



ODA and the Darwin Initiative

Briefing Note

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Acronyms

Defra	Department for Environment, Food and Rural Affairs
DFID	Department for International Development
HH	Households
IGA	Income generating activity
M&E	Monitoring and evaluation
ODA	Official Development Assistance
UKOT	UK Overseas Territory

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DFID and the Darwin Initiative

1.1 Introduction

The Darwin Initiative was launched at the 1992 Earth Summit in Rio de Janeiro with the objective to help safeguard the world's biodiversity by working with countries that are rich in biodiversity but poor in financial resources to meet their obligations under one or more of the three major biodiversity Conventions: the Convention on Biological Diversity (CBD); the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); and the Convention on the Conservation of Migratory Species of Wild Animals (CMS).

The Darwin Initiative is currently jointly funded by the Department for Environment, Food and Rural Affairs (Defra), the Department for International Development (DFID) and the Foreign and Commonwealth Office (FCO). Defra remains the lead Department for management of the Darwin Initiative.

The Darwin Initiative's core theme - supporting countries rich in biodiversity but poor in financial resources to meet the obligations under one or more of the three international biodiversity conventions (as above) - continues with an added focus on **development and human welfare** based on DFID's core mandate, as enshrined in the UK's International Development Act (2002). The majority of DFID funds are classified as Official Development Assistance (ODA) and, therefore, the majority of projects funded by DFID resources must directly enhance the welfare and economic development of poor people in countries on the DAC list of ODA recipients.

1.2 What is ODA?

Official Development Assistance (ODA) is the OECD's official definition for aid provided to developing countries. The vast majority of all funding dispersed by DFID must meet ODA criteria (there are certain exceptions). Since 2011, all Darwin Initiative projects funded by DFID have to meet the ODA criteria.

In Round 19, the UK Overseas Territories, supported by Defra, DFID and the FCO, are not necessarily required to meet these criteria because many are not eligible for ODA support. Successful OT projects that cannot meet ODA criteria will be supported by Defra funds. In future all applications for work in the UK Overseas Territories will be via Darwin Plus which has separate guidance notes and eligibility criteria.

1.3 What is the impact on Darwin Applications?

Darwin applicants for Round 19 need to be able to demonstrate a clear understanding of socio-economic and development needs in their target situation and outline their approach to addressing some of these development needs and to achieve poverty reduction. The linkages between biodiversity conservation, its sustainable use, and poverty reduction are likely to be complex. Therefore applicants are encouraged to consider relevant social, cultural or political processes.

It is expected that in all cases the applicant will be able to demonstrate that the project has direct benefits to both poverty reduction and biodiversity conservation – Darwin is looking for projects that can demonstrate a win-win for both poverty reduction and biodiversity conservation.

The Darwin projects that must meet ODA criteria are:

Main projects

Post Projects

Scoping¹

The official definition of ODA is:

‘Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount). By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries (“bilateral ODA”) and to multilateral institutions. ODA receipts comprise disbursements by bilateral donors and multilateral institutions’.

¹ Although scoping awards are not covered by ODA funding (since they are less than 12 months long) their purpose is to design a Main project application which must be ODA compliant. Therefore it is necessary to consider ODA issues at Scoping.

1.4 How we evaluate ODA criteria in Darwin Applications

1.4.1 Essential Criteria for ALL Darwin funded ODA projects

- 1) Is the project in a country defined as lower or lower middle income country? Use this link to check if you are not sure. Fully eligible countries are in the first three columns.

<http://www.oecd.org/dataoecd/9/50/48858205.pdf>

- 2) If the project is in a country listed as Upper Middle Income (i.e. in the fourth column), the project must be able to demonstrate at least one of the following criteria:
 - a. advancing knowledge, evidence and impact in other least developed or low income countries, either within the same region or other regions;
 - b. delivering global public goods benefits by, for example, advancing our understanding of local - global impacts and/or strengthening understanding of/evidence for global dimensions of biodiversity conservation/sustainable use and poverty reduction;
 - c. making serious and unique research advancements on a critical issue as a result of specific circumstances of the middle income country, that could not be made elsewhere.

This justification should be presented in the case for support as well as in the logframe, identifying where there are clear impacts to be gained.

1.4.2 Direct or Indirect Benefits

Projects can have a direct or indirect impact on the economic and welfare of developing countries. Below we outline the types of issues we might expect to see in a direct and indirect benefit project.

Direct Benefit projects

Direct Benefit projects are expected to be able to demonstrate explicitly the benefit they will have. In these cases we would expect to see details in the proposal of:

- The number of people/number of households/size of population expected to benefit;
- The type of benefit they expect to have;

- If the benefit is expected to be monetary (i.e. through improved livelihood incomes, more stable income, avoidance of loss of income etc.), then projects are expected to be able to demonstrate an understanding of the baseline conditions and the expected change in income. For example, can projects provide information on the current income at HH levels and the expected change i.e. 250 Households currently on \$1 a day expected to rise to \$1.20 a day by year 3.

Indirect Benefit projects

Indirect benefit projects may be contributing to a long-term goal of poverty reduction, but are not expected to have an explicit benefit for developing countries by the close of funding. However, they still need to have a clear route by which their work will contribute to long-term objectives. For example, a project researching more effective agricultural techniques that can support biodiversity whilst also improving yield may provide limited benefits in the short term. However if the project can demonstrate that the research will feed directly into local and/or national processes to improve yield on a wider basis this project could be readily classed as ODA. The pathway to impact is important at this stage.

A research project that has no plans for impact other than a dissemination strategy in the final year of the project is unlikely to be scorable/eligible for ODA. However, a research project that is firmly entrenched in national policy discussions or national/local/regional development programmes is likely to be ODA scorable.

1.4.3 Sustainability and ODA

The potential sustainability of a venture is important for ODA. This presumes a wide interpretation of sustainability here (e.g. social, economic and ecological).

This issue is relevant for both direct and indirect projects. Projects that have very short-term sustainability and will require future injections of cash or resources to maintain momentum will score lower than projects that can reach a sustainable end-point.

1.4.4 Value for Money and ODA

This is a judgement based issue and entirely contextually specific. Projects that seek to improve the livelihoods of a small group of people are unlikely to score highly unless there are extenuating factors. For example, highly dispersed populations in a challenging landscape or indigenous peoples at high risk may make it reasonable to target a small number of people. A judgement will be made based on the value of funds requested and the size of the expectant impact – true for both direct and indirect projects.

1.4.5 M&E and ODA

This issue is of critical importance for all Darwin projects but particularly those funded by ODA. It is essential that projects are capable of measuring (and evaluating) their impact during the project. This is to safeguard against negative impacts as well as record positive impacts. In addition, the indicators and means of verification are the materials that will be used by external evaluators to verify the stated impact of these projects.

Therefore projects that cannot demonstrate through their logframe that they have sufficiently robust processes and planning in place to capture impacts are unlikely to meet the Darwin's ODA criteria.

Clear indicators that projects have limited skills in M&E include:

- **Lack of detail of baseline conditions in the logframe.** If it is explicit in the narrative this may require a small change to the logframe. If there is no understanding of the baseline conditions then there is limited surety that the impacts the project proposes will actually be feasible.
- **Confusion between outputs, indicators and means of verification.** A lack of understanding of the terminology may suggest a lack of sufficient systems and processes to capture impact.
- **Poorly formulated indicators that are not SMART.** Indicators that mirror activities or outputs are an indication of a lack of understanding of M&E and its role in good project management.
- **Excessive outputs.** General consensus is that 5 outputs should be considered the maximum for projects of this size.
- **Indicators that are unable to measure impact and only measure activity.** For example, carrying out a workshop is not a measure of capacity being built in an institution. Further exploration of how this training is being put to use in an institution would be necessary to demonstrate capacity being built.
- **Poorly linked means of verification to indicators and outputs** suggests faulty logic.
- **Good M&E is inbuilt to project management and should not require substantial increased investment in time and resources.** Good development projects have M&E inbuilt from the design stage. Projects that view M&E as an add-on requirement from Darwin and approach it as a 'tick-box' exercise are unlikely to be sufficiently robust to measure impact in terms of economic or welfare development.

There is extensive guidance in the Darwin Initiative guidance notes for applicants for Round 19. There is even a worked example of a logframe that can help.

A few extra pointers

In general terms, indicators should be SMART.

Specific

Measurable

Achievable

Relevant

Time bound

Ensuring your indicators provide some level of baseline, a target and a timeline is very useful for Darwin Initiative evaluators. It provides evidence that you understand the situation, you are clear on the impact expected and that you have sufficiently robust systems in place to measure impact.

Here is an abstract example to help.

A project that is seeking to improve livelihoods through an intervention could have an indicator that states:

*400 households see income increase from \$1 a day to \$1.50 a day by year 2
following inclusion in microfinance scheme.*

This indicator has:

- a baseline (\$1 a day for 400 HH),
- it has a target, (\$1.50 a day) and
- it has a timeline (2 years).
- It is also measurable and relevant.

For this indicator to be measured the Darwin Initiative would also expect to see in the means of verification an indication that the project will be undertaking some form of evaluation (possibly HH interviews/questionnaires/business transaction details etc.) to measure this indicator. Remember, the Means of Verification will be expected to be submitted with your annual report so that an independent evaluator can review your project.

An example of a qualitative indicator for a research project looking to have an indirect impact could be:

*Research outputs reflected in refined Government policy expected to be revised
and published in year 3 of the project*

This indicator also has:

- A baseline (Government policy does not currently reflect evidence from research)
- A target (research outputs reflected in policy)
- A timeline (3 years)
- Measurability and relevance

1.4.6 Skills and expertise and ODA

Darwin Projects by nature comprise partnerships. It is not necessary therefore for the lead organisation to have all the skills required to undertake the project. However, it is essential that there are skills and expertise within the project team capable of undertaking the work outlined. For example, if a project is about generating business plans for local businesses, it is essential that the project proposal can demonstrate (in CVs and the narrative) that members of the team have skills and expertise in this area. Do not feel the need to shoe-horn personnel into roles that are not suitable for them. If you lack the skills and expertise within your organisation consider partnering or subcontracting a group that can provide these skills.

1.4.7 Special Issues to Consider

From experience there are certain cases that merit further scrutiny. Below are two common issues that have cropped up regularly in Darwin applications. These are routes that are often proposed for long-term sustainable biodiversity conservation to varying degrees of success. Pointers are given to provide extra guidance specific to these issues.

Reliance on ecotourism as an alternative livelihood measure

This is a very common proposed method from Darwin projects to increase local livelihoods while reducing destructive behaviour. This is perfectly feasible as a route and has been demonstrated to have longevity in poverty reduction and biodiversity conservation in multiple situations. However, often the issues are far from simple and require substantial skill to achieve a sustainable end point, particularly in the 3 year timeline of a Darwin project. Therefore issues to consider for projects seeking this route could be:

- Are there figures of tourist numbers to back up the argument – current and projected? Is there an existing market for this type of tourism?
- Is this an area likely to benefit from ecotourism? Is there access for tourists? Are you seeking to attract national tourism or international tourism? Is there sufficient infrastructure to cope with higher numbers of tourists?
- Do you have personnel/partners on the project with expertise in establishing ecotourism ventures? This may include marketing and business development. Are there any links to the private sector to boost numbers of tourists?
- How many households would be positively affected by ecotourism? Is it value for money?

Reliance on alternative income generating activities to compensate for reduced access to resources/change in destructive behaviour

Alternative income generating activities are commonly proposed as a route to poverty reduction while reducing destructive behaviours. This is a challenging concept since it requires a shift in behaviour for a group of people if it is to be considered 'alternative' and not just 'additional'. Therefore the activity needs to provide at least an equal return on investment for communities. Ideally activities need to provide a higher level of income for a lower level of effort for it to achieve any form of sustainability since reversal of behaviour is commonly seen. Projects that rely on producing marketable goods, such as handicrafts, can often find it incredibly challenging since these tend to depend on women who have multiple roles in the household already. Therefore issues to consider for projects seeking this route could be:

- Are there figures of expected return on income generating activities proposed?
- Are there clear routes to market for goods/products being produced? Is there demand for these goods? Would you have to create a new market for these goods? E.g. highly ethical goods are often higher cost and can require a niche market. If there is no specific market for these goods yet substantial time and resources will need to be committed to establishing a market.
- For handicraft style goods, are quality management processes proposed to ensure products are of suitable quality for market?
- Are there cultural issues to be considered i.e. traditional way of life, long-standing tradition of gaining livelihood? Projects that will require wholesale shifts in behaviour that are unlikely to provide pay-back for communities for a period of time and are therefore challenging to implement and may require a form of compensation until they begin to pay off.

- Are there personnel/partners on the project with clear expertise in IGAs, marketing, business development etc.?
- How many households would be affected? Are there clear figures on the expected rise in income expected i.e. 400 HH rising from \$1 a day to \$1.50 a day by close of project? Have they piloted the project or are there examples of previous endeavours in the country that can provide assurance on the suitability of approach?
- What evidence is there to demonstrate that communities would be willing to reduce the utilisation of the natural resources in question, or to change their traditional modus operandi ?

1.5 Conclusion

All projects invited to submit Stage 2 applications in Round 19 have received specific feedback on ODA issues relevant to their application (unless they were clearly ODA eligible). This briefing note is a generic document and intended to offer broad help. However it may not answer all your queries.

The Darwin helpdesk will do their best to provide support where they can. However, you may also find it useful to partner with/subcontract an organisation/individual experienced in development if you are unclear how to address the issues raised.

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