

**Ministry of Foreign Affairs – (Growth and Employment)**

**Meeting in the Council for Development Policy 28 November 2017**

Agenda item 6

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| <b>1. Overall purpose</b>                       | For discussion and recommendation to the Minister |
| <b>2. Title:</b>                                | Core support to World Resources Institute, WRI    |
| <b>3. Presentation for Programme Committee:</b> | 29 August 2017                                    |

# Core Support to World Resources Institute

## Key results:

- 25+ million hectares of degraded agricultural land restored to agricultural productivity; 5+ million of this restored land have supporting policies, practices and/or investments in restoration in place
- 15+ countries have transparent geospatial information platforms frequently updated using information from GFW and related data; and 20+ new national or sub-national governance reforms or new incentives related to geospatial management
- 5+ countries and 40+ cities use Aqueduct to pinpoint areas of high water stress and food security risk, identifying mitigation steps and make investments to reduce risks.
- USD 500 million of funding accessible to Building Efficiency Accelerator partner cities for efficiency improvements
- 10+ countries develop or improve long-term strategies for GHG reduction
- 25+ countries track and report progress toward their NDC target.

## Justification for support.

- Core support to WRI contributes to leveraging WRI's technical knowledge, experience and global platforms. This contributes to advancing "The World 2030" as WRI's strategic plan addresses many of the same challenges at the nexus of environment, economic opportunity and human well-being.
- Strong synergies with Denmark's engagement in focus countries, encompassing growth and transition economies as well as poor and fragile countries, where WRI also works with applied research and action.
- WRI is among the leading international think-tanks in areas such as environmental policy and energy and resource policy; WRI has a strong track record of broad mobilisation and delivering concrete results.

## How will we ensure results and monitor progress

- Annual dialogue session with WRI in collaboration with other core support partners based on review of past year progress and results and WRI work plan for year to come.
- External mid-term review foreseen in 2020.
- Ad hoc dialogue as required.

## Risk and challenges

- Possible global financial instability and economic slowdown limiting government and business ability and willingness to invest in transformational change.
- Possible slow-down in international political commitment to deliver on the Paris Agreement and the SDGs.
- WRI portfolio affected by political and/or financial developments in individual partner countries limiting scope for change.

### Strat. objective(s)

Contribute to progress in delivering on the Paris Agenda and the SDGs through strong analytical work and knowledge based solutions leading to results on the ground.

<b>File No.</b>	2017-22801						
<b>Country</b>	Interregional						
<b>Responsible Unit</b>	VBE						
<b>Sector</b>	43010						
	<i>Mill.</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Tot.</b>
<b>Commitment</b>		15	15	15	15	15	75
<b>Projected ann. Disb.</b>		15	15	15	15	15	75
<b>Duration</b>	5 years (2018-2022)						
<b>Finance Act code.</b>	06.38.02.12						
<b>Desk officer</b>	Tine Anbæk						
<b>Financial officer</b>	Hans-Henrik Christensen						

## SDGs relevant for Programme



## Budget WRI Strategic Plan 2017-2022 (million USD)

Global challenges	393.1
Centers	74.1
Special Projects	58.9
Communication	17.5
Business development, incl. audits, reviews, etc.	22.6
<b>Total</b>	<b>566.2</b>
<b>Danish Core Support</b>	<b>DKK million 75</b>

## List of Engagement/Partners

World Resources Institute

**Ministry of Foreign Affairs**

**World Resources Institute**

**DEVELOPMENT ENGAGEMENT DOCUMENT**

**Support to the implementation of**

**World Resources Institute**

**Strategic Plan 2018-2022**

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## Abbreviations

3GF	Global Green Growth Forum
DKK	Danish Kroner
MoFA	Danish Ministry of Foreign Affairs
P4G	Partnering for Green Growth and the Global Goals
ToC	Theory of Change
USD	United States Dollars
WRI	World Resources Institute

## 1. Introduction

The present development engagement document details the background, justification, objectives and management arrangements for the development cooperation concerning World Resources Institute, Strategic Plan 2018-2022 as agreed between the parties specified below.

### Parties

Danish Ministry of Foreign Affairs (MoFA) and World Resources Institute (WRI)

### Documentation

“World Resources Institute Strategic Plan 2018-2022” (October 2017).

## 2. Background

It is generally recognized that system-wide change is needed to achieve the SDGs. The current pace and scale of change is too slow to meet the SDGs by 2030. Some frontrunner agents are embracing green growth and the SDG but far too many still need to engage. It takes solid research providing evidence and tools delivering change on the ground to convince more to follow.

The World Resources Institute (WRI) is a global research organization at the nexus of environment, economic opportunity and human well-being. WRI conducts independent research and draws on the latest technology to develop new insights and recommendations. WRI integrates political economy analysis in its work to go beyond research and create practical applicable solutions. What differentiates WRI from other research institutes is the way the organization actively uses research to influence government policies, business strategies, and civil society action and engages with partners to deliver change on the ground that contributes to poverty alleviation and strengthening society. Success is therefore measured in the form of new policies, products, and practices that contributes to shifting the ways governments work, companies operate, and people act. Outcomes that contribute to improving people’s lives and the environment. The approach involves three essential steps: Count It, Change It, and Scale It.

WRI engages in active cooperation with approximately 500 partners in 60 countries, primarily developing countries. The organization is not an implementing agency but collaborates with international actors such as the UN system, the World Bank, the Business and Sustainable Development Commission, the Global Commission on the Economy and Climate, and the GGGI, many of whom solicit WRI research and tools. By consciously ensuring complementarities and avoiding duplications, the WRI contributes to evidence based efficient solutions. One of the comparative advantages of WRI is its capacity to work across governments, private companies, civil society and international organizations mobilizing multi-stakeholder coalitions that broaden support for sustainable development solutions and create momentum to address intractable challenges to green growth that markets and government action on their own have not been able to solve. Through these broad based partnerships, WRI contributes to enhanced impact.

WRI is a solid international “think and do” tank and has strengthened its geographic presence over the past decade establishing international offices in Brazil, China, Ethiopia (a regional

office for Africa), India, Indonesia, and Mexico, as well as a liaison office in The Hague. Roughly, half of WRI's 650 staff and experts work out of Washington, and the other half work in the international offices and other locations around the world. The work is organized around six critical global challenges: food, forests, water, energy, climate, and cities. To deliver on these challenges WRI also engages expertise from the institute's four Centers: business, economics, finance and governance. The work is carried out both through on-the-ground experts in the international offices and partners in other key countries (including least developed countries), oftentimes in close collaboration with one or several of the above mentioned partner organizations to ensure scale.

### 3. Justification

The Paris Agreement on Climate Change and the Sustainable Development Goals (SDGs) adopted in 2015 present a framework to tackle immense challenges towards 2030 but also offers considerable opportunities for governments, businesses and people. This is reflected in the Danish Strategy for development cooperation and humanitarian action, "The World 2030", adopted in 2017. The Sustainable Development Goals (SDGs) make up the platform for Denmark's development cooperation along with the recognition that increased global investment through broad partnerships is required to reach the SDG. On this background, "The World 2030" stresses the importance of mobilizing broad capacities and funding sources in society, including private investors and businesses.

Collaboration with WRI through core support to WRI's Strategic Plan 2018-2022 contributes to leveraging WRI's technical knowledge and experience and global platforms towards advancing "The World 2030" as WRI's strategic plan addresses many of the same challenges at the nexus of environment, economic opportunity and human well-being.

WRI works in partnership with a vast network of governments, businesses, experts and civil society organizations. A strategic engagement with WRI is therefore also an engagement with this network of frontrunners. This enhances Denmark's access to and influence on key international agendas and results while underpinning Danish strongholds and expertise embedded in the Danish private sector.

WRI works with applied research in many of Denmark's focus countries, encompassing growth and transition economies as well as poor and fragile countries. This entails strong synergies with Denmark's engagements in these countries, but also with international organizations such as the Global Green Growth Institute (GGGI) and the Sustainable Trade Initiative (IDH). More active engagement is foreseen between the WRI and Danish knowledge partners, notably on the thematic of green economic transition, ensuring dynamic cross-fertilization among institutions and actors.

Just as WRI was a valuable partner to the Global Green Growth Forum (3GF) the organization will be a strategic partner in the Partnership for Green Growth and the Global Goals (P4G) (e.g. delivering "state of the art reports" prior to summits). The combined networks of WRI/NCE and P4G supplemented by the high level convening power encompassed by the P4G summits will contribute to taking solutions and partnerships to scale.

The Strategic Plan 2018-2022 integrates the SDGs in all WRI's work. As a core funder, Denmark has been actively engaged in WRI's strategy elaboration process ensuring that Danish development priorities are well reflected in the strategy. Thus, areas such as development impact, Africa, and the nexus resource challenges and security are strongly reflected in the Strategy. Based on the multiple shared strategic priorities and evident synergies, WRI's concrete results documented in the 2016 external review, and WRI's position among top international think tanks, it has been decided to increase the Danish contribution to WRI over the 2018-2022 strategy period<sup>1</sup>.

#### **4. Achievements previous strategy period**

Denmark provided core funding to WRI's Strategic Plan 2013-2017 (DKK 7 million annually). In parallel, earmarked funding is provided to the NDC Partnership in 2016-2017 (DKK 4,8 million) and to the New Climate Economy (NCE, DKK 5 million), both partnerships hosted and managed by WRI.

An external review of WRI was conducted in 2016. The review provided a mid-term assessment of progress towards WRI's 2013-2017 Strategic Plan, and of WRI's overall institutional performance. The overall conclusion of the review was that WRI was making "strong progress on an ambitious agenda at the intersection of the environment and development space". The review examined progress and performance of outputs and found that 89 out of 96 of the specific statements of intent – covering WRI programs, centers, international offices and core functions – to be on track or already achieved. The review report noted that "as a global "think and do" tank, WRI has both a strong research programme and a compelling record of practical action through direct engagement with decision-makers and other stakeholders worldwide."<sup>2</sup>

In implementing the Strategic Plan 2013-2017, core funding from institutional donors (including Denmark) was essential to allow WRI the flexibility to seize strategic opportunities to respond to wider prospects offered, for example, by developments in the international climate and SDG negotiations. Of particular significance was its involvement in the adoption of the UN Sustainable Development Goals (SDGs) in September 2015. Similarly significant was the contribution to Paris COP21 in the groundwork on a global climate deal through proposals from the Agreement for Climate Transformation 2015 (ACT 2015) consortium of experts that was led by WRI and the work of the climate team. Participation at these global events underscored WRI's practical scientific pedigree and demonstrated the value of its "Count It, Change It, Scale It" approach. Leveraging these high profile interventions has enabled WRI to increase its influence amongst partners and national governments and accelerate the delivery of its programmes and achieve the desired impact at scale.

WRI selects 10 annual top outcomes in order to focus thinking on attributable results reinforcing a culture of 'seeking change' from the work WRI undertakes. The annual top 10

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<sup>1</sup> No. 3 Top Environmental Policy Think Tanks; no. 4 Top Energy and Resource Policy Think Tanks; no. 7 Best Quality Assurance and Integrity Policies and Procedures. (2016 Global Go To Think Tank Index Report, University of Pennsylvania)

<sup>2</sup> "2016 External Review of the World Resources Institute", IPE Triple Line, September 2016.

outcomes are described in an annual report<sup>3</sup>. The Consumer Goods Forum is an example of an annual top 10 outcome and illustrates the particularity of WRI’s “count it - change it - scale it” and partnership approaches. The Forum builds on the Food Loss and Waste Protocol developed by the WRI in collaboration with partners such as UNEP and FAO based on the idea that what gets measured gets managed. Today, the Consumer Goods Forum is a global association of 400 companies representing USD 2.7 trillion in annual sales, committed to halving food waste by 2025 in conformance with the Protocol. It is worth mentioning that the Food Loss and Waste Protocol was taken to scale in partnership with 3GF. Another example is the Global Forest Watch (GFW) launched by WRI in 2014 in partnership with 50 organizations. The online platform uses satellite and other data to track forest cover change in near-real time. It has catalyzed a dramatic increase in action against unsustainable and illegal forest practices, and governments and businesses are using GFW to improve forest management transparency and accountability. This initiative was also taken to scale in partnership with 3GF.

## 5. Objectives Strategic Plan 2018-2022

The Strategic Plan 2018-2022 lays out WRI’s approach and priorities for the next five years. WRI’s approach is to help catalyze and advance non-incremental shifts in policy and behavior, unusual political, social and corporate partnerships, to be understood in the context of “movements” rather than policy shifts. Such transformations are perceived across six urgent and interrelated global challenges: Food, Forests, Water, Energy, Cities, and Climate. WRI will leverage their expertise in business, economics, finance, and governance and their global network of on-the-ground experts in the international offices to help unlock opportunities for transformative solutions and accelerated action at the intersection of development and the environment. As WRI is not an implementing agency, the organization will promote partnerships that can implement change on the ground and take to scale.

An overview of objectives for the six global challenges is presented below. The full Results Framework is presented in Annex II.

Global Challenge	Focus SDG	Objective	Rationale
Food	12	Catalyze reductions of food loss and waste, shifts in diets, and restoration of agricultural lands to help sustainably feed a growing global population.	New approaches must be taken now to sustainably feed 9.6 billion people in 2050.
Forests	15	Inspire actions that reverse mass deforestation and restore degraded land to enhance livelihoods and sustain life.	Deforestation must stop and restoration of 500 million hectares must be sharply accelerated.
Water	6	Address global water quality and quantity risks to help ensure a water-secure future.	The rapidly unfolding water crisis must be addressed by policy-makers and users with much

<sup>3</sup> [www.wri.org/our-work/outcomes](http://www.wri.org/our-work/outcomes)



			greater urgency than today.
Energy	7	Help speed the transition to clean, affordable, reliable energy consistent with climate goals and ensure that clean energy is accessible to all.	The transition to plentiful, clean energy which is already underway must be accelerated and made irreversible.
Cities	11	Help transform how cities are built, managed, and used, to make them compact, connected, coordinated, low-carbon, and resilient.	The shift to efficient, livable, low-carbon cities must be accelerated to support the 3.5 billion dwellers today and the 2 billion more to be added by 2040.
Climate	13	Incentivize and support actions that increase ambition to reduce global emissions and enhance resilience to climate impacts,	Greenhouse gas emissions must peak by 2020, and fall sharply thereafter.

Across the six interrelated global challenges, WRI will refine and launch major initiatives driven by analytical work, presented and communicated clearly in a manner tailored for specific groups of decision-makers; building coalitions for change; and sustaining focused engagement at the political and corporate level over time. To help promote system-wide change, WRI will deepen its understanding of political and social processes, identify potential near term tipping points, and design programs and coalitions with the purpose of crossing them. These initiatives will be supported through an emphasis on **cross-cutting priorities** to ensure cutting edge sustainable development research and enhanced impact. The cross-cutting priorities include the following:

- **Social inclusion, equity, and wellbeing:** Focus on the human development dimension, giving more focus to health, jobs, social equity, and human security. Seeking to motivate change with arguments of economic opportunity, jobs, health and social inclusion rather than by narrower environmental goals. In doing so, deepen existing efforts aimed at integrating poverty and gender considerations to ensure that a social inclusion and equity lens is embedded at all stages and to help influence a broader uptake of such an approach to environment and development work.
- **Conflict and sustainable development:** Initiate a new program on resource scarcity, security, and resilience, working with partners from the security community to inform policy makers on the social and environmental consequences of resource scarcity, particularly in conflict-prone regions. Help decision makers understand how to embed environmental degradation and resource scarcity risks in development strategies. Initially focus on understanding, preventing, and resolving conflict over water resources and pilot this work in Africa.
- **Big data:** WRI will double down in its work at the forefront of the data revolution, focusing on actionable information and “monitoring to mobilize,” while promoting radical transparency and accountability. Double down on “count it”, and become a leader in applying the tools of the data revolution (internet of things, artificial intelligence, crowd

sourcing, remote sensing, etc.). Lead a coalition to create Resource Watch, enabling all Programs, Centers and International Offices to leverage the data revolution.

## 6. Focus outcomes and indicators for Danish support

In the dialogue with WRI, the Ministry of Foreign Affairs will focus on the following outcomes and indicators of particular pertinence to leveraging the priorities of “The World 2030” and to Danish solutions:

Global Challenge	SDG	Outcome	Indicators
Food	12	Governments in tropical countries commit to restore millions of hectares of degraded agricultural land to agricultural productivity, and restoration-related policies, practices, and investments in restoration are actively in place for some of these lands.	<ul style="list-style-type: none"> <li>• Numbers of hectares <i>Target: 25+ million</i></li> <li>• Number of hectares of the above land having supporting policies, practices, and/or investments in restoration in place <i>Target: 5+ million</i></li> </ul>
Forests	15	Countries use WRI monitoring systems and analysis to create transparent, up-to-date geospatial information platforms, remove barriers to success, and introduce governance reforms and new incentives enabling more sustainable and inclusive forest and land management	<ul style="list-style-type: none"> <li>• Number of countries with transparent geospatial information platforms frequently updated using information from GFW and related data <i>Target: 15+</i></li> <li>• Number of new national or sub-national governance reforms or new incentives <i>Target: 20+</i></li> </ul>
Water	6	Identify countries facing serious water risks and help government leaders understand and act to reduce these risks.	<ul style="list-style-type: none"> <li>• Number of countries that use Aqueduct to pinpoint areas of high water stress and food security risk, identify mitigation steps, and make investments to reduce risks <i>Target: 5+</i></li> </ul>
Cities	11	WRI helps cities grow more sustainably by integrating multiple dimensions of city planning and projects, including transit-oriented development, low-carbon mobility, integrated	<ul style="list-style-type: none"> <li>• Number of cities <i>Target: 40+</i></li> </ul>

		urban water management, and local economic development.	
Energy	7	WRI and the Building Efficiency Accelerator facilitate large-scale investment in city efficiency projects, programs, and policies.	<ul style="list-style-type: none"> <li>Amount of funding accessible to partner cities for efficiency improvements <i>Target: USD 500 million</i></li> </ul>
Climate	13	Countries use WRI's accounting tools, data, and analysis to inform ambitious GHG reduction goals, policies, and strategies and report transparently on their performance.	<ul style="list-style-type: none"> <li>Number of countries that develop or improve long-term strategies informed by WRI analysis <i>Target: 10+</i></li> <li>Number of countries that track and report progress toward their NDC target <i>Target: 25+</i></li> </ul>

In addition to the above indicators, the Ministry of Foreign Affairs will follow a number of organizational core support areas contributing to maintaining high quality and relevance of WRI. After a period of ambitious expansion, WRI sets out to leverage and strengthen its global network of international offices, increasing knowledge- and practice-sharing between WRI international offices. The below indicators will guide the dialogue:

Core support area	Outcome	Indicator
Science & research	<ul style="list-style-type: none"> <li>By 2020, a global Science &amp; Research (S&amp;R) function is in place that ensures consistent high-quality standards for all WRI-branded publications.</li> </ul>	<ul style="list-style-type: none"> <li>Portion of WRI-branded knowledge products globally which follow the same rigorous review process prior to publication <i>Target: all</i></li> <li>Number of International Offices that have a sustainable financing plan to cover the costs of supporting an independent S&amp;R function <i>Target: all</i></li> </ul>
Development	<ul style="list-style-type: none"> <li>By 2022, WRI has expanded and diversified its funding base, while continuing to strengthen our partnerships with existing donors.</li> </ul>	<ul style="list-style-type: none"> <li>Number of new 8-figure bilateral grants secured to support in-country work in Africa, Indonesia, and India <i>Target: 2</i></li> <li>Number of new non-U.S.-headquartered corporations added to WRI's family of donors <i>Target: 5</i></li> </ul>
Operations	<ul style="list-style-type: none"> <li>By 2020, WRI's International Offices are self-sufficient on covering</li> </ul>	<ul style="list-style-type: none"> <li>Number of International Offices that have reached critical mass such that their indirect cost rates can support their</li> </ul>

	their operational costs and performing all critical items on WRI's Building Blocks capacity assessment tool.	operations <i>Target: 5 out of the current 7 offices.</i>
Human Resources	<ul style="list-style-type: none"> <li>By 2022, WRI's Results-Oriented Work Environment (ROWE) has optimized resource utilization.</li> </ul>	<ul style="list-style-type: none"> <li>Number of staff with a clear understanding of the results that are expected of them via goals that map directly to work plans and annual WRI goals, and with 360-degree reviews which indicate clarity and shared understanding between staff and supervisors <i>Target: all</i></li> </ul>
Communication	<ul style="list-style-type: none"> <li>By 2022, WRI has regularly updated International Office websites, social media, and e-mail newsletters that deliver consistent messages across the global network, adapted for different cultural, linguistic, and political contexts in each of WRI geographies.</li> </ul>	<ul style="list-style-type: none"> <li>Number of International Offices with regularly updated, localized websites, social media presence, and e-mail outreach <i>Target: all</i></li> </ul>

In the coming five years, growth is expected to be focused in the developing world including the large emerging economies where WRI currently has offices. Further, WRI intends to increasingly work in Africa, including the natural resources challenges/security nexus, starting from the regional office in Ethiopia, and possibly through a few new light-touch programmatic offices in African countries. WRI's work related to the large emerging economies, such as China, India and Brazil, remains central to WRI's mission of advancing sustainable development and particularly important to developing countries because of the growing involvement of the large emerging economies in other developing countries (through investments, trade, aid and South-South cooperation).

## 7. Budget

As mentioned above, WRI has been on an ambitious growth path in the past strategic period, with a budgetary growth rate of 16 %.

Through the Strategic Plan 2018-2022 WRI will manage growth and risk, with a focus on quality and efficiency. The average annual growth rate is expected to be 5% over the five-year period.

The budget approximate breaks down as follows (all figures in million USD):

## Budget

Units	2018	2019	2020	2021	2022	Total
Global Challenges	71.0	74.6	78.3	82.2	87.0	393.1
Centers	13.2	13.9	14.6	15.3	17.1	74.1
Special Projects*	10.6	11.2	11.7	12.3	13.0	58.9
Communication	3.2	3.3	3.5	3.6	3.9	17.5
Business development incl. audits, reviews etc.	4.1	4.3	4.5	4.7	5.0	22.6
<b>Total</b>	<b>102.1</b>	<b>107.3</b>	<b>112.6</b>	<b>118.1</b>	<b>126.0</b>	<b>566.2</b>

\* ‘Special projects’ refer to strategic workstreams that are cross-cutting and do not neatly sit within a Program/Center. Examples include the New Climate Economy project, the SDG Delivery Project and the Economics Center work.

WRI has a strong track record meeting and exceeding its fundraising targets. This was also the case for the past strategy period 2013-2017 with a 16% growth rate. With the planned 5% growth rate for 2018-2022 and funds already secured representing close to 20% of the budget (core funding and various strategic partnerships cumulated, cf. below), WRI is in a comfortable financial position as it embarks on its next five-year plan.

WRI builds its programmatic foresight on core support and flexible programmatic funding. The organization has a number of strong partnerships that are the source of flexible programmatic funding. These partnerships are of a varied nature, including foundations, other bilateral partners, multilateral organizations and corporations. The flexible funding is non-earmarked and is expected to raise to 45% over the five-year period. Along with flexible funding, core resources are essential to WRI. Core resources contribute with catalytic impact and reinforces the proactivity, independence and transparency of the organization and its work programs.

### **WRI and core support partners**

A number of strategic partners provide core support to the implementation of the Strategic Plan 2018-2022. Said partners all provided core support to the previous strategic plan. The WRI and core support partners engage in a close dialogue with a possibility for these partners to influence the medium term strategic choices and annual priorities. The WRI and core support partners also uphold an ongoing dialogue with on the organizational development of WRI (cf. below). There is firm agreement that all core funding is DAC’able and will as such only be allocated to qualifying activities benefiting developing countries.

The core support partners are Denmark, France, Ireland, Netherlands, Sweden. Their respective contributions to the Strategic Plan 2018-2022 are as follows:

Partner	Confirmed in currency	Expected in million USD*
Netherlands	Euro 18,650,000	21.8
Sweden	SEK 150,000,000	18.0
Denmark	DKK 75,000,000	11.7
Ireland	Euro 1,800,000**	2.1
France	Euro 850,000	1.0
<b>Total</b>		<b>54.6</b>

\* Depending on exchange rate as most partner allocations are provided in national currency.

\*\* For 2016-2018

## Danish core support

The expected Danish contribution to the implementation of the Strategic Plan 2018-2022 amounts to a total of DKK 75 million with projected DKK 15 million in annual disbursements (depending on annual approval of provisions in the Danish Financial Act). The Danish support will contain a soft-earmarking comprising co-funding of an external mid-term review and knowledge products to P4G (in particular a “state of art report” for P4G summits in 2020 and in 2022 respectively). An amount of DKK 6 million is committed to promote a more structured approach to cooperation with Danish (and possibly Nordic) knowledge institutions (universities and think-tanks) bringing global perspectives and knowledge curves into Danish contexts and sharing further insights into Danish experiences and proven sustainable solutions of relevance to the WRI programs. Over the five-year strategic period there will also be increased attention to the involvement of Danish private sector in relevant knowledge areas and partnerships.

## 8. Financial Management

Both parties will strive for full alignment of the Danish support to the implementing partner’s rules and procedures. In 2017, WRI was ranked best managed think-tank with highest quality financial management in the USA for the fifth consecutive year. Annual Audited Accounts are forwarded to core funders in November. WRI submits full annual progress reports to core funders in July/August.

## 9. Risk Management

WRI gives priority to risk management and has put in place strong policies and procedures to safeguard against corruption, fraud, malpractice and to mitigate reputational risk. An Audit and Risk Management Committee guides staff and supports the Board of Directors in fulfilling its obligations with respect to: (1) Providing strategic guidance, oversight, and monitoring for WRI’s risk exposure and mitigation policies and practices; (2) Ensuring the integrity of WRI’s systems of accounting, financial reporting, and internal controls; (3) Selecting and hiring of internal and independent auditors; and (4) Ensuring organizational compliance with legal and

ethical standards. WRI has installed a global, integrated financial system (Deltek Cost Point), allowing transparency into the finances of all WRI offices. Quarterly portfolio financial reviews are led by the Director of Financial Planning and Analysis, in conjunction with the Managing Director's Office. Project performance is reviewed, including progress against budget and whether spending is in line with funder requirements. Trends and risks are reported to the Executive Team for tracking. WRI has strict Anti-corruption, Bribery and Conflict of Interest Policy policies and procedures in place and expects all Board of Directors and staff to meet the highest standards of professional integrity and ethical conduct in all aspects of fulfilling their mission and duties. In addition, WRI has developed a Whistleblower Policy; an anonymous Fraud Reporting Hotline; and a Travel and Credit Card Policy. Staff trainings are used to reinforce these policies. Employees are required to sign acknowledgement of reading the most critical ones.

## **10. Monitoring and Evaluation**

WRI's programs are overseen by the Executive Vice-President and Managing Director, who chairs WRI's global Management Team. The President reports to a global Board of Directors, which has interlocking members with the boards of WRI's independent international offices. WRI's Management Team, made up of the directors of Programs, Centers, and International Offices, plays an active role in reviewing strategies and plans across the matrix to ensure coherence and alignment.

Accountability and influence linked to the Danish contribution follows the joint reporting and dialogue mechanism established for WRI and core bilateral partners. The core support partners have established a constructive cooperation and meet annually prior to annual Multi-Partner Meetings. Annual Multi-Partner Meetings unite WRI and the core support partners and take place to review progress over the past year and discuss plans for future collaboration. Based on annual status reports, including financial reports, and presentations of plans for the coming year, the Annual Multi-Partner Meeting constitutes a solid platform for constructive dialogue and influence. The last meeting was held in May 2017 and served as a privileged occasion for WRI and the core bilateral partners to engage in a candid dialogue on the articulations and priorities of the draft Strategic Plan 2018-2022. Core partners also receive WRI's draft annual workplan in November. The report is discussed among core partners and comments are shared with WRI.

An external mid-term review of the Strategic Plan 2018-2022 is foreseen in 2020. This review will provide an assessment of progress of implementation of the Strategic Plan as well as on the organizational consolidation of WRI. WRI's core support partners are closely involved in the process of drafting the Terms of Reference for the mid-term review and contribute to the identification of potential external reviewers. The results of the external review are discussed in this forum as well as by the WRI Board, and is published on WRI's website.

The Ministry of Foreign Affairs shall have the right to carry out any technical or financial mission that is considered necessary to monitor the implementation of the programme.

After the termination of the core support the Ministry of Foreign Affairs reserves the right to carry out evaluation in accordance with normal procedures. To facilitate the work of the person

or persons instructed to carry out such monitoring missions, WRI shall provide these persons with all relevant assistance, information, and documentation.

Representatives of the Auditor General of Denmark shall have the right to:

- i) Carry out any audit or inspection considering necessary as regards the use of the Danish funds in question, on the basis of all relevant documentation,
- ii) Inspect accounts and records of suppliers and contractors relating to the performance of the contract, and to perform a complete audit.

## 11. Other requirements

Anti-corruption: No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted - neither directly nor indirectly - as an inducement or reward in relation to activities funded under this agreement, incl. tendering, award, or execution of contracts. Any such practise will be grounds for the immediate cancellation of this agreement and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of the Danish MFA, a further consequence of any such practise can be the definite exclusion from any projects funded by the Danish MFA.

Child labour: The authority, organisation and/or consultant shall abide by the local laws and by applicable international instruments, including the UN Convention on the Rights of the Child and International Labour Organisation conventions.

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## 12. Signatures

World Resources Institute

Ministry of Foreign Affairs



## Annex I

### Theory of Change Strategic Plan 2018-2022

WRI employs a unique theory of change tailored for each body of work, but all are united by the institutional “Count It, Change It, Scale It” approach as presented in the WRI illustration below:



WRI's approach centers on partnerships. Because WRI is independent and non-partisan and engages with a wide array of actors – politicians, parliamentarians, regulators, CEOs, entrepreneurs, activists, academics – the organization is able to convene unlikely bedfellows to exchange views and discover shared interests. Tangible results around the world are achieved through joining forces with influential actors and working through networks, platforms, and coalitions that act as propagators. WRI currently has active collaborations with more than 500 partners in roughly 60 countries, using a wide variety of forms of engagement.

Key to WRI's effectiveness in bringing lasting change is to build deep relationships of trust with local actors and helping to build broad-based coalitions of support in the countries where the organization is engaged. The approach is informed by a keen understanding of the political economy of change in the contexts where WRI engages. This understanding is based on deep and continuous on-the-ground engagement with local stakeholders to customize solutions to relevant contexts, create robust change strategies, and sustain the conditions for scaling transformative solutions.

Global Challenge	Objective	Categories of activities	Outcomes and indicators
Food	Catalyze reductions of food loss and waste, shifts in diets, and restoration of agricultural lands to help sustainably feed a growing global population.	<ul style="list-style-type: none"> <li>• Get countries and companies to use WRI Food Loss &amp; Waste Protocol and urge policy and practice changes through a high-level group of champions.</li> <li>• Encourage more sustainable diets.</li> <li>• Restore yields on degraded lands through mapping restoration opportunities, helping put enabling conditions in place, and convening continent-wide public-private partnerships on restoration.</li> </ul>	<ul style="list-style-type: none"> <li>• By 2020, countries set explicit targets to reduce food loss and waste by 50 percent by 2030. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Percentage of the world’s population covered by these countries [target: 75 percent].</li> </ul> </li> <li>• Many of the world’s largest food companies have active food loss and waste reduction programs with targets set, measurement in place, and actions underway. Among these companies, at least half are working with their supply chains worldwide to reduce suppliers’ food loss and waste. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of the 50 largest food companies with active food loss and water reduction programs [target: 10+].</li> <li>○ <i>Indicator:</i> Number of the above companies working with their supply chains [target: 5+].</li> </ul> </li> <li>• Large food companies have committed to a science-based target for shifting the proportions of food they sell towards that of a healthy and sustainable diet. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Percentage of the world’s food sold by these companies [target: 5 percent].</li> </ul> </li> <li>• WRI innovations to help shift diets, including new product formulations and improved marketing language, result in a shift away from beef consumption in the U.S., Europe, and selected emerging economies (e.g., China and Mexico). <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Percentage of market share, within each target sector in each geography, in which the innovations are adopted [target: 20+ percent].</li> </ul> </li> <li>• Governments in tropical countries commit to restore millions of hectares of degraded agricultural land to agricultural productivity, and restoration-related policies, practices, and investments in restoration are actively in place for some of these lands. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of hectares [target: 25+ million].</li> <li>○ <i>Indicator:</i> Number of hectares of the above land having supporting policies, practices, and/or investments in place [target: 5+ million].</li> </ul> </li> </ul>
Forests	Inspire actions that reverse mass deforestation and restore degraded lands to enhance livelihoods and	<ul style="list-style-type: none"> <li>• Strengthen accountability for global commitments.</li> <li>• Drive responsible supply chains for forest-risk commodities.</li> <li>• Empower forest defenders to</li> </ul>	<ul style="list-style-type: none"> <li>• Countries enhance the transparency and/or quality of reporting on forests and international commitments, motivated by comparisons of official data with Global Forest Watch’s timely, credible, independent information and analysis of forest and land-use dynamics. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of new countries [target: 15+].</li> </ul> </li> <li>• Companies and investors use analysis or tools, including Global Forest Watch (GFW)</li> </ul>

	sustain life.	<p>expose and combat deforestation and illegal logging.</p> <ul style="list-style-type: none"> <li>• Catalyze a broad-based restoration movement whereby communities and commercial enterprises gain access to the knowledge, expertise and finance they need to engage in successful restoration of degraded lands.</li> <li>• Enable sound forest and land management in targeted countries and landscapes.</li> </ul>	<p>Pro and the Open Timber Portal, to remove deforestation and illegal logging from their supply chains and portfolios.</p> <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Portion of international trade in deforestation-risk commodities covered by companies and investors using GFW Pro [target: 40 percent].</li> <li>○ <i>Indicator:</i> Portion of exports of timber products from participating countries covered by companies and investors using the Open Timber Portal [target: 50 percent].</li> <li>• Citizen groups, including indigenous communities, and rangers and the media pressure those implicated in deforestation and illegal logging, using alerts and Forest Watcher, leading in some cases to enforcement agencies prosecuting illegal logging, burning, and land clearing. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of instances of the above [100+].</li> <li>○ <i>Indicator:</i> Number of countries in which the above takes place [target: 10+].</li> </ul> </li> <li>• Pledges and finance catalyze action on restoration by communities and enterprises, informed by WRI’s restoration opportunities maps and monitoring of progress. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of landowners, community-based organizations, small-to-medium enterprises, corporations, financiers, sub-national government agencies, national government agencies, and members of regional initiatives [target: 500+]</li> <li>○ <i>Indicator:</i> Number of countries in which the above takes place [target: 30+ countries].</li> <li>○ <i>Indicator:</i> Dollars invested in or donated to restoration activities or projects [target: US\$3 billion].</li> </ul> </li> <li>• Countries use WRI monitoring systems and analysis to create transparent, up-to-date geospatial information platforms, remove barriers to success, and introduce governance reforms and new incentives enabling more sustainable and inclusive forest and land management. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of countries with transparent geospatial information platforms frequently updated using information from GFW and related data [target: 15+].</li> <li>○ <i>Indicator:</i> Number of new national or sub-national governance reforms or new incentives [target: 20+].</li> </ul> </li> </ul>
Water	Address global water quality and quantity risks to help ensure a water-secure future.	<ul style="list-style-type: none"> <li>• Leverage WRI online Aqueduct platform on global water risk to catalyze private sector action on watershed stewardship</li> <li>• Identify countries facing serious water risks and help</li> </ul>	<ul style="list-style-type: none"> <li>• Companies help reduce water stress in key watersheds by aligning performance with public policy objectives and the local watershed context. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of companies that align with targets and watershed stewardship practices to reduce local water stress and meet SDG 6 [target: 20+].</li> <li>○ <i>Indicator:</i> Number of companies that use WRI Scope 2 methodology to reduce impacts on water stress embedded in consumed energy [target: 20+].</li> </ul> </li> </ul>

		<p>government leaders understand and act to reduce these risks.</p> <ul style="list-style-type: none"> <li>• Help cities shift toward resilient, low-carbon water infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Countries secure financing to improve water and food security and reduce migration and conflict pressure after using Aqueduct data and scenario planning tools to identify cost-effective strategies. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of countries that use Aqueduct to pinpoint areas of high water stress and food security risk, identify mitigation steps, and make investments to reduce risks [target: 5+].</li> </ul> </li> <li>• Cities use WRI analysis, tools, and implementation guidance to improve water security, services, and resilience, including low-carbon practices and natural infrastructure investments. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of cities that implement master plans using WRI’s City Water Assessment framework and tools to build greater water security and resilience [target: 10+].</li> <li>○ <i>Indicator:</i> Number of cities that make low-carbon investments for water supply and sanitation, such as water reuse and sludge-to-energy wastewater treatment systems [target: 10+].</li> <li>○ <i>Indicator:</i> Dollars of innovative financing for specific source water protection or restoration activities issued by city water utilities working with WRI [target: US\$50+ million].</li> </ul> </li> </ul>
Energy	<p>Help speed the transition to clean, affordable, reliable energy consistent with climate goals and ensure that clean energy is accessible to all.</p>	<ul style="list-style-type: none"> <li>• Mobilize large energy users’ demand for clean electricity.</li> <li>• Build capacity for governments and cities to adopt energy efficiency and clean urban energy.</li> <li>• Spotlight latent demand for clean energy services and connect financing and solution providers to extend energy access.</li> </ul>	<ul style="list-style-type: none"> <li>• Utilities in the U.S., India, Mexico, Colombia, and Vietnam provide expanded, cost-effective renewable energy supply options, leading to large-scale additions of new renewable capacity. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of U.S. states in which utilities offer new clean energy products as a result of buyer engagement [target: 20].</li> <li>○ <i>Indicator:</i> Amount of additional capacity under contract globally [target: 75 GW].</li> </ul> </li> <li>• Influential cities around the world (e.g., in China, India, and the U.S.) double the share of renewable energy in their energy mix by purchasing and producing renewable energy, and improving energy efficiency. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of cities that implement master plans using WRI’s City Water Assessment framework and tools to build greater water security and resilience [target: 10+].</li> <li>○ <i>Indicator:</i> Number of cities/districts successfully implementing renewable energy strategies [target: 15].</li> </ul> </li> <li>• WRI and the Building Efficiency Accelerator facilitate large-scale investment in city efficiency projects, programs, and policies. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Dollars of funding accessible to partner cities for efficiency improvements [target: US\$500 million].</li> </ul> </li> <li>• Local entrepreneurs and financial intermediaries in Africa and India use WRI’s</li> </ul>

			<p>energy access investment maps to secure and channel investment into clean energy access solutions.</p> <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of entrepreneurs [target: 15+].</li> <li>○ <i>Indicator:</i> Dollars of investment secured by entrepreneurs [target: US\$15+ million].</li> <li>○ <i>Indicator:</i> Number of financial intermediaries [target: 4].</li> <li>○ <i>Indicator:</i> Dollars of investment channeled by financial intermediaries [target: US\$100 million].</li> </ul>
Cities	<p>Help transform how cities are built, managed, and used, to make them compact, connected, coordinated, low-carbon, and resilient.</p>	<p>Work deeply over time in iconic and challenging cities to demonstrate sustainable solutions in three sectors that form the backbone of a city: mobility, land use and economic development, and energy. Scale impact to other cities through policies, partnerships, and networks.</p>	<ul style="list-style-type: none"> <li>• WRI helps cities grow more sustainably by integrating multiple dimensions of city planning and projects, including transit-oriented development, low-carbon mobility, integrated urban water management, and local economic development. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of cities [target: 40+ cities, up from 10].</li> </ul> </li> <li>• Urban sustainable mobility systems provide people with safer, lower-carbon, more accessible, and more affordable options to get around through WRI support. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of cities [target: 50+ new cities].</li> </ul> </li> <li>• Resource efficiency and renewable energy projects in cities around the world attract large-scale investments through WRI city-level capacity-building and implementation of national policies. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of cities in which capacity-building occurs [target: 50+].</li> <li>○ <i>Indicator:</i> Dollars of public or private financing invested in projects as a result of the above [target: US\$5 billion].</li> </ul> </li> <li>• City decision-makers, civil society, and companies across the globe use open data tools to make better decisions on air quality, land use, water use, and transport systems. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Percentage of partner cities that apply WRI tools [target: 30 percent].</li> </ul> </li> <li>• Flagship capacity-building programs empower a new generation of urban professionals leading transformative projects in cities. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of additional high-level decision-makers and other key officials trained [target: 300].</li> <li>○ <i>Indicator:</i> Number of additional cities accounted for by the above officials [target: 75].</li> </ul> </li> </ul>
Climate	<p>Incentivize and support actions that increase ambition to reduce global emissions and enhance resilience to climate impacts.</p>	<ul style="list-style-type: none"> <li>• Help countries – with active engagement from other stakeholders – understand where there is greatest potential for progressively increasing climate action in</li> </ul>	<ul style="list-style-type: none"> <li>• Countries, including major economies where WRI has offices as well as additional strategic countries, have put in place new or improved measures, mechanisms, or institutions to successfully implement or enhance their NDCs as a result of WRI analysis and support. <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of countries that have submitted enhanced NDCs [target: 10+].</li> </ul> </li> </ul>

		<p>their NDCs, in ways that are aligned with development objectives.</p> <ul style="list-style-type: none"> <li>• Help build up a dynamic and robust international regime that creates transparent rules of the game and fosters ever greater ambition from countries and non-state actors.</li> </ul>	<ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of countries that have put in place additional measures, mechanisms, or institutions to implement their NDCs [target: 10+].</li> <li>• Countries use WRI’s accounting tools, data, and analysis to inform ambitious GHG reduction goals, policies, and strategies and report transparently on their performance.       <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of countries that develop or improve long-term strategies informed by WRI analysis [target: 10+].</li> <li>○ <i>Indicator:</i> Number of countries that track and report progress toward their NDCs [target: 25+].</li> </ul> </li> <li>• Cities and large corporate emitters raise their ambition by setting measurable and ambitious greenhouse gas reduction targets and report transparently on measurable progress, informed by WRI’s tools and analysis.       <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> Number of cities that set ambitious GHG targets and report progress toward them [target: 500+].</li> <li>○ <i>Indicator:</i> Number of companies that set ambitious GHG targets and report progress toward them [target: 500+].</li> </ul> </li> <li>• By 2018, the UNFCCC adopts effective rules and processes for the Paris Agreement that advance transparency and accountability and create a clear process and pathway to assess and increase climate action and support. By 2022, those rules and processes are in full operation.       <ul style="list-style-type: none"> <li>○ <i>Indicator:</i> To what extent effective rules and processes for transparency and accountability are adopted by UNFCCC (none/weak/moderate/strong; provide justification) [target: strong].</li> <li>○ <i>Indicator:</i> To what extent a clear process and pathway to assess and increase climate action and support are adopted by UNFCCC (none/weak/moderate/strong; provide justification) [target: strong].</li> <li>○ <i>Indicator:</i> To what extent rules and processes adopted by UNFCCC are in operation (none/weak/moderate/strong; provide justification) [target: strong].</li> </ul> </li> </ul>
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## INTERNAL OUTCOMES FOR CORE FUNCTIONS

### Communications:

- By 2022, WRI has regularly-updated International Office websites, social media, and e-mail newsletters that deliver consistent messages across WRI's global network, adapted for different cultural, linguistic, and political contexts in each of WRI's geographies.
  - *Indicator:* Number of International Offices with regularly updated, localized websites, social media presence, and e-mail outreach [target: all].

### Development:

- By 2022, WRI has expanded and diversified its funding base, while continuing to strengthen partnerships with existing donors.
  - *Indicator:* Number of new 8-figure bilateral grants secured to support in-country work in Africa, Indonesia, and India [target: 2].
  - *Indicator:* Number of additional European government ministries providing non-ODA funding [target: 3+].
  - *Indicator:* Amount of funding from European foundations [target: 50 percent above FY16 levels].
  - *Indicator:* Number of new non-U.S.-headquartered corporations added to WRI's family of donors [target: 5].
  - *Indicator:* Number of additional governments which count WRI as a key impact partner and provide at least mid-6 figures in annual funding [target: 5, including 2 from Europe].
  - *Indicator:* Dollars of unrestricted funds raised [stretch target: US\$8m, up from US\$3m in FY17].

### Human Resources:

- By 2022, WRI's Results-Oriented Work Environment (ROWE) has helped optimize utilization of the space in WRI's Global Office by overbooking due to vacations, travel schedules, and other work arrangements, while also helping to make staff more productive and engaged and helping in staff recruitment and retention through flexible work arrangements.
  - *Indicator:* Portion of staff with a clear understanding of the results that are expected of them via goals that map directly to work plans and annual WRI goals, and with 360-degree reviews which indicate clarity and shared understanding between staff and supervisors [target: all].
  - *Indicator:* Employee engagement measured using the standard list of 12 questions on engagement in Gallup survey [target: improvement or no decline versus the benchmark surveys].
  - *Indicator:* Staff occupancy levels measured through badge swipes [target: 90 percent of staff are in the office greater than 50 percent of the time].
  - *Indicator:* Ratio of occupancy – i.e., total number of staff to total number of desks in Global Office [target: at least 1.2:1]

### Operations:

- By 2020, WRI's International Offices are self-sufficient on covering their operational costs and performing all critical items on WRI's Building Blocks capacity assessment tool.
  - *Indicator:* Number of International Offices that have reached critical mass such that their indirect cost rates can support their operations [target: 5 out of the current 7 offices – i.e., all but Europe and Africa, WRI's newest offices].
  - *Indicator:* Number of critical items on the Building Blocks assessment handled by each International Office [target: all items in all offices except Europe and Africa, WRI's newest offices].

**Science & Research:**

- By 2020, a global Science & Research (S&R) function is in place that ensures consistent high-quality standards for all WRI-branded publications.
  - *Indicator:* Number of International Offices that have local S&R staff in place [target: all].
  - *Indicator:* Number of International Offices that have a sustainable financing plan to cover the costs of supporting an independent S&R function [target: all].
  - *Indicator:* Portion of WRI-branded knowledge products globally which follow the same rigorous review process prior to publication [target: all].



## ANNEX III

### Risk Management Matrix

#### Contextual risk

Risk Factor	Likelihood	Impact	Background to assessment to potential impact	Risk response	Combined residual risk
Possible global financial instability and economic slowdown	Likely	Major	A global economic slowdown may limit government and businesses ability and willingness to invest in transformational change in developing countries. This was also the case during the global financial crises.	WRI works actively to influence government policies and business strategies. WRI offers intelligent tools to facilitate change thus reducing government's and business's investment cost in development of solutions. A Rapid Action task force monitors developments and helps WRI respond to new political landscape.	Minor
Possible slow-down in international political commitment to deliver on the Paris Agreement and the SDGs	Possible	Major	Tendencies of declining political support to the Paris Agreement and the SDGs, as expressed through USA withdrawal from Paris Agreement. Decline may impede progress towards delivering on commitments in crucial results.	WRI works actively to influence government policies, business strategies, and civil society action and engages with partners on the ground thus contributing to positive momentum for transformational change. <b>Further</b> , WRI is engaged in forging and supporting broad coalitions (e.g. NCE Urban Transitions Coalition, Champions 12.3, and the Food and Land Use Coalition) and multi-stakeholder platforms (e.g. NDC Partnership, P4G) to sustain momentum and raise ambition towards meeting the 2030 Global Goals and climate objectives under the Paris Agreement.	Minor

## Programmatic Risk

Risk Factor	Likelihood	Impact	Background to assessment to potential impact	Risk response	Combined residual risk
Insufficient funding of WRI's strategic plan	Low	Major	Insufficient funding of the Strategic Plan 2018-2022 could lead to reduced level of activity and thus reduced impact.	WRI's Strategic Plan 2018-2022 operates with 5% annual growth rate against a 16% growth rate in fully funded previous strategic plan. WRI maintains a diversified funding base. Active oversight by a dedicated Board Committee to ensure fund-raising goals are progressed and challenges detected and addressed early on.	Minor
WRI portfolio affected by political and/or financial developments in individual countries limiting scope for change.	Possible	Major	Political or financial turbulence in a country could have a negative impact on the willingness to implement the necessary political and strategic changes.	WRI's activities stretch over 60 countries. Set-back in individual countries would not significantly impact WRI's portfolio. WRI's engagement in priority countries is based on deep enmeshment in local networks, an independent/apolitical stance, and long-standing relationships of trust built of over many years with key institutions and actors from civil society, the private sector as well as government.	Minor
Failure to deliver development impact on the ground in developing	Low	Major	WRI's Strategic Plan 2018-2022 increases emphasis on results on the ground (development impact) in developing countries, including on the African	WRI has a solid track record delivering results in developing countries, in line its Strategic Plan commitments. WRI has a robust Management for	Minor

countries.			continent.	Results (MfR) system whereby desired outcomes are identified, and progress towards achieving them are monitored and reported on twice yearly to WRI's Executive Team. Accountability for results is also central to WRI's Performance Management system. Articulation of desired outcomes is based on carefully vetted theories of change and strategies.	
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### Institutional Risk

<b>Risk Factor</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Background to assessment to potential impact</b>	<b>Risk response</b>	<b>Combined residual risk</b>
Political controversy, fraud, malpractice or corruption jeopardises WRI's ability to deliver and poses a reputational risk for MFA	Low	Major	WRI has been on a rapid growth trajectory, involving the opening of new international offices, including in Brazil and Ethiopia. It also funnels a significant amount of funds via sub-grants to other organizations, including developing country NGOs.	In response to the increased complexity, over the last years, WRI has prioritized risk management and put in place strong policies and procedures to safeguard against corruption, fraud, malpractice and to mitigate reputational risk. An Audit and Risk Management Committee guides staff and supports the Board of Directors in fulfilling its obligations with respect to: (1) Providing strategic guidance, oversight, and monitoring for WRI's risk exposure and mitigation policies and practices; (2) Ensuring the integrity of WRI's systems of accounting, financial reporting, and internal controls; (3) Selecting and	Minor

				<p>hiring of internal and independent auditors; and (4) Ensuring organizational compliance with legal and ethical standards.</p> <p>WRI has strict Anti-corruption, Bribery and Conflict of Interest Policy policies and procedures in place and has a Whistleblower Policy; an anonymous Fraud Reporting Hotline; and a Travel and Credit Card Policy.</p>	
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## ANNEX IV

### NOTE ON WRI's PARTNERSHIPS

WRI currently has active collaborations with more than 500 partners in roughly 55 countries, using different institutional models. We also manage or actively engage in a number of high level coalitions and commissions which gives us access to leaders around the world, including:

- **The New Climate Economy:** WRI is a founding member and Managing Partner of The New Climate Economy, the flagship project of the Global Commission on the Economy and Climate, which aims to produce better, more comprehensive evidence on whether and how climate policy can be made compatible with strong economic performance. The New Climate Economy project was originally commissioned by seven countries as an independent initiative and is now comprised of 28 leaders from 20 countries, including former Mexican President Felipe Calderón. As managing partner for the multi-institute partnership that has developed NCE's work, WRI's NCE team helps to deliver relevant analyses, management oversight and communications through the global office in Washington and country-targeted support for engagement with both the public and private sectors through international offices in Brazil, China, India, Indonesia and Turkey.
- **Coalition for Urban Transitions:** The WRI Ross Center for Sustainable Cities is now the Secretariat for one of the phase two initiatives of NCE, Coalition for Urban Transitions. Its aim is to drive high-level political commitment for sustainable urban development by placing evidence in the hands of national economic decision-makers and equip them with the knowledge and tools to act on national policy change and enhanced infrastructure investment towards more compact, connected, coordinated urban development.
- **Nationally Determined Contributions Partnership:** WRI is a founding partner in the Nationally Determined Contributions Partnership (NDCP), a new global initiative to help countries achieve their national climate commitments and ensure financial and technical assistance is delivered as efficiently as possible. Achieving the NDCs will require significant investment in infrastructure projects throughout the developing world and particularly in Asia, and through its unique role as both a host of the Support Unit for the Partnership as well as a knowledge partner, WRI will be closely linked into the international efforts to begin implementation of country NDCs.
- **Global Partnership on Forest and Landscape Restoration:** The Global Partnership on Forest and Landscape Restoration (GPFLR) is a proactive global network that unites governments, organizations, academic/research institutes, communities and individuals under a common goal: to restore the world's lost and degraded forests and their surrounding landscapes. Specifically, the GPFLR responds directly to the Bonn Challenge to restore 150 million hectares of deforested and degraded land by 2020 and 350 million hectares by

2030. WRI plays an integral in this partnership by supporting the Global Restoration Council, which aims to harness the collective wisdom, influence and energy of its members to catalyze and sustain a global movement for restoration.

- **Champions 12.3:** At the World Economic Forum in Davos, a coalition of leaders – Champions 12.3 – launched a new effort to inspire ambition and mobilize action to reduce food loss and waste globally. This leadership group aims to accelerate progress toward meeting Target 12.3 of the UN Sustainable Development Goals (SDGs), which seeks to halve per capita food waste and reduce food losses by 2030. The Champions include CEOs of major companies, government ministers, and executives of research and intergovernmental institutions, foundations, farmer organizations, and civil society groups. These leaders will work to create political, business and social momentum to reduce food loss and waste around the world.
- **Corporate Consultative Group:** WRI's Corporate Consultative Group is a network of some of the largest and most important companies in the world, which acts as a vehicle for exchanging valuable thinking about responses to shared corporatesustainability challenges. High-profile companies in this group include: Cargill Corporation; Caterpillar Inc.; CitiGroup, Inc.; Colgate-Palmolive Company; Dow Chemical Company; DuPont Company; Johnson & Johnson; PepsiCo, Inc.; Pfizer Inc.; and Unilever.

Beyond these high-level, international collaborations, WRI also works to build capacity with partners at the local level in countries around the world. WRI places particular emphasis on supporting organizations in the global South in building their capacity and sharing lessons with one another. As an organization working at the nexus of sustainability and development, understanding and addressing the challenges and aspirations of developing countries is central to WRI's mission. Thus strong partnerships with southern actors are an integral part of how we work and bring about change.

### **Specific relevance to developing countries**

WRI has active programs and/or partnerships in over 50 countries worldwide and strong presence in China, India and Brazil is increasingly important to WRI's mission of advancing sustainable development and particularly important to the engagement with developing countries because of the growing involvement of these countries – through investments, trade, aid and South-South cooperation – in other developing countries. For example, WRI is engaging with and assisting financial institutions in China and Brazil to apply the highest environmental and social standards to their investments overseas (e.g. in Africa). WRI has also worked with civil society organizations in Africa - including Kituo cha Sheria, ILEG, Friends of Lake Turkana, OCRA, Oxfam - to empower them with the tools they need to hold Chinese and Brazilian investors accountable to these standards. WRI's orientation towards the global south is also reflected in its concerted effort to recruit staff from developing countries, and its significant numbers of developing country colleagues holding senior leadership positions across the Institute.

Specific initiatives that emphasize work with southern actors include:

- **Strengthening the Right to Information for People and the Environment (STRIPE):** Strengthening the Right to Information for People and the Environment (STRIPE) helps communities improve their environment and health by exercising their right to access information and participate in environmental decision-making. Working with civil society organizations and local communities, STRIPE works with community members to use FOI laws to request information from governments and track the results. STRIPE has worked with local civil society organizations in Indonesia, Mongolia and Thailand on issues relating to water pollution.
- **The Access Initiative:** The TAI network encompasses more than 250 civil society organizations in over 50 countries worldwide, from Argentina to Zimbabwe. The TAI network is led by seven civil society organizations known as the Core Team, which act as regional leads. WRI serves as the global secretariat for the TAI network. These are represented by civil society organizations from Cameroon, Ecuador, India, Ireland, Kenya, Mexico and the Philippines. Each TAI country Chapter is independent of each other (and from WRI), is led by a TAI partner organization and consists of individual experts and civil society organizations who are members of that Chapter. TAI Chapters promote environmental democracy at the national level and undertake evidence-based advocacy, engagement and programs that they develop and implement. TAI specifically works with civil society organizations in the following DGIS priority countries: Benin, Bangladesh, Kenya, Uganda, South Africa, Colombia, Indonesia and Vietnam.
- **Adaptation Finance Accountability Initiative:** The Adaptation Finance Accountability Initiative (AFAI) helps civil society organizations hold their governments accountable for the flow of adaptation funds. AFAI is a partnership between WRI, Oxfam, Overseas Development Initiative, and civil society groups in the four pilot countries of Uganda, Nepal, the Philippines, and Zambia. These organizations analyzed how much adaptation finance was available in their respective countries and how it was delivered at a local level. AFAI then used this information to develop a proven set of methods that civil society groups can use to track the flow of adaptation funds and push their governments to direct those flows more effectively. As part of AFAI, WRI also works on assisting national institutions in accessing Green Climate Fund (GCF) funding through its **GCF Readiness Program**. WRI, in partnership with the United Nations Environment Programme and the United Nations Development Programme, is improving readiness by targeting the national implementing entities (NIEs) that serve as national-level intermediaries between the GCF and projects on the ground. WRI focuses on equipping NIEs with tools to help them prioritize suitable options and projects that GCF can fund. So far, WRI has worked most closely with NIEs in Fiji and Kenya.
- **Global Forest Watch:** Global Forest Watch (GFW), created by a partnership of over 90 organizations and led by WRI, allows anyone with an Internet connection or mobile device to monitor forests in near-real-time with unprecedented precision using satellite data. GFW collaborates with over 100 civil society organizations globally to generate evidence, raise public awareness, and improve forest management. GFW supports these partners through small grants, data sharing, and technical training and support, including helping to adapt GFW to meet their needs. In 2016 alone, WRI helped local organizations in Uganda and Nicaragua improve forest management in their communities. In Uganda, GFW partnered with the Jane Goodall Institute, Google, and NFA forest rangers to develop Forest Watcher, an application designed specifically for the rangers and drawing on GFW data. Forest Watcher allows rangers to use smartphones and tablets offline for on-the-ground monitoring and verification of deforestation alerts. In Nicaragua, GFW worked with

Global Wildlife Conservation and the Rama and Kriol communities to establish an indigenous forest ranger program that uses GFW to monitor the forests on which they depend.

- **WRI Ross Center for Sustainable Cities:** WRI Ross Center for Sustainable Cities is founded on the belief that compact, connected, and efficient growth can help ensure more competitive cities, and provide a better quality of life for citizens. WRI Cities' solutions are organized in three areas- - urban mobility, urban development, energy efficiency—to support on the ground implementation, local and national policy to enable sustainable solutions, and knowledge dissemination to build capacity of cities to sustain changes for years to come. WRI's Cities program has helped over 350 cities around the world through this approach, and in the last five years alone, WRI's Cities program has managed and delivered on a portfolio of urban projects totaling \$100 million across our global network of partners and countries. Today, WRI has urban projects in over 100 cities from within our network countries and also Thailand, Vietnam, Ethiopia, Ghana, and Colombia.



## Quality Assurance checklist for appraisal of programmes and projects above DKK 10 million<sup>1</sup>

*The checklist is signed by the appraising desk officer and management of the MFA unit and attached to the grant documents. Comments and reservations, if any, may be added below each issue.*

File number/F2 reference: 2017-22801

Programme/Project name: **Support to implementation of the World Resources Institute strategic Plan 2018-2022**

Programme/Project period: 2018-2022 (5 years)

Budget: DKK 75 million

### ***Presentation of quality assurance process:***

The quality assurance process of the proposed core support to the WRI Strategic Plan 2018-2022 consisted of: Presentation of a Concept Note to the Programme Committee on 29.08.2017, followed by a number of sparring meetings between the VBE desk officer and TQS responsible. TQS furthermore participated in a meeting (14.09.2017) with a visiting WRI representative to discuss the Strategic Plan 2018-2022. The final engagement document was assessed by TQS as a desk appraisal documented in the present format.

The decision to carry out a desk appraisal instead of a full appraisal is, among others, based on the fact that the proposed support is a continuation of previous core support to WRI during the 2013-2017 strategy period. The cooperation and outcomes of that support phase were considered satisfactory, and there are no major issues or changes of a nature that would make a full appraisal necessary.

TQS input regarding the planned external Mid-Term Review may be considered (e.g. commenting on TOR, draft report, as relevant).

***☒ The design of the programme/project has been assessed by someone independent who has not been involved in the development of the programme/project.***

*Comments:* The desk appraisal has been carried out by TQS. The TQS responsible has not been involved in the development of the engagement document.

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<sup>1</sup> This format may be used to document the quality assurance process of appropriations above DKK 10 million, where a full appraisal is not undertaken as endorsed by TQS (appropriation from DKK 10 up to 37 million), or the Programme Committee (appropriations above DKK 37).

***▣ Comments from the Danida Programme Committee have been addressed (if applicable).***

The draft DED overall addresses the comments from the Programme Committee well. The comparative advantage/value added of WRI's work has been brought out more clearly, effectiveness and efficiency considerations such as organizational capacity in the context of growth, administration and budgetary issues have been further elaborated and the results framework and indicators have been revised. Considerations of how Danish strategic interests can contribute to shape WRI agendas through the established core donor dialogue platform are described, and the potential synergies with strongholds and expertise held by the Danish private sector are mentioned. Revealing a bit more about the ideas regarding the proposed long- and short-term secondments, as was suggested by the Programme Committee, could be one concrete way of further illustrating these aspects.

To fully respond to the conclusions of the Programme Committee further description would also be required on the relation between WRI's core work and their function in regard to the P4G. The positive experiences concerning WRI's role vis-a-vis the 3GF initiative and the expected key role of the organization as host to the P4G secretariat are mentioned, both in terms of substance and operational aspects. Finally, regarding a comment from the Programme Committee on risk assessment, the desk appraisal was not able to assess the response as the draft DED for appraisal did not yet contain a risk section. It is stated, however, that this would be included as an annex in the final version.

***▣ The programme/project outcome is found to be sustainable and is in line with the national development policies and/or in line with relevant thematic strategies.***

*Comments:* As mentioned above, the areas addressed by WRI are all in line with the globally agreed SDGs. The partnership approach, involving both government and private sector actors and funding in the joint change processes and actions, appears to offer good prospects of sustainability of the outcomes as well as national / local ownership.

***▣ The results framework, indicators and monitoring framework of the programme/project provide an adequate basis for monitoring results and outcome.***

*Comments:* The presented frameworks are considered adequate for monitoring results and outcomes.

The Engagement Document presents the objectives for WRI's 6 Global Challenge Areas: Food, Forests, Water, Energy, Cities and Climate. Furthermore, 2 sets of outcomes are presented including indicators and milestones for 2020. The first set relates to the Global Challenge Areas, and consists of selected indicators from the full Results Framework that will be attached to the Engagement Document. The second set of outcomes and indicators relates to the process of "organisational consolidation, quality and efficiency" in order to

management lies with the executive Vice-President and Managing Director, who chairs the WRI global Management Team made up of the directors of WRI's Programmes, Centres and International offices. The president reports to WRI's global Board of Directors. WRI's independent international offices have their own boards. Experience from the previous support phase have proven WRI's management and reporting capacity and an external Mid-Term Review carried out in 2016 made a positive assessment of progress and performance against the goals of the strategic plan.

A concern that could be raised in view of the rapid growth and expansion of the organization is how WRI will ensure that the high levels of expertise and quality of outcomes can be upheld. This concern has also been discussed internally within WRI and is consciously addressed in the strategic management of the organization.

***□ Risks involved have been considered and risk management integrated in the programme/project document.***

*Comments:* The WRI Strategic Plan contains a brief section on risk management including some important considerations, such as how WRI will strengthen its risk management policies and procedures in view of organisational expansion. The draft DED, however, should also include a risk management section of its own, as risks and their importance may vary depending on each partners' perspective.

***▣ In conclusion, the programme/project can be recommended for approval: Yes***

- Issues related the HRBA/Gender have been considered adequately
- Issues related to Green Growth has been considered if applicable
- Environmental risks are addressed by adequate safeguards when relevant

*Comments:* Issues related to Green Growth and Environmental risks are central targets of the WRI Strategic Plan, and the organisation has a strong track record. WRI explicitly acknowledges that issues related to HRBA/Gender have not received sufficient attention in the past and express an intention to strengthen their knowledge, capacity and partnerships in this regard during the coming strategy period.

Date and signature of desk officer / TQS responsible: 24.10.2017,

  
(Silke Mason Westphal)

Date and signature of management:

13/11-2012 