

Danish partnership with World Resources Institute (WRI) 2023-2027

Abbreviations

FOLU	Food and Land-Use Coalition
GDP	Gross Domestic Product
GHG	Greenhouse gasses
IPCC	Intergovernmental Panel on Climate Change
MFA	Ministry of Foreign Affairs
NbS	Nature-based Solutions
NCE	New Climate Economy
NDCP	Nationally Determined Contributions Partnership
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PGSE	Poverty, Gender and Social Equity
PMEL	Planning, Monitoring, Evaluation and Learning
P4G	Partnering for Green Growth and Global Goals
SDGs	Sustainable Development Goals
ToC	Theory of Change
WRI	World Resources Institute

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 World Resources Institute (WRI). The project covers the period 2023-2027 with a budget of DKK 200 million.

WRI is a leading international climate and sustainability non-profit research organization, working in thematic areas that are key to reaching a climate-neutral and prosperous world for all. With its 12 international offices and engagements beyond these, WRI has a strong geographical presence, including in Danish priority developing countries. Based on its solid research and data collection, WRI works with leaders in government, business and civil society to design and carry out practical solutions that simultaneously improve people's lives and ensure nature can thrive. WRI seeks to feed into its research, experience gained and results from its activities. Based on its combined research and engagement work, WRI considers itself a "think and do tank". WRI has delivered strong results in several thematic areas, including its work on cities, energy, forests, water, food and nature-based solutions.

In its new draft Strategic Plan for 2023-2027, WRI will engage with partners to drive a set of interconnected transitions – in countries, in systems, and global – to tackle the climate and nature crises, while enhancing peoples' equity and resilience. The WRI's vision and engagement is well aligned with Denmark's priorities for development cooperation, addressing natural degradation and delivering on the Paris Agreement and the Sustainable Development Goals (SDGs).

The project will be the third support to WRI. The new support will change modality from core funding to earmarked funding, and the grant will include renewed support to the New Climate Economy (NCE) country program, which has received separate grants in 2018-2022. The changes are meant to further focus the funding to Danish priority areas, where WRI has comparative advantages globally and among Danish development partners and to enhance synergies with other Danish engagements.

Following a thorough external joint review exercise in 2021 with proactive and committed Danish involvement, WRI engaged in early 2022, in discussions with the Danish Ministry of Foreign Affairs (MFA) on common priorities. The scoping exercise continued throughout May 2022 with consultations with WRI's Global Development Department, WRI Programs, NCE, the Danish MFA's Department for Green Diplomacy and Climate, and several Danish Embassies in Africa to ensure alignment and identify potential areas of complementarity and synergies with Denmark other multilateral engagements and bilateral programmes. This led to identifying potential areas of support, presented in this document, with priority given to WRI's work on building resilient, equitable cities, and food system transitions. WRI is also a critical player in the area of thinking and designing Nature-based Solutions (NbS) for enhancing resilient societies and adaptation to climate change through nature. Denmark's financial contribution is an opportunity for WRI to expand its work in this area across the fields of transitioning cities and food systems. Finally, Denmark's support to WRI is critical, in a time where WRI is further localising its activities in Africa, mainstreaming its poverty, gender and social equity (PGSE) efforts and restructuring towards greater management for results.

2 Context, strategic considerations, rationale, and justification

The proposed project will evolve in a context, where global and national commitments to climate change mitigation and adaptation must be turned in to action, and where challenges to accelerate just transitions to climate neutral, resilient and inclusive societies in developing countries must be addressed.

2.1 Rationale and justification

Climate change & country commitments

The [recent](#) IPCC report on climate change mitigation laid out that *we have to peak Green House Gas (GHG) emissions before 2025 and nearly halve GHG emissions by 2030 to set the world on a path to reach net-zero CO2 emissions by around mid-century*. It also presented new evidence on the effectiveness and feasibility of many adaptation actions that could particularly benefit those living in poverty. However, implementation must be sped up and scaled dramatically to address the mounting crisis. Emissions continue to rise, yet current climate plans and policies are woefully inadequate to change this trajectory, despite the record-breaking commitments in Glasgow last year, with even less action to implement the commitments made. Changing course will require immediate, ambitious, and concerted efforts to cut emissions, build resilience, conserve ecosystems, and dramatically increase – *and deliver* – finance for adaptation. While the window is narrowing, there is still an opportunity to put the world on the right path.

Inequality

Equity, poverty reduction and climate action are inextricably linked, but while the moral argument is clear, [fighting inequality is also a political choice](#). For the first time in 20 years, [global extreme poverty rose in 2020](#) due to the combined impacts of COVID-19 and climate change, exposing long-present inequalities across the world. Inequity and challenges such as poverty, weak governance, and limited access to basic services like healthcare not only heighten sensitivity to hazards, but also constrain communities' ability to adapt to pandemics and climate impacts. With the 1.1°C of global warming, the world is already experiencing highly vulnerable peoples and ecosystems are already beginning to reach the limits of what they can adapt to.

Cities

Cities concentrate opportunities and provide access to essential urban services such as jobs, transportation, housing, water, sanitation, energy, and food, while contributing to two-thirds of global GHGs. The growth of population, consumption, human activity, and poverty in urban areas has placed cities and the most vulnerable urban residents at the frontlines of climate risks. Cities are crucial systems to tackle inequity, decarbonize at scale, build resilience, and drive just transitions that enable economic prosperity for all.

Food security

As the global population grows to a projected 9.8 billion in 2050, and incomes grow across the developing world, overall food demand is on course to increase by more than 50 pct., and demand for animal-based foods by nearly 70 pct., resulting in increased GHG emission and unsustainable land-use. Yet today, hundreds of millions of people remain hungry, and this number is on the rise. The current war in Ukraine underscores the vulnerability of food supply chains to external shocks. Agriculture already uses almost half of the world's vegetated land, and agriculture and related land-use change generate one-quarter of annual GHG emissions, with food systems being the main driver of biodiversity loss.

Nature

The degradation of nature and dramatic loss of biodiversity is well-documented. All IPCC pathways for limiting global warming to 1.5°C rely on dramatic reductions in natural ecosystem conversion, large-scale deployment of carbon dioxide removal measures via carbon storage on land and vegetation as well as in oceans (or sequestration in geological reservoirs), and reduced demand for land dedicated to food, feed crops and pastures. In short, the critical role of nature in the pathway to 1.5°C cannot be overstated.

Support to WRI

Danish support to WRI is directly relevant for addressing these key global challenges. WRI is a global leader in research and concrete solutions for how to sustainably feed the planet, while setting the world on a path to climate neutrality and natural restoration. The institute has mobilized high-level global coalitions on several key topics, including cities, food, and land-use. WRI is a frontrunner in data and

satellite monitoring of nature trends and has been a thought leader in building data infrastructure for transparent and accountable carbon markets. WRI's new strategy will place a greater emphasis on protecting and restoring natural ecosystems e.g. through NbS, finding ways to sustainably produce the goods humanity needs, and reducing consumption pressure, as well as transforming cities, while meeting basic human needs and enabling just, equitable, and prosperous transitions in developing countries.

The project will contribute to delivering on the Danish Government's commitment directly related to these issues and to accelerate just transitions for climate neutral, resilient and inclusive societies in target developing countries. The project will also serve Danish priorities and interests through:

- A long-established partnership with WRI, allowing for effective dialogue and cooperation around activities that fully align with Danish priorities.
- WRI country-level presence in Danish key partner countries, opening opportunities for synergies between WRI work and Denmark bilateral programmes, Climate frontline missions and Strategic Sector Cooperation.

The proposed project constitutes a doubling of Danish funds to WRI compared to the current agreements with WRI and NCE. The increase is rooted in the Danish view of WRI as a key global partner and the record of accomplishment of the WRI-Denmark partnership as well as the alignment between Danish key development priority areas in *The World We Share* such as food systems, NbS and increased geographical focus on Africa and new WRI 2023-2027 strategic plan.

2.2 Lessons learned from previous support

Denmark provided core funding to WRI's Strategic Plan for the 2013-2017 and 2018-2022 cycles, respectively DKK 7 mill. and DKK 15 mill. annually. In parallel, earmarked funding was provided to:

- The NDC Partnership in 2020-2022 (DKK 35 million)
- The P4G 2018-2022 (DKK 244 million)
- The New Climate Economy (NCE) in 2020-2022 (DKK 15 million)

The Denmark-WRI partnership has been effective in delivering results that are aligned with the MFA's strategic priorities. Furthermore, the efficiency with which the partnership has been run has improved. Dedicated focal points on both sides have been appointed to steer and manage the bilateral relationship and day-to-day grant management requirements. This coordination mechanism has worked well and has been complemented by quarterly management check-ins or in-person meetings between WRI's Senior Management and the Head of Department for Green Diplomacy and Climate at the MFA. Hence, the MFA and WRI have deepened their strategic relations over 2018-2022 and have interacted regularly at both headquarters and embassy levels (e.g. in Africa including Kenya and Ethiopia, as well as in Asia including Indonesia, India, China, Vietnam and Latin America such as Colombia). Further, annual results and financial reporting, that meet the (updated) MFA requirements, have been strengthened during the 2018-2022 period. WRI for example produces a new "ODA Tracker" that demonstrates to which ODA-eligible programs and geographies ODA contributions, including core funds, have been allocated internally, so as to facilitate reporting of the MFA to the OECD Creditor Reporting System.

External reviews of WRI were conducted in 2016 and 2021. Overall, the 2021 review found that:

- Delivery on the 2018-2022 Strategic Plan is 'Mostly on Track' and knowledge products influenced policymakers.
- WRI Africa's office is 'mostly on track', although it is necessary to further strengthen functions of the Africa hub in light of WRI's growing engagement on the continent.

- The Energy and Cities Programs in Africa have had the greatest success among programs in terms of results achieved.
- For the next phase it will be important to allocate more resources to management for results and strengthen WRI's Planning, Monitoring, Evaluation and Learning (PMEL) system.
- It will also be important to continue and accelerate the mainstreaming of Poverty, Gender and Social Equity across the organisation's work, which will require increased capacity and resources.

The Danish MFA also conducted a mid-term review of the Danish support to NCE in February-May 2022. Overall, NCE results are on track and its collaborative approach is a model for other platforms in WRI. Specific lessons learned and recommendations on the Denmark-NCE partnership include:

- Factors affecting NCE's success: i) engagement by Commissioners and local influencers ii) Danish Embassy input); iii) presence of WRI/NCE in country.
- MFA and NCE have quite an effective working relationship and they should seek to build on the strengths of the current funding arrangement, including the flexibility to respond to changing client needs and attracting third party funders.
- A weak spot of the current arrangement is that the separate funding for separate bodies operating in the climate space risks encouraging silo working. The separate Danish funding stream, and requirement to account separately for results, may have undermined rather than encouraged joined up working between e.g. WRI, NCE, P4G and NDCCP.
- It was recommended that the MFA results framework for NCE is sufficiently flexible to allow NCE to pivot and respond to changing country needs while continuing to provide accountability and long-term confidence for MFA about the direction of travel.
- It was also recommended that in addition, MFA could do more to integrate and act on the evidence base generated by NCE in its own programming as well as encouraging other funders such as Sweden and Norway to do the same to maximize the overall impact of the donor community.

2.3 Choice of implementing partners and aid modalities

Established in 1982, WRI has expanded its global reach, intentionally establishing a presence in countries that wield great influence in shaping regional economic, social, political, and environmental trends. The Institute operates across 5 continents, with 12 international offices in Africa, Brazil, China, Europe, India, Indonesia, Mexico and the United States. With its around 1,700 staff, WRI spans more than two-thirds of the world's population, GDP and GHG emissions. Over the past years, WRI has increased its focus on and presence in developing countries.

As a leading global green research organisation, the institute is known for its data driven and science-based research and technical expertise, as well as for its convening role to address the world's greatest challenges to achieve sustainable development. WRI has an extensive global network that advances systemic change in response to urgent environmental challenges while creating opportunities for inclusive growth and prosperity for all.

The institute has a strong focus on bridging research with action to create strong results, which it defines as significant actions taken as a consequence of WRI activities and influence – by government agencies, corporations, policymakers, scientists, or civil society. WRI results are often achieved in collaboration with numerous partner organizations around the world. The cross-fertilisation between research and action, its presence in developing countries and its strong capacity to mobilize and catalyse commitments gives WRI the ability to create and scale solutions for sustainable transitions, which is the core of its comparative advantage as a Danish development partner.

In its Strategic Plan 2023-2027, WRI aims to ensure that the solutions it offers will not only respond to the climate crisis but will also bring benefits to people and protect nature, through focusing on transitions at different levels:

- WRI support to **in-country just transitions** will be driven by developing a high standard for how a just, “whole of economy” in-country transition can be achieved.
- **System-Specific Transitions**, within three selected areas that help meet essential human needs; significantly depend upon and impact climate and nature; and are relevant to a just and equitable transition: Cities, Food and Energy systems.
- **Global transitions** with an emphasis on global financial and economic systems and global governance structures that are needed to support in-country and systems-specific transitions. WRI will identify what its contribution in this area could be, driven by its best-in-class standards and tools to ensure radical transparency.

As noted earlier, previous Danish support to WRI was core funding whereas the proposed new support will be earmarked. Earmarked funding has been chosen to i) strengthen the link between the support provided and Danish priorities; ii) strengthen synergies with other relevant areas in the Danish bilateral and multilateral cooperation; and iii) better track results for the MFA. Denmark’s contribution to WRI will be earmarked towards four main thematic areas¹:

1. Targeted support to WRI cities transition

WRI’s Strategic Plan 2023-2027 vision is to have inclusive, resilient, and carbon-neutral cities where economic opportunity and job creation, improved quality of life, and climate action are advanced as interconnected and mutually reinforcing. WRI’s objective is that by 2030, cities are on a pathway to achieve better quality of life for under-served urban residents through:

- Equitable access to jobs and core urban services through cleaner, safer, and more equitable mobility systems and improved access to affordable housing, water, sanitation, energy, and food.
- Climate neutral and resilient urban growth via climate action plans that reduce GHG emissions and minimize exposure to heat, flooding, water scarcity, and other climate risks with a focus on climate justice.
- Healthier urban environments and richer biodiversity through improved watershed and airshed management and increased use of nature-based solutions in city-regions.

See Annex 2 for WRI’s draft Theory of Change (ToC) and indicative results framework for cities transition.

The Danish support is expected to target initiatives with specific emphasis on adaptation and resilience, in particular water resilience, as well as inclusion and jobs in developing country cities. The engagement will focus primarily on intermediary cities and will be coordinated with Denmark’s ongoing support to C40’s work with large member cities, in particular in Africa and Asia, promoting exchange of best practices and solutions through vertical integration and synergies. Furthermore, link to other Danish engagements at country level will be explored, e.g. Danish Strategic Sector Cooperation with Copenhagen in China and Argentina; and the City of Aarhus in South Africa, Ghana and India.

2. Targeted support to WRI food system transition

WRI seeks to help shift the world toward a path to sustainably feed the planet, thereby reducing greenhouse gas emissions, promoting economic development, and improving human well-being. WRI has a broad vision of the changes needed to transform the world’s food and land use.

WRI’s objective is to help the world to simultaneously achieve food security and climate security through:

¹ WRI is currently formulating its Strategic Plan for 2023-2027. It will be finalised by October 2022. Additional consultations will take place to ensure alignment of the project with WRI Strategy as well as further precise areas to be supported to finalise the project result framework.

- Sustainably produce more food and fiber while decreasing GHG emissions and water use.
- Protect remaining natural ecosystems from conversion and degradation.
- Reduce humanity's footprint by shifting consumption patterns and lowering food loss and waste.
- Restore degraded areas into healthy ecosystems or productivity, incl. through NbS.

See Annex 3 for WRI's draft ToC and indicative results framework for the food/land/water systems transition.

The Danish support is expected to target initiatives aligned with Denmark's strategic priorities² on food system resilience and sustainable production in developing countries. WRI operates in countries where Denmark is also present through the Strategic Sector Cooperation within food/agriculture: e.g. Kenya, Nigeria, and Ethiopia.

3. Targeted Support to selected WRI Nature-based Solutions flagship initiatives

WRI's work with Nature-based Solutions (NbS) is crosscutting and the Strategic Plan 2023-2027 does not have an independent NbS thematic area. Rather, it is integrated in activities under the systems that WRI focuses on (food/land/water, energy and cities), based on the rationale that NbS is a modality rather than an end. The objective of the support will be to promote NbS as part of the transitions in the cities and food/land/water systems. Targeted support for NbS as sub-components to the support for WRI's work on cities and food systems, will ensure that Danish support contributes to increase natural restoration and promote biodiversity protection as part of these systemic transitions. Further, the earmarked funding provided for NbS activities within the two thematic components will demonstrate concrete NbS-work within food and cities. It may also be envisaged to include NbS in NCE plans where they appear feasible and economically justified/viable.

4. Continued targeted support to NCE

NCE work is envisioned to be incorporated into Danida's grant to WRI for the 2023-2027 period. In the new Strategic Plan, NCE work is expected to be fully part of WRI's support to **in-country just transitions**, modelling different decarbonization pathways. Denmark's renewed support will enable NCE/WRI to further engage and support strategic countries in identifying green economic growth paths. Until 2022, NCE engaged with seven key countries of regional strategic importance, namely Ethiopia, South Africa, Kenya, Nigeria, Vietnam, Brazil and Colombia. NCE may consider reducing the number of partner countries in the upcoming Strategic Plan. A reduction or change in the programme countries will be based on a close dialogue and agreement with the Danish MFA and relevant embassies. Due to difference in governance structure and WRI's role, the impending grants to support P4G and NDC-Partnership remain separate. WRI is a partner in and hosts P4G and NDC-P, but they both have separate governance structures. Specifically on P4G, Denmark will continue the engagement and critical dialogue to ensure the value of WRI hosting P4G³.

Support to results management, poverty, gender and social equity to enhance poverty reduction and development outcomes

As a result of the main findings of the 2021 *External Review of the WRI Strategic Plan 2018-2022* and WRI's institutional funding model, an additional component to support WRI institutional strengthening is foreseen. The support would underpin WRI's ongoing work to i) update and strengthen its results planning, monitoring, evaluation and learning system with special attention to results in developing countries; ii) to consolidate its presence in Africa through strengthening capacities in its Africa regional hub in Ethiopia in line with Danish priorities in this project; iii) to support mainstreaming of poverty,

² Annex 4 presents examples of WRI initiatives that could be considered for the food system transition thematic area.

³ Justification is provided in Annex 5

gender and social equity efforts to strengthen equity results across WRI activities in and for developing countries, through the newly established Centre for Equitable Development in Nairobi.

The upcoming WRI Strategic Plan emphasizes that improving the lives of the poor, marginalized and most vulnerable will be at the centre of its vision through WRI’s mainstreaming of poverty, gender and social equity consideration. The WRI Centre for Equitable Development focuses on local communities, vulnerable and marginalised groups, indigenous peoples’, women participation, access to information and indigenous rights.

2.4 Coverage of Danish priorities

The proposed support to WRI speaks to a number of dimensions in the Danish development cooperation priorities outlined in “the World We Share – Denmark’s Strategy for Development Cooperation” and the Danish Government's long-term strategy for global climate action outlined in “A Green and Sustainable World”. The project contributes to the fight for climate, nature, and inequality. 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

- Facilitating access to services and ensuring basic needs are met
- Supporting sustainable food systems, prevent food loss and food waste, working with agro-ecology
- Improving food security, climate smart agriculture
- Promoting nature-based solutions
- Triggering green job creation and equity

Annex 6 further presents how WRI strategic plan 2023-2027 aligns with Danish priorities.

2.5 Target group considerations

The Danish support will target developing countries with emphasis on Africa. The strong orientation towards climate change also calls for considerations for the largest emitters among ODA eligible countries. The final list of countries in the Danish support will be decided as WRI finalises its Strategic Plan. They will be chosen based on criteria such as i) Danish presence, ii) WRI presence and engagements, iii) countries where WRI has existing or planned partnerships on food systems, cities or in the context of NCE interventions.

WRI works on cities and food systems in the following countries, from which target countries under this project can be chosen:

Region	Cities engagement	Food systems engagement
Africa	Ethiopia Rwanda South Africa Kenya, Morocco, Senegal, Uganda, Ghana, Nigeria, Malawi, Mozambique, Côte d'Ivoire, Sierra Leone, Mali, Cameroon, Democratic Republic of the Congo, Djibouti, and Egypt	Ethiopia, Kenya, Rwanda, Nigeria, Ghana, Tanzania, South Africa, Democratic Republic of Congo, Congo, Gabon,
Latin America	Mexico, Colombia, Brazil, Argentina, Uruguay, Chile, Ecuador, Peru, Costa Rica, and Honduras	Mexico, Colombia, Brazil
Asia	China, Indonesia, India, Bangladesh	Indonesia, China, India

3 Programme objective and Theory of Change

The Theory of Change (ToC) is briefly summarised below based on the questions in the Danida Guidelines. In the project document, the ToC will be elaborated and clearly linked to WRI overall ToC, which is currently being developed.

Political, economic, societal and institutional context:

The world is facing major interconnected challenges: 720-811 million people faced hunger in 2020. Agriculture employs 27 pct. of world's workers yet contributes only 4 pct. of global GDP. Agriculture is significantly impacted by climate change and at the same time, with forests and land use change is responsible for 25 pct. of GHG emission and is the primary driver of biodiversity loss. The human quest for food is a primary driver of pressure on natural resources. Moreover, agriculture consumes 70 pct. of freshwater withdrawals and is a major polluter of freshwater. Essential urban services including jobs, transportation, housing, energy are dependent on water. Cities emit over two-thirds of global GHGs and 9/10 people breath polluted air. The urban land area could triple between 2015-2050 with urban population's consuming land GHG intensive diets.

The development problem or issue and the desired transformation. The overall objective of the project is to *accelerate just transitions towards carbon neutral, resilient and inclusive societies in developing countries* to meet the objectives of the Paris Agreement and deliver on the SDGs. It is equally important that WRI through this project contributes to job creation, equity and other priorities related to just transition such as health.

The specific objective is to partner with WRI to enhance resilient, inclusive and carbon neutral cities, to transition food systems, promote nature-based solutions in cities and food systems, and support NCE's work to make the case for climate action in key countries.

The main changes that need to take place for the transformation to happen comprise:

- Greater awareness and political commitment to changing current practices.
- Greater confidence in the data, tools and business case for adopting new solutions.
- Greater capacity and collaboration between stakeholders in the public and private sectors and with civil society.

These changes imply:

- Availability and accessibility of reliable data and tools to inform models, standards.
- Science-based and demonstrated inclusive green sustainable pathways and solutions.
- A convincing business and investment case to inspire private sector and financiers to support implementation and change practices.
- Organised and capacitated stakeholders (e.g. local communities, government stakeholders) to implement solutions on the ground.

Preliminary identified **important drivers/champions of change** are:

- Changing social attitudes especially among the youth that have a political influence.
- Bridging political commitment and implementation roadmaps.
- A recognition of the business and profit interest for early adaptation and adopting new climate economy opportunities.
- International trends and values that encourage green transformation.

Modalities and instruments used to contribute to the change. To power the transitions above, WRI will leverage its excellence in research, compelling communications and trusted engagement, and diverse partnerships. These levers and tools will be used across the transitions:

- **Research:** The foundation of WRI’s work is high-quality research. WRI rigorous and peer-reviewed research informs its technical insights, standard setting tools, and policy recommendations. WRI analyses high-quality, actionable data to inform actions by government, business, and other stakeholders.
- **Communications and Engagement:** WRI uses strategic communications to develop and amplify powerful messages, create engaging products, and ensures ideas reach target audiences. Through its trusted engagement, WRI connects and works closely with partners who can reach and influence decision makers.
- **Partnerships and Convening:** WRI works with a broad array of partners, who complement its skillset and expands its capacity. Nearly all WRI’s work relies on partners, where it brings together stakeholders whose perspectives test WRI assumptions and help strengthen its views, recommendations, strategies.

The main conditions in place for the change to happen. There are no specific pre-conditions identified but the project will need to be accompanied by a strong commitment from key partners to make progress on system transitions for carbon neutral, resilient and inclusive societies. It will also be important that WRI:

- Continues to strengthen its role as a key player to advance practical solutions to urgent climate, social and environmental challenges while creating opportunities for inclusive growth and prosperity for all.
- Deepen its partnerships and look for new ones to grow its impact. Partnerships are essential for WRI to achieve its goals—whether at the local, national or international level.

The main assumptions that will need to hold true for the change to happen. Key assumptions revolve around i) sustained partner commitment and engagement (both public and private) in meeting climate and sustainable development targets, ii) Economic and political shocks do not derail policies and plans at country level; iii) The political economy at country level does not worsen in ways that prevent transformation from occurring.

The main risk factors that may prevent, delay or limit the changes from taking place. A preliminary risk assessment has identified the following risks⁴:

- Change of public stakeholders’ priorities, ambitions and focus; leading among other to a lack of country demand.
- Economic slowdown limiting resources to invest in just transitions as well as limiting funding, including flexible resources for WRI.
- Pandemic or epidemic outbreaks
- Failure to achieve and communicate the intended results, because of weak PMEL system and capacities.

4 Draft results framework

The overall objective of the project is to accelerate just transitions towards carbon neutral, resilient and inclusive societies in developing countries to meet the objectives of the Paris Agreement and deliver on SDGs.

The project is expected to deliver four outcomes:

- **Outcome 1:** Contribute to the transition towards resilient, inclusive and carbon neutral intermediary cities in target developing countries.
- **Outcome 2:** Support the transformation of food system in key developing countries.
- **Outcome 3:** Promote the use of NbS in WRI’s work on transitioning cities and food systems to enhance biodiversity in target developing countries.

⁴ See further Annex 7.

- **Outcome 4:** Contribute to making the case for climate action as a driver of green, stronger and more inclusive growth and job creation in key developing countries of regional strategic importance.

The proposed outcomes are preliminary and will be revisited and made concrete during the drafting of the full project document. Target countries for each outcome will also be specified while drafting the project document. Further consultations with WRI will take place to discuss outputs, indicators, baselines and targets and ensure to the extent possible that they follow WRI result framework.

WRI system transitions revolve around the interconnected challenges of slowing climate change, meeting essential needs for people, and sustaining healthy ecosystems. As such, the outcome indicators for outcome 1 and outcome 2 will systematically reflect these three dimensions, as in the following examples, where possible mirroring SDGs indicators: i) Level of Greenhouse Gas Emission reduction; ii) Number of people accessing services; iii) Number of city residents having reduced vulnerability and exposure to climate risks; iv) Level of reduction in food loss and waste; v) Level of increase in access to jobs.

The results framework for the Danish support will build upon WRI's final 2023-2027 results framework and will constitute a part of the overall WRI outcome.

5 Inputs/budget

The provisional Danish support to WRI totals a DKK 200 million pledge covering the period 2023-2027. This funding is expected to be committed and disbursed annually and may be distributed as presented in table 1.⁵

- The contribution to thematic windows (DKK 100 million) will support the outputs and activities associated with outcome 1 and 2: Contribute to the transition towards resilient, inclusive and carbon neutral cities; Support transformation of food system.
- The contribution to Nature-based Solutions initiatives (DKK 50 million) will support the outputs and activities associated with outcome 4: Promote the use of nature-based solutions in food systems and cities transition.
- The contribution to NCE (DKK 25 million) will support the outputs and activities associated with outcome 3: Contribute to making the case for climate action as a driver of green, stronger and more inclusive growth and job creation in selected countries.
- The support to WRI organisational strengthening (DKK 20 million) may be directed to consolidate the Africa hub office with focus on the Danish priority areas in this project, the institutional PMEL framework with focus on developing country results, and the newly established Centre for Equitable Development, especially with regards to strengthening capacities and PGSE mainstreaming. A secondment and possibilities for exchange around NbS, PMEL may be envisaged and will be further discussed.
- The budget for the mid-term review (jointly with other funders if possible), learning, audits, formulation and appraisal of next partnership phase (DKK 2 million) is to allow for assembling evidence that builds on the results framework to provide an assessment on the extent to which there has been a contribution to the higher-level outcomes that are beyond the measurement scope of the routine monitoring and indicators provided by results framework itself.
- Unallocated: The context in which WRI operates is dynamic, and the organisation is still under formulation of its Strategic Plan. To ensure flexibility a DKK 3 million reserve of unallocated funds is proposed.

⁵ The final budget allocation will be further discussed during the drafting of the project document and will be based on the final WRI Strategic Plan and its priorities.

Table 1: Danish contribution budget

Outcome	Amount (DKK)					Total
	2023	2024	2025	2026	2027	
1: Targeted Support to WRI Cities Transition	10m	10m	10m	10m	10m	50m
2. Targeted Support to WRI Food System Transition	10m	10m	10m	10m	10m	50m
3. Targeted Support to Nature-Based Solutions initiatives in cities and food systems	10m	10m	10m	10m	10m	50m
4. Targeted Support to NCE	5m	5m	5m	5m	5m	25m
Support to WRI organisational strengthening	4m	4m	4m	4m	4m	20m
Mid-term review, learning, audits, formulation, appraisal of next phase	0.25m	0.25m	0.5m	0.25	0.725m	2m
Unallocated	0.75	0.75	0.5	0.75	0.25	3m
Total	40m	40m	40m	40m	40m	200m

6 Institutional and management arrangements

While changing the Danish funding modality from core to earmarked funding, Denmark will remain actively engaged within the development donor group and will follow and support WRI's work and organisational development broadly to maintain and strengthen a sound organisation that can deliver on Danish development priorities. To avoid additional layers of management arrangements, this project will build on i) existing modalities of cooperation with strategic funding partners, while adhering to Danish requirements for earmarked funding and ii) coordination mechanism at country level.

Modalities of cooperation with strategic funding partners

WRI has established a joint reporting and a dialogue mechanism with development bilateral partners (see table 2 below). WRI and strategic donor partners meet annually prior to annual Multi-Partner Meetings (MPMs). They also meet at the annual Multi-Partner Meetings to review progress over the past year and discuss plans for future collaboration. Based on annual status reports, including (audited) financial reports, and presentations of plans for the coming year, the Annual Multi-Partner Meeting constitutes a solid platform for constructive dialogue and influence among WRI and its strategic funding partners. The last meeting was held in May 2022 and served as an occasion for WRI and the strategic funding partners to engage in a dialogue on the articulations and priorities of the draft Strategic Plan 2023-2027. The partners also receive WRI's draft annual workplan in November. The workplan is discussed among funding partners and comments are shared with WRI.

Table 2: Current reporting common to all partners

Type of report	Explanation	Deadline
1. Annual Review - Results Report	Combined with Workplan Report	March 31 st
2. Annual (Work) Plan for the Year Ahead	Combined with Annual Review	November 1 st (NL) or November 30 th (Sida, DK)
3. Audited Consolidated Financial Statement	Financial report audited by an independent party (Grant Thornton)	March 31 st
4. Annual Budget for the Year Ahead	Budget approved by the WRI Board	November 30 th
5. ODA Tracker	Developed for the 1st time for FY20; currently not a contractual obligation	March 31 st

Other reporting requirements and management arrangements specific to this project outcomes will be further discussed during the drafting of the project document.

In the previous support to WRI and NCE, the reporting was done separately, according to each specific agreement. For the upcoming support, the reporting from NCE and WRI will be combined. NCE used to be closely linked to WRI Climate Program and WRI Economic Centre, but WRI is currently in the process of further integrating the NCE, which will facilitate the inclusion of NCE reporting.

Coordination mechanisms at country level

It is expected that WRI's new Strategic Plan will further define coordination mechanisms with other development partners in target countries. Coordination mechanisms and collaboration with Denmark bilateral programmes, will be further defined to ensure complementarities and synergies.

7 Risk management

An early version of the standard Danida template for risk management is provided in Annex 6 and will be updated in the full draft Programme Document. Key risks include: i) Change of government priorities, ambitions and focus; ii) Economic slowdown; iii) Pandemic or epidemic outbreaks; iv) Failure to achieve and communicate the intended results.

Annex 1: Process Action Plan

PROCESS ACTION PLAN		
Activity	Timing/deadline <i>[month or quarter]</i>	Responsible
Identification		
Multi-partner meeting (MPM, 2021), virtual	13.-14. Jan. 2022	
Mgt. on process w. WRI	Ultimo Jan. 2022	GDK/ELK/WRI
Information on 2023-2027 strategic framework by WRI. Proposals for DK focus areas in strategy by MFA	Primo Feb. 2022	GDK / WRI
Recruitment of external consultant	Ultimo Apr. 2022	GDK /ELK/HUB
MFA internal discussion on focus areas. Consultations (GDK, relevant Embassies)	Primo May. 2022	GDK / Consultant
Scoping with WRI	Primo May. 2022	GDK/WRI/Consultant
WRI working draft Strategy 2023-2027	13 May	WRI
WRI Multi-partner meeting 2022	19-20 May	GDK/WRI
Formulation, Quality Assurance and Approval		
Deadline for confirming DOP to Programme Committee	5 May	GDK
Drafting of first version of the presentation to the Programme Committee	Mid-May 2022	GDK/WRI/Consultant
First draft presentation to the Programme Committee for internal review	25-27 May 2022	GDK/WRI/Consultant
Revisions to the presentation	30-31 May	GDK/WRI/Consultant
Deadline for submission of the presentation to FRU/Programme Committee	02 June 2022	GDK
Public consultations		ELK
Danida Programme Committee	28 June	GDK
Mgt. on project document and annexes (formal requirements and process)	Ultimo June. 2022	GDK/Consultant
WRI draft Strategy 2023-2027	Ultimo July 2023	WRI
Consultations for formulation	August-September 2022	GDK/WRI/Consultant
Field mission	September 2022 (tbc)	GDK/ Consultant
Draft project document for internal review and in WRI (incl. recommendations from PC)	Mid-Ultimo September	GDK/WRI/Consultant
Draft project document for approval by GDK head of department	Ultimo September	GDK
Request for appraisal forwarded to ELK	Primo October	GDK
Appraisal	Primo October	ELK

WRI Global Board Meeting – Approval of WRI Strategy	October 2022	WRI
Follow up to appraisal recommendations	Ultimo October	GDK/WRI/Consultant
Deadline for confirming DOP for UPR	13 October	GDK
Presentation for the Council for Development Policy (UPR)⁶	7 November	GDK
Finalisation of project/programme documentation	Primo December	GDK/Consultant
Presentation of Project Document for approval by the Minister	Primo Jan. 2023	GDK
Partnership agreement	Primo February 2023	WRI
Parliamentary Finance Committee, if applicable		
WRI Multi-partner meeting (MPM, 2023)		
Request for funds, and disbursement 1st tranche	March 2023	WRI/GDK
2 nd quarterly meeting w. GDK head of department and WRI senior management	June 2023	GDK/WRI
Deadline for final report of 2018-2022 DK-WRI partnership agreement	Ultimo June 2023	WRI

⁶ First UPR in 2023 is also considered which will postpone the PAP action points after UPR correspondingly.