Darwin Initiative Main & Extra 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 2025

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

Darwin Initiative Project Information

Scheme (Main or Extra)	Main
Project reference	30-007
Project title	Biocredits Investment Operations
Country/ies	Uganda and Zambia
Lead Organisation	The International Institute for Environment and Development
Project partner(s)	EcoTrust Uganda, Conserve Global, Tondwa Conservation Limited, Credit Nature
Darwin Initiative grant value	£525,573.00
Start/end dates of project	April 2023 - March 2026
Reporting period (e.g. Apr 2024 – Mar 2025) and number (e.g. Annual Report 1, 2, 3)	Apr 2024 – Mar 2025, Annual Report 2
Project Leader name	Mr. Paul Steele
Project website/blog/social media	*Darwin Biocredits Investment Operations* *IIED Project Page*
Report author(s) and date	IIED: Tambudzai Matenga, Anna Ducros, Paul Steele, Ife Fanibi EcoTrust: Pauline Nantongo, Freddie Kalibwani, Dianah Nalwanga, Jonathan Onongo Conserve Global: Donatella Fregonese, Harriet Davies-Mostert, Emily Taylor, Kathleen Hay Tondwa Conservation Limited: Craig Hay, Jimmy Muwowo, Nyambe Sandema Credit Nature: Simon Morgan

1. Project summary

Biodiversity degradation is reaching unprecedented rates, and biodiversity conservation and restoration efforts are often underfunded leading to negative impacts on the environment and those living in biodiversity rich areas. Notably, Indigenous Peoples and Local Communities at the forefront of biodiversity loss and conservation are not receiving the funding nor the support required. "Biocredits" are an emerging approach to finance biodiversity that benefits Indigenous People and Local Communities.

The drivers of biodiversity loss particularly of *Pan troglodytes* (Eastern Chimpanzees) and *Panthera leo* (Lion) are different at each of the project sites and have been identified and described below by the project partners through ongoing research and experience on-site. However, they both share the common conservation dilemma of a lack of long-term finance for conservation and community involvement in the design and implementation of solutions. Darwin BIO will pilot biocredit schemes in the Northern Albertine Rift (Uganda) and the Tondwa Game Management Area (Zambia) to finance community led conservation, reduce poverty and protect and restore biodiversity.

Both site's challenges speak to a wider challenge of biodiversity conservation and restoration efforts being underfunded, or the "biodiversity funding gap". The funding gap for actions under the CBD is estimated to be between US$ 598 billion and 824 billion per year[iv]. Additionally, where funding is available it often takes a long time to access and does not reach those at the forefront of biodiversity loss and conservation and restoration efforts. The need to increase funding to Indigenous people and local communities is also relevant because of the key role they play in facing the biodiversity crisis in an equitable manner.

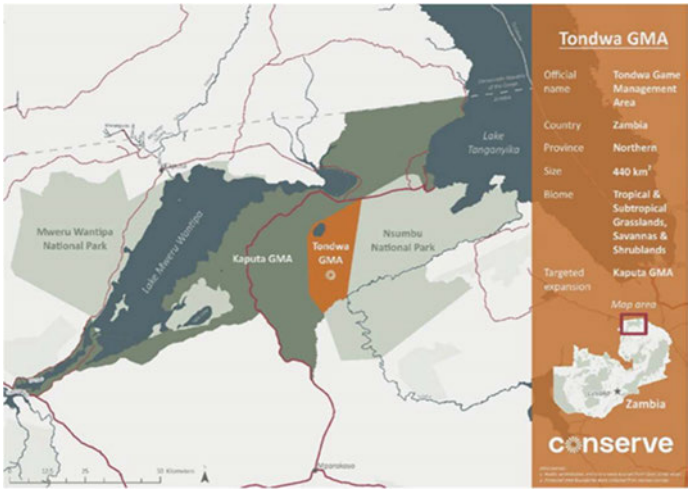
Biodiversity credits are a way to mobilise private sector funding for biodiversity and channel the funds directly to land managers of all genders, ensuring impact for every dollar that is raised for conservation activities. Indicators 0.2, 0.3, and 0.4 speak to this objective directly, and all other indicators contribute to addressing the biodiversity funding gap as outlined above. By valuing the cost of maintaining and restoring biodiversity, biocredits are a way to monetise the value of biodiversity restoration and conservation activities and incorporate what is currently an externality into the market.

Additionally, Indigenous Peoples and local communities are often excluded from biodiversity conservation and restoration projects, which has in the past had negative impacts on their livelihoods and self-sovereignty. This project addresses this issue by taking an approach through which local communities take a leading role in the design and implementation of the biodiversity credit scheme, including in activities such as community visioning and biodiversity monitoring (Indicator 4.1, 4.2).

The problems of biodiversity loss and threat, the resulting impacts on local communities and lack of funding to make change were identified by partner organisations (Tondwa Conservation Ltd and EcoTrust), and therefore the project was designed in conjunction with IIED to address these issues.

Tondwa Game Management Area - Zambia

Located in Zambia's Northern Province, Tondwa GMA (439 km^2) forms part of a vast ecosystem that stretches from Nsumbu National Park on the shores of Lake Tanganyika westwards to Mweru Wantipa and Lusenga Plains National Parks. Long overlooked, Tondwa is the key to the connectivity and long-term integrity of this landscape. Tondwa comprises a series of large wetlands and lakes surrounded by floodplain grasslands which give way to Miombo woodland on inter-drainage ridges. Tondwa contains small patches of Sumbu-Itigi Thicket, an extremely dense and, in many cases, nearly impenetrable tangle of evergreen or deciduous woody scrambling shrubs and small trees with a sparse ground flora layer. A steeply rising escarpment bounds the area in the south-east.

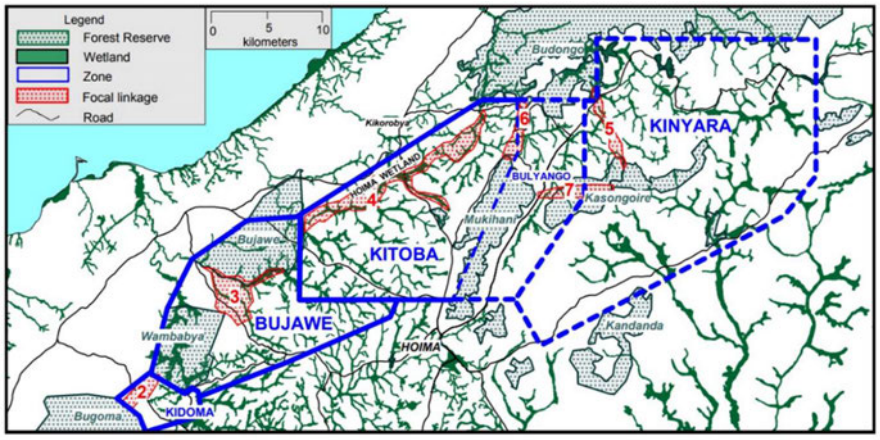


The Tondwa Game Management Area (GMA) in northern Zambia is a key area for the connectivity and long-term integrity of the Nsumbu-Mweru Wantipa landscape. Tondwa was once famed for its large herds and stunning landscapes. However, sustained and increasing poaching pressure and a lack of investment from prior hunting operators, despite long leases, led to under-resourced and under-capacitated management of the area. As a result, large mammal populations suffered significant declines. Populations of most species are beginning to recover thanks to threat-alleviating efforts of the Nsumbu Tanganyika Conservation Programme (NTCP) focused on the adjacent Nsumbu National Park over the last six years. However most – if not all – species still occur at population densities well below historical levels. Biocredits revenue will be used to restore the landscape and create enabling conditions to support the expansion of a neighbouring elephant population *(Loxodonta africana)* from Nsumbu National Park and, in the longer term, the restoration of lion populations (*Panthera leo melanochaita*).

Tondwa falls under the jurisdiction of the Nsama Chiefdom and Nsama Community Resources Board (NCRB), both presided over by Senior Chief Nsama as Senior Chief and Patron respectively. GMAs in Zambia are overseen by the Department of National Parks and Wildlife (DNPW). Baobab Safaris Limited (BSL), a reputable and ethical hunting outfitter, holds the lease for Tondwa until the end of 2029 and conducts a limited number of hunting safaris to Tondwa each year. BSL is responsible for payment of the annual lease fee to DNPW, and all license and quota fees associated with hunting.

Northern Albertine Rift - Uganda

The Tropical High Forests and woodlands in the Northern Albertine Rift have been degraded over the years resulting in the fragmentation of once densely forested areas. The core protected areas have lost the connecting natural vegetation, which is critical for the long-term survival of the wildlife in the corridor, particularly the Eastern Chimpanzee (*Pan troglodytes)*. The degradation applies to both private/communal forests as well as central forest reserves. Between 1986 and 2002, it is estimated that over 110 km2 of forest was cleared within 15 km of Bugoma, and about 90km2 was cleared within 15km of Budongo[i]. More recently, the discovery of oil in the region has led to increased pressure on the ecosystem, including urban expansion and land use change. A central challenge to conservation initiatives in the corridor has been the absence of sustainable long-term financing to enable the uptake of conservation initiatives beyond initial donor support. This biocredits project therefore presents an opportunity for addressing this finance gap.



2. Project stakeholders/ partners

The project partnership consists of the International Institute of Environment and Development (IIED), EcoTrust Uganda, Tondwa Conservation Limited, Conserve Global, and Value Nature (which has recently transitioned and merged operations with Credit Nature). The partnership was established based on joint interest to advance the biodiversity credit market by piloting the mechanism and thus providing proof of concept to the international biodiversity finance community.

As the lead partner, IIED coordinates the wider partnership. In Uganda, EcoTrust Uganda leads the in-country work. In Zambia, Tondwa Conservation Limited is the in-country partner with Conserve Global and Value Nature as supporting partners. Over the last half of the reporting year, Value Nature transitioned and merged its operations with Credit Nature. IIED is therefore in the process of officially changing the partnership to Credit Nature and a change request will be submitted accordingly. Credit Nature will continue to provide the support that Value Nature was offering to Zambia of providing a credible methodology for measuring and quantifying biodiversity outcomes in Tondwa. Logistically, the staff representative/liaison with this project at ValueNature, has moved to Credit Nature which will contribute to a smooth handover.

IIED convened the partnership based on past experiences working with Value Nature and EcoTrust Uganda. IIED had been working with Value Nature in various global forum on biodiversity credits. Value Nature then connected IIED to both Tondwa Conservation Limited and Conserve Global. The partnership is therefore based on shared interests in biodiversity credits and past experience working together.

All partners were involved in the planning of the project from the proposal stage. IIED plays the role of convener to facilitate the joint planning, and in this respect “holds the pen” on the log frame, activities and reporting to the funder. However, all decisions regarding the planning and implementation of the project are made jointly.

The project partners meet every month to provide updates between the two project sites, as well as on topics pertaining to international demand and development of international policy and standards. This has proven to be an effective way to stay up to date with the timeline of the project as well as the quickly developing biodiversity credit market.

One key strength that has occurred due to the collaboration is learning across sites. For example, the team in Zambia (Tondwa Conservation Limited and Conserve Global) adopted the Gender Action Learning System (GALS) methodology for community engagement that EcoTrust was utilising upon learning of its successful uptake in Uganda. Capitalising on the partnership, the phase 1 GALS training in Zambia was conducted by the EcoTrust team in June 2024.

It is through this GALS methodology that the Uganda and Zambia teams have been engaging the respective local communities. Additionally, the team in Zambia has been coordinating their activities with the Frankfurt Zoological Society (FZS) to ensure that they are building on one another and safeguard against the community experiencing consultation fatigue.

Additionally, both sites are working with technical specialists on biodiversity monitoring (Biometrio in Zambia and Pivotal in Uganda) as well as biodiversity credit standards (Verra in Zambia and Plan Vivo in Uganda) to ensure that the projects are aligning with biodiversity credit standards, increasing the effectiveness of the mechanisms in turn increasing the credibility of the credits to be sold.

3. Project progress

3.1 Progress in carrying out project Activities

The following section provides an update for the activities that were planned in the reporting period (Year 2, April 2024-March 2025), some additional activities are included given that they were initiated ahead of schedule.

1.1 Publicity material provided on potential biocredits available from pilot sites (Yr 2)

The project is in the process of producing public relations videos for both projects targeted at potential buyers and investors. A media agent has been engaged and has completed capturing footage in Uganda, with Zambia scheduled for later in 2025 when there is better access to the sites given the weather conditions. Films will be available in Year 3 as per the project implementation table.

In October 2024, the BIO project was featured in a promotional article on Carbon Pulse, an online service dedicated to providing news and intelligence about carbon markets around the world, and more recently, biodiversity markets. The article title, *African pilots plan to generate biodiversity credits across 300,000 ha,* and content highlighted the magnitude of credits being generated by the project across both sites and the opportunities for investors and buyers. The article is available as evidence listed in Annex 4.

1.3 Biocredits submitted and sold through global auction and other sales platforms (Yr 3 Q1-Q4) - planned for Yr 3 but has begun

The global auction planned (meant to be hosted by the World Economic Forum) has now been cancelled, therefore sales will take place through bilateral conversations and existing broker platforms. This change in Activity 1.3 will be included in a change request to be made to the funder.

To this effect, both projects began early scoping for potential investors. The Uganda project has received interest from several potential buyers. There were conversations with a potential buyer in Scotland in June 2024. Discussions began in July 2024 with a potential broker interested in biodiversity-enhanced carbon credits and the team has been in discussions to sign a Non-Disclosure Agreement (NDA). There have also been further engagements with brokers including Sea Level, ERM and ZeroMission. Most of these are carbon brokers and conversations have included the possibility of switching to biocredits or considering biodiversity-enhanced carbon credits. However, these discussions are still in early stages as the team is yet to finalise the number of credits available and determine the selling price.

In Zambia, there has been interest in biocredits from potential buyers in Germany and the UK. There has also been some interest from high-net-worth individuals, family trusts and brokers, to invest in designing credit creating projects that could increase the supply of credits and attract investors.

2.2 Project design completed for each site to determine number and location of biosensors (camera traps and bioacoustic recorders) for deployment in each habitat and relevant reference sites (Yr 1 Q3-Q4) – begun in Yr 1 and continued in Yr 2

In Uganda, following submission of the Project Idea Note (PIN) to the selected credit certifier, Plan Vivo (PV), as reported in the last annual report, the project received comments to

strengthen the project further. The submitted project was designed to yield both biocredits and carbon credits with targeted interventions for each component. Plan Vivo recommended that the PIN should clearly specify which activities will generate biocredits and which will be for (existing) carbon credits in order to ensure additionality. The team developed the technical specifications for the carbon component of the project, as well as biocredits. A revised PIN as well as a project Theory of Change was submitted to Plan Vivo in December 2024. Additionally, the team conducted an environmental and social safeguards assessment and field testing of the PV methodology and equipment. The next step is to develop the Project Development Document (PDD) before the project can get certification and begin to generate credits within two years. Given that the project site is a pilot site for Plan Vivo Nature as well as biocredits more broadly, this project has required more time than expected to finalise the PIN and ToC. This is because Plan Vivo intends to use this project to set precedent in the market, therefore everything has to be to the upmost standard. Project PIN and PDD will be completed in Yr 3.

In Zambia, the project made headway in project design processes. Value Nature and Biometrio led the identification of zone placements (deployment areas) and node assignments (sampling points) for the deployment of biosensors. Engagements with local chiefs and communities were conducted prior to deployment so that the communities were aware of the equipment. On the local regulatory side, the project is awaiting formal approval from the Ministry of Green Economy and Environment. There is a growing number of carbon and biodiversity projects in Zambia which has resulted in more government scrutiny even though there is no national framework for biodiversity credits yet. On the methodology side, following the transition of Value Nature to Credit Nature, the project is in discussions to apply Credit Nature's methodology, the NARIA framework which will facilitate support from Credit Nature as one of the projects under their portfolio.

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)

Both sites continued to make advancements in data collection and monitoring activities with the deployment of biosensors beginning in the first quarter of Year 2 at both sites. Equipment purchased and deployed includes camera traps, audio moths, drones, biosensors, binoculars and phones.

In Uganda, data collection is being led by communities including equipment set up, management and monitoring. The project approach emphasises strong community engagement and integration of community feedback to foster ownership and project sustainability. Community training on data collection was delivered by Pivotal in May 2024, during which equipment testing was conducted for user acceptability as well as suitability for the landscape. Community-based monitoring is being done using an app called Fulcrum. All community engagements and training is in line with the PV Nature Standard. The model for generating the biocredits has 5 pillars – 3 species-based and 2 habitat-based. Communities support with monitoring of the species pillars (richness, diversity, dissimilarity). The habitat pillars data will come from satellite data which will be generated by Plan Vivo and Pivotal. Indicators selected are on mammals (primates and bats) and plants. The team also worked with Pivotal to develop a sampling plan (PIN) and select samples to be tested before baseline assessments begin. Some community concerns about security and privacy were noted and the team embarked on increasing community awareness about camera locations and how the data collected is utilised. Additionally, the Fulcrum app removes any human footage captured. Baseline data has not yet been generated as it depends on the completion and acceptance of the PIN and PDD (estimated July 2025). Currently, the cameras are being used to increase community awareness of the biodiversity that is present in the community forests, this has allowed communities to gain a deeper understanding of the value of biodiversity monitoring and how the equipment can aid this process.

In Uganda, in some Community land associations, youth groups are leading the biodiversity monitoring work. This harnesses the interest that young people have in biodiversity monitoring and increases awareness of the biodiversity credit initiatives across the community.

In Zambia, deployment of camera traps and audio moths begun and has been ongoing since May 2024 across various deployment cycles. Training of the monitoring team for the camera traps was also conducted and 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. To address concerns about privacy and damage to equipment, communities were informed that any human footage captured by camera traps cannot be used as evidence for prosecution. Overall, camera traps yielded good results, with high animal activity captured during the reporting period. Species observed include elephants, sable antelope, roan antelope, side striped jackal, bush pigs, porcupines, Livingstone eland, bushbuck, honey badger, common duiker, blue duiker, African Serval, and buffalo, some of which were moving into Tondwa from Nsumbu National Park. Additionally, the Lichtenstein's hartebeest was noted after almost a decade of no previous recorded sightings. The team was also monitoring smaller less known species and consulting with experts to identify them. A few cameras were damaged by fire and elephants but no human-induced damage was recorded. Some highlight footage from the camera traps is attached in Annex 4.

There have been notable challenges with data storage across both project sites. The size of data captured is very large and takes a very long time to upload, coupled with the expense of cloud storage and poor internet connectivity which makes it difficult to get data to the data management providers. As of February 2025, the Zambia site had collected nearly 10 terabytes of data, and similar amounts of data are generated in Uganda. The team was using a hard drive for backup storage which was periodically transported to South Africa for uploading of data. They have now come up with a system of uploading data on to Amazon web servers hosted by Biometrio. Uganda also plans to use hard drives for data storage and send this data to Pivotal once a year when it is required.

There have also been key discussions on the project about data sovereignty of the data being collected across the project and how access can be extended to government and other local stakeholders for whom it can be useful. IIED is planning to co-produce a paper on data sovereignty in Indigenous Peoples & Local Communities led conservation work and will draw case studies from the BIO projects in Uganda and Zambia to highlight these issues. Though this is outside the scope of this funding, it will draw on lessons from these pilots.

2.4 All data processing and analysis completed, making use of machine learning tools for the audio and imagery files, following which the Ecosystem Integrity Indicator / Index is calculated for the pilot site in comparison to the reference site. This is then completed again in Year 3 (Yr 2 Q4)

Data management and analysis will be done by Pivotal in Uganda and Biometrio in Zambia. Both country teams recently begun some minor analysis on the data collected in Year 2. In Uganda, EcoTrust has started conducting some preliminary analysis on audio data using Bird Net and camera trap data. In Zambia, Value Nature and Biometrio conducted the first cycle of analysis in November 2024. A repeat cycle will be conducted, after which a comparison will be made to the results from the first cycle. Biometrio is developing an annotation tool for camera trap data which allocates photos to species. The team in Tondwa will review about 5-10% of the photos to verify the AI accuracy and to feed the algorithm. Biometrio also plans to develop a version of the tool for audio files. The audio data collected will feed into apps like Merlin, Bird Net and iNaturalist.

Anecdotal footage from camera traps in Zambia has shown an increase in mammal biodiversity such as elephants, buffalo, puku and bush pigs. Some sites in Uganda have also recorded improvement in biodiversity. Across both project sites, the improvement in biodiversity has been coupled with increased human-wildlife conflict, for example conflict over mangoes in

Tondwa. Uganda is working with the government to manage these conflicts and Zambia plans to do the same in Year 3.

2.5 Site characteristics are calculated from global datasets, including the IUCN STAR Metric scores, protected area status, and whether it is a Key Biodiversity Area (Yr 2 Q3)

There was no significant advancement on this activity. Partners begun reviewing relevant datasets with suitable metrics for calculating site characteristics and this activity will be completed in Year 3.

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

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). The CAP transitioned into an independent body called the International Environment Guardianship (IEG) in December 2024, bringing IIED's role as the Secretariat to an end. However, IIED continues to provide support to the IEG as requested and facilitating cross learning with the BIO pilots in Uganda and Zambia.

IIED also continued monthly engagements with the strategic working group organised by the World Economic Forum (WEF) which includes key market players such as the United Nations Development Programme (UNDP), World Business Council for Sustainable Development (WBCSD) and United Nations Environment Programme Finance Initiative (UNEP FI).
IIED and partners, Value Nature and EcoTrust Uganda, continued to participate in the International Advisory Panel on Biodiversity Credits (IAPB). Pauline Nantongo from EcoTrust supported the development of IAPB's *Framework for high integrity biodiversity credit markets* which was launched in October 2024 during the CBD COP16 meetings in Colombia. The framework is attached in Annex 4.

Additional engagements with international stakeholders were held during the reporting period. In May 2024, IIED participated in a Business for Biodiversity Club panel alongside project partners. In February 2025, EcoTrust participated in the Subregional capacity-building workshop for East & Southern Africa to support the implementation of the CBD in relation to Target 3 of the Kunming-Montreal Global Biodiversity Framework. EcoTrust and Value Nature participated in the Finance in Common summit in March 2025 where they highlighted the biocredits projects in several main and side events. Further, the Uganda team hosted various strategic partners with an interest in biocredits including the UK Foreign, Commonwealth & Development Office in September 2024, IUCN Netherlands in February 2025 and SIDA in March 2025.

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

Potential biocredits certification schemes were identified for both projects in Year 1. The Uganda project officially enrolled to the PV Nature Standard following submission of the PIN in Year 1. A revised PIN was submitted to Plan Vivo in December 2024. Subsequently, the community monitoring trainings were designed and rolled out according to the PV Nature Standard and data collection and analysis is in line with the PV Methodology. Although the Zambia project is aligned to the Verra framework, no formal commitment has been made. The project is also exploring aligning to the Credit Nature framework, following its assimilation of Value Nature.

4.1 Community Visioning conducted using internationally recognised gender responsive methodology (eg Gender Action Learning System (GALS) (Yr 1 Q1) – scheduled for and started in Yr 1 with implementation continuing into Yr 2

Implementation of the GALS methodology continued across both sites. In Uganda, selected champions were trained in Phase 1 tools of the GALS. 14 community groups completed visioning in readiness to participate in monitoring.

The Phase 1 GALS training was conducted in Zambia led by trainers from the Uganda team in June 2024. EcoTrust developed a community training manual which can be used with or without the support of facilitators. The training manual is attached in Annex 4. Additional trainings were conducted with several village action groups during the reporting period, reaching over 135 participants. Participants are from a range of stakeholders groups including Tondwa, Conserve Global, village action groups, traditional authorities, local government, Department of National Parks & Wildlife (DNPW), Fisheries department and Frankfurt Zoological Society (FZS). 15 GALS champions were selected in March 2025 who will support the roll-out of the GALS in the district. Phase 2 and Phase 3 trainings remain to be completed for groups trained so far. The team has also been exploring how GALS can be integrated into other sectors like agriculture, SRHR etc. The training report for the Phase 1 GALS roll out in Zambia is attached in Annex 4

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 (Yr 1 Q4)

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 intact 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.

In Uganda, EcoTrust is a member of the Northern Albertine Rift Conservation Group, a group of stakeholders with a common objective of restoration and conservation in the area. Collectively, they have developed the Budongo- Bugoma Corridor Forest Restoration Plan aimed at restoring this vital forest corridor through joint partner efforts following a landscape restoration approach complete with a blended financing mechanism to incentivise the restoration actions. The Uganda biocredits project is part of this restoration programme.

5.4 Videos produced and shown at selected webinars to both conservation and nature finance audiences (Yr 3 Q1-Q4) – scheduled for Yr 3 but implementation began in Year 2

As part of the project's sharing of lessons learned with the international conservation and biodiversity finance community, the development of publicity videos was initiated in November 2024. Though scheduled for Year 3, development begun early to allow adequate time for the editing, production and promotion of the videos before the project wraps up in 2026. Six individual and joint videos targeting different stakeholders will be produced across both projects. These include the publicity videos targeted at buyers and investors discussed under Activity 1.1 and lessons sharing videos targeted at national and international stakeholders. An international video production company, Here Now Films (HNF), which specialises in mini documentaries was engaged to lead the video production. Video footage was captured in Uganda in February 2025 and is currently being edited. The Uganda project team facilitated the site visits and stakeholder interviews including with community members. In Zambia, HNF will collaborate with a local video production agency to capture footage beginning in May 2025. Community engagements will be supported by the Zambia project team in Tondwa, as well. The videos will be showcased in various fora, including an *Africa Conference on High Integrity Nature Markets* that IIED is planning in September 2025 and will be available on IIED website and YouTube. As with all communication products around this project, the Darwin Logo will be included in the video.

3.2 Progress towards project Outputs

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

Global demand for biocredits is still emerging as observed from occasional transactions being reported rather than a large-scale market boom. However, the project has made notable headway in engaging potential buyers and investors of biocredits. There has been notable interest from potential buyers in Scotland, Germany and the UK while there have been discussions with several brokers including Sea Level, ERM and ZeroMission. The has also been interest from some investors to support credit creating projects.

Additionally, project partners have been actively engaging in fora attended by potential investors. An example is the Finance in Common summit held in Cape Town in March 2025 which EcoTrust and Value Nature participated in. They engaged in discussions on demand generation for biocredits and engaged carbon brokers on the potential to include biocredits in carbon products or as a standalone product.

Output 2: A supply of biocredits supporting gender responsive biodiversity conservation established in pilot sites in Northern Albertine Rift (Uganda) and the Tondwa Game Management Area (Zambia)

The project is making progress on the supply side through completion of project design with the selected certifiers, community engagements, capacity building on community-led monitoring, deployment of monitoring equipment such as camera traps and audio moths, and the initiation of data collection and preliminary data analysis.

However, it is unlikely that the supply of biodiversity credits will be available by project end. It has been noted that the successful production of high integrity biocredits requires more time than initially thought given the three-year timeframe of the project. Several activities and processes required from the supply, demand and regulatory sides take much longer in practice.

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.

There has been progress in the development of the regulatory and monitoring architecture for biocredits. Two significant publications that BIO project partners were engaged in were launched, the *High Level Principles for Integrity and Governance of the Biodiversity Credit Market* developed by the BCA, IAPB and WEF and IAPB's *Framework for high integrity biodiversity credit markets*. Both publications highlight the need for high integrity biocredits that support and promote fair compensation to local biodiversity custodians. The Plan Vivo Standard, which EcoTrust is utilising, has very strong community engagement across most stages and processes of developing biocredits as seen from the strong community engagement in the Uganda project.

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

The Phase 1 GALS trainings have focussed on developing community visioning roadmaps which provides an opportunity for local communities to drive the roll-out of the project based on their vision for their community. Although open to a variety of stakeholders, the GALS training has focussed on community-level participants such as village action groups to drive community ownership and decision-making. Further, the projects are being delivered in line with credit schemes that promote local community agency.

Additionally, women's groups are engaged in specific activities of the biodiversity credit development, including in the nursery programs in which they provide trees for restoration. Given that women use and relate to the forest in different ways due to their role in society, they

have been involved in the decision making in the credits to ensure their connection to the forest for sustainable use is supported. For example, key plant species that contribute to herbal medicine are considered in the development of the credit and firewood is often gathered during the biodiversity monitoring (from fallen trees) to reduce burden on female monitors.

Output 5: Lessons learned shared with international conservation and biodiversity finance community at the international level to replicate biocredits in other locations and countries based on the experience learned from the BIO project.

The project has been sharing lessons learnt across the various international fora that partners participate in including the biocredits strategic working group, the BCA and the IAPB. Partners have also shared project lessons in international meetings such as the CBD COP16 and the Finance in Common summit.

The project plans to develop two knowledge products in Year 3; a '*How to Guide for Community Led Biodiversity Credits'* and *'Locally led biodiversity monitoring and data sovereignty'* which will share key lessons for community biocredits projects. The project is also planning an Africa Conference on High Integrity Nature Markets in September 2025.

3.3 Progress towards the project Outcome

The intended outcome of the project is "*Biocredit schemes increasing finance for biodiversity conservation of Pan troglodytes and prey base for Panthera Leo and livelihood improvements in Northern Albertine Rift (Uganda) and Tondwa Game Management Area (Zambia), which generates evidence to scale up biocredits in other countries*." All the indicators as well as the outputs contribute to measuring and achieving this project outcome.

The project outcome is unlikely to be achieved in the funding period as the project may not be able to generate the projected supply of biodiversity credits (10,000 ha in Uganda and 44,000 ha in Zambia) by project end. In practice, it has been realised that biodiversity credit certification schemes (most of which are still in development and testing) will require up to two years to collect the baseline data required for biodiversity credits before issuing certified credits. This will push the timing of the credit sales to outside the project period. Therefore, the project is attempting "forward sales of" biocredits similar to what happened with the carbon market. Globally, the demand for biocredits from potential buyers remains uncertain. However, project partners are proactively engaging potential investors across different fora and a lot of interest has been noted. The BIO project is particularly attractive due to its high integrity approach and dedication to apply rigorous standards that empower Indigenous Peoples & Local Communities.
Given the required investment in biodiversity credits will have been made during the project period, the biocredits designed in this project will reach market, however it will be outside the project period.

3.4 Monitoring of assumptions

Assumption 1: Provincial and national governments are committed to poverty reduction and conservation objectives.
Comment: This assumption remains true. EcoTrust and Conserve Global have engaged with the respective governments in Uganda and Zambia on the enabling conditions of this project. EcoTrust has participated in processes of drafting key policies such as the regulation for Payment of Environmental Services (PES) with the National Environment Management Authority (NEMA). They also engaged with the government in the review of the National Biodiversity Strategy and Action Plan (NBSAP) and biodiversity financing strategy.

Stakeholder engagements in Zambia continued to include government representation, particularly the Department of National Parks and Wildlife (DNPW), who also participated in the GALS workshops. In Zambia the process of formal application for permission to develop a proposal to register a carbon / nature-based project has taken more time than expected to

obtain the required letters of no-objection from the government departments, as well as for TCL to formalise the agreement with government for the formal mandate to partner with government on the management of Tondwa Game Management Area. Consistent engagement with the relevant departments has however recently seen good progress in respect of both of these processes, which we are confident will be addressed in the current year.

Assumption 2: There is minimal political interference in all interventions.
Comment: This assumption remains true.

Assumption 3: Enough potential buyers of biocredits can be identified to match the value of biocredits being sold
Comments: There has been notable interest from several potential buyers, investors and brokers during Year 2. Projects partners have been actively seeking out potential investors through various fora and will continue these demand generation engagements. However, financial commitments to buying the credits have not yet been made.

Assumption 4: Global economic situation allows private sector to remain engaged in biocredit purchases
Comments: Project partners are members of several platforms and working groups including the Biodiversity Credit Alliance (BCA) and the International Advisory Panel on Biodiversity Credits (IAPB) that are monitoring demand. IIED is also a member of a biocredits strategic working group with other stakeholders who are actively engaging in demand generation. For example, the World Economic Forum (WEF) which is coordinating a coalition of frontrunners to drive demand for biocredits and the World Business Council for Sustainable Development (WBCSD) which is exploring opportunities to create a viable market for biodiversity credits. However, despite interest from international organisations, the demand for biocredits remains uncertain, with occasional transactions being reported rather than a large-scale market uptake. The current state of geo-political affairs creates uncertainty and volatility in the ESG market, however, as increasingly private sector is being relied on for environmental and social investment, biocredits offer a mechanism to channel investment.

Assumption 5: Global auction of biocredits under discussion is confirmed and occurs during project period.
Comments: The global auction (meant to be hosted by the WEF) is no longer planned. The WEF has continued to coordinate a coalition of frontrunners to drive demand for biocredits. IIED has been keeping up to date with these conversation by participating in the regular meetings of the biocredits strategic working group with WEF and other partners.

Assumption 6: Political and economic stability in Uganda and Zambia remains sufficient to allow supply of biocredits from rural landowners
Comment: This assumption remains true.

Assumption 7: International and national regulators and certifiers have capacity to review biocredit schemes
Comments: Regulators and certifiers have continued to be interested in biocredit schemes. Particularly, Plan Vivo has made significant progress in the development of its Biodiversity Standard, with thanks to engagements with EcoTrust. The Uganda project is firmly aligned to the PV Nature Standard. The Zambia project is discussing the potential to utilise the Credit Nature framework, which is already being used in other biocredits pilot projects globally.

Assumption 8: Indigenous Peoples' and Local Communities remain sufficiently engaged in biocredit schemes
Comments: Community members remain engaged at both project sites. In Uganda, data monitoring is community-led including data collection, equipment set up and management. In Zambia, GALS trainings have actively engaged local communities through village action groups.

Assumption 9: Useful lessons emerge from Uganda and Zambia that are of interest to the wider conservation finance community

Comments: Project partners have participated in several international fora where project experiences and lessons have been shared with the wider conservation finance community. Notable engagements include the CBD COP16 meeting in October 2024 and the Finance in Common summit in March 2025. IIED is also planning to publish knowledge products with useful learnings in Year 3.

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

The intended impact of this project is "*Biocredit schemes increase the finance reaching Indigenous People and Local Communities and relevant land managers for commitments under the CBD and the SDGs, ultimately improving livelihoods and increasing biodiversity globally*."

The project aims to contribute to both biodiversity conservation and the improved wellbeing of local communities across the project sites. The projects are working to restore degraded landscapes in Uganda and protect existing landscapes in Zambia and generate credits through these efforts. By increasing the funding available for biodiversity in Northern Albertine Rift (Uganda) and Tondwa Game Management Area (Zambia), the project will increase the biodiversity in the region. The biodiversity indicators chosen for the biodiversity credits were identified by the communities and therefore this project will increase the biodiversity in ways that contribute to local livelihoods and social and cultural wellbeing. Anecdotal monitoring data across both sites has shown an improvement in biodiversity, especially mammals.

The project also has a strong focus on supporting livelihoods. The suggested income distribution of at least 66% to local stewards of biodiversity (Indicator 0.3) will increase funding for both community-driven conservation and livelihoods as communities will determine how the funds are utilised. For example, in Uganda the community's benefit-sharing model is designed such that revenue from biocredits will be used to invest in other economic activities like beekeeping, through which households will get an income rather than directly from credits sales. This will ensure empowerment of community members with sustainable livelihoods.

Indicators of biodiversity vary at each site however, outside of the indicators mentioned in the logframe, the biodiversity monitoring indicators will pertain to information on the ecosystem integrity of the landscape, which is informed by things like species diversity (including richness and abundance determined by acoustics and cameras) and landcover change (determined via remote sensing).

4. Project support to the Conventions, Treaties or Agreements

The project impact of "*Biocredit schemes increase the finance reaching Indigenous People and Local Communities and relevant land managers for commitments under the CBD and the SDGs, ultimately improving livelihoods and increasing biodiversity globally*", will contribute to the CBD in particular the following articles: 8. In-situ Conservation (8e sustainable development adjacent to protected areas; 8j equitable sharing of benefits); 11. Incentive Measures (economically and socially sound measures that act as incentives for conservation). Also, within the CBD Framework, the BIO project is aligned with several Targets of the 2022 Kunming-Montreal Global Biodiversity Framework, mainly Target 19 on resource mobilisation as the project is working to increase financial resources for biodiversity conservation, ensuring the inclusion of Indigenous Peoples & Local Communities. Other Targets to which the project is aligned include Target 2 (restoration of degraded terrestrial areas), Target 3 (conservation of existing terrestrial areas), Target 21 (sharing of quality biodiversity data to improve governance and participatory management of biodiversity) and Target 22 (gender-responsive representation and participation in decision-making).

During the reporting period, the project contributed to the CBD by participating in the COP16 biodiversity conference in Colombia in October 2024 and the reconvening of CoP16 in Rome in Feb 2025. The negotiations in Cali and in Rome for CoP16 focused mainly on resource mobilisation for biodiversity financing, highlighting the need to leverage finance from all sources

(including private sector). Biodiversity credits where a large focus of conversation, both opportunities and criticisms of the tool where raised. This project aims to addressing the challenges raised in these spaces and leverage the opportunities through a community led approach. At CoP16, both IIED and EcoTrust supported and led conversations on high integrity biodiversity credits and financing for IP&LC led conservation.

At the national level in Uganda, the National Biodiversity and Strategy and Action Plan (NBSAP) is the main instrument for implementing the CBD. Within the NBSAP, Uganda recognises that funding for the plan will come from public and private sources, including innovative financing. Though this project is not an offset scheme, the Ugandan NBSAP identifies offsets to mobilise finance and includes cases in which offsets take positive management interventions to ensure “protecting areas where there is imminent or projected loss of biodiversity”. Biocredits are a suitable and fitting alternative to biodiversity offsets, that fit with the guidelines and the needs of the Uganda NBSAP. The EcoTrust team has been in conversation with local governments about the alignment of this project to local and national strategies. During the reporting period, EcoTrust engaged in the review of the NBSAP and biodiversity financing strategy to ensure that the project interventions are highlighted and reflected in the national biodiversity agenda. EcoTrust also participated in the Kunming-Montreal GBF capacity building workshop in Nairobi for the eastern, southern and central Africa regions. The workshop included regional discussions on progress, drafting implementation plans and capacity building on tools for implementation of Target 3 (30x30 toolkit). Additionally, EcoTrust also engaged in the drafting of the regulation for Payment of Environmental Services (PES) with the National Environment Management Authority (NEMA) to ensure that it is capturing biocredits. 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.

In Zambia, the BIO project also aligns closely with the country’s second NBSAP2, and will make contributions to Strategic Goals A, B, C and E. Specifically, it will increase local community awareness of the values of biodiversity (Target 1), promote the sustainable management of Game Management Areas (Target 7), improve and sustain populations of threatened and endemic species (Target 11), and generate knowledge relating to biodiversity (Target 17). The project will also develop incentives for biodiversity conservation and sustainable use, thus contributing to Target 3. Finally, by mobilising internal and external financial resources for effective implementation of NBSAP2, the BIO project will contribute to Target 18.

In both countries, unlocking financial flows to support effective biodiversity management and sustainable livelihoods will directly contribute to UN SDGs 1, 2, 3, 5, 6, 13, 15 and indirectly to the remaining goals.

5. Project support for multidimensional poverty reduction

The Darwin BIO project will contribute to poverty reduction by providing a means to sustainable livelihoods through biodiversity credits. It will increase funding to the two project sites, while conserving and/or restoring biodiversity. Notably, DEFRA has identified that poverty is not just about lack of money, this project also addresses challenges that poor people face such as loss of ecosystem services causing instability such as water security, food security, climate change impacts causing instability, poor governance including the lack of community voice in decision making, and a lack of gender equality.

Local communities are typically negatively impacted by conservation projects that restrict their ability to access biodiversity or put strain on livelihoods. The beneficiaries of this project will be land managers, biodiversity custodians, local organisations and local households as identified in Indicators 0.3 and 0.4. However, it is important to note that local communities should have the opportunities to be involved in biodiversity credit projects in roles beyond being passive beneficiaries. For this reason, the Darwin BIO project is co-designed and implemented with

local communities, with key roles of for local stakeholders to take make decisions (Indicator 4.1 and 4.2) as well as community playing a role in the biodiversity monitoring.

As mentioned above, this project is expected to have direct impacts in reducing poverty by increasing the amount of finance that is flowing to households and the communities in Albertine Rift and Tondwa Game Management Area (indicator 0.6).

During Year 2, the project conducted several activities that are contributing to ensuring that vulnerable communities who are at the forefront of biodiversity conservation efforts are empowered to lead decision-making and financial resources are channelled towards community-led conservation and sustainable livelihoods.

The GALS training was launched in Zambia, specifically targeting community members through village action groups in the Tondwa region. The workshops focussed on community visioning activities that are crucial to establish community ownership and project decision making with communities.

In Uganda, community-led monitoring begun in Year 2, with communities leading monitoring processes such as data collection, equipment set up and management. Communities participated in monitoring trainings and have started conducting monitoring activities for baseline using the Fulcrum app. The Uganda project is being implemented in line with the Plan Vivo Nature Standard which has a strong community engagement component before certification and supports benefit sharing from the sale of credits to empower local communities. The project has been deliberately structured to allow for the community monitoring to be able to capture other data that the community needs outside of the biocredits project, for example livelihoods projects such as ecotourism.

6. Gender Equality and Social Inclusion (GESI)

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.	
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
Transformative	The project has all the characteristics of an 'empowering' approach whilst also addressing unequal power relationships and seeking institutional and societal change	

The approach to the biodiversity credit pilot sites in this project takes an active approach to include marginalised voices in conservation, mainly local communities and individuals, with a specific attention to women and youth. Built into the design is the notion to include non-men members of the communities.

To ensure meaningful participation, both sites are implementing the GALS methodology for community consultation that centres the voices, perspectives and experiences of women and other marginalised people in the community and in the region. Including women in the GALS methodology as well as the training on biodiversity monitoring will increase their capabilities and decision making. In Uganda, 173 men 87 women have participated in the 11 training meetings held. In Tondwa 110 men and 43 women participated in 6 training meetings held.

Additionally, the project will track benefit sharing from the biodiversity credits into the community, with special attention on gathering disaggregated gender data on who is receiving the funds. Though the revenue is not yet flowing, the indicators to track revenue are key to the design and implementation of the project. Particularly, Indicator 0.4 will track the proportion of revenue flowing to female landowners, female land managers, female biodiversity custodians, female led local organisations and female headed households.

7. Monitoring and evaluation

Partners are responsible for the M&E associated with the activities that they are undertaking, and then IIED collates all the information. Information is shared amongst partners in the monthly catch-up meetings and through sharing of outputs, and additionally when annual and half year reports are being prepared. All indicators and their means of verification are set out in the project log frame.

8. Lessons learnt

The project implementation in Year 2 mostly proceeded as planned with key activities around supply of biocredits with the beginning of baseline monitoring activities, demand generation with engagements with potential investors and increased project visibility in international fora, and local empowerment with increased GALS methodology rollout for community engagements.

The monthly project team calls which are documented continued throughout the year. This platform has facilitated regular information exchange, updates on log frame implementation progress and sharing of experiences amongst project partners. This has ensured that all project partners are up to date with project developments and international discussions on biodiversity credits and can troubleshoot challenges with peers. This has promoted trust among project partners and improved cohesion within a team that is geographically spread.

With the biodiversity credits market still at a nascent stage without a firm proof of concept, project partners were actively seeking out and connecting with potential buyers and investors of credits. It is key for projects operating during this phase of the market development to be proactive in scoping for investors as the link to buyers is not yet established. In the same vein, it is important for projects to get plugged into international platforms such as the BCA, IAPB and other platforms that are working around demand generation. It is in such fora that useful information is shared and there are opportunities for facilitation to investors.

Another key lesson during the reporting period was on data management. Across both projects, data storage and transfer has been a challenge. The amount of information being collected through monitoring equipment (camera traps and audio moths) is very large, for example Zambia had almost 10 terabytes of data by February 2025. Transferring such large data to the data management providers (Pivotal and Biometrio) has thus been a challenge, especially in areas with weak internet connection.. Such projects need to carefully consider data management in their planning with a realistic view of cloud storage costs and challenges of internet connectivity in rural regions. This also opened up conversations around issues of data sovereignty, and who holds ownership and user rights of the data from such projects. IIED will be co-producing a knowledge product on this topic in Year 3 with other partners.

Lastly, a major lesson in the project during Year 2 has been the amount of time that it takes to complete baseline processes under credible certification schemes before the project can begin to generate credits is about 2 years. This is much longer than anticipated and for a 3-year project, this means that credits are likely to be generated beyond the timeline of the project. To develop a project that is really community-driven, the design and community engagement

processes require adequate time especially as biodiversity credits is a new topic for many involved. The project plans to submit a change request to the funder highlighting this and some minor changes in activities such as Activity 1.3.

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

There were four main comments and queries listed in the previous annual report (reporting on Year 1 of the project) to be addressed in this report. Please see below, with relevant actions that have been taken in response the feedback.

Feedback on Quantifying outputs and outcome targets: *Ensure all Output and Outcome indicators include clear, quantifiable targets. Consider incorporating timebound milestone targets that can support incremental tracking of progress.*

Based on this feedback, and the further changes in standard indicators offered by the Darwin Initiative, indicators were made clearer. Indicators have been made time bound. Targets for standard indicators have been set as outlined in Annex 3.

Feedback on Monitoring and Adapting to Certification Scheme Developments: *Certification is crucial for project success and timely sale of biocredits. Please include details on these developments in future reporting*

Noted

Feedback on Embedding capacity building efforts into strong M&E processes: *Robust M&E processes are essential to ensure training efforts are effective and translate into practical capabilities. Develop and implement M&E processes to monitor and evaluate the quality, relevance, and uptake of training programs. Use this data to make informed adjustments, ensuring efforts are meeting the needs of stakeholders.*

Training programs gathered information on who was participating and being trained. However, introducing a whole M&E process for the training is not within the scope of this project and would require additional budget and resources to design and implement in full.

Feedback on Elaborating on Reporting of Early Indications of Impact: *Collect and report on qualitative and quantitative data demonstrating early signs of impact, such as community feedback and preliminary biodiversity data.*

Information on participation and representation will be shared in this report (removing names for GDPR purposes). Preliminary biodiversity data cannot be shared at this stage given that it requires processing to be shared in a concise manner. In Zambia the following tables summarise the attendance of the GALS training and workshops:

GALS Introduction and rollout attendance summary between the 22 and 28th October 2024											
KATWATWA VAG		BULAYA VAG		MUNWA VAG		KAMPINDA VAG		NSAMA VAG		TOTALS	
MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
24	8	12	10	16	6	26	7	24	5	102	36
32		22		22		33		29		138	

Additionally, 15 GALS champions were selected across the five VAGS, consisting of 8 males and 7 females. Attendees who participated were all IPLC's from Nsama Chiefdom representing the Tabwa people. Our engagement with the communities around Tondwa using the GALS, proved to be a powerful and positive tool for communicating and strengthening community members capacity for mapping out plans, visions & challenges.

10. Risk Management

A risk register was developed and submitted with the Year 1 report and updated during Q4 of Year 2. This has been submitted as part of evidence in Annex 4. There have been no new risks

that have arisen over the last 12 months. Therefore, there have not been any significant adaptations to the project design to address the risk.

10. Scalability and durability

Project partners continued engagement in key international fora such as the BCA, IAPB and biocredits strategy working group which has ensured that the interest in the BIO project shown from several stakeholders is sustained and the project remains visible. Active participation in key platforms such as the CBD COP16 meeting and the *Finance in Common* summit have also opened the project up to new audiences and opportunities for investment and scaleup.

The project is in the process of organizing an *Africa Conference on High Integrity Nature Markets* in September 2025, bringing together various stakeholders in the nature markets space. This platform will be an opportunity to showcase the project and share learnings while seeking opportunities for scaling up the pilots.

Both countries have continued to engage government stakeholders as the project progresses to ensure buy in and keep the project visible with government. In Uganda, EcoTrust's participation in key policy processes such as the NBSAPs and PES framework will ensure that biocredits are reflected in the national biodiversity framework and biodiversity financing architecture, thereby sustaining contributions that the project has made to the development of biocredits in the country.

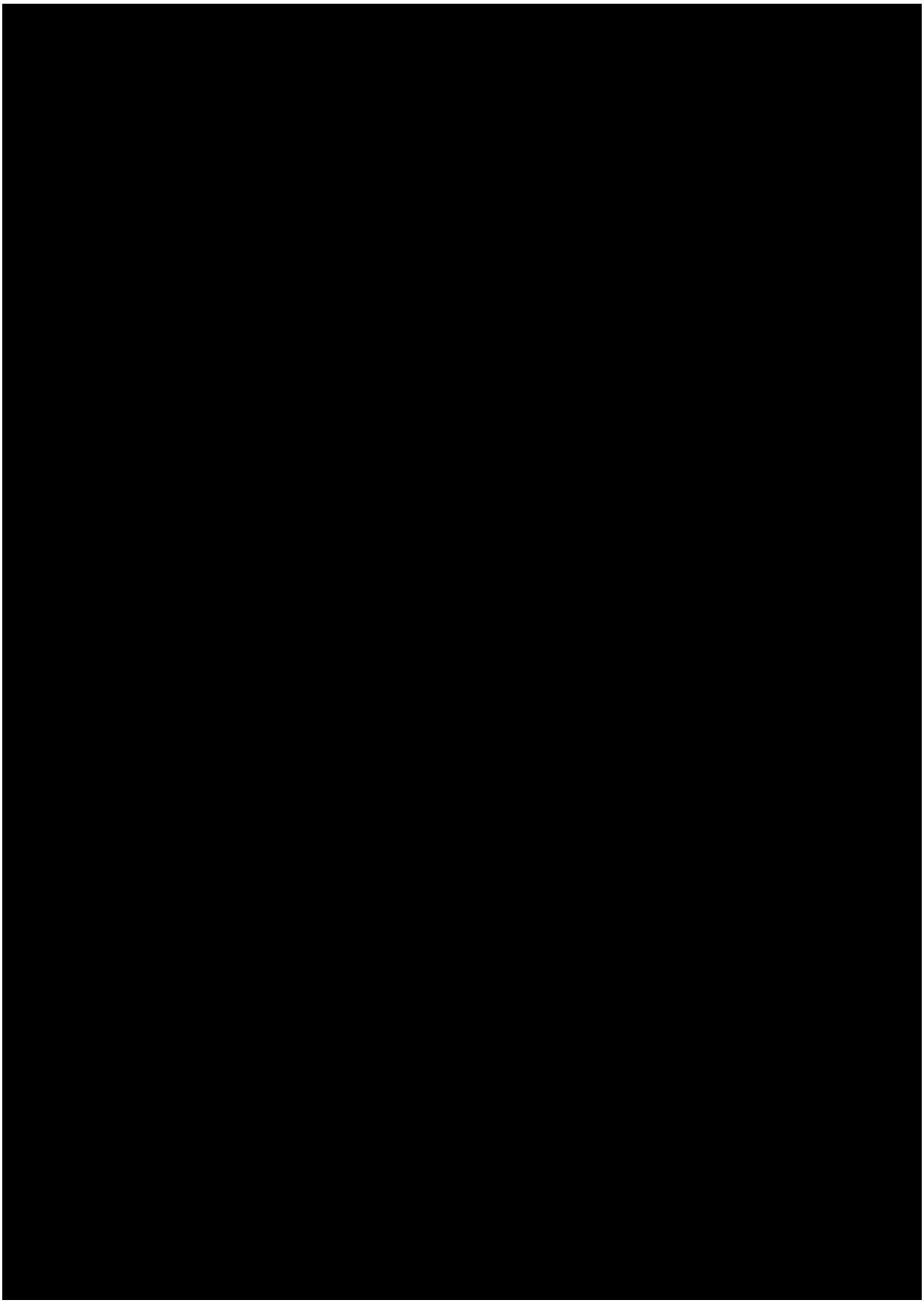
Because biodiversity credits intend to create revenue for the local stakeholders and increase funding to biodiversity conservation in the short and long term, the project is self-sustaining, and the benefits will be ongoing. Providing proof of concept of biodiversity credits to increase financing to nature will also provide benefits outside of this project pertaining to the impact statement.

11. Darwin Initiative identity

The project has been promoted on the IIED website here: https://www.iied.org/biocredit-investment-operations-bio-finance-for-nature-people. The Darwin Initiative is acknowledged as the funder of the project. The logo and reference to the Darwin Initiative has been included in various publications and reports on the project such as the inception meeting report, EcoTrust's Community training manual, Community monitoring plan and biocredits PIN report, and the Zambia GALS training report. The article published by Carbon Pulse on the BIO project in October 2024 also highlighted the Darwin Initiative as the funder. Additionally, 3 videos were produced from the Inception meeting that discuss challenges and opportunities for the biodiversity credit market and the logo was used in the videos.

From the engagements and learnings over the last two years of implementation, the project partners have an increased understanding of how Darwin Initiative works. All communications products produced by the project will include the Darwin logo and acknowledge the funding partnership. However, given that each of the in-country partners are working in a programmatic way, with the BIO pilots supporting a larger organisational program, it is not always appropriate to have a specific focus on Darwin in conversations with stakeholders in-country.

12. Safeguarding



[redacted]

13. Project expenditure

Table 1: Project expenditure during the reporting period (1 April 2024 – 31 March 2025)

Project spend (indicative) since last Annual Report	2024/25 Grant (£)	2024/25 Total Darwin Costs (£)	Variance %	Comments (please explain significant variances)
Staff costs (see below)				
Consultancy costs				
Overhead Costs				
Travel and subsistence				
Operating Costs				
Capital items (see below)				
Others (see below)				
TOTAL				

Table 2: Project mobilised or matched funding during the reporting period (1 April 2024 – 31 March 2025)

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

14. Other comments on progress not covered elsewhere

Nothing else to add

15. 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

Two areas that deserve mention regarding outstanding achievements relate to biodiversity and secondly our social engagement processes. The images captured from camera traps in Tondwa GMA show an encouraging diversity of species. Tondwa is a largely inaccessible area, and these images have been crucial in gaining a better understanding of the biodiversity richness and distribution. Species such as the Lichtenstein's Hartebeest, that have not been sighted in the GMA for several years have started returning and confirmed by camera trap images. The images have also given valuable information on presence and location of shy and nocturnal species such as the honey badger, porcupine and African serval as examples. Some highlight footage from the camera traps is attached in Annex 4.

The second area of achievement has been the introduction of the GALS methodology as a tool for community engagement and planning. This has been a very new approach and the positive response on its effectiveness has been greatly encouraging. Community members have praised the value of GALS as a tool to visualise their plans for the community, mapping resources and identifying and discussing challenges. They have specifically mentioned how they have never previously had the tools to be able to visualise a long-term plan for their village and broader community and are now able to map specific milestones and activities. This will allow for a strongly cohesive approach going forward, in managing the biodiversity within the landscape. The process has been intentional in facilitating gender inclusion and this has resulted in women within the community having a much stronger presence and voice in planning around issues of natural resource use and other environmental and social issues. Some feedback from participants includes "*We had never really planned out our future, now we can see the vision ahead". "This will really help my Village Action Group in proper planning and teamwork."*
"When you look at your present situation, you may think that you cannot achieve your dream. The biggest barrier is yourself. But this can be your biggest strength as well."
Another participant when working with a resource mapping exercise, commented "*We didn't know some of these resources exist. We can now identify them as a way of sustaining them. We are rich in resources. It was only our attitude that made us feel dependant. I am going to work hard at changing my community's mindset to look at things positively*".
A last comment from a community member: *"This process is so simple, but so deep!"*

The Zambia GALS training report is attached in Annex 4.

Annex 1: Report of progress and achievements against logframe for Financial Year 2024-2025

Project summary	Progress and Achievements April 2024 - March 2025	Actions required/planned for next period
Impact Biocredit schemes increase the finance reaching Indigenous People and Local Communities and relevant land managers for commitments under the CBD and the SDGs, ultimately improving livelihoods and increasing biodiversity globally.		
Outcome Biocredit schemes increasing finance for biodiversity conservation of Pan troglodytes and Panthera Leo and livelihood improvements in Northern Albertine Rift (Uganda) and Tondwa Game Management Area (Zambia), which generates evidence to scale up biocredits in other countries.		
Outcome indicator 0.1: Stabilised/improved species population (relative abundance/distribution) of Pan troglodytes (Eastern Chimpanzees) and Panthera Leo prey in pilot areas of Northern Albertine Rift (Uganda) and Tondwa Game Management Area (Zambia) respectively at the end of the project period **[D1-D04]**	Expected in Year 3	All data processing and analysis completed, making use of machine learning tools for the audio and imagery files, following which the Biodiversity Intactness measure is calculated for the pilot site in comparison to the reference site. This is then completed again in Year 3 Site characteristics are calculated from global datasets, including the IUCN STAR Metric scores, protected area status, and whether it is a Key Biodiversity Area.
Outcome indicator 0.2: Value of funds generated from sale of biocredits as a result of project by year 3	Expected in Year 3	Ensure that financial architecture and standards are set up so that a minimum of 66% of revenue flows to the local level
Outcome indicator 0.3: Proportion of revenue distributed to local land managers, biodiversity custodians, local organisations and households to fund gender responsive inclusive biodiversity management by Year 3	Expected in Year 3	Ensure that financial architecture and standards are set up so that a minimum of 66% of revenue flows to the local level

Outcome indicator 0.4: Proportion of revenue distributed to local land managers, biodiversity custodians, local organisations and households to fund gender responsive inclusive biodiversity management by Year 3	Expected in Year 3	Ensure that financial architecture and standards are set up so that a minimum of 66% of revenue flows to the local level
Outcome indicator 0.5: Instances of additional potential buyers and sellers (NGOs) contacting project teams requesting development of biocredits in other locations in Uganda and Zambia, and other countries and regions by the end of Year 3	Expected in Year 3	Engagement in international discussion with regulation and standard developers (Biodiversity Credit Alliance, WEF, UNDP, etc)
Outcome Indicator 0.6: Number of households reporting an adoption of livelihood improvement practices as a result of project activities by the end of the project period. **[D1-B10]**	Expected in Year 3	N/A
Output 1 International demand established for biocredits in Uganda and Zambia and biocredits from the pilot sites sold.		
Output indicator 1.1 Hectares of biocredits (habitat) sold from pilot sites at both sites by Year 2, and by Year 3. **[core D1-D01]**	Expected sales in Year 3	All activities in the upcoming year will lead to this output.
Output indicator 1.2 Hectares of biocredits from pilot sites identified that are eligible for global auction in Year 3.	10,000ha in Uganda and 44,000 ha in Zambia ear marked for the project, followed by an additional 300,000 certificates as the market develops	See above
Output 2. A supply of biocredits supporting gender responsive biodiversity conservation established in pilot sites in Northern Albertine Rift (Uganda) and the Tondwa Game Management Area (Zambia)		
Output indicator 2.1. Number of units of biocredits issued to the project to protect and improve biodiversity (quantity, value, composition) for the area identified by EcoTrust and Conserve in Year 1.	10,000ha in Uganda and 40,000 ha in Zambia ear marked for the project (1 ha per credit)	Certifier and regulator agreed upon amongst project partners and pilots are enrolled in the certification and regulation schemes (particularly the Zambia project)
Output indicator 2.2. Number of biodiversity conservation and restoration NGOs (including those working in carbon credits) with improved capability and capacity to implement biocredits as a result of this project by Year 3. [core D1-A03]	5 NGOs have improved their capability as a direct result of this project. (EcoTrust Uganda, Value Nature, Conserve Global, Tondwa Conservation Limited, and IIED)	Even though the target has been hit, this project will continue to increase the capability of the named organisations as well as expand to other organisations.
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.		

Output indicator 3.1 Biocredit methodology in accordance with IAPB and High Level Principles (including governance structures) and Digital Standards for biocredit schemes as being developed by the Biodiversity Credit Alliance (BCA) by the end of Year 2	This is ongoing	Zambia team and IIED will continue to stay up to date with the global principles (and in some cases feed into them) and digital standards and reflect their learnings in this project
Output indicator 3.2 One independent third-party validation and verification body per country identified to ensure biocredit schemes are complying with Biodiversity Credit Alliance (BCA) global standards by Year 2.	This has been partially completed. The Uganda credits will be certified by Plan Vivo while discussions are ongoing on which certifier will be used in Zambia.	Project partners will continue to work with certifiers to ensure that their project plans are in line to be eligible with certification requirements.
Output indicator 3.3 Degree to which the financial architecture is intersectionally gender responsive and inclusive by Year 3 (Gender neutral, Gender aware, or Gender transformative).	The financial architecture is still being established.	This project partner will continue to work to influence the set up the financial architecture. Additionally, the project will undertake continuous and re-iterative community consultation workshops that are gender transformative.
Output 4. Local level decision making on biodiversity conservation empowers and engages female and male Indigenous Peoples' and Local Communities		
Output indicator 4.1 Number of Indigenous people and local community members, in the project areas, with increased participation in local decision making processes and local management organisations, including employees of relevant organisations as well as community members by Year 3 **[core D1-B05]**	Expected in Year 3	N/A
Output indicator 4.2 Number of Indigenous people and local community members reporting that they are applying new capabilities in pertaining to biodiversity monitoring for biocredits 6 or more months after training **[core D1-A04].**	A total of 25 community biodiversity monitors, out of a target of 50, have been trained and are participating in the monitoring of their sites. These are applying their newly attained skills during the biocredits project biodiversity monitoring	Tondwa Conservation Ltd to host workshops to train local communities in Zambia to manage and use biodiversity monitoring equipment.
Output 5. Lessons learned shared with international conservation and biodiversity finance community at the international level to replicate biocredits in other locations and countries based on the experience learned from the BIO project.		
Output indicator 5.1 Number webinar attendees (globally) at annual dialogues by Year 3. **[D1-C13]**	Expected in Year 3	IIED to host webinar and *Africa Conference on High Integrity Nature Markets*

Output indicator 5.2 Number of case studies on biodiversity credit pilot sites published by the end of Year 3. **[D1-C10]**	Expected in Year 3	Publish publicly available material on biodiversity credits from each of the sites
Output indicator 5.3 Number of best practice guides and knowledge products on biodiversity credits published and endorsed published by the end of Year 3. **[core D1-C01].**	Expected in Year 3	Publish '*How to Guide for Community Led Biodiversity Credits'* and *'Locally led biodiversity monitoring and data sovereignty'*
Output indicator 5.4 Number of other publications/videos produced on biodiversity credits published by the end of Year 3**. [D1-C19]**	This has been initiated and full delivery is expected in Year 3	Produce publicity and lessons learnt videos

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
Impact: Biocredit schemes increase the finance reaching Indigenous People and Local Communities and relevant land managers for commitments under the CBD and the SDGs, ultimately improving livelihoods and increasing biodiversity globally.			
Outcome: Biocredit schemes increasing finance for biodiversity conservation of Pan troglodytes and Panthera Leo and livelihood improvements in Northern Albertine Rift (Uganda) and Tondwa Game Management Area (Zambia), which generates evidence to scale up biocredits in other countries.	0.1 Stabilised/improved species population (relative abundance/distribution) of Pan troglodytes (Eastern Chimpanzees) and Panthera Leo prey in pilot areas of Northern Albertine Rift (Uganda) and Tondwa Game Management Area (Zambia) respectively at the end of the project period. 0.2 Value of funds generated from sale of biocredits as a result of project (Monetary value of target to be set in Year 1, total value to be calculated at the end of the project period). 0.3 Proportion of revenue distributed to local land managers, biodiversity custodians, local organisations and households to fund gender responsive inclusive biodiversity management by Year 3 (Target: Minimum 66% of total revenue). 0.4 Proportion of revenue flowing towards female land managers, female biodiversity custodians, female led local organisations and female headed households (Target 20% of total revenue by Year 3)	0.1 Data from camera traps and bioacoustic sensors, and remote sensing data , Transects, Farmer diaries), including from existing monitoring programmes, including relative biomass and relative abundance data, in Year 2 and again in Year 3. 0.2 Benefit sharing agreements and records of payouts 0.3 Benefit sharing agreements and records of payouts 0.4 Benefit sharing agreements and records of payouts	Provincial and national governments are committed to poverty reduction and conservation objectives There is minimal political interference in all interventions.

	0.5 Instances of additional potential buyers and sellers (NGOs) contacting project teams requesting development of biocredits in other locations in Uganda and Zambia, and other countries and regions by the end of Year 3. 0.6 Number of households reporting an adoption of livelihood improvement practices as a result of project activities by the end of the project period. **[DI-B04]**	0.5 Written expressions of interest, meeting/workshop notes 0.6 Household data from GALS methodology workshops	
Output 1 1. International demand established for biocredits in Uganda and Zambia and biocredits from the pilot sites sold.	1.1 Hectares of biocredits (habitat) sold from pilot sites at both sites by Year 2, and by Year 3. **[DI-D01]** 1.2 Hectares of biocredits from pilot sites identified that are eligible for global auction in Year 3	1.1 Receipts from biocredit transactions from both pilot sites. 1.2 Prospectus of global auctioneers	Enough potential buyers of biocredits can be identified to match the value of biocredits being sold Global economic situation allows private sector to remain engaged in biocredit purchases Global auction of biocredits under discussion is confirmed and occurs during project period.
Output 2 2. A supply of biocredits supporting gender responsive biodiversity conservation established in pilot sites in Northern Albertine Rift (Uganda) and the Tondwa Game Management Area (Zambia)	2.1 Number of units of biocredits issued to the project to protect and improve biodiversity (quantity, value, composition) for the area identified by EcoTrust and Conserve in Year 1. 2.2 Number of biodiversity conservation and restoration NGOs (including those working in carbon credits) with improved capability and capacity to implement biocredits as a result of this project by Year 3. **[DI-A03]**	2.1 Project documents and management plans, training/meeting attendance records, seller registration logs, site maps and GIS data. 2.2 Meeting notes, activity plans (with names of organisations and specific activities)	Political and economic stability in Uganda and Zambia remains sufficient to allow supply of biocredits from rural landowners
Output 3 3. Regulatory and monitoring architecture supports at least two thirds	3.1 Biocredit methodology in accordance with IAPB and High Level Principles (including governance	3.1 Documents relating to certification and verification	International and national regulators and certifiers have capacity to review biocredit schemes

of funds reaching female and male local land managers, biodiversity custodians, local organisations and households.	structures) and Digital Standards for biocredit schemes as being developed by the Biodiversity Credit Alliance (BCA) by the end of Year 2. 3.2 One independent third-party validation and verification body per country identified to ensure biocredit schemes are complying with Biodiversity Credit Alliance (BCA) global standards by Year 2. 3.3 Degree to which the financial architecture is intersectional gender responsive and inclusive by Year 3 (Gender neutral, Gender aware, or Gender transformative).	3.2 Verifier selected and projects are enrolled. 3.3 Documentation relating to financial architecture	
Output 4 4. Local level decision making on biodiversity conservation empowers and engages female and male Indigenous Peoples' and Local Communities	4.1 Number of Indigenous people and local community members, in the project areas, with increased participation in local decision-making processes and local management organisations, including employees of relevant organisations as well as community members (disaggregated by gender, country, indigeneity age) **[DI-B05]** 4.2 Number of Indigenous people and local community members reporting that they are applying new capabilities in pertaining to biodiversity monitoring for biocredits 6 or more months after training (disaggregated by gender, country, indigeneity, age) **[DI-A04]**	4.1 GALS meeting attendance 4.2 Activity log for biodiversity monitoring, including information in regards to the application of new skills.	Indigenous Peoples' and Local Communities remain sufficiently engaged in biocredit schemes
Output 5 5. Lessons learned shared with international conservation and biodiversity finance community at the	5.1 Number webinar attendees (globally) at annual dialogues (Disaggregated by country, gender,	5.1 Dialogue attendance records, including participants list, photographs and zoom meeting screen grabs where appropriate.	Useful lessons emerge from Uganda and Zambia that are of interest to the wider conservation finance community.

international level to replicate biocredits in other locations and countries based on the experience learned from the BIO project.	indigeneity, age, year) by Year 3. **[DI-C07]** 5.2 Number of case studies on biodiversity credit pilot sites published by the end of Year 3. 5.3 Number of best practice guides and knowledge products on biodiversity credits published and endorsed (Disaggregated by knowledge, practice area) published by the end of Year 3. **[DI-C01]** 5.4 Number of other publications/videos produced on biodiversity credits published by the end of Year 3.	5.2 IIED publications library 5.3 IIED publications library 5.4 IIED publications library	

Activities (each activity is numbered according to the output that it will contribute towards, for example 1.1, 1.2 and 1.3 are contributing to Output 1)

Activities for Output 1: International demand established for biocredits in Uganda and Zambia and buyers connected with pilot programs

1.1 Publicity material provided on potential biocredits available from pilot sites – IIED and partners
1.2 Market survey conducted to identify biocredit buyers – IIED
1.3 Biocredits submitted and sold through global auction, directly or via other sales platforms - ValueNature

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

2.1 Project site biophysical assessment completed through a combination of satellite imagery and desk review, with relevant ground truthing where need to identify reference sites and relevant habitats for biodiversity scoring – EcoTrust, Tondwa Conservation Limited and ValueNature
2.2 Project design completed for each site to determine number and location of biosensors (camera traps and bioacoustic recorders) for deployment in each habitat and relevant reference sites - EcoTrust, Tondwa Conservation Limited and ValueNature
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. - EcoTrust, Tondwa Conservation Limited and ValueNature
2.4 All data processing and analysis completed, making use of machine learning tools for the audio and imagery files, following which the Ecosystem Integrity Indicator / Index is calculated for the pilot site in comparison to the reference site. This is then completed again in Year 3. - EcoTrust, Tondwa Conservation Limited and ValueNature
2.5 Site characteristics are calculated from global datasets, including the IUCN STAR Metric scores, protected area status, and whether it is a Key Biodiversity Area. - ValueNature

Activities for Output 3: Regulatory and monitoring architecture supports connecting two thirds of funds reaching 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) - ValueNature and IIED
3.2 Certifier and regulator agreed upon amongst project partners and pilots are enrolled in the certification and regulation schemes. - EcoTrust and Tondwa Conservation Limited

Activities for Output 4: Local level decision making empowers and engages Indigenous Peoples' and Local Communities

4.1 Community Visioning conducted using internationally recognised gender responsive methodology (eg Gender Action Learning System (GALS)) - EcoTrust and Tondwa Conservation Limited
4.2 Site Action Planning meetings to develop management plans for specific land patches in the Northern Albertine Rift and Tondwa GMA – EcoTrust and Tondwa Conservation Limited (TCL).
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 – EcoTrust and TCL

Activities for Output 5: Lessons learned shared with international conservation and biodiversity finance community at the international level to replicate biocredits in other locations and countries based on the experience learned from the BIO project.

5.1 Inception meeting in Uganda with all partners to strengthen partnerships and network for future sharing of lessons – All partners
5.2 Development of a communications strategy for the project to engage with global public and private experts and practitioners in conservation community and nature finance community – IIED
5.3 How to Guide published - IIED
5.4 Videos produced and shown at selected webinars to both conservation and nature finance audiences - IIED

Annex 3: Standard Indicators

Table 1 Project Standard Indicators

Please see the Standard Indicator guidance for more information on how to report in this section, including appropriate disaggregation.

DI Indicator number	Name of indicator	If this links directly to a project indicator(s), please note the indicator number here	Units	Disaggregation	Year 1 Total	Year 2 Total	Year 3 Total	Total to date	Total planned during the project
DI-B04	Number of new or improved sustainable livelihoods/ poverty reduction management plans available and endorsed	0.6	Number of plans	Country; Type (new, improved)	Uganda: 0 Zambia: 0	Uganda: 10 Zambia: 0	Uganda: 4 Zambia: 1	Uganda: 10 Zambia: 0	**Uganda**: 14 business plans Zambia: 1
DI-D01	Area of land or sea under ecological management	1.1	Number of hectares	Country; Biome; Management type	Uganda: 954 (CLAs) Zambia: 44,000	Uganda: 1228 (Linkage 2) Zambia: 44,000	Uganda: 7818 (CFMs, PFOAs, CWAs) Zambia: 44,000	Uganda: 2182 Zambia: 44,000	**Uganda**: 10,000 hectares **Zambia**: 44,000 hectares ear marked to be sold
DI-A03	Number of local or national organisations with enhanced capability and capacity	2.2	Number of organisations	Country; Organisation Type (public, private, other)	0	5		5	5
DI-B05	Number of people with increased participation in governance	4.1	Number of people	Country; Gender (men, women, other); IPLC10 status (IPLC, other); Governance structure (New; Existing)	Uganda: 600 (10CLAs: 40% women) Zambia:0	Uganda: 80 (2PFOAs, 40% women) Zambia: 227 (26% women)	Uganda: 160 (CFMs, CWAs) Zambia: 150	Uganda: 680 (40% Women) Zambia: 227	**Uganda**: Target yet to be set, estimating 100 people **Zambia**: 350 people in total from CRBs, VAGs, DNPW, and community members (with the goal to reach 50% women)

DI Indicator number	Name of indicator	If this links directly to a project indicator(s), please note the indicator number here	Units	Disaggregation	Year 1 Total	Year 2 Total	Year 3 Total	Total to date	Total planned during the project
DI-A04	Number of people reporting that they are applying new capabilities (skills and knowledge) 6 (or more) months after training.	4.2	Number of people	Country; Gender (men, women, other); IPLC7 status (IPLC, other)	0 Zambia: 0	Uganda: 110 (50% of the 220 trained Zambia: 0	Uganda: (154) 70% of the 220 trained Zambia: 31	Uganda: 110 (from 11 groups) Zambia: 0	**Uganda**: Target yet to be set, estimated 20 people **Zambia**: 20 trained champions
DI-C07	Number of webinar attendees.	5.1	Number	Country; Gender (men, women, other)					250
DI-C01	Number of best practice guides and knowledge products published and endorsed	5.3	Number	Country, Language	Uganda: 2 (CBM Manual, Photobook)	Uganda: 0	Uganda: 1 (Community Bird guide book)	Uganda: 2	Uganda: 3

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)
African pilots plan to generate biodiversity credits across 300,000 ha*	Blog	Cox Thomas, 2024	Male	British	Carbon Pulse	https://carbon-pulse.com/329734/

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)

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, scheme, type of report (i.e. Annual or Final), and year) and **deleted the blue guidance text** before submission?	Yes
Is the report less than 10MB? If so, please email to BCF-Reports@niras.com putting the project number in the Subject line.	Yes
Is your report more than 10MB? If so, please consider the best way to submit. One zipped file, or a download option, is recommended. We can work with most online options and will be in touch if we have a problem accessing material. If unsure, please discuss with BCF-Reports@niras.com about the best way to deliver the report, putting the project number in the Subject line.	No
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.	Yes
Have you provided an updated risk register? If you have an existing risk register you should provide an updated version alongside your report. If your project was funded prior to this being a requirement, you are encouraged to develop a risk register.	Yes
If you are submitting photos for publicity purposes, do these meet the outlined requirements (see Section 16)?	N/A
Have you involved your partners in preparation of the report and named the main contributors	Yes
Have you completed the Project Expenditure table fully?	
Do not include claim forms or other communications with this report.	