**Annual Review Template**

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| **Title: Cities4Forests** |
| **Programme Value £ (full life): £4,400,000** | **Review date: Jan 2023 (Period reported: 22 Nov 21 – 31 Dec, 2022)**  |
| **Programme Code:**  | **Start date:** Nov 2021 | **End date:** Dec 2023 |

**Summary of Programme Performance**

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| Year | **Y1 Nov 2021 to Dec 2022** |  |  |  |  |  |  |  |
| Overall Output Score | **A** |  |  |  |  |  |  |  |
| Risk Rating  |  |  |  |  |  |  |  |  |

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| DevTracker Link to Business Case:  | **Will be uploaded on DevTracker shortly** |
| DevTracker Link to results framework:  | **Will be uploaded on DevTracker shortly** |

**A. SUMMARY AND OVERVIEW**

**Description of programme**

Cities4Forests empowers cities around the world to become advocates for forests and nature, and use their own political, economic, and cultural power to ensure ecosystem health, enhance people’s well-being and support community vitality. Cities4Forests helps cities to better conserve, manage, and restore nature at several scales including “inner forests” (such as city trees, parks, urban green infrastructure, and natural areas), “nearby forests” (such as watersheds), and “faraway forests” (especially tropical forests). Engaging cities in this way and making links between urban environments and all types of forests is an innovative and novel approach compared to traditional nature or climate programming. The programme has a three-pronged approach to supporting member cities through:

1. Inspiring political action and engagement
2. Providing technical assistance and capacity building for policy makers and projects
3. Facilitating economic analysis, finance, and investment

Cities4Forests is a coalition of more than 90 cities and works closely with mayors’ offices, city agencies such as public water and power utilities, public and private financial institutions, civil society organizations and local communities. The Cities4Forests initiative has been validated through successful engagement with member cities around the world and consistent interest from additional cities. They raise awareness of the benefits of trees, forests, and nature (especially for the climate, water, biodiversity, and human health and well-being), and catalyse forest and nature-positive city actions, policies, and investments by providing tailor-made technical assistance. Cities4Forests encourages peer-to-peer learning and connects cities with technical support from institutions with expertise in cities, forests, climate crisis, water, communications, finance, policy and social equity.

Cities4Forests was launched at the Global Climate Action Summit in San Francisco on 12 September 2018, with 45 founding city members. Defra provided an initial £560,000 grant to WRI for Cities4Forests for the period from January to March 2020. Specific outcomes for our funding are outlined in a project report and included a learning guide on “Urban Forests, Policy and Planning”; a self-assessment toolbox for cities’ impacts in areas like valuing trees and forests, health and water; and a gender and social equity guide to help cities address these issues through their forests and nature-based solutions programming.

There was a delay to Defra’s second phase of funding due to Covid19. In November 2021 Defra provided a further £4.4million, 25 month investment (through to December 2023) through a ‘voluntary contribution’ to WRI, which is the focus of this Annual Review.

Cities4Forests has also received funding from a variety of public and private donors including Caterpillar Foundation (CAT Foundation), Fundación FEMSA (FEMSA foundation), Norway’s International Climate and Forests Initiative (NICFI), and the US Endowment for Forestry and Communities (US Endowment).

**Summary supporting narrative for the overall score in this review**

This annual review scores Cities4Forests an ‘A – meeting expectations’. Defra’s £4.4 million investment has supported an already up and running innovative programme to move early-stage initiatives into implementation. Early reporting highlights good progress: while the project logframe only includes targets in Year 2 of Defra’s 25-month investment, interim/illustrative results for the first year demonstrate that many output indicator targets have already been met and indeed exceeded significantly. We will therefore adjust some Year 2 logframe output indicator targets to be more stretching.

At the same time, several impact indicator targets have been revised down, one considerably (See Annex D). While descriptions of expected benefits and value for money (VfM) in the business case addendum are high level and qualitative, and therefore difficult to rigorously assess, we consider an overall score of ‘A’ is justified. This is based on evidence of delivery of outputs and outcomes; the signs of good potential for replicating and scaling activities that are being piloted; the growing demand for Cities4Forest’s services from cities around the world; and the quality of the high-profile events they have hosted that have attracted significant attendance and engagement from stakeholders around the world.

Defra has also established a good partnership with the WRI Cities4Forests team, which has been proactive and helpful in meeting Defra’s needs, such as agreeing on the programme logframe, early reporting and setting up regular and informative programme management meetings.

There have not been any significant changes to the programme over the past year. Cities4Forests has secured over US$2 million of complementary funding from over 10 donors worldwide this year, which will leverage Defra’s investment and enable Cities4Forests to accelerate, replicate and scale work.

**Major lessons and recommendations for the year ahead**

* Programme management responsibility within Defra switched to a new team in mid-2022, which led to some discontinuity and there were some resource constraints. ***During Q4 of 2022/2023, Defra has completed the process of bringing programme management up to date with our standard practices.***
* Early illustrative reporting shows that some Year 2 logframe targets have already been exceeded in Year 1. ***By end of Q4, Cities4Forests and Defra have revised the logframe including making some Year 2 targets more stretching (Annex D includes revisions to logframe).***
* Defra has already had some interest from other related programmes across Whitehall and from country Posts where there is related ICF/ODA programming. ***Cities4Forests and Defra have worked in Q4 of FY 2022/2023 to develop a plan for increasing engagement on Cities4Forests, disseminating best practice and learning and creating opportunities for collaboration with other programmes.***
* The Defra team should familiarise themselves more closely with Cities4Forests implementation, including through field visits, to improve their monitoring and understanding of the programme, and the potential synergies and learning for other UK ODA investments.
* Defra/WRI to discuss any lessons learnt, evidence sharing, and any positive and negative feedback/complaints from stakeholders at quarterly PMRG meetings.

**B: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES**

**Summarise the programme’s theory of change, including any changes to outcome and impact indicators from the original business case**

Cities4Forests have developed a theory of change (see Annex A) that is structured around the three pillars of the programme, a) political action and engagement b) technical assistance and capacity and c) economic analysis, finance and investment. The overall impact is increased forest and nature protection / restoration and associated equitable benefits for people, climate, and biodiversity, achieved as cities’ nature based solutions (NbS) projects are supported by greater investment, improved policies, enhanced capacity, and increased national government support.

Long term outcomes focus on protecting, conserving and restoring forests and natural systems through policy development, mainstreaming NbS projects in response to infrastructure challenges, securing long-term finance and getting funders to incorporate NbS into their investment models, all while maximising human benefits in a way that addresses gender and social equity concerns. Outcomes and outputs are centred around increased mayoral leadership, city-led participation, communities of practice for knowledge-sharing, sustainable business models, improved tools and evidence to quantify benefits of NbS and to support urban planning and investment, and investment-ready business cases which over time will create a pipeline of investment-ready NbS programmes. Activities include the initiative-wide “Call to Action” across member cities, the “Forest Footprint” tool to analyse the impact of cities on forests, technical assistance for early-stage NbS projects and the “NbS bankability” initiative where World Resources Institute (WRI) will connect ready NbS projects with public and private investors.

**Cities4Forests Logframe**

In August 2022, Defra staff managing the Cities4Forests programme changed, with a new programme manager and senior responsible owner within the Ecosystem, Restoration and Protection team. The team worked quickly with Cities4Forests to develop and complete the logframe in October 2022. The logframe has been designed to disaggregate data, to the extent possible and where practical, based on age, sex, disability, geography and other variables to support equity and inclusion, taking into consideration social contexts. Year 1 of the Cities4Forests logframe covers November 22, 2021 – December 31, 2022. Year 2 covers January 1, 2023 - December 31, 2023. Several indicators align with International Climate Fund (ICF) Key Performance Indicators (4,6,15,17 and TA 3) and will feed into wider UK government reporting on ICF programmes.

Cities4Forests is now developing evidence gathering techniques for logframe outcomes and training delivery staff in data collection and recording methodologies. Due to the time needed to develop and agree a logframe no targets were set for Year 1. However, we have agreed targets for Year 2, and after ongoing consultation of ICF KPI methodologies with Cities4Forests and Defra analysts, we have created an updated version for Year 2. Updates include some changes to Year 2 targets for several impacts, outcomes and outputs, which are based on increased finance, resource and a deepened understanding of data collection and reporting methodologies as the programme is progressing. Please see Annex D for more detail and an explanation of changes that have been agreed.

**Describe where the programme is on/off track to contribute to the expected outcomes and impact. What action is planned in the year ahead?**

As stated above, the logframe includes targets from Year 2, but as these are cumulative targets, they will capture total results from the start of Defra’s investment in November 2021. As agreed with Defra’s ODA Hub, for this annual review we have assessed available results from the start of the programme up until end of Year 1, so that we can make a judgment on whether we are on track for the Year 2 milestones. This information has been taken from the Cities4Forests 2022 Annual Report and updates provided by the Cities4Forests team in January 2023.

Positive outcomes are emerging, particularly in the areas of:

* Support for political action, engagement, and policy:
	+ Cities4Forests recruited 58 cities, representing more than 170 million residents, to issue a “Call to Action on Forests & Climate” to accelerate policies and investments, and to support forest conservation, restoration, and sustainable forest management.
	+ New policy and regulatory achievements – in cities in Brazil and Indonesia, new regulations will protect trees and create more green spaces, while in Africa and India, baseline tree cover mapping estimations conducted by the Cities4Forests team are guiding the formulation of specific recommendations for policymakers and policy integration.
* Enhanced technical capacity:
	+ Cities4Forests provided leadership and technical guidance on city-driven NbS by gathering numerous communities of practice, organizing NbS workshops and trainings that showcase innovative financing mechanisms for nature, and by launching NbS ‘accelerators’ which support early initiatives to move to implementation.
	+ The development of new evidence-gathering tools and methodologies – the Cities4Forests “Forest Footprint” tool to calculate total annual deforestation footprint of cities; the “[Global Protocol for Community-scale Greenhouse Gas [Inventories](http://Inventories)](https://www.wri.org/research/global-protocol-community-scale-greenhouse-gas-inventories-guidance-forests-trees)" to estimate GHG emissions and removals by forests and trees within cities and other local communities; and authoritative knowledge products on cities and forests, such as the [‘Better Forests, Better Cities](https://www.wri.org/research/better-forests-better-cities)’[[1]](#footnote-2) report that extensively shows how forests can deliver a diverse suite of benefits to cities and provides a set of key recommendations for cities to scale up their efforts to protect and conserve forests.
	+ Increased emphasis on technical assistance in Sub-Saharan Africa, especially on the Congo Basin where the Cities4Forests team will conduct analysis on the dynamics of forest infrastructure of Brazzaville, Republic of Congo, supporting city officials to design the city’s 2023 action plan to protect and restore the urban forest, and working in urban and peri-urban areas of the Ruzizi River Basin to improve water quality and livelihoods.
* Creating new finance opportunities for NbS:
	+ Success in brokering public-private partnerships, increasing literacy among NbS practitioners and other stakeholders in innovative financing mechanisms, and technical and financial support for pilot projects in [India](https://www.wricitiesindia.org/content/TheCityFix-Labs-2022)[[2]](#footnote-3) and [Brazil](https://www.wribrasil.org.br/projetos/acelerador-de-solucoes-baseadas-na-natureza-em-cidades) through regional NbS accelerators.

Cities4Forests has also been doing some cross-cutting work advancing gender and social equity (GSE), incorporating GSE considerations into NbS projects in Ethiopia, Brazil, Colombia, India, Indonesia, and Mexico. The Cities4Forests Social Equity Learning Guide highlights possible ways, tools, and approaches to mainstream GSE into NbS activities. Over the next year, Cities4Forests will conduct at least two GSE deep-dive analyses to increase staff and partner capacity and ensure NbS deliver equitable benefits in NbS projects.

Cities4Forests has worked efficiently to help complete milestones in its delivery plan, in particular completing the logframe, setting up Donor Advisory Committee meetings as well as Programme Management Reporting Group meetings. Cities4Forests are working on methods to gather data and a wide range of initiatives are already underway. In addition:

* Cities4Forests should continue to ensure that the programme’s outcomes and outputs are aligned with global landmark targets and goals for nature, climate, and human well-being such as the Paris Agreement, the Post-2020 Global Biodiversity Framework 30x30, Adaptation Finance, Sustainable Development Goals and that Cities4Forests work contributes to accelerate progress towards scaling climate and environmental action at the local, national, and global level.
* The science and practice of monitoring / evaluating the effectiveness of NbS programs remains a crucial gap to secure additional investments and political buy-in for Cities4Forests and nature more broadly. Cities4Forests should continue to invest in improved evaluation and monitoring of NbS to strengthen the case for bolder policies and increased investment.
* Cities4Forests has generated new data, analyses, and decision-making tools, but will need to continue to focus on adoption and implementation to achieve on-the-ground impact. Cities4Forests should ensure its engagement does not stop at the analysis stage and that they continue to seek to incorporate their findings into city policies, strategies, and investments.

**Justify whether the programme should continue, based on its own merits and in the context of the wider portfolio**

This annual review assesses that the programme is generating results, that good programme management is in place, and that 2023 targets are on track or have already been achieved, so new targets will be set. There is a good and productive working relationship between Defra and Cities4Forests and Defra has facilitated collaboration when there was interest from UK government Posts and other UK initiatives to link up with the programme. We believe this provides good evidence that the programme should continue.

The logframe will be measuring performance against several ICF KPIs and the outcomes and impacts are aligned with Defra’s International Forests Strategy, the 25 Year Environment Plan and the International Climate Finance strategy. Furthermore, Cities4Forests has raised over US$24 million over its lifetime, demonstrating that their value proposition and overarching theory of change resonate with foundations, corporations, development and financial institutions, and government departments that are working at the intersection of protecting ecosystems and biodiversity and improving people’s well-being. They have over 25 unique donors supporting the initiative since its launch.

**C. DETAILED OUTPUT SCORING**

**Please note:** Cities4Forests is an existing programme that was operational before Defra’s voluntary contribution in November 2021. In the first year of Defra’s investment, Cities4Forests has worked collaboratively with Defra to develop a theory of change and a logframe. The logframe and milestones were agreed near the end of 2022, and Cities4Forests is now developing evidence gathering techniques for logframe indicators including setting baselines, collecting data, and training delivery staff in data collection and recording methodologies. Cities4Forests have also provided evidence of progress over the past year through their annual report, update emails and presentations at quarterly progress meetings. Because the logframe has just been developed and Cities4Forests has only recently started gathering quantitative data for indicators, this review will provide a mix of quantitative and qualitative evidence of progress towards 2023 milestones. We note that the initial quantitative results presented here indicate that Cities4Forests are exceeding some of their Year 2 targets, so we recommend revising the logframe to include more ambitious targets for the year ahead.

Cities4Forests has adopted the logframe developed in collaboration with Defra as its overarching results framework for the entire initiative (integrating where possible with monitoring approaches and indicators mandated by other funder / grants). Furthermore, Cities4Forests has used the Defra logframe to inform indicator and target setting for WRI’s 2023-2027 Strategic Plan, which governs results tracking across the institute, and will use the DevResults platform to track and monitor progress.

Cities4Forests have provided reporting to logframe milestones for Year 1 (Nov 2021 – Dec 2022) in February 2023.

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| **Output Title**  | **1. POLITICAL ACTION:** Cities4Forests mobilizes city leaders to become vocal advocates for forests on the global stage.  |
| Output number:  | 1 | Output Score:  | A+ |
| Impact weighting (%):  | 20% | Weighting revised since last AR?  | No |

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| **Indicator(s)** | **Milestone 2023[[3]](#footnote-4)** | **Progress summary for this review** | **Score** |
| 1.1 Number of Cities4Forests-supported events showcasing city leaders as advocates for forests | 8 | Cities4Forests hosted 44 events featuring city leaders advocating for forests and nature across various topics, geographies, and major global summits. | A+ |
| 1.2 Number of media hits promoting nature-based solutions | 15 | Cities4Forests achieved 19 media hits across regional and international platforms. Cities4Forests also grew their social media following and engaged audiences through email marketing and website development. | A |
| 1.3 Number of knowledge and communications products produced as a result of Cities4Forests activity | 8 | Cities4Forests published 29 knowledge and communications products, including various blogs, articles, and research reports. | A+ |

**Briefly describe the output’s activities and provide supporting narrative for the score.**

Cities4Forests has organised and/or co-led 44 high-profile events that showcase city leaders and give them a platform to advocate for forests (including ten events in their 2022 annual report plus multiple others since the report was finalised). For example, at NYC Climate Week, Cities4Forests recruited 58 cities, representing more than 170 million residents, to issue the Cities4Forests “Call to Action on Forests and Climate”. This declaration calls on governments, companies, and financial institutions to accelerate policies and investments to support forest conservation, restoration, and sustainable forest management. Also, at the World Urban Forum in Katowice, Poland, Cities4Fforests led the launch of the India Forum for Nature-Based Solutions, India’s first multi-partner platform that aims to raise awareness and scale up adoption of NbS across cities in India. More recently, Cities4Forests launched the ['Better Forests, Better Cities’](https://www.wri.org/research/better-forests-better-cities) report with an event featuring Mayor Ubraj Narine of Georgetown, Guyana; former Mayor Mauricio Rodas of Quito, Ecuador; and Secretary of Environment for Bogota, Colombia, Carolina Urrutia Vasquez to express the value of forests near and far for their cities.

Cities4Forests garnered 19 major media hits across different international platforms on NbS during the evaluation period. This coverage includes widely republished international “wire” outlets such as Reuters and Bloomberg Business Week and priority regional outlets such as El Tiempo (Colombia), The Indian Express and Mumbai Live (India) and The Hill (US). Press coverage explored Cities4Forests work on reforestation, flooding, wildfire resilience, natural infrastructure, and Cities4Forests as an example of a successful network of cities around the world fighting against climate change. Additionally, they increased their overall social media following across Facebook, Twitter, Instagram and LinkedIn, providing deeper engagement with the Cities4Forests audience.

Cities4Forests has published 29 journal articles, research reports, white papers, and blog posts on NbS through WRI’s international office websites, the Cities4Forests website, and external partner websites. Topics included reducing commodity-based deforestation, improving urban tree cover and using artificial intelligence to support urban greening efforts. The top three articles alone have been viewed by over 10,000 readers. Two of these three articles were written to promote research products, increasing traffic to those products as well. Cities4Forests is undertaking a refresh of their communications assets and overall strategy with a focus on a refreshed website, additional editorial content about Cities4Forests’ work, and a diversification of outreach channels and engagement.

**Describe any changes to this output during the past year and any planned changes as a result of this review.**

In 2022 Cities4Forests began refreshing their communications strategy, focusing on growing social media audiences (5%-33% growth, depending on the platform), driving traffic to editorial products (Cities4Forests top three articles have been viewed by over 10,000 readers), and boosting attendance for events (for example, the launch of Cities4Forest’s Global Protocol for Community-Scale Greenhouse Gas Inventories drew over 700 attendees across 80 countries). The refresh aims to tailor communications efforts toward specific audiences. This more strategic approach will further showcase city leadership in driving the nature agenda at national, regional, and local events, as well as open new windows of opportunity to increase focus on the role of financial institutions on this agenda.

Cities4Forests will build upon these initial successes by revitalising their website, making it an easy-to-use resource for cities, subject experts, financiers, and others to access the latest information on connection between cities and forests. This website will be complimented by a quarterly newsletter, a targeted editorial strategy, and continued efforts to grow an engaging social media presence.

**Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead**

This is Cities4Forests’ first Annual Review by Defra, but the communications strategy refresh and tailoring communications to key target audiences (see above) is a response to lessons learned from Cities4Forests’ first three years of operation.

Cities4Forests also plans to address a challenge of high turnover of city officials by fostering stronger working relationships with cities’ technical staff to provide greater programme continuity. The initiative has already demonstrated this approach successfully in key cities such as Kochi, Jakarta, and Bogota.

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| **Output Title**  | **2. TECHNICAL ASSISTANCE:** Cities4Forests empowers cities to operate with improved capacity to implement NbS, including improving policy/regulatory environments, utilising new tools and methodologies, and improving ability to address social issues. |
| Output number:  | 2 | Output Score:  | A |
| Impact weighting (%):  | 40% | Weighting revised since last AR?  | No |

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| **Indicator(s)** | **Milestone 2023[[4]](#footnote-5)** | **Progress summary for this review** | **Score** |
| 2.1 Number of cities designing / implementing new or improved NbS programs as a result of Cities4Forests support | 15 | Cities4Forests has provided deep-dive technical **support to 56 cities** across key geographies to improve their capacity for NbS implementation, their baseline assessments, and policy/regulatory environments towards first-of-their-kind NbS outcomes. In addition, Cities4Forests provided assistance on advancing gender and social equity goals. | A+ |
| 2.2 Number of new technical tools developed, curated, or applied by Cities4Forests that strengthen city capacity to implement NbS  | 4 | Cities4Forests has produced **4 first-of-their-kind technical tools** to empower cities across multiple geographies and local contexts to implement NbS.  | A |

**Briefly describe the output’s activities and provide supporting narrative for the score**

Ninety-one cities around the world have joined Cities4Forests and they have been successfully recruiting and engaging additional cities in priority geographies, including 13 new members in this review period. With deep-dive technical support provided to 56 cities in this period, there are a range of examples of Cities4Forests empowering cities to design and implement new NbS programmes. For example:

* In Campinas, Brazil, Cities4Forests has delivered an NbS Strategy to inform the city’s Municipal Environmental Plans and climate adaptation goals. The strategy was issued through formal decree in the city’s 2022 Municipal Environmental Plans and provides an NbS suitability assessment with 11 priority actions to increase urban resilience and enhance the management of green areas. Priorities include planning and building the city’s first linear park and restoring 100 hectares of degraded land.
* In Kochi, India, Cities4Forests co-developed the city’s official City Disaster Management Plan, which builds on contributions to the city’s Climate Action Plan. Cities4Forests is leading the implementation of action-based targets regarding the role of urban green spaces to mitigate extreme heat.

In addition, Cities4Forests has developed four key technical tools to strengthen cities’ capacity to plan and implement NbS. For example:

* The Cities4Forests Forest Footprint Tool has been developed to support multiple cities’ forest impact monitoring and baseline assessments. The first-of-its-kind tool takes literature on forest risk consumption and impacts, filters them through a framework with city specific data, and populates a live online Forest Footprint Dashboard[[5]](#footnote-6) that shows cities their total annual deforestation footprint, as well as a breakdown with user-controllable inputs on future consumption and impact targets.
* Cities4Forests, C40 Cities Climate Leadership Group (C40), and ICLEI partnered to create the Global Protocol for Community-scale Greenhouse Gas Inventories: Supplemental Guidance for Forests and Trees. It provides a widely applicable framework for including GHG emissions and removals (sequestration) by forests and trees in cities’ and communities’ GHG inventories. This tool has been piloted in six Cities4Forests member cities (Mexico City, Mexico; Salvador, Brazil; Mumbai, India; and Jakarta, Denpasar and Medan, Indonesia) and is currently being deployed in Cartagena, Colombia and Denpasar and Medan, Indonesia.

Furthermore, Cities4Forests has advanced efforts to mainstream gender and social equity (GSE) considerations throughout its project portfolio. Seven of WRI’s international offices participated in this effort, which included a literature review on GSE as it relates to NbS, Cities4Forests project assessments and staff interviews. Through this process, Cities4Forests created the Cities4Forests Social Equity Learning Guide (a knowledge product funded under a previous Defra grant) which presents recommendations highlighting the possible ways, tools, and approaches to meaningfully integrate GSE into each of their project activities to achieve both ecological and GSE outcomes. In Jayapura, Indonesia, the Cities4Forests team is providing guidance to integrate GSE considerations into the city’s new spatial plan. In Africa, GSE is being mainstreamed into the stakeholder consultation decisions and methodology for green open space accessibility analyses in Addis Ababa, Ethiopia; Musanze, Rwanda; and Kumasi, Ghana.

**Describe any changes to this output during the past year, and any planned changes as a result of this review.**

There are no major changes to this output. In the year ahead, Cities4Forests plans to continue to ensure that the research findings are socialised among city leaders and technical experts and that they are oriented towards the influence of and incorporation in city plans, policies, and strategies that protect and restore nature.

**Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead**

This is Cities4Forests first annual review by Defra. We have noted that there is high demand for technical assistance from Cities4Forests’ 90+ members and other cities. Cities4Forests can potentially scale impact with limited resources by continuing to explore collaboration with mayoral networks across various geographies, especially in tropical forest regions, and to deepen their existing engagement with global city networks such as C40, Global Covenant of Mayors and International Council for Local Environmental Initiatives (ICLEI).

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| **Output Title**  | **3. FINANCE:** Cities4Forests supports cities to unlock finance for NbS, through public, private, or blended sources. |
| Output number:  | 3 | Output Score:  | A |
| Impact weighting (%):  | 40% | Weighting revised since last AR?  | No |

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| **Indicator(s)** | **Milestone 2023[[6]](#footnote-7)** | **Progress summary for this review** | **Score** |
| 3.1 Number of Cities4Forests finance-focused technical advisory engagements that support NbS projects | 8 | Cities4Forests has led **14 finance-focused technical advisory engagements**, including webinars, workshops, and panel discussions during this reporting period, including 3 highlighted in the annual report. On these occasions, Cities4Forests brought together NbS practitioners, project developers, city officials, investors, and other key stakeholders to help catalyse and unlock large-scale investments for NbS. | A |
| 3.2 Number of institutions with revised or updated financial strategies / commitments for supporting NbS as a result of Cities4Forests | 3 | Cities4Forests has **supported 9 institutions to revise or update their financial strategies / commitments for NbS**. This includes supporting cities in the Global South to blueprint strategies to generate cash flows from nature protection and restoration. Cities4Forests engaged with Multilateral Development Banks (MDBs) to accelerate nature mainstreaming into operations and investments. Cities4Forests also published finance-focused publications such as Financing Sustainable Watershed Management in Ethiopia and Natural Infrastructure in Campinas’ Water System. Follow up work will create promising opportunities for influence in updating financial strategies and commitments in various institutions. | A+ |

**Briefly describe the output’s activities and provide supporting narrative for the score.**

Cities4Forests has organised and hosted 14 global and regional finance-focused technical advisory engagements since the beginning of Defra’s investment and supported organizations with their financial strategies for NbS. For example:

* In Latin America, Cities4Forests organised two community of practice sessions on innovating NbS financing strategies with project developers, national and subnational governments, utilities, academia, and NGO representatives from over 18 countries in Latin America and the Caribbean. These engagements focused on increasing understanding about why and how to invest in NbS for climate resilience and how to effectively articulate an economic business case. They brought together project developers that have attempted novel financing strategies, investors and donors with commitments to NbS and impact and mission-driven funders seeking to scale blended financing approaches.
* In Ethiopia, Cities4Forests has been working on unlocking finance for NbS to increase public and private investments. Cities4Forests co-developed a publication about financing sustainable watershed management in Ethiopia. The publication examines three innovative financing mechanisms, including water funds, debt-for-nature swaps, and payments for ecosystems (PES), that offer promising avenues for investing in water-related NbS. The report will be showcased at WRI’s NbS in Sub-Saharan Africa workshop which is projected to result in at least three national media hits, elevating the recommendations to key national and subnational audiences, private sector investors, and multilateral development bank actors.
* In Indonesia, Cities4Forests and WRI have established partnerships with several private sector actors and scaled forest restoration through the crowdfunding platform “Emisi”. By May 2022, Cities4Forests had secured US$376,500 to plant 161,800 trees in Indonesia.
* Globally, Cities4Forests has strengthened ongoing partnerships and collaborations with MDBs to close the nature finance gap. In 2022, Cities4Forets engaged with the 9 MDBs that signed the MDB Joint Statement on Nature, People, and Planet at COP26[[7]](#footnote-8) to develop a set of priorities to accelerate progress on the global nature agenda. In October 2022, Cities4Forests co-organised a meeting with the governments of the United Kingdom, France, Germany where the nature heads of the MDBs and shareholder governments discussed these priorities and next steps.

**Describe any changes to this output during the past year, and any planned changes as a result of this review.**

In the year ahead, Cities4Forests intends to deepen its engagement with multilateral financial institutions. Building on their success with their coalition of MDBs, and leveraging WRI’s expertise on technical assistance for NbS finance, they will continue to catalyze action for nature by facilitating multi-stakeholder exchanges, blueprinting new strategies to generate cash flows from nature protection and restoration, and socialising MDB staff members with the benefits of NbS for climate resilience and adaptation.

**Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead**

This is Cities4Forests first annual review by Defra, but they have noted that they will aim to leverage funder and partner networks to reach a larger target audience and scale its programs.

**D: RISK**

**Overview of risk management**

Cities4Forests updated the risk register in October 2022, based on the original risk register created during the design and initiation of the voluntary agreement [See Annex B]. Since the beginning of the voluntary agreement, a number of risks have shifted and Cities4Forests has adjusted ratings and mitigation measures accordingly. For example, the risk of operational disruption due to the COVID-19 pandemic has decreased, as cases have declined and restrictions are lifted, allowing for more face-to-face work with city partners. However, they have flagged new financial and operational risks that have emerged relating to high levels of global inflation. Cities4Forests are taking steps to review activities and costs to minimise disruption.

Another new risk was around the high demand for technical assistance from Cities4Forests’ members, which could exceed their capacity. However, the impact was minor, and the rating was low, as Cities4Forests has provided reassurance that it is setting realistic expectations and not taking on too much and that it operates with transparency and directness, rather than over-promising to prospective partners. Cities4Forests has been able to respond flexibly to requests for assistance from cities, drawing on its fundraising model that is agile and strategic. For example, some donors fund work in specific countries, others fund specific technical aspects in different geographies, while others are focused on replicating successful pilots to additional locations. The alternate side of this risk – that technical assistance products are not relevant or needed by cities in the network – has been downgraded from possible to unlikely, as Cities4Forests has received significant interest in and demand for its services, demonstrated through the detailed survey they carried out to identify the technical assistance needs of each member city. Cities4Forests also maintains frequent engagement with cities to capture evolving needs and priorities.

Also downgraded from possible to unlikely was the risk around lack of support/political buy-in from city leaders, residents, and local forest communities for the programme due to lack of incentives and/or awareness of the benefits of the programme. Cities4Forests has mitigated this risk through effective engagement before cities sign up for the programme, including ensuring that city leaders demonstrate their commitment to the aims and objectives of the project, that they use the tools and resources produced, and that leaders work closely with assigned Cities4Forests advisors to understand city priorities and develop a plan of action.

Cities4Forests also downgraded from medium to low the risk around city leadership changing over time and political support for the project declining. Cities4Forests has worked to improve their ability to navigate political turnover, designing the programme in such a way to ensure relationships extend beyond the mayor’s office to officials (who have lower turnover) and that Cities4Forests is not seen as aligned with any political party or individual.

**Overall, have you been able to deliver comfortably within risk appetite, or have there been areas of pressure?**

Defra has been able to deliver within risk appetite although, as above, there was a transition of programme management responsibilities within Defra.

Cities4Forests have been able to deliver outputs and outcomes and outputs reliably and consistently and manage key risk areas. The team has enhanced its ability to effectively collaborate and drive results in the hybrid setting. Cities4Forests operations were able to account for financial uncertainties such as high inflation, driving increased prices for key services, by maximising the use of resources and channelling efforts in priority areas such as the Congo Basin and the Amazon. Finally, the team has effectively navigated the complexity of working in different geographies, with unique socio-political characteristics, and the variance around project maturities by empowering WRI local staff members to significantly influence the direction of the work, by strategically forging long-lasting relationships with technical bodies of local governments, and by constantly communicating with stakeholders.

**E: PROGRAMME MANAGEMENT:** **DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE**

**Summarise the performance of partners and Defra, notably on commercial and financial issues, and including consideration of VfM measures of economy and efficiency**

In the first year of the programme, WRI and Defra have worked together on the following deliverables:

* Completed the business case and obtained approval
* Established quarterly programme management and reporting group (PMRG) meetings and agreed ToRs
* WRI submitted annual report for Defra review and comment
* WRI drafted a risk register and updated in Oct 2022
* WRI submitted financial reports (April, October 2022)
* WRI visited Defra office in London and delivered a presentation on Cities4Forests to the International Biodiversity & Climate Directorate
* WRI and Defra collaborated to finalize the logframe
* WRI arranged periodic donor advisory committee meetings

In the coming year:

* Defra/WRI to draft key engagement lines and comms products for Defra’s use
* Defra/WRI to prepare for donor advisory committee meetings
* Defra/WRI to hold quarterly PMRG meetings; include standing agenda points to discuss any lessons learnt, evidence sharing, and any positive and negative feedback/complaints from stakeholders
* In 2023, in coordination with Cifies4Forests team, Defra to further develop knowledge of programme implementation, potentially through project visits, and look for prospective synergies with existing and emerging Defra ODA programming
* Cities4Forests and Defra to develop a plan for dissemination of the programme with relevant UK country posts and across HMG

The resourcing challenges noted earlier led to some delays with programme management activities including tracking and reporting and review of Cities4Forests products. We are working to mitigate this in 2023.

WRI have been timely in delivering all products and helpful and responsive in onboarding new Defra staff with programme objectives and milestones. Defra welcomes discussions on lessons learnt by the programme and appreciates hearing any positive and negative feedback/complaints from stakeholders.

**Assess VfM compared to the proposition in the Business Case, based on performance over the past year**

The following section refers to the original £560,000 grant business case (completed in late 2019) and the subsequent addendum for £4,400,000 (completed Nov, 2021) for the voluntary contribution funding activities in this annual review. The VfM references in the business case addendum are high level, with an absence of cost-benefit analysis and specific metrics such as a ‘net present value’ which potentially could be used to demonstrate and subsequently monitor how value for money compares to what was anticipated. A similar approach has necessarily been taken for this Annual Review. The expected benefits are presented as high-level outcomes in the addendum where there are also indicative results.

Expected outcomes in the business case addendum were:

1. Cities develop new and/or improved policies and projects to protect and restore forests.
2. Increased resident awareness and support for forests reduces cities’ impact on inner, nearby, and faraway forests.
3. Increased public and private finance earmarked for and/or invested in innovative financing approaches, enabling cities to increase and scale investment in forests, green infrastructure and NbS.
4. Cities in the Cities4Forests Network work with businesses to create sustainable business models.
5. City-led initiatives to protect and restore nearby and faraway forests increases benefits for biodiversity.

Output indicators, descriptions of each output’s activities and initial results covered in Section C of this review give good evidence that Cities4Forests is on track to deliver these expected outcomes (please also see Section B for examples of progress towards these). Below we consider VfM through the lens of the 4 E Framework.

**Economy**: As noted in the original business case, Defra has benefited through investing in an existing initiative (efficiencies of scale) which has already incurred setup costs meaning our funding can directly support implementation.

In terms of costs, Cities4Forests benefits from being housed within WRI, a 2,000+ person organisation, which helps it benefit from economies of scale and quality-control processes. For example, WRI has a procurement policy which guides how spending decisions are made and ensures good value for money is sought during contracting / purchasing (WRI’s procurement policy requires a competitive procurement process or a sole source justification to be provided for any contractual agreement with a value over USD 25,000). There is an Employee Handbook which covers HR policies and includes staff recruitment and selection processes. Salaries are benchmarked against a range of peer organisations. WRI has a robust set of accounting and financial management safeguards in place, including layers of review by project-level accounting teams, central accounting teams, managers, and external auditors. WRI’s regular audit reports and independent external reviews are available for review, and all major subgrantees are required to submit regular audit reports. WRI also reports its programmatic [results](https://www.wri.org/about/financials) on a bi-annual basis to the International Aid Transparency Initiative (IATI) and has received the maximum [five-star rating from Transparify](https://www.transparify.org/5-star), for the transparency of its sources of funding.

Cities4Forests provided an expenditure report to October 2022 with projections to December 2023; budget lines align well with the budget breakdown presented by WRI for the business case addendum covering this investment.

**Efficiency**: The Year 1 output results described above (Section C) indicate that many Year 2 targets have already been exceeded, demonstrating their success in converting inputs into outputs. Two pertinent examples to illustrate efficiency are a) *the number of cities designing / implementing new or improved NbS programs as a result of Cities4Forests support* – the target for Year 2 is 15 but 56 have already been supported by the end of Year 1, and b) *the number of Cities4Forests supported events showcasing city leaders as advocates for forests* - target for Year 2 is 8 but 44 have already been supported. Cities4Forests has successfully leveraged more than £10.6 million ($12.9 million USD) funding from a range of both public and private donors in Year 1 (See the table below and Annex C for more detail).

|  |  |  |
| --- | --- | --- |
| **Leveraged Funds Raised by Cities4Forests (Public/Private)** | **ODA/Non-ODA countries** | **Amount** |
| Public | ODA | $ 7,777,578 |
| Non-ODA | $ 824,586 |
| Private | ODA | $ 2,828,708 |
| Non-ODA | $ 1,481,560 |
| **TOTAL** |  | **$ 12,912,432** |
|  |  |  |

This has allowed the programme to raise their profile internationally, build partnerships and scale their projects to increase impact. Further examples of efficiency, as noted in the business case, include the availability of internationally recognised WRI tools such as Global Forest Watch and WRI’s Land and Carbon Lab for monitoring project impacts.

**Effectiveness**: Cities4Forests and Defra will review and revise outcome and impact indicator logframe targets in March 2023. Early indications of effectiveness include the political traction that the programme demonstrates for example through the ‘Better Forests, Better Cities’ report virtual launch joined by over 215 people followed up by an in-person launch event at CoP15 in Montreal, events hosted by WRI and Cities4Forests at CoP 27. Effectiveness is also illustrated by the rapid growth in the number of cities working with Cities4Forests (see ‘efficiency’ section).

Initial reporting of outcome indicators in the programme logframe, received early in 2023, shows good early progress towards targets (two out of three are being revised upwards) – please see below table - and further evidence of effectiveness:

|  |  |  |
| --- | --- | --- |
| **Indicator(s)** | **Milestone 2023[[8]](#footnote-9)[1]** | **Progress summary for this review** |
| Outcome 1. POLITICAL ACTION: Number of cities publicly issuing political statements supporting forests or nature as a result of Cities4Forests   | 75 **(revised Year 2 target – up from 10 in approved logframe)** | Cities4Forests supported cities to issue **70 political statements** advocating for forests and nature, including the launch of a major political declaration ‘A Call to Action on Forests & Climate’   |
| Outcome 2.  TECHNICAL ASSISTANCE: Number of policies, regulations, guidance, strategies, or commitments passed, enhanced, or informed by Cities4Forests  | 14 **(revised Year 2 target – up from 5 in approved logframe)** | Cities4Forests supported cities to pass or enhance **13 policies, plans, and regulations**. These include new urban forest policies in Jakarta, Indonesia and Brazzaville, Republic of Congo; and a major state-level payment-for-ecosystem services scheme in Brazil.  |
| Outcome 3.   FINANCE: Number of NbS projects with improved financial access as a result of adopting Cities4Forests instruments or recommendations | 5 | Cities4Forests helped **1 project achieve increased access to finance**. This has enabled restoration of degraded areas in high-conservation-value areas and created new livelihoods in Indonesia. Several more projects are expected to benefit from improved financial access in 2023.    |

**Equity**: An additional logframe output has been proposed focused on Cities4Forests advancing social equity through NbS projects. The new output indicator will be agreed during a forthcoming review of the logframe. Cities4Forests is aiming to disaggregate results where possible based on gender, age, disability status and other characteristics. While they noted the difficulty of this, they are working to incorporate it into their initial data collection processes and will report to Defra on an ongoing basis about how this is going. This new output will help to capture Cities4Forests' broad range of equity-focused work, including projects that focus on mapping public accessibility to urban green space in African cities; that incorporate Indigenous knowledge into public park plans in Indonesia; and that include efforts to involve youth and differently abled residents in urban forest restoration in India. Cities4Forests works closely with dedicated experts in WRI’s Gender and Social Equity Practice to implement these programs and ensure equity is mainstreamed into all project work.

For the next review, which will be the project completion report in early 2024 when Defra’s investment ends, we will ask Cities4Forests to provide more description and evidence of how they’ve delivered VfM against the “4 E Framework”. We will work with them on an ongoing basis in 2023 to determine which elements of each outcome they could track and report against to provide more robust evidence of VfM.

**Annex A: Theory of Change**

 

City-driven NbS policies, strategies, and programs are designed to maximize human benefits in a way that addresses gender and social equity concerns

**Annex B: Cities4Forests Programme Risk register (up to end of 2022)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Risk** | **Probability** | **Impact** | **Risk Rating** | **Change from last report** | **Mitigation Measure** |
| **Context** |
| High inflation and the global financial crisis may negatively affect Cities4Forests core operations (due to increased prices for key services) and our ability to influence audiences (with cities distracted by budgeting constraints). | Likely | Moderate |  | New risk | Cities4Forests will regularly review activities and costs to ensure limited resources are spent on the most effective and high-priority interventions. When engaging audiences, we will emphasize the findings of our economic analyses that show how and where NbS can lower the cost of providing key services. |
| Delays to implementing programme activities caused by COVID-19 could result inunderspends and a failure/delay to meet log frame targets andresults over the lifetime of theprogramme. | Possible | Minor |  |  Downgraded from medium risk to low risk as COVID rates decrease | Cities4Forests has developed effective protocols for engaging cities and otherpartners virtually. We have also worked with our partners to demonstrate how NbS canserve as an important component of pandemic recovery investments. |
| City leadership may change over time and thereby politicalsupport for the project declines. This would result in afailure to meet Defra’s long-termobjectives and results for forests. | Likely | Minor |  |  Downgraded from medium risk to low risk as Cities4Forestshas improved our ability tonavigate political turnover | Defra’s support spans across the whole network, hedging support across the network to mitigate risk. WRI also designed the Cities4Forests programme in such a way to reduce risk, ensuring relationships extend beyond the mayor’s office and Cities4Forests is not seen as aligned with a political party.  |
| Political instability prevents the delivery of the programme, delays activities, or introduces inefficiencies. This would result in a failure/delay to meet log frame targets and results over the lifetime of the programme, and Defra’s long-term objectives.  | Possible | Moderate |  | No change | We will work with WRI and HMG ambassadors and FCDO overseas posts to monitor risks. In particular we are monitoring political contexts in Brazil, Colombia, Ethiopia, and DRC.  |
| **Devliery risks** |
| High demand for technical assistance from Cities4Forests’ members could exceed our ability to supply support. Among both member and non-member cities we are seeing high demand for support from Cities4Forests. | Likely | Minor |  | New Risk | Cities4Forests strategy lends itself to a fundraising model that has been very successful over the past three years. Some donors fund work in specific countries, others fund specific technical aspects in different geographies, while others are focused on replicating successful pilots to additional locations. This model allows Cities4Forests to fundraise in a strategic and agile way to meet the demands of our cities on an ongoing basis. We also make sure to set realistic expectations and operate with transparency and directness. |
| Lack of support/political buy -in from city leaders, residents, and local forest communities for the programme due to lack of incentives and/or awareness of the benefits of the programme.  | Unlikely | Major |  |  Downgraded from possible to unlikely, as Cities4Forests has received significant interest in and demand for its services.  | WRI has considerable skills and expertise working with city leaders, residents and/or local communities where directly delivering activities. To be a member of Cities4Forests network, city leaders must demonstrate their commitment to the aims and objectives of the project and to use the tools and resources produced. WRI also assigns advisors to work closely with city officials/mayors to develop close partnerships, understand city priorities and develop a plan of action before cities are allowed to join. If a member city does not participate in WRI activities during a three-year period, then membership is revoked. Where subcontractors deliver activities, the delivery partner will be required to conduct due diligence to ensure they have the skills and expertise to meet the needs of city leaders, residents and/or local communities. Specific activities in Cities4Forests are focused on increasing equity and the inclusion of marginalised groups, as well as ensuring that NbS projects bring wider benefits to all residents.  |
| Technical assistance products are not relevant or needed by cities in the network. This would result in a failure to meet Defra’s medium-term outcomes and long-term impact and results.  | Unlikley | Severe |  | Downgraded from possible to unlikely, as Cities4Forests has received significant interest in and demand for its services.  | A detailed survey to identify the technical assistance needs has been conducted with each member city so knowledge products designed are reflective of current demands across the network. The Cities4Forests programme also maintains frequent engagement with cities to capture evolving priorities.  |
| **Operational** |
| Lack of effective management of the programme by the delivery partner. This would result in a failure/delay to meeting agreed milestones and indicators set out in the contribution letter and log frame.  | Unlikley | Major |  | No change | Delivery partners are required to agree to an indicative delivery plan, Theory of Change, and log frame (which sets out indicators and milestones) with Defra. Quarterly financial and progress reports will assess performance. Annual reviews will also be used to review performance and payment withheld if poor performance is not addressed.  |
| **Fiduciary** |
| Corruption either by government, the delivery partner or subcontractors which would result in a misuse of funds.  | Possible | Moderate |  | No change | A number of audits have been conducted on WRI including their own annual, publicly available external financial audits, audits for Defra and another major donor for different periods within the course of the investment and a range of due diligence/audit management reports for DfID and BEIS who have also contracted work from WRI. These audits consistently demonstrate that WRI have appropriate procedures and processes in place to address fraud within their own organisation and subcontractors. All WRI’s downstream partners and subcontractors will be subject to a due diligence assessment and must comply with WRI’s own fraud/corruption policies. As fund managers, WRI will be required to alert Defra to any concerns over the misuse of funds. In the event of corruption and/or fraud, the programme may be suspended pending investigation and Defra will have the right to withdraw or terminate funding. WRI policy is that subcontractors are paid after activities have been completed.  |

**Annex C: Cities4Forests funding leveraged**

Note: The list below represents Cities4Forests activities and outcomes primary funded outside of Defra. It is meant to be representative, rather than exhaustive. Cities4Forests is increasingly looking to connect our Defra workplan with these workstreams in order to share knowledge across projects and geographies and leverage opportunities for collaboration. For example, we are working to apply approaches tested in the U.S. and Europe (such as the Forest Resilience Bond) and contextualize them in the Global South. The list below also includes work funded by all other members of the Donor Advisory Committee (DAC), including NICFI, the FEMSA Foundation, the CAT Foundation, and the U.S. Endowment for Forestry & Communities.

|  |
| --- |
| **United States** |
| U.S. corporate NbS work (USFS)  | Cities4Forests has secured funding from the **United States Forest Service (USFS)** to unlock increased corporate investment in NbS. This work is detailed in our recent article *How Nature-based Solutions Can Protect Businesses from Water Risks*. It highlights NbS projects we are supporting in Washington, Oregon, California, Texas, New Mexico, Utah, and South Carolina. Cities4Forests and its partners are leveraging 30+ Fortune 500 corporate partners to increase investment in watershed health and forest resilience by connecting these corporations to investment-ready projects on national forests and adjacent landscapes. Initial corporate contributions have been secured by Danone, Target, Hunter Industries, Procter and Gamble, Google, Intel, and Meta. This includes investment in the innovative financing mechanism, known as the Forest Resilience Bond, which in October 2021 raised over $25 million to restore 48,000 acres in the Tahoe National Forest in California.  |
| Summit County (US Endowment for Forestry & Communities)  | In Utah, WRI is using support from the **U.S. Endowment for Forestry & Communities** to support Summit County, the USFS, Utah Shared Stewardship, Utah’s Watershed Restoration Initiative, and local water utilities including Mountain Regional Water District and the Weber Basin Conservancy District with the establishment of a Resilience Fund that will leverage public-private contributions to pay for the upfront costs of fuel reduction treatments across 75,000 acres of public and private lands and invest in a $10 million endowment to pay for re-entry maintenance to safeguard communities, water supplies, and a recreation economy for years to come.  |
| Cambium (Doris Duke)  | Cities4Forests has leveraged funding from the **Doris Duke Charitable Foundation** in partnership with green start-up Cambium Carbon to raise $3 million in private equity seed funding to support urban wood re-use and a circular economy from fallen urban trees to store carbon, create livelihoods, and finance urban forest maintenance and expansion. Research by this group and the Arbor Day Foundation has identified opportunities for New York City, Pittsburgh, and Eugene, OR to create value out of downed urban trees by turning them into products like furniture or flooring and then feeding that money back into #reforestation programs. Further work has led to local mills in Baltimore becoming major East Coast suppliers of “carbon-smart wood.”  |
| **Mexico**  |
| Xalapa  | Cities4Forests and WRI Mexico’s CityFix Lab leveraged funding from **Norway’s International Climate and Forest Initiative (NICFI)** to integrate an innovative water tariff financing mechanism for local green infrastructure and NbS in Xalapa, Mexico. In close collaboration with the city and its local water utility, Cities4Forests helped issue a 2% voluntary water tariff that has raised over $250,000 for watershed restoration efforts through a local PES scheme. The funds ensured the conservation of 1,474 hectares of forests through the channeling of resources to 377 private landowner beneficiaries. A blog story has recently been published to highlight the success of the tariff, and Georgina Vidriales of Xalapa’s water utility recently presented the city’s experience at World Water Week.  |
| **Colombia**  |
| NDCP work (NDCP Partnership, Ecosystem-based Adaptation Fund)  | Cities4Forests and WRIs Initiative 20x20 leveraged funds from the **NDCP** and **Global EbA Fund** to continue advancing the Ecosystem-based Adaptation for the hydropower sector and local communities' work. The team has made progress in scoping out a national EbA program to unite key stakeholders in the country to scale up EbA for the hydropower sector and local communities and in identifying the pilot site for the project based on analysis and engagement activities. Additionally, we have actively engaged with the Ministry of Environment and Sustainable Development as well as the Ministry of Mines and Energy, who have both indicated continued interest in the project and established focal points for this work.  |
| **Brazil**  |
| NbS Accelerator  | Cities4Forests has leveraged funding from the **Caterpillar Foundation** and co-financier **Fundação Grupo Boticário** to create a nature-based solutions (NbS) Accelerator that transforms NbS proposals into bankable projects for Brazilian cities. Launched in August 2022, the Accelerator’s Call for Proposals received 85 proposals from local governments, NGOs, Academia, and private sector companies across Brazil. A panel of experts will convene in October for the final selection phase in which 10+ projects will be chosen for the Accelerator's inaugural cohort. Projects will receive hands-on financial, technical, M&E, and communications support to pilot innovative NbS for water, green space and air quality management.  |
| **Africa**  |
| NbS in SSA  | Cities4Forests has leveraged funding from **the World Bank, the Global Facility for Disaster Risk Reduction, the African Development Bank, the Green Growth Knowledge Partnership, SIDA, and the Caterpillar Foundation** to advance the understanding of nature-based solutions adoption in the Sub-Saharan Africa region and to improve its integration into African infrastructure finance. The Cities4Forests team has created a searchable project database that includes over 300 projects in the region, a peer-reviewed technical paper that will be published ahead of COP27 on  |
| **India**  |
| NbS Accelerator  | Cities4Forests has leveraged funding from the **Caterpillar Foundation** to create a nature-based solutions (NbS) Accelerator in Mumbai, India. In June 2022, the Accelerator selected 5 project implementers for its inaugural cohort to support their testing and piloting of innovative approaches towards mainstreaming NbS for water, green space and air quality management. The Accelerator and the WRI-led India Forum for Nature- based Solutions drives this transformation by convening policy makers, urban local bodies, and investors to support the cohort’s implementation of NbS pilots through robust M&E, scalable business models, financing, technical assistance, and sharing of international practices. NbS pilots align with existing government schemes and programmes including Mumbai’s Climate Action Plan, Cities4Forests and other local policies and initiatives.  |
| **Global**  |
| Multilateral Development Bank Commitments to Nature  | Cities4Forets has leveraged funding from the **Green Growth Knowledge Partnership** to engage with the nine multilateral development banks (MDBs) that signed the MDB Joint Statement on Nature, People, and Planed at COP26 and organize a high-level meeting ahead of UNFCCC COP27 and CBD COP15.2. Since February 2022, WRI has conducted multiple rounds of consultations with 25 MDB staff members to assess progress on the Joint Statement and near-term priorities to accelerate its fulfillment. The direct result of the engagements is the organization of a high-level meeting with managers and key decision-makers within the MDBs and donor countries to elevate achievements to date and discuss opportunities to strengthen nature ambitions and commitments. This closed event is co-convened by the UK Foreign, Commonwealth and Development Office, the German Federal Ministry for Economic Cooperation and Development, the French Ministry for Europe and Foreign Affairs, GGKP, and WRI.  |
| ‘Better Forests, Better Cities’  | Cities4Forests’ flagship report, ‘Better Forests, Better Cities’, is in the final stages of WRI’s review and design process. The report, funded by **NICFI**, synthesizes the latest research on how forests near and far benefit cities, including in areas such as climate, water, biodiversity, and human health and well-being. The report will launch on November 29, 2022 with a webinar, during which speakers will present the research and explore immediate actions and policy recommendations for cities that wish to better incorporate nature-based solutions into city plans, programs, and investments. The launch will also include a full communications package of email marketing, social media posts, an article on WRI Insights, and more  |

**Annex D: Changes to Logframe for Y2 2023**

Cities4Forests started in 2018, and Defra's contribution runs from Nov 2021 to Dec 2023. Logframe development was completed in Oct 2022. In March 2023 after the first annual review, Cities4Forests proposed adjusting some aspects of the logframe, in particular:

1. Impact indicator 1 expected results for hectares of land benefiting from sustainable land management practices reduced from 32,860 hectares to 4000 hectares. This was largely due to refining Defra's and Cities4Forests's shared understanding of what counts as ‘benefitting’. Cities4Forestshad originally generated numbers based on their methodologies which would include area where there are commitments and plans for sustainable land management. However, after consultation with Defra, it was clear that our interpretation is actual implementation. This means not just commitments but on the ground implementation, as a result Cities4Forests re-assessed the target for year 2. However, Cities4Forests does expect long-term impact to meet the original target albeit after our current voluntary contribution ends.

2. Impact indicator 2 expected results for GHG emissions avoided reduced from 31,420 tCO2 to 16,000 tCO2

3. Impact indicator 3 expected results for number of people whose climate resilience has been improved increased from 170,660 people to 250,000 people

4. An additional feature for impact indicator 3 was added - number of people with enhanced livelihoods through Cities4Forestswith a Year 2 target of 100 people, and Cities4Forestsis working with in-country colleagues to get disaggregated data, but this is challenging and varies across countries due to privacy laws but they will aim for disaggregation and feedback at the next PMRG how it's going.

5. A new output indicator (2.3) was added - Number of new technical analyses produced by Cities4Forests that strengthen city capacity to implement NbS, with a Year 2 target of 18

6. A new output indicator (4.1) was added - Number of NbS projects and policies informed by Cities4Forests with integrated gender and social considerations, with a Year 2 target of 12.

7. For impact indicator 3 (as noted above), several outcome indicators and many output indicators expected results have been increased. This is due to a number of factors. Since the beginning of Defra's investment, Cities4Forests has raised additional finance from a range of existing and new donors, which has allowed for additional resource and capacity on the ground. They have implemented a number of political engagement events (see Annual Review) which have given them additional traction for impact across activities. Cities4Forests was also conservative in their initial estimates, but through an iterative back-and-forth process with their in-country teams, they clarified which activities could feed into which outputs, outcomes and impacts. They also discovered new outcomes that could feed into metrics, and found that overall they were under-counting their successes.

1. [Better Forests, Better Cities | World Resources Institute (wri.org)](https://www.wri.org/research/better-forests-better-cities) [↑](#footnote-ref-2)
2. [TheCityFix Labs 2022 I Accelerating Nature-Based Solutions | WRI India Ross Center for Sustainable Cities | Helping cities make big ideas happen (wricitiesindia.org)](https://www.wricitiesindia.org/content/TheCityFix-Labs-2022) [↑](#footnote-ref-3)
3. Please note these are cumulative targets from start to end of Defra’s investment, so from Nov 2021 to Dec 2023 and covering Year 1 (Nov 2021-Dec 2022) and Year 2 (Jan 2023-Dec2023). [↑](#footnote-ref-4)
4. Please note these are cumulative targets from start to end of Defra’s investment, so from Nov 2021 to Dec 2023 and covering Year 1 (Nov 2021-Dec 2022) and Year 2 (Jan 2023-Dec 2023). [↑](#footnote-ref-5)
5. <https://forestfootprint.org/> [↑](#footnote-ref-6)
6. Please note these are cumulative targets from start to end of Defra’s investment, so from Nov 2021 to Dec 2023 and covering Year 1 (Nov 2021-Dec 2022) and Year 2 (Jan 2023-Dec2023). [↑](#footnote-ref-7)
7. <https://ukcop26.org/mdb-joint-statement/> [↑](#footnote-ref-8)
8. [1] Please note these are cumulative targets from start to end of Defra’s investment, so from Nov 2021 to Dec 2023 and covering Year 1 (Nov 2021-Dec 2022) and Year 2 (Jan 2023-Dec2023). [↑](#footnote-ref-9)