

Blue Planet Fund

A rapid review

November 2023

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Contents

.....	
Executive Summary	i
.....	
1. Introduction	1
.....	
2. Methodology	3
.....	
3. Background	4
.....	
4. Findings	7
.....	
5. Conclusions and recommendations	24
.....	
Annex 1: Blue Planet Fund's portfolio of projects	27
.....	
Annex 2: Fund investment criteria, weighting and scoring	31
.....	
Annex 3: Indicative Blue Planet Fund key performance indicators	33
.....	

Executive summary

Launched in June 2021, the £500 million Blue Planet Fund is the UK government's main vehicle for official development assistance (ODA) to help developing countries protect their marine ecosystems and reduce poverty through the sustainable management of the ocean and its resources. The Fund forms part of the UK government's broader commitment to provide £11.6 billion in international climate finance (ICF) to support developing countries' efforts to address climate change, of which at least £3 billion will be invested in efforts to protect nature.

The Blue Planet Fund is jointly managed by the Department for Environment, Food and Rural Affairs (Defra) and the Foreign, Commonwealth and Development Office (FCDO), with Defra the strategic lead and delivering the largest portion of the Fund. Investments are made in four thematic areas: marine biodiversity, climate change, marine pollution, and sustainable seafood. Defra started the five-year delivery of its £310 million majority share of the Fund in 2021, while FCDO only began delivering its £190 million share in 2023. The two departments had, as of November 2023, allocated more than 90% of the Fund to programmes.

This review assesses the Fund's relevance to the needs of developing countries; how well Defra and FCDO coordinate the Fund's delivery; and whether it has the governance arrangements, systems and procedures in place to allocate its funds to help developing countries protect the marine environment and reduce poverty.

Findings

Relevance: How relevant is the Blue Planet Fund to developing country needs as part of meeting the UK's international climate finance objectives?

The Blue Planet Fund represents a significant increase in the UK's contribution to tackling key marine issues and supporting the globally underfunded UN Sustainable Development Goal 14 "to conserve and sustainably use the oceans, seas and marine resources for sustainable development". The majority of the Fund's spending is counted as ICF and falls under the *International climate finance strategy* pillar 'nature for climate and people'. For programme spending that is counted as ICF, the Blue Planet Fund is required to collect and report results against at least one of the ICF key performance indicators (KPIs). The Fund's own KPIs remain in draft form, with three of its draft indicators mapping to five ICF indicators.

The Blue Planet Fund is centrally managed, and its design suffered from a lack of adequate consultation on country and regional needs, both in assembling its list of priority countries and in how funding is apportioned across those countries. Some of Defra's allocations were to programmes that were already established or in the pipeline and were re-assigned to the Fund. The department took this approach to launch the Fund before the UK government hosted two major international summits in 2021: the G7 and the international climate conference COP26. However, by choosing to scale up, adapt, merge or rename ongoing activities, the department limited opportunities to design a Fund portfolio primarily focused on countries with the greatest needs.

While the Fund consulted internally it did not undertake a mapping of marine work globally to inform its design, nor did Defra adequately consider feedback from staff in country or regional hubs or map the activities of other development partners. Consultation with governments and national stakeholders to inform the design of Defra's early Blue Planet Fund programmes was inconsistent. This has since improved for more recent programming designs, with Defra retrospectively addressing the Fund's responsiveness to partner countries' needs and priorities with an increase in consultations and the development of Blue Planet Fund country plans, of which a plan for Mozambique is the most advanced. This progress comes late, however, considering that more than 90% of the Fund's resources have already been allocated to programmes.

In total, we found a mixed picture on the extent to which the Fund's activities within priority partner countries are responsive and demand-led. Over half of the Fund's 12 programmes (two of which are managed by FCDO and only recently launched, while the rest are led by Defra) are in full or in part demand-led and context-responsive. FCDO's flagship Climate and Ocean Adaptation and Sustainable Transition (COAST) programme is

an example of a well-designed programme based on extensive consultation and evidence gathered to inform the selection of activities and approaches.

The priority was on fast programme approval to establish and scale up the Fund quickly. One way Defra achieved this was to use the Fund to support multilateral organisations working on marine protection and resources, as well as repurposing activities by existing bilateral partners, including its own arm's-length bodies such as the Centre for Environment, Fisheries and Aquaculture Science, the Joint Nature Conservation Committee and the Marine Management Organisation. Only six programmes were developed specifically for the Fund. As a result, government stakeholders describe the Fund as a wrapper or umbrella for programmes covering a broad range of marine themes.

Developing countries lack opportunities to directly access funding from the Blue Planet Fund, although there are plans to address this through an Ocean Community Empowerment and Nature competitive fund with a possible budget of up to £60 million. Local non-governmental organisations and community groups will be able to apply to this for small and larger grants.

Coherence: How coherent and coordinated is the Blue Planet Fund within and across the two departments (Defra and FCDO)?

FCDO started delivery of Blue Planet Fund programmes two years after Defra, because it was the department which absorbed the majority of the aid budget reductions owing to COVID-19's impact on the economy and the UK government's decision to reduce its ODA spending commitment. This staggered timeline has, in our opinion, impeded the coherence of the Fund. By prioritising the quick launch of the Fund, Defra's funding allocations were made before key management processes were in place. The Fund has emerged as a collection of programmes rather than a jointly managed and coherent fund. Defra and FCDO each lead on different strategic outcomes as set out in the Fund's delivery framework. However, in practice there is both overlap between the two departments' activities and gaps in delivery against some strategic outcomes.

While coordination between the Fund and the departments is guided by the delivery framework, there is no apparent overarching strategy. With different timelines across two departments and the seven different outcome areas, the burden falls on the overarching theory of change to provide a strategic framework for delivering development results through the Fund. The theory of change has just been refreshed and expanded to include underlying theories of change for each priority outcome.

Core management functions are not in place two and a half years after the Fund's launch. This includes a portfolio-level monitoring, evaluation, and learning (MEL) framework and KPIs which remain in draft form.

There is a complex governance, oversight and delivery management framework, but we found important gaps in oversight of the Blue Planet Fund. The two departments work together under the oversight of the Joint Management Board (JMB), which holds quarterly meetings. The JMB provides strategic guidance on design, delivery and risk but does not have spending decision authority. As is standard practice across the UK government, Defra and FCDO are each accountable for their own expenditure and each department has its own internal approval processes. The Defra ODA Board oversees all of the department's ODA budget, including its Fund programmes. FCDO has a representative on the board, but there is no representation from Defra in FCDO's internal approval process.

Although most of the Blue Planet Fund is earmarked as international climate finance (ICF), neither the ICF Management Board nor the ICF Strategy Board have had oversight of the Fund since its inception as part of the strategic implementation of the ICF. When the JMB recently identified several "severe" risks (similar to the weaknesses in coordination and oversight of delivery identified in this review) across the Fund, these were not discussed at the ICF Management or Strategy Board. That is, there is no effective cross-government oversight to ensure that, once flagged, such risks are adequately and urgently addressed.

Meanwhile, there has been a lack of coordination at country level, between the two departments and between their delivery organisations, with limited communication around portfolio opportunities or consideration of how different programmes fit together or with other programming in-country. There have been cases where FCDO staff at High Commissions or embassies were not informed about planned activities or about a visit by

Fund delivery teams to the country. To improve coherence and coordination of Blue Planet Fund delivery, the Fund has recently appointed four of five planned regional coordinators to support stakeholder engagement and delivery at the country level. The Fund is also developing country plans, of which the one for Mozambique is the most advanced and is awaiting formal sign-off from the country's government. Five other country plans have been recently commissioned and are under development.

Effectiveness: Are the systems, controls and procedures of the Blue Planet Fund adequate to ensure effective programming and good value for money?

The Fund decisions on programme selection are guided by a list of priority countries and a set of ten Blue Planet Fund investment criteria. Contributing to efforts to reduce poverty is a statutory requirement for UK ODA. The Fund's investment criteria for programme scoping were finalised in February 2021. We are concerned that assessment of the poverty reduction potential is only one of ten weighted criteria, used in a two-stage process, which makes the assessment of this programme aspect less significant. Many concept notes and some of the business cases reviewed had not provided adequate assurance that the programme would contribute to poverty reduction. The lack of evidence on poverty reduction potential has been recognised by FCDO's COAST programme, which seeks to strengthen this evidence base.

Gender is not included as one of the Fund's investment criteria but is included under the criteria of poverty reduction potential and 'do no harm'. There is significant variation in the level of attention paid to gender in programming. Some business cases make only passing references to promoting gender equality, while others have gender-focused activities and KPIs.

The design and delivery of FCDO's programmes are governed by the Programme Operating Framework (PrOF).¹ Defra has a relatively new but growing ODA hub team. In May 2023, Defra streamlined and combined guidance from FCDO's PrOF and other material, including Cabinet Office and Defra's own material,² into a new operating manual.

There are important weaknesses in Defra's management of some of its delivery partners. In the case of Defra's arm's-length bodies that deliver its Ocean Country Partnership Programme (OCP), investments have been disbursed without a completed memorandum of understanding (MOU). As of 30 October 2023, there is a signed MOU in place. The arm's-length bodies charge high overheads ranging from 15% to 37% – much higher than the norm for the delivery of ODA-funded activities, with UN agencies, for instance, charging 4% to 12%. The high management costs involved in Fund delivery chains raise the question of how much UK ODA in fact reaches the recipient countries. It is hard to identify a coherent approach to value for money for the Defra portion of the Fund, given its lack of due diligence and adequate supervision of some of the delivery partners. Defra informed us that a new governance structure and payment arrangements are being put in place for OCP to ensure that future payments are made in line with the agreed and costed programme of work at the beginning of each financial year.

The Blue Planet Fund lacks an effective system for tracking its overall results, without portfolio-level MEL arrangements in place, with only draft Fund KPIs, and with only some reporting of the Fund's programmes towards the ICF KPIs. Without these in place, a major challenge the Fund will face in the future will be how to demonstrate its impact and value for money. Weak communication is also inhibiting effectiveness as there is limited information about the Fund and how it functions publicly. Officials recently updated the Blue Planet Fund GOV.UK page with a list of programmes, which somewhat increases visibility. A communications plan is currently under development. Increased transparency would support stronger accountability and engagement with developing countries.

1 The PrOF sets the standard for how FCDO delivers its programmes and projects.

2 Defra's operating manual from 2020 provides links to the Department for International Development's *Smart rules and Tools for development*.

Recommendations

We offer the following recommendations to the UK government on how to improve the Blue Planet Fund.

Recommendation 1: As the strategic lead for the Blue Planet Fund, Defra should put in place formal core central management functions, including results management and reporting systems to enable the Fund to demonstrate impact and value for money.

Recommendation 2: Given the major risks identified by this review, cross-government oversight of the Fund should be strengthened.

Recommendation 3: The Fund should ensure that poverty reduction, as the statutory purpose of UK aid, is the primary focus of its programming.

Recommendation 4: Defra and FCDO should ensure that governments and other national stakeholders in the countries where the Fund operates are empowered to shape programmes by creating formal channels for them to communicate their priorities and needs.

1. Introduction

- 1.1 In January 2021, the UK government announced plans for a new £500 million Blue Planet Fund with the aim of supporting developing countries to protect the marine environment and reduce poverty. The announcement was made as part of a commitment to invest at least £3 billion in development solutions that protect and restore nature within a broader commitment to spend £11.6 billion on international climate finance (ICF) by the financial year 2025-26.³
- 1.2 The Blue Planet Fund was launched in June 2021 with a timespan of at least five years. It is jointly managed by the Department for Environment, Food and Rural Affairs (Defra) and the Foreign, Commonwealth and Development Office (FCDO), with Defra as the strategic lead. It is one of several cross-government funds created in recent years to target development challenges while drawing on the expertise available across the UK government.⁴
- 1.3 As the main vehicle for UK official development assistance (ODA) support for protecting the marine environment and reducing poverty, the Fund is of considerable public interest. Oceans and marine habitats are fundamental to maintaining the planet's health and addressing critical challenges such as climate change and biodiversity loss. They are also key to sustainable development as marine resources form the basis of a significant portion of the global economy, supporting sectors such as tourism, fisheries and international shipping.
- 1.4 Oceans play a critical role in the global climate and hydrological systems. They regulate worldwide temperatures, generate a minimum of 50% of the Earth's oxygen and absorb approximately 25% of carbon dioxide emissions.⁵ Addressing climate issues hinges on maintaining a thriving and healthy ocean.

Box 1: The Blue Planet Fund and Sustainable Development Goals

The UN Sustainable Development Goals, also known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure all people enjoy prosperity and peace. The Blue Planet Fund directly supports Goal 14, on ocean protection and sustainable management, and relates to Goal 13 on climate action.



Goal 14: Conserve and sustainably use the oceans, seas, and marine resources for sustainable development.



Goal 13: Take urgent action to combat climate change and its impacts – including building resilience and capacity to adapt.

- 1.5 Oceans support the livelihoods, food security and economies of many countries and their populations, including developing countries. According to the Organisation for Economic Cooperation and Development (OECD) and the UN, more than three billion people, primarily in developing countries, rely on ocean resources for their livelihoods,⁶ especially in industries such as tourism and fisheries. According to the World Bank, the ocean's annual contribution to the global economy amounts to \$1.5 trillion and is projected to reach \$3 trillion by 2030, marking a doubling of its current impact on the global economy.⁷ Oceans are also a source of nutrition, especially high-quality protein, for individuals in low-income coastal countries.⁸

³ Prime Minister commits £3bn UK climate finance to supporting nature, UK government, press release, 11 January 2021, [link](#).

⁴ For example the Newton Fund, ICAI, 2019, [link](#); the original International Climate Fund (now international climate finance), ICAI, 2014, [link](#); the former Global Challenges Research Fund, ICAI, 2017, [link](#); the former Prosperity Fund, ICAI 2017, [link](#); and the Conflict, Stability and Security Fund, ICAI, 2018, [link](#).

⁵ *Special report on the ocean and cryosphere in a changing climate*, Intergovernmental Panel on Climate Change, 2019, [link](#); *5 reasons you should care about our ocean*, United Nations, [link](#).

⁶ *Developing countries and the ocean economy*, Organisation for Economic Cooperation and Development, [link](#); *Secretary-General's message on World Oceans Day*, United Nations, 2021, [link](#).

⁷ *What you need to know about oceans and climate change*, World Bank, 8 February 2022, [link](#).

⁸ *Fish protein transition in a coastal developing country*, Wisdom Akpalu and Michael Adu Okyere, Environmental and Resource Economics, 2023, [link](#).

- 1.6 Despite their critical significance, oceans face unparalleled challenges which impact livelihoods and biodiversity. Climate change is causing harm to vital marine ecosystems such as coral reefs and mangroves as sea levels rise and oceans get warmer. Overfishing, meanwhile, jeopardises the stability of fish and marine life populations.
- 1.7 Three years after the Blue Planet Fund was announced, this rapid review examines the Fund's establishment and development. It assesses (i) the relevance of the Blue Planet Fund through an analysis of governing policies and strategies, paying particular attention to how the Fund responds to developing country needs as part of meeting the UK's wider international climate finance objectives; (ii) the coherence of programme delivery within and between the two responsible departments; and (iii) whether it has the governance arrangements, systems and procedures to allocate its funds effectively in support of its objectives.
- 1.8 The review questions are set out in **Table 1**. We have not attempted to make judgments on the effectiveness of the Fund's individual programmes. However, as the Fund has already approved more than 90% of its budget, it is appropriate to review its design and work to date and to make suggestions for its continuing development. As with other ICAI rapid reviews, we do not provide a performance rating but offer a number of recommendations to assist in the continuing improvement of the Blue Planet Fund's operations.

Table 1: Our review questions

Review criteria and questions
1. Relevance: How relevant is the Blue Planet Fund to developing country needs as part of meeting the UK's international climate finance objectives?
2. Coherence: How coherent and coordinated is the Blue Planet Fund within and across the two departments (Defra and FCDO)?
3. Effectiveness: Are the systems, controls and procedures of the Blue Planet Fund adequate to ensure effective programming and good value for money?

2. Methodology

- 2.1 This rapid review of the Blue Planet Fund was originally commissioned in April 2023 as an information note but was converted to a rapid review in July 2023. The review methodology has three main components to gather evidence against our review questions and ensure sufficient triangulation of findings. For each component, evidence-gathering and analysis took place in two stages: a first stage within the work on the planned information note, followed by a second stage once it was decided to develop the report into a rapid review. The components are explained below.
- 2.2 Our methodology combined the following elements:
- **Strategic review:** We reviewed documentation on the establishment and operations of the Fund, including relevant policies, strategies, frameworks, and coordination mechanisms. We also reviewed wider strategies and key documents on the funding approach at portfolio and programme levels, and results management.
 - **Key informant interviews:** We interviewed staff working for the Fund in the Department for Environment, Food and Rural Affairs (Defra) and the Foreign, Commonwealth and Development Office (FCDO). Interviews covered the Fund's direction and operations including strategy, governance, and management processes; funding decision-making including approval processes, procurement, and contracting processes; the Fund's results management; and the shape and coherence of the Fund's emerging portfolio. Coherence across departments and countries was also considered.
 - **Country case studies:** We examined the Fund's relevance, effectiveness and coherence through its investment and programming in two developing countries – Fiji and Mozambique. This involved reviewing relevant country and programme documents and conducting virtual interviews with delivery partners in the two countries as well as UK staff in-country to triangulate data. Fiji and Mozambique were selected based on the following criteria: regional diversity, a high number of relevant programmes and a good balance between bilateral and multilateral spend.
- 2.3 We reviewed more than 500 documents from the two departments and other key stakeholders including delivery partners and UK government staff in-country. We interviewed a total of 44 key informants in the UK, Fiji, Mozambique and Indonesia.

Box 2: Limitations to the methodology

- **Scope:** The scope of this review covers the Fund-level operations, governance, implementation, and monitoring and evaluation of the Blue Planet Fund. The individual programmes were not evaluated but are reviewed to inform how the Fund works as a whole.
- **Timing:** Our findings cover the period until November 2023. Nine-tenths of the Blue Planet Fund has been allocated to programmes via approved business cases but spending is still at less than one-fifth. Our findings therefore reflect the relatively early days of the Fund expenditure. Defra plans to spend until 2027, while FCDO plans to spend until 2030.

3. Background

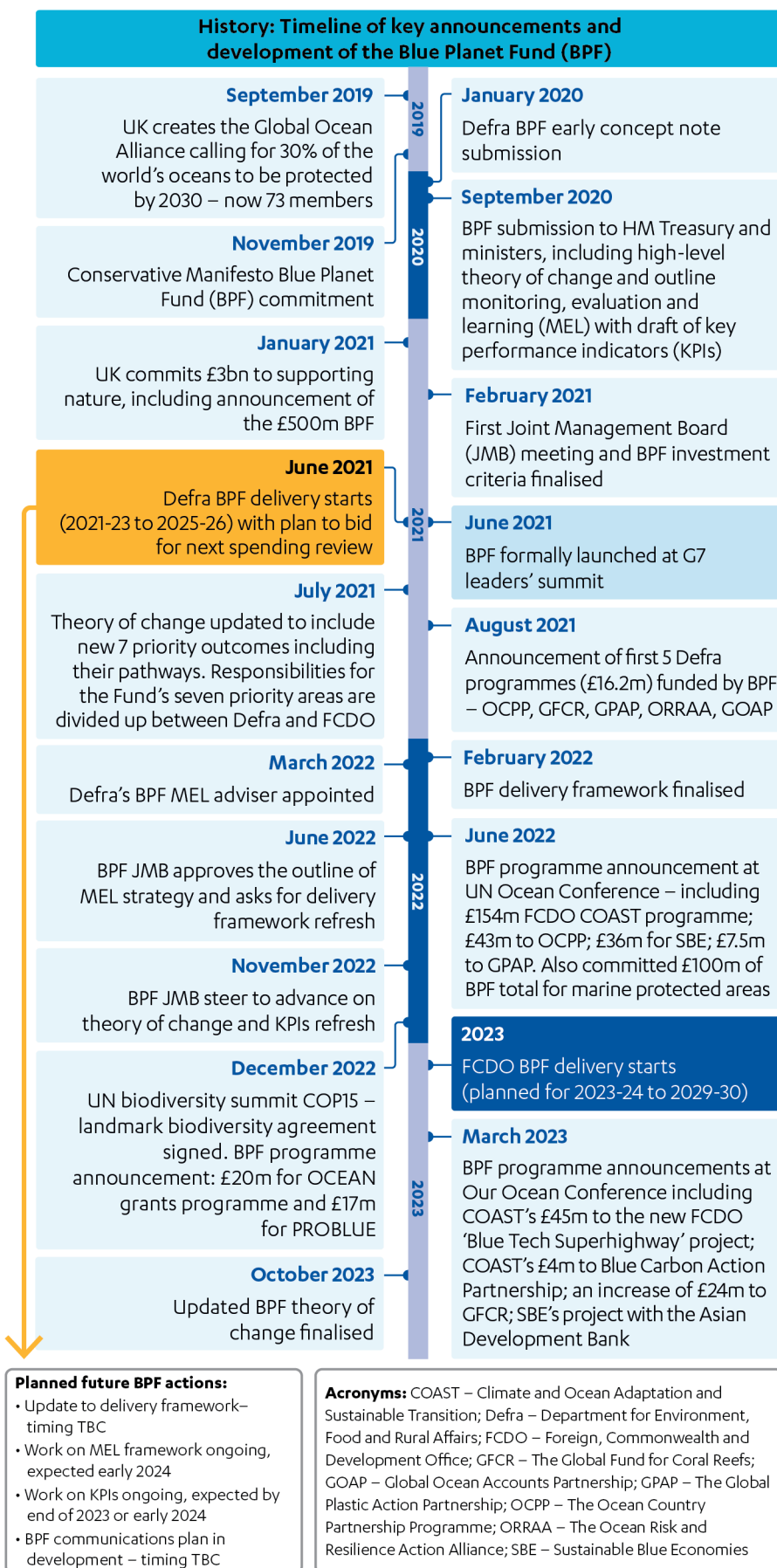
3.1 The UK government heralded 2021 as a pivotal year for the ocean and sought to assist international leadership on ocean issues through its role as host of both the G7 and the Glasgow international climate conference, COP26. The UK government also brought marine conservation to the forefront of discussions at events such as the UN biodiversity conference (COP15) and supported the initiation of the UN Decade of Ocean Science for Sustainable Development (Ocean Decade). The £500 million Blue Planet Fund was announced in January 2021 and launched by the then prime minister Boris Johnson at the June 2021 G7 leaders' summit.⁹ It was intended to underpin the UK's global leadership on the issue.

Evolution of the Blue Planet Fund

3.2 The Blue Planet Fund is categorised as 100% official development assistance (ODA). It supports developing countries to protect and enhance marine ecosystems and reduce poverty through the sustainable management of ocean resources. The Fund's four thematic areas are: marine biodiversity, climate change, marine pollution, and sustainable seafood.

3.3 The Fund supports the delivery of the UK government's *Integrated review*,¹⁰ which puts tackling climate change

Figure 1: Timeline of the Blue Planet Fund



⁹ G7 leaders commit to protect planet and turbocharge global green growth, UK government, press release, 12 June 2021, [link](#).
¹⁰ Global Britain in a competitive age: the integrated review of security, defence, development and foreign policy, Cabinet Office, March 2021, [link](#). Also *Integrated review refresh 2023: Responding to a more contested and volatile world*, UK government, March 2023, [link](#).

and biodiversity loss at the heart of the government’s international priorities, and the 2022 *Strategy for international development*, which positions climate change and biodiversity as the UK’s ‘number one’ international priority.¹¹ The Fund contributes to a range of commitments made by the UK in recent years. It is key to the UK commitment to protect at least 30% of the world’s oceans by 2030 (the 30by30 target) as part of the Global Ocean Alliance, a 77-country-strong group led by the UK. It champions ambitious ocean action with the Convention on Biological Diversity including the 30by30 target.¹² It also contributes to the UK commitment to the Commonwealth Clean Ocean Alliance, a UK and Vanuatu-led Commonwealth initiative to stop plastic pollution entering the ocean.¹³ It supports delivery of the December 2022 Kunming-Montreal Global Biodiversity Framework to halt and reverse biodiversity loss by 2030¹⁴ and aims to advance Sustainable Development Goal 14, Life Below Water, on conserving and sustainably using the oceans, seas and marine resources for sustainable development.

3.4 In January 2020, based on a concept note developed by the Department for Environment, Food and Rural Affairs (Defra), Lord Goldsmith, then joint minister of state for the Pacific and international environment at Defra, the Foreign and Commonwealth Office (FCO) and the Department for International Development (DFID), agreed that the design and implementation of the Blue Planet Fund should be shared between the three departments – soon to be two, when FCO and DFID merged to become the Foreign, Commonwealth and Development Office (FCDO) later that year – with Defra acting as strategic lead and retaining a majority share of the Fund’s £500 million pot. A year later, in June 2021, the Fund was launched. See **Figure 1** for a timeline of the Fund.

How the Fund is managed

3.5 While both Defra and FCDO were engaged in managing the Blue Planet Fund since its launch, the delivery timelines for the two departments are very different. In the first two years after the Fund’s launch, only Defra was involved in its delivery. Defra started delivery of its £310 million majority share of the Fund from financial year 2021-22 and will continue to 2025-26, with the option to request further funding in the next spending review. FCDO only began delivering its smaller £190 million share this financial year (2023-24) and will continue to 2029-30. The delivery of the Fund is guided by a delivery framework agreed in February 2022. The framework lists UK commitments and priorities on marine issues. At the time of writing, an update to the framework was underway.

3.6 Defra and FCDO are jointly responsible for ensuring the coherence and coordination of the Fund portfolio, with Defra acting as the Fund’s strategic lead. In 2021, seven strategic outcomes were developed to guide delivery, with Defra allocated as the lead on delivering four of the outcomes and FCDO as the lead on three (see **Figure 2**). Different programmes can contribute to multiple outcomes.

Figure 2: The seven priority outcomes split by department

Defra-led	FCDO-led
<ol style="list-style-type: none"> 1. Marine Protected Areas 2. Illegal unregulated and unreported fishing 3. International and large-scale fisheries management 4. Solid waste and other forms of marine pollution 	<ol style="list-style-type: none"> 5. Critical marine habitats for coastal resilience (mangroves, corals, etc) 6. Small-scale fisheries management 7. Sustainable aquaculture

Overview of the Fund portfolio

3.7 As of October 2023, the portfolio consists of 12 programmes. Two of these are led by FCDO, while the rest are led by Defra. Out of the 11 active programmes (Fiji Blue Bond has just completed¹⁵), six are multilateral, three bilateral and two bilateral with some components delivered through multilateral channels. One

11 *The UK government’s strategy for international development*, Foreign, Commonwealth and Development Office, May 2022, [link](#).

12 *Global Ocean Alliance: 30by30 initiative*, UK government, accessed February 2023, [link](#).

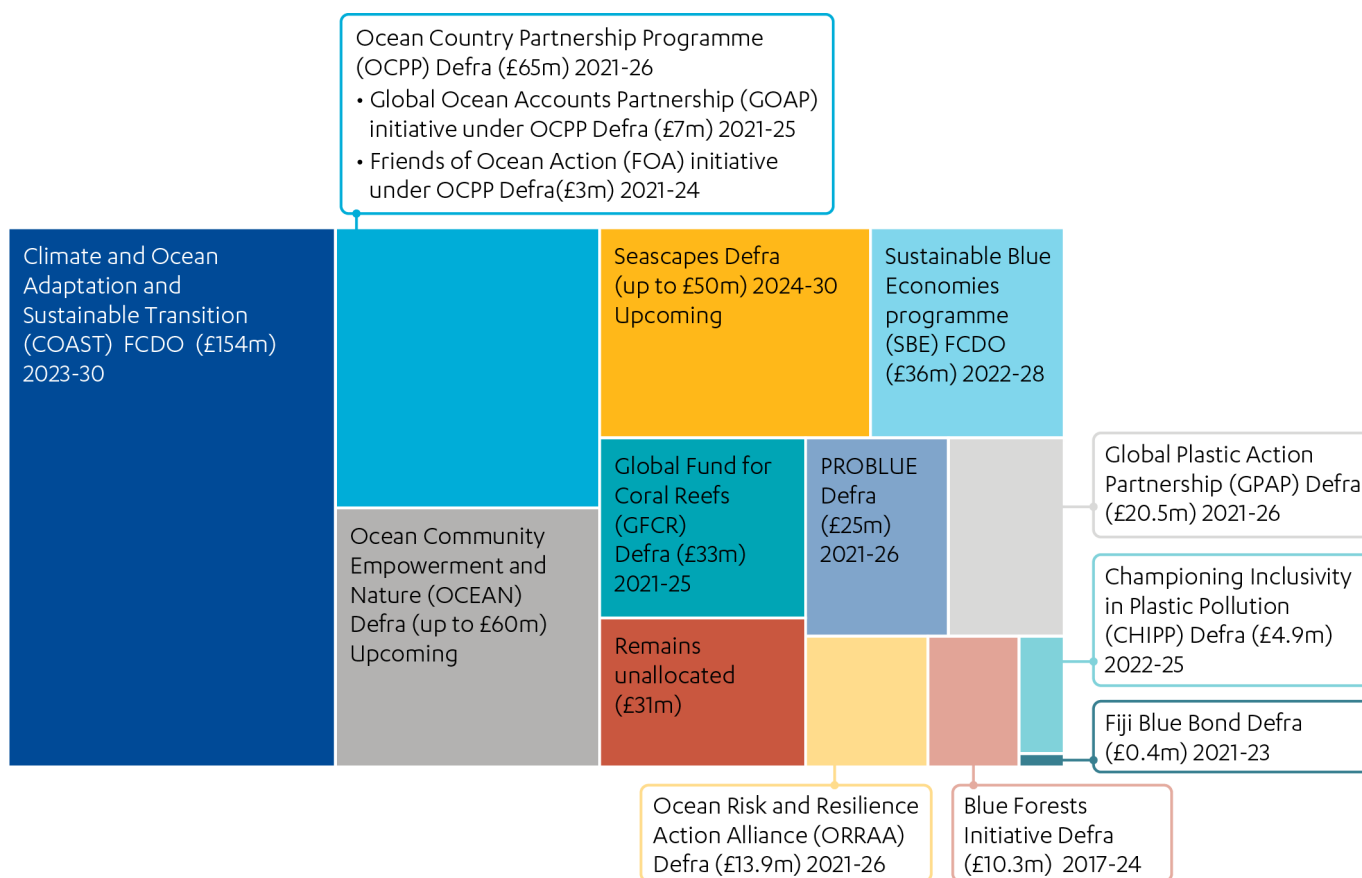
13 *Commonwealth unites to end scourge of plastic*, UK government, press release, 15 April 2018, [link](#).

14 *Kunming-Montreal Global Biodiversity Framework*, Convention on Biological Diversity, December 2022, [link](#).

15 The UK has contributed £400,000 to the UN-led programme that supports the government of Fiji in issuing its first sovereign blue bond. The blue bond aims to leverage up to \$45 million to provide capital for self-sustaining blue economy initiatives.

programme, Seascapes, is currently going through business case approval. See **Figure 3** for the portfolio of programmes by size and **Annex 1** for a full list of programmes with short descriptions.

Figure 3: The Blue Planet Fund portfolio of 12 programmes arranged by value (in £) as of October 2023



- 3.8 Defra’s portfolio includes eight active programmes, plus one completed programme and one under development. Its flagship bilateral initiative is the Ocean Country Partnership Programme (OCPP), which aims to build long-term local and regional marine science capacity in support of policymaking to address marine environmental challenges. OCPP focuses on three key themes: marine pollution, marine biodiversity, and sustainable seafood.
- 3.9 FCDO started the delivery of its two programmes in 2023. The first is the Climate and Ocean Adaptation and Sustainable Transition programme, which aims to help vulnerable coastal communities improve their adaptive capacities and resilience to climate change and increase their prosperity through more sustainable management of their marine environment. The second is the Sustainable Blue Economies programme for supporting ODA-eligible small island developing states and their economies to improve their ability to withstand the impacts of climate change and economic shocks.
- 3.10 The allocation of the Blue Planet Fund has been front-loaded. Of the total £500 million, only £31 million (or 6.2%) remains unallocated in October 2023, two and a half years since the Fund’s inception.

4. Findings

- 4.1 The findings are organised by review question, considering the relevance, coherence and effectiveness of the Blue Planet Fund. The findings highlight key risks and weaknesses within the Fund that should be addressed.

Relevance: How relevant is the Blue Planet Fund to developing country needs as part of meeting the UK's international climate finance objectives?

- 4.2 This section first considers the Fund's strategic and programme approach and then turns to the question of how the Fund is aligned with the UK's ICF objectives.

The Blue Planet Fund is a highly relevant contribution towards Sustainable Development Goal 14

- 4.3 The UK's establishment of the Blue Planet Fund as its main vehicle for UK Official Development Assistance (ODA) support on marine issues is relevant to the Sustainable Development Goal (SDG) 14 commitment "to conserve and sustainably use the oceans, seas and marine resources for sustainable development". Recognising the importance of oceans for sustainable development and the fact that this SDG is one of the most underfunded,¹⁶ the establishment of the Fund was part of the efforts by a range of multilateral and bilateral donors and foundations was to increase ODA in this area. Despite this, aid spending in pursuit of SDG 14 continues to represent only a small fraction of global aid.¹⁷

Spending through the Blue Planet Fund is counted towards the UK's ICF commitment, but the Fund is only directly linked to ICF through some key performance indicators

- 4.4 The Blue Planet Fund is referenced in the March 2023 *International climate finance strategy*, which directly mentions FCDO's two Blue Planet Fund programmes and Defra's Blue Forests Initiative programme, which was adapted from the previous ICF portfolio:

“Largely funded through ICF, the UK is delivering a portfolio of programmes under the £500m Blue Planet Fund to support the protection and restoration of marine environments and the development of sustainable blue economies in developing countries to deliver positive outcomes for climate, biodiversity and poverty¹⁸”

UK international climate finance strategy, March 2023

- 4.5 The ICF strategy has no theory of change to explain how it aims to achieve results. It identifies four broad themes, also called 'pillars': clean energy; nature for climate and people; adaptation and resilience; and sustainable cities, infrastructure and transport. These pillars describe in general terms what ICF will work on as part of the larger UK climate and environment ambitions. The Blue Planet Fund is listed under the ICF pillar on nature for climate and people and its high-level commitment on nature.
- 4.6 The Fund was announced as part of the UK government's £3 billion nature commitment in 2021, under the wider UK ICF commitment. The majority of the Fund's activities are counted towards the UK's ICF spend. The Fund's connection to ICF management is through reporting programmes that count as ICF against at least one of the UK's ICF portfolio-level key performance indicators (KPIs) (see more in **paragraph 4.66**).¹⁹

Country and regional needs were not sufficiently sought in the early stages of the Fund's development

- 4.7 In the early stages of the Blue Planet Fund, there was internal consultation with UK government staff in

16 *UN Ocean Conference: SDG 14 still 'the most underfunded'*, United Nations, 2022, [link](#); *The ocean economy 2030*, Organisation for Economic Cooperation and Development, 2016, [link](#).

17 *Sustainable ocean for all: Harnessing the benefits of sustainable ocean economies for developing countries*, The Development Dimension, Organisation for Economic Cooperation and Development, 2020, [link](#).

18 *Together for people and planet: UK international climate finance strategy*, UK government, March 2023, p. 16, [link](#).

19 We note that the new 2023 ICF strategy makes passing reference to the need to align with the needs of developing countries. In the past, ICF had specific objectives and explicit consideration of country needs.

the UK and abroad on its geographical remit. A top-down country prioritisation exercise was undertaken, scoring countries against four environment and two poverty indicators to give a composite score.

- 4.8 However, no mapping of marine work globally was done to inform the Fund's priority country selection, and consultation with governments and national stakeholders on global, regional and national needs and priorities was inconsistent and generally insufficient during the overarching design period.
- 4.9 According to interviewees, some survey data from FCDO staff abroad was collected in 2020, for the Fund to identify its list of priority countries (see **Figure 6** for an overview of priority countries and regions). However, since many of the Blue Planet Fund's early programmes were pre-existing programmes repurposed for the Fund – by scaling up, adapting, merging or renaming ongoing activities – there was limited opportunity to design a Fund portfolio focused on countries with the greatest needs. Instead, in many cases country selection was informed by whether there was already programming in place which Defra could re-assign as coming under the Blue Planet Fund.

Although country needs did not inform the overall priority country selection, just over half of the Fund's programmes are sensitive to country needs in the countries where they are active

- 4.10 The Blue Planet Fund and its programmes are centrally managed and were centrally designed. Engagement with countries was limited in the early stages of development and primarily conducted through the Fund teams engaging with UK staff in partner countries. Based on our interviews and the documentation we reviewed, the Fund's Defra team did not adequately consider feedback from countries and regions on their needs as early programmes were adapted, scaled up or designed. Where business cases were shared with staff at UK embassies and High Commissions, it was only in the latter stages of the design process, and not enough time was provided to allow feedback from UK government staff abroad or regional experts to influence the design. The Fund teams are trying to address this issue through increased consultations and the development of Blue Planet Fund country plans to support coherent delivery in the Fund's priority countries – although these come after the design and approval of the vast majority of the Fund's programmes.
- 4.11 In total, we found a mixed picture when it comes to the extent to which the Fund's activities within priority partner countries are demand-led and responsive to partner country needs. Assessing the business cases of the Blue Planet Fund programmes, we found that more than half of the programmes or some of their components were seen as demand-led either by partner countries or local communities. The FCDO flagship Climate and Ocean Adaptation and Sustainable Transition (COAST) programme, which was not launched until 2023, and FCDO's Sustainable Blue Economies (SBE) programme, do not face the same problem with retrofitting found in some of Defra's programming, as the design was based on evidence gathering to ensure that partner country needs and priorities were taken into account. **Box 3** provides two examples of Blue Planet Fund bilateral programmes that reflect partner country needs.

Box 3: Two examples of Blue Planet Fund bilateral programmes considering country needs and priorities in their design

- **Climate and Ocean Adaptation and Sustainable Transition (COAST) – £154 million, 2023-30** – FCDO's new multi-component programme's aim is to improve vulnerable coastal communities' adaptive capacities and resilience to climate change and increase their prosperity through more sustainable management of coastal resources. The largest programme component (60-70% of the budget) is planning to provide support in up to six priority countries through sub-components i and ii below, and wider support in sub-component iii:
 - i. Reforming planning and policy in priority countries through technical assistance (TA), analysis, and capacity building.
 - ii. Inclusive coastal stewardship and livelihoods in priority countries: grants to support projects, activities, capacity building and action at local levels, for example stewardship and sustainable use of coastal resources.

- iii. Responsive coastal management and governance support: provision of demand-led TA, analysis and capacity building to national and sub-national governments, regional bodies and institutions located outside the programme's priority countries, with requests for support submitted by UK embassies.

This component, as noted in its business case, will provide TA, capacity building and analysis on a demand-led basis, ensuring it is tailored to country context, aligned to priorities identified by embassy staff, and informed by political economy, sensitivity, and other analysis. Sub-components focus on COAST's six priority countries and national and sub-national governments, regional bodies, and institutions in any ODA-eligible country, with requests for support submitted by UK embassies.

- **The Ocean Country Partnership Programme (OCP) – £65 million, 2021-26** – Defra's programme, mainly delivered through the department's arm's-length bodies, provides technical assistance to partner countries to deliver positive impacts on the livelihoods of coastal communities across three key themes: marine pollution, marine biodiversity, and sustainable seafood. The programme is designed to be demand-led, with activities developed with partner countries. These activities are directed towards capacity building for marine science in local institutions, organisations, and communities. The programme currently has partnerships in ten countries and is scoping two more.

- 4.12 Among the Blue Planet Fund programmes delivered by multilaterals, we noted that PROBLUE, which supports the development of blue economies across small island developing states (SIDS) and coastal least developed countries, is designed to be demand-led, working with World Bank country offices. The Global Fund for Coral Reefs, a multi-partner trust fund integrating public and private grants and investments for coral reefs with particular attention to SIDS, is led by the United Nations Development Programme (UNDP) which aims to engage with communities, but not necessarily with their governments (such as in Fiji). The programme will be mobilising a network of UNDP country-based teams to convene with in-country stakeholders. One investment criterion outlines that it will deliver directly on country priorities as understood by UNDP. However, it is a relatively new fund with a limited track record.
- 4.13 Three programmes directly involve local organisations and aim to address local community needs. These are the Global Plastic Action Partnership (GPAP), a public-private partnership established in 2018 by the World Economic Forum to accelerate the global response to the problem of ocean plastic pollution; the Ocean Risk and Resilience Action Alliance (ORRAA), a multi-sector alliance focusing on de-risking investments in critical ecosystems; and the Global Fund for Coral Reefs (GFCR), a UNDP grant programme to save coral reefs and support communities that rely on them.
- 4.14 In many cases, the work on country needs came after the programme design and was not informed by country analysis prior to approval of the programme. With a ready pipeline of programmes from Defra that could be adapted or scaled up, access to funding was predetermined rather than informed by country needs. The country plans are aiming to redress this but their impact will be limited by the fact that almost all of the Fund has been allocated. The aim of the country plans currently under development is to improve programme delivery and to drive focus on in-country priorities and needs.

The Fund has emerged as a broad portfolio of programmes

- 4.15 In the absence of a strategy and given the speed with which the Fund was established, the portfolio that has emerged is scattered across a range of marine themes. Many decisions on themes, geographies and programmes were made ahead of the Fund's seven priority outcomes being set. The Fund itself is sometimes referred to by stakeholders as a 'wrapper' or 'umbrella', given the disparate nature of its activities. Due to the limited consultation done before spending began, it will not be possible to tell whether the Fund is additional or complementary to other development partners. Adapted and scaled-up programmes and new programmes are now being retrofitted into country plans and theories of change.
- 4.16 The original ministerial steer had been for the Fund to prioritise bilateral delivery. However, due to the speed with which the Fund was launched, the priority focus was on programme design, delivery and spend. This meant that most of Defra's early Fund programmes were multilateral. To speed up delivery,

some pre-existing projects that were focused on marine protection, fisheries and pollution were brought under the Fund’s umbrella. Some were scaled up while others were merged. For example:

- The **Blue Forests Initiative** programme started in 2017 and was managed by Defra’s International Biodiversity and Climate directorate. In July 2022, Defra’s Blue Planet Fund team took over the programme delivery.
- The **Global Plastic Action Partnership (GPAP)**, a multilateral partnership, was funded by Defra prior to June 2021 and was subsequently scaled up with Blue Planet Fund resources.
- Defra’s flagship bilateral programme, the **Ocean Country Partnership Programme (OCP)**, incorporated and adapted existing UK programming and partnership work including the Commonwealth Litter Programme and One Health Aquaculture, both delivered by the Centre for Environment, Fisheries and Aquaculture Science (Cefas), a Defra arm’s-length body. Two new multilateral programmes **Global Ocean Accounts Partnership (GOAP)** and **Friends of Ocean Action (FOA)** were merged under OCP after one year of delivery.

4.17 Only six of the Blue Planet Fund’s current programmes were developed specifically for the Fund. Several interviewees from the government in headquarters and in-country questioned the coherence, creativity and ambition of this approach (see **Figure 4**). While FCDO designed programmes to support its three allocated objectives, Defra’s early portfolio was more opportunistic, working with multilateral funding for speed and in some cases retrofitting its existing bilateral programmes. This made it difficult to identify or prioritise country needs.

Figure 4: Blue Planet Fund portfolio typology

A programme typology	
Blue Forests Initiative, 2017-24	Legacy
Global Plastic Action Partnership (GPAP), 2021-26	Scale-up
Fiji Blue Bond, 2021-23	New
PROBLUE, 2021-26	New
Ocean Country Partnership Programme (OCP), 2021-26	Legacy / adapted
– Global Ocean Accounts Partnership (GOAP)	New
– Friends of Ocean Action (FOA)	New
Global Fund for Coral Reef (GFCR), 2021-25	New
Ocean Risk and Resilience Action Alliance (ORRAA), 2021-26	New
Championing Inclusivity in Plastic Pollution (CHIPP), 2022-25	Legacy / adapted
Sustainable Blue Economies (SBE), 2022-28	Adapted
Climate and Ocean Adaptation and Sustainable Transition (COAST), 2023-30	New
Ocean Community Empowerment and Nature (OCEAN), 2023-30 (new)	New
Seascapes, 2024-30 (new)	To be approved
Unallocated £31m	Unallocated

Developing countries lack opportunities to access bilateral funding, although this will be addressed through a planned competitive fund

- 4.18 There is so far no direct process by which developing countries can apply for support from the Fund. Country selection for bilateral programmes is done by central teams, and there is only one example (the small Fiji Blue Bond programme) where a programme was taken up based on a recommendation from staff in-country at the request of a government. Multilateral programmes have their own processes for project application. The Fund offer to countries, as well as programmes they support (including multilaterals) has not been clearly communicated to country governments.
- 4.19 Alongside a small number of sub-components of existing programmes,²⁰ the upcoming Ocean Community Empowerment and Nature (OCEAN) competitive fund might reduce this direct funding gap and provide some access to funding for local non-governmental organisations (NGOs). OCEAN is planned to run from 2023 to 2030 with a possible budget of up to £60 million. The competitive fund will have two application rounds, both of which will support all seven Fund priority outcomes:
- Small grants: up to £250,000 targeting smaller, in-country organisations and local communities with a focus on capacity building.
 - Large grants: up to £3 million targeting larger organisations or consortia partnering local organisations, both of which can absorb increased funding to scale up existing activities and reach higher numbers of people.

Coherence: How coherent and coordinated is the Blue Planet Fund within and across the two departments (Defra and FCDO)?

The departments are working to different timelines, which impedes coherence and coordination

- 4.20 Defra programmes were announced in 2021, while FCDO programmes came on stream in 2023 (see **Figure 1**). The stakeholders we interviewed provided several explanations for the staggered timeline. As described in other ICAI reports, because of its role in managing the ODA spending target, FCDO's resources were impacted by the UK government's decision to reduce its ODA spending commitment from 0.7% to 0.5% of gross national income following the COVID-19 outbreak. This led to successive reductions in FCDO's aid budget in 2020 and 2021, followed by a pause in non-essential ODA spending for several months in 2022, caused by the soaring costs of accommodating asylum seekers and refugees in the UK categorised as ODA.²¹ Interviewees explained that Defra, in contrast, had a ready pipeline of projects that it could rebadge. There was also a strong ministerial preference to launch the Fund at the 2021 G7 summit and to use its announcement to support other high-level events such as COP26 in Glasgow.
- 4.21 As a result of the desire to launch in 2021, to support ministerial priorities, the establishment of the Fund's essential management processes came after launch and the start of delivery. The Blue Planet Fund emerged as a relatively disparate collection of programmes rather than a jointly managed coherent Fund, with many management processes still being finalised and insufficient Fund-level oversight.

While there is duplication in some areas there are delivery gaps in others

- 4.22 Defra and FCDO each lead on different strategic outcomes for the Fund (see **Figure 2** for the division). The selection of departments to lead on each outcome was made in 2021 based on their expertise, previous programmes and Defra's planned Blue Planet Fund pipeline. However, across these seven areas there is a level of overlap, and some programmes span the work of both departments. Defra programmes, such as OCPP, ORRAA and OCEAN, are delivering against the three FCDO outcome areas, while the FCDO programmes, COAST and SBE, deliver against the four Defra outcomes in addition to

20 For example: Sustainable Blue Economies has a planned £10 million Social Challenge Fund sub-component, which would offer support to micro-level social development through a competitive fund aimed at strengthening social capital. This could include projects aimed at increasing awareness of blue economy potential and developing nature-based solutions.

21 *Management of the 0.7% ODA spending target in 2020*, ICAI, May 2021, [link](#); *The UK aid response to COVID-19*, ICAI, October 2021, [link](#); *UK aid to refugees in the UK*, ICAI, March 2023, [link](#).

their own three priority areas.²² We were told that some of these overlaps were created due to Defra's earlier start and its funding through multilateral programmes. The split between departments to deliver the Fund is not guided by geography, which makes it hard to coordinate at country level. Both departments now recognise that in cases where programmes' activities overlap, the programme leads must coordinate delivery to avoid duplication. The country plans now under development are needed to set clear objectives for the programmes of both departments in-country (see **paragraph 4.35**).

- 4.23 Recent mapping of the programmes undertaken as part of the refresh of the Fund's theory of change showed, for example, that there are gaps in delivery against some of the Blue Planet Fund (BPF) priority outcomes, particularly the large-scale fisheries and illegal, unreported and unregulated fishing outcomes. Defra is now trying to address this gap with new programming, but with almost all the Fund allocated already there is limited opportunity for additional programming. The Joint Management Board (JMB) has recognised that this presents a risk that the 'BPF does not deliver a publicly stated BPF priority or an international HMG priority'.²³

The Fund lacks strategic direction, and parts of its delivery framework remain in draft form

- 4.24 The Blue Planet Fund's delivery is guided by a delivery framework, which is an operational plan consisting of: a list of UK commitments and priorities labelled strategic aims; a high-level theory of change and broad impact statement; an outline of the Fund's governance structure; an outline of the Fund's delivery structure, dividing ownership of seven priority outcomes between Defra and FCDO; and a long list of priority countries. Some key elements of the delivery framework remain in draft form, including portfolio monitoring, evaluation, and learning (MEL) and KPIs. The updated theory of change for the Fund and each of the priority outcomes have been recently finalised, in October 2023.
- 4.25 There is no overarching Fund strategy on how best to capitalise on a diverse portfolio of marine environment-related programmes managed by two departments, with different timelines, across seven different outcome areas.
- 4.26 In the absence of such a strategy, the burden falls on the theory of change, which is now being refreshed and expanded. This is a complicated process with additional theories of change developed for each outcome and existing programmes mapping how they support individual outcomes. This approach looks like simply retrospectively building a series of theories of change around approved programmes, rather than programmes being informed by any strategic direction for the Fund.

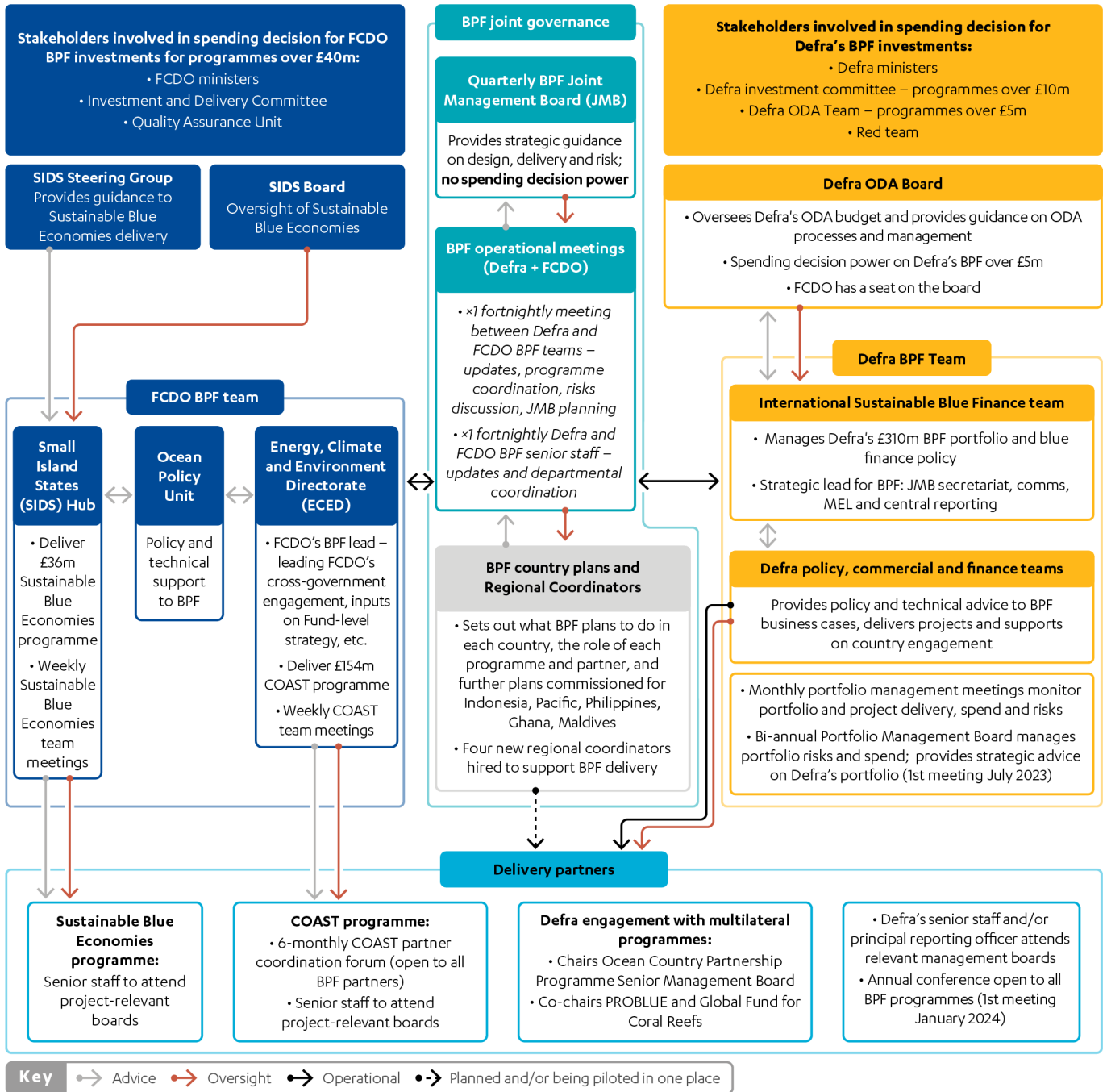
There is limited oversight of the UK's flagship £500 million marine environment fund

- 4.27 The two spending departments work together under the oversight of the Joint Management Board (JMB), which holds quarterly meetings, the first of which was in February 2021. The JMB is chaired by Defra as the strategic lead. The JMB provides strategic guidance on design, delivery and risk, but does not have spending decision power. Staff interviewed noted that over two years the board has improved its strategic guidance, but some have indicated that it has limited capacity to drive direction. For instance, no annual report is issued by the Fund and presented to the JMB, and while the JMB reviews initial concept notes to provide early guidance, it does not have a formal role of approving business cases. If these measures were introduced, both would improve accountability and the former would also improve the transparency of the Fund.
- 4.28 Both departments have Blue Planet Fund teams which hold joint operational meetings to share updates, aid coordination and support JMB planning. A diagram of the key elements of the Fund's complex coordination and governance can be found in **Figure 5**.

22 COAST programme delivery crosses over with one of Defra's four priority outcomes and SBE may deliver activities to support the four Defra priority outcomes in addition to the three priority outcomes led by FCDO.

23 Internal document from JMB, 2023, unpublished.

Figure 5: Governance of the Blue Planet Fund



4.29 As is standard practice across the UK government, Defra and FCDO are each accountable for their own Fund expenditure and each department has its own internal approval processes. Defra’s ODA Board has responsibility for overseeing Defra’s ODA strategy and budget, including its Blue Planet Fund programmes. FCDO has a representative on the Defra ODA Board, but there is no representation from Defra (or other departments) in FCDO’s internal ODA programme approval process. However, FCDO consulted with Defra teams during the design of COAST and SBE to benefit from their expertise and support portfolio coherence. Until September 2022, the Blue Planet Fund team reported regularly to Lord Goldsmith as the joint Defra-FCDO minister responsible for international climate and environment. While there was no joint minister, each department reported to its own separate ministers. On 15 November 2023, a new joint Defra-FCDO minister was appointed. The Fund only reports to other cross-government boards on climate and nature on an ad hoc basis.

4.30 As the Fund is largely counted as UK international climate finance, the ICF Management Board and Strategy Board should oversee and steer it as part of the strategic implementation of ICF. However, we

were informed that the Fund has not been discussed at either of these boards, even though several ‘severe’ and ‘major’ risks – recognising the same problems evidenced by ICAI in this rapid review – have been highlighted at the JMB since the Fund’s inception.²⁴ We have been told that the ICF Management Board does not generally consider individual programmes, but instead may take decisions on the strategic implementation for ICF, undertake thematic deep dives and support lesson sharing. However, in interviews, government stakeholders recognised that risks identified at portfolio level could have been reported to the ICF Management Board. We find that there has been a failure of oversight of this flagship Fund, with ‘major’ and ‘severe’²⁵ risks identified by the JMB that were not escalated to the ICF Management or Strategy Boards.

- 4.31 The Blue Planet Fund’s delivery framework included an option to create regional boards to provide strategic advice. However, it was subsequently decided that the departments did not want to create new boards and preferred to use existing regional boards as needed. When asked if these boards have been used to communicate or discuss the Fund’s work, programmes or upcoming plans, the Fund team informed us that “discussion on the Fund at regional boards has been limited”. For example, no specific Fund item has been presented and discussed since January 2021 at the UK government’s Southeast Asia Regional Climate Board, its Regional Africa Climate Board, or its Pacific Strategy Governance Board. (Only one programme, SBE, is consistently discussed at the SIDS Board, having been discussed at every meeting since the SIDS Board’s inception). This lack of engagement seems like a lost opportunity given the lack of visibility at regional and country level of this centrally managed fund.
- 4.32 There are a lack of opportunities for staff in-country to engage in Fund governance or strategic direction. A small number of Blue Planet Fund programmes engage staff in-country in governance and decision-making (for example SBE, COAST) and project selection (for example COAST, SBE, ORRAA, OCPP, GFCR). We have been told that FCDO embassies and High Commissions have not been invited to attend the JMB, nor have meeting minutes been shared with them, even though this was requested. The JMB ran a deep-dive session on the Pacific region in November 2022, inviting representatives from High Commissions and embassies to share their concerns. However, this was a one-off event, and has not been replicated for other regions.

There are risks to the coherence of the Blue Planet Fund portfolio at country level

- 4.33 The Blue Planet Fund teams in Defra and FCDO are aware of flagged risks to the coherence of the portfolio at country level, as recognised in the July 2023 JMB risk register, which noted: *‘Lack of strategic cross-government coordination leads to uncoordinated Defra and FCDO programming in country, impacting UK reputation and effective programme delivery (rated as severe risk) with mitigation identified that might move this to down to major risk.’*²⁶
- 4.34 Feedback from in-country stakeholders indicated that coordination of the portfolio at country level has been poor. This is especially clear in our Fiji case study, where we found a lack of coordination between programmes, with no communication around portfolio opportunities or consideration of how different Blue Planet Fund programmes fit together and with other programming in-country. There were even cases in which FCDO High Commission staff were not informed about planned projects or visits to the country (see further information in country case studies from Fiji and Mozambique below).
- 4.35 The Fund is appointing five regional coordinators to support delivery at the country level, four of whom have recently taken up their positions. As of November 2023, a Blue Planet Fund country plan has been developed for Mozambique, but final approval from the Mozambique government has been pending for six months. Five other country or regional plans have recently been commissioned, with FCDO leading on Indonesia and the Philippines, and Defra leading on the Pacific, Ghana and the Maldives. Such plans should provide an opportunity for country governments and FCDO heads of mission to discuss country capacity, capability, needs and preferences, supporting a more informed and coordinated approach to programme delivery in-country. We have been advised, however, that these will not be ready until later this year.

24 These include, for example, risks of a lack of cross-government coordination and coherence of portfolio, delivery, capacity, communications, reporting and impact due to a lack of MEL and final KPIs.

25 Blue Planet Fund Joint Management Board presentation, 6 July 2023, unpublished.

26 Blue Planet Fund Joint Management Board presentation, 6 July 2023, unpublished.

Fiji case study: Coherence and transparency challenges

- 4.36 The ocean is critical to Fiji's sustainable development as a small island developing state. Fiji's blue economy²⁷ supports livelihoods in fishing, tourism, aquaculture and transport. While interest in marine protection and ocean resources is high among development partners in the region, SIDS governments such as Fiji often have limited capacity to manage parallel interventions from multiple donors. Effective coordination among donors is therefore vital.
- 4.37 As of October 2023, three programmes operate in Fiji: OCPP, GFCR and PROBLUE,²⁸ with Fiji Blue Bond just completed. Under the OCPP programme, the Friends of Ocean Action initiative helps to develop a Blue Recovery Country Strategy and Hub for Fiji following the impacts of the COVID-19 pandemic. The Global Ocean Accounts Partnership (GOAP) initiative (under OCPP) is supporting Fiji to establish 'ocean accounts' – integrated records of social, economic and environmental data, aligned with national accounts systems, that allow a country to measure and manage economic activities related to its oceans and to build sustainable development maps for the use of its ocean resources.²⁹ PROBLUE has supported an environmental and economic analysis of development options for Fiji, with a focus on tourism, which will inform the assessment of the country's blue economy potential. For the GFCR programme in Fiji, see the case study in **Box 4**.
- 4.38 Stakeholders we interviewed in Fiji appreciated the financial support but wanted to see a coherent and Fiji-led approach across programmes. This is made difficult by the lack of a coherent framework for the Fund's delivery in-country and across the Pacific region. A new Blue Planet Fund regional coordinator in the High Commission in Fiji has recently been recruited. The post will support portfolio coordination and delivery in the region, and facilitate engagement between staff in the region and staff in headquarters. However, the relatively junior level of the post may prove to be a limitation.
- 4.39 Some UK heads of mission have asked to be represented on the Fund's JMB. The High Commission in Fiji stressed to ICAI in interviews the importance of using its in-house regional and SIDS expertise. There were cases where the High Commission in Fiji was not informed about planned projects or country visits carried out by Defra's central teams or arm's-length bodies. We were also told of examples where the High Commission and other stakeholders in Fiji were unable to identify which activities the Fund supported, due to a lack of information on these centrally managed programmes.

Box 4: Global Fund for Coral Reefs in Fiji – Investing in Coral Reefs and the Blue Economy (CRBE)

Convening organisation: UNDP

Timeline: 2021-30

Budget: \$5.1 million (multi-donor)

Country implementors: Beqa Adventure Divers, Blue Finance, Matanataki

The GFCR is a multi-partner trust fund focused on mobilising resources and action by private and public investment capital to protect and restore coral reef ecosystems and support coral reef-dependent communities.

CRBE in Fiji aims to create a blended finance facility and to build capacity to mobilise private and public investment capital for initiatives that have a positive impact on Fijian coral reefs and the communities that rely on them. It aims to build a pipeline of projects with a blend of technical assistance, performance grants and concessional capital for de-risking.

²⁷ Blue economy – sustainable use of ocean resources to benefit economies, livelihoods and ocean ecosystem health.

²⁸ PROBLUE: *Healthy oceans, healthy economies, healthy communities* – Overview, World Bank, 2023, [link](#).

²⁹ For more information on ocean accounts see the website of the Global Ocean Accounts Partnership, [link](#).

Mozambique case study: Piloting a more coherent, joined-up approach for Fund delivery

- 4.40 Mozambique's 2,770 km of coastline offers a wide diversity of habitats that shape its blue economy industries such as fishing, tourism and shipping. Two-thirds of the country's population live in the coastal region. Mozambique's marine sector plays an important role in food security, job creation and economic growth. The blue economy contributes up to 10% of the country's gross domestic product.³⁰
- 4.41 As of October 2023, the Fund supports four programmes and one initiative in Mozambique:
- OCPP is planning to provide technical assistance to the government of Mozambique on sustainable fisheries. It aims to support Mozambique's government in expanding its marine protected area, and to build the technical capacity of the government and national NGOs to protect the environment and better manage Mozambique's fisheries. A case study in **Box 5** describes the GOAP initiative in Mozambique, which falls under OCPP.
 - The activities of COAST, through the international organisation WorldFish, will include data collection and management of small-scale artisanal fisheries, reducing food waste and loss, and piloting community-led fish farms. COAST's larger bilateral technical assistance and local grants component is planned to start in four priority countries, including Mozambique, in 2024 following central procurement.
 - PROBLUE is preparing to deliver a \$1.85 million multi-country project (including Mozambique) to support the reduction of marine plastic pollution.
 - GFCR is in the process of approving a project in Mozambique, with the aim of promoting sustainable financing of coral reef conservation by leveraging private market-based investment and financial models.
- 4.42 A Blue Planet Fund delegation visit to Mozambique in November 2022, to discuss possible bilateral support, brought to light the need for the Fund to provide a clearer offer of support to the government, and for Fund programmes to have a more joined-up approach, both among themselves and with other projects funded by the UK and other donors. This would be consistent with longstanding good practice in ODA delivery, but at the time had not featured in the approach to the delivery of the Fund.³¹
- 4.43 The Fund is in the process of establishing a Mozambique Blue Planet Fund country plan to show how the portfolio can support the government of Mozambique's blue economy priorities. The framework outlines mechanisms for coordinating Fund-supported work in Mozambique, including a Fund delivery partner coordination forum (an initiative to be set up by COAST), a technical working group involving the Fund and the Mozambique government, and the Fund's participation in the existing Cooperating Partners Blue Economy Working Group. A Blue Planet Fund regional coordinator has been recently hired to facilitate in-country and regional work. The framework will be updated annually with progress achieved and upcoming activities to improve effectiveness and coherence.

30 *Mozambique Marine and Coastal Resources Market Assessment: a reference guide*, Ashok Menon, Luca Crudeli, Kevin Carlucci, Nathan Sage, Afonso Madope and Vera Julien, USAID, 2021, [link](#).

31 The Global Partnership for Effective Development Cooperation (GPEDC), [link](#). This has four shared effectiveness principles: country ownership, focus on results, inclusive partnerships, and transparency and mutual accountability. The GPEDC builds on earlier work including, for example, *Better aid: Managing aid – practices of DAC member countries*, 2009, [link](#); Paris Declaration and Accra Agenda for Action, 2008, [link](#).

Box 5: The Global Ocean Accounts Partnership project in Mozambique

Convening organisation: GOAP

Timeline: 2021-25

Pilot budget (phase 1): £100,000

Mozambique – Bazaruto archipelago

The Global Ocean Accounts Partnership (GOAP) is a global, multi-stakeholder partnership established to enable countries to develop ocean natural capital accounting to inform decision-making on the sustainable and equitable use of marine resources.

GOAP has a pilot project in Mozambique. The goal is to help Mozambique manage its ocean resources sustainably by creating ocean accounts and developing roadmaps to guide the country's development related to the ocean.³²

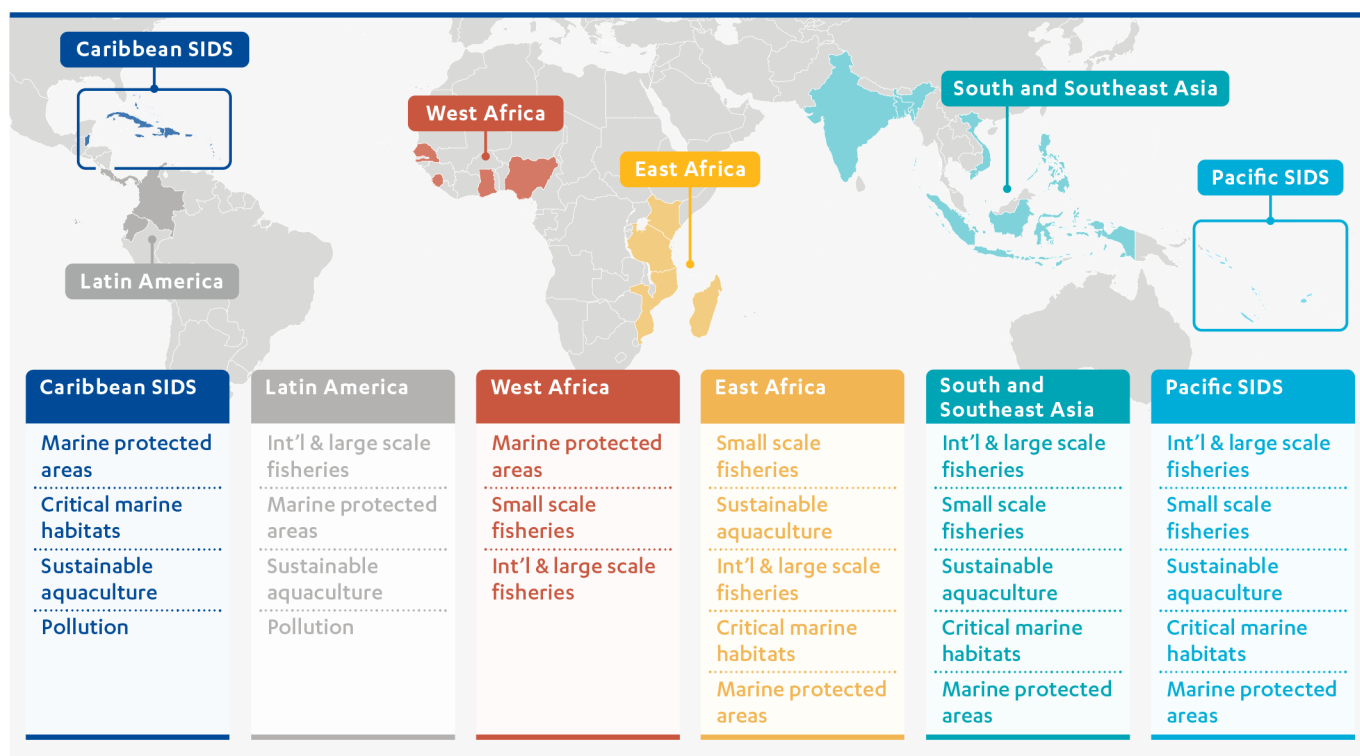
Effectiveness: Are the systems, controls and procedures of the Blue Planet Fund adequate to ensure effective programming and good value for money?

Resource allocation by country was based on a top-down formula

- 4.44 Fund decisions on programme selection and priority countries were guided by a country prioritisation exercise, followed by an investment criteria screening process (see below). This centrally driven prioritisation exercise started with an economic analysis of 140 ODA-eligible countries. Countries were scored against six indicators, weighted equally between environmental and poverty indicators. The top 60 countries were further refined by the Fund team by adding in the UK's geographical priorities from the *Integrated review* and taking into consideration delivery challenges. We note that this somewhat UK-centric approach did not consider what other donors and partners were already doing. The outcome was a rather long list of five priority regions and 24 countries where the Fund aims to deliver its bilateral programme portfolio.
- 4.45 It was noted that multilateral funding would require a different approach, given that the Fund would be providing funds to programmes which were already established. We were told that the country list was expanded from 24 to include additional countries in Latin America, following ministerial preference to support a transboundary marine protected area (MPA) project in the region.

³² Ocean accounts aim to give a complete picture of a country's environment, economy and society in connection to its ocean. Generating ocean accounts involves gathering information from various sources, including national and international institutions, to understand how the ocean impacts the nation. This approach helps decision-makers make informed choices by considering social, economic and environmental aspects. It allows countries to identify the valuable ocean resources needed for future economic growth, and track changes over time. Ultimately, this supports sustainable development by promoting both a healthy ocean and economic prosperity.

Figure 6: The six priority regions and 24 priority countries (plus new Latin American countries) of the Blue Planet Fund



South and Southeast Asia: Bangladesh, India, Indonesia, Maldives, Philippines, Sri Lanka, Vietnam

West Africa: Ghana, Nigeria, Senegal, Sierra Leone

East Africa: Kenya, Mozambique, Tanzania, Madagascar

Latin America: Transboundary marine protected area including Ecuador, Costa Rica, Colombia and Panama

Caribbean small island developing states (SIDS): Belize, Grenada

Pacific SIDS: Fiji, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu

There are weaknesses in how investment criteria are scored and in the evidence used to assess a project's poverty reduction potential

4.46 The Fund's investment criteria were finalised in February 2021 and used for initial programme scoping (see **Annex 2**). The investment criteria are applied in two stages, and proposed programmes must pass the first stage to move to the second.

- Stage one has five assessment criteria: Poverty reduction, environmental benefits, do no harm, UK priorities, and country needs. The first two are given a higher weighting than the next three.
- Stage two has five criteria: Financial soundness, delivery potential, additionality, mobilisation potential, and stakeholder engagement. The first three are given a higher weighting than the last two.

We understand that these criteria are under review, although this will be relevant only to the funding that is not yet allocated. A small number of programmes (for example COAST and Seascapes) are using an adapted form of investment criteria for project selection during delivery.

4.47 A concept note summarising the proposed programme and the results of the investment criteria screening is shared with the JMB for feedback, before advancing to the detailed design and preparation of the business case. The investment criteria are also used in the appraisal process during business case development. According to FCDO officials, no proposed programme (concept note) has ever been assessed as failing to meet the Fund's investment criteria, although Defra officials offered one example

of a concept note that was returned for revision. No assessment was done retrospectively for existing Defra-funded programmes that have been rebadged and moved under the Fund's umbrella.³³

- 4.48 There is no separate ODA eligibility check for Fund programmes. ODA eligibility is screened first through the selection of priority countries (all of which must be ODA-eligible) and then through the poverty reduction criterion used in the two-stage investment assessment process described above. At stage one, a concept note must score at least two out of three points on the poverty reduction criterion to be allowed to proceed to stage two. As this is only one of ten weighted criteria, poverty reduction potential is not a strong focus.
- 4.49 The concept notes that we reviewed do not contain enough explanation for their scoring against the poverty reduction criterion to provide adequate assurance that they are likely to contribute to poverty reduction. Several business cases also do not provide sufficient evidence of links to poverty reduction (for example OCPP, ORRAA and CHIPP). This weakness was recognised multiple times in quality assurance reviews, as part of the business case approval process. In some cases, concerns raised during the approval process were addressed only through minor textual revision, rather than through a review of the project design.
- 4.50 The issue of lack of evidence on poverty reduction potential for Defra's programmes and within marine environment programming more broadly has been recognised by FCDO's COAST programme. This programme has been built around areas where evidence was stronger and knowledge is planned to be built. We must note that this evidence gap reflects a wider lack of evidence on the poverty impact of marine programming. It is positive that FCDO has recognised this evidence gap and sought to address it in programme design.

Gender Equality and Social Inclusion (GESI) guidance and tools are available. There is limited evidence of their application, but Defra's ongoing work gives more attention to GESI

- 4.51 The UK International Development (Gender Equality) Act 2014 requires all UK aid programmes to give due consideration to the potential for reducing gender inequality.³⁴ Gender is one of the five cross-cutting priorities for Blue Planet Fund delivery. Both departments have a range of guidance and tools on GESI, including FCDO's 2021 Programme Operating Framework (PrOF) guide on gender and Defra's ODA operational guidance (strengthened in May 2023).
- 4.52 Gender is not included as one of the Fund's investment criteria, but we were told by Defra that it is 'folded in' under the criteria of poverty reduction potential and 'do no harm'. Our review of concept notes and business cases found that most, but not all, concept notes refer to gender, while all business cases do. Among the business cases, there was significant variation in the level of attention paid to gender: some made only passing references to promoting gender equality, while others had gender-focused activities and KPIs. The latter included FCDO's COAST programme and Defra's GPAP. The variability suggests a need for gender equality to be given more emphasis in the criteria and guidance. In 2023, Defra undertook an internal GESI review of its programming, which led to some immediate action, such as updating the PROBLUE logical framework with stronger gender indicators.

Defra has been slow to put consolidated ODA delivery guidance in place

- 4.53 Beyond the broad outline provided by the Fund's delivery framework, guidance on programme delivery differs between Defra and FCDO. The £190 million tranche of funding spent by FCDO is governed by the PrOF, which provides the guiding framework for all FCDO programme delivery.
- 4.54 Defra has a relatively new but growing ODA hub team, which is progressively putting in place consolidated ODA programming guidance.³⁵ In May 2023, the ODA hub combined guidance from FCDO's PrOF and from the Cabinet Office with Defra's own governance and assurance processes, creating a new

33 We note that concept notes are only required for investments over £5 million (therefore not required for Fiji Blue Bond). The Blue Forests Initiative scoping note predates the Fund, so it may not align with the investment criteria. GPAP was not scoped as it was an existing programme, but the investment criteria were used in the business case. CHIPP had no scoping note, but the investment criteria were included in the business case. The same applies to PROBLUE.

34 *International Development Act 2002*, Article 1(1) and (1A), [link](#).

35 The Defra hub team provides support and advice to all Defra ODA programmes and teams, not only the Blue Planet Fund.

operating manual. While Fund allocation and programme design is mostly complete, the new procedures will apply to the remaining Defra programmes.

- 4.55 The challenges of allocating ODA to departments with less experience in its management was raised by Parliament's International Development Committee in 2019, which noted risks to coherence, transparency and poverty focus.³⁶ ICAI has also noted that other ODA-spending departments often lack the standards and guidance outlined in FCDO's PrOF.³⁷ Despite these concerns, Defra's ODA budget has increased significantly, along with an increase in staffing to deliver its portion of the Fund, shown in **Figure 7**.

There are uncertainties over the Fund's classification as international climate finance

- 4.56 Not all of the Blue Planet Fund's spending counts as ICF, since some Defra programme activities do not meet the internationally recognised OECD Development Assistance Committee (DAC) Rio Markers for Climate.³⁸ For example, programming on illegal, unreported and unregulated fishing and plastic pollution do not necessarily qualify as climate finance. In the first year of the Blue Planet Fund's operation, Defra marked around 30% of its spending under the Fund as ICF, but in the second year this increased to 70%, after a steer to increase this percentage and analysis of expected ICF activities within each programme. We were told that this estimation is done retrospectively after each financial year, based on an evidence-based qualitative judgement of what percentage of actual spend under each programme's activities is relevant to climate change. After several months of requesting to see the assessment done for Defra's ICF programme allocation, we have only received guidance on increased scoring against general areas, and can therefore not verify its accuracy. One hundred percent of FCDO's two Blue Planet Fund programmes will count as ICF.
- 4.57 Defra's delivery team has been growing with the Fund's portfolio. There are currently 26.4 full-time equivalent (FTE) staff supporting delivery, including five coordinators in posts in priority countries (supporting both Defra and FCDO delivery), with plans for a staff increase to 35.4 in 2024. FCDO's delivery is managed by 4.05 FTE staff. We have been told that in the early years of delivery, lack of staff capacity resulted in slow implementation of processes at the Fund level. **Figure 7** below shows the projected and approved disbursement profile of the Fund.

36 *Definition and administration of ODA*, Fifth Report of Session 2017-19, International Development Committee, June 2018, [link](#).

37 *The current state of UK aid: A synthesis of ICAI findings from 2015 to 2019*, ICAI, 2019, [link](#); *How UK aid learns*, ICAI, 2019, [link](#); *UK aid's alignment with the Paris Agreement*, ICAI, 2021, [link](#); *The FCDO's Programme Operating Framework*, ICAI, 2023, [link](#).

38 OECD-DAC statistical markers on biodiversity, climate change mitigation, adaptation and desertification, used to monitor development finance flows, [link](#).

Figure 7: Fund disbursement profile over time and by department

Blue Planet Fund £500m ODA								
Defra: FY 2021-25 (£310m)					FCDO: FY 2022-29 (£190m)			
Defra's BPF managed by 26.4 FTE (as of October 23)*, projected to increase to 35.4 FTE (2024)*					FCDO's BPF managed by 4.05 FTE (as of October 23)			
	Projected spend (£m)	Approved spend (£m)	Actual spend (£m)	ICF (£m)	Projected spend (£m)	Approved spend (£m)	Actual spend (£m)	ICF (£m)
21/22	N/A	32	32	£7.7 (actual)	0	0	0	0
22/23	N/A	43.4	43.4	£30.7 (actual)	0	0	0	0
23/24	55.4	49.8	7	£45 (projected)	7.7	7.7	1.091	7.7
24/25	75.5	47.9	N/A	£60.8 (projected)	14.75	N/A	N/A	14.75
25/26	103.7	60.6	N/A	£72.8 (projected)	34.4	N/A	N/A	34.4
26/27	-	-	-	-	39.5	N/A	N/A	39.5
27/28	-	-	-	-	41.9	N/A	N/A	41.9
28/29	-	-	-	-	27	N/A	N/A	27
29/30	-	-	-	-	24.75	N/A	N/A	24.75
Totals	234.6*	233.7	82.4	217	190	7.7	1.091	190

*For Defra, £279 million is allocated to approved programmes plus those under design. £31 million remains unallocated to any programme, all within Defra's total allocation of the BPF.

There is a lack of transparency over the delivery arrangements between the Fund and its wide range of delivery partners, and in particular between Defra and its arm's-length bodies

4.58 A large share of the Blue Planet Fund's programming is delivered by multilateral partners, including the UNDP, the Asian Development Bank and the World Bank. Some programmes have multiple components delivered by a mixture of commercial partners and multilateral organisations. Others are delivered by UK-based arm's-length bodies with whom Defra already had a relationship: the Centre for Environment, Fisheries and Aquaculture Science (Cefas), the Joint Nature Conservation Committee (JNCC) and the Marine Management Organisation (MMO). In many instances, the primary partners deliver through implementing agencies, sometimes through lengthy supply chains.

4.59 There is insufficient transparency, accountability and guidance on delivery along these supply chains, particularly in the case of the arm's-length bodies that deliver Defra's Ocean Country Partnership Programme (OCP). We noted that the process outlined in the OCP business cases has not been followed. Delivery responsibilities are outlined in an incomplete and unsigned memorandum of understanding (MOU), with gaps in key areas such as programme governance and management arrangements, reporting, and transparency requirements. This suggests a lack of adequate due diligence and supervision.

The arm's-lengths bodies have high overheads – higher than donors usually allow for ODA funding

4.60 Each arm's-length body has its own payment arrangements and should have individual MOUs in place with Defra. We have been advised that payments are made in advance, based on an agreed workplan and activities. This is contrary to the OCP business cases, which specify payment in arrears, with robust KPIs for monitoring progress. More than £17.5 million has been disbursed without an adequate control framework.

- 4.61 The overheads charged across the three arm's-length bodies range from 15% (MMO) to 37% (JNCC).³⁹ These rates are significantly higher than those charged by UN agencies, which can typically range between 4% and 12%.⁴⁰ Overheads were higher in the first year of delivery and are now declining as arm's length bodies in turn sub-contract to third parties. The high management costs involved in Fund delivery chains raises the question of how much UK ODA in fact reaches the recipient countries. It is hard to identify a coherent approach to value of money for the Defra portion of the Fund, given its lack of due diligence and adequate supervision of delivery partners.
- 4.62 Defra informed us that new arrangements with the arm's-length bodies are being put in place for OCPP, including a draft MOU to cover all three partners, led by Cefas. It will outline a new governance structure and payment arrangements, noting that future payments will be made at the point of need and in line with an agreed and costed programme of work at the beginning of each financial year.

The Fund lacks an effective system for tracking its overall results

- 4.63 Two and a half years after the launch of the Fund, there are several key management processes that either remain in development or are under review, including portfolio MEL and KPIs. The portfolio-level theory of change was finalised in October 2023, after ICAI concluded its evidence gathering. We have been told that priority has gone to activity design, rather than to Fund-level systems and processes. Several government interviewees noted the lack of a secretariat function or dedicated staff, which are common features for other ODA funds. This has made it more difficult to establish an effective management process.
- 4.64 The Fund produced an initial high-level theory of change in summer 2020. Both this and the updated version in 2021 were short on detail about how the Fund would deliver its intended results. The newly updated theory of change from October 2023 includes seven nested theories of change for each priority Fund outcome. It provides more detail on impact pathways and assumptions, and maps Blue Planet Fund programmes towards each outcome.
- 4.65 The current ten KPIs remain indicative. Developed at the launch of the Fund, they were intended to provide a basis for a final, comprehensive set of KPIs that would allow aggregation of results across the portfolio, helping the Fund to monitor its overall performance. Three indicators map to five ICF indicators; these ICF indicators are already accompanied by a well-developed methodology. These are the only indicators that the Fund's programmes currently report against, as all ICF spending programmes must report results against at least one ICF KPI. At programme level, all programmes have or are developing their own logical frameworks with programme-specific indicators.
- 4.66 FCDO's two programmes will report on ICF KPIs from next year, as they are just starting delivery. From eight active Defra programmes that are funded or partly funded by ICF, seven are reporting or planning to report on ICF KPIs, while one (the smaller Fiji Blue Bond programme) did not report at all. A working group was established to review the Fund's KPIs, with several consultations and workshops undertaken to propose a new set of indicators.
- 4.67 While each Fund programme has its own monitoring and reporting requirements, there is still no Fund-level MEL framework in place. Defra staff noted that the slow progress was due to a lack of MEL capacity in the Defra team. In March 2022 a senior MEL advisor was hired, and the outline of a MEL strategy was approved in June 2022. The strategy will require process, impact and value for money monitoring and evaluation at both programme level and Fund/portfolio level. Defra plans to outsource the MEL function through a competitive process⁴¹ in early 2024. Although a positive development, clearly a Fund of this size should have implemented a MEL system much earlier. Until it is in place, the Fund will struggle to demonstrate impact and value for money.

39 The overhead is charged using HM Treasury principles for cost recovery in *Managing public money*. The arm's-length bodies in turn sub-contract to third parties. The arm's-length bodies can include a charge for risk and reinvestment in their overhead to Defra. All government projects delivered by arm's-length bodies are not openly tendered and are delivered at cost.

40 *Mapping of INGOs and UN agencies: overhead cost allocation in the humanitarian sector*: Appendix 1, Development Initiatives, November 2022, [link](#).

41 In its review of UK aid learning, ICAI found that: "In many instances departments have contracted out monitoring, evaluation and learning functions to commercial providers. Outsourcing learning can be an effective way of overcoming internal capacity constraints and accessing technical expertise. However, the knowledge and know-how may then accumulate in the commercial supplier, without being properly absorbed by the department itself." *How UK aid learns*, ICAI, September 2019, [link](#).

Weak communication is inhibiting the effectiveness of the Blue Planet Fund

- 4.68 There is only limited information in the public domain about the Blue Planet Fund and its portfolio of programmes. Apart from basic information on GOV.UK, which was recently updated to include a full list of programmes after ICAI began its review, there is no detailed statement of the Fund's approach.⁴² Some programme documents are available online via FCDO's Development Tracker website. Interviewees suggested there is a lack of knowledge about which programmes are supported by UK ODA through the Blue Planet Fund.
- 4.69 Increased transparency would facilitate stronger accountability, allowing developing country governments and other external actors to assess the Fund's goals, activities and achievements. Engagement with developing countries has been very limited up until recently. Better visibility would also help to show the UK's commitment on nature.
- 4.70 The Fund has recognised this shortcoming, and is developing a communications plan that will likely include a range of primary communication products such as a Fund-wide core script, programme packs, standard templates for external stakeholders, guidance on communications for delivery partners including multilaterals, a live project inventory and a six-monthly newsletter. A communications working group for oversight is also planned. It is not yet clear when these will be put in place.

42 *Blue Planet Fund*, GOV.UK, 2023, [link](#).

5. Conclusions and recommendations

- 5.1 The Blue Planet Fund represents a significant increase in the UK's contribution to tackling key challenges to the marine environment and the sustainable use of ocean resources, supporting Sustainable Development Goal 14, which has been chronically underfunded at the global level. The majority of the Fund's expenditure is counted as UK international climate finance (ICF) and supports some of the high-level themes and targets in the *International climate finance strategy*, such as the commitment to spend £3 billion on protecting nature and biodiversity. The Fund is connected to ICF through its reporting on selected key performance indicators (KPIs) but does not fall under ICF's oversight in any meaningful way.
- 5.2 The Fund's design was a top-down process. Defra's allocation of funds took place rapidly and was based on inadequate consultation on country and regional needs, with little reference to the activities of other development partners. More recently, business cases have improved by identifying and responding to country needs and making more efforts to be demand-led. Only after most of the funds have been allocated have mechanisms been introduced to improve responsiveness (such as country plans and regional coordinators).
- 5.3 The Fund's rapid establishment without a strategy has led to a disparate collection of programmes, some of which are based on pre-existing Defra programmes, together with opportunistic funding of multilateral programmes. The Fund did not articulate from the start how developing countries can access its support.
- 5.4 There is weak management from Defra as the Fund's strategic lead and there are weaknesses in coordination between Defra and FCDO. Coherence of the Fund's activities has been complicated by the differences in timelines, with Defra programmes starting before the Blue Planet Fund delivery framework was agreed in 2022. This has led to gaps and overlaps. While there is a shared delivery framework, a lack of strategic guidance has created risks that are only being managed through frequent revisions to Fund management tools and guidelines.
- 5.5 There are also clear risks at country level, including poor coordination, and insufficient consultation with country partners in funding decisions for several programmes. The Fund is in the process of addressing some of these issues by appointing regional coordinators and piloting country plans.
- 5.6 The Fund's programme selection criteria lacked a strong focus on poverty reduction and gender equality. While the criteria place an equal priority on poverty reduction and environmental benefits, poverty reduction is only one of ten weighted criteria used in a two-stage process. Many of the business cases that we reviewed do not provide adequate assurance that the programmes are likely to contribute to poverty reduction.
- 5.7 The Fund has a wide range of delivery partners, sometimes with long and untransparent supply chains. We are particularly concerned about insufficient transparency, value for money, accountability and guidance on delivery in the case of the arm's-length bodies that deliver Defra's Ocean Country Partnership Programme (OCP), where investments have been disbursed without a completed memorandum of understanding. While we understand that Defra has an established relationship with these organisations and that overarching governance structures for this relationship beyond the Blue Planet Fund are in place, arrangements on this programme do not follow the process outlined in the business case, suggesting a lack of due diligence and oversight. Overhead costs charged by these organisations are also higher than the norm for the spending of ODA funds.
- 5.8 Putting in place overarching management processes for the Fund has not been prioritised by Defra. Over two and half years after the Fund's launch, several key management processes have not been finalised, including the monitoring, evaluation and learning strategy and KPIs. Without these essential management tools, the Fund will struggle to demonstrate its impact and value for money.

Recommendations

Recommendation 1: As the strategic lead for the Blue Planet Fund, Defra should put in place formal core central management functions, including results management and reporting systems to enable the Fund to demonstrate impact and value for money.

Problem statements

- The Fund lacks many core functions and management processes, with several key elements still not finalised more than two and half years after the Fund was launched.
- The Fund lacks a dedicated secretariat and a fully resourced monitoring, evaluation and learning (MEL) function at portfolio level, and suitable KPIs to track progress towards the Fund's objectives.
- Without portfolio-level MEL and agreed KPIs in place, a major challenge the Fund will face is how it will demonstrate its impact and value for money.
- The overheads charged by arm's-length bodies to Defra range from 15% to 37%, with a significant portion of ODA spending remaining with the arm's-length bodies, particularly in the first two years.
- Nearly all the Fund's budget has already been programmed (around £470 million out of £500 million) without some core management processes in place.
- The limited communication about the Fund's work, without even an annual report, has contributed to a lack of clarity both on what the Fund has to offer to partners and on how partners articulate their needs to the Fund.

Recommendation 2: Given the major risks identified by this review, cross-government oversight of the Fund should be strengthened.

Problem statements

- The Blue Planet Fund's Joint Management Board (JMB) has identified several 'severe risks'⁴³ across the Fund, but this comes after almost all of the Fund's £500 million budget has been allocated.
- The International Climate Finance Management Board does not typically review individual ICF programmes and has not reviewed the operations of the Fund, despite the JMB being made aware of 'severe risks'.
- The JMB is chaired by Defra as the strategic lead, and the chair has not rotated in the lifetime of the Fund, even though it is designated as a joint endeavour between Defra and FCDO.
- The two departments are each responsible for their own spending, and so when the JMB flags severe risks, there is no effective cross-government oversight to ensure these are quickly and sufficiently addressed. (The JMB is able to recommend or request actions to address risks raised.)
- Defra's ODA operating manual and guidance were strengthened in May 2023, after more than 90% of the department's share of the Fund (£310 million) had been programmed and £82.4 million had already been spent.
- Defra spent more than £17.5 million of UK ODA without a completed MOU for the arm's-length body delivery partners for the Defra OCPP programme.
- Payments by Defra to arm's-length bodies were made in advance based on workplan, rather than against milestones with robust KPIs to measure performance as stipulated in the programme's business case.

43 Blue Planet Fund Joint Management Board presentation, 6 July 2023, unpublished.

Recommendation 3: The Fund should ensure that poverty reduction, as the statutory purpose of UK aid, is the primary focus of its programming.

Problem statements

- The causal link to poverty reduction in programme scoping notes and some business cases is only broadly sketched and often weakly evidenced.
- Several quality assurance comments provided by FCDO during Defra programme approvals identified poorly evidenced assumptions underlying scoping notes and business cases, but Defra did not adequately respond to these.
- Assessment of an intervention's poverty reduction potential is only one of ten weighted investment criteria used in a two-stage process, and no proposal has been rejected based on this criterion.
- The global evidence base for understanding the impact on poverty reduction of marine protection programmes is generally weak, but this evidence gap is not acknowledged or addressed in the design of any of Defra's programmes.

Recommendation 4: Defra and FCDO should ensure that governments and other national stakeholders in the countries where the Fund operates are empowered to shape programmes by creating formal channels for them to communicate their priorities and needs.

Problem statements

- Coordination at country government level has been poor, albeit with recent improvements.
- The original development of the Fund was not informed by engagement with partner countries.
- Defra did not undertake a mapping of marine priorities globally or conduct a thorough exercise to understand key country needs and preferences to inform early design and development of the Fund.
- Although the Fund is now developing country plans and theories of change, a broad portfolio of adapted and scaled-up programmes will need to be retrofitted into these.
- Programmes have mostly been designed centrally, in many cases with insufficient attention to feedback from embassies and High Commissions.
- For some Defra programmes, insufficient heed has been given to comments from country partner stakeholders.

Annex 1: Blue Planet Fund’s portfolio of projects

Department	Programme name	Timing	Budget (million)	Active
Defra	Blue Forests Initiative	2017-2024	£10.3	Yes

Description: The Blue Forests Initiative aims to design a holistic model for replication for community-led mangrove forest restoration and protection. The programme operates in Madagascar and Indonesia, working with local coastal communities to reduce the deforestation of mangrove habitat, create new sustainable livelihoods, support community health and women’s empowerment and increase climate resilience in coastal communities. The programme is delivered and managed by UK non-governmental organisation Blue Ventures.

Defra	Global Plastic Action Partnership (GPAP)	2021-2026	£20.5	Yes
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Description: GPAP is a public-private partnership, established in 2018 by the World Economic Forum to accelerate the global response to addressing the problem of ocean plastic pollution. Through multi-stakeholder platforms, GPAP brings public, private, and civil society leaders together to develop joint solutions for the eradication of plastic pollution, both globally and nationally. Under this funding, GPAP partnered with the UK-based Waste and Resources Action Programme as a delivery implementor on the ground. GPAP work in each country is guided by three strategic pillars: 1. Convening communities and curating conversations – making connections, amplifying each other’s efforts and drawing strength from what everyone is doing; 2. Generating new knowledge and action roadmaps – developing a baseline model to help governments understand their current position to produce national action roadmaps; 3. Catalysing strategic investment for high-potential solutions – making connection points within the action roadmaps to work out what it will take to deliver, and how much it will cost.

Defra	Fiji Blue Bond	2021-2023	£0.4	Complete
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Description: Contribution to a UNDP programme to support the government of Fiji in issuing its first sovereign blue bond. The programme provided technical assistance to Fiji to design the blue bond through, for example: establishment of a pipeline of investable blue projects; structuring the blue bond offer to include specific support on legal and financial aspects; verification of blue bond projects by establishing a formal mechanism to determine which projects can be included within the auspices of the blue bond; and monitoring and evaluation of projects to ensure they meet agreed standards.

Defra	PROBLUE	2021-2026	£25	Yes
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Description: PROBLUE is a World Bank multilateral mechanism to facilitate sustainable ocean activities, to which the UK is a leading contributor. It works to support the development of blue economies across small island developing states (SIDS) and coastal least developed countries. PROBLUE covers four pillars: fisheries and aquaculture (improving management to address overfishing and strengthen aquaculture sustainability); preventing and managing marine pollution (addressing the threat of litter, plastics and other land-based pollution); oceanic sectors (‘blueing’ traditional and novel oceanic sectors to limit adverse impacts on ocean health); and integrated seascape management (making management of coastal and marine areas more sustainable and more integrated).

Department	Programme name	Timing	Budget (million)	Active
Defra	Ocean Country Partnership Programme (OCP) + two initiatives: Global Ocean Accounts Partnership (GOAP)* and Friends of Ocean Action (FOA)**	2021-2026	£65 (including: *£7 & **£3)	Yes

Description: OCP is Defra’s primary technical assistance programme under the Fund. The programme provides technical assistance to coastal developing countries. OCP enables countries to strengthen marine science expertise, develop science-based policy and management tools, and create educational resources for coastal communities. Originally OCP consisted of a bilateral component (delivered by Defra’s arm’s-length bodies Cefas, JNCC and MMO), with funding to GOAP and FOA developed as separate business cases. These were then trialled as a joint programme, with GOAP and FOA incorporated into OCP. GOAP is a global multi-stakeholder partnership established to enable countries to develop ocean natural capital accounting to inform decision-making on the sustainable and equitable use of marine resources. FOA is delivered by the World Economic Forum and focuses on improving the sustainability of blue food production, and helping developing countries recover and diversify their ocean economies following the COVID-19 pandemic.

Defra	Global Fund for Coral Reefs (GFCR)	2021-2025	£33	Yes
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Description: GFCR is a multi-partner trust fund integrating public and private grants and investments for coral reefs with particular attention on SIDS. GFCR operates in coral reef countries around the world, with a focus on interventions where coral reefs have been identified as more resilient to climate change. The convening organisation for GFCR is UNDP, with various implementors in partner countries.

Defra	Ocean Risk and Resilience Action Alliance (ORRAA)	2021-2026	£13.9	Yes
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Description: ORRAA is a multi-sector alliance, focusing on de-risking investments into critical ecosystems that provide resilience against climate change, supporting the world’s most vulnerable communities. ORRAA’s objectives to de-risk focus on: Practice and innovation: building risk-adjusted, innovative and scalable finance products that change the risk perceptions of investing in coastal natural capital and increase resilience to climate change while delivering a return on investment; Research and knowledge: accelerating research and using data to better understand, analyse, predict, model and manage ocean risk; Policy and influence: informing and advancing ocean resilience policy, governance, and advancing ocean literacy, supporting private sector and public understanding. ORRAA is co-hosted by the Global Resilience Partnership at the Stockholm Resilience Centre, and financial monitoring of funds is managed through the overall Stockholm University financial system.

Defra	Championing Inclusivity in Plastic Pollution (CHIPP)	2022-2025	£4.9	Yes
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Description: The CHIPP programme consists of two components of thematically complementary work: 1. The United Nations Environment Programme Tide Turners Plastic Challenge, which is a global youth-oriented environmental education, awareness and advocacy programme that launched in 2018; and 2. Financial support towards Intergovernmental Negotiating Committee (INC) negotiations, with Defra working with the UN INC Secretariat and the UK contributing financially (alongside other countries) towards improving access for under-represented countries in the global plastic pollution policy debate.

Department	Programme name	Timing	Budget (million)	Active
FCDO	Sustainable Blue Economies (SBE)	2022-2028	£36	Starting now

Description: SBE aims to enhance the resilience of ODA-eligible SIDS and their economies to the impacts of climate change and economic shocks, including through better ocean management, poverty reduction/ improved livelihoods and greater use of nature-based solutions. The programme has four components: 1. Environmental policy, planning and research support: through externally provided one-off technical products that can help to inform and resource government planning and action, including, for example, support with country core data, information, and scientific analysis of marine economy issues; 2. Direct support to governments for implementation as a core component: to provide direct capacity supplementation and long-term capacity development support to those SIDS government functions necessary to implement a sustainable blue economy; 3. Enabling multilateral delivery: to improve the way that the growing landscape of blue economy actors function collectively by encouraging improved collaboration and access to finance and effective investment in the blue economy (such as the collaborative Blue Pacific Finance Hub delivered through the Asian Development Bank); 4. Social Challenge Fund: to support to micro-level social development through a competitive fund aimed at strengthening social capital with a focus on ensuring equitable access to potential benefits of the blue economy, which could include projects aimed at increasing awareness of blue economy potential and developing nature-based solutions. For two of the components FCDO is consulting with UK arm's-length bodies which delivered similar elements of the Commonwealth Marine Economies programme, as potential delivery partners.

FCDO	Climate and Ocean Adaptation and Sustainable Transition (COAST)	2023-2030	£154	Starting now
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Description: COAST aims to improve the adaptive capacities, climate resilience and prosperity of vulnerable coastal communities in developing countries. It will support them with the sustainable management of their marine environment and coastal resources. The programme has four components: 1. Integrated delivery at national level in priority countries (through two sub-components focused on i) reforming planning and policy by providing technical assistance, capacity building, etc.; ii) providing grants for projects on enhanced community-led governance, stewardship, and sustainable use of coastal resources, and responsive technical assistance for coastal management and governance support in non-priority COAST countries that are ODA-eligible as requested by UK embassies and High Commissions [through commercial supplier]. 2. Unlocking climate-resilient and innovative small-scale fisheries management and sustainable aquaculture [World Fish as delivery partner]. 3. Unlocking blue carbon climate finance [World Economic Forum as delivery partner]. 4. Independent monitoring, evaluation and learning [through commercial supplier].

Defra	Ocean Community Empowerment and Nature (OCEAN)	2023-2029	up to £60	Approved
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Description: Defra is currently in the process of mobilising a new competitive fund, OCEAN (similar to Defra's Darwin Initiative and Darwin Plus Funds), that will focus solely on tackling marine issues with a focus on activities in the following areas: marine protected areas (MPAs) and other effective conservation measures (OECMs); illegal, unreported, and unregulated fishing; international and large-scale fisheries; solid waste pollution and other forms of marine pollution. It will form two application windows: small grants to support in-country organisations and local communities, and larger grants to support bigger organisations and/or consortia partnering with local organisations (scaling-up activities).

Department	Programme name	Timing	Budget (million)	Active
Defra	Seascapes	2023-2030	up to £50	Under approval

Description: The Seascapes programme is being designed to test and scale up approaches to protect marine biodiversity through the effective management and enforcement of transboundary MPA and OECM networks, or 'seascapes'. These seascapes will support more sustainable and prosperous marine economies in the countries and regions where they operate, and create evidence for the environmental, social and economic benefits of efficiently managed and well-connected MPA networks on both national and transboundary scales.

Annex 2: Fund investment criteria, weighting and scoring

Investment criteria and weighting to be applied

Investment criteria	Minimum score required	Weighting
Stage 1:		
1. Poverty reduction potential	2	Most important criterion: 3
2. Environmental benefit potential	2	Most important criterion: 3
3. 'Do no harm'	2	N/A ⁴⁴
4. UK government priorities	2	2
5. Country need and in-country alignment	2	2
Stage 2:		
6. Financial soundness	1	2
7. Delivery and implementation potential	1	2
8. Additionality	1	1
9. Mobilising potential - finance	0	1
10. Mobilising potential - stakeholder action	0	1

How to score guide

The investment criteria are used to screen projects in a two-stage process. A score of 0-3 is available for each investment criterion.

Stage 1 assesses projects' strategic alignment to the Fund by assessing their poverty reduction and environmental benefit potential, and alignment with UK government and in-country priorities. Stage 1 also assesses whether projects will do no harm. Stage 1 involves screening a project against investment criteria 1 to 5. A project must score >2 for each of these criteria in order to pass stage 1 and proceed to stage 2.

Under stage 2, a project is scored against investment criteria 6 to 10. Minimum scores are also required for investment criteria 7, 8 and 9.

The investment criteria screening will provide information to help inform final recommendations on projects for Blue Planet Fund funding. To calculate a project's final score, weightings (see the table above) are applied to the score for each investment criterion. However, it is not only the total score that counts, but rather the strength of the proposal in meeting each of these criteria.

Business case stage – value for money assessment using investment criteria

Value for money principle	Key Fund investment criteria
Economy ('buying at the right price')	Financial Soundness
Efficiency ('spending well')	Delivery and implementation potential; additionality; UK government priorities

44 Criterion scored as Y/N: Project will only go ahead if it scores 2 (in other words, answers Y).

Value for money principle	Key Fund investment criteria
Effectiveness ('spending wisely')	Environmental benefit potential; poverty reduction; country need and in-country alignment; UK government priorities; maximising synergies; mobilising potential – finance; mobilising potential – stakeholder action
Equity ('spending fairly')	Poverty reduction potential; 'do no harm'

Annex 3: Indicative Blue Planet Fund key performance indicators

	Draft key performance indicator (KPI)	International climate finance KPI
1.	Volume of finance mobilised for purposes which match Fund objectives.	ICF KPI 11 Volume of public finance mobilised ICF KPI 12 Volume of private finance mobilised
2.	Development outcome: number of people, as a result of Fund finance, with improved outcomes: i) income; ii) ability to cope with the effects of climate change; iii) climate resilience; iv) food security and nutrition; v) waste management.	ICF KPI 1 Number of people supported to better adapt to the effects of climate change ICF KPI 4 Number of people whose resilience has been improved
3.	Number of projects or planning and/or governance processes with increased inclusion of local people and knowledge in decision-making to improve the marine environment.	
4.	Number of marine-related evidence, knowledge dissemination and education activities or products developed as a result of Fund finance.	
5.	Number of new or strengthened policies, strategies or regulations related to improving or managing the marine environment.	
6.	Degree of application of a legal/regulatory/policy/institutional framework which recognises and protects access rights for marine users.	
7.	Net change in greenhouse gas emissions – tonnes of greenhouse gas emissions reduced or avoided as a result of Fund finance.	ICF KPI 6 Tonnes of greenhouse gas emissions reduced or avoided
8.	Area of marine ecosystems protected, enhanced or under sustainable management practices as a result of Fund projects.	
9.	Changes in marine natural capital asset extent and condition as a result of Fund finance.	
10.	Amount of waste prevented from entering the marine environment and losses avoided in marine-related value chains as a result of Fund intervention.	



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