



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

### **Half Year Report**

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

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

**Submission Deadline: 31<sup>st</sup> October 2025**

**Please note all projects that were active before 1<sup>st</sup> October 2025 are required to complete a Half Year Report.**

Submit to: [BCF-Reports@niras.com](mailto:BCF-Reports@niras.com) including your project ref in the subject line.

<b>Project reference</b>	30-007
<b>Project title</b>	Biocredits Investment Operations (BIO)
<b>Country(ies)/territory(ies)</b>	Uganda and Zambia
<b>Lead Organisation</b>	The International Institute for Environment and Development
<b>Partner(s)</b>	Conserve Global, Tonda Conservation Limited, Credit Nature (previously Value Nature), Ecotrust Uganda
<b>Project Leader</b>	Paul Steele
<b>Report date and number (e.g. HYR1)</b>	October 2025, HYR3
<b>Project website/blog/social media</b>	<a href="#">Darwin Biocredits Investment Operations</a> <a href="#">IIED Project Page</a>

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

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

Please note that a change request form is submitted along this report to adapt the project in light of challenges outlined in question 2, however, this report reports against the existing logframe and activities.

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

### 1.3 Biocredits submitted and sold through global auction and other sales platforms. - Ongoing

The foundational work needed to design and implement the biodiversity credit has been taking place, including the community consultation and visioning, standard selection, and the design of biodiversity monitoring plan in both countries. However, the biodiversity monitoring required more time than anticipated to reach the standard requirements and therefore is still taking place. Additionally, there have been delays in the development of the market, including the fact that there has been no auction. More information on these delays is outlined in section 2 of this report.

In Uganda, EcoTrust [REDACTED] Removal to support future marketing and has applied to the BIRA Accelerator, which connects projects with potential buyers. The EcoTrust team has also secured four-year funding from IUCN Netherlands through the Nature's Heartbeat Programme that will compliment this project by supporting biomonitoring and strengthening governance and community business models to prepare for credit generation and eventual sales.

Both project teams are working together, with a Credit Nature led initiative called the African Buyers Club, at which Ecotrust is pitching their projects in Nov 2025.

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

#### 3.1 Engagement in international discussions with regulation and standard developers – Ongoing

Engagement remains ongoing, primarily through the Biodiversity Credit Alliance and International Advisory Panel on Biodiversity Credits. Insights from the projects are brought to these working groups to provide on the ground context, and vice versa, learnings from the global level on integrated into the projects, for example, making sure the projects appeal to the current state of demand side priorities to ensure sales of the project credits.

The project team has participated in multiple forums, including Africa Climate Week, London Climate Action Week and the IUCN Congress, sharing lessons on stacked carbon and biodiversity crediting. Pauline (EcoTrust) continues to serve on the IPBES panel and presented on biocredits in several webinars and international platforms. At the national policy level, the government of Uganda launched national carbon guidelines earlier in the year, and Ecotrust has been aligning project specifications to these requirements, given the project's stacked nature. Discussions around data sovereignty and compliance with the Data Protection Act also continue to shape implementation approaches and a specific knowledge product will be developed to cover lessons and recommendations drawn from the project.

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

#### 4.1 Community Visioning conducted using internationally recognised gender responsive methodology – Implemented

In Zambia, this output has been actively implemented. The GALS training for 15

champions was completed earlier in the year, followed by a large women's empowerment workshop in September involving 60 women from Village Action Groups, including an inclusive community visioning and participatory planning scoping exercise, enabling local stakeholders to co-design solutions that align conservation priorities with climate-smart agricultural practices. Using GALS tools such as empowerment mapping, gender balance trees, and vision journeys, the sessions built local capacity in leadership, gender equality, and community governance in preparation for CRB elections.

In Uganda, this output has been **successfully implemented and continues to expand**. Community-based monitoring has grown from 5 to 11 sites, with active participation from local groups trained in both traditional transects and automated monitoring methods. The approach integrates gender-responsive participation, with strong representation from youths, women's groups and local associations. Communities have been actively engaged in reviewing and interpreting their monitoring data, building ownership and understanding of biodiversity results. Ongoing training has enhanced community competence and reduced turnover, supporting long-term sustainability and local leadership in biodiversity stewardship.

**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.**

*5.4 Videos produced and shown at selected webinars to both conservation and nature finance audiences*

Planning and filming of the videos began earlier than planned in the second year of the project. This year, the production company Here and Now went to both project sites to film in collaboration with in-country teams. The filming went as planned and the footage is now being edited to produce 6 videos targeted at the private sector and conservation communities.

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

**Biocredits not deliverable in three years**

Due to two main reasons, certified biodiversity credits will not be able to be brought to market and sold within the project period as intended.

- (1) High integrity biodiversity demand has not developed as quickly as anticipated. This is in part due to large shocks in the ESG and CSR environment, delays in standard

development and other market frameworks to ensure high integrity that are out of the control of this project as well as gaps in use cases of biodiversity credits. The auction for biodiversity credits also did not take place.

(2) Biodiversity baseline information required for certification is more extensive than originally planned and requires more time to generate. This is because biodiversity data is required across different seasons and therefore requires 1-2 years of monitoring that is in line with the standard to be generated. Additionally, because these projects are pilots and feeding into the early market learnings, the standards are developing alongside the pilots, and this has led to an increased number of iterations of project development plans (PDPs) and project information notes (PINs) between the developers and the standards.

Additionally, there is a challenge with respect to the pilot in Zambia. A very credible third-party investor with a reputable existing portfolio of conservation projects across Africa has indicated serious intention in buying out the current lease for the land on which the biodiversity credit pilot is taking place. This has prompted Conserve Global to make the decision to exit from the landscape. This transition, which will be concluded by early 2026, is currently being negotiated to ensure continuity for ongoing initiatives, including the Darwin BIO Project. Conserve Global is working closely with partners to manage a smooth handover of staff, assets, and responsibilities, so that the development of the biocredit project remains on track. Our joint priority as a project team is to avoid any disruption to community engagement, monitoring, and conservation outcomes, ensuring that donor-supported work continues to deliver impact and that all commitments are upheld during this period of change.

There have also been various lessons learned in this reporting period as well as throughout the duration of the project:

- Ensuring data management and data rights are clear from the outset of the project is crucial for ensuring smooth data handling and storage. Engaging the community in the biodiversity monitoring reduces the risk of cameras and other equipment being poached and increases community ownership in the project. Youth are particularly interested in the biodiversity monitoring due to the use of new technologies.
- The balance between the value add that technology can provide and its cost needs to be carefully considered, as the biodiversity monitoring equipment required to meet the standard requirements of biodiversity monitoring can be extremely costly.
- Biodiversity credits require high investment in the early stages of the project to bring the credits to market, and since this is well before the credits have been sold, there are challenges on funding sequencing. The Darwin funding has helped mitigate the challenges around this, however, it is worth noting that at least for the initial projects, investment from grant funding or other sources will be required to set up biodiversity credits.
- Projects must remain adaptable to be able to bridge local priorities and local knowledge to internationally understood concepts, demand trends and emerging standard requirements.
- Ensure clear tenure of the land as well as its resources is key to establishing effective and appropriate benefit sharing mechanisms and ensuring that the projects are maintained for the duration of the biodiversity credit and beyond.
- In some cases, there can be a tension between the duration of the tenure or leasehold of land and resources and the timing of the credits, for example, if a project is being designed on an area with lease holders that have the lease for 3 more years, and the biodiversity credit methodology has a 20 year timeline, this needs to be considered and changes in the leaseholder need to be planned for and considered in risk mitigation and safeguarding of the project. A plan for what happens after the biodiversity credit is retired also needs to be considered to sustain lasting impacts.
- An increase in management efforts, biodiversity monitoring and community engagement can bring up the value of an area, increasing demand for the leasehold

and land use which needs to be considered in the risk mitigation and safeguarding of a project.

- Increasing biodiversity levels can increase the instances of human wildlife conflict and increase the fear of human wildlife conflict within the communities. Again, this needs to be considered in the budget and safeguarding of the projects. For example, the Uganda team is building a resilience fund to provide compensation and resources to those experiencing an increase in human wildlife conflict, including the appropriate governance of the fund.

Please note that a change request form is submitted along this report to adapt the project in light of these challenges.

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

Discussed with NIRAS:	No
Formal Change Request submitted:	Yes
Received confirmation of change acceptance:	No
Change Request reference if known: N/A	

**Guidance for Section 4:** The information you provide in this section will be used by Defra to review the financial status of projects. This review will identify projects at random for spot checks on financial management and will include requests for evidence of the actual spend information provided below. Please ensure the figures you provide are as accurate as possible and that you have the evidence to support it. You do not need to provide it now.

**4a. Please confirm your actual spend in this financial year to date (i.e. from 1 April 2025 – 30 September 2025)**

Actual spend: £ XXXXXXXXXX

**4b. Do you currently expect to have any significant (e.g. more than £5,000) underspend in your budget for this financial year (ending 31 March 2026)?**

No  Estimated underspend: £ XXXXXXXXXX

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

**If you anticipate a significant underspend because of justifiable changes within the project, please submit a re-budget Change Request as soon as possible, and not later than 31<sup>st</sup> December. There is no guarantee that Defra will agree a re-budget so please ensure you have enough time to make appropriate changes to your project if necessary. Please DO NOT send these in the same email as your report.**

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

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

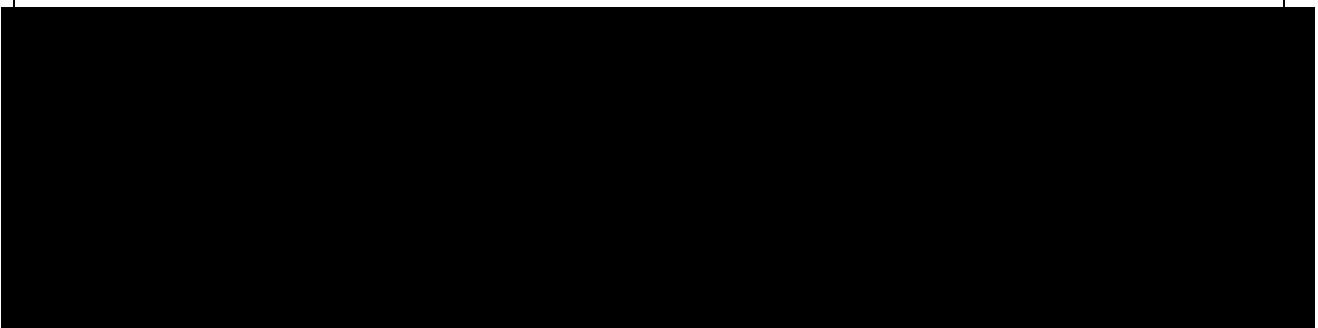
Suspicions or allegations related to fraud and error concerns should be reported to [fraudanderror@Defra.gov.uk](mailto:fraudanderror@Defra.gov.uk)

None

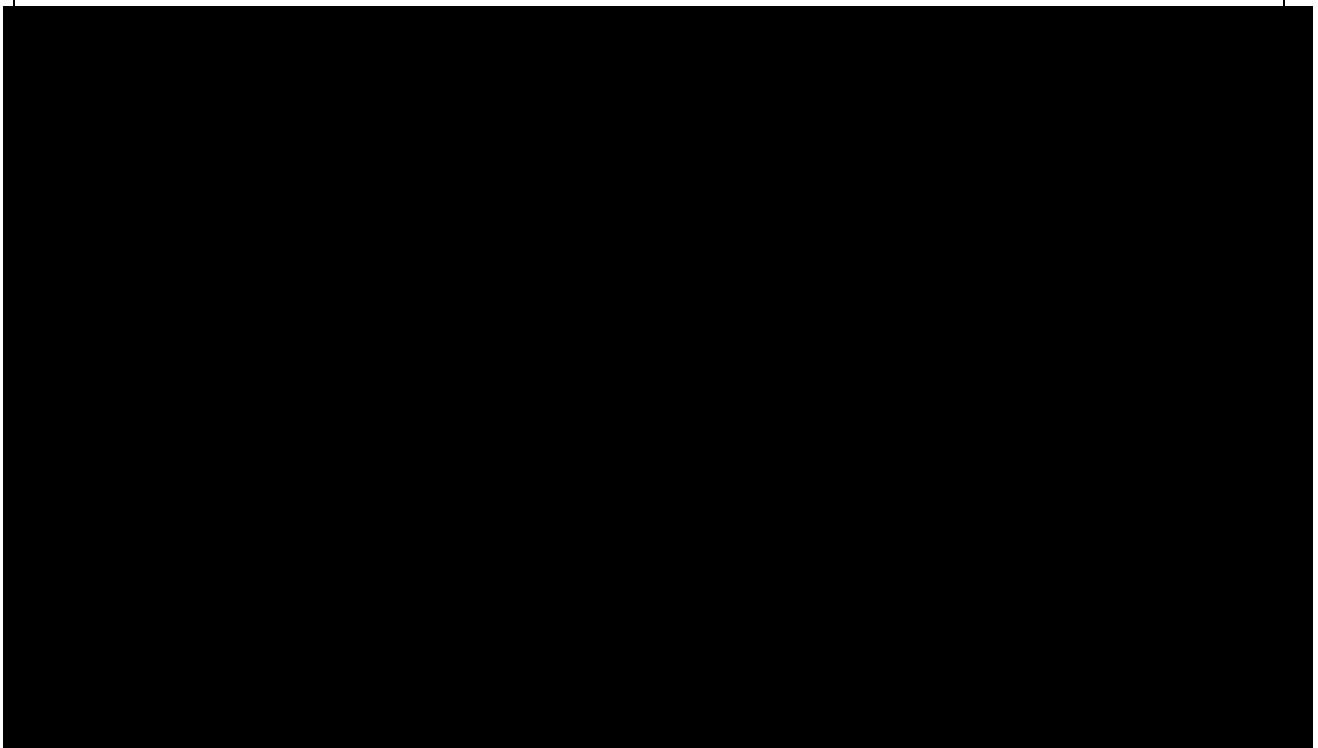
**6. Project risk management**

**6a. If your project has an Overseas Security and Justice assessment, please provide an update on any related risks, and any special conditions in your award paperwork if relevant for your project.**

N/A



**7. Please use this section to respond to any feedback provided when your project was confirmed, or from your most recent Annual Report. As a reminder, all projects that were scored as 'Not Yet Sensitive' in the Gender Equality and Social Inclusion (GESI) assessment of their latest Annual Report should demonstrate how they are meeting the minimum GESI-Sensitive standard.**



## Checklist for submission

Have you responded to <b>feedback from your latest Annual Report Review</b> ? You should respond in section 6, and annex other requested materials as appropriate.	
Have you reported against the most <b>up to date information for your project</b> ?	
Have you <b>clearly highlighted any confidential information</b> within the report that you do not wish to be shared on our website?	
Include your <b>project reference</b> in the subject line of submission email.	
Submit to <a href="mailto:BCF-Reports@niras.com"><b>BCF-Reports@niras.com</b></a>	
Please ensure claim forms and other communications for your project are not included with this report.	