



**BIODIVERSITY
CHALLENGE FUNDS**



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

Half Year Report

It is expected that this report will be a **maximum of 2-3 pages** in length.

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

Submission Deadline: 31st October 2024

Please note all projects that were active before 1 October 2024 are required to complete a Half Year Report.

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

Project reference	30-007
Project title	Biocredits Investment Operations
Country(ies)/territory(ies)	Uganda and Zambia
Lead Organisation	The International Institute for Environment and Development
Partner(s)	Conserve Global, Tonda Conservation Limited, Value Nature, EcoTrust Uganda
Project leader	Paul Steele
Report date and number (e.g. HYR1)	October 2024, HYR2
Project website/blog/social media	Darwin Biocredits Investment Operations IIED Project Page

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

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

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

Output 1: International demand established for biocredits in Uganda and Zambia and biocredits from the pilot sites sold.

1.1 Publicity material provided on potential biocredits available from pilot sites (Yr 2 Q1 – Q4) – ongoing

No activities were recorded under this activity. However, IIED is organising publicity videos targeted at a variety of audiences including buyers.

Other demand generation updates: Both country teams have continued actively scoping for potential investors. In Zambia, there has been some interest from actors in Germany. The Ugan team had some preliminary conversations with a potential broker interested in biodiversity-enhanced carbon credits, pending finalisation of a Non-Disclosure Agreement (NDA). Engagements have also begun with two brokers, Sea Level, and a UK-based sustainability consulting firm, ESPN, who are interested in marketing bio credits. These discussions are still in early stages as the team is yet to finalise the number of credits available and determine the selling price.

Output 2: A supply of biocredits supporting gender responsive biodiversity conservation established in pilot sites in Uganda and Zambia

2.3 Biosensors ordered and imported to project sites. Biosensors deployed and data collection completed according to project design and data uploaded to centralised cloud storage and processing database (Yr 2 Q1-Q3) – ongoing

Both sites continued to make advancements in data collection and monitoring activities.

In Uganda, equipment was purchased for biodiversity baseline and monitoring including audio moths, camera traps and drones. The new equipment was successfully deployed and set up for data collection. The team is utilising the Fulcrum app for community-based monitoring. A capacity building workshop was conducted, during which equipment was tested for user acceptability as well as suitability for the landscape. Using a permit from another partner, the team accessed a drone and the drone pilot participated in the capacity workshop. The team is working closely with Pivotal and Plan Vivo to develop a sampling plan and select samples to be tested before baseline assessments begin.

In Zambia, training of the monitoring team for the camera traps and audio moths was conducted. In the process some poaching incidents were detected and it was observed that some previously forested areas had been converted to fields, highlighting the urgency of the work. Camera traps yielded good results, with high animal activity captured during the reporting period. Species observed include porcupines, jackals, bush pigs and elephants. The team is also monitoring smaller less known species and will consult with experts to identify them. A few cameras were damaged by fire and elephants but no human-induced damage was recorded.

The third deployment cycle of monitoring was conducted, with Value Nature and Biometric collaborating on zone placements and node assignments. However, the Zambia team faced significant challenges with uploading of data to cloud storage due to poor internet connectivity. As such, a hard drive has been used for backup storage and is periodically transported to Lusaka for uploading of data. Conserve Global developed a comprehensive data policy framework covering multiple jurisdictions which will address issues of data sovereignty across the project sites.

Output 3: Regulatory and monitoring architecture supports at least two thirds of funds reaching female and male local land managers, biodiversity custodians, local organisations and households.

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

IIED continued to engage in international discussions, including active participation in the Biodiversity Credit Alliance (BCA) Forum and serving as the Secretariat of the BCA's Communities Advisory Panel (CAP). In this regard, IIED has been supporting the CAP to

develop a set of IP&LCs recommendations for bio-credits. Learnings from this work have been drawn down to the project level to ensure that the project meets the highest standards of community leadership and engagement practices.

IIED also continued monthly engagements with the strategic working group organised by the World Economic Forum (WEF) which includes key market players such as UNDP, WBCSD and UNEP-FI.

IIED and partners, Value Nature and EcoTrust Uganda, continued to participate in the International Advisory Panel on Biodiversity Credits (IAPB).

Further, IIED also engaged in key panels such as the Business for Biodiversity Club on 28 May alongside project partners.

Several other engagements with international stakeholders were held during the reporting period. As part of the International Advisory Panel on Biodiversity Credits (IAPB), Pauline from EcoTrust was lead author on a paper bringing together different experiences from various biocredits projects. Further, the Uganda project was earmarked as one of the pilot projects to be showcased at CBD COP16 in Cali Colombia in October 2024.

The Uganda team also hosted the UK Foreign, Commonwealth & Development Office (FCDO) in Kampala. They were given an orientation of the project and taken to the field to demonstrate the biocredit project and the business model behind it.

3.2 Certifier and regulator agreed upon amongst project partners and pilots are enrolled in the certification and regulation schemes (Yr 2 Q1-Q2) – ongoing

Engagements continued with previously identified certifiers relevant to this project, Verra and Plan Vivo. Uganda developed a project idea note (PIN) and project development plan (PDP) under the Plan Vivo biocredit standard. PlanVivo requested that the PIN should specify carbon and biocredits activities. EcoTrust is developing the technical specifications for carbon so as to bring both processes together, and ultimately streamline the distribution of each of the interventions and justify additionality. In Zambia, the monitoring being done can fulfil the Verra Framework. However, the team is also in conversation with Credit Nature and looking to align with their framework. The team is therefore ensuring that all monitoring processes will allow them to settle for either one.

Other regulatory and monitoring architecture updates: EcoTrust has been engaging with the National Environment Management Authority (NEMA) which is in the process of drafting regulation for Payment of Environmental Services (PES). This regulation is not an explicit policy on biocredits, but will touch on issues such as rights to land and the goods that come from that land, which are relevant for biocredits implementation. Some meetings were held with the Authority to discuss biodiversity frameworks.

There were also engagements with BioFin during the reporting period. Several surveys were conducted to guide the development of guidelines under a BioFin project as part of the financing mechanisms to support the post-2020 Global Biodiversity Framework (GBF).

Output 4: Local level decision making on biodiversity conservation empowers and engages female and male Indigenous Peoples' and Local Communities

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

Implementation of the GALS methodology advanced and was completed across both sites. In Uganda, selected champions were trained in phase 1 tools of the GALS. 12 out of 14 community groups completed visioning and are ready to participate in monitoring.

A GALS training was conducted in Zambia led by trainers from the Uganda team. 18 participants from various stakeholders were trained including the local government, CRB, village action groups, Department of National Parks & Wildlife (DNPW), Tondwa, Conserve Global and Frankfurt Zoological Society (FZS). Eco Trust will be developing the training report into a manual or guidelines which can continue to be used with or without the support of facilitators. Feedback was gathered for adaptation of the tool for large-scale rollout. The training was further delivered to eight community members from three focal community groups. The next steps will be a rollout of the GALS at village level in collaboration with partners like DNPW. The team is also exploring how GALS can be integrated across other sectors like agriculture, SRHR etc.

Champions from both project sites led a training of 25 champions in Namibia for another carbon project that Conserve Global is implementing.

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

The 12 community groups that completed visioning in Uganda also developed site action plans. The remaining groups are expected to join the process soon.

4.3 A landscape restoration plan is prepared as a result of the multistakeholder consultations as part of the overall collaborative framework within which the project will be operating. Conservation interventions will be technically specified to ensure that they result into the desired outcomes – ongoing

In Zambia, crediting effort is being focused on the Tondwa GMA, where a large portion of the land is intact. It was decided to narrow down the crediting area to the in-tact land, which will generate conservation orientated credits and will be monitored as a focal management area. The long term objective is to secure a long-term mandate for this. A second level will look at restoration alongside carbon projects.

Other local empowerment updates: To further bolster local-level decision making on biodiversity conservation, the Uganda team deployed most data collection and monitoring activities to the community level. All equipment set up, management and monitoring was conducted by members of the local community, with support from the Eco Trust team, in line with the team's community engagement formula. The team tested the handling of the equipment by the community and they were able to handle it with no complications.

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

There are no significant challenges that have developed and therefore now effect on the budget. There was a delay in Activity 1.1 (*Publicity material provided on potential biocredits available from pilot sites*) but there is sufficient time to complete the activity in the remaining two quarters of Year 2. Activities are already earmarked as reported above.

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

Discussed with NIRAS:	n/a
Formal Change Request submitted:	n/a
Received confirmation of change acceptance:	n/a
Change Request reference if known: n/a	

4a. Please confirm your actual spend in this financial year to date (i.e. from 1 April 2024 – 30 September 2024)

Actual spend: £ [REDACTED]

4b. Do you currently expect to have any significant (e.g. more than £5,000) underspend in your budget for this financial year (ending 31 March 2025)?

Yes ☐ No ☒ Estimated underspend: £

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

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

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

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

n/a

6. Please use this section to respond to any feedback provided when your project was confirmed, or from your most recent annual report. If your project was subject to an Overseas Security and Justice Assistance assessment please use this space to comment on any changes to international human rights risks, and to address any additional mitigations outlined in your offer letters. Please provide the comment and then your response. If you have already provided a response, please confirm when.

As requested in the year 1 annual report review dated July 2024, all feedback will be responded to in the upcoming year 2 annual report.

Checklist for submission

For New Projects (i.e. starting after 1st April 2024)

Have you responded to any additional feedback (other than caveats) received in the letter you received to say your application was successful which requested response at HYR (including safeguarding points)? You should respond in section 6, annexes other requested materials as appropriate.	
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If not already submitted, have you attached your risk register ?	
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For Existing Projects (i.e. started before 1st April 2024)

Have you responded to feedback from your latest Annual Report Review ? You should respond in section 6, annexes other requested materials as appropriate.	
For All Projects	
Include your project reference in the subject line of submission email.	
Submit to BCFs-Report@niras.com .	
Have you clearly highlighted any confidential information within the report that you do not wish to be shared on our website?	
Have you reported against the most up to date information for your project ?	
Please ensure claim forms and other communications for your project are not included with this report.	