Investment in Cities4Forests

 16 December 2019

Contents

[Intervention Summary 3](#_Toc26217715)

[Context and Need for UK Government Intervention 3](#_Toc26217716)

[What support will the UK provide? 3](#_Toc26217717)

[What are the main project activities? 3](#_Toc26217718)

[What are the expected results? 3](#_Toc26217719)

[How does the project meet Departmental and ICF objectives? 3](#_Toc26217720)

[What are the key risks to success of the programme? 3](#_Toc26217721)

[Strategic Case 4](#_Toc26217722)

[Context and Need for a UK intervention 4](#_Toc26217723)

[Market, governance and information failures 5](#_Toc26217724)

[What support will the UK provide? 5](#_Toc26217725)

[Impacts, outcomes and outputs 5](#_Toc26217726)

[How will this project contribute to Defra objectives and priorities? 9](#_Toc26217727)

[Compliance with the International Development Gender Equality Act 10](#_Toc26217728)

[Economic Case 11](#_Toc26217729)

[Options for achieving the objectives identified in the Strategic Case 11](#_Toc26217730)

[Commercial Case 15](#_Toc26217731)

[Commercial requirement for the intervention 15](#_Toc26217732)

[Competency of the delivery organisation 15](#_Toc26217733)

[Appointment and competancy of subcontractors 15](#_Toc26217734)

[Why is the proposed funding arrangement the right one for this intervention, with this delivery partner? 15](#_Toc26217735)

[Financial Case 16](#_Toc26217736)

[Nature and value of the expected costs 16](#_Toc26217737)

[Financial management: monitoring, reporting, accounting 16](#_Toc26217738)

[Financial and fraud risk assessment Error! Bookmark not defined.](#_Toc26217739)

[Management Case 18](#_Toc26217740)

[What are the management and goverance arrangements for implementing the intervention? 18](#_Toc26217741)

[HM Government staffing – Resource Requiremnts 18](#_Toc26217742)

[How will progress and results be monitored, measured and evaluated? 18](#_Toc26217743)

[What are the risks and how will they be managed? 19](#_Toc26217744)

|  |
| --- |
| Intervention Summary  |

**What support will the UK provide?**

Defra will invest £560,000 of Official Develop Assistance (ODA) into the Cities4Forests programme, managed by the World Resources Institute (WRI). This investment will specifically finance a range of technical assistant proposals that will support developing country city members to value and plan for forest restoration and protection investments. Defra’s investment will specifically:

* Deliver tree mapping, baselines and forest and Nature Based Solutions (NBS) investment plans for five countries – Madagascar, Brazil, India, Indonesia and Mexico.
* Build the evidence base and supporting communications for a global mayor-led call to action on NBS for the Super Year of Nature – 2020; and
* Develop and deploy evidence-based knowledge products to value forests and create feasible investment strategies for 29 developing country member cities across Cities4Forests.

The Cities4Forests programme provides a network, between cities in developing nations, to share lessons learned and baselines on forest restoration and protection programmes. This allows best practice to be identified and adopted across cities’ interventions and facilitates accelerated innovation. Defra funds will also mean more cities in the network can benefit from tailored, specific deep dive investments.

**Context and Need for UK Government Intervention**

Transforming the way our natural resources are managed and utilising ‘Nature based Solutions’ (NBS), in particular forests, is one of the key mechanisms we can use to mitigate against the most catastrophic impacts of climate change.

It is estimated that NBS can deliver 30 percent of the climate solutions needed by 2030, two thirds of which is in forest protection and restoration. However, there has been limited global action in this area. The World Resources Institute (WRI) estimated that the tropics lost 12 million hectares of tree cover in 2018, 3.6 million hectares of which was primary rainforest. Furthermore, A 2019 assessment of the New York Declaration of Forests (NYDF) goals states that “five years later there is little evidence that these goals are on track, and achieving the 2020 NYDF targets is likely impossible”.

Deforestation is largely driven by a global market failure that incentivises the conversion of forests into agricultural land. The costs associated with forest loss, particularly an acceleration of climate change, are not properly internalised in the production of commodities, often making deforestation more profitable than leaving forests intact.

Addressing this issue requires action to change the way these commodities are consumed, particularly in cities, where a vast number of consumers reside. However, due to a market barrier known as information asymmetry, changing these patterns of consumption can be difficult. This is because residents are often not aware of the impact of their consumption and cannot identify goods that are driving deforestation. Information asymmetry also means that decision makers in cities do not realise that nearby forests are critical to the supply of cheap, fresh water and air. These same actors also often do not have access to the tools and resources needed to conduct the required analysis to realise the benefits provided by forests to their cities.

However, promoting and supporting city decision makers to take action on forests is essential. These actors have the political power, responsibility and financial resource to directly affect decisions that can reduce deforestation and facilitate forest restoration. Likewise, changing consumption patterns in cities could shift demand for deforestation-free supply chains. As such, decision makers need access to tools and resources that will help them to identify the benefits associated with forest protection, and to implement policies and programmes that can shift consumption habits and protect forests both regionally and globally.

**What are the main project activities and expected results?**

Defra’s investment in Cities4Forests will finance specific activities that will help decision makers and officials in cities, in a number of developing countries, access tools, resources and technical assistance that can support them in developing policies and interventions to protect and restore forests. The programme will also seek to deliver a ‘global mayoral declaration’ on the value of trees and forests and their role in combatting climate change. This declaration will be used to steer negotiations at upcoming global events on biodiversity and climate change (Convention on Biological Diversity in October 2020 and the 26th UNFCCC COP in November 2020) and will make specific city commitments to protect trees and forests. A summary of the key activities is as follows:

* Strengthening institutional capacity and capability through technical assistance to improve developing country’s city government support for and investment in trees, forests, and green infrastructure.
* Supporting developing country’s city governments to increase investment (political, economic, and social) and implement new and/or improved programs to support the management and conservation of inner and nearby forests.
* Supporting and encouraging developing country mayors to increase political action and support for trees and forests as a solution for combatting climate change, supporting better water management, and improving human health and well-being.

**How does the project meet Defra objectives and priorities?**

The proposed investment in the Cities4Forests programme will:

* Allow Defra to meet its commitments, as set out in the 25 Year Environment Plan, to help developing nations protect and improve the environment and to support and protect international forests.
* Allow Defra to demonstrate the potential of nature-based solutions (NBS) in combatting climate change and reversing biodiversity loss, while promoting their use. This forms a key objective of Defra’s international strategy, including its ambition for delivering International Climate Finance and for delivering the objectives of the Paris Agreement.
* Meet wider HMG / UK objectives ahead of the UNFCCC COP 26, hosted in Glasgow in 2020, where NBS will likely be a key theme.
* Allow Defra to deliver against its international forest strategy aims to scale finance to forests and the wider Defra/ UK government objective to promote deforestation-free supply chains.

**What are the key risks to success of the programme?**

Some of the key financial, commercial and management risks are as follows:

* **Delivery risk:** Timelines are short for the delivery of activities across outputs, which aim to be delivered by March 31 2020.
* **Risk to achieving impact:** A risk that technical assistance products are not relevant or needed by the cities in the network, which means that Defra’s medium term outcomes and long-term impact and results are not achieved.
* **Political will risk:** There is a risk that city leadership may change over time and thereby political support for the project declines. This results in Defra’s long-term objectives and results for forests not being met.

# Strategic Case

## Context and Need for a UK intervention

1. The Intergovernmental Panel on Climate Change is clear that we have just over a decade to transform the way the world manages its natural resources if we are to stand a chance of keeping global temperature rise to below 1.5 degrees and avoid the catastrophic impacts associated with this.[[1]](#footnote-1) Nature-based solutions (NBS) are key to cost-effectively mitigating climate change and adapting to its impacts. Forests play a critical role in NBS – some estimates place two thirds of NBS mitigation opportunity in forest protection and restoration.[[2]](#footnote-2)
2. Despite the importance of forests to meeting global climate goals, global action to protect and restore forests is king. A 2019 assessment of the New York Declaration of Forests (NYDF) goals states that “five years later there is little evidence that these goals are on track, and achieving the 2020 NYDF targets is likely impossible”.[[3]](#footnote-3) Forest clearance for commercial and subsistence agriculture is a leading cause of tropical and sub-tropical deforestation, but the drivers behind this are complex and multi-faceted, including global demand for commodities, insecure tenure rights, weak enforcement institutions, lack of transparency in the finance sector, lack of awareness by consumers and citizens to the importance of standing forests and much more.[[4]](#footnote-4)[[5]](#footnote-5)
3. There is a need to revalue standing forests to shift current market incentives away from deforestation. Forests provide benefits besides being sinks for carbon emissions. They regulate local and regional climate and precipitation, directly affecting food security and economy. Forests regulate streamflow and water flow, preventing flooding downstream, including in urban areas. 2.4 billion people globally rely on woodfuel to cook and sterilise their water. The forestry sector supports an estimated 85 million to 105 million jobs worldwide. The genetic diversity of natural forests and their ecosystems are key to adapting to temperature shifts as the global climate warms, providing natural resilience to changes that are already occurring globally.
4. New, innovative ways to advocate for, value and finance the protection and restoration of forests are critical to meeting global goals for forests and the Sustainable Development Goals more broadly. City actors are a largely untapped group of global actors that have political power and financial clout to tip the balance in favour of forests in many regions. Cities have authority and responsibility to directly affect decisions that affect deforestation and the potential for forest restoration. This includes mayor’s offices and agencies within city governments, as well as public water utilities and the consumption patterns of urban residents themselves. Due to similarities in the challenges faced, e.g. water, sanitation, heat island, flooding, fresh food, etc, cities see real potential in learning from each other. Therefore, any network which allows lessons learned from pilots to be shared quickly across cities, accelerates innovation in this space and forest protection and restoration.
5. Cities are one of the main drivers of deforestation through the consumption habits of their residents. Over fifty percent of the world’s population lives in urban areas.[[6]](#footnote-6) Changes in their consumption patterns could radically shift demand for deforestation-free supply chains. In addition, cities’ requirements for fresh water and air, reduction in heat island effect, reduction in flooding and timber products for building and other, e.g. furniture, give them extensive power over the market incentives that affect forests.

## Market, governance and information failures

1. Deforestation is largely the result of a global market failure that does not correctly price the value of standing forests. The benefit accrued to those that deforest land (e.g. being able to cattle farm and sell beef for a profit) affects other people in a way that is not accounted for in the market price. In other words, the costs of catastrophic global temperature rise and associated impacts, soil erosion, sedimentation build up in hydropower plants, flooding downstream, poor air quality, changes in rainfall patterns, reduced water quality in cities, reduced global biodiversity, etc, are not accounted for in the price of commodities produced on cleared forest land.
2. For actors that wish to shift the incentives in favour of forests, there is often the market barrier of **information asymmetry**. For example, consumers in cities may not be aware of the impact their consumption of certain agricultural products and cannot distinguish between goods that are driving deforestation and those that are not. Decision-makers in cities may not realise that nearby forests are critical to the supply of cheap, fresh water and naturally filter air quality to improve health and wellbeing of residents.
3. There is also a technical barrier in that cities may not have the capacity, resources or understanding to conduct key mapping and analysis to value their natural capital and its potential. There is a need to test new approaches, provide baselines and convene networks to share lessons learned.

## What support will the UK provide?

1. Defra’s investment of £560,000 represents 9.4% of the programme’s budget and is financing a range of tangible activities that align with the department’s strategic objectives. Total funding for this project is £5,960,000 from five partners including Defra. The project runs for a total of three years (2019 to 2021), and Defra’s funding contributes to specific activities occurring in Year 2 of the project.

## Impacts, outcomes and outputs

**Impact (beyond the lifetime of the programme)**

1. Greater conservation, restoration, and sustainable management of forests, due in part to greater political, program and investment support by cities.

**Outcomes and outputs**

1. Defra’s investment will finance specific activities that benefit developing country cities by helping to achieve the following outcomes and associated outputs.
2. **Outcome 1:** Strengthened institutional capacity and capability through technical assistance leads to improved developing country’s city government support for and investment in trees, forests, and green infrastructure.
3. **Output 1.1: Strengthen policy and planning for urban forests in developing countries.** A strong urban forest policy and associated strategic plan are the foundation to ensuring a robust and resilient urban canopy which builds the resilience of the city to climate change impacts, such as through improving air quality, offsetting heat islands and managing stormwater. However, information on how to develop, implement and integrate these policies with other, often evolving urban development investments and plans is complex and not easily accessible. This particularly true for developing country cities which have often not yet created strong urban forest policies. As part of initial surveying of member cities, many of the developing country cities involved in Cities4Forests have expressed interest in working with C4F to develop, implement and integrate new and improved urban forest policies, including Antananarivo, Madagascar; Addis Ababa, Ethiopia; Cali, Colombia; Jakarta, Indonesia; Kochi, India; Culiacán, León, Mérida, Guadalajara, and Mexico City, Mexico, and Belo Horizonte, Campinas, and Rio Branco, Brazil. Cities4Forests, with Defra’s support, will deliver the free online course for planners and policymakers in these developing countries to learn how other leading cities around the world are tackling urban forest management in the face of limited budgets, growing populations and climate change. Defra funds will support the research and creation of the peer-reviewed content and curriculum for the Cities4Forests *Policy and Planning for Urban Forests Course*.
4. **Output 1.2: Helping developing country cities access the best tools for nature-based solutions decision-making.** Through Cities4Forests, 29 developing country cities have committed to increase their support for forests inside and outside their political boundaries. Yet, with hundreds of guidelines, quantitative tools and shiny models, it can be difficult to know where to start. To make it easier for these city officials to incorporate trees, forests and green infrastructure into their decision-making, planning and investments, Cities4Forests will develop a user-friendly toolbox to help city officials access the best tools available based on their thematic needs, locations and technical capacity. The toolkit will also provide connections with tool developers, access to case studies where specific tools have led to successful outcomes, and the opportunity for training on tool utilisation. Defra funds will support the research and creation of the *Cirties4Forests Toolbox*, which will be publically available. These (and the outputs of 1.3 below) will then be tested across the following cities: Accra, Ghana; Addis Ababa, Ethiopia; Antananarivo, Madagascar; Nairobi, Kenya; Jakarta, Indonesia; Kochi, India; Belo Horizonte, Campinas, Macapá, Palmas, Porto Velho, Rio Branco, Salvador, São Luis, São Paulo, Brazi; Culiacán, León, Mérida, Guadalajara, Mexico City, Mexico; Bogotá, Cali, Medellín, Colombia; and Quito, Ecuador.
5. **Output 1.3: Assisting developing country cities to incorporate gender and social equity into nature-based solutions projects.** In conversations across the Cities4Forests network, city leaders consistently express the need for greater guidance on how to ensure that forest-related projects address growing local inequalities. To support cities with this challenge, Cities4Forests’ [Gender and Social Equity experts](https://www.wri.org/our-work/topics/gender) will provide decision makers with the latest research, frameworks, case studies, and resources to guide cities toward positive, equitable, and inclusive forest-related projects. Defra funds will support the research and creation of the *Cities4Forests Gender and Social Equity Guidelines*, to be publicly available for piloting with developing cities mentioned in output 1.2 above.
6. **Output 1.4:** **Helping cities understand and reduce their impact on tropical “faraway” forests**. Cities and their residents have an increasing impact on global tropical deforestation and resulting carbon emissions. However, city residents are often unaware of how their day-to-day consumption affects global forests, and currently there is no framework to measure, and thus manage, these impacts. Cities4Forests—in collaboration with other world leaders in this space including TRASE, Rainforest Foundation Norway, and Wildlife Conservation Society—will help cities calculate their consumption of forest-risk commodities, providing a springboard for cities to invest in protecting tropical forests through Cities4Forests’ Partner Forest Program (see #5 below). Defra’s support of the Forest Footprint Framework will help developing country cities understand and visualize their impact on tropical forests, provide an analysis of the main causes of the deforestation that each city is responsible for, and offer insights on steps to reduce or offset their forest footprint. Defra funds will support the research and creation of the *Cities4Forests Faraway Forests Footprint Framework* and the piloting of this framework with two developing country cities: Quito, Ecuador and Mexico City, Mexico.
7. **Output 1.5: Creating partner forest relationships between cities and tropical forests.** Showing the world meaningful and mutually-beneficial relationships between “western” cities and tropical forests is a core component of Cities4Forests’ theory of change. These “partner forest” relationships will draw attention to the urban-rural interdependencies that currently drive the majority of tropical deforestation and offer charismatic “forest-positive” alternatives that city residents and governments can feel proud of. With Defra support, Cities4Forests will lead one targeted leadership workshop to accelerate Cities4Forests’ partner forest program in either Papua New Guinea, Ghana, or Ecuador. The outcome of the workshop will be a robust adaptable business model with budget, timeline, maps, tools, impact analysis (including carbon and biodiversity projections) and an organizational structure. This will accelerate the uptake of our member cities who are looking for climate action alternatives as they move towards net zero commitments.
8. **Outcome 2:** Developing country’s city governments increase investment (political, economic, social) and implement new and/or improved programs to support the management and conservation of inner and nearby forests.
9. **Output 2.1: Mapping baseline tree cover in Antananarivo, Madagascar.** Partnering with the Antananarivo City Hall and responding directly to the mayor’s request for technical assistance to increase tree cover, Cities4Forests hosted the [first-ever tree cover mapping workshop in the city](http://www.rfi.fr/afrique/20190817-madagascar-mapathon-antananarivo-compter-arbres) in August 2019. With Defra resources, Cities4Forests will partner with city government, civil society and academia toanalyze the data collected and establish the city’s first tree cover and tree count baselines. The analysis will be used to inform Antananarivo’s urban agroforestry expansion strategy, championed by the mayor as a solution to combat stormwater flooding, adapt to climate change, and improve the health and well-being of the city’s more than 5 million residents. Defra’s funds will support the analysis and allow for deep socialization of the results with the Antananarivo City Hall and local media. This outcome will set the stage for expansion of this work to Antananarivo’s watersheds (nearby forests) which have suffered deforestation related to urban expansion and increased fuelwood demand.
10. **Output 2.2: Assessing the economic benefit of Campinas, Brazil’s Nearby Forests to provide clean and plentiful water for the city.** Using WRI’s Green-Gray Assessment method, established to enable stakeholders to value the costs and benefits of integrating green infrastructure into water supply systems to improve performance, and building on previous successful applications in São Paulo and Rio de Janeiro, WRI Brasil will conduct a green-gray economic assessment of Campinas’ nearby forested watershed. The Santa Geneva Forest, along with the multiple green corridors and forest fragments found in Campinas’ watershed, play a critical role in providing water for the city and its 3 million residents. Yet, urban expansion and agricultural pressure threaten these forested ecosystems. Partnering with the city government and the local water utility, Sanasa, WRI Brasil will execute an economic assessment to quantify the role that Campinas’ watershed forests play in reducing water turbidity (which lowers water treatment costs for the utility) and enhanced water security. With support from Defra, WRI Brasil will convene stakeholders and host a kickoff workshop to identify research needs, initiate data analysis, identify data gaps, broaden stakeholder buy-in, and finalize a work plan.
11. **Output 2.3: Mapping the water and vegetation resources of Kochi, India.** Each year, Kochi suffers from extreme weather events such as widespread flooding and severe heat islands. The Kochi city government has identified tree cover expansion in strategic locations as the priority intervention to provide ecosystem benefits for the city and improve the lives of Kochi’s 900,000 residents. In collaboration with the city government, WRI India will lead an effort to map Kochi’s water and vegetation resources. The analysis—including the city’s first tree cover baseline—will serve as a decision-support tool for the city to identify and prioritize the most vulnerable areas and highest potential locations for strategic tree-based mitigation efforts to offset urban heat islands and reduce stormwater flood risk. In addition, the project aims to raise awareness and build capacity among local stakeholders regarding the benefits NBS can provide the city and its residents. Defra funds will support the creation of Kochi’s first tree cover baseline, which will be ready for the city government to incorporate into local policies.
12. **Output 2.4: Mapping tree cover and green space in Jakarta, Indonesia,** as a primer for tree cover expansion to address air pollution concerns. Partnering with the Jakarta Governor’s Office, Cities4Forests will host a mapping workshop to assess urban tree cover and the extent of green space in Jakarta. In June 2019, Jakarta came under local and international scrutiny for poor air quality caused by its aging transportation and energy sectors. While the city plans to reform and decarbonize these sectors, the Governor’s Office simultaneously prioritized tree planting and the expansion of green space to offset existing air pollution. In response to public outcry and calls for action from residents, the Governor’s Office issued the Gubernatorial Instruction No. 66/2019 which includes the need to [expand tree cover and green space to offset air pollution](https://www.thejakartapost.com/news/2019/08/18/city-to-boost-development-of-parks-to-reduce-air-pollution.html). Cities4Forests and WRI Indonesia are well-positioned to provide technical assistance to establish Jakarta’s tree cover and green space baselines and assess the opportunities for tree planting, thereby informing the Governor’s tree cover expansion strategy. Defra’s funds will support the analysis and allow for initial socialization of the results with the city government and local media. Further, Defra support will enable the team to begin developing the necessary guidance on optimal species selection, given the uncertainty of climate change and the specific air quality benefits desired.
13. **Output 2.5 Accessing finance for nature-based solutions in Mexico.** Cities4Forests has received overwhelming demand from the six participating Mexican cities (Aguascalientes, Culiacán, León, Mérida, Guadalajara, and Mexico City) for increased technical support and capacity building around how to access public and private finance for nature-based solutions. Cities4Forests, in collaboration with WRI Mexico, proposes to address this need by delivering two workshops and one high-level convening event to build city government capacity and highlight relevant opportunities for the six Cities4Forests Mexican cities.
14. Of these six cities, two are also part of the Mexican cohort of [TheCityFix Labs](http://thecityfixlabsmexico.org/), an initiative that helps cities access sustainable urban finance to implement green infrastructure projects. These two cities, Mérida and Mexico City, have well-defined nature-based solutions objectives in need of financing. Mérida aims to upgrade its stormwater drainage system from a pool of wells that channel polluted water directly to the city’s aquifers into a network of green infrastructure drainage systems. Mexico City aims to establish a third section of Bosque de Chapultepec, an expansive urban park that provides hydrological ecosystem services to the city and the broader metropolitan area, serving more than 22 million residents. Other CityFixLabs cohort cities, such as Xalapa and Hermosillo, as well as the larger state of Guanajuato, are also interested in joining Cities4Forests and would also be able to benefit from the Defra-funded workshops.
15. Defra funds would support the delivery of the two workshops and the high-level convening event, allowing multiple cities to participate, access technical expertise, and exchange best practices. The key takeaways and recommendations on accessing finance and improving project bankability will be circulated with other cities, and the long-term outcome would be to facilitate financial transactions between investors and Cities4Forests nature-based solutions projects in Mexico.
16. **Outcome 3:** Developing country mayors increase political action and support for trees and forests as a solution for combatting climate change, supporting better water management, and improving human health and well-being, citing an established evidence-based narrative about the benefits of inner, nearby, and faraway forests to cities and their residents.
17. **Output 3.1: Building local leadership on forests in Brazil.** Local leadership in Brazil is needed to halt deforestation in the Amazon and other Brazilian biomes. Brazilian cities are stepping up, presenting Cities4Forests with an opportunity to galvanize their voices around a call to action on NBS. Brazilian cities are requesting technical support, capacity building, and access to finance to scale NBS interventions. Cities4Forests’s strong partnership with the Brazilian National Front of Mayors (FNP) – a network of more than 400 mayors – and the nine deeply engaged Cities4Forests cities in Brazil offers a key opportunity to address this challenge. Promoting inter-city exchanges between the nine Brazilian Cities4Forests cities is the first step towards unifying their voices in the Call to Action. Building on the progress made by the Amazon Cities Pact, Brazilian cities are well placed to advocate for the widespread adoption of NBS to enhance climate resilience, ensure biodiversity conservation, and improve the well-being of local people. Defra funds will help support an initial peer-to-peer exchange in March 2020 for Brazilian cities to share best practices on forest planning, financing and implementation, and come together around the planned call to action.
18. **Output 3.2: Delivering a global mayoral declaration:** Mayors command the ability to capture media attention, shift the public discourse, and inspire action from local and national leaders. Cities4Forests will work closely with mayors globally to garner pledges and commitments, craft key messages, and deliver a high-profile joint call to action. Two upcoming UN events provide key opportunities: 1) The Conference of Parties (COP) to the Convention on Biological Diversity in October 2020 in Kunming, and 2) the 26th UNFCCC COP on November 2020 in Glasgow. Cities4Forests will create a declaration, which will include high-level statements from mayors on the value of trees and forests, a call from mayors to COP negotiators to increase investment in trees and forests as a climate solution, and a collection of city-specific commitments to forest action. Defra funds will support the drafting of the declaration and key messaging.

## How will this project contribute to Defra objectives and priorities?

1. As set out in the 25 Year Environment Plan, Defra strives to help developing nations protect and improve the environment and also seeks to support and protect international forests. Cities4Forests contributes directly to both these objectives by providing developing countries’ cities and their urban residents with the tools they need to value the benefits forests provide them, shifting the incentives in favour of the environment – leading to public and private investment in forest protection and restoration.
2. Cities4Forests is an innovative example of how to protect forests through nature-based solutions (NBS), which is a key objective of the Defra’s international strategy, including its ambition for delivering International Climate Finance and for delivering the objectives of the Paris Agreement; it is likely that NBS will be a key theme of the UNFCCC COP 26, hosted by the UK in Glasgow in 2020. Therefore, investments in NBS initiatives that help others implement NBS aligns directly with Defra’s and the UK’s international objectives.
3. Defra’s international forest strategy aims to scale finance to forests and Cities4Forests is pioneering new ways to do this and creating the enabling environment to attract this investment. Cities4Forests also includes initiatives to raise awareness amongst cities and their businesses and residents as to the deforestation-footprint linked to their consumption patterns and then help link developing country’s tropical forests with developed country cities, creating a sense of partnership and responsibility. The promotion of deforestation-free supply chains is another key objective of Defra’s and the UK Government more widely.

## Compliance with the International Development Gender Equality Act

1. The Cities4Forests initiative follows WRI’s gender equality approach. Pilot Projects and REVOLVE, partners who help deliver the programme, have agreed to comply with WRI’s gender equality statement, as outlined in their respective contracts and subgrants. In addition to commitment to gender equality, over-arching principles that guide programmatic and institutional practices, WRI advocates for and champions diversity, equity and inclusion in its work with governments, businesses, donors, civil society and other institutions. One of the workstreams of this programme includes the creation of Cities4Forests Gender and Social Equity Guidelines. Therefore, taken together, the programme will have an indirect, but beneficial impact on gender equality by providing tools and guidelines for cities to incorporate gender equality issues and concerns into their plans, strategies and general development.

|  |
| --- |
| Economic Case |

## Options for achieving the objectives identified in the Strategic Case

1. In considering options for achieving the impact set out in the theory of change, i.e. *Greater conservation, restoration, and sustainable management of forests, due in part to greater political, program and investment support by cities,* we considered three options assessed against the following criteria:
	* **Costs**, including Defra’s management costs (i.e. both resource and financial)
	* Climate change mitigation and adaptation **benefits** through avoided deforestation and/or forest restoration – Will the project result in a reduction in greenhouse gas emissions?
	* Potential for influencing **ambition** and action at UNFCCC COP26 in Glasgow – Will the project drive ambition and action at COP26 in Glasgow?
	* UK **visibility** – Will the UK be seen as a provider of support and as a leader in tackling climate change through nature-based solutions?
	* **Timing** –Howlong does it take to set up?

The three options are to i) do nothing; ii) invest in the Cities4Forests Initiative; and iii) procure a delivery partner through competitive grant to create a forest initiative for cities. The results of this multi-criteria analysis are demonstrated in Table 1.

Table 1. Results of multi-criteria analysis against key criteria.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Programme** | **Costs** | **CC Benefits** | **Ambition**  | **UK visibility** | **Timing** | **Total** |
| Do nothing | Low (2) | Medium (1)\* | Medium(1)\* | Low (0) | n/a | 4 |
| Cities4Forests | Medium (1) | High (2) | High (2) | Partial (1) | Fast (2) | 8 |
| Defra developed | High (0) | Medium (1)  | Medium (1)\* | High (2) | Slow (0) | 4 |

\*note that a ‘medium’ score is given in these options as the Cities4Forests programme will still exist and it will still bring about some of these benefits, but they will not be as extensive without UK support.

1. **Option 1: Do nothing**
2. For this option, the UK would not invest in Cities4forests or develop a similar initaitive. Do nothing would result in no costs to Defra directly and there would be no resource costs of time associated with managing the programme.
3. There would be wider social costs in that Cities4Forests would not be able to fund all its ambition. This would result in less technical assistance to fewer developing country cities, reducing the results of the programme in terms of climate change benefits from forest restoration and protection. There may also be less resources and ability for the Cities4forests to mobilise ambition and action of mayors ahead of COP26. Thus, it may be less effective than it would be without Defra support. The UK would not be seen to be pioneering nature based solutions with developing country cities, in advance of COP26.
4. **Option 2: Invest in Cities4Forests**
5. Summary: Option 1 is to invest £560,000 into the Cities4Forests initiative, specifically financing a range of technical assistant proposals that will support developing country city members to value and plan for investment into forests - both restoration and protection. It will contribute to the budget to:
	* Deliver tree mapping, baselines and forest and NbS investment plans for five countries – Madagasacar, Brazil, India, Indonesia and Mexico.
	* Build the evidence base and supporting communications for a global mayor-led call to action on NBS for the Super Year of Nature – 2020; and
	* Develop and deploy evidence-based knowledge products to value forests and create feasible investment strategies for 29 developing country member cities across Cities4Forests.
6. In terms of **economy**, there will be financial costs of £560,000 in Year 2 of the project, and staff time for policy engagement and programme management estimated at 0.2 FTE over two years. Defra’s funds will finance a multitude of tools and evidence-based knowledge products to value forests and create feasible investment strategies for the 29 developming country member cities across Cities4Forests. Defra funds will mean more cities in the network can benefit from tailored, specific deep dive investments, e.g. forest investment plans in India, Brazil and Madagascar. In addition, there can be greater acceleration to action; in 2020 there is a unique opportunity to galvanise action for forests, given the two major COPs, and Defra funds can build momentum in a global mayor-led call to action on nature-based solutions. Defra funds expand the range of tools that can be financed to help cities protect forests, e.g. through the piloting of Partner Forest Programme, as a result of Defra funds.
7. There is a high level of expertise involved in the project, with leading global experts on forests protection and restoration providing significant time on the project.
8. There are **efficiencies** of scale which occur as a result of Defra investing in Cities4Forests. Costs associated with set up are not applicable because this is an existing initiative. As a result, a greater proportion of Defra’s funds will directly support developing countries’ needs. Cities4Forests already has an established membership, which includes 29 developing country cities. As a result, tools and evidence developed by Defra funds will be used and taken up by a greater number of cities than if Defra were to create a project on its own or work directly with a few cities in a bilateral approach. In total, over 100million people reside in the Cities4Forests network of developing country cities. The network also shares learning across it, accelerating innovation and identifying good practice quickly – meaning that as cities across the network pilot new ideas for NBS, they can more quickly learn what works.
9. In addition, for relatively little investment (9.4% of total funds), Defra will be seen as one of the funders and partners of the Cities4Forests and benefit from being associated across the network, whatever its total investment. For only a relatively small investment, Defra can reap UK visibility benefits from piloting NBS solutions across 29 developing country cities and in contributing to the raised ambition associated with any Mayor-Led Declaration in advance of COP26.
10. Given that responding to climate change is time critical, and protecting and restoring forests more so, Cities4forests allows Defra to accelerate support for forests quickly.
11. The **effectiveness** of the Cities4Forests programme cannot easily be evidenced as it is only nearing the end of its first year. However, the interest and willingness of cities to be members is demonstrated by the high membership figure of 29 developing country cities. In addition, WRI has extensive experience of managing successful technical assistance programmes in developing country contexts. For example, WRI and its partners developed tools to implement and monitor community-based natural resource management programmes in Indonesia and the Democratic Republic of the Congo. These initiatives supported sustainable forestry, agriculture and ecological land management in vulnerable areas, improving livelihoods. Preliminary results from the WRI Indonesia project demonstrate positive impacts, including decreased tree cover loss, higher income among farmers and fewer conflicts over land tenure.
12. Another example demonstrates the effectiveness of the tools and technologies that WRI has developed. For example, WRI’s tool Global Forest Watch tracks tree cover loss globally, and its most recent development – a new mobile app called Forest Watcher, helps those on the ground find and halt illegal deforestation in tropical forest countries. This works alongside WRI’s Global Land Analysis & Discover (GLAD) alerts to pinpoint where deforestation is happening. The latest version of Forest Watcher and GLAD has been downloaded over 6,000 times as of 2018; in Indonesia, more than 2,400 instances of illegal logging were documented and government authorities successfully prosecuted 50 cases of illegal logging. Similar success has occurred in Peru and Brazil. These examples highlight how WRI develops cutting-edge, world-leading technology that is highly effective in supporting the protection of global forests.
13. The **equity** of Cities4Forests impact is likely to be high given its current plans as well as its record of previous WRI initiatives and its institutional ambition for gender equity and inclusiveness. WRI as an institution has a global strategy for advancing gender and social equity in its organisation and has embedded its gender equality statement into the respective contracts and subgrants of its partners.
14. In addition, the Cities4Forests initiative itself prioritises Gender and Equity in all its work including in the Guiding Principles that Cities4Forests core partners use in all work. The initiative has examples already of weaving social equity into its city-level work. For example, in some central America cities local communities participate in the design and implementation of urban green spaces to include their environmental visions and mitigate issues of rising property prices and gentrification. Defra’s funding includes a workstream to develop Gender and Equity Guidelines for Cities4Forests’ member cities (see output 1.3). This would provide a basis for all Cities4Forests initiatives to take forward NBS in a manner that consider gender and equity.
15. **Option 3: Develop a Defra cities and forests initiative**
16. This option considers whether Defra should develop, design and procure an initiative that aims to harness the political and financial clout of global cities to support forest protection and restoration through building their capacity, the evidence base and their ambition.
17. The **economy** of this approach would be low as both high financial and resource costs would be required to design, procure, set up and then implement the programme. Defra would bear the costs alone and likely either have to increase its overall financial investment or reduce expectations in terms of the global scope and impact that could be achieved.
18. It is unlikely that Defra would be able to create a global network of 61 cities in an initiative. Instead, it would more likely focus on a few cities to pilot and test. Thus, **efficiencies** of scale, especially around the development of learning networks across different city working groups and piloting tools created by the programme would be much less. In addition, the time it would take to design, procure, set up and implement means that the programme would not be in implementation before COP26. Therefore the programme would not be able to contribute to scaling up ambition and action on forests in advance of the UK-hosted COP or in the Super Year for nature.
19. **Effectiveness** would hopefully be high as Defra would design an effective programme and procure it competitively. However, there is concern that as the Cities4Forests initiative already exists, cities may not be interested in becoming members of another, similar initiative and therefore, effectiveness may be less. As it would be a flagship Defra initiative, the UK Government’s visibility would be high and we would be seen as leading in this area. That said, as it would take a long time to implement and it would be unlikely to be up and running by COP 26, given timelines and Defra staff capacity to design and deliver an additional flagship ODA scheme, in addition to its current pipeline.
20. As Defra would prioritise **equity** as it relates to the implementation of the programme, this option would like have a high equity impact. However, given the limited scale of the programme to fewer cities, the equity approach would not have as a far-reaching an impact as a larger network like Cities4Forests.

## Preferred option

1. **Preferred option – Option 2**. As set out clearly in Table 1 above, Option 2, an investment in Cities4Forests is seen as providing the greatest value for money. Through economies of scale, a trusted delivery partner, the programme will be able to deliver ambition in advance of COP26 and pioneer NBS for developing country cities at a much greater scale than other options.

|  |
| --- |
| Commercial Case |

## Commercial requirement for the intervention

1. After considering procurement options including contracts, the proposed funding mechanism is by grant. The proposed activities align with Defra’s departmental objectives. Defra will also retain limited control over the funds, remaining at arms length to recipients and outputs. Cities4forests is an existing initiative being taken forward by the proposed delivery partner (see Economic Case above) and there are no equivalent interventions that will help Defra achieve the same outcomes. The activities are not revenue generating, but rather technical assistance and capacity building – both of which it is appropriate to use grants.
2. Many of the outputs being developed will be made publically available, which means the grant will not distort or threaten to distort competition. The provision of these technical assistance activities, including research and analysis, will not affect trade between member states. Confirmation has been given that this intervention falls outside of state aid regulations.

## Competency of the delivery organisation

1. The proposed delivery partner, WRI, has worked with Defra and has worked and currently is working with other UK Government Departments. Recent due diligence has been carried out by other UK Government Departments in 2016, 2017 and 2018. All independent auditor reports have found no concerns with WRI management practices.
2. WRI is a global research organisation that spans more than sixty countries, with international offices in Brazil, China, India, Indonesia, Mexico and the United States, amongst others. Its international expertise to deliver context-specific research and analysis to different regions, even cities is evident in work already conducted for the UK government, such as the Coalition for Urban Transitions, managed by BEIS, with WRI as a delivery partner. In its first annual review of this programme in 2018/19, BEIS gave the WRI workstream of the programme an A – meets expectations.

## Appointment and competency of subcontractors

1. WRI has appointed two subcontractors, Pilot Projects and REVOLVE to help deliver the Cities4Forests initiative. It is WRI policy that subgrantees be monitored to provide reasonable assurance that they are in compliance with the terms and conditions of sub-agreements and that performance goals are being achieved. Due diligence is conducted to ensure selection is consistent with WRI’s conflict of interest policy, and all partners selected are assessed based on their programmatic capacity, financial stability and robust internal controls. WRI subgrantees and contractors must also adhere to WRI’s gender and equity guidelines.

## Why is the proposed funding arrangement the right one for this intervention, with this delivery partner?

1. As demonstrated in the appraisal case, the most efficient and effective way for the UK to obtain the project’s purpose is to partner with the proposed delivery partner given this initiative is the leading global programme to develop and build cities capacity to design, finance and implement nature-based solutions with forests.

#

# Financial Case

## Nature and value of the expected costs

1. Total funding for this project is £5,960,000 from five partners including Defra. The project runs for a total of three years (2019 to 2021), and Defra’s funding contributes to specific activities occurring in Year 2 of the project (namely from January to March 2020). Defra’s investment of £560,000 represents 9.4% of the programme’s budget and is financing a range of tangible activities that align with the department’s strategic objectives. This funding comes from Defra’s ODA budget and is affordable in the calendar year 2019.
2. The project will be financed entirely through grant funding. The other contributors that have already provided financial support include the Norwegian International Climate and Forests Initiative (NICFI), the FEMSA Foundation, Spring Point Partners and the Kresge Foundation.
3. Within HM Government, managing the UK’s contribution and participating in key decisions to manage and steer the programme until programme closure in 2021, will require 0.2 FTE. This is affordable within existing budgets.
4. The overall cost of the investment to Defra is forecast as £560,000 in 2019/20. Defra finance have reviewed this business case and consulted Consolidated Budget Guidance (CBG) to ascertain the classification of spend. CBG states capital spend is unrequited transfer payments which the recipient has to use to: buy capital assets; buy stocks or repay debt. Of the outcomes set out in the Strategic Case, none of the spend meets the capital definition and therefore the spend is classified as resource RDEL. The only disbursement will be made in December 2019 or January 2020.
5. Managing public money recommends all public funds are not paid for in advance of need. In this instance, specific activities across twelve workstreams have been identified that require funds in advance to proceed. In this instance, Defra Governance has agreed that payment is required in advance.

## Financial management: monitoring, reporting, accounting

1. WRI will provide annual detailed financial reports providing projected and actual spend against specific Cities4Forests activities for 2020 and 2021, the remaining years of the programme. The table below shows the financial overview of all expected costs for 2019 – 2021 (years 1 - 3) and Defra’s expected costs within this.

**Table 2: Total Project Budget for the first 3 Years**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Category** | **Funds Secured Years 1-3 (USD) [[7]](#footnote-7)** | **Funds Secured Years 1-3 (GBP)[[8]](#footnote-8)** | **Defra funds covering 12/15/19-3/31/20(GBP)** | **Total****(GBP)** |
| Salaries  | 1,144,655 | 892,831 | 83,642 | 976,473 |
| Benefits  | 492,797 | 384,382 | 38,476 | 422,858 |
| Occupancy  | 125,684 | 98,034 | 5,268 | 103,302 |
| Project-Related Office Services & Supplies  | 83,789 | 65,356 | 6,991 | 72,347 |
| Research Expenses  | 1,112,701 | 867,907 | 85,009 | 952,916 |
| Conference Expenses  | 108,643 | 84,742 | 0 | 84,742 |
| Publications  | 95,861 | 74,772 | 0 | 74,772 |
| Communications  | 270,541 | 211,022 | 4,195 | 215,217 |
| Travel  | 221,545 | 172,805 | 16,499 | 189,304 |
| Project-Related Electronic Network  | 168,999 | 131,819 | 12,525 | 144,344 |
| Research Materials & Quality Assurance  | 90,890 | 70,894 | 6,152 | 77,046 |
| Subgrants [[9]](#footnote-9) | 2,562,692 | 1,998,899 | 259,219 | 2,258,118 |
| Other Direct Costs [[10]](#footnote-10) | 12,781 | 9,970 | 1,081 | 11,051 |
| G & A Expenses  | 508,420 | 396,567 | 40,943 | 437,510 |
| **Total budget**  | **7,000,000** | **5,460,000** | **£560,000** | **£6,020,000** |

1. As described in the Management Case below, Defra like other funders will receive quartlery progress report and a detailed annual financial reporting and results framework reporting against agreed KPIs.

# Management Case

## What are the management and governance arrangements for implementing the intervention?

1. Cities4Forests is governed by a Secretariat, which consists of the three project partners, WRI, REVOLVE and Pilot Projects. Quarterly strategy and progress updates are conducted with core funders, which going forward will include Defra. These will be conducted by telephone.
2. During Year 2, the Secretariat plans to formalise an Advisory Committee for Cities4Forests, potentially consisting of representatives from a subset of participating cities, technical delivery partners (TDPs) and funders. Defra would join this committee.

## HM Government staffing – Resource Requirements

1. As this a pre-existing initiative, Defra resource requirement will be minimal; the programme will not require initial set up. Instead, 0.2FTE is expected to be required to manage the programme over the next two years. This includes 0.15FTE HEO/SEO and 0.05FTE of a G7 within the International Forest team in WICAF.

## How will progress and results be monitored, measured and evaluated?

1. Defra programme manager will undertake monthly calls with WRI in the first three months to monitor progress and initial start up. Afterwards, Defra will join quarterly strategy and progress updates with other funders. This will allow Defra to not only monitor and assure the direct outputs of Defra’s funding are delivered, but also to monitor progress towards medium-term objectives which Defra’s funding supports. Once set up, Defra would join the Advisory Committee to build its network with and learn from cities, funders and partners who are working on nature-based solutions.
2. WRI will provide evidence against the following Results Framework on an annual basis. In addition, WRI will work with Defra to complete ODA required reporting, namely Annual Reviews, results frameworks and Project Completion reports.

**Table 3: Cities4Forests Results Framework for Defra Proposal**

|  |  |  |
| --- | --- | --- |
|  | **Target by March 31, 2020**  | **Target by November 30, 2021** |
| ***Impact:* Greater conservation, restoration, and/or sustainable management of forests, due in part to greater political, program, and investment support by cities** |
|  |
| *Outcome 1:* Strengthened technical assistanceleads to improved city government support for and investment in trees, forests, and green infrastructure. |
| *Output 1.1:* Policy and Planning for Urban Forests Coursedeveloped and ready for professional design.  | Course developed and put into formal design process. | 15 cities establish new or improved policies or plans that support inner and/or nearby forests. |
| *Output 1.2:* Database of available tools and programs on city-forest issues complete and shared with cities. | Database created and shared with developing country cities. | 5 cities using tools or programs to improve forest-related projects at inner, nearby, and faraway jurisdictions. |
| *Output 1.3:* Gender and Social Equity Guidelines created and shared with select cities for piloting and refinement. | Guidelines created and shared with select developing country cities. | Cities applying guidelines to improve gender and social equity. |
| *Output 1.4:* Faraway Forest Footprint Framework created and shared with select cities for piloting and refinement.  | Framework created and shared with with 2 developing country cities. | 10 cities using guidance to analyze city footprint on faraway forests. |
| *Output 1.5:* Partner Forest Program in which cities partner with a faraway forest to support conservation and restoration (e.g., where residents gain awareness of the importance of tropical forests and their role to protect them) is refined. | Workshop to accelerate partner forest program held. Robust adaptable business model with budget, timeline, maps, tools, impact analysis (including carbon and biodiversity projections) and an organizational structure produced. | Partner Forest programs established in 4 cities.  |
|  |
| *Outcome 2:* Member city governments increase investment (political, economic, social) and implement new and/or improved programs to support the management and conservation of inner and nearby forests. |
| *Output 2.1:* Access to technical assistance to support cities with increasing conservation and restoration of inner forests is provided to Antananarivo, Madagascar. | Analysis to establish Antananarivo’s first tree cover and tree count baselines is complete and recommendations to expand tree cover are shared with city officials.  | Technical assistance provided and 20 cities making use of this assistance to implement programs to better manage inner and/or nearby forests. |
| *Output 2.2:* Access to technical assistance to support cities with increasing conservation and restoration of nearby forests, including guidance on green-gray economic analyses, is developed and provided to Campinas, Brazil. | Kickoff workshop to identify research needs and data gaps, broaden stakeholder buy-in, finalize workplan and begin data analysis is held.  | Technical assistance provided and 15 cities making use of this assistance to implement programs that better protect, restore and/or manage inner and/or nearby forests. |
| *Output 2.3:* Access to technical assistance to support cities with increasing conservation and restoration of inner forests is provided to Kochi, India. | Analysis of Kochi’s first tree cover baseline and map of water and vegetation resources is complete and recommendations to increase tree cover are shared with city officials. | Technical assistance provided and 20 cities making use of this assistance to implement programs to better manage inner and/or nearby forests. |
| *Output 2.4:* Access to technical assistance is provided to support cities with increasing conservation and restoration of inner forests is provided to Jakarta, Indonesia  | Analysis to establish Jakarta’s first tree cover and green space baselines is complete and strategic recommendations to expand tree cover are shared with the Governor’s Office. | Technical assistance provided and 20 cities making use of this assistance to implement programs to better manage inner and/or nearby forests. |
| *Output 2.5:* Access to technical assistance is provided to support cities with increasing conservation and restoration of inner forests is provided to cities in Mexico  | Two workshops and one high-level convening that focus on how to access finance for nature-based solutions in Mexico are hosted with at least 3 cities participating.  | Technical assistance provided and 20 cities making use of this assistance to implement programs to better manage inner and/or nearby forests. |
|  |
| *Outcome 3*: Mayors increase political action and support for trees and forests as a solution for combatting climate change, supporting better water management, and improving human health and well-being, citing an established evidence-based narrative about the benefits of inner, nearby, and faraway forests to cities and their residents. |
| *Output 3.1:* Brazilian inter-city peer-to-peer exchange visits to galvanize sub-national action for forests organized and executed. | 1 exchange visit with at least 4 Brazilian cities participating executed. | 3 exchange visits with 20 cities participating across the network of cities and all 3 forest levels.  |
| *Output 3.2:* Global mayoral declaration on the importance of forests for climate action drafted and ready to be shared with city leaders.  | Declaration and key messaging for city leaders drafted, and ready to be shared with cities for input and refinement. | High-level declaration published and supported by at least 20 mayors.  |

1. WRI established its “Managing for Results” Platform which helps the programme teams, including Cities4Forests, to produce theories of change, annual plans, outcomes and results frameworks. The Managing for Results team holds all WRI programme to account for the work the organisation commits to do. It also tracks accomplishments and enables learning across the organisation. WRI’s annual plans operationalise WRI’s Five Year Strategies and these five year strategies are then evaluated at the end of them by independent evaluation experts. The Cities4Forests programme would be independently evaluated through this process as part of WRI’s larger assessment. It has been decided that an independent evaluation conducted by Defra would not be proportionate for this programme.

## What are the risks and how will they be managed?

1. The key risks associated with each option are outlined below. For each risk we describe the mitigations that are in place or planned. The ‘level’ of each risk is based on its probability and the magnitude of potential impact if realised. The ‘residual’ risk is the remaining level after mitigations have been put in place.

|  |  |
| --- | --- |
| **Risk**  | **Mitigation Measure** |
| **Delivery risk:** Timelines are short for the delivery of activities across outputs in the case above, which aim to be delivered by March 31 2020.  | Additional short-term strategic staff capacity (e.g. from within the WRI network) may be brought in to support delivery. WRI has identified teams and workstreams that can be re-prioritised in order to deliver activities by March 31, 2020. Risk seen as medium/low.  |
| **Risk to achieving impact:** That technical assistance products are not relevant or needed by the cities in the network, which means that Defra’s medium term outcomes and long-term impact and results are not achieved.  | A detailed survey to identify the technical assistance needs has been conducted with each member city so that knowledge products designed are reflective of current demands across the network. The C4F programme also maintains frequent engagement with cities to capture evolving priorities. Risk seen as low.  |
| **Political will risk:** There is a risk that city leadership may change over time and thereby political support for the project declines. This results in Defra’s long-term objectives and results for forests not being met.  | Defra’s support spans the whole network and so risk is mitigated through hedging support across the network. In addition, WRI designed the programme with this risk in mind and so have ensured relationships extend beyond the mayor’s office and that C4F is not seen as aligned with one political party per se in a country. Risk seen as medium/low.  |

**Annex 1: Developing country city members of Cities4Forests**

1. Accra, Ghana
2. Addis Ababa, Ethiopia
3. Aguascalientes, Mexico
4. Antananarivo, Madagascar
5. Belo Horizonte, Brazil
6. Bogotá, Colombia
7. Campinas, Brazil
8. Culiacán, Mexico
9. Guadalajara, Mexico
10. Jakarta, Indonesia
11. Johannesburg, South Africa
12. Kigali, Rwanda
13. Kochi, India
14. León, Mexico
15. Lin'an, China
16. Macapá, Brazil
17. Mérida, Mexico
18. Mexico City, Mexico
19. Nairobi, Kenya
20. Palmas, Brazil
21. Porto Velho, Brazil
22. Quito, Ecuador
23. Rio Branco, Brazil
24. Salvador, Brazil
25. Santiago de Cali, Colombia
26. São Luís, Brazil
27. São Paulo, Brazil
28. Skopje, North Macedonia
29. Tirana, Albania
1. IPCC, 2018: Global Warming of 1.5°C. An IPCC Special Report on the impacts of global warming of 1.5°C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty [Masson-Delmotte, V., P. Zhai, H.-O. Pörtner, D. Roberts, J. Skea, P.R. Shukla, A. Pirani, W. Moufouma-Okia, C. Péan, R. Pidcock, S. Connors, J.B.R. Matthews, Y. Chen, X. Zhou, M.I. Gomis, E. Lonnoy, T. Maycock, M. Tignor, and T. Waterfield (eds.)]. In Press. [↑](#footnote-ref-1)
2. Griscom, B.W. et al. (2019) Natural climate solutions. *Proc. Natl Acad. Sci. USA* **114,** 11645-11650 (2017). [↑](#footnote-ref-2)
3. NYDF Assessment Partners. (2019). Protecting and Restoring Forests: A Story of Large Commitments yet Limited Progress. New York Declaration on Forests Five-Year Assessment Report. Climate Focus (coordinator and editor). Accessible at forestdeclaration.org. [↑](#footnote-ref-3)
4. Gallon, K F and Busch, G. (2014) What drives deforestation and what stops it? A meta-analysis of spacially explicit econometric studies. *CGD Working Paper 361*. Washington, DC: Center for Global Development. [↑](#footnote-ref-4)
5. Curtis, et al. (2018) Classifying drivers of global forest loss. *Science* **361** (6407), 1108-1111. [↑](#footnote-ref-5)
6. United Nations, Department of Economic and Social Affairs, Population Division (2018). World Urbanization Prospects: The 2018 Revision, Online Edition. [↑](#footnote-ref-6)
7. Cities4Forests is one-third of the way through its first three-year phase, meaning that Defra funds would support implementation in Year 2.    [↑](#footnote-ref-7)
8. Assumes exchange rate of 0.78 GBP = 1 USD as at 26 November 2019. [↑](#footnote-ref-8)
9. Includes funding that will be channeled to in-country partners and other NGOs involved in the delivery of technical assistance.  [↑](#footnote-ref-9)
10. Includes a small GHG tax from business travel and electricity use.  [↑](#footnote-ref-10)