

# Multi-Partner Trust Fund of the UN Decade on Ecosystem Restoration

## Key results:

- Global, regional & national movement for ecosystem restoration
- Increased demand and capability in private sector, public sector and civil society for policy reform, to catalyse investments and to access resources – resulting in restoration action on the ground.
- Restored ecosystems, sustainable ecosystem management and improved livelihoods in target locations, with a view towards catalysing further upscaling
- Results documented and shared, influencing ecosystem restoration activities.

## Justification for support:

- Widespread ecosystem degradation is a major threat to the Agenda 2030 objectives of ending poverty, conserving biodiversity, combating climate change, and improving livelihoods.
- The 17 Sustainable Development Goals are unlikely to be met by 2030, unless ecosystem degradation is stopped and reversed.
- An estimated half of the global GDP is dependent on nature.
- Countries have pledged to restore one billion hectares, but it is unclear where that restoration is taking place and in which manner.
- There is a widespread failure of markets and institutions to integrate the value of ecosystems into decision-making.
- Important gaps still exist in finance mobilization, monitoring and decision-support tools, integration of indigenous and traditional knowledge, and development of policies that support restoration.
- There is currently insufficient political support, technical capacity and finance available in both the public and private sectors to embark on ecosystem restoration at the required scale.

## Major risks and challenges:

- Change of government priorities or key management positions in Flagship countries lead to reduced restoration ambitions
- Conflict or unrest in Flagship countries.
- Civil society in Flagship countries inadequately organised to engage in ecosystem restoration-related policy, strategy and implementation processes.
- Private sector in Flagship countries is unwilling to engage and invest in ecosystem restoration.
- Risk mitigation: A risk management strategy with mitigation measures will be developed. Flagship Initiatives must have gender-responsive environmental and social risk management compliant with international standards, and will be conditional on strong safeguards policies and decision-making processes.

File No.	2020-31821				
Country	Global				
Responsible Unit	GDK				
Sector	Environment and climate change				
Partner	UNDP (fund administrator), UNEP, FAO				
	DKK million	2022	2023	2024	2025
Commitment	70				70
Projected disbursement	25	25	20	-	70
Duration	4 years				
Previous grants	N/A				
Finance Act code	06.34.01.75				
Head of unit	Karin Poulsen				
Desk officer	Johanne Brønden				
Reviewed by CFO	YES: Rasmus Tvorup Ewald				

## Relevant SDGs

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals	

## Objectives:

Reverse current negative trends in degradation and enable restoration and conservation globally.

**Environment and climate targeting - Principal objective (100%); Significant objective (50%)**

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
Indicate 0, 50% or 100%	50%	50%	100%	100%
Total green budget (DKK)	15m	7m	24m	24m

## Justification for choice of partner:

The United Nations play a key global role vis-à-vis promoting the achievement of the SDGs and the commitments made under the multilateral environmental agreements related to ecosystems, biodiversity and climate change. Within the UN system, UNEP and FAO are the designated lead agencies for ecosystem restoration, UNEP for ecosystem conservation and FAO for promoting sustainable nature-based economic activities. The UNDP Multi-Partner Trust Fund Office is a UN centre of expertise on multi-donor and multi-agency finance mechanisms.

## Summary:

The Danish support for the MPTF will focus on supporting and promoting national or regional Flagship Initiatives in countries eligible for development aid. Flagship Initiatives are the first, best, or most promising example of ecosystem restoration, adding value and inspiring others to undertake or accelerate restoration at significant scale. The Flagship Initiatives will be promoted globally, regionally and nationally to unlock broad civil society, private and public sector support. The support will be catalytic, e.g. targeted support to unblock bottlenecks, improve policy and legislative frameworks, address governance issues, enable civil society and at community level, youth initiatives innovative activities, strengthen local restoration movements, and pilot on-the-ground restoration measures.

**Budget (engagement as defined in FMI):** *Note: Taking DKK-USD exchange rate fluctuations into account, and to secure a permanent Danish seat at the board, minor additional funding may be committed to meet the USD 10m threshold.*

Engagement 1 – the development project	DKK 70m
Engagement 2 – auxiliary activities, such as advisors, M&E and reviews (repeat as relevant)	-
Engagement 3 – un-allocated funds	-
<b>Total</b>	<b>DKK 70m</b>

# 1 Introduction

The present document outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning the proposed Danish Support to the Multi-Partner Trust Fund (MPTF) of the UN Decade on Ecosystem Restoration 2023-2025, implemented by UNEP and FAO.

Established by the United Nations General Assembly resolution <https://undocs.org/en/A/RES/73/284> (1 March 2019), the UN Decade on Ecosystem Restoration 2021-2030 (the UN Decade) is a global rallying call to ***‘prevent, halt and reverse the degradation of ecosystems worldwide and raise awareness of the importance of successful ecosystem restoration’***. The UN Decade addresses the twin challenges of climate change and biodiversity loss, in support of the 2030 Agenda for Sustainable Development and the Paris agreement and designed to inspire a global movement encompassing United Nations Member State governments, private sector and civil society, for preventing, halting and reversing the degradation of ecosystems worldwide.

The Multi-Partner Trust Fund (MPTF) of the UN Decade on Ecosystem Restoration was established in 2021 as a financial vehicle to contribute to, and catalyse, the delivery of the mandate of the UN Decade. It focuses on enabling activities and directing support to countries eligible for official development assistance according to the OECD Development Assistance Committee (DAC).

## 2 Context, strategic considerations, rationale and justification

### 2.1 Rationale and justification

An alarming global trend of widespread ecosystem degradation poses an increasing threat to the 2030 Agenda for Sustainable Development’s key objectives of ending poverty, conserving biodiversity, combatting climate change, and improving livelihoods for everyone. These objectives, encapsulated in the 17 Sustainable Development Goals (SDGs) are unlikely to be met by 2030, unless ecosystem degradation is stopped. The importance of ecosystem restoration is illustrated by multiple ecosystem benefits, including securing adequate supplies of potable water, contributing to food and nutrition security, sequestering and storing large quantities of carbon and contributing to climate change mitigation, providing habitats and conserving biodiversity, and providing livelihood opportunities by boosting local economies.

The cost of inaction is greater than the cost of restoration. It is estimated that half of the world’s GDP is dependent on nature (WEF 2020). Ding et al. (2018) estimate a loss of USD 6.3 trillion annually and that every dollar invested in forest restoration creates an estimated USD 7–30 in economic benefits. However, there is a widespread failure of markets and institutions to integrate the value of ecosystems into decision-making. The root causes of degradation are linked to inequality and the political economy, such as unequal land distribution, insecure land tenure rights, and vested economic and political interests in unsustainable productive systems and extraction of natural resources. Important gaps still exist in finance mobilization, development of monitoring systems and decision-support tools, integration and documentation of traditional knowledge, coordination of efforts for knowledge dissemination, and development of policies that support restoration. In addition, there is currently insufficient political support, technical capacity and finance available in the public and private sectors to embark on ecosystem restoration at the required scale. To achieve substantial global impacts on water security, carbon sequestration, food security and economic growth of livelihoods, more than USD one trillion of public and private funds need to be dedicated to restoration over the next decade. To date, such funding has not been made available, while unsustainable subsidies for fossil fuels, agriculture, and fishing prevail, totalling trillions of dollars annually. The restoration agenda can help deliver on improved livelihoods, food and water security, international trade, poverty alleviation and human rights in parallel (CPF 2021). However, sustainable restoration requires holistic approaches, engaged and empowered stakeholders, real-world best practice examples to follow, and a strong scientific evidence base to monitor and guide restorative practices.

## 2.2 Lessons learned from previous support

Denmark has over the years provided voluntary support to several UNEP and FAO initiatives, in addition to Denmark's core funding as a member state of the two agencies. While the MPTF for the UN Decade is a new financing mechanism, the UN has decades of experience with MPTFs for joint interagency collaboration towards achieving shared objectives. Denmark has since 2004 provided support to 39 different MPTFs with a total contribution to date of USD 452 million (DKK 3.1 billion), mainly with a humanitarian-, peace-building- and governance-related focus. However, in 2009-2013, Denmark provided USD 9.9 million (DKK 68 million) for the MPTF for the UN-REDD MPTF, an initiative implemented by UNEP, FAO and UNDP with a focus on preventing deforestation and forest degradation as a means to avoid deforestation-related greenhouse gas emissions. The UN-REDD initiative is still operational, and widely seen as a particularly successful example of UN interagency collaboration. The MPTF for the UN Decade builds on the experiences of UN-REDD, utilising a similar structure and delivery model, e.g. with a joint fund secretariat hosted by UNEP, fund administration handled by the United Nations Development Programme (UNDP) MPTF Office and a flexible division of labour based on a combination of each agency's technical capacity, existing partnerships, and in-country presence.

## 2.3 Choice of implementing partners and aid modalities

The lead agencies the UN Decade, and the implementing agencies for the MPTF, are the United Nations Environment Programme (UNEP) and the Food and Agriculture Organization of the United Nations (FAO). Within the UN system, UNEP and FAO are the lead agencies for ecosystem restoration, with UNEP being the designated UN agency for the environment, including ecosystems and biodiversity, and FAO being the designated UN agency for the promotion of sustainable nature-based economic activities, including forestry, fisheries, livestock production, and agriculture. Resolution adopted by the General Assembly on 1 March 2019 proclaimed the UN Decade and invited UNEP and FAO to lead its implementation. The Danish grant will be channelled through the UNDP MPTF Office, which acts as fund administrator for the MPTF.

The MPTF will deliver support through three windows/funding streams:

1. **Global support** – global advocacy, communication, dialogue, and monitoring
2. **Targeted support for Flagship Initiatives** – maximum of USD 200,000 per initiative. Support can be provided to promote Flagships Initiatives globally and convey lessons to a wider audience. It can also be used for targeted, rapid interventions, such as unblocking major bottlenecks affecting a specific Flagship Initiative or overcome specific obstacles for bringing it to scale, e.g. legislative framework or governance issues.
3. **Full support for Flagship Initiatives** – maximum of USD 5 million per initiative. The 'full support' option is still a rather small intervention compared to the overall funding needs of most large-scale restoration efforts. Therefore, the support will consist of strategically selected and catalytic interventions, tailored to the specific context of each Flagship Initiative. The support may include a small grant facility accessible to national/local institutions to enable innovative activities in civil society and at the community level, youth initiatives, dialogues, advocacy, public outreach campaigns and other activities that can strengthen a local restoration movement and related activities. A maximum of USD 100,000 can be provided for each small grant allocation.

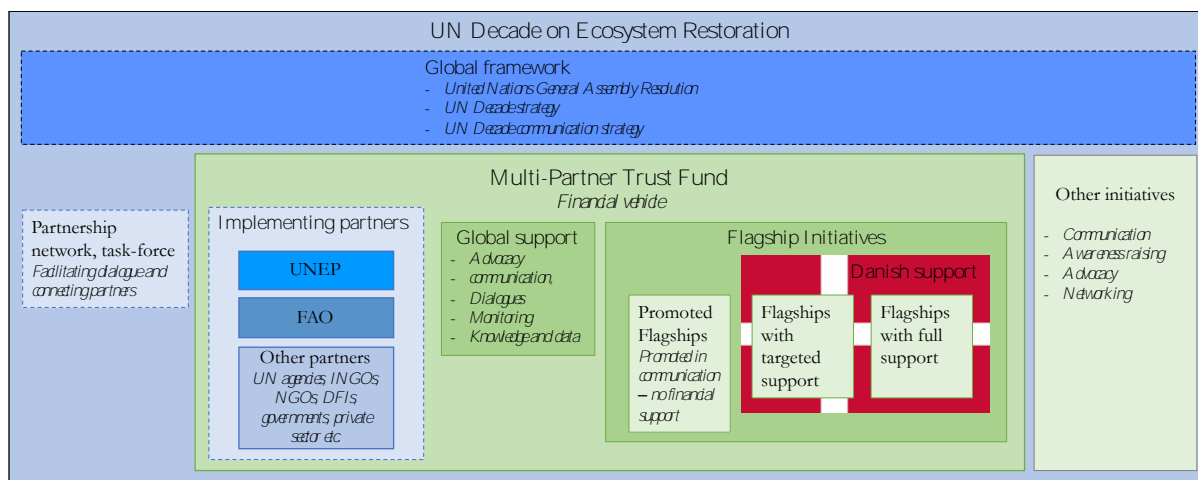
In the UN Decade strategy, Flagship Initiatives are defined as follows: *A restoration Flagship Initiative of the UN Decade should be the first, best, or most promising example of ecosystem restoration, adding value and embodying the 10 restoration principles [see section 2.4] and inspiring others to undertake or accelerate restoration at significant scale.* The MPTF's financial support for Flagship initiatives will be confined to countries eligible to development aid according to OECD/DAC. Flagship Initiatives can be regional and/or national. In addition to those directly receiving funding support, the experience and lessons from a larger selection of Flagship Initiatives will be promoted in the MPTF's communication and awareness-raising.

The supported Flagship Initiatives will be selected based on applications submitted by UN Member States or by [UN Decade partners](#) with endorsements by the governments in the concerned countries. The Flagship Initiatives will be assessed and selected on the basis of the criteria presented in Annex 5 and comply to the greatest extent possible with the UN Decade's ten principles for ecosystem restoration (see Box 1). The MPTF executive board will approve every Flagship Initiative receiving full support and a budget envelope for targeted support. Donors contributing above USD 10 million, including Denmark, will have seats on the executive board, and thus participate in, and directly influence, the decision-making and selection of Flagship Initiatives receiving full support. This gives Denmark an opportunity to ensure that Danish priority regions are covered. Like Denmark, Germany, the other major donor that so far is providing financial support for the MPTF, has a strong interest in Flagship Initiatives with tangible on-the-ground ecosystem restoration as a significant element.

The MPTF has received 73 proposals, which are currently being reviewed. Moreover, to enable an early initiation of Flagship Initiatives for MPTF funding, concept notes for the first two or three fast-track Flagship Initiatives will be directly proposed by FAO and UNEP for approval by the executive board. Concept notes for two Flagship Initiatives have already been submitted for executive board approval: 1) Small Island Developing States – SIDS, and 2) Central American Dry Corridor. A third fast-track Flagship Initiative is under consideration: The Great Green Wall of the Sahara and the Sahel, but the concept note for this Flagship Initiative has not yet been developed.

**Danish support to the MPTF will be earmarked for window 2 and 3**, exclusively supporting Flagship Initiatives in countries eligible to development aid according to OECD/DAC. Figure 1 depicts the relationship between the UN Decade, the MPTF, and the Danish support.

**Figure 1: Relationship between the UN Decade, the MPTF, and Danish support**



## 2.4 Coverage of Danish priorities

The proposed support for the MPTF speaks to a number of dimensions in the Danish development cooperation priorities outlined in “the World We Share – Denmark’s Strategy for Development Cooperation”. The MPTF contributes to the **fight for climate, nature, and the environment**. In particular, it contributes to the Danish objective of “*strengthening action to support climate change adaptation, nature, the environment and resilience in the poorest and most vulnerable countries*”, by promoting nature-based solutions and biodiversity conservation, both in terms of preserving natural resources and promoting sustainable use and management of ecosystems, involving civil society and local communities/citizens, including women, youth, and indigenous peoples (leaving no one behind). Hence, the MPTF also contributes to the objective of “*assuming international leadership within reductions, green transition...*” by protecting, preserving, and restoring biodiversity, forests, and nature. A contribution is also made to the objective of “*creating hope and prospects for the future through green and socially just economic recovery and poverty-oriented development*”, by supporting the business

community's involvement in achieving the SDGs related to environment, climate change, and poverty alleviation. By supporting the implementation of the UN Decade, the proposed support is a tangible manifestation of the Danish commitment to promoting multilateralism and cooperating with the UN.

The recently launched ten principles for the UN Decade focus on inclusive and holistic restoration approaches and will be at the basis of any direct interventions of the MPTF. The intention is that the restoration agenda in addition to environmental and climate objectives also helps deliver on improving livelihoods, poverty alleviation, and human rights in an inclusive manner. The ten principles are presented in Box 1. Moreover, the MTFP will be implemented with the core principles of a) ensuring that a gender and equity lens is applied in all work executed, and b) applying a human-rights based approach. All Flagship Initiatives will be required to present evidence of gender-responsive environmental and social risk management (see section 8).

#### Box 1: 10 Principles for the UN Decade on Ecosystem Restoration

##### Good Ecosystem Restoration:

1. contributes to the SDGs and the goals of the Rio Conventions
2. promotes **inclusive and participatory governance, social fairness and equity** from the start and throughout the process and outcomes
3. includes a continuum of restorative activities
4. aims to achieve the highest level of recovery for **biodiversity, ecosystem health and integrity, and human well-being**
5. addresses the direct and indirect causes of ecosystem degradation
6. incorporates all types of knowledge and promotes their exchange and integration throughout the process
7. is based on well-defined short-, medium- and long-term **ecological, cultural and socio-economic** objectives and goals
8. is tailored to the **local ecological, cultural and socio-economic contexts**, while considering the larger landscape or seascape
9. includes monitoring, evaluation and adaptive management throughout and beyond the lifetime of the project or programme
10. is enabled by policies and measures that promote its long-term progress, fostering replication and scaling-up

On-the-ground pilot interventions under the Flagship Initiatives will directly contribute to improving livelihoods, as well as promoting scalable solutions for reversing ecosystem degradation. The communities and individuals depending the most on natural resources and healthy ecosystems are often among the poorest and most vulnerable, including indigenous peoples. Box 2 provides examples of on-the-ground pilot interventions planned for the first two fast-track Flagship Initiatives (a concept note for the Great Green Wall of the Sahara and the Sahel is expected to be presented in June). The policy, advocacy and campaigning (national, regional and global) support and expected catalytic effect on restoration of the larger Flagship landscapes will make an indirect contribution for more communities, by improving civil society and private sector participation in ecosystem restoration finance and decision-making, and by raising the Flagship Initiatives' profiles through advocacy efforts, with an aim towards unleash additional support and investments, inspire likeminded initiatives and scale proven solutions. One MPTF output is specifically targeting youth engagement, empowerment and education.

With an explicit focus on ecosystem restoration as a means to conserve biodiversity, sequester carbon and prevent land degradation-related emissions, and enhance the resilience of communities, all four Rio markers are significant objectives of the project.

#### Box 2: Examples of on-the-ground pilot interventions

##### Small Island Developing States – SIDS:

- Small grants for marine and coastal ecosystem restoration/conservation measures through public-private partnerships (tourism, fisheries) in the targeted sites as part of blue economic recovery and growth
- Payment for ecosystem services schemes



**Central American Dry Corridor:**

- Small grants for local organizations (cooperatives, producer associations, local NGOs, water user boards, co-managers of protected areas, indigenous peoples) for productive restoration (sustainable management and use of natural resources) and conservation-focused restoration (e.g. protected areas) initiatives
- Technical assistance and capacity building to producers and producer organizations on restoration practices

### 3 Programme objective

The overall objective of the MPTF is to *reverse current negative trends in degradation and enable restoration and conservation globally*.

The MPTF comprises three components. The first component is focused on the creation of an empowered public and global movement (encompassing UN Member State governments, private sector, and civil society) on ecosystem conservation, holding governments accountable and catalysing political will and restoration initiatives. The Flagship Initiatives will serve as examples of good restoration practices and proof points for the potential gains of restoration. In turn, the global movement and campaign will be leveraged to mobilise additional support for the Flagship Initiatives.

The second component concerns the Flagship Initiatives and aims at enhancing the capacities of the public sector, private sectors and civil society actors to engage in, and carry out, policy reform and mobilise investments and identify and implement restoration measures. Moreover, this component includes pilot on-the-ground restoration efforts. The third component concerns knowledge management, monitoring and documenting results, and sharing and promoting best ecosystem restoration practices. Components 1 and 3 operate at both the global and Flagship Initiative levels. The Danish grant will support work at Flagship Initiative level under all three components.

UNEP and FAO will work through partnerships, networks, and task forces, including the broader membership of the UN Decade, with the intention of creating ownership across UN Decade stakeholders and programmes; enabling partnerships between individual initiatives for experience sharing; showcasing successful solutions to inspire other restoration leaders to act; making existing knowledge and commitments accessible and transparent to the public; linking implementers and intermediaries of critical initiatives locally and globally; and providing the needed information to governments and civil society to enable action in critical areas.

### 4 Theory of change and key assumptions

The diagram in Annex 2 depicts the Theory of Change (ToC) for the MPTF. Component 2 (project outcome 2, immediate outcome 2 and the associated outputs) is specifically focused on the Flagship Initiatives, whereas components 1 and 3 are addressing both the global level and the Flagship Initiative level. The ToC is briefly summarised below using the eight standard questions in the Danida Guidelines.

**Political, economic, societal and institutional context:** Despite the importance and value of ecosystem services and the high costs of ecosystem degradation, the political response as well as public and private investments have been far from sufficient to reverse the trend. The challenges are many and include: a) market failures; b) institutional and technical capacity constraints vis-à-vis integrating knowledge-based ecosystem considerations in a holistic manner in decision-making; c) insufficient public awareness leading to limited accountability and lack of political will; d) inadequate policy, regulatory, and incentive frameworks; and e) vested political and economic interests linked to unsustainable exploitation of natural resources.

**The development problem or issue and the desired transformation:** Widespread ecosystem degradation has major economic, social and environmental costs and threaten the achievement of the SDGs. The UN Decade aims to ‘*prevent, halt and reverse the degradation of ecosystems worldwide and raise awareness of the importance of successful ecosystem restoration*’. Being the financial mechanism of the UN Decade, the MPTF’s objective is to ‘*Reverse current negative trends in degradation and enable conservation and restoration*

**globally**'. The MPTF is intended to contribute to four interrelated impacts: 1) reduced greenhouse gas (GHG) emissions from land use and land use change, 2) reduced pressure on threatened species through habitat restoration, 3) improved livelihoods of communities associated with restored ecosystems, and 4) increased delivery of biodiversity and ecosystem services from restored ecosystems. As such, the MPTF is expected to contribute directly to the following SDGs: SDG 1 (no poverty), SDG 2 (no hunger), SDG 6 (clean water), SDG 13 (climate action), SDG 14 (life below water), and SDG 15 (life on land).

**The main changes that will need to take place for the transformation to happen:** Corresponding with the MPTF objective, the expected intermediary state the MPTF will contribute to is a 'reduced rate of ecosystem degradation and increased scale of ecosystem restoration globally', which in turn will lead to the four intended impacts. To this end, the MPTF will deliver three streams of intermediate and project outcomes. The first stream is focused on the creation of an empowered and interconnected global and local public movement on ecosystem conservation, holding governments accountable and catalysing political will and investments in restoration initiatives. The second stream is enhancing the capacities of the public sector, private sectors and civil society actors to engage in policy reform and mobilise investments and identify and implement restoration measures under the Flagship Initiatives. The third stream concerns knowledge management, monitoring and documenting results, and promoting best ecosystem restoration practices.

**The most important drivers/champions of change:** The MPTF will target a broad range of stakeholders, including governments and public institutions, the private sector, and civil society. Each of these play an important role as drivers of change. The public sector is responsible for creating an enabling policy, planning, incentive and regulatory environment for ecosystem restoration. The private sector plays an essential role in ensuring that investments are made in ecosystem restoration and economic activities are conducted in a way that do not degrade ecosystems. Civil society plays a critical role in mobilizing and engaging different vulnerable groups as well as holding governments accountable. Communities will be directly engaged in restoration pilots within the Flagship Initiatives.

**Modalities and instruments Denmark will use to contribute to the change:** The MPTF will finance: a) knowledge management, advocacy, and communication interventions targeting a broad range of stakeholders at both the global and Flagship level, b) monitoring, documenting and communicating results and lessons from the Flagship Initiatives; and c) policy work, awareness raising, capacity development and on-the-ground pilot restoration efforts in the Flagship Initiatives selected to receive funding. Denmark will provide financing for the selected Flagship Initiatives across all three streams.

**The main conditions in place for the change to happen:** Governments across the world have in recent years become increasingly committed to ecosystem restoration, in part due to a growing demand from the public, and part due to an increased awareness and an increased understanding of the economic and social importance of healthy ecosystems and the costs of continued ecosystem degradation. The increased momentum for ecosystem restoration is evidenced in the prominence of forests on the agenda for the 26<sup>th</sup> Conference of the Parties (COP 26) of the United Nations Framework Convention on Climate Change (UNFCCC) in Glasgow in November 2021. This was compounded by increasing philanthropic and private sector pledges.

**The main assumptions that will need to hold true for the change to happen:** A full list of assumptions underpinning each outcome stream is presented in annex 4. For the Danish support for the Flagship Initiatives, the main ones are:

- There is fertile ground in many countries and regions for partners and other restoration stakeholders to build on best practices and lessons; thereby scaling up a movement multiple times larger than what could be directly supported by the programme itself

- A gap exists between positive attitudes on restoration and political pledges on the one hand and conducive policies, investments and empowerment of restoration actors on the other hand
- Better informed citizens, some of whom will become more engaged through personal action, are in turn more likely to hold governments accountable for their restoration commitments and actions
- There will be a gradually increasing recognition of the economic importance of restoration and a growing demand for products and services from restorative systems
- Increased investment in restoration can be mobilized through strengthened enabling conditions, including demonstration of cost-effective best practices, conducive policies and the removal of perverse incentives
- The programme's contributions can improve the enabling conditions for restoration on the ground and enable increased engagement including financial flows by partners and other stakeholders
- Government institutions in developing economies and critical degraded ecosystems are supportive of innovative technical solutions
- A critical number of countries have the political commitment to translate knowledge provided into concrete action for restoration

**The main risk factors that may prevent, delay or limit the changes from taking place:** A preliminary risk assessment has identified the following risks:

- Change of government priorities or key management positions in benefitting partner countries lead to reduced ecosystem restoration ambitions and focus
- Conflict or unrest in Flagship Initiative countries
- Staff turnover in Flagship Initiative countries leads to loss of capacities developed and institutional memory
- Civil society in Flagship Initiative countries is inadequately organised to engage in ecosystem restoration-related processes at policy, strategy and implementation levels
- Private sector in Flagship Initiative countries is unwilling to engage and invest in ecosystem restoration
- Pandemic or epidemic outbreaks in Flagship Initiative countries, regionally or globally
- Natural disasters in Flagship Initiative countries
- Potential risk of overlap or duplication with other initiatives implemented by other organisations, especially those outside the UN system.

Section 9 outlines the risk management strategy of the MPTF.

## 5 Draft results framework

Overall, the MPTF is expected to deliver three outcomes:

- **Outcome 1:** A global movement on ecosystem restoration established that catalyses restoration initiatives, political will, exchange of knowledge, and cross-sectoral collaboration – the Danish support will focus on the support to local restoration initiatives through advocacy, coordination and movement building at the national, regional and global levels, within the Flagship Initiatives.
- **Outcome 2:** Increased capacity and capability in private, public sector and civil society for policy reform, to catalyse investments and to access resources are resulting in restoration actions on the ground and implementation within Flagship Initiatives – this outcome will be the main focus of Danish support and includes restored ecosystems, sustainable ecosystem management and improved livelihoods in targeted pilot locations with a view towards catalysing further upscaling
- **Outcome 3:** Results documented and shared, through monitoring and reporting of biophysical and socio-economic elements of sustainable ecosystem restoration and influencing activities for



ecosystem restoration – the Danish support will focus on the monitoring, documenting and communicating results and best practices from the supported Flagship Initiatives

The full results framework including outcomes, outputs and indicators is presented in annex 2. Baselines are yet to be established and targets to be specified and will to a large extent depend on the final selection of Flagship Initiatives.

As a guiding principle, interventions are oriented towards supporting and promoting action on the ground. Outcome 2 will exclusively focus on supporting specific Flagship Initiatives with direct involvement and empowerment of local communities in pilot interventions. Outcome 1 will complement this by raising the profile and prominence of successful action within Flagship Initiatives, among others, thus inspiring more support to similar initiatives and practices within the Flagship landscapes and elsewhere. Outcome 3 will monitor restoration progress on the ground and provide data and information that justifies investment in upscaled restoration action. Thus, the Flagships Initiatives will include elements from all three outcomes. In addition, Outcomes 1 and 3 also include activities at the global level, but these will not be funded by Denmark.

## 6 Inputs/budget

The **proposed Danish support** to the MPTF totals DKK 70 million covering the period 2022-2025, see table 1. To allow sufficient time for the implementation of activities in each of the selected Flagship Initiatives and to align with the MPTF's budgeting cycle, the funds are proposed to be disbursed within the first three years of the programme, with DKK 25 million disbursed in 2022 and 2023 and DKK 20 million in 2024. 89 percent (DKK 52.3 million) will directly cover activities under the Flagship Initiatives, with an expected DKK 49 million allocated for full support and DKK 12.8 million allocated for targeted support (see section 1.3). In addition, DKK 2.1m will be contributed for the direct costs of the MPTF Secretariat, such as programme staff. The administrative costs comprise seven percent for the indirect programme support costs of UNEP and FAO, and a one percent administrative fee for the UNDP MPTF office. Moreover, DKK 0.5 million are allocated for a mid-term review, which is envisaged to be carried out jointly with other donors to the MPTF. Taking DKK-USD exchange rate fluctuations into account, and secure a permanent Danish seat at the board, minor additional funding may be committed to meet the USD 10m threshold.

**Table 1: Danish contribution budget**

Item	Amount (DKK)
1: Global Support	-
2: Targeted Support to Flagship Initiatives in OECD/DAC eligible countries	12.8m
3: Full Support to Flagship Initiatives in OECD/DAC eligible countries	49.0m
UN Decade Secretariat (3%)	2.1m
UNEP/FAO indirect costs (programme support costs) (7%)	4.9m
UNDP MPTF administrative fee (1%)	0.7m
Mid-term review, jointly with other funders if possible	0.5m
<b>Total</b>	<b>70.0m</b>

The envisaged total budget for the first five years (2021-2025) of the MPTF is USD 50 million, and the envisaged ten-year budget for MPTF is USD 100 million and it will inter alia encourage the emergence of new private sector investment funds focused on ecosystem restoration. Thus far, Germany supports the MPTF with EUR 16 million (USD 17.3 million) for 2021-2025, which together with the proposed Danish contribution corresponding to USD 10.2 million, corresponds to 55.8 percent (USD 27.9 million) of the total MPTF budget for the period. UNEP and FAO are in dialogue with other donors for the mobilization of the remaining balance. There is complementarity between the planned Danish support and the German support, since up to 50 percent of the German funding can be spent on the global activities that Denmark cannot finance.

## 7 Institutional and management arrangements

The already established MPTF governance arrangements for the MPTF are based on standard governance arrangements for pass-through MPTFs and UNSDG best practices, as shown in Figure 2.

The **Executive Board** is responsible for the overall strategic guidance. It comprises one representative from each of the two UN organisations (FAO, UNEP), one representative from each donor contributing over with more than USD ten million, and one donor representative (rotational) for donors contributing smaller amounts, and the UN MPTF Office (ex-officio). The EB will be chaired by one of the two UN organisations (rotational). Denmark will with the proposed grant have a permanent seat at the Executive Board. So far, Germany is the only donor that has already committed funding to the MPTF, but UNEP and FAO are currently in dialogue with other potentially interested donors. Denmark and Germany are already liaising and cooperating vis-à-vis the engagement in MPTF and have similar priorities (e.g. the importance of on-the-ground interventions).

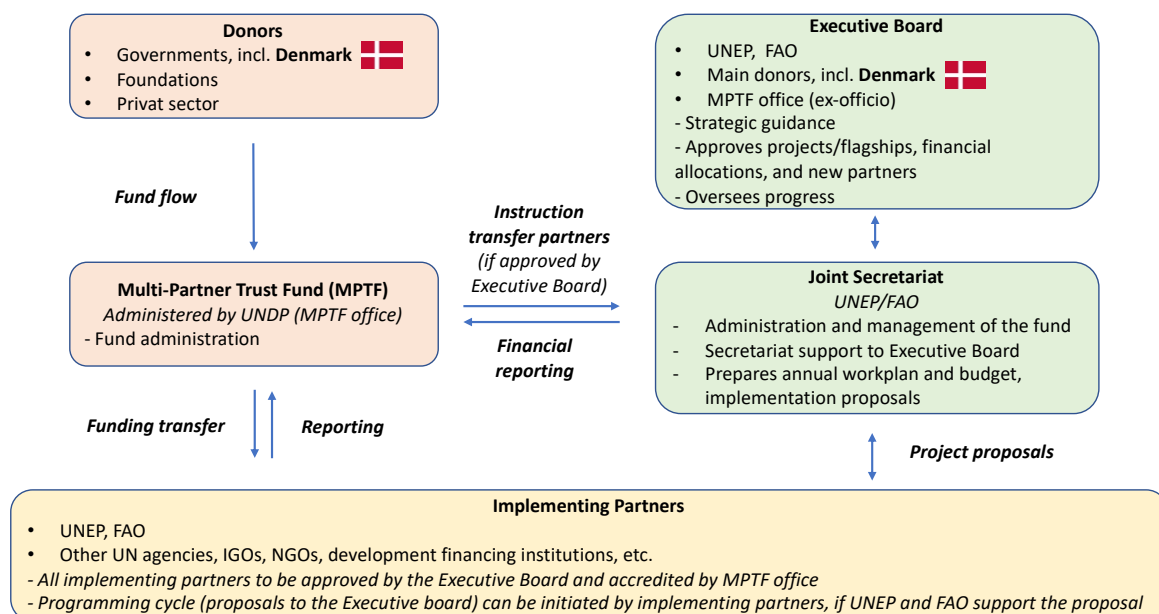
The **Joint Secretariat** is entrusted with the coordination of the MPTF and oversight of all MPTF operations. Hosted by UNEP in Nairobi, the Secretariat comprises dedicated staff from the UN Decade core team, with staff from both organisations (FAO, UNEP), seconded staff (including one staff seconded by Denmark), and short-term advisers.

**Implementation** is carried out by UNEP, FAO, international partners (including other UN agencies in the UN Decade), and national partners in the Flagship landscapes. The Flagship Initiatives will be implemented by UNEP and FAO through a partnership approach (in most cases following the UN's national implementation modality), where UNEP and FAO will provide oversight, technical and administrative support, whereas the execution of activities will be carried out by partners, in particular government agencies and civil society organisations.

The **Administrative Agent** function is performed by the UN MPTF Office, hosted by UNDP in New York. It has a Memorandum of Understanding (MOU) with the Participating Organizations (FAO, UNEP) and signs Standard Administrative Arrangements (SAAs) with contributing donors. The Administrative Agent executes and coordinate all administrative and management functions, ensures monitoring and control of operational risks, and administers funds in accordance with MPTF regulations, rules, policies, and procedures.

The UN Decade **Advisory Board** will be guiding overall implementation of the Strategy for the UN Decade. It will not be part of the MPTF's formal management structure but can provide technical sparring for the MPTF.

**Figure 2: MPTF management structure**



As lead agencies of the UN Decade, UNEP and FAO play a critical role in **coordinating and fostering collaboration** between the various initiatives under the UN Decade implemented by UN Decade partners. To support Flagship Initiatives, UNEP and FAO will seek synergies and coordinate with other funding mechanisms, in particular the GEF-8 Ecosystem Restoration Integrated Programme, the Green Climate Fund's nature-based solutions portfolio and the Global Mechanism of the United Nations Convention to Combat Desertification.

## 8 Risk management

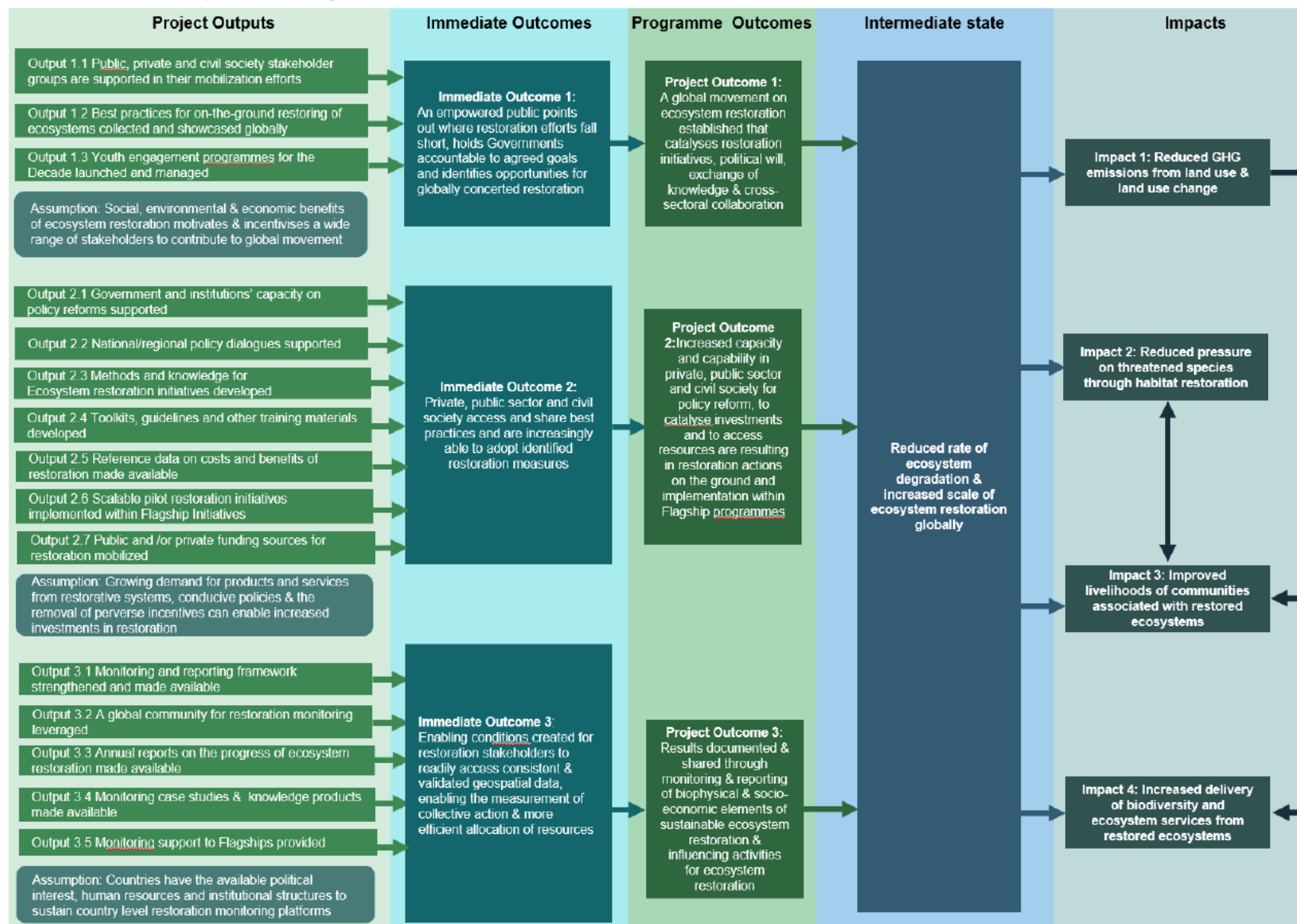
A risk management strategy will be developed by the MPTF Secretariat and will take into account the nature of risks in relation to the implementation of the UN Decade's Strategy. It will define the MPTF's risk tolerance, establish policies in relation to identified risks, and determine the risk treatment through risk mitigation measures or adaptation. Risk monitoring will be done by the Secretariat as part of their regular reporting. Key mitigation or adaptation measures taken in accordance with the risk management strategy and their direct influence on achieving the expected results will be highlighted.

In collaboration with FAO, UNEP leads on REDD+ safeguards under the UN-REDD Programme in 64 developing countries. Experience from this work, among others, will inform the risk mitigation and avoidance strategy of the five-year programme. Based on this, support to Flagship Initiatives will be conditional on Flagship Initiatives having strong safeguards policies in place, with corresponding decision-making processes. All Flagship Initiatives will need to present evidence of (i) a gender-responsive environmental and social risk management compliant with International Finance Corporation Performance Standards (IFC PS) 1-8 and with relevant national and subnational policies, laws and regulations of target geographies; and (ii) procedures to implement environmental and social risk management, i.e. how activities within Flagship Initiatives will be screened for risks, and how to implement corresponding planning, monitoring, and reporting.

## Annex 1: Process Action Plan

<b>PROCESS ACTION PLAN</b>		
<b>Activity</b>	<b>Timing/deadline</b>	<b>Responsible</b>
Finalisation of project document following PC meeting	June-July	GDK
Appraisal	July-September	MFA QA Team
Follow up to appraisal recommendations	September	GDK
Presentation for the Council for Development Policy (UPR)	13 October	GDK
Finalisation of project/programme documentation	October	GDK
Approval by the Minister	November	GDK
Parliamentary Finance Committee	November	GDK
Expected timing of commitment	November	GDK and MPTF
MFA disbursement of 1st tranche of funding to MPTF	December	GDK
MPTF Submission of annual reports to MFA	2024, 2025	MPTF
Mid-term review, jointly with other funders if possible	Mid-2024	GDK
MPTF Submission of completion reports to MFA	2026	MPTF

## Annex 2: Theory of Change



## Annex 3: Results Framework

Project	Multi-Partner Trust Fund of the UN Decade on Ecosystem Restoration
Project Objective	Reverse current negative trends in degradation and enable conservation and restoration globally
Outcome 1	A global movement on ecosystem restoration established that catalyzes restoration initiatives, political will, exchange of knowledge, and cross-sectoral collaboration – with a focus on support for and within flagship countries and regions <i>(Flagship Initiative-specific outputs only)</i>
Outcome indicator 1.1	Number of local stakeholders (from government, private sector, civil society) that have been mobilized into action, with multipliers tracked on digital platform, individual actions tracked through gamification (see below), and a focus on flagship regions / countries
Outcome indicator 1.2	Number of people reached through good restoration practices in line with the 10 Principles for the UN Decade on Ecosystem Restoration, science and storytelling, with a focus on content related to UN Decade Flagship countries
Outcome indicator 1.3	Number of young people involved through engagement and capacity building programmes, and number of people reached and impacted by youth initiatives – with focus on flagship regions and countries
Outcome indicator 1.4	Number of local audiences reached and empowered through national- and regional-level storytelling
Outcome indicator 1.5	Number of partner organizations and networks, and their reach, that promote the objective of the UN Decade
Output 1.1	<b>Mobilization:</b> Selected public, private and civil society stakeholder groups are supported in their mobilization efforts through increased incentives, capacity and collective action for promotion and restoration of ecosystems
Output indicator	Number of local stakeholders (from government, private sector, civil society) that have been mobilized into action
Output 1.2	<b>Science Communication and advocacy:</b> Best practices for on-the-ground restoration of ecosystems collected and showcased globally, to shift perceptions and increase uptake by, support to restoration initiatives
Output indicator	Number of policy processes informed by science-based communication
Output 1.3	<b>Youth engagement programmes</b> for the Decade launched and managed to mobilize support, build momentum and facilitate the global restoration movement, in close collaboration with the UN Decade's youth-led Youth Task Force
Output indicator	Number of people reached by youth-focused content and capacity building
Outcome indicator 2.1	Number of partner programmes with on the ground restoration actions being implemented as a consequence of supported Flagship Initiatives
Outcome indicator 2.2	Number of national policy and regulatory reforms and initiatives underway that prevent ecosystem degradation and promote on-site ecosystem restoration within Flagships
Outcome indicator 2.3	Number of cross-governmental and/or cross-sectoral collaborative measures underway benefitting the goals for ecosystem restoration
Outcome indicator 2.4	Volume of funding directly channeled into national and regional ecosystem restoration initiatives
Output 2.1	Government and institutions' capacity and capability on policy reforms that promote large-scale sustainable ecosystem restoration supported
Output indicator	Number of national policy and regulatory reforms and initiatives underway that promote ecosystem restoration
Output 2.2	National/regional policy dialogues and/or regional/national inter- sectoral platforms facilitated for on-the- ground restoration action
Output indicator	Number of cross-governmental and/or cross-sectoral collaborative measures underway benefitting the goals of on-the-ground ecosystem restoration
Output 2.3	Methods and knowledge for designing, implementing, sustaining and scaling up ecosystem restoration initiatives developed, disseminated and applied within specific Flagship Initiatives
Output indicator	Number of Decade- labelled good practices
Output 2.4	Toolkits, guidelines and other training materials for SMEs, incubators / business accelerators and investors, developed and delivered through online and in-person events and on-the-ground application supported with targeted technical assistance
Output indicator	Number of entrepreneurs supported in their development and implementation of viable (economically, environmentally, socially) restoration ventures
Output 2.5	Reference data on costs and benefits of ecosystem restoration made available within the framework of The Economics of Ecosystem Restoration initiative
Output indicator	Number of online databases storing data on costs and benefits of ecosystem restoration
Output 2.6	Scalable pilot ecosystem restoration initiatives implemented in selected countries within Flagship Initiatives
Output indicator	Number of initiatives with sustainable economic model implemented (Restoration Market Access Strategy)
Output 2.7	National and international public and /or private funding sources for restoration action mobilized (e.g. Impact Funds, private sector NBS investments, LDNF, GCF etc.)
Output indicator	Volume of funding directly channeled into national and regional ecosystem restoration initiatives investors through (e.g., the Restoration Marketplace)
Output 2.8	Design of Flagship Initiatives
Output indicator	Number of fully designed Flagship Initiatives for MPPTF support
Outcome 3	Results documented and shared, through monitoring and reporting of biophysical and socio-economic elements of sustainable ecosystem restoration and influencing activities for ecosystem restoration <i>(Flagship Initiative-specific outputs only)</i>
Outcome indicator 3.1	Number of stakeholders in government, private sector and civil society measuring their biophysical and socio-economic progress and reporting regularly through the Framework for Ecosystem Restoration (FERM)



Outcome indicator 3.2	Percent annual change in area of local ecosystems measured and reported through the FERM
Outcome indicator 3.3	Volume of annual financial resources to on-the-ground ecosystem restoration reported through the FERM
Outcome indicator 3.4	Number of restoration stakeholders in government, private sector and civil society MPTF produced knowledge products to inform restoration actions and decision making
Output 3.1	Monitoring and reporting framework established, strengthened and made available for monitoring on-the- ground restoration – supported by a geospatial dissemination platform, capacity development, science, technology and innovation
Output indicator	Number of stakeholders in government, private sector and civil society measuring their biophysical and socio- economic progress and reporting regularly through FERM
Output 3.2	A global community for restoration monitoring leveraged to enable knowledge exchange and methodological development to overcome ecosystem specific data, monitoring and reporting challenges
Output indicator	Number of key stakeholders from developing economies engaged
Output 3.3	Annual reports on the progress of ecosystem restoration action using biophysical and socio-economic indicators, best-available data, inclusive of global flows of private and public financial investment towards ecosystem restoration produced and made available
Output indicator	Number of critical data and information gaps filled in developing economies
Output 3.4	Monitoring case studies and knowledge products developed and made available on the monitoring of key local ecosystems where data gaps, normative data collection and restoration indicators require further research and development
Output indicator	Number of communication pieces on case studies and knowledge products
Output 3.5	Targeted monitoring support (capacity development / technology transfer) provided to on-the-ground UN Decade Flagship Initiatives
Output indicator	Number of Flagships receiving technical support

## Annex 4: Assumptions

### Assumptions for **Outcome 1**:

- (i) A plethora of knowledge exists on restoration practices and exemplary initiatives, but uptake of this knowledge is still limited
- (ii) There is fertile ground in many countries and regions for partners and other restoration stakeholders to build on best practices and lessons generated by the programme; thereby scaling up a movement multiple times larger than what could be directly supported by the programme itself
- (iii) A gap exists between positive attitudes on restoration and political pledges on the one hand and conducive policies, investments and empowerment of restoration actors on the other hand, partly because the link between broader restoration goals and actual steps towards implementation, as well as personal choices (in areas where actors have agency) has not yet been widely communicated
- (iv) Better informed citizens, some of whom will become more engaged through personal action, are in turn more likely to hold governments accountable for their restoration commitments and actions.

### Assumptions for **Outcome 2**:

- (i) There will be a gradually increasing recognition of the economic importance of restoration reflected in a growing demand for products and services from restorative systems
- (ii) Increased amounts of investment in restoration can be mobilized through a combination of strengthened enabling conditions including demonstration of on-site cost-effective and scalable best practices, conducive policies and the removal of perverse incentive
- (iii) The programme's contributions can improve the enabling conditions for restoration on the ground and enable increased engagement including financial flows by partners and other stakeholders beyond the 5-year programme in order to further expand implementation of ecosystem restoration

### Assumptions for **Outcome 3**:

- (i) Global support to FERM remains strong and government institutions in developing economies and critical degraded ecosystems are supportive to innovative technical solutions
- (ii) Countries have the available political interest, human resources and institutional structures to support and sustain a country level restoration monitoring platform beyond the time frame and scope of the MPTF program
- (iii) Sufficient funding will be available to fill restoration monitoring gaps in key ecosystems in the mid- and long term
- (iv) A critical number of countries have the political commitment to translate knowledge provided into concrete action for restoration

## Annex 5: Selection Criteria for Flagship Initiatives

### Selection criteria for all Flagship Initiatives

- Clearly identifiable geographically, of significant size or scaling potential, and show inspirational demonstration value (for marine/coastal projects, size can be smaller than for terrestrial projects)
- Tailored to local ecological, cultural and socioeconomic contexts, while considering the (public) benefits associated with the larger landscape or seascape
- Initial success of restoration: part of nominated area already under successful, measurable, and well-documented restoration
- Well-defined short-, medium-, and long-term ecological, cultural and socio-economic objectives and goals
- A clear pathway for scaling up with an identification of critical barriers to scaling and potential/needed solutions
- Incorporation of multiple types of knowledge and promotion of exchange and integration
- Contribution to the Goals of the Rio Conventions and the Sustainable Development Goals
- Inclusion of monitoring, evaluation and adaptive management throughout (and beyond) the lifetime

### Additional selection criteria for Flagships initiatives receiving targeted support (max USD 200,000)

- Innovative with high learning and demonstration value
- Potential for replicability
- Strong national ownership
- Potential “quick wins” in terms of removing a major bottleneck with a small investment (e.g. increasing political will through increased visibility of the Flagship)
- Added value in terms of leveraging and/or results of 5-year programme involvement and opportunities for UN Decade partners to support the countries
- High probability that seed funding from the 5-year programme will result in larger intervention and/or impactful outreach
- Inclusive and participatory governance with local communities and institutions for long-term impact and effects of livelihoods and ecosystems

### Additional selection for Flagship Initiatives receiving full support (USD 3–5 million)

- High probability of significant results and impact of Flagship Initiative on ecosystem restoration
- Coalition of supporters and stakeholders
- Strong national and local ownership
- Achieve the highest level of recovery for biodiversity, ecosystem health and integrity, climate change mitigation/adaptation, and livelihoods and emergencies
- Identifying and addressing the direct and indirect causes of ecosystem degradation
- Impact on policy changes and measures fostering replication and scaling-up
- Preference given to Flagship Initiatives with cross-border/multi-national potential or impact