendly enterprises supported with access to affordable credit that clearly generated biodiversity and social impacts. However, the groups faced some challenges to scaling-up operations such as weak governance in community-based natural resource management (CBNRM) institutions, the high cost of accurately monitoring biodiversity and social impacts of borrowed capital, high dependency on grant funding for technical and financial resources for scaling up, and the need for more evidence on biodiversity impacts.

In this context, this innovation project was specifically designed to support the community groups in strengthening their governance and equity mechanisms, strengthening conservation commitments through a participatory process, introducing a digital record-keeping tool for accurate and transparent fund management, and exploring partnerships for linking the ICF model with the private financial service ecosystem to reduce grant dependency. An overall assessment of the model at the end of the project is expected to share learnings to scale up evidence based ICF models that reduce poverty and generate direct incentives to community members for biodiversity conservation.

Thus, the long-term impact of this innovative financial instrument is to incentivise conservation efforts, strengthen community-based natural resource governance, alleviate poverty, and boost household economy and well-being by restoring the local ecosystem health on which their livelihood depends.

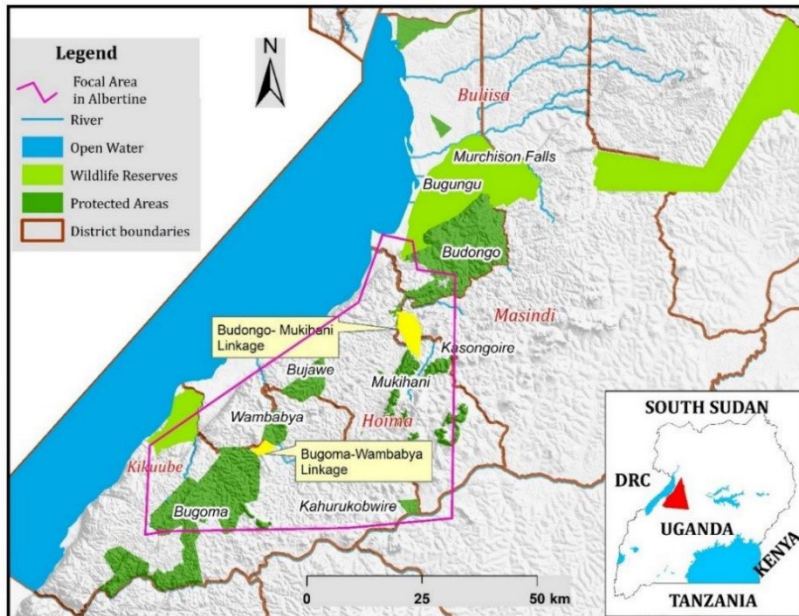


Image 1: Northern Albertine Rift area in Uganda (Map credit: FFI)
ZANZIBAR GEOGRAPHICAL SCOPE

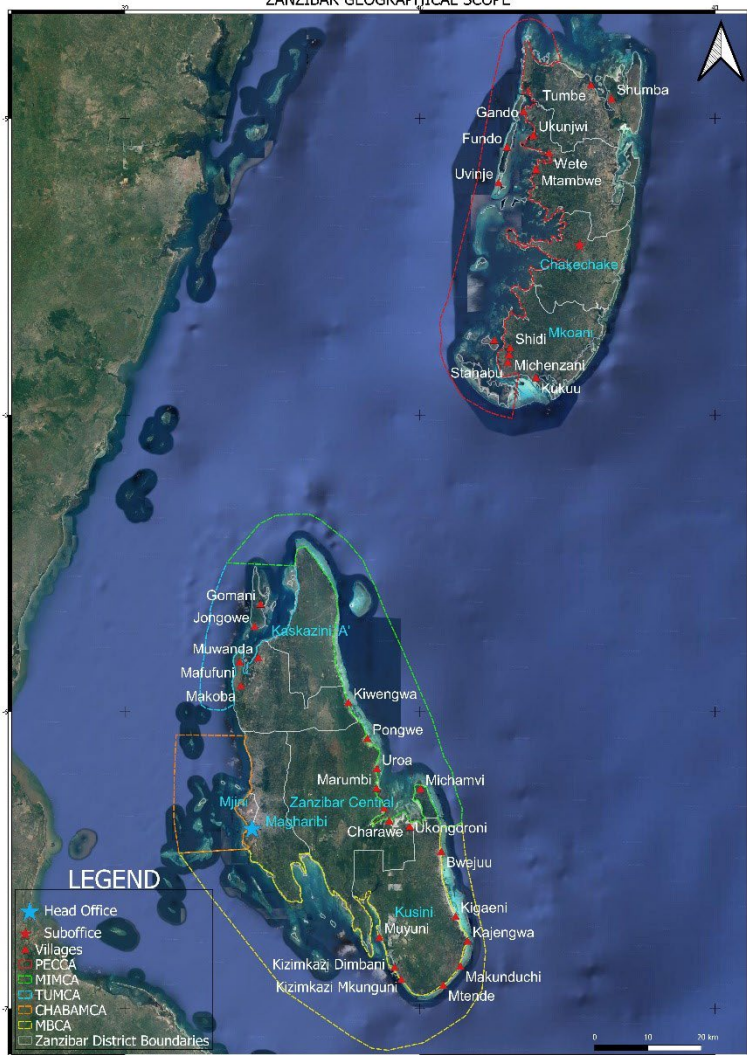


Image 2: Pemba Channel Conservation area in Zanzibar, Tanzania. (Map credit: MCCC)

2. Project stakeholders/partners

The involvement of key partners – FFI and MCCC - has been instrumental in driving the project forward. While FFI leads implementation in Uganda and project management, MCCC leads

implementation in Tanzania (Zanzibar). These partnerships are executed under sub-grant agreements, with FFI coordinating efforts, overseeing expenditure and progress, and ensuring the application of appropriate technical expertise. These partnerships are further strengthened by the active involvement of local Community-Based Natural Resource Management (CBNRM) institutions and Inclusive Conservation Finance (ICF) groups, which also serve as project beneficiaries. Collaboration across partners and geographical areas is facilitated through various mechanisms, regular monthly and quarterly meetings, shared learning sessions, coordinated in-country visits, and clear project monitoring plans.

The partnerships have evolved over the years with support from previous projects. FFI and MCCC have a longstanding collaboration dating back to 2015, focusing on capacity building for fishing communities in Tanzania's Pemba Channel Conservation Area (PECCA). Similarly, FFI has been working with Private Forest Owners Associations (PFOAs) in Uganda since 2014, providing technical support and grants to enhance community-led forest and chimpanzee conservation efforts. Throughout the reporting period, these relationships have been further strengthened, contributing to the successful outcomes of the project. Although the partnership with Greenfi, the key partner on this project expected to support the launch of digital record keeping system (output 3), terminated at the end of year 1, FFI and MCCC have made progress with adaptive management and finding alternative solutions to deliver the output as detailed in activities under output 3.

Furthermore, government actors and private sector entities, such as the Department of Fisheries, Department of Marine Conservation, Uganda Wildlife Authority, National Forestry Authority, and local banks, have actively contributed to the project by supporting the development of community-led conservation activities.

Overall, the partnerships established in this project are deeply rooted in local needs and priorities, fostering a collaborative and consultative approach to project design, development, and implementation. Through these partnerships, the project aims to strengthen grassroots-level conservation efforts in Uganda and Tanzania, ultimately contributing to biodiversity conservation and community well-being.

3. Project progress

3.1 Progress in carrying out project Activities

Output 1:

Activity 1.1: Completed

The objective of governance assessment at both sites was to assess the processes and decision-making mechanisms in the ICF groups and compare against their performance at the beginning of the project.

Uganda: The first governance assessment of PFOAs were conducted at the beginning of year 1 and the second assessment in March 2024. Both the assessments were conducted with PFOA and VSLA men and women separately and reviewed their performance on four governance themes - participation in decision making, transparency and accountability, access to justice, and equitable benefit sharing. During the end of project assessment 84 (44 female and 40 male) participated and shared their views on changes in governance system in comparison with the first year of the project. These results will be compared with the baseline to ascertain the progress on all the themes and reported by end of the project.

Tanzania: End of the project governance assessment was conducted in Jongowe, Tumbatu and Fundo, Pemba in February 2024. A total of 31 participants from Fundo (21 female and 10 male) and 34 participants (23 female and 11 male) from Jongowe took part in the assessment. Overall, the assessment revealed positive performance across all core governance principles. Notably, participants mentioned positive impacts on improved living conditions and business growth. Engagement of women and youth in leadership has improved (**annex 2**), with more coordination between Mkuba groups and community-based organisations Shehia Fisheries Communities (SFCs). Moving forward, MCCC will provide refresher training on governance best practices, leadership skills, and ethical standards to empower all Mkuba members in all conservation

activities, ensuring the continued growth and success of the Mkuba groups. Detailed report is attached in **Annex 40**.

Activity 1.2: Completed in year 1 and reported in the first annual report in March 2023.

Activity 1.3: Completed

Uganda: One of the bottlenecks faced by PFOAs, identified during this project period, in scaling their operations was their legal registration. During the reporting period, multiple training sessions were conducted for PFOA members from November 2023 to March 2024, supporting them in registering as Savings and Credit Cooperative Organizations (SACCOs), a legally recognised structure for operating savings and loans. As part of this process, PFOAs were assisted in reviewing their by-laws, financial transactions, cooperative laws, guidelines, etc. The training session was attended by a total of 99 members (37 women and 62 men) in December 2023, and registration was finalised in March 2024. With this, PFOAs are now licenced tier-4 micro-finance institutions, regulated under the Uganda Microfinance Regulatory Authority (UMRA). Detailed reports are enclosed as **Annex 1a, 1b and 1c**.

Tanzania: Training sessions to address governance gaps were conducted in Fundo and Tumbatu in October 2023. The training covered various aspects of good governance, including accountability, transparency, the rule of law, effective participation, efficient management, human rights, consensus-oriented decision-making, equity and inclusiveness, and responsibility. A total of 84 participants (52 women and 32 men) attended the training. Notably, as a significant outcome of the training, 8 new women and 5 new youth members have assumed leadership roles in management committees. Detailed reports are enclosed in **Annex 2**.

Activity 1.4: Completed

Uganda: The performance of management sub-committees established within the PFOAs, which include representatives from various VSLA groups, was evaluated through focus group discussions (FGDs) in April 2023. 30 participants (9 females and 21 males) engaged in discussions about their roles, activities, and challenges encountered in carrying out their responsibilities. Additional committees such as enterprise and environment, finance and planning, loan management, marketing, and disciplinary sub-committees were formed during these meetings. Challenges such as restricted funds within PFOAs, record-keeping within VSLAs, agriculture supply chain issues, delays in loan recovery, and lack of funds for environmental activities were discussed, and solutions were identified. These committees functioned actively during the rest of the year and were supported by the project team. A comprehensive report detailing these findings is attached as **Annex 3**.

Tanzania: Mkuba management committees set up during the project period (Ref activity 1.5) were found to be diligently monitoring and overseeing compliance and group management activities in both Fundo and Jongowe. They operate within 17 communities encompassing a total of 88 groups in Unguja and Pemba. Key achievements include allocating 30 hectares for tree planting and mangrove restoration in Tumbatu, with 6,335 seedlings planted across Jongowe and Fundo. The committee also addressed 22 cases of illegal fishing, showcasing their dedication to environmental preservation. They prioritised women's participation, with a woman elected as chairperson in Tumbatu, promoting gender equality. Financially, each group in Fundo contributed TZs 25,000 to support the committee, totalling TZs 625,000. Challenges include judicial delays in resolving illegal fishing cases and a lack of tools and equipment for effective patrols, hindering enforcement efforts. Detailed report is found in **Annex 5**.

Activity 1.5: Completed

Uganda: The evaluation of VSLAs established within the three PFOAs was conducted through FGDs in May 2023. A total of 73 VSLA members (24 female and 49 male) participated in the discussion, sharing their insights on the ICF, environmentally friendly activities it promotes, and potential solutions. They discussed some challenges and solutions to address hostile behaviour of some non-VSLA members towards nature conservation, deliberate firing of restoration areas, climate change impact, poverty driven overextraction of resources, risk of accidents with chimpanzees, lack of cooperation between leaders and community etc. Regular patrol, afforestation activities, community sensitisation to change attitudes and promotion of cooperation

and teamwork were some of the solutions identified by the members during the meeting. For a comprehensive overview, please refer **Annex 4**.

Tanzania: Mkuba management committees, referred to as SFC+, established in Fundo and Tumbatu regions in September 2023 where they were previously absent. Leaders were democratically elected, and comprehensive constitutions were developed for these committees. The membership of these committees is diverse, including representatives from the SFC, individuals from various Mkuba groups, religious leaders, women, and members from the broader community beyond Mkuba. During the follow up interaction in February 2024, it was found that the committees are actively monitoring Mkuba groups, documenting instances of illegal fishing identified by MKUBA members and reporting them to law enforcement agencies, resolving any conflicts within the communities, overseeing the financial records of the groups, including savings, fines, expense funds, social funds, loan repayments, and addressed cases of defaulters. Detailed reports are enclosed as **Annex 5**

Output 2:

Activity 2.1: Completed in year 1 and reported in the first annual report in March 2023.

Activity 2.2: Completed

Uganda: An in-depth study was undertaken in June 2023, involving 75 PFOA members (44 females and 31 males) to assess the drivers of deforestation. Through six FGDs, the study aimed to grasp the intricacies of utilizing natural resources by the PFOA members. Communities identified agriculture expansion, poverty, charcoal burning, hunting, bush burning, and firewood extraction as some of the drivers of unsustainable resource extraction. Expansion of VSLAs, training, community sensitisation, alternate livelihoods, law enforcement, and community bylaws were identified as actions that would enable shifting from unsustainable to sustainable resource use. These findings are being incorporated by FFI in designing the upcoming projects for the landscape. For more details of the analysis conducted, please refer to **Annex 6**.

Tanzania: Completed in year 1 and reported in the first annual report in March 2023.

Activity 2.3: Completed

Uganda: Completed in year 1 and reported in the first annual report in March 2023.

Tanzania: In the first year of the project, partnership agreements were formulated between SFC and Mkuba groups (**refer to Annex 6a**), and these agreements were officially signed in Tumbatu, Jongowe, and Fundo in June 2023. The terms defining the relationship between these two community groups are detailed in these agreements. Copies of the agreements can be found in **Annex 7 and 8**.

Activity 2.4: Completed

Uganda: An awareness session on the sustainable use of natural resources engaged 138 members (66 males and 72 females) from three PFOAs, including those who had participated in activity 2.2. The discussions centred around Uganda's National Biodiversity Strategy and Action Plan II (2015-2025), and other relevant references. Participants actively asked questions and shared their experiences to enhance their understanding of sustainable natural resource utilisation. These trained members are expected to share the knowledge and message with the rest of the 1082 PFOA members and beyond. For a detailed overview, please refer to the enclosed report in **Annex 9**. The impact of awareness programme was evident during the participatory impact assessment, where the participants discussed sensitivity of community members about chimpanzees and pangolins, PFOA and VSLA leaders spreading the conservation messages to community etc. The report can be found in **Annex 34**.

Tanzania: An awareness activity was conducted with Fundo communities in February 2024 with the objective of sharing results from the research conducted last year to understand the drivers for switching from unsustainable to sustainable resource use (Activity 2.2). The discussions focused on the unsustainable use of mangrove forests, nearshore reefs, seagrass fisheries, and octopus fisheries. It was attended by 27 individuals including 10 SFC and 10 Shehia committees members. Challenges such as illegal fishing by fisherfolk from other areas and the absence of law enforcement to limit them, lack of knowledge of mangroves among Mkuba members, and the lack of equipment for beach cleaning and patrols, which can affect community well-being, were identified. Following this meeting, it was agreed that the participants would spread the knowledge

on sustainable ways of using coastal and marine resources among their community. A detailed reports are enclosed as **Annex 10 and 11**.

Output 3:

Activity 3.1: Completed in year 1 and reported in the first annual report in March 2023.

Activity 3.2: Ongoing

Uganda: Following the conclusion of the partnership with Greenfi, FFI took charge of developing a mobile app for VSLA record-keeping in Uganda. The loan record and monitoring system has been created using Kobotoolbox, a widely used open-source and free of cost platform for data collection, management, and visualisation. The tool is linked to a google dashboard to display summaries of loans for easy access by PFOAs about the status of their loan transaction and usage and. **Annex 12** contains the digital member register form, while **Annex 13** includes the loan application form developed on Kobotool.

Tanzania: MCCC is in the final stages of negotiations to roll out CHOMOKA app for Mkuba, developed by CARE International for VSLAs. CHOMOKA has now been bought by [Ensibuuku Technologies Ltd](#), a Uganda based company, from CARE. This app offers financial tracking services. Both organisations are awaiting the completion of agreements to officially launch the finance tracking app with Mkuba groups. A detailed report on the discussions between MCCC and Ensibuuku in March 2024 is enclosed as **Annex 28**. Additionally, a framework to monitor eco-compliance activities of Mkuba groups was developed by MCCC using kobotool **Annex 31**. Integration of eco-compliance monitoring from Kobotool into CHOMOKA app will be explored in subsequent stages once the partnership between MCCC and Ensibuuku is formalised.

Activity 3.3: Ongoing

Uganda: Training sessions on utilising the Kobo Toolbox mobile application were conducted for Kidoma and Kesenene PFOAs, involving 297 participants (149 females and 148 males) in August 2023. The communities were instructed on inputting data, editing forms, and accessing the dashboard using mobile phones provided by the project. Valuable feedback from these sessions was integrated into the digital forms. Comprehensive training materials and a report are available in **Annexes 14 and 15**.

Tanzania: CARE International facilitated training to prepare community-based trainers (CBT) in September 2023 before CHOMOKA was sold to Ensibuuku. The training covered topics such as the meaning of CHOMOKA, its key features, registration of group members, amendment of group by-laws, group member's savings records, social fund records, individual member payouts, etc. An action plan with timelines were developed for the CBTs to train five Mkuba groups each in three villages, targeting a total of 75 members. The training was attended by five CBTs, one village leader, and two SFC members. A detailed report is enclosed as **Annex 16**. Additionally, in March 2024, MCCC trained six CBTs in Pemba was trained to use kobotoolbox form for collecting eco-compliance data of Mkuba groups such as patrols, mangrove planting, beach cleaning, and community meetings. CBTs underwent practical exercises to record data and discussed challenges such as capturing location polygons effectively. Detailed report is in **Annex 16a**.

Activity 3.4: Ongoing

Uganda: The first testing of the mobile app aimed to gauge members' familiarity with using Android phones and was completed in year 1. Further testing was conducted with 297 VSLA members (149 female and 148 male) during the training of Kobotoolbox in August 2023, as detailed in **Annex 15**. Community members explored member registration forms, loan application, approval, repayment, and closure forms. One of the key feedback provided by them was instrumental in correcting the automatic interest calculation on the app. Following the trainings, the VSLA groups have registered members and recorded loan records since October 2023. A copy of the dashboard is enclosed in **Annex 32** and loan records generated by the app in **Annex 33**.

Tanzania: Following the training facilitated for CBTs, a field trip was organised in September 2023 where the CBTs trained and tested the CHOMOKA App with 125 Mkuba group leaders in five communities including Pongwe, Marumbi, Chwaka, Mtende, and Tumbatu, Jongowe. During this process, some language barriers and technical challenges were identified in the app. An

action plan was developed to address these issues, including making language adaptations, developing a feedback mechanism, and providing hands-on training to community users. A detailed report is enclosed as **Annex 17** and copy of chomoka dashboard in **Annex 27**.

Throughout the trainings in both the project sites, equitable technology protocol developed as part of this project in year 1 was followed by the project teams to ensure that technology is made accessible to marginalised members of community, especially women and elderly members new to use of mobile phones.

Activity 3.5: Completed in year 1 and reported in the first annual report in March 2023.

Activity 3.6: Completed

Uganda: A financial literacy training was conducted for PFOA members in February 2023, attended by 191 individuals (79 females and 112 males) from Kesenene, Kidoma, and Bulyango. The training covered topics related to the general meaning and importance of financial literacy, personal financial management, and financial record-keeping. Participants in the training demonstrated competence and a fair understanding of basic knowledge regarding record-keeping practices, saving, group formation, and financial management. Members are now aware of poor financial management practices and poor record-keeping issues as some of the root causes for the downfall of VSLA groups. They acknowledged that this training will help them in addressing problems related to financial records. A detailed report is enclosed as **Annex 18**.

Tanzania: The financial literacy training was facilitated by the six community-based trainers from the community, trained by MCCC in November and December 2023. The training sessions were conducted in five communities: Jongowe, Mto wa Pwani, Makoba, Muwanda, and Mafufuni. A total of 25 groups were reached, comprising 750 members (225 male and 525 female). The training encompassed various topics from the financial literacy manual (**Annex 25**) including introduction to financial education, savings enhancement, loan utilisation, services provided by formal financial institutions, mobile phone technology, household budgeting, effective money management, dealing with financial and non-financial risks, and consumer rights and responsibilities.

Output 4:

Activity 4.1: Completed

Uganda: Desk research was conducted to map the financial ecosystem of Uganda. It was found that the Central Bank of Uganda recognised 25 licensed commercial banks in Uganda as of 2020. There are over 200 fintech companies providing support for digital services, contributing to the Ugandan government's promotion of a cashless economy. In our research, 46 non-deposit-taking microfinance institutions, 708 licensed money lenders, and 46 SACCOs were found to be registered as of 2022. Additionally, there are 99 microfinance institutions and 26 commercial banks. The Ugandan Micro-finance Regulatory Authority encourages the public to transact with regulated Tier 4 microfinance institutions, which include SACCOs, non-deposit-taking microfinance institutions, and community-based microfinance institutions. A detailed list of financial institutions is enclosed in **Annex 19**. This research helped scope the opportunities to expand PFOA's operations with less dependency on grant finance, as they are now registered as SACCO.

Tanzania: In Tanzania, it was found that 89% of Tanzanians live within 5km of a financial access point, with large banks accounting for over 55% of the branch network in the country in 2022. In Zanzibar in particular, 28 different banks and branches were identified. Additionally, 34 commercial banks, four microfinance banks, one mortgage finance bank, two development financial institutions, three financial leasing companies, one non-bank financial institution, one housing financial institution, two regional town municipal banks, and 79 bureaux of change were mapped. Detailed reports are enclosed in **Annex 20 and 21**. This study shows wide opportunities to explore collaboration with banking institutions. In fact, assessment under activity 4.2 showed that some community groups in the project area are already working with these banking institutions.

Activity 4.2: Completed

A tool for assessing potential partnerships with banks and micro-finance institutions was created. This tool can be found in **Annex 22** for reference.

Uganda: To enhance the financial resilience of PFOAs and ensure more members can access affordable credit to pursue biodiversity-friendly activities, discussions were carried out with Pride Micro-Finance and Post Bank in Hoima. Specific preference was given to government-backed banks, in addition to proximity and interest rates to explore partnerships potential. During the discussions, representatives of the two banks provided insights into their products and services, including group loans that could benefit PFOAs and their members, underscoring their commitment to support vulnerable communities. Various challenges, including complex eligibility criteria, varying interest rates, and past failures of environmental initiatives of the banks, were discussed. The banks showed keen interest in engaging with PFOAs due to their recent SACCO registration and good governance system compared to many other community groups in the region. These partnerships are planned to be executed upon the PFOAs completing their six-months of SACCO probationary period. Detailed report is enclosed as **Annex 23**.

Tanzania: MCCC initiated discussions with 10 banks in Zanzibar and conducted structured interviews. Out of these, five banks were found to be already collaborating with some community groups in the project area by supporting fishers' union, providing boats, account opening etc. Notably, Amana Islamic banking institution offered interest-free loans, focussing on trade and group collaboration. The National Microfinance Bank (NMB) supports fishers' groups by providing boat loans, while the People's Bank of Zanzibar (PBZ), owned by the Zanzibar Revolutionary Government, also collaborates with other community groups in the region. Equity Bank promotes group lending to fishers with a membership of five individuals, while Cooperative Rural Bank (CRDB) works with farmers, fishers, and informal groups and cooperatives. These banks have shown interest in group account opening and deposit services for Mkuba, with significant support available for fishers through various banking products.

Activity 4.3: Completed

Uganda: FFI has adopted CARE International's methodology to establish and train communities on the operation of VSLAs. FFI has integrated conservation objectives into this methodology, emphasising the use of loans for biodiversity-friendly activities and restricting harmful practices. These practices were documented including the operation of revolving loan funds, criteria for accessing funds, management rules, and the implementation of a digital record-keeping system during the reporting period. This document, along with CARE International's VSLA methodology, will be widely used by PFOA leaders, other community trainers, as well as by FFI in its global sites to train communities and establish new ICF groups going forward. The document is enclosed as **Annex 24**.

Tanzania: MCCC developed a financial literacy training guide, focusing on fishers, women fish processor groups, and Mkuba groups. This guide specifically addresses the challenges encountered by these communities and the misconceptions surrounding formal banking systems, particularly concerning informal service providers like Mkuba. It covers a range of topics, including the principles of financial literacy, methods to increase savings, strategies for responsible loan usage, understanding formal financial institutions' services, mobile technology in financial services, household budgeting and planning, and productive money management. Detailed report is enclosed as **Annex 25**.

Activity 4.4: Completed

Uganda: FFI enhanced 33 PFOA leaders (14 female and 19 male) skills in VSLA methodology through refresher training in September 2023. The training was aimed at ensuring that the community leaders can act as agents of VSLA for setting up or formation at the parish level. The trainings covered various topics such as objectives of VSLA, qualities and responsibilities of VSLA chairperson and treasurer and safe keeping of VSLA funds. This has helped in reduction of cost in VSLA formation as PFOA leaders are leading the effort with minimum support by FFI staff through periodic assessments. For details, please refer **Annex 35**.

Tanzania: MCCC trained three residents from each village in Tumbatu (six) and Fundo (three) in November 2023 as community-based trainers (CBTs) to initiate Mkuba groups. In total, nine CBTs (2 women and 7 male) are trained on Mkuba methodology, enhancing the efficiency and reach of our programme. These trained CBTs have in turn facilitated the training of other community members, resulting in the establishment of 44 new groups across project areas such as Tumbatu and other villages. These new groups collectively comprise 1,320 members (396 men and 924 women). The CBTs possess a deep understanding of local dynamics, enabling

them to effectively engage and mobilise their peers. This approach has not only enhanced the reach and scalability of the Mkuba programme but has also reduced follow-up and implementation costs.

Activity 4.5: Completed

Tanzania: MCCC organised a stakeholder workshop in Zanzibar in early April 2024. The objectives of the workshop were to educate the participants about the critical issues facing marine ecosystems, reduce the footprint of tourism industry, and facilitate collaboration among the stakeholders to conserve the marine ecosystem. Specific focus was given to sustainable resource management, implementation of octopus closure initiatives to protect and replenish octopus populations, role of tourism sector in beach cleanup and preventing illegal fishing activities. 30 participants, including representatives of hoteliers, marine conservation organisation, government officials, local community leaders and tourism industry influencers, took part in the workshop. The participants agreed to meet on a quarterly basis and discuss the progress and challenges to address marine conservation challenges. Workshop's report is attached as **Annex 26**.

Output 5: *Scheduled for the year-3 of the project.*

3.2 Progress towards project Outputs

Output 1: Governance and equity of at least 20 ICF groups and at least 4 CBNRM institutions in Zanzibar (Tanzania) and Uganda is improved before scale-up.

Uganda:

Significant progress has been made in enhancing the governance of PFOAs and VSLAs through targeted trainings aimed at addressing identified gaps, such as transparency, accountability, gender imbalance in decision-making, and financial record-keeping, which were highlighted in the initial governance assessment conducted in the first year. These trainings specifically focussed on aspects such as legal registration and the transition of PFOAs from community-based organisations (CBOs) to Savings and Credit Cooperative Organizations (SACCOs) (**annex 1a, 1b and 1c**). Furthermore, sub-committees formed within PFOAs have established robust governance and monitoring mechanisms across various workstreams (**annex 3**).

The impact of these efforts was evident during the participatory impact assessment (PIA) **annex 34 (MoV 1.3)**, where communities highlighted positive changes in governance practices. These include increased representation of women in leadership positions and active participation in decision-making processes (**indicator 1.1**), heightened interest among members to engage in PFOA meetings (**indicator 1.2**), inclusive and transparent decision-making processes, and the emergence of leadership from diverse backgrounds, changing from the previous practice of favouring family members or relatives (**indicator 1.3**). Members attributed these positive changes to the governance training provided under the Darwin Innovation initiative.

Zanzibar:

The project has taken several steps towards assessing and enhancing governance within the ICF pilots. During the first governance assessment in year 1, FGDs highlighted limited engagement of women in high-level decision-making, alongside other governance gaps such as compliance issues and tools for patrol activities. Subsequent assessments in year 2 (**annex 40**) and participatory impact assessments show that with training provided to address gaps in governance, Mkuba groups score high on all of the four-core governance assessments - equity in decision-making, transparency, accountability, and benefit sharing. Women's active participation in Mkuba as well as decision making was well-noted. Similarly, youth participation in all Mkuba group activities is also highlighted to be at a good level and found to be active in decision-making (**indicator 1.1**). However, the number of young males is higher compared to females as males are more active than females and often responsible for patrol at night. Additionally, management committees (SFC+) for Mkuba were formed in both Pemba and Tumbatu, involving diverse community leaders. The governance structures and processes for Mkuba-related decision-making were found to be well-defined, documented, and effectively implemented (**indicator 1.3**).

Output 2: ICF group members' conservation commitments to deliver biodiversity impact and linkages with local CBNRM institutions are formally agreed through a participatory process.

Uganda:

In year 1, activities related to the conservation commitments of PFOAs and VSLAs (**indicator 2.3 and MoV 2.1**) were successfully completed, while the remaining tasks concerning the understanding of drivers of unsustainable resource use and raising awareness about biodiversity were accomplished in year 2. As a result, during PIA (**annex 34**), community members demonstrated understanding of biodiversity conservation needs and compliance requirements under their loan agreements. For instance, participants noted improvements in monitoring and enforcement of bylaws since the signing of the memorandum of understanding (MOU) between PFOAs and VSLAs (**Indicator 2.3 and MoV 2.3**). Furthermore, the sharing of information related to chimpanzee movement with chimp monitors (PFOA volunteers who monitor chimp movement to mitigate human-wildlife conflict) has increased due to awareness programmes. Additionally, members have become more actively engaged in restoring riverine habitat through tree planting activities, as documented in PIA report.

Zanzibar:

Following the formal conservation commitments made by Mkuba and SFC through agreements (**annex 7 and 8**) (**indicator 2.1, 2.3 and MoV 2.1 and 2.3**) aimed at delivering biodiversity impact through a participatory process, the community has developed a comprehensive plan of action for implementing eco-compliance activities. The participation plan developed by Mkuba and SFC outlines specific details such as participant names, dates, times, and locations for activities including mangrove restoration, patrols, beach cleanups, and illegal gear check-ups. This structured approach has enhanced accountability and effective implementation of conservation measures. Participatory Impact Assessment (**Mov 1.3** - report will be shared in the final project report) provided insights that all these structures have improved participation in marine conservation activities on the islands.

Output 3: Innovative digital record keeping tools adopted by at least 20 ICF groups and at least 4 CBNRM institutions in Uganda and Zanzibar (Tanzania) to accurately and transparently manage eco-credit processes and monitor/report on participation in conservation action.

Uganda:

Progress of this activity during year 1 was hindered by the pre-closure of the partnership with Greenfi, who was leading on this output. However, during the reporting year, the FFI team developed a financial and environmental compliance monitoring system using the freely available KoboToolbox and rolled it out for communities to use. So far, PFOA and VSLA leaders have been trained in data entry, and all members of 10 pilot VSLAs are already registered on the online tool using the mobile phones distributed under this project in year 1. Loan records have been consistently updated on the system since October 2023. The loan form is enclosed as **Annex 12 and 13 (Indicator 3.1, 3.2 and Mov 3.1, 3.2)**. Reports generated by the dashboard and data generated by kobotoolbox are enclosed as **annex 32 and 33 (Mov 3.3)**.

Concurrently, the groups are maintaining paper records to ensure no data is lost. During the PIA, participants mentioned that confidence in the record-keeping system is gradually increasing as the digital system automatically calculates interest rates and balances to be repaid, indicating improvement in accuracy and transparency. They also expressed interest in continuing to use the app after the end of the project, with limited support from FFI staff (see PIA **Annex 34**).

Zanzibar:

Similar to Uganda, progress on this output was also delayed in Zanzibar due to the pre-closure of the partnership with Greenfi in year 1. However, during year 2, MCCC initiated discussions with CARE International to adopt the CHOMOKA app developed by them, which includes built-in features for financial monitoring. CARE International completed the training for community members and rolled out the app to eight Mkuba groups on a pilot basis, while negotiating terms to integrate eco-compliance monitoring into the app, which is currently on kobotoolbox. Screenshots of the CHOMOKA app (**Annex 30**) and the eco-compliance form on kobotool box (**Annex 31**) (**indicator 3.1 and MoV 3.1**) are attached. Records delivered by the CHOMOKA app as seen on the dashboard is enclosed in **Annex 27** and kobotoolbox in **Annex 29 (indicator 3.2, MoV 3.2 and 3.3)**. Access to the CHOMOKA app is currently on hold as CARE recently sold CHOMOKA to a private Fintech company in Uganda - Ensibuuku. Thus, MCCC will be signing a contract with this new company Ensibuuku, instead of CARE International. Meanwhile, the use

of kobotool for eco-compliance monitoring will continue to be used by the Mkuba groups and MCCC.

During a recent meeting between MCCC and Ensibuuku, it was understood that the app will be relaunched in May 2024, which will enable access of the app to Mkuba groups with upgraded features. Furthermore, discussions and negotiations are ongoing between MCCC and Ensibuuku to facilitate the signing of an agreement between the two parties, as well as to integrate eco-compliance monitoring into the app. Discussions between MCCC and Ensibuuku are enclosed in **Annex 28**.

Output 4: Market system approach adopted, and systemic barriers identified and addressed reducing the current high dependency on grant funding for the ICF model to scale up.

Uganda:

Following financial ecosystem mapping, partnerships with two government-backed banks were explored during the project period, and their interest in providing support has been documented in **Annex 19 and 23 (Indicator 4.2 and Mov 4.2)**. It is anticipated that the formalisation of these partnerships will occur once the PFOAs complete a six-month SACCO probationary period, incorporate all necessary by-laws, and receive comprehensive training on the processes involved under the new legal structures.

The banks have shown explicit interest in engaging due to the SACCO registration of PFOAs and have expressed a willingness to provide training to group members on good financial management before issuing loans. This output is expected to have a significant impact on engaging more members, expanding activities, and ensuring the sustainability of the programme in the coming years.

Zanzibar:

The mapping of the financial ecosystem was successfully completed, and the possibility of partnership was explored with 10 banks. However, it was discovered that the interest rates on loans from most banks are approximately 20 - 22%, which does not align with the Mkuba model. Mkuba loans are issued under Sheria law with no interest, but with a 2-2.5% processing fee. The programme has attracted interest from five banks (**indicator 4.2 and Mov 4.2**) willing to support MKUBA activities. Additionally, significant potential for collaboration with the tourism industry to bolster community development efforts was also recorded (**Annex 25**).

Strategies to further this output both in Zanzibar and Uganda will be explored in year 3 as part of output 5.

Output 5: Potential for ICF model to contribute to biodiversity and social impacts is widely communicated, and scale-up strategy designed

Progress towards this output will be report by the end of project.

3.3 Progress towards the project Outcome

The expected outcome of the project is 'scalable, evidence based ICF models reduce poverty and generate direct economic incentives for >500 community members to engage in conservation actions in 2,000 hectares of forest/coastal areas.' The progress on the project's outcome indicators showcases significant advancements across various dimensions of the Inclusive Conservation Finance (ICF) models.

The scalability of ICF models has reached a pivotal achievement. Initially set to attain a "moderate" scalability index score by the end of the project, the models implemented in Uganda and Zanzibar have surpassed this target, achieving a "high" score according to the VUNA Scalability Assessment Framework. This notable success reflects the robustness and potential for these models to be scaled up further, as detailed in the assessment report provided in **Annex 35**.

In terms of the utilization of loans for biodiversity-friendly enterprises, the project is making commendable progress. The goal is for over 200 community members, with at least 45% being women, to use loans for such enterprises by the end of the project. While the baseline figures 74 PFOA members (26 female and 48 male) accessed loans in 2021, with 26 of these loans supporting engagement in biodiversity-friendly enterprises, ongoing ICF lending operations have

seen active and increasing engagement from the community. The effectiveness and reach of these initiatives are continuously monitored, with updates documented in various program reports.

Access to affordable credits is another area where progress is being observed. The project aims to remove financial access barriers for over 500 community members, ensuring a substantial participation of women (**Annex 1a, 1b, 2, 3 and 5**). From the 2021 baseline, where women's access was relatively lower, focused interventions such as trainings and the formation of committees have been instrumental. The anticipation of future bank partnerships is expected to further facilitate this access, with comprehensive details and progress captured in **annexe 23**.

Lastly, the project tracks the implementation of community-led conservation activities, incentivised through eco-credit loans, across over 2000 hectares of forest and coastal areas. Although this indicator is still under evaluation, preliminary GIS reports are currently being analysed to assess the coverage and impact of these conservation efforts. The outcomes from this analysis will provide crucial insights into the extent of conservation activities being realised through the project's interventions.

3.4 Monitoring of assumptions

Assumptions related to outcome:

Assumption 1: CBNRM leadership and ICF group leaders continue to remain interested in ICF models and scale up.

Comments: Assumption holds true. Members and leaders of PFOAs and VSLAs in Uganda and SFCs and Mkuba groups in Tanzania have been fully engaged. Their interests are evidenced by their participation in activities related to three outputs detailed in previous sections.

Assumption 2: Wider socio-political and national policies remain supportive for the model to scale up.

Comments: Assumption holds true. Socio-political and national policies have supported community activities and inclusive finance operations in both the countries. SACCO registration of PFOAs is expected to garner support from the government to scale up in the upcoming days. In Tanzania, government is promoting sustainable tourism initiatives, MCCC has initiated interaction with tourism sector to support Mkuba.

Assumption 3: Members of ICF group continue to repay loan and groups function transparently and equitably

Comments: Assumption holds true. In Uganda, Both Kasenene and Kidoma VSLAs repayment rate is still at 100%. Loan repayment in Mkuba groups is over 98%. Equity has improved with governance training and transparency of records is improving with digital record keeping system as noticed in PIA report.

Assumption 4: Economic incentive generated by ICF model continue to remain as a motivation for community to engage in conservation.

Comments: Assumption holds true, it has been confirmed by communities in Uganda in participatory impact assessment (**Annex 34**).

Assumption 5: Members of ICF groups abide by conservation commitments.

Comments: Assumption holds true. Groups in both Uganda and Zanzibar signed conservation agreements. During the participatory impact assessment, the members of the groups in have confirmed the effectiveness of governance to approval and monitoring of loans and encourage conservation activities (**Annex 34**).

Assumption 6: Socio-political environment permits holding community meetings; and the Covid-19 pandemic does not restrict face to-face meetings.

Comments: Assumptions related to Covid-19 are not relevant anymore as pandemic situation has improved in both Tanzania and Uganda. As observed in this report, community groups have actively met and FFI/MCCC have carried out all the activities in person.

Assumptions related to outputs 1, 2, 3 and 4:

Assumption 7: Governing bodies and members of the CBNRM institutions remain receptive to required organisational reforms to enhance equity and good governance

Comments: Assumption holds true. The community groups have been highly receptive to governance trainings based on the gaps they identified and have acknowledged improvement in their structures with support from this project.

Assumption 8: Community continues to remain interested in conservation and sustainable use of natural resources

Comments: Assumption holds true. Members of PFOA and Mkuba have actively participated in conservation activities such as patrol, tree planting, beach cleaning etc in both Tanzania and Uganda.

Assumption 9: There is interest in both the CBNRM institution and ICF in strengthening the partnership.

Comments: Assumption holds true. PFOAs and VSLAs in Uganda, and SFCs and Mkuba groups in Tanzania, have signed partnership agreements.

Assumption 10: CBNRM and ICF leaderships remain open to change and are interested in adopting digital record keeping tools.

Comments: Assumption holds true. Community groups in both Uganda and Tanzania have been very receptive to trainings on use of mobile app for record keeping and have started using them actively.

Assumption 11: Interest and capacity in target communities to join the "Training of trainers" sessions.

Comments: The assumption holds true. In Uganda, PFOA leaders are facilitating trainings related to the expansion of the ICF model, while in Zanzibar, six dedicated community-based trainers are leading these efforts. The selection of individuals for these positions is transparent and based on merit, education, and availability, as identified by community members. Despite these positions being voluntary, there is keen interest among individuals to serve, as they are esteemed and respected roles within the community.

Assumption 12: ICF groups are happy to be trained by a community member instead of FFI or partners.

Comments: The assumption holds true, as community trainers are readily available within the villages. This allows for more immediate access to trainings and guidance compared to the availability of FFI staff. In both Zanzibar and Uganda, many trainings and follow-ups are currently being carried out by the community-based trainers.

Assumption 13: There is interest by private sector and financial intermediaries in inclusive conservation finance.

Comments: Assumption holds true. Banks and tourism sector have shown interest in collaboration with ICF groups.

Assumption 14: Current National Financial Inclusion policies provide an enabling condition for ICF-financial intermediary partnerships.

Assumption holds true. Governments in both the countries are supportive of access to credit for communities for poverty reduction and community empowerment.

Assumption 15: Community willingness to share their experience of the project.

Comments: Assumption holds true. Community members have shared experiences extensively in multiple governance and participatory impact assessments.

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

Expected impact of the project is 'Innovative economic instruments for biodiversity conservation are strengthening community-based natural resource governance, enhancing ecosystem productivity and services, and boosting household economy and well-being, reducing poverty at the grassroots.' As evidenced in the participatory impact assessment (PIA) report (**Annex 34**) the higher-level positive impact on biodiversity and human wellbeing is as follows:

Higher level impact on biodiversity conservation:

Improved governance and equitable benefit sharing increasing community participation in conservation: Both in Uganda and Tanzania, microloans are provided to ICF members engaged in conservation actions such as reforestation, patrolling or beach cleaning. There were governance gaps identified by this project and these gaps were addressed over the last two years under output 1. As an impact of these activities, community members (both men and women) have ranked increased participation in tree planting as rank 2 in PIA carried out recently.

The project theory of change is with this tree planting and strengthened natural resource governance, productivity of the ecosystem services will be improved in long term. This increased would result in better household income and well-being impacts. For example, better soil quality resulting from afforestation activity would boost agriculture production and income at community level.

In the short term, project has contributed to well-being by:

Economic Empowerment: Implementation of VSLA and microloan programs has improved financial inclusion and economic opportunities for the community members, particularly through income-generating activities (**Annex 33**).

Enhanced Governance and Equity: Governance within PFOAs and VSLAs has become more inclusive, with significant strides in women's involvement and leadership, fostering gender equity (**Annex 40**).

Education and Capacity Building: Financial literacy and sustainable management practices are being taught, improving community members' skills and knowledge, which contribute to poverty alleviation (**Annex 18**).

4. Project support to the Conventions, Treaties or Agreements

In Uganda, strengthening the governance of ICF and CBNRM Institutions (Output 1) and finalising conservation agreements and appropriate linkages with local CBNRM institutions (Output 2), the project has contributed to reducing and managing negative impacts while enhancing positive impacts on biodiversity (NBSAP II Objective 3) and promoting the sustainable use and equitable sharing of costs and benefits of biodiversity (NBSAP II Objective 4). Development of innovative Fin-tech digital application for conservation (Output 3), mapping actors in the private sector and financial service ecosystem and exploring appropriate partnerships for scale up (Output 4), this project will be helping to promote innovative and sustainable funding mechanisms to support NBSAP implementation (NBSAP II Objective 7).

Outputs 1 and 2 in Tanzania have specifically contributed to CBD articles 8 (integrating conservation and sustainable use of marine resources to minimise adverse impacts on biodiversity) and 11 (supporting formation of transparent governance structures and empower communities to understand their rights and responsibilities), and Aichi Biodiversity Targets 6 (implementing management measures for sustainable management of important fisheries, vulnerable species, and aquatic plants, enhancing ecological connectivity), 10 (reducing the impacts of destructive practices on coral reefs, seagrass beds and mangrove) and 11 (improving Zanzibar's Marine Conservation Areas¹ management through work with communities, authorities, and ensuring integrated management between socially and ecologically connected areas).

In both Uganda and Tanzania, project outputs are contributing to SDGs 1 (ending poverty), 5 (achieve gender equality), 8 (decent work and economic growth), 12 (responsible consumption and production) and 15 (restore and promote sustainable use of terrestrial ecosystems), and in Tanzania SDG 14, too (conserve and sustainably use marine resources for sustainable development).

No interactions have happened with host country convention focal points in the reporting period.

5. Project support for multidimensional poverty reduction

The project contributes to poverty reduction in ecologically high-value landscapes and seascapes. Both the Ugandan and Tanzanian ICF models are built on the 25-year-old VSLA (savings groups) model, which now has more than 20 million members worldwide in over 73 countries. The models are also built on extensive community-level expertise present in most communities in the region of the pilot model.

The beneficiaries are the members of farming and coastal communities in the countries with high rates of poverty (91.4% population in Tanzania and 86.48% in Uganda earn less than \$5.5 per day²). The project is working towards directly ensuring more than 200 of these community members (at least 45% women) can access loans to pursue biodiversity-friendly livelihoods and lifting barriers to access affordable credits for more than 500 community members (at least 45% women). Availability of capital through ICF models is expected to increase the household income of the community members. Further, it supports ecosystem restoration, improved community governance of natural resources, regulating unsustainable resource use etc., that contributes to the long-term ecological security on which their livelihoods depend.

Based on findings from project evaluation by an MPhil researcher in year 1, the upcoming projects are expected to support the scale up ICF models in both the sites to include more economically vulnerable communities as their dependency on natural resources is higher than the beneficiaries of ICF groups. Although, there is more demand from the community to help set up more VSLA and Mkuba groups, activities are currently constrained due to limited funds with these ICF groups and dependency on grant finance. This project is supporting address this important barrier through the possibility of linking the groups with local financial institutions that support biodiversity conservation objectives of the ICF mode.

6. Gender Equality and Social Inclusion (GESI)

Please quantify the proportion of women on the Project Board ¹ .	55%
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 ² .	50%

GESI Scale	Description	Put X where you think your project is on the scale
Not yet sensitive	The GESI context may have been considered but the project isn't quite meeting the requirements of a 'sensitive' approach	
Sensitive	The GESI context has been considered and project activities take this into account in their design and implementation. The project addresses basic needs and vulnerabilities of women and marginalised groups and the project will not contribute to or create further inequalities.	X
Empowering	The project has all the characteristics of a 'sensitive' approach whilst also increasing equal access to assets, resources and capabilities for women and marginalised groups	X

¹ A Project Board has overall authority for the project, is accountable for its success or failure, and supports the senior project manager to successfully deliver the project.

² Partners that have formal governance role in the project, and a formal relationship with the project that may involve staff costs and/or budget management responsibilities.

Transformative	The project has all the characteristics of an 'empowering' approach whilst also addressing unequal power relationships and seeking institutional and societal change	X
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All the project activities are implemented with gender sensitivity to promote equal participation of women and men, under the guidance of FFI's gender specialist. FGDs, meetings and consultations with communities have been conducted separately for women and men to ensure their perspectives are being considered (**indicator 0.2, 0.3, 1.1, 1.3, 3.5**). Accordingly, separate consultations with women and men have ensured safe environments for women particularly to express their opinion without the influence of gender norms (e.g. women being unable or unwilling to speak openly in front of men). In fact, improving governance mechanisms of the community groups have specifically focussed on gender and age dimensions in the assessment.

7. Monitoring and evaluation

The project team has been effectively managing monthly meetings separately for Uganda and Tanzania to review the progress of activities. These meetings serve as platforms to discuss specific activities, expectations, their relevance to landscape/seascape contexts, and to follow up on pending tasks. Monthly work plans are developed, reviewed, and monitored between the FFI Project lead, MCCC, and the FFI technical lead in Uganda based on these discussions. Implementation teams share updates, learnings, findings, and challenges encountered in the field during these meetings. This regular analysis and dissemination of monitoring and evaluation (M&E) information has been instrumental in informing adaptive management of the project, allowing the team to address issues early on and ensure the project achieves its intended outcomes. FFI gender and governance specialists have been actively involved in these meetings throughout the project to ensure gender and equity considerations are incorporated into the M&E process.

No significant changes have been made to the M&E plan, with the logframe primarily being used to track the progress of activities and their links to outputs and outcomes. Based on the feedback received on the previous annual report, we updated the baseline data for indicator 0.2 and 0.3. The participation of the number of people, beneficiaries, and gender equality in engagement were tracked in each activity and reported accordingly.

The project's M&E plan includes an external project evaluation by an academic researcher and the publication of evidence on how the ICF model contributes to biodiversity conservation. This evaluation activity was supported by an MPhil student from the University of Cambridge, who visited both sites and provided an independent assessment of the project in August 2023. The student developed a methodology for the overall assessment of the ICF model and provided insights into the enabling environment, areas of success, and areas needing improvement in the model, which are crucial for the project's scale-up. The findings of this study are documented in **Annexes 36 and 37**. Furthermore, a Participatory Impact Assessment conducted in February-March 2024 assessed the achievements of the project, with findings detailed in **Annex 34**.

8. Lessons learnt

SACCO registration in PFOA:

During the course of the project, we learnt that the best way to implement ICF project in Uganda via community-based organisations by availing formal banking licence. Informal systems aren't legally suitable for this model. However, registering PFOAs as SACCOs leads to increased operational costs for the organisations. These costs must be factored into the business model of PFOAs and future projects of FFI aimed at enhancing the capacity of such organizations. Embedding biodiversity objectives into SACCOs' constitutions is a novel and innovative approach. Engaging in discussions with the community regarding SACCO structures, particularly individual voting rights and new board formation, demanded delicate handling, which our FFI team managed adeptly. Furthermore, identifying the relevant department or ministry in Uganda to support the SACCO registration process presented challenges.

App development:

There has been substantial learning with respect to mobile app development/usage for digitisation of record keeping system. Firstly, we acknowledge the significant expenses involved in app development, necessitating specific skills, suitable platforms, and ongoing maintenance. Even after development, app features might be limited to fully align with evolving project requirements. While engaging fintech companies is an option, it introduces unsustainable long-term costs for community-based organizations. Therefore, opting for cost-effective and easy-to-implement solutions such as Kobotoolbox has been prudent.

MPhil research:

Insights from MPhil researchers' findings in Uganda and Tanzania shed light on the enabling conditions, successes, and challenges within our project scope. These findings, detailed in **annexes 36 and 27**, provide valuable guidance for future project designs, facilitating informed decision-making and continuous improvement.

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

Feedback 1: Outcome indicators 0.2 and 0.3 have not been adequately specified, leaving ambiguity over what is baseline and what is attributable to the project. Please clarify this

Thank you for your question regarding outcome indicators 0.2 and 0.3. We acknowledge the need for clarification to address the ambiguity surrounding the baseline and the attributable impact of the project.

For indicator 0.2 and 0.3, we have recognised that the baseline data should represent the number of individuals who availed loans at the project's outset, rather than being expressed in percentage terms. This baseline data is established by referencing the impact achieved by the previous project, DEFRA COVID Rapid Response ([CV19RR26](#)), which concluded in 2021. Specifically, in 2021, 74 PFOA members (26 female and 48 male) accessed loans, with 26 of these loans supporting engagement in biodiversity-friendly enterprises aimed at benefiting local communities through the sustainable use of natural resources (**Annex 38**). This serves as our reference point for measuring additional loans availed by community members, disaggregated by gender, at the project's conclusion.

In addition to quantitative data, for indicator 0.3, qualitative data from participatory impact assessments indicate how barriers to loan access, such as improved governance and enhanced transparency, have reduced elite capture, thereby facilitating greater access to loans for wider community members. In our final project report, we will submit loan records from ICF for triangulation and cross-referencing with the findings from the participatory impact assessment. We hope this clarification adequately addresses your concerns regarding the specification of outcome indicators 0.2 and 0.3. Please let us know if further clarification is needed.

Feedback 2: Please consider the use of an outcome indicator that is capable of assessing the degree to which the project reduces poverty

Thank you again for your consideration and feedback regarding the selection of outcome indicators for assessing the project's impact on poverty reduction.

During the project design phase and theory of change discussions, we engaged extensively with our internal technical specialist in Governance and Social Equity to explore how the project could effectively contribute to poverty reduction and enhance well-being. Given the project's two-year duration and its primary focus on testing and enhancing the scalability of Inclusive Conservation Finance (ICF) models, we collectively decided to employ the VUNA framework as the primary tool for assessing the project's primary outcomes.

The ICF model has demonstrated tangible improvements in well-being, particularly in the relational and environmental aspects of wellbeing, as documented in our PIA report (**Annex 34**). Our theory of change is built upon the premise that the implementation of ICF initiatives will lead to enhanced natural resource governance, thereby improving the quality of ecosystem services. This, in turn, is expected to positively impact household incomes (**Annex 39**). For instance, activities such as tree planting by ICF groups will result in improved soil quality in medium term, leading to increased agricultural productivity and income for participating households in coming years. Thus, it is important to note that the anticipated increase in household income is viewed

as a long-term impact rather than an immediate outcome. Therefore, it is considered at the impact level rather than the outcome level within project logframe.

We appreciate your input and welcome any further suggestions or considerations regarding the selection and assessment of outcome indicators for poverty reduction.

Feedback 3: Please clarify which country's NBSAPs are being reported against in Section 4 of the Annual Report

The NBSAP II mentioned in the report referred to Uganda. We have now clarified this in the annual report 2.

10. Risk Management

No new risk has arisen during this reporting period. We had to submit change request to allow partner MCCC travel to Uganda to meet the new fintech company going to implement Chamoka app. Such in-person meeting at the early stages of partnership manages risk of misunderstanding in future.

11. Sustainability and legacy

The aim of this project is to prepare ICF groups for scale-up across the landscape by enhancing its sustainability and scalability.

Community capacity development: Capacity at the community level is enhanced both in Uganda and Zanzibar with community members being able to independently train others and set up new ICF groups. Community based trainers in both the countries have already been leading in setting up new ICF groups with minimum support of FFI and MCCC. Multiple trainings provided include governance, financial literacy and biodiversity conservation in which over 1,700 community members actively participated. Additionally, partnership agreement between ICF groups and community-based organisations have ensured long lasting impact of the project beyond the project period. While FFI and MCCC will continue to extend technical support to strengthen the operations, the community groups will continue to function independently with enhanced capacity.

Project funding: In Uganda, FFI is committed to building local capacities and strengthening grassroots conservation efforts. Support to PFOA through FFI is also funded by USFWS until 2025 to mitigate human-chimpanzee conflict through ICF model. This grant complements the activities implemented under this project. Similarly, MCCC, being a Tanzania based organisation, has long-term commitment to conserving biodiversity in the archipelago (including in PECCA and TUMCA) by empowering fishing communities. FFI has secured a grant from Blue Action Fund to continue work with MCCC for 4.5 years (March 2023-August 2027). The project will set up new Mkuba groups and scale up ICF models in the PECCA and Tanga regions (in Tanzania mainland) to reach 1500 women and men (currently already supporting 750 members).

Community fund: have developed into full-fledged community institutions, supporting over 1,105 (580 female and 525 male) members across all three PFOAs and operating ICF funds worth £40,000 annually. Young members of the PFOA leadership team are taking responsibility for the operations with older members passing the baton. Change of legal registration of PFOAs from CBO to SACCO has enabled PFOAs to be eligible for benefits from the government under different funding schemes to continue and expand their operations. Also, partnership explored with financial institutions under this project (Activity 4.2) provided promising opportunities for expansion of PFOA's operations. In Zanzibar, pilot Mkuba groups in Fundo and Tumbatu are operating loans approximately worth £32,000.

Partnership with banks and investors: Digitisation of loan and eco-compliance records of the communities is streamlining financial and biodiversity impact data management. We expect the availability of evidence for biodiversity impact linked to loans to encourage private sector partnerships and investments (output 4), reducing dependency of ICF groups on grant funding in the long term. Engagement with banks and tourism operators as part of this project has already opened up some promising avenues (activity 4.2)

12. Darwin Initiative identity

The Darwin Initiative-funded work is recognised as a distinct project by all project partners. The Darwin Initiative and UK government's contribution has been acknowledged as a donor of this project, and its logo has been included in all community meetings/workshops and related

reports. During the project visit by UK-based staff in Feb-March 2024, a variety of strong images were collected. It is anticipated that these can be used for engaging social media content, in which the Darwin Initiative will be acknowledged.

13. Safeguarding

Has your Safeguarding Policy been updated in the past 12 months?	Yes
Have any concerns been reported in the past 12 months	No
Does your project have a Safeguarding focal point?	Yes <i>Social safeguards – Helen Karki-Chettri</i> [REDACTED] Local safeguarding focal points in our safeguarding of children and vulnerable adults - Kathie Alban [REDACTED]
Has the focal point attended any formal training in the last 12 months?	Yes As per FFI policy, the local focal points for safeguarding receive specialised trainings. Additionally, all Fauna & Flora staff are required to complete the "Safeguarding essentials" course.
What proportion (and number) of project staff have received formal training on Safeguarding?	Past: 100 % [All 9 FFI project staff] FFI has an internal Learning Management System, which enables online training in policies and procedures and all FFI staff are required to attend compulsory safeguarding training, including Safeguarding essentials; FFI's Safeguarding Children and Vulnerable Adults Policy. Same has been shared with partners through sub-grant agreements.
Has there been any lessons learnt or challenges on Safeguarding in the past 12 months? Please ensure no sensitive data is included within responses.	
Nothing to report.	
Does the project have any developments or activities planned around Safeguarding in the coming 12 months? If so please specify.	
Safeguarding related activities not planned at this stage as project is nearing its end. Also, all FFI project staff are sufficiently trained and comfortable with safeguarding procedures.	
Please describe any community sensitisation that has taken place over the past 12 months; include topics covered and number of participants.	
No community sensitisation regarding safeguarding taken up as part of this project.	
Have there been any concerns around Health, Safety and Security of your project over the past year? If yes, please outline how this was resolved.	
No such concerns to report.	

14. Project expenditure

Table 1: Project expenditure during the reporting period (1 April 2023 – 31 March 2024)

Project spend (indicative) since last Annual Report	2023/24 Grant (£)	2023/24 Total Darwin Initiative Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs (see below)	[REDACTED]	[REDACTED]	[REDACTED]	-

Consultancy costs				-
Overhead Costs				-
Travel and subsistence				Underspending in this line is due to less expenses incurred for international travel by FFI staff.
Operating Costs				-
Capital items (see below)				-
Others (see below)				-
TOTAL	90,897	90,897	0%	

Table 2: Project mobilised or matched funding during the reporting period (1 April 2023 – 31 March 2024)

	Secured to date	Expected by end of project	Sources
Matched funding leveraged by the partners to deliver the project (£)			Arcadia
Total additional finance mobilised for new activities occurring outside of the project, building on evidence, best practices and the project (£)			MA Cargill Foundation

15. Other comments on progress not covered elsewhere

No comments.

16. OPTIONAL: Outstanding achievements or progress of your project so far (300-400 words maximum). This section may be used for publicity purposes

I agree for the Biodiversity Challenge Funds to edit and use the following for various promotional purposes (please leave this line in to indicate your agreement to use any material you provide here).

File Type (Image / Video / Graphic)	File Name or File Location	Caption including description, country and credit	Social media accounts and websites to be tagged (leave blank if none)	Consent of subjects received (delete as necessary)
				Yes / No
				Yes / No
				Yes / No
				Yes / No
				Yes / No

Annex 1: Report of progress and achievements against logframe for Financial Year 2023-2024

Project summary	SMART Indicators	Progress and Achievements April 2023 - March 2024	Actions required/planned for next period
<p>Impact Innovative economic instruments for biodiversity conservation are strengthening community-based natural resource governance, enhancing ecosystem productivity and services, and boosting household economy and well-being, reducing poverty at the grassroots.</p>			
<p>Outcome Scalable, evidence-based Inclusive Conservation Finance (ICF) models reduce poverty and generate direct economic incentives for >500 community members to engage in conservation actions in 2,000 hectares of forest/coastal areas.</p>	<p>0.1 By End of Project (EoP), target ICF models achieve scalability index score of “moderate” or higher on the VUNA Scalability Assessment Frameworks¹, indicating enhanced potential for scalability with minimum investment (2021 baseline = “low”). (1 Anandajayasekeram, Ponniah. 2016. Scaling Up and Scalability: Concepts, Frameworks and Assessment. Vuna Research Report. Pretoria: Vuna.)</p> <p>0.2 By EoP, >200 community members (at least 45% women) use loans to pursue biodiversity-friendly enterprises (2021 gender baseline: women: 30% Uganda, 40% Zanzibar).</p> <p>0.3 By EoP, barriers to access affordable credits lifted for >500 community members (at least 45% women) enabling sustainable livelihood opportunities (2021 gender baseline = women: 30% Uganda, 40% Zanzibar).</p>	<p>0.1 Achieved. Scalability assessment using VUNA methodology completed both in Uganda and Zanzibar. Both the models scored ‘high’ on index score. Detailed assessment report is enclosed in Annex 35</p> <p>0.2 Progressing. ICF lending operations ongoing and community members are actively availing loans to pursue biodiversity friendly enterprises.</p> <p>0.3 Progressing. Several barriers to access to credit have been addressed through trainings and committee formation (Annex 1a, 1b, 2, 3 and 5). Access to finance for more members is expected</p>	<p>0.1 No further activities planned under the project.</p> <p>0.2 Total number of members who availed the loans during project period will be reported at the end of project.</p> <p>0.3 Total number of community members who accessed loans will be reported at the end of the project.</p>

	0.4 By EoP, community-led conservation activities, incentivised by eco-credit loans, are occurring in >2,000 hectares of forest/coastal area.	to increase with potential partnership with banks in the upcoming days (Annex 23). PIA report also confirms this progress (Annex 34)	
		0.4 Progressing. GIS reports are being analysed.	0.4 Report against this indicator will be submitted in end of project report
Output 1. Governance and equity of at least 20 ICF groups and at least 4 CBNRM institutions in Zanzibar (Tanzania) and Uganda is improved before scale up.	1.1 By EoP, women and youth make up >60% of ICF group / CBNRM institution membership (2021 baseline = Women: 30% Uganda, 40% Zanzibar; Youth: baseline to be established in Y 1) 1.2 By EOP, 15% increase in ICF group members attending CBNRM institution meetings and reporting being able to influence decision-making, against Y1 baseline 1.3 By EOP, 70% of men and 70% of women in each of the ICF groups / CBNRM institutions perceive an improvement in the governance practices of the PFOAs (Uganda) and SFC (Zanzibar)	1.1 Progressing. Participation of women and youth have improved in both Uganda and Zanzibar as evidenced in Annex 40 and 34 . Total number of women and men in comparison with baseline will be reported at the end of the project. 1.2 Progressing. Increase in VSLA group member's interest to participate in PFOA meetings in Uganda is recorded in PIA report (Annex 34). Impact report in Zanzibar is currently being compiled. Total number of participants attending the meetings will be reported at the end of the project. 1.3 Progressing. Governance assessment conducted annually (Annex 40), and gaps addressed systematically (Annex 1a, 1b, 1c, 2, 3 and 5). Progress made will be reported by end of the project.	
Activity 1.1 Governance assessments of the current ICF pilots, including gender and age dimensions.		Activity completed in both Uganda and Zanzibar	No further activities planned under this project.
Activity 1.2 Identifying governance gaps in the ICF community groups, including the participation of women.		Activity completed in both Uganda and Zanzibar	No further activities planned under this project.
Activity 1.3 Trainings to address the gaps identified.		Activity completed in both Uganda and Zanzibar	No further activities planned under this project.
Activity 1.4 Monitoring the functioning of management committees		Activity completed in both Uganda and Zanzibar	No further activities planned under this project.
Activity 1.5 Monitoring the functioning of ICF groups		Activity completed in both Uganda and Zanzibar	No further activities planned under this project.

<p>Output 2. ICF group members' conservation commitments to deliver biodiversity impact and linkages with local CBNRM institutions are formally agreed through a participatory process</p>	<p>2.1 By end of Q2 Y2, mutually-agreed, clear and updated conservation commitments are in place in all the ICF groups supported by the project.</p> <p>2.2 By EoP, at least 70% of ICF group members engaged in conservation action (2021 baseline to be established in Y1)</p> <p>2.3 By EoP, partnership agreements between CBNRM institution and ICF groups, including appropriate governance system in place in at least 20 ICF and at least 4 CBNRM institutions targeted by the project.</p>	<p>2.1. Achieved. Conservation commitments were recognised in the partnership agreements between PFOA and VSLA in Uganda in Year 1 (Copies submitted in year 1 annual report). Similar agreements were signed in Tanzania during the reporting year between Mkuba groups and SFCs (Annex 7 and 8).</p> <p>2.2 Progressing. In Tanzania 6,335 seedlings planted across Jongowe and Fundo. The committee also addressed 22 cases of illegal fishing, showcasing their dedication to environmental preservation. This indicator will be reported at the end of project.</p> <p>2.3. Achieved. Conservation commitments were recognised in the partnership agreements between PFOA and VSLA in Uganda in Year 1 (Copies submitted in year 1 annual report). Similar agreements were signed in Tanzania during the reporting year between Mkuba groups and SFCs (Annex 7 and 8).</p>
<p>Activity 2.1: Community consultations to develop monitoring and audit mechanisms to ensure capital borrowed is invested in biodiversity-friendly enterprises.</p>	<p>Activity completed in both Uganda and Zanzibar</p>	<p>No further activities planned under this project.</p>
<p>Activity 2.2: Focus group discussions and interviews to understand key drivers to switch from unsustainable resource use to sustainable use.</p>	<p>Activity completed in both Uganda and Zanzibar</p>	<p>No further activities planned under this project.</p>
<p>Activity 2.3 Community consultations to clarifying relationship between ICF groups and CBNRM institutions and their role in monitoring compliance activities.</p>	<p>Activity completed in both Uganda and Zanzibar</p>	<p>No further activities planned under this project.</p>
<p>Activity 2.4 Awareness raising strategy for sustainable use of biodiversity designed and implemented.</p>	<p>Activity completed in both Uganda and Zanzibar</p>	<p>No further activities planned under this project.</p>
<p>Output 3. Innovative digital record keeping tools adopted by at least 20 ICF groups and at least 4 CBNRM institutions in Uganda and Zanzibar (Tanzania) to accurately and transparently manage ecocredit processes and monitor/report on participation in conservation action.</p>	<p>3.1 By EoP, mobile phone app refined through field test and ready for roll-out (2021 baseline = app is functional but not tailored to project context)</p> <p>3.2 By EoP, monitoring systems for ecocompliance are created and</p>	<p>3.1. Progressing. Kobotoolbox was tested and rolled out in Uganda for financial and conservation action record keeping (Annex 12, 13, 32 and 33). Chomoka app for financial recording and kobotool for eco-compliance recording were tested in Zanzibar and expected to be rolled out in 2024 (Annex 27, 29, 30 and 31)</p> <p>3.2 Progressing.</p>

	<p>operational, embedded in the digital tool</p> <p>3.3 By EoP, >60% of ICF and CBNRM groups are using digital record keeping tools (2021 baseline = 0)</p> <p>3.4 By EoP, >60% of ICF and CBNRM group leaders report improved management of loan operations</p> <p>3.5 By EOP, >60% of group members (disaggregated by gender, age) are able to understand digital records</p>	<p>Monitoring systems for eco compliance are created and embedded in the digital system in both Uganda and Zanzibar. (Annex 12, 13, 32, 33, 27, 29, 30 and 31).</p> <p>3.3 Progressing. Digital tool rolled out in communities and adopted by ICF members. This indicator will be recorded at the end of the project. (Annex 14, 15, 16 and 16a)</p> <p>3.4 Progressing This indicator will be recorded at the end of the project.</p> <p>3.5 Progressing. This indicator will be recorded at the end of the project.</p>
<p>Activity 3.1 Community consultation to enhance functionalities of the current Greenfi app, in particular, innovative feature for biodiversity monitoring.</p>	<p>Activity completed in both Uganda and Zanzibar</p>	<p>No further activities planned under this project.</p>
<p>Activity 3.2 Designing tool, monitor and report on ecological compliance.</p>	<p>Activity completed in Uganda (Annex 12 and 13). Discussion with Ensibuuku for use of Chomoka app and integration of eco-compliance from kobotoolbox will continue in Zanzibar beyond the project period (Annex 28, 30 and 31).</p>	<p>Communities will continue to use the reporting app in Uganda with limited support from FFI. Discussions will continue between MCCC and Ensibuuku in Zanzibar beyond the project period.</p>
<p>Activity 3.3 Trainings for using the mobile application both at trainer level but also at ICF group member level.</p>	<p>Activity completed in Uganda and ongoing in Zanzibar (Annex 14, 15, 16 and 16a)</p>	<p>VSLAs will continue to use the app in Uganda with limited support from FFI. In Zanzibar, Mkuba groups are expected to get access to Chomoka app upon MCCC and Ensibuuku signing an agreement. Community based trainers use kobotoolbox for eco-compliance until it is integrated into Chomoka app.</p>

Activity 3.4 Testing this new mobile based application and dashboard with Mkuba groups in Zanzibar and introducing and testing into VSLA groups in Uganda.	Activity completed in Uganda and ongoing in Zanzibar (Annex 15, 32, 33, 17, 27)	VSLAs will continue to use the app in Uganda with limited support from FFI. In Zanzibar, Mkuba groups are expected to get access to Chomoka app upon MCCC and Ensibuuku signing an agreement. Community based trainers use kobotoolbox for eco-compliance until it is integrated into Chomoka app.
Activity 3.5 Designing of an “equitable technology” protocol, to reduce risks to project inequity associated with introduction of new tools and technologies	Activity completed in both Uganda and Zanzibar	No further activities planned under this project.
Activity 3.6 Community meetings to raise awareness and financial literacy training on the new application.	Activity completed in both Uganda and Zanzibar (Annex 18 and 25).	No further activities planned under this project.
Output 4. Market system approach adopted, and systemic barriers identified and addressed reducing the current high dependency on grant funding for the ICF model to scale up	4.1 By EoP, at least 25% reduction in cost (financial) of setting up new ICF groups using the community-based trainer approach (2021 baseline to be established in year1) 4.2 By EOP, partnership with at >5 actors in the private sector and/or financial service ecosystem mapped, and >2 private actors showing interest in collaboration (2021 baseline = 0)	4.1 Progressing. During the project, community-based trainers were trained (Annex 35). This indicator will be reported at the end of the project. 4.2 Progressing. Potential partnership with two banks in Uganda and five banks in Zanzibar have been identified and all of them have expressed interest to support ICF groups (Annex 23).
Activity 4.1 Mapping of the current financial service ecosystem using market system approach in Uganda and Tanzania.	Activity completed in both Uganda and Zanzibar (Annex 19, 20 and 21)	No further activities planned under this project.
Activity 4.2 Exploring appropriate partnership with actors in the ecosystem to facilitate the scale up with less dependence on grant funding.	Activity completed in both Uganda and Zanzibar (Annex 22 and 23)	Findings from the discussions with banks to be discussed in the project scale up strategy in the next quarter.
Activity 4.3 Design training module for “Training of trainers”	Activity completed in both Uganda and Zanzibar (Annex 24 and 25)	No further activities planned under this project.
Activity 4.4 Training at least 3 community members per village to set up ICF groups (Community-based trainers' approach)	Activity completed in both Uganda and Zanzibar (Annex 35)	No further activities planned under this project.
Activity 4.5 Carry out a stakeholder workshop for identified actors in Zanzibar (Tanzania)	Activity completed in both Uganda and Zanzibar (Annex 26)	Findings from the discussions with banks to be discussed in the project scale up strategy in the next quarter.

<p>Output 5 Activity Potential for ICF model to contribute to biodiversity and social impacts is widely communicated, and scale-up strategy designed</p>	<p>5.1 By EOP, 1 academic paper submitted for publication in a peer-reviewed journal</p> <p>5.2 By EOP, project findings presented at >1 global conference.</p> <p>5.3 By EOP, future scale up and investment plan for ICF designed for the Uganda and Zanzibar (Tanzania) landscapes</p>	<p>5.1 Progressing. Methodology and framework for paper developed Indicator will be reported at the end of the project.</p> <p>5.2 Progressing. Abstract submitted for Nature-based Solutions Conference 2024, Oxford. Indicator will be reported at the end of the project.</p> <p>5.3 Progressing. Initial discussion conducted with project partner MCCC. Indicator will be reported at the end of the project.</p>	
<p>Activity 5.1 Project evaluation and analysis of data generated to interrogate the biodiversity impact of ICF and its scalability.</p>	<p>Activity initiated.</p>	<p>Expected to be completed in the first quarter of year 3.</p>	
<p>Activity 5.2 Developing academic paper based on the project learning</p>	<p>Activity initiated.</p>	<p>Expected to be completed in the first quarter of year 3.</p>	
<p>Activity 5.3 Sharing lesson learnt globally at Global Landscape conferences.</p>	<p>Activity initiated</p>	<p>Expected to be completed in the first quarter of year 3.</p>	
<p>Activity 5.4 Consultation with project partners to design a future scale up and financing strategy.</p>	<p>Activity initiated.</p>	<p>Expected to be completed in the first quarter of year 3.</p>	

Annex 2: Project’s full current logframe as presented in the application form (unless changes have been agreed)

Project summary	SMART Indicators	Means of verification	Important Assumptions
<p>Impact: Innovative economic instruments for biodiversity conservation are strengthening community-based natural resource governance, enhancing ecosystem productivity and services, and boosting household economy and well-being, reducing poverty at the grassroots.</p>			
<p>Outcome: Scalable, evidence-based Inclusive Conservation Finance (ICF) models reduce poverty and generate direct economic incentives for >500 community members to engage in conservation actions in 2,000 hectares of forest/coastal areas.</p>	<p>0.1 By End of Project (EoP), target ICF models achieve scalability index score of “moderate” or higher on the VUNA Scalability Assessment Frameworks 1, indicating enhanced potential for scalability with minimum investment (2022 baseline = “low”). (1 Anandajayasekeram, Ponniah. 2016. Scaling Up and Scalability: Concepts, Frameworks and Assessment. Vuna Research Report. Pretoria: Vuna.) 0.2 By EoP, >200 community members (at least 45% women) use loans to pursue biodiversity-friendly enterprises (2021 gender baseline: women: 30% Uganda, 40% Zanzibar). 0.3 By EoP, barriers to access affordable credits lifted for >500 community members (at least 45% women) enabling sustainable livelihood opportunities (2021 gender baseline = women: 30% Uganda, 40% Zanzibar). 0.4 By EoP, community-led conservation activities, incentivised by eco-credit loans, are occurring in >2,000 hectares of forest/coastal habitat.</p>	<p>0.1 Scalability Assessment reports. 0.2 loan records of ICF groups. 0.3 Loan records of ICF groups; community focus group discussions. 0.4 ICF group member feedback survey. 0.5 community patrol records; spatial data on reforestation activities; documented conservation commitments</p>	<p>CBNRM leadership and ICF group leaders continue to remain interested in ICF models and scale up. Wider socio-political and national policies remain supportive for the model to scale up. Members of ICF group continue to repay loan and groups function transparently and equitably. Economic incentive generated by ICF model continue to remain as a motivation for community to engage in conservation. Members of ICF groups abide by conservation commitments. Socio-political environment permits holding community meetings; and the Covid-19 pandemic does not restrict faceto-face meetings.</p>

<p>Output 1 Governance and equity of at least 20 ICF groups and at least 4 CBNRM institutions in Zanzibar (Tanzania) and Uganda is improved before scale up.</p>	<p>1.1 By EoP, women and youth make up >60% of ICF group / CBNRM membership (2021 baseline = Women: 30% Uganda, 40% Zanzibar; Youth: baseline to be established in Y 1) 1.2 By EOP, 15% increase in ICF group members attending CBNRM institution meetings and reporting being able to influence decision-making, against Y1 baseline 1.3 By EOP, 70% of men and 70% of women in each of the ICF groups / CBNRM institutions perceive an improvement in the governance practices of the PFOAs (Uganda) and SFC (Zanzibar)</p>	<p>1.1 ICF membership survey reports. 1.2 Membership records. 1.3 Participatory Impact Assessment report. 1.4 Meeting notes and attendance records</p>	<p>Governing bodies and members of the CBNRM institutions remain receptive to required organisational reforms to enhance equity and good governance.</p>
<p>Output 2 ICF group members' conservation commitments to deliver biodiversity impact and linkages with local CBNRM institutions are formally agreed through a participatory process</p>	<p>2.1 By end of Q2 Y2, mutually agreed, clear and updated conservation commitments are in place in all the ICF groups supported by the project. 2.2 By EoP, at least 70% of ICF group members engaged in conservation action (2021 baseline to be established in Y1) 2.3 By EoP, partnership agreements between CBNRM institution and ICF groups, including appropriate governance system in place in at least 20 ICF and at least 4 CBNRM institutions targeted by the project.</p>	<p>2.1 Records of revised conservation commitments co-developed with community consultation. 2.2 Conservation activity records of CBNRM 2.3 Partnership agreements</p>	<p>Community continues to remain interested in conservation and sustainable use of natural resources. There is interest in both the CBNRM institution and ICF in strengthening the partnership.</p>
<p>Output 3 Innovative digital record keeping tools adopted by at least 20 ICF groups and at least 4 CBNRM institutions in Uganda and Zanzibar (Tanzania) to accurately and transparently manage ecocredit processes and monitor/report on participation in conservation action.</p>	<p>3.1 By EoP, mobile phone app refined through field test and ready for roll-out (2021 baseline = app is functional but not tailored to project context) 3.2 By EoP, monitoring systems for ecocompliance is created and operational, embedded in the digital tool</p>	<p>3.1 Updated version of mobile app. 3.2 Monitoring systems 3.3 Records delivered by digital record-keeping tools. 3.4 Community focal group discussions; user satisfaction surveys 3.5 Community focal group discussions; user satisfaction surveys</p>	<p>CBNRM and ICF leaderships remain open to change and are interested in adopting digital record keeping tools.</p>

	<p>3.3 By EoP, >60% of ICF and CBNRM groups are using digital record keeping tools (2021 baseline = 0)</p> <p>3.4 By EoP, >60% of ICF and CBNRM group leaders report improved management of loan operations</p> <p>3.5 By EOP, >60% of group members (disaggregated by gender, age) are able to understand digital records</p>		
<p>Output 4 Market system approach adopted, and systemic barriers identified and addressed reducing the current high dependency on grant funding for the ICF model to scale up</p>	<p>4.1 By EoP, at least 25% reduction in cost (financial) of setting up new ICF groups using the community-based trainer approach (2021 baseline to be established in year1)</p> <p>4.2 By EOP, partnership with at >5 actors in the private sector and/or financial service ecosystem mapped, and >2 private actors showing interest in collaboration (2021 baseline = 0)</p>	<p>4.1 Cost analysis</p> <p>4.2 Report of financial ecosystem mapping; Private sector meeting reports.</p>	<p>Interest and capacity in target communities to join the “Training of trainers” sessions.</p> <p>ICF groups are happy to be trained by a community member instead of FFI or partners.</p> <p>There is interest by private sector and financial intermediaries in ICF.</p> <p>Current National Financial Inclusion policies provide an enabling condition for ICF-financial intermediary partnerships.</p>
<p>Output 5 Potential for ICF model to contribute to biodiversity and social impacts is widely communicated, and scale-up strategy designed</p>	<p>5.1 By EOP, 1 academic paper submitted for publication in a peer-reviewed journal</p> <p>5.2 By EOP, project findings presented at >1 global conference.</p> <p>5.3 By EOP, future scale up and investment plan for ICF designed for the Uganda and Zanzibar (Tanzania) landscapes</p>	<p>5.1 Journal confirmation</p> <p>5.2 Conference announcement, presentation slides.</p> <p>5.3 Scale-up strategy document</p>	<p>Community willingness to share their experience of the project.</p>
<p>Activities (each activity is numbered according to the output that it will contribute towards, for examples 1.1, 1.2 and 1.3 are contributing to Output 1)</p> <p>Output 1: Activities:</p> <p>1.1 Governance assessments of the current ICF pilots, including gender and age dimensions.</p> <p>1.2 Identifying governance gaps in the ICF community groups, including the participation of women.</p> <p>1.3 Trainings to address the gaps identified.</p> <p>1.4 Monitoring the functioning of management committees</p> <p>1.5 Monitoring the functioning of ICF groups</p>			

Output 2:

Activities:

- 2.1 Community consultations to develop monitoring and audit mechanisms to ensure capital borrowed is invested in biodiversity-friendly enterprises.
- 2.2 Focus group discussions and interviews to understand key drivers to switch from unsustainable resource use to sustainable use.
- 2.3 Community consultations to clarifying relationship between ICF groups and CBNRM institutions and their role in monitoring compliance activities.
- 2.4 Awareness raising strategy for sustainable use of biodiversity designed and implemented.

Output 3:

Activities:

- 3.1 Community consultation to enhance functionalities of the current Greenfi app, in particular, innovative feature for biodiversity monitoring.
- 3.2 Designing tool, monitor and report on ecological compliance.
- 3.3 Trainings for using the mobile application both at trainer level but also at ICF group member level.
- 3.4 Testing this new mobile based application and dashboard with Mkuba groups in Zanzibar and introducing and testing into VSLA groups in Uganda.
- 3.5 Designing of an “equitable technology” protocol, to reduce risks to project inequity associated with introduction of new tools and technologies
- 3.6 Community meetings to raise awareness and financial literacy training on the new application.

Output 4:

Activities:

- 4.1 Mapping of the current financial service ecosystem using market system approach in Uganda and Tanzania.
- 4.2 Exploring appropriate partnership with actors in the ecosystem to facilitate the scale up with less dependence on grant funding.
- 4.3 Design training module for “Training of trainers”
- 4.4 Training at least 3 community members per village to set up ICF groups (Community-based trainers' approach)
- 4.5 Carry out a stakeholder workshop for identified actors in Zanzibar (Tanzania)

Output 5:

Activities:

- 5.1 Project evaluation and analysis of data generated to interrogate the biodiversity impact of ICF and its scalability.
- 5.2 Developing academic paper based on the project learning
- 5.3 Sharing lesson learnt globally at Global Landscape conferences.
- 5.4 Consultation with project partners to design a future scale up and financing strategy.

Annex 3: Standard Indicators

Table 1 Project Standard Indicators

DI Indicator number	Name of indicator	Units	Disaggregation	Year 1 Total	Year 2 Total	Year 3 Total	Total to date	Total planned during the project
DI-A01	Number of people in eligible countries who have completed structured and relevant training	People	Women and Men	-	Uganda : 725 (337 female and 388 male) Tanzania disaggregated data: 834 (577 female: 257 male) Tanzania combined data: 152	-	1,711	-
DI-A03	Number of local/national organisations with improved capabilities and capacity as a result of project.	Groups of people	Local organisations	-	3 PFOAs and 10 VSLAs in Uganda 2 SFCs and 10 Mkuba in Tanzania	-	25	24
DI-A05	Number of trainers trained reporting to have delivered further training by the end of the project.	People	None	-	9 CBT in Tanzania 33 PFOA and VSLA leaders in Uganda	-	42	-
DI-A12	Annual turnover of established sustainable livelihood enterprises in the project's final year	GBP	None	-	£ 40,000 by three PFOAs in Uganda £ 32,000 by 10 Mkuba groups in Tanzania	-	£72,000	NA

In addition to reporting any information on publications under relevant standard indicators, in Table 2, provide full details of all publications and material produced over the last year that can be publicly accessed, e.g. title, name of publisher, contact details, cost. You should include publications as supporting materials with your report. Mark with an asterisk (*) all publications and other material that you have included with this report.

Table 2 Publications

Title	Type (e.g. journals, best practice manual, blog post, online videos, podcasts, CDs)	Detail (authors, year)	Gender of Lead Author	Nationality of Lead Author	Publishers (name, city)	Available from (e.g. weblink or publisher if not available online)

Annex 4: Onwards – supplementary material (optional but encouraged as evidence of project achievement)

This may include outputs of the project, but need not necessarily include all project documentation. For example, the abstract of a conference would be adequate, as would be a summary of a thesis rather than the full document. If we feel that reviewing the full document would be useful, we will contact you again to ask for it to be submitted.

It is important, however, that you include enough evidence of project achievement to allow reassurance that the project is continuing to work towards its objectives. Evidence can be provided in many formats (photos, copies of presentations/press releases/press cuttings, publications, minutes of meetings, questionnaires, reports etc.) and you should ensure you include some of these materials to support the Annual Report text.

If you are attaching separate documents, please list them here with an Annex reference number so that we can clearly identify the correct documents.

Checklist for submission

	Check
Different reporting templates have different questions, and it is important you use the correct one. Have you checked you have used the correct template (checking fund, type of report (i.e. Annual or Final), and year) and deleted the blue guidance text before submission?	✓
Is the report less than 10MB? If so, please email to BCF-Reports@niras.com putting the project number in the Subject line.	✓
Is your report more than 10MB? If so, please discuss with BCF-Reports@niras.com about the best way to deliver the report, putting the project number in the Subject line.	✓
Have you included means of verification? You should not submit every project document, but the main outputs and a selection of the others would strengthen the report.	✓
If you are submitting photos for publicity purposes, do these meet the outlined requirements (see section 16)?	NA
Have you involved your partners in preparation of the report and named the main contributors	✓
Have you completed the Project Expenditure table fully?	✓
Do not include claim forms or other communications with this report.	