

Terms of reference for the mid-term review of Blue Natural Capital Financing Facility (BNCFF) and Blue Carbon Accelerator Fund (BCAF)

Evaluation Terms of Reference

1st May 2024

1. Evaluation context

In 2018, with support from the Government of the Grand Duchy of Luxembourg, IUCN launched the **Blue Natural Capital Financing Facility (BNCFF)**. The BNCFF aims to foster the development of innovative, nature-based, economically sustainable nature-based solutions (NbS) projects with clear ecosystem service benefits, based on multiple income streams and appropriate risk-return profiles.

Following the success of the first phase of BNCFF, and building on BNCFF's strong template, the **Blue Carbon Accelerator Fund (BCAF)** was established by Australia and IUCN, International Union for Conservation of Nature and Natural Resources (IUCN) as a dedicated funding scheme to support blue carbon restoration and conservation projects in developing countries and help pave the way for private sector finance.

These two regranting mechanisms are managed by the IUCN Ocean team. Through both regranting mechanisms, a total of 5 calls for proposals have now been completed:

- Under BNCFF:
 - One call for proposals focusing on green-gray infrastructure; and
 - One call for proposals focusing on Marine Protected Areas and Other Effective Conservation Measures.
- Under BCAF:
 - Two calls for proposals providing readiness support for early-stage projects; and
 - One call for proposals providing implementation support for on-the-ground interventions.

At the end of the process, the team has screened more than 260 proposals and provided guidance to many applicants. To date, a cohort of 21 projects is currently being supported, representing a total of 2.25M EUR grant disbursed under BNCFF and 4.58M AUD grant disbursed under BCAF. Projects are now ongoing, and the last cohort will finish over the summer 2025. More information available on the BNC website: www.bluenaturalcapital.org

Currently at the mid-point of this regranting phase, IUCN Ocean team is seeking an external mid-term evaluation of **both mechanisms** development, including scope, outreach and communication, selection process, and monitoring of project delivery.

2. Rationale and Purpose

IUCN is seeking an independent evaluator or evaluation team ("the Consultant") to lead the mid-term evaluation ("the evaluation") of both BNCFF and BCAF. This Midterm evaluation fulfils IUCN requirements to conduct an independent evaluation for the purpose of learning and reflection on project management and early results. It is expected that the findings and recommendations of this Midterm evaluation will help to identify any needed course corrections in both BNCFF and BCAF frameworks, operations, and activities to bring valuable external reflections to help strengthen the granting mechanism and complement the Monitoring, Evaluation and Learning system of the granting mechanisms through facilitating adaptive management. The purpose of the evaluation is multi-fold:

1. Conduct an external assessment of both mechanisms' procedures and operations:
 - calls for proposal scope and development;

- outreach and communication;
 - selection process; and
 - monitoring of project delivery.
2. Conduct an external assessment on the usefulness of the two mechanisms to continue to build a credible project pipeline and informing the nascent field of innovative finance for NbS and Blue Carbon projects;
 3. Outline opportunities to strengthen the BNCF and BCAF processes, including governance and decision making, to inform potential replenishment and fund-raising for future phases; and
 4. Identify best practices and lessons learnt from the BNCF and BCAF process and inform existing and/or future similar processes of on-granting schemes.
 5. Propose recommendations for course correction and improvement and explore options to continue into a BNCF Phase III and BCAF Phase II.

3. Audience, key stakeholders and use

The primary audience of this evaluation is the IUCN Ocean team of IUCN, and the Government of Luxembourg, the UBS Optimus Foundation, and the Australian Government.

4. Objectives and evaluation questions

The specific objectives of the Mid Term Review are:

- To assess the **relevance** of the BNCF and BCAF processes and their set-up to respond to NbS and blue carbon finance priorities.
- To assess the **coherence** with the situational analysis and how well BNCF and BCAF fit in this context and their compatibility with other interventions lead by IUCN.
- To assess the **effectiveness** of BNCF and BCAF in a) developing a project pipeline and being the “bridge to bankability” and b) influencing other stakeholders in the conservation and finance community.
- To assess the **efficiency** of the BNCF and BCAF process, including their governance and decision-making processes and procedures.
- Identify the **sustainability** of grants support offered via the BNCF and BCAF with needs of projects on the group in the blue natural capital and blue carbon spaces.

- Three additional lines of inquiry should also be addressed: contribution to the IUCN One Programme Approach, **Environmental and Social Management System (ESMS), and Gender Concerns indigenous peoples, and youth.**

- To identify **lessons** that can inform the design of existing and future on-granting processes in other situations that IUCN or other organisations may decide to convene.

- To provide **recommendations** on how BNCF and BCAF and their coordination/management mechanisms could be adjusted for further improvement to strengthen delivery of results and to explore options to continue into a BNCF and BCAF Phase II.

An initial set of questions that can guide this Mid Term Review is suggested below but the Consultant will be invited to propose key questions, topics and issues that could benefit from broader and deeper exploration and analysis to generate further learning.

Relevance

- How relevant are BNCFF and BCAFF in terms of aligning and responding to the objectives of the current IUCN Programme and other IUCN needs and priorities in relation blue carbon development and innovative finance for NbS projects?
- How appropriate and relevant are BNCFF and BCAFF approaches and intervention logics with regards to the long terms goal they are trying to achieve?
- How relevant have BNCFF related guidance, advice and recommendations been to inform the broader debate on innovative finance for NbS projects?

Coherence

- How well does BNCFF and BCAF fit in their context? The compatibility of the projects they support with other interventions at country level and within IUCN?

Effectiveness

- To what extent have BNCFF and BCAF delivered on their outputs and outcomes? In particular:
 - How effective have BNCFF and BCAF been in building an impactful pipeline of investable BNC projects, notably how effective IUCN has been at establishing a pipeline of projects via BNCFF and BCAF, and how successful BNCFF and BCAF supported project have at leveraging private sector finance?
 - The extent of influence of the BNCFF and BCAF process – and the uptake of the knowledge and innovation it generated - on other actors and players across 1). The conservation/climate community and 2). The finance community.
- To what extent are the Monitoring, Evaluation and Learning (MEL) strategy and tools adequate and effective in view of:
 - Demonstrating the overall performance of BCAFF and BNCFF in terms of developing a project pipeline
 - Demonstrating the performance and effects of funded project on the ground ;
 - Capturing lessons from project pipeline that contribute to the enrichment and continuous improvement of the Ocean team and their work on blue carbon economy and innovative finance for NbS;
 - Enabling adaptive management
 - Improving reporting, transparency and accountability to donors, IUCN Members and Secretariat
- Are there any unintended consequences as a result of the actions of BNCFF and BCAF?

Efficiency

- Have BNCFF and BCAF been using their resources cost-effectively? Does the quality and quantity of results achieved justify the resources invested?
- To what extent the setup of BNCFF and BCAFF– in their initial form and their subsequent developments – have been the most appropriate to achieve their mandate and pursuing their overall goal.

One Programme Approach:

- To what extent did BCAFF and BNCFF engage all constituents of the Union in its design or implementation so far?

Environmental and Social Management System (ESMS):

- Has the BNCFF ensure a sound environmental and social vetting process to measure and inform on positive impacts and minimize potential risks?

Gender Concerns indigenous peoples, and youth

- To what extent have indigenous people, youth and gender consideration been taken into account in the design and implementation of BNCFF and BCAF so far?

5. Methods and sources

A. Methods, sources and analysis

The evaluation will be designed and coordinated by the Consultant under the supervision of the IUCN Ocean team (with the support from the IUCN Monitoring Evaluation and Learning team). The evaluation process shall start as soon as possible and shall end by 30th September 2024.

The evaluation should use mixed methods to gather necessary information and to seek the view of the range of stakeholders who have been engaged in the process to date. This will include the review of project documents (e.g. BNCFF and BCAF deliverables) and of relevant external literature on the innovative finance for NbS and Blue Carbon projects. Interviews or online questionnaires with key stakeholders will also be conducted. The evaluation will entail the following phases:

I. Scoping Phase - Framing the boundaries of the evaluation (Approximate timeframe: June 2024)

The Consultant will review existing internal evaluations and other available information and assess possible information gaps against the initial list of evaluation objectives listed above. In this phase, the Consultant will also engage with IUCN (Ocean and Monitoring Evaluation team), the broader BNCFF and BCAF team (including external experts), grant recipients as well as other partners to finalise the evaluation objectives, questions, criteria and methodology. Against the above, the Consultant will also identify additional evidence that needs to be gathered and synthesized to fully inform the evaluation process – as well as sources of information including key individuals to be interviewed. The output of this phase will be an **evaluation inception report** which will include a **methodological note** and **evaluation matrix** presenting how each evaluation question will be addressed, data sources and data collection methods that will be used to gather additional information needed and a set of criteria to rate the strength of the evidence collected. The evaluation matrix will be reviewed and should be approved by IUCN.

II. Further data collection and analysis; development of draft evaluation report (Approximate timeframe: July-August 2024)

In this phase the Consultant will work with IUCN, the BNCFF and BCAF team and other key stakeholders to gather and consolidate the necessary information and develop separate **draft evaluation reports for BNCFF and BCAF**. Prior to circulating the draft report (see below) the evaluator will discuss key findings and recommendations for actions under the current BNCFF and BCAF processes and in the future phases with concerned stakeholders.

III. Presenting findings to key stakeholders and finalising the evaluation report (Approximate timeframe: September 2024)

Once the draft reports have been circulated, the Consultant, IUCN and the BNCFF and BCAF team will review and discuss the extent to which the evidence is adequate to meet the evaluation objectives – both in terms of assessing BNCFF and BCAF impact and effectiveness as well as its impacts to inform future initiatives. Further evidence that may be needed to make a conclusive statement about the achievement of BNCFF and BCAF outcomes or implications for future initiatives might be identified. The findings will be integrated by the Consultant in the **final version of the reports** and serve to finalise recommendations and to develop lessons learned.

B. Stakeholders to be consulted

Stakeholders to be consulted in this evaluation include representatives of the different BNCFF and BCAF structure and governance bodies, including the Facility Manager (IUCN ocean team), the Supervisory board, Grand Approval Committee and Technical and Strategic Advisors. Other stakeholders include the BCAF and BNCFF grant recipients as well as other partners engaged in the process.

C. Sampling requirements

To date, 21 projects are being supported by BCAF (12) and BNCFF (9). While all the projects should be considered for this MTR, the sample of projects to be assessed in detail by the consultant(s) will be confirmed during inception with the project team. IUCN foresees that number to be comprised between 5-10 projects.

6. Evaluation deliverables

Evaluation deliverables – This evaluation will target both BNCFF and BCAF as both are managed by the IUCN Ocean team following similar processes. The evaluation deliverables should nonetheless be distinct for each re-granting mechanism. Based on this and on the above, the Consultant will be accountable for producing the following products.

- ✓ Inception report with a methodological note distinct evaluation matrix for evaluating both BNCFF and BCAF;
- ✓ 2 Draft evaluation reports¹ one for BNCFF and one for BCAF;
- ✓ 2 final evaluation reports, one for BNCFF and one for BCAF;
- ✓ 2 Powerpoint presentations targeted to evaluation key audiences in which the key finding and recommendations from the Mid Term Review will be presented, one for BNCFF and one for BCAF.
- ✓ 2 two-page executive summaries of key findings, lessons, recommendations and messages from the Mid Term Review report, one for BNCFF and one for BCAF.

7. Travel requirements

Travel is not required for this Mid Term Review. All interviews are expected to be conducted remotely.

8. Schedule

Milestone/Deliverable	Completion Date (to be confirmed once exact starting date confirmed)	Roles and Responsibilities
Appointment of evaluation Consultant (contract start date)		IUCN
Inception report with methodological note an evaluation matrix discussed and finalised.	Within 2 weeks after starting date	The Consultant, evaluation matrix to be agreed by all parties

¹ A template/table of content for the evaluation report will be agreed at the early stages of the evaluation

Comment on inception report shared with the consultant	Within 1 week after submission of draft inception report	IUCN
Final inception report and approval	Within 1 week after receiving comments	The Consultant and IUCN
Additional data collection and analysis completed;	Within 4 weeks after inception report approval	The Consultant
Draft reports (one for BCAF and one for BNCFF) completed and circulated. Presentation of draft findings and recommendations to concerned stakeholders	Within 2 weeks after completion of data collection	The Consultant
Comments on draft reports collated (unedited) and shared with the consultant	Within 1-2 weeks after draft report was circulated	IUCN
2 Final reports and approval	Within 1 week after receiving comments	The Consultant and IUCN
Webinar on the reports findings and recommendation and development of two 2-pager summaries	Within a week after approval of final report	The Consultant

9. Roles and responsibilities

This Mid-Term review is commissioned by IUCN. Day-to-day management and coordination will be done by its Ocean team with the support of its Monitoring, Evaluation and Learning Unit. This evaluation will be undertaken by an independent evaluation team, selected through IUCN's procurement process.

10. Qualifications of the Evaluators

IUCN requires a person or a team of evaluators with extensive expertise and knowledge in conservation and blue carbon finance – possibly with an expertise in the marine space and in evaluating innovative finance, Nature-based Solutions and blue carbon projects and programmes The Consultant – either as a single individual or as a team - should meet the following criteria:

- Advanced university degree in conservation, natural resources management, environmental/ climate finance, development, or other relevant discipline
- At least 10 years of experience in conducting evaluations; with demonstrated quantitative and qualitative data collection and analysis skills, with proven record of conducting formative evaluation Experience in conducting and managing evaluations of projects which involve international science-based organisations and the private sector finance and/or coastal conservation projects will be an asset
- Prior experience in conducting evaluation in countries where the BCAF and BNCFF deploy their portfolio would be an asset;

- Complete independence from IUCN, or any of the BNCFF and BCAF supported projects;
- English language fluency mandatory
- Previous experience with other on-granting schemes an asset

11. Cost

The maximum available budget for this review is CHF 40,000. The Consultant shall be paid upon completion of the following milestones:

- ✓ 30% upon submission and acceptance of an inception report;
- ✓ 30% upon submission of the draft report
- ✓ 40% upon submission and acceptance of the final report

12. Appendices

IUCN Evaluation Policy