

Partnerships for
Forests



What the donor and DFI community can learn from P4F data



SYSTEMIQ



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1. Introduction

This knowledge product explores and summarises the majority of data captured on the Partnerships for Forests (P4F) programme over the period 2016-2024. This analysis aims to offer learning to the global community of donors and investors looking to establish similar forest and sustainable land-use incubator programmes akin to P4F.

The first section focuses on the programme's geographical reach, project approval dynamics, regional portfolio composition, and project failure rates. The report also explores the interaction of projects with the P4F Maturity Funnel, revealing a diverse range of routes through which projects progress. Through analysis and insights gleaned from eight years of implementation, the report offers valuable perspectives on project dynamics within the P4F programme.

The second section aims to provide a detailed picture of how P4F grant and technical assistance (TA) funding has been used to support grantees and the programme's Theory of Change. By analysing the programme's inputs, the report reveals the essential components in delivering impactful results. As the programme concludes, it is important to understand the specific types and volume of activities required to achieve its results. This section focuses specifically on the programme's inputs.

Following this, the third section analyses the impact that the programme has achieved over its duration. Following more than eight years of operation, P4F has made substantial progress in all three outcome areas: mobilising investment into sustainable business models, increasing the area of land under improved sustainable land use management, and reaching beneficiaries. This section focuses on:

- **Impact Areas:** Assessing the impact achieved by P4F across three outcome areas: mobilising investment into sustainable business models, expanding sustainable land use management, and reaching beneficiaries.
- **Strategic Interventions:** Analysing P4F's interventions along the Forest Transition Curve, focusing on enhancing the value of standing forests, protecting forests while promoting production, and facilitating forest regeneration.
- **Regional Contributions:** Analysing the contribution of different regions to investment mobilisation, land management outcomes, and beneficiary outreach.
- **Climate Impact:** Investigating P4F's role in CO₂ reduction, including total CO₂e sequestered, effectiveness of different project types, and their cost-effectiveness.
- **Correlation Analysis:** Exploring the relationship between grant spend and outcomes, including capital mobilised, land protected, beneficiaries reached, and CO₂ sequestered, to understand the effectiveness of different project sizes and types.

Through rigorous analysis and comprehensive data evaluation, this report aims to provide stakeholders with invaluable insights into the performance, impact, and operational dynamics of the Partnerships for Forests programme.



2. Projects – which types of projects were supported?

2.1. Where do we work and how many projects have we supported?

Partnerships for Forests identified and screened a total of 775 idea notes focused on 20 sectors from across different 40 countries. Out of these 775 applications, 150 were converted in live grants, the remaining deemed unsuitable for funding.

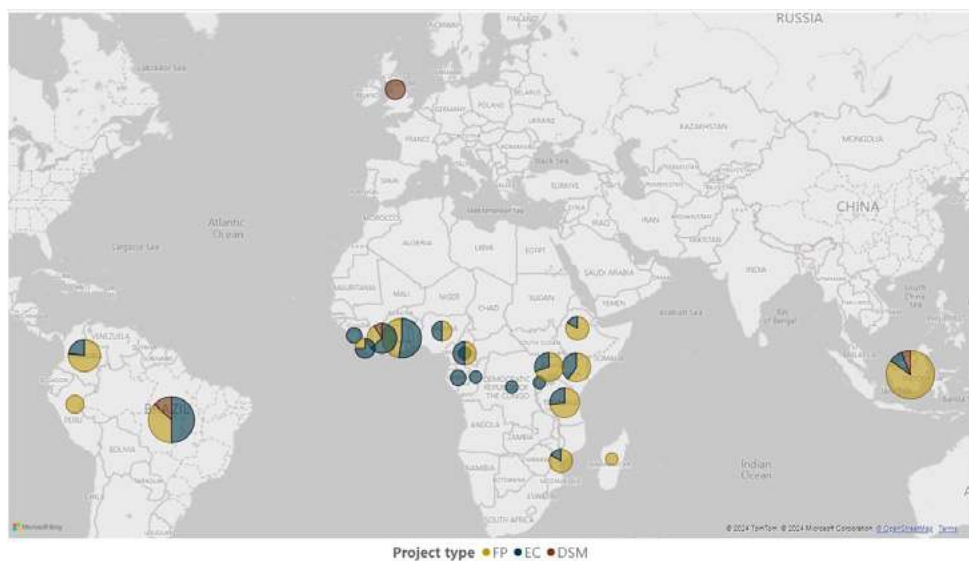


Figure 1: Map depicting locations of approved P4F projects.

Partnerships for Forests aimed to tackle challenges across the Forest Transition Curve (see Figure 2), which can be broadly separated into three strategic areas for intervention: A) Increasing the value of standing forest, in high forest-cover areas; B) projects that work in simultaneously protecting standing forest while producing alongside the forest; and C) projects that work in regenerating and reforesting, thereby creating value from forest growth.

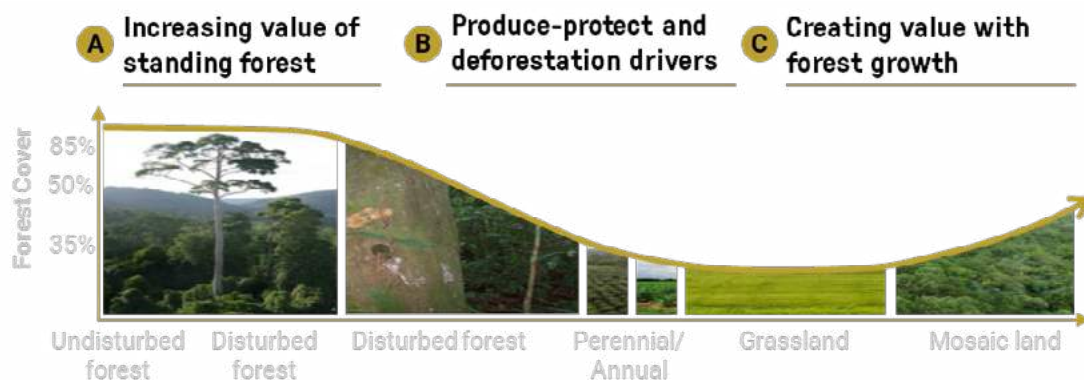


Figure 2: The Forest Transition Curve, and the three strategy areas that Partnerships for Forests projects can be categorised under



Projects that focussed on enhancing the value of standing forests were the most likely to secure funding, with a successful conversion rate of 24%. This was closely followed by “Produce-protect” partnership projects which achieved a 23% conversion rate and finally, with an 18% conversion rate, projects that were creating value from forest regrowth.

Conversion rate (%) of P4F projects

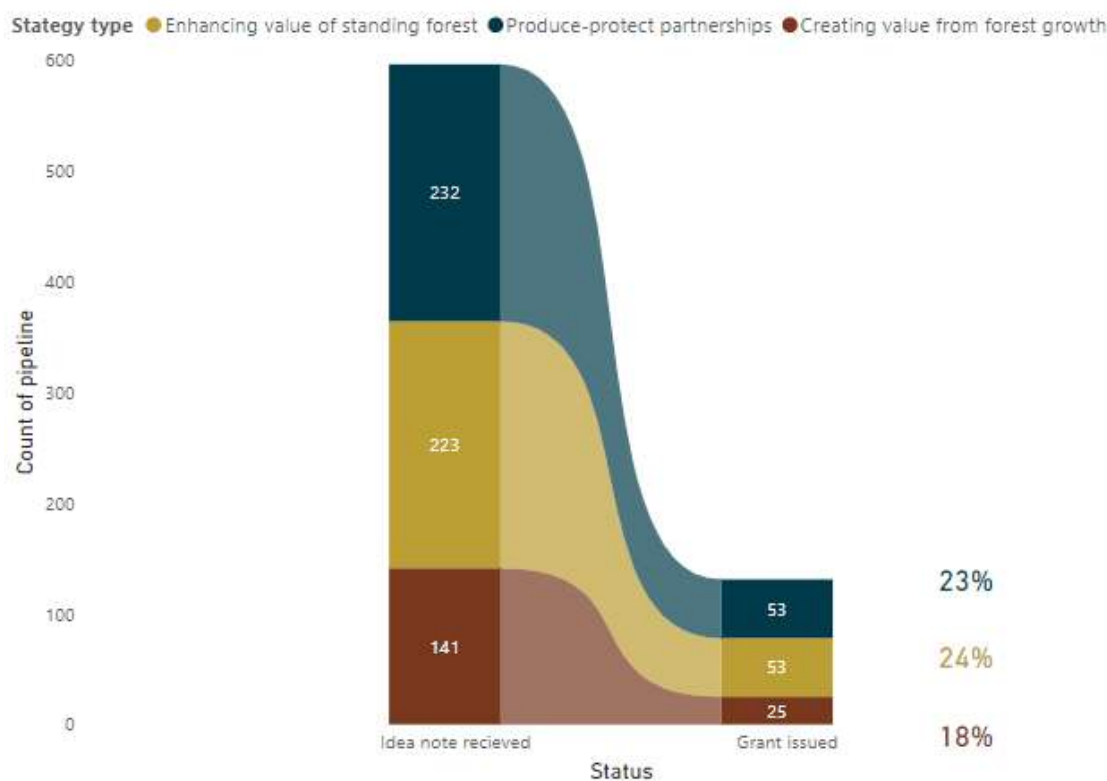


Figure 3: Successful conversion rate of projects from idea note to grant issued.¹

The ability of P4F to approve projects as the program grew dramatically increased with time. Of the 625 projects that were rejected from P4F, just over 46% were rejected in the first two years of the programme (between 2016 and 2018). At the start of the programme, the approval rate for all projects was 24%, dropping to 9% in 2019. After this drop, the approval ratings for all projects rapidly improved, reaching 51% in 2020 and growing to 96% by 2023. The different project types, Enabling Conditions (EC), Demand-side Measures (DSM) and, Forest Partnerships (FP) all showed a similar By the time the programme entered its final year in 2024, P4F managed to achieve a 100% approval rate for funding for every idea evaluated, with FP projects. The high rate of rejection at the beginning of P4F is considered a key success of the programme as learnings from these rejected projects helped to inform a global forestry and sustainable land use project development strategy.

¹ Total number of ideas received in this graph is lower than the figure quoted on page 3. This is due to projects with the strategy type “Other” being excluded from this visual.

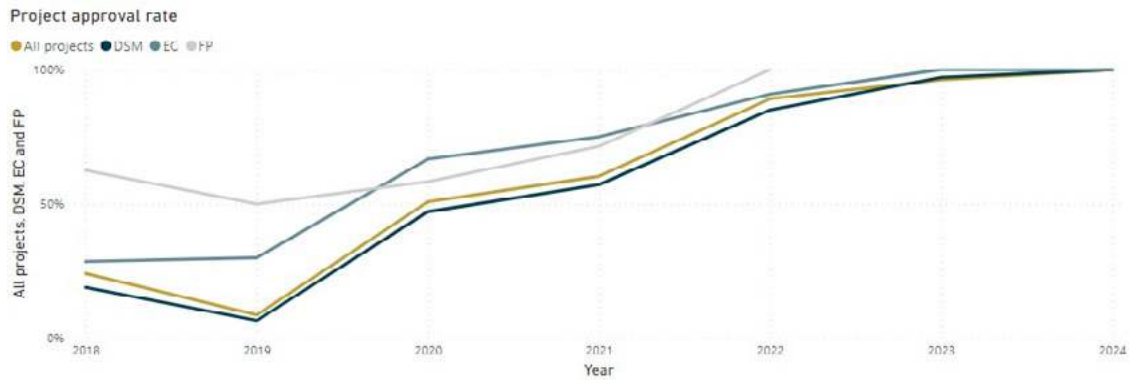


Figure 4: Approval rate of P4F projects. ²

The composition of P4F’s regional project portfolios aimed to address the drivers of deforestation prevalent in specific geographies and as such, each regional strategy, and subsequent portfolio, were all unique. In South East Asia, projects with a strategy of enhancing value of standing forest comprised more than half of all projects in the portfolio. Projects that created value from forest growth was the second most prominent at 29% with produce-protect projects only contributing 14%. In the programme’s West and Central Africa portfolio, the opposite was true where produce-protect projects were most common, and projects targeted at creating value from forest growth were quite rare. The East Africa and Latin America portfolios were similarly balanced, with East Africa having a nearly perfect balance between all three project strategy types and Latin America having an equal split between produce-protect partnership projects and enhancing value of standing forest projects, with less projects focused on forest regrowth.

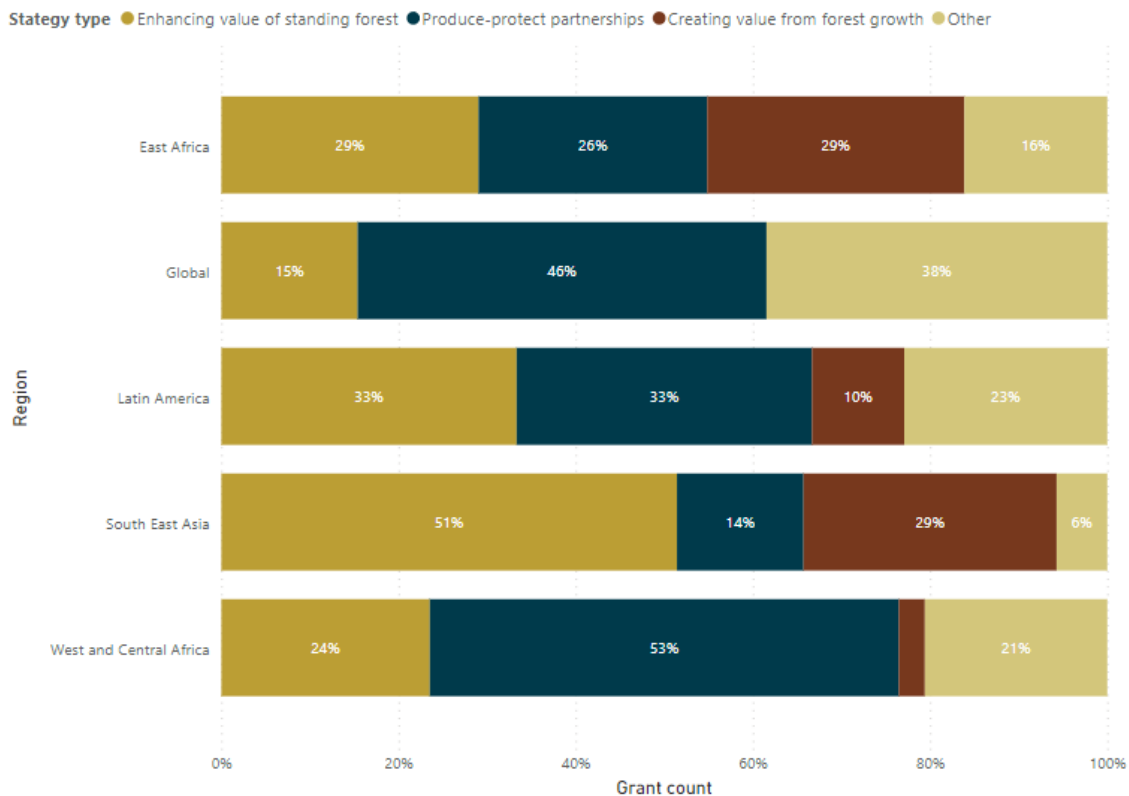


Figure 5: Regional portfolio composition

² Data on dates of project failure was only collected from May 2018 onwards



2.2. Project failure

Many project ideas P4F screened failed the programme's internal assessment processes. Most project ideas were terminated at the very start of their lifecycle with 32% exiting the portfolio during the initial scoping phase, before regional teams co-created ideas with prospective grantees. 97% of projects were screened and rejected prior to signing a grant agreement which suggests P4F's vetting processes were effective at identifying and eliminating unsuitable projects before significant time and resources had been invested.

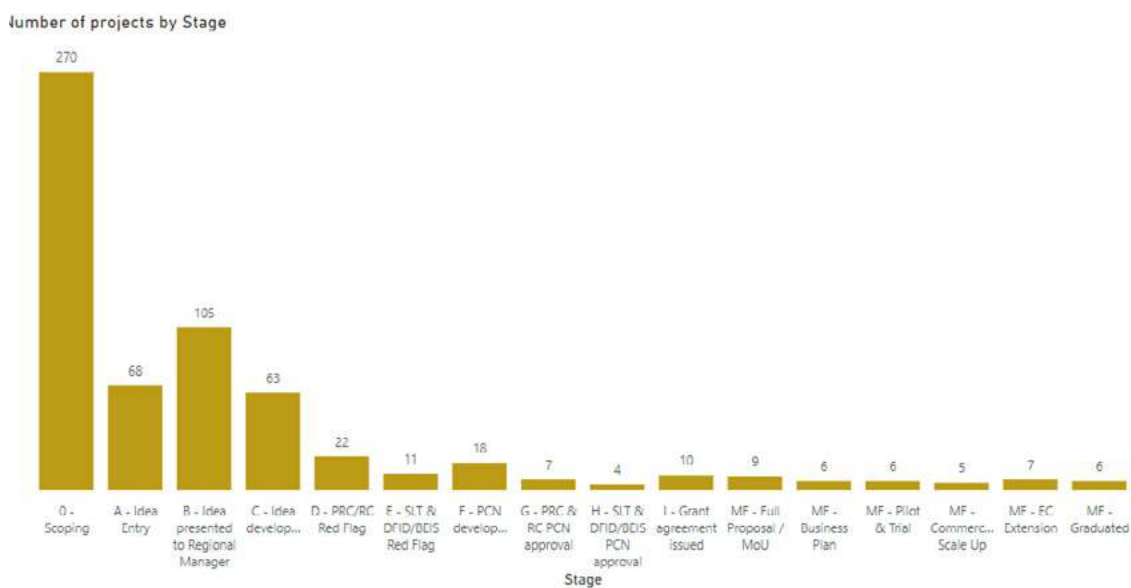


Figure 6: Rejected projects by project stage

Concerning commodities, fuelwood/charcoal, timber and projects with a multi-commodity focus had the highest rates of failure, with projects targeted at acai, carbon credits and non-typical commodities had the lowest rates of failure.

The archetype with the highest rates of rejection were reduced impact logging and conservation and both interventions are targeted at enhancing the value of standing forests. Interestingly, the archetypes with the lowest failure rating, wild forest protection and payment for ecosystem services, also had strategies that were aimed at finding value within standing forests.

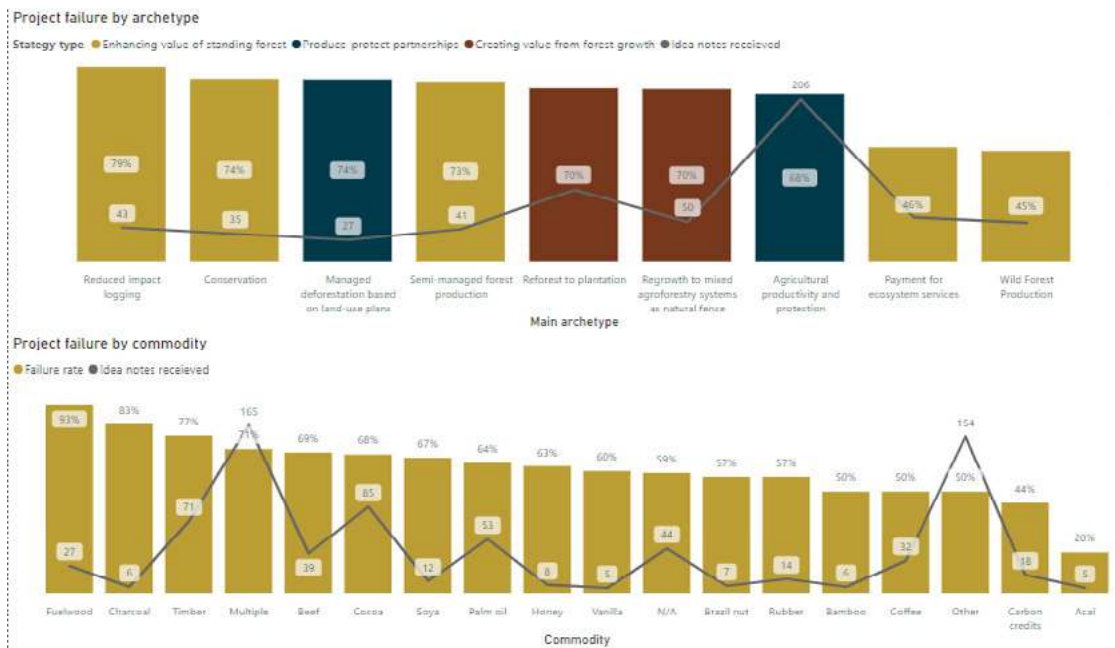


Figure 8: Project rejection rate by archetype and by commodity

Under 2% (13 projects) of projects failed after a grant agreement was signed between P4F and grantees. Six of these failed before any funds had been disbursed. The remaining seven failed after at least one disbursement was paid to the grantee.

The main reason for rejection of these projects was either having a weak business case or due to a weak partnership. The reasons for failure in the weak partnership category often involved a loss of support or buy-in from the grantee, or prolonged poor financial management. Examples of grants being revoked due to weak businesses cases often involved key investors retracting pre-committed investment.

Produce-protect intervention strategies targeted at soya and palm oil the types of project that received the highest number of grant terminations. From a commodity lens, timber and soya recorded the highest number of cancelled grants.

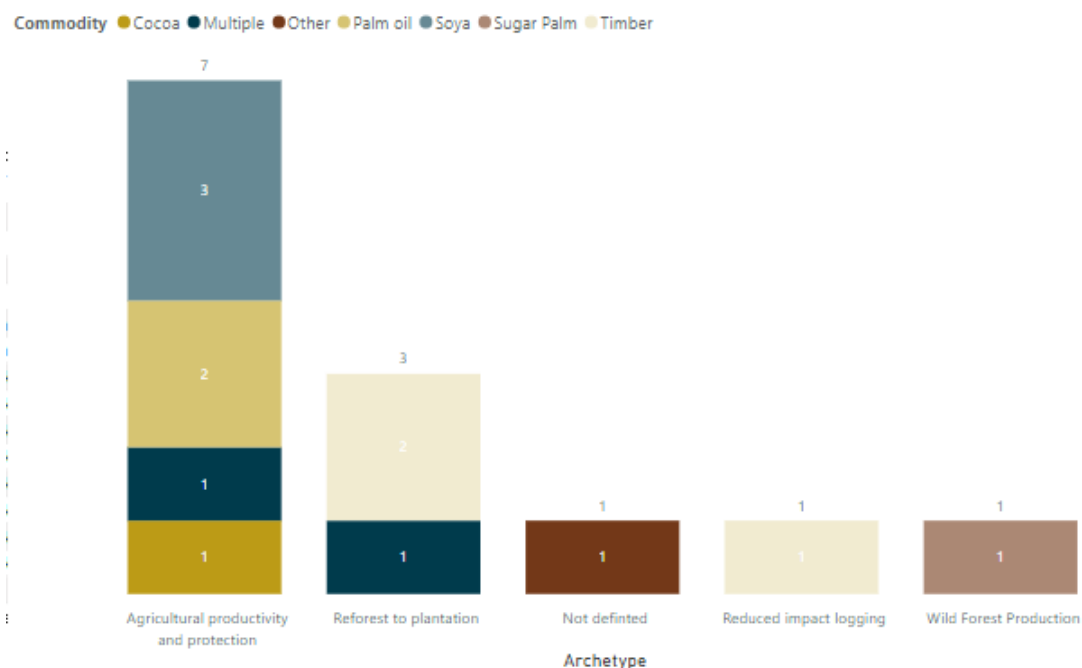


Figure 9: Number of projects that were terminated after signing a grant agreement.



Given the data collected across the last eight years of implementing Partnerships for Forests, insights can be offered to suggest what influences a project to fail. The below graphic highlights that the most significant metric that causes a project to be rejected is not being able attract co-investment from other sources. The analysis suggests projects that attracted either zero or minimal funding (less than £5,000) from other sources were more than 11 times likely to fail. The next highest metrics that had a higher than average influence on a project being rejected was receiving project ideas via open calls. Rejection was 1.6 times more likely if a project was solicited via an open call for proposals than alternative solicitation routes.

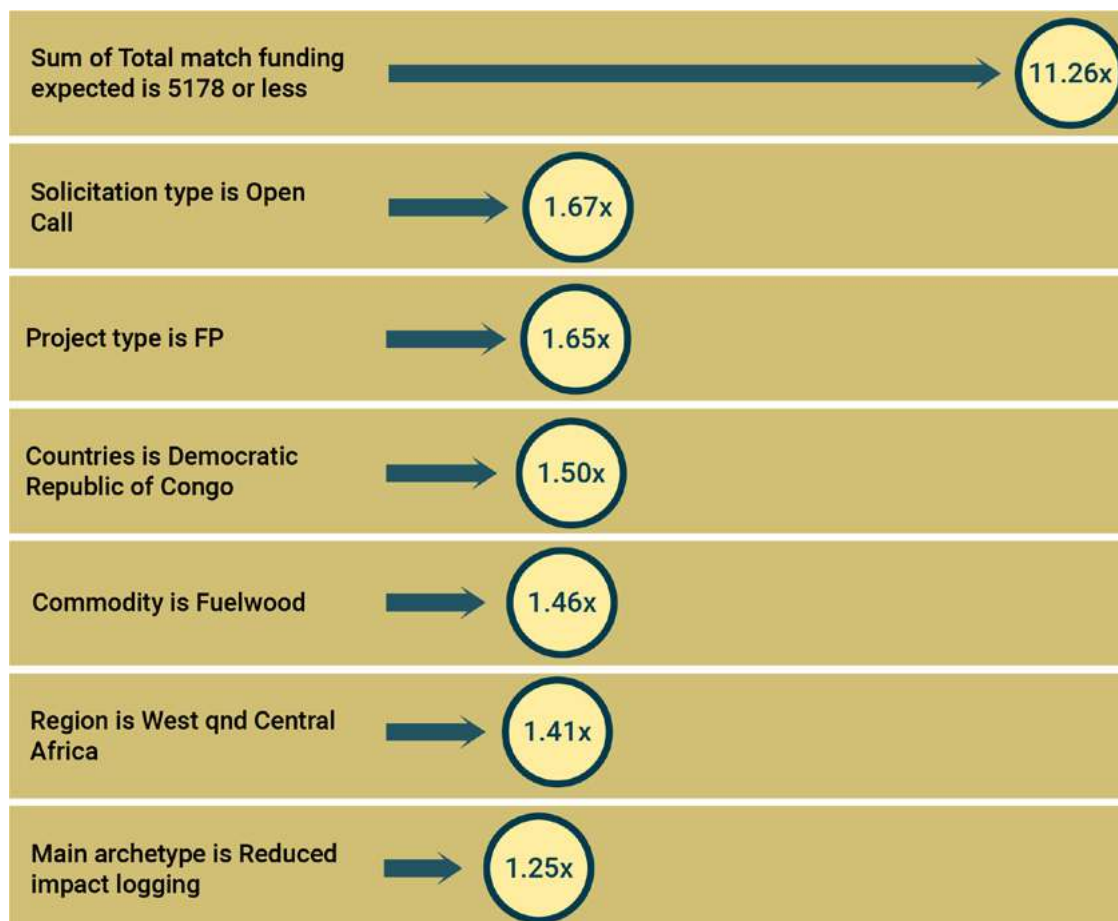


Figure 10: What influences projects to fail



2.3. How do projects interact with the P4F Maturity Funnel

Although the route for Forest Partnerships through the P4F Maturity Funnel may appear to be linear at first glance, Figure 12 illustrates the myriad routes that the portfolio of projects has interacted with the support available from P4F. The most likely route (43% projects) has been to enter the funnel and progress through each step in turn, starting with a Partnership Agreement (DG1). However, the highest number of projects reaching Scale Up (DG5) actually got there by beginning with funding to support readiness for scale up (DG4), rather than entering the Maturity Funnel in at an earlier stage.



Figure 11: The Partnerships for Forests Maturity Funnel

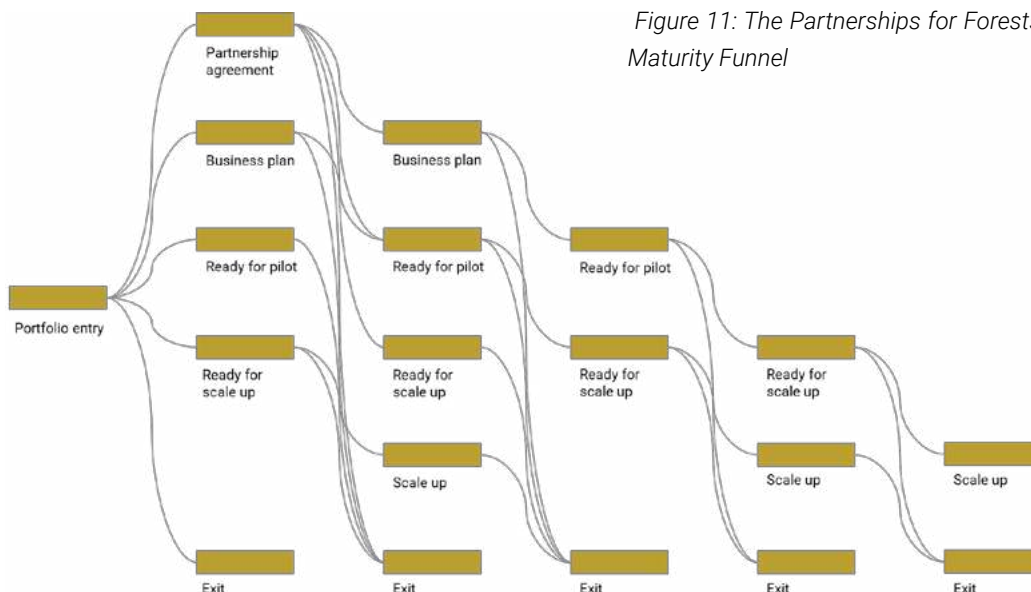


Figure 12: Diagram of possible routes projects have taken through the P4F Maturity Funnel³

³ Source of graphic: <https://palladiumgroup.sharepoint.com/sites/ProjectUKIFL/Shared%20MEL/learning/pipeline-analysis/2024%20data/Graphics.pptx?web=1>



3. Inputs – how is the funding spent?

Alongside analysis on what types of projects have been supported, it's also interesting to analyse the resources (inputs) needed to achieve the programme's goals. By studying inputs, it's possible to identify what is required for future forests and sustainable land-use programmes including IFSLU2.



The above diagram illustrates the overall flow of grant and technical assistance (TA) implementation. Resources like funding, time, and materials are the inputs used for activities. These activities, along with the resources, produce outputs such as reports, workshops, or training. Finally, the longer-term effects of these activities are the programme's outcomes. This analysis focuses on the first two stages: inputs and their use in activities.

The following table presents the input categories that all P4F grant and TA budgets mark costs against. This section analyses the input cost categories and compares the variance by deliver partner type, region, strategic theme, commodity, year and whether the project achieved outputs and outcomes. All grant inputs are explicitly linked to the specific grant activities and not business-as-usual costs associated with the grantee. Additionality is a key principle for grant support.

Category	Sub-categories	Description and examples
Human resources (HR)	Permanent staff Temporary staff	Part-time, permanent or temporary salaried employees engaged on P4F activities. The costs of external contractors, such as consultants and day labourers. HR costs are explicitly linked to addressing technical and business challenges for which P4F provides business incubation support. This included supporting the development of business plans, designing and delivering pilot interventions, mobilising investment based on the results of pilots and associated business and operational plans.



Travel	International flights Domestic flights Ground transportation Subsistence - abroad Subsistence - domestic	International and domestic flights, ground transport, and subsistence costs for travel to the project site or to relevant workshops as part of delivering grant activities.
Operations	Vehicle rental & maintenance Office rental, consumables, other services Telephone/fax, internet Maintenance Banking costs & miscellaneous	Vehicle rental and maintenance, office consumables and rental, utilities bills, and banking costs.
Workshops	Workshops - training	Meetings, workshops, consultations, committees or training, including venue hire, refreshments, facilitation and other logistic and participation costs.
Communication and knowledge products	Communication strategy Communication products Communication events Other comms costs	Developing communication products or events, such as marketing, promotional or product packaging design/materials, product PR or launch events.
Other costs	Other costs	Significant assets (CapEx and intermediate inputs), registration, certification and permit fees, indirect costs, geographic information system (GIS) and traceability software, land preparation or construction, or infrastructure.



3.1. Programme spend overview

It is important to obtain an overview of how the programme utilised its funding by analysing the overall programme spend. The breakdown reveals that HR costs dominate, accounting for 68.1% of the total. Permanent staff (38.4%) comprise the largest HR input, followed closely by external contractors (29.7%). Other costs (11.5%) and Workshops (7.6%) come in as the second and third highest expenditure categories, respectively. Communication and knowledge management received the lowest proportional allocation of grants and TA (2.7%).

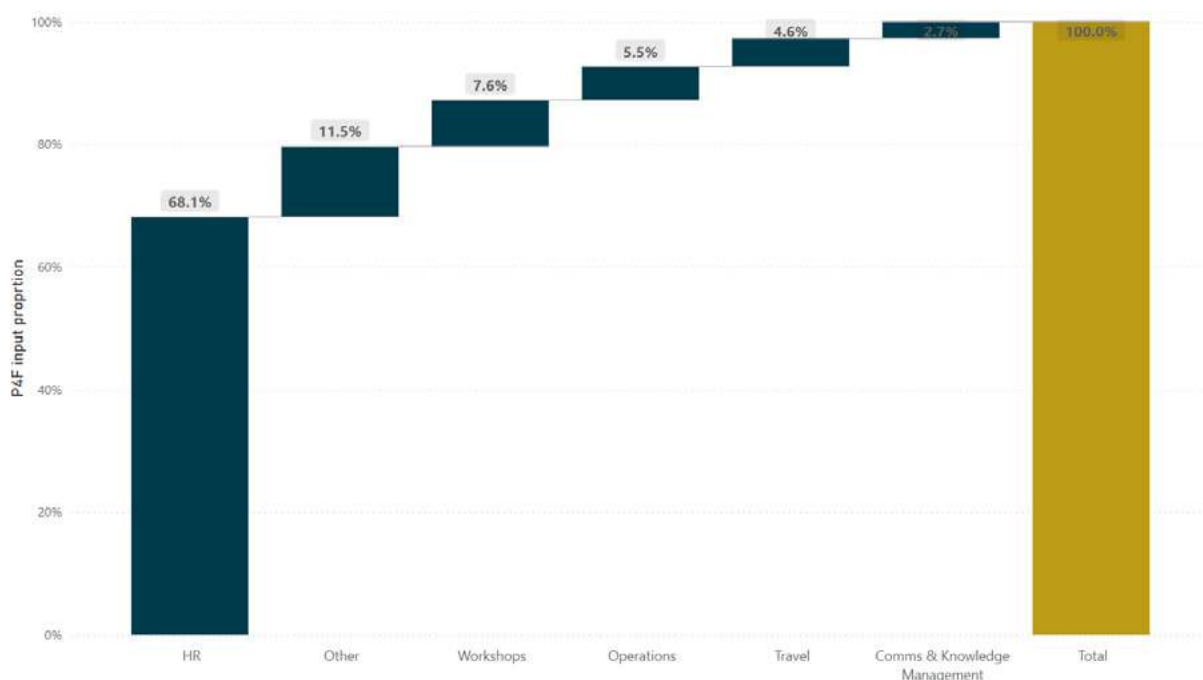


Figure 13: Cost categories as a percentage of total spend.

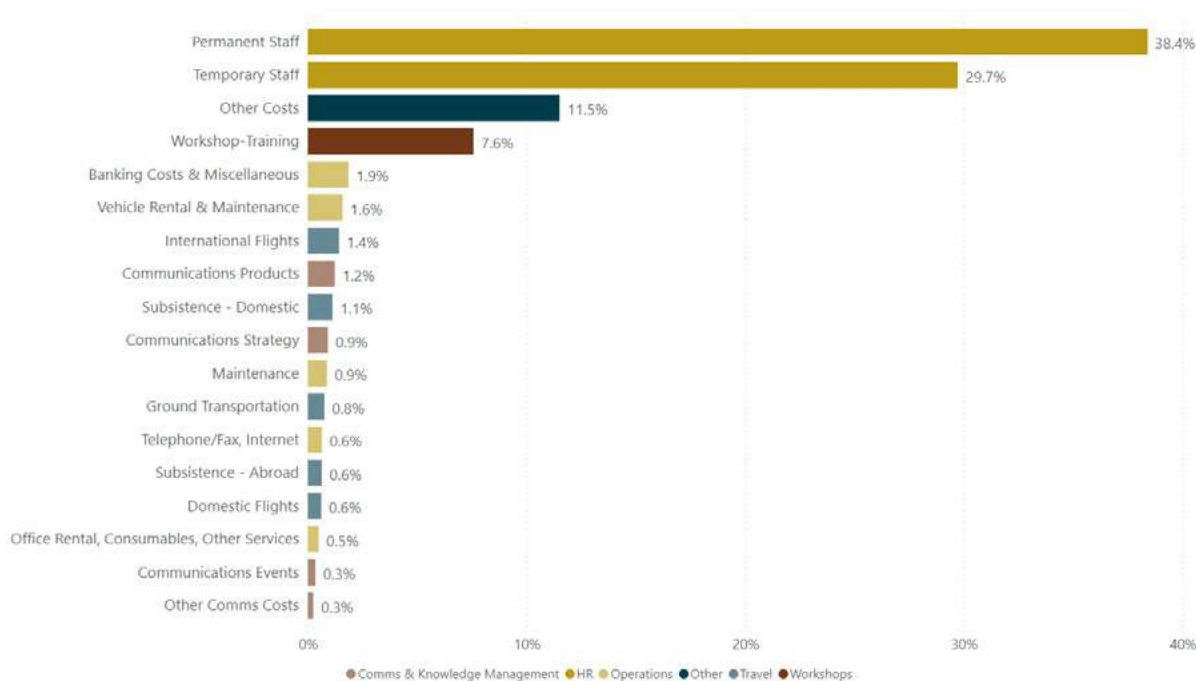


Figure 14: Cost subcategories as % of total spend.



The programme's reliance on external consultants (temporary staff) aligns with its function as a blended grant and technical assistance (TA) facility, particularly given the need for capacity building in the nascent Forest and Sustainable Land Use (FSLU) sector. However, the overall high Human Resource (HR) expenditure suggests a labour-intensive approach to supporting FSLU growth with activities such as supporting the development of business plans, designing and delivering pilot interventions, mobilising investment based on the results of pilots and associated business and operational plans.

A valuable extension to this research would be a comparative analysis of cost breakdowns across sectors, using P4F data as a reference point. This would provide a broader understanding of resource allocation within the FSLU sector and beyond.

3.2. By delivery partner

This section examines the types of organisations receiving P4F grants and technical assistance (TA). These include corporations, non-profit organisations (NGOs), consultancies, and local delivery partners.

The analysis reveals that private companies received the highest proportion of grant expenditure (39.5%), followed by international NGOs (24.6%) and local NGOs (15.1%). This allocation aligns with P4F's incubator model, where innovation and business transformation are key objectives and so the higher allocation of funding to this category of partners is to be expected.



Figure 15 Cost category by delivery partner type.

Despite some variations in the allocation of different input types (e.g., HR, workshops), all partner types exhibited spending profiles similar to the overall programme average. However, the number of supported partners across types was relatively balanced. It's important to acknowledge the limitations of this analysis. Firstly, it does not assess the effectiveness of inputs for different partner types in relation to programme outputs and outcomes. Secondly, the data doesn't reveal if spending variations reflect challenges



faced by specific partners. For example, local NGOs spending less on workshops suggests potential limitations in network reach or capacity. Further research on workshop types and beneficiaries would be needed for a more robust cost-effectiveness analysis by partner type.

To gain a more comprehensive understanding of resource allocation within the programme, future analysis should consider delivery partner type against outputs and outcomes to see if there's a correlation with achieving programme results. Additionally, investigating if the programme can better support specific partner types in achieving particular results would be valuable.

3.3. Strategic theme and commodity

Assessment of the inputs incurred by **strategy theme and commodity focus** provides an understanding of typical cost requirements by type of project.

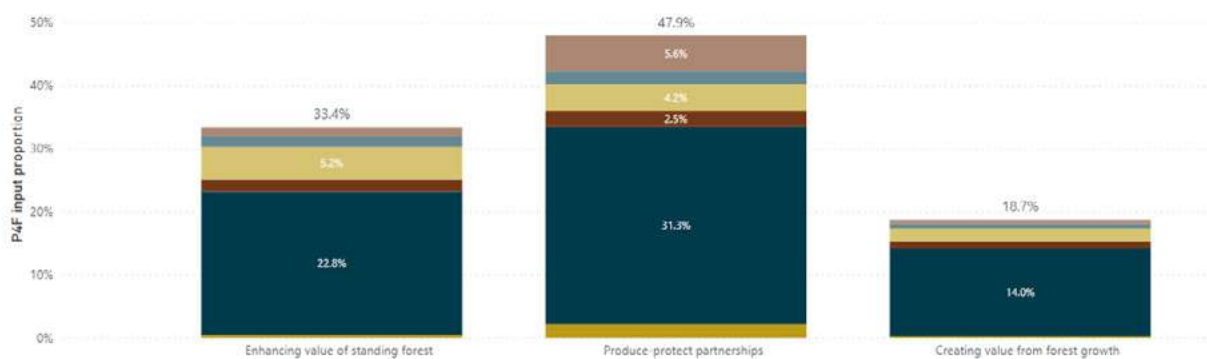


Figure 16: Overall spend on strategic theme by cost category.

While nearly half of the programme's total expenditure went towards "Produce-protect" partnerships, this doesn't necessarily translate to higher costs associated with this thematic area. It's important to consider that the programme supported a larger number of "Produce-protect" partnerships (70) compared to "Enhancing the value of standing forests" (60) and "Creating value from forest regrowth" (31). The latter theme, with the fewest projects (31), received the lowest share of grant and TA funding (18.7%).



Figure 17: Cost category by thematic area.



The data allows for analysis of expenditure across different thematic areas, and reveals three key points:

- **HR:** Creating value from standing forests incurs the highest proportionate HR costs, at 74.8%. While there is no significant difference in HR spending across all thematic areas, it is noteworthy that produce–protect partnerships had the lowest proportionate HR spend, at 65.4%. Typical incubation activities that are supported under the HR category also vary by strategic theme. For example, in ‘Enhancing value for standing forest’, typical activities could involve business plan development, partnership agreement, improved marketing and branding for new NTFPs, industry awareness and demand studies. Under ‘Produce-protect’, P4F could support testing of commercial viability, developing and implementing landscape action plans and/or forest protection mechanisms, and under ‘Creating value from forest growth’, the programme could support nursery establishment, pilot plantation development, investor relations, social forestry, ecological and carbon experts.
- **Other costs:** Models focused on enhancing value from standing forests have the highest proportionate spend on other costs, reaching 15.5%. Conversely, produce–protect partnerships again represent the lowest spender in this category, with a proportionate cost of 8.8%.
- **Workshops:** Produce–protect partnerships have the highest relative expenditure on Workshops, at 11.6%. This is almost three times the proportion allocated to Workshops by models enhancing the value of standing forests (4.3%).

These findings suggest that while HR costs remain relatively consistent across different thematic areas, variations exist in the spending patterns in other costs and Workshops, with produce–protect partnerships models exhibiting distinct resource allocation tendencies compared to other categories. It is possible that the high proportion of resources allocated to workshops in the ‘produce-protect partnerships’ category is because these projects involve the creation of landscape management boards amongst other initiatives, which require more in-person meetings, workshops and facilitation.

A significant variation exists in the types of delivery partner leading projects within each thematic area. While private companies are consistently the most common lead partner across all areas, further analysis reveals specific nuances:

- **Product–protect partnerships:** This model primarily relies on private companies and international nonprofits as the lead project implementers.
- **Creating value from forest regrowth:** Similarly, private companies and international nonprofits are the most common delivery partner type for forest regrowth models.
- **Enhancing the value of standing forests:** International consultancies, on the other hand, received the more funding (4.7%) for this model than in the other models. Unlike the other thematic areas, local nonprofit organisations received the second highest proportion of funding (6.9%) for standing forest models.

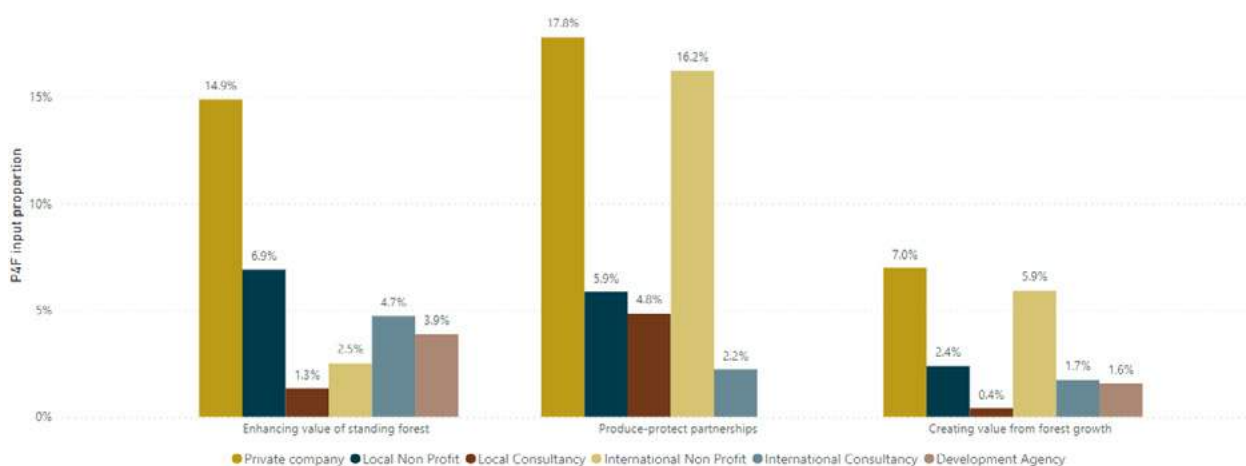


Figure 18: Thematic area by delivery partner type.

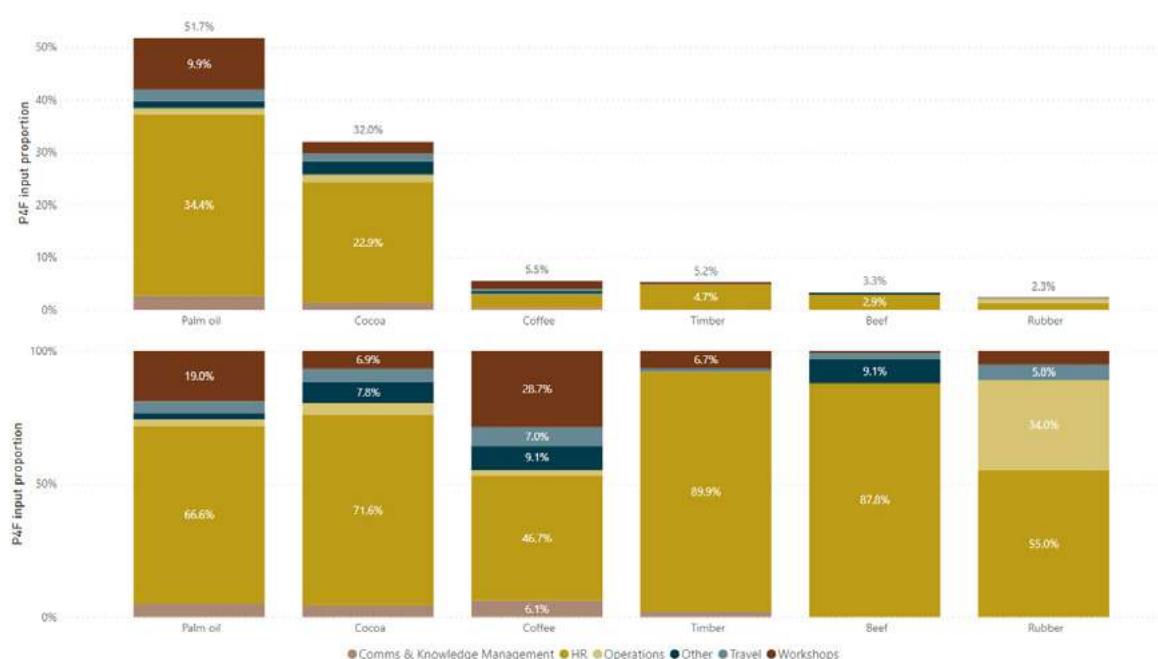


Figure 19: Cost category as % of total input by commodity.

These findings emphasise the diverse range of partnerships utilised across different thematic areas within the programme. The selection of delivery partners likely reflects considerations such as the specific expertise, resources, and reach required for each model. The analysis of P4F grant and TA spending reveals the following key points when considering the six major commodities.

- **Commodity focus:** The majority of resources were directed towards palm oil (51.7%) and cocoa (32%) projects, while rubber projects received the smallest share (2.3%).
- **Cost category:** The highest HR expenditure as a percentage of total costs was in timber (89.9%) and beef (87.8%) projects. These costs supported activities such as research on mixed/native species plantation development, soil studies, legal registration/permitting for land use, nursery labour etc. In contrast, coffee projects allocated less than 50% of their budget to HR. For coffee projects, typical HR costs would involve expert advisors focusing on livelihood improvement, GIS mapping, participatory forest management analysis, cupping and quality management,



traceability experts and certification.

- **Project-specific variations:** Coffee projects dedicated a significantly higher proportion of their budget to Workshops (28.7%), followed by palm oil projects (19%). Notably, beef projects incurred no Workshop costs, which is unexpected considering the project types funded, such as “Beef on Track” and “Responsible Beef Partnership,” which typically involve workshops, meetings, and consultations. In these cases, it is likely that these costs were classified as HR time rather than Workshops.

These findings highlight the varied funding allocations across different commodity sectors and project types in the P4F programme. Further investigation is required to understand the rationale behind the observed disparities in HR and Workshop spending, particularly the lack of Workshop costs in beef projects, despite their apparent relevance to these initiatives. One recommendation is to review the use of consistent budget expenditure coding across regional teams and grantees.

3.4. Spend over time

The programme’s aggregate **spend on inputs over time** was mapped.

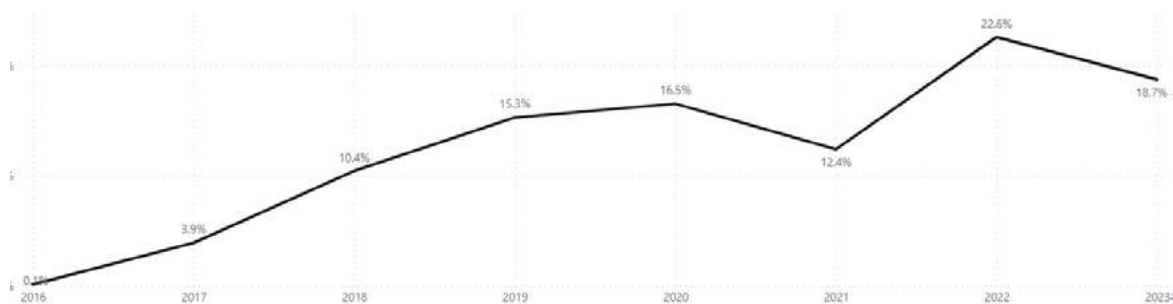


Figure 20: Percentage of total costs spent on HR over time.

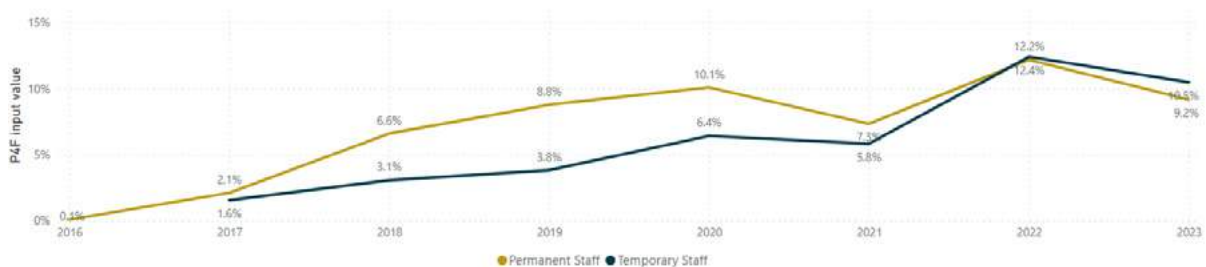


Figure 21: Percentage spent on HR subcategories over time.

Due to the substantial budget allocated to HR, this category is analysed separately to monitor trends throughout the programme. There was no expenditure on external contractors (temporary staff) until 2017, indicating that it took partners longer to identify and engage external contractors needed to support project delivery or for specific TA needs when the programme was first established.



In 2020, overall HR spending decreased by 4%, with the most significant decline observed in permanent staff costs associated with projects. Conversely, the reduction in expenditure on temporary staff was less pronounced. By 2022, both permanent and temporary staff costs had rebounded, with an equal share of the total HR budget across the portfolio. These trends are likely connected to the Covid-19 pandemic, suggesting that external HR costs were less affected by this type of global shock.

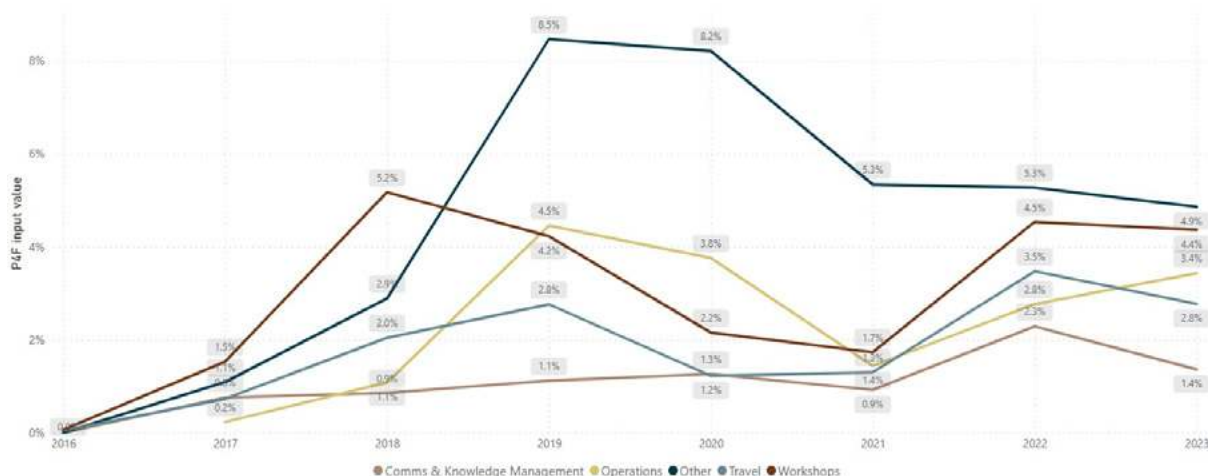


Figure 22: Cost categories as percentage of total spend over time.

The analysis of all remaining expenditure trends over time reveals some interesting patterns:

- **Workshops:** There was a significant rise in the percentage spent on Workshops in 2018, followed by a decline (pre-pandemic) until 2022. While this trend might warrant further investigation, it's crucial to consider the impact of the Covid-19 pandemic on in-person activities, which is likely to have contributed to the decline observed in 2020.
- **Other inputs:** Since 2019, the programme has consistently allocated the highest proportion of its budget (excluding HR) to "other inputs." As indicated above, these include equipment/CapEx, indirect costs, overheads, legal fees/registrations/permits and seedling and agricultural inputs.
- **Travel and Communication costs:** The programme incurred its highest proportional spending on Travel (4.5%) and Communication and knowledge products (2.3%) in 2022. However, drawing definitive conclusions about these trends is challenging without additional information. Factors such as the maturity of projects at different points in time could significantly influence spending patterns, and their inclusion would be necessary for a more comprehensive analysis.

As with any multiyear programme, the proportional spend on different cost categories changes over time, in response to the number and value of projects that are implementing individually tailored workplans and the associated results that are required at programme level. While this initial analysis identifies some shifting trends in expenditure patterns, a deeper understanding would require additional context, such as the project maturity data, and a consideration of external factors like the Covid-19 pandemic.



3.5. Outputs and outcomes

This section analyses the resources needed to achieve programme goals. Programme outputs are categorized by the P4F maturity stages (DG1-DG5), and outcomes are measured against P4F's core objectives: investment catalysed, land managed sustainably, and beneficiaries reached. The analysis compares the resources provided to projects that achieved these goals versus those that did not.

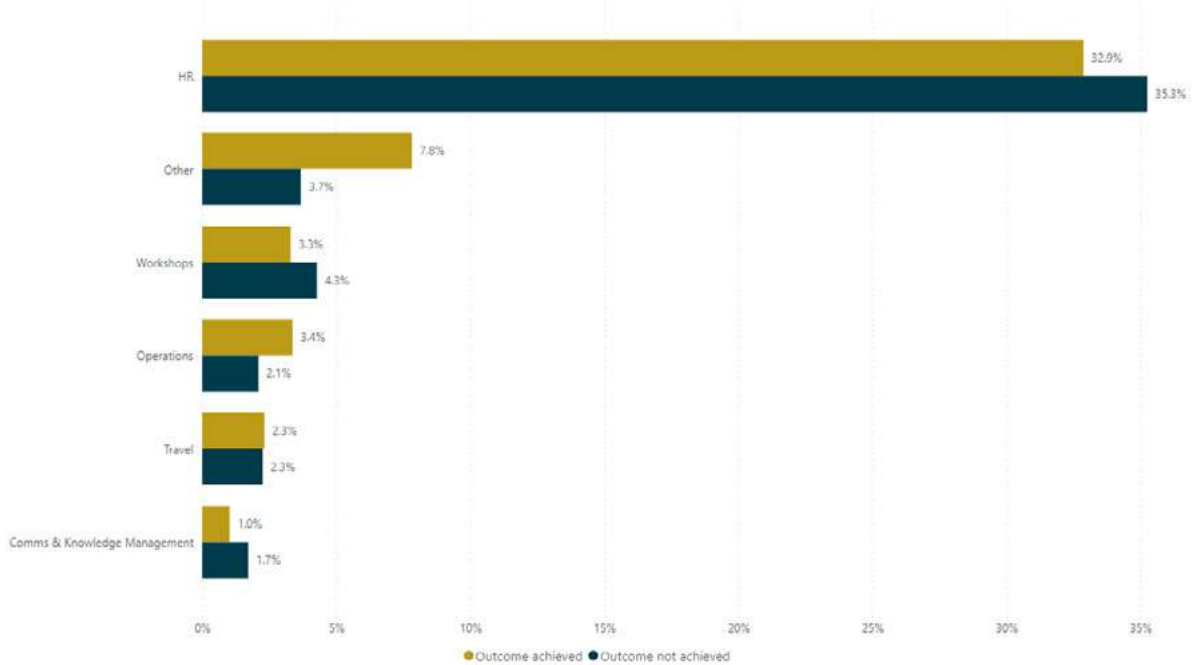


Figure 23: Cost categories by outcome achievement

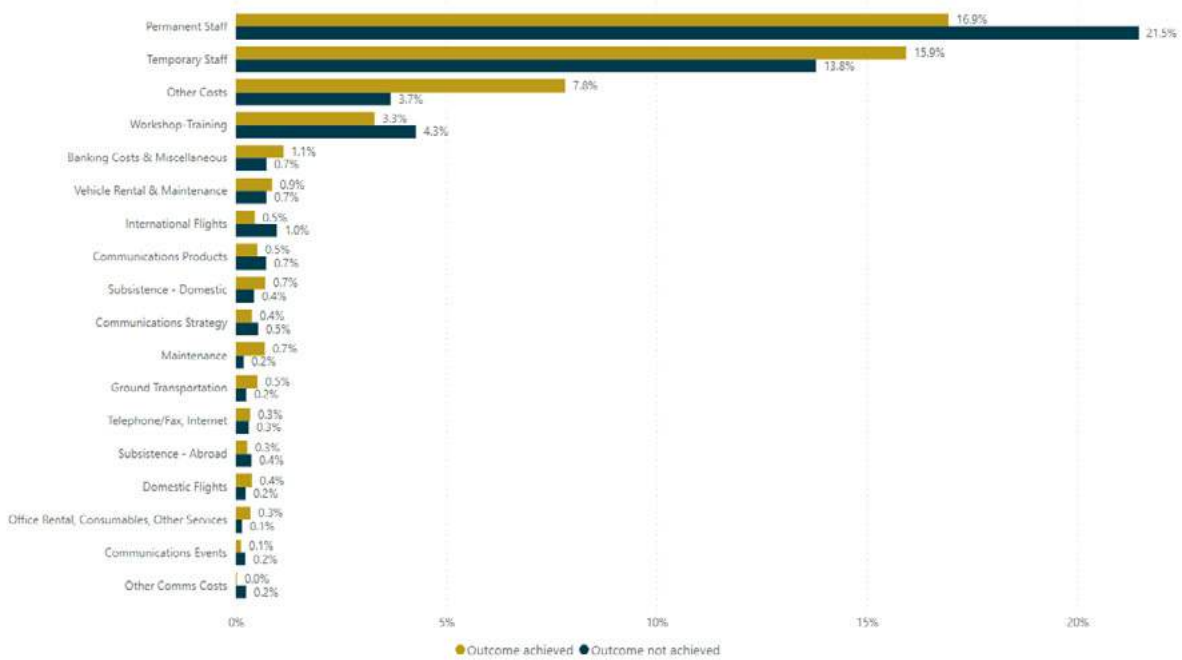


Figure 24: Sub cost categories by outcome achievement



The cost categories with the most striking differences between projects that did achieve outcomes versus those that did not are:

- **Other costs:** The cost category with the greatest difference in spend between projects that did achieve outcomes versus those that did not is other costs. Projects that did achieve outcomes spent almost double in this category (comprises costs of significant assets, registration, certification and permit fees, indirect costs, GIS and traceability software, land preparation or construction and infrastructure) than those that did not.
- **Operations:** Another category that those projects that were successful in delivering outcomes spent more on than those that did not, is operations, including all its sub-categories.
- **HR:** While the chart shows that projects that did achieve outcomes spent less money on HR than those that did not, the analysis shows that there is a difference between spend on internal staff versus external staff and contractors: Projects that did not achieve outcomes had a higher proportional spend on salaried staff; whereas there was a higher spend on external/temporary contractors for projects that did achieve outcomes.

Finally, projects that did not achieve outcomes spent a higher proportion on workshops, international travel and communications.

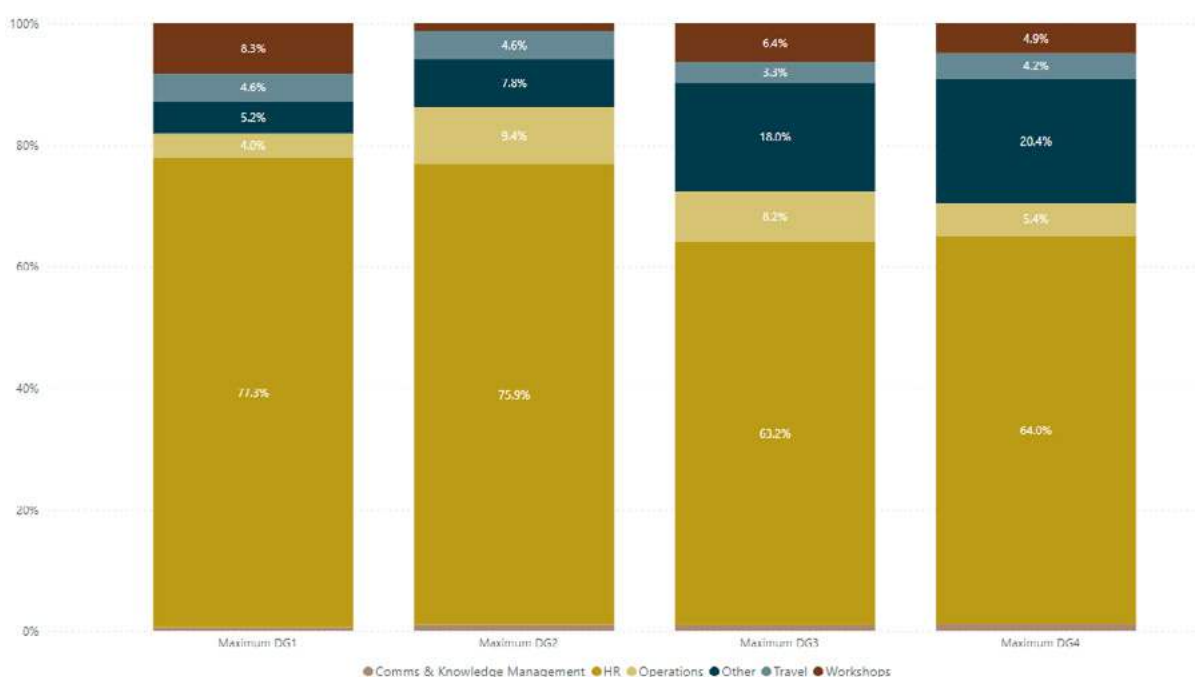


Figure 25: Cost categories as % of spend by outputs achieved

Examining spending patterns across different project stages (DGs) within the P4F maturity funnel allows us to understand how funding allocation changes as projects progress. This analysis helps identify:

- **Evolving spending priorities:** Projects achieving higher DGs tend to allocate a lower proportion of budget to HR and a higher proportion to “Other Costs,” which may



include project infrastructure and setup. This suggests a shift in focus from initial project development to implementation and potentially larger-scale aspects.

- **Shifting expenditure across the funnel:** Workshop costs are highest for projects at the earliest stage (DG1) and decrease as projects progress. This may reflect a reduced need for training and capacity building as projects become more established. Travel and operations spending also vary across DGs, likely reflecting project-specific needs at each stage.

Since achieving programme outcomes directly relates to P4F's impact, this section holds particular importance. The significant difference in spending on "Other Costs" between successful and unsuccessful projects warrants further investigation. It's important to consider P4F's funding strategy when interpreting the spending patterns. While it might seem that lower HR spending and higher spending on "Other Costs" could improve project advancement through the funnel (e.g., projects at DG1), some projects may be intentionally funded for specific aspects, limiting their progress through the funnel. Therefore, drawing conclusions solely from spending patterns requires further context on project goals and P4F's support approach. However, this data can serve as a valuable starting point for deeper analysis.



4. Outcomes – what impact does the funding achieve?

After more than eight years of operating, P4F has achieved significant impact across all three outcome areas: Investment mobilised into sustainable business models; area of land under improved sustainable land use management; and number of beneficiaries reached.



Figure 26: P4F final outcome figures

4.1. By strategy area

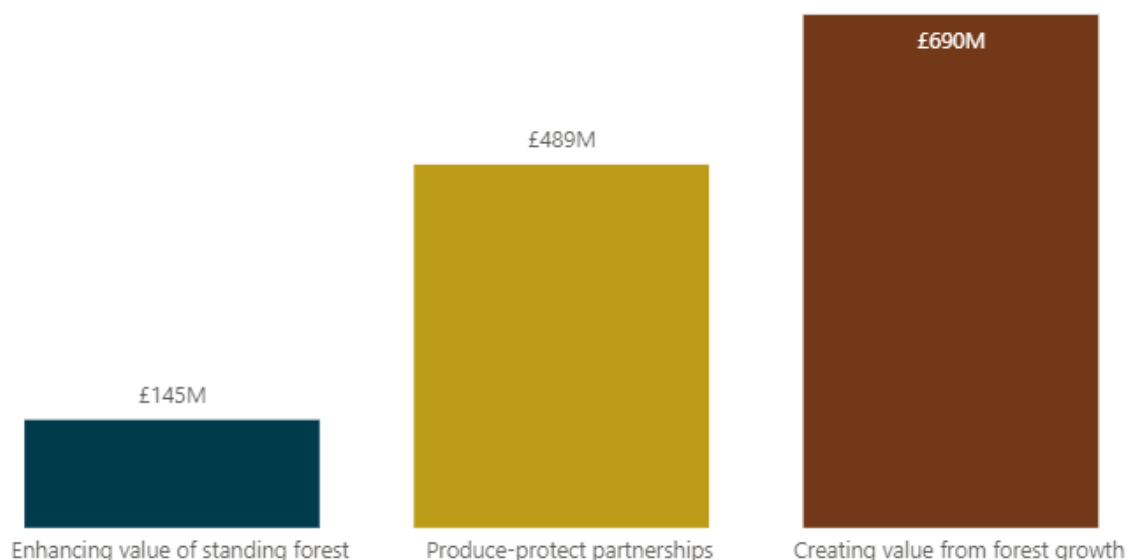


Figure 27: Investment mobilised by strategy type



We can see that the highest investment figures come from projects within the Creating value from forest growth category (£690M) followed by Produce–protect partnerships projects (£489M). If we cross reference this finding with the findings in Figure 14, we can see that the Creating value from forest growth project utilised the lowest amount of spend from P4F (18.7% or £10.3m), but yielded the highest results in terms of mobilised investment. This results in the highest mobilisation ratio – for every £1 of P4F money spent on projects creating value from forest growth, P4F mobilised £67.

We know that reforestation and restoration projects are intensive in terms of capital inputs, which may explain the need for higher investment into these projects.

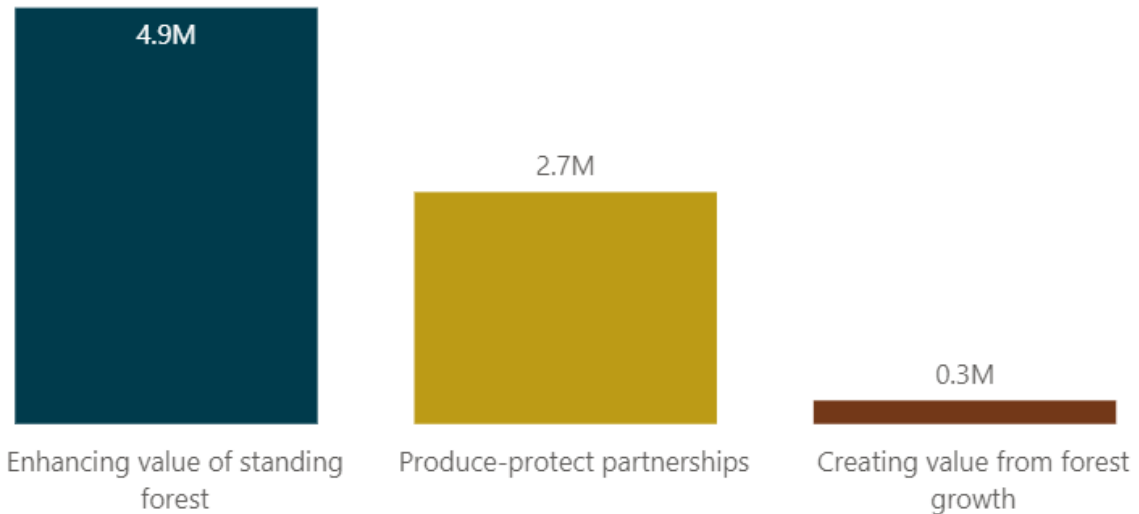


Figure 28: Land area under sustainable land-use management, by strategy type

The land areas under sustainable land-use management also varies greatly depending on the project strategy area in question. While projects in the enhancing value of standing forest category yielded the lowest figures in terms of investment, they have protected more land than the other two categories combined. Given the carbon and biodiversity value of remaining primary tropical forests, the large area in this category is of significant importance.

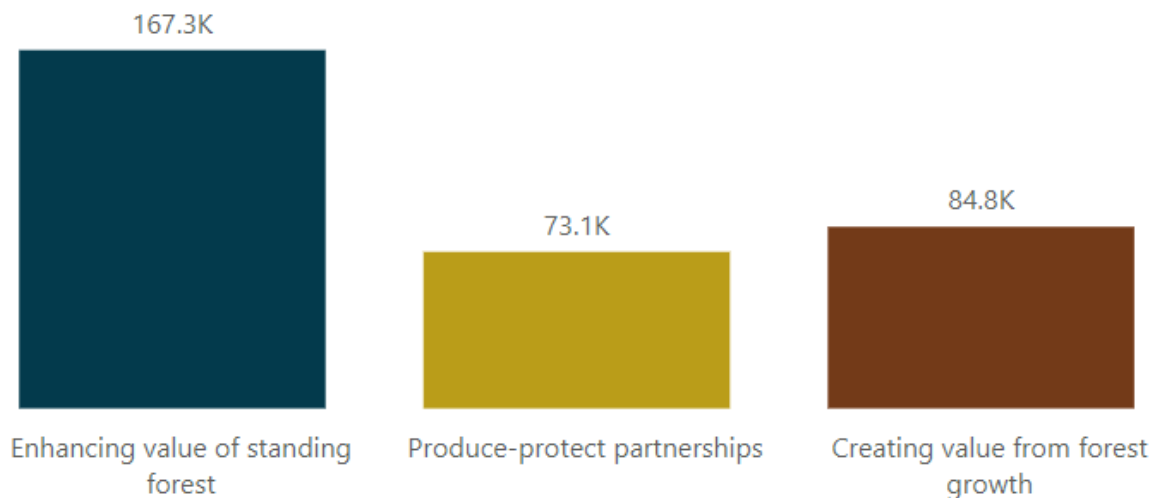


Figure 29: Beneficiaries reached by the programme

The number of beneficiaries reached by Partnerships for Forests also varies depending on the strategic area, and mapping on the Forest Transition Curve. The data shows



that the highest number of beneficiaries are those attached to projects in areas of high forest cover – those that depend on primary forest for their livelihoods, which is more than twice as many as the number of beneficiaries from projects working in produce-protect landscapes.

It is worth caveating that all of these results are strongly affected a few large projects, in each category – which is illustrated more in the following section.

The main takeaway from this analysis is the breadth of the results – how intervening across the entire forest transition curve means that outcomes across all three outcome areas can be achieved. If land-use programming decided to only focus on one strategic area, we wouldn't expect the outcome level results to be affected.

4.2. By region

Some regions have contributed more to the outcome level result than others, as shown in Figure 30, Figure 31 and Figure 32.

Figure 30 shows that South East Asia and West and Central Africa regions have both raised almost £430M in private investment. The chart also shows the number of projects that have contributed to this figure in each case. From Figure 30, we can determine that approximately 7 projects collectively achieved very high investment figures, with many other small projects achieving smaller amounts. This is broadly in line with the number of projects reaching the final stages of the P4F maturity funnel, and being ready for investment.

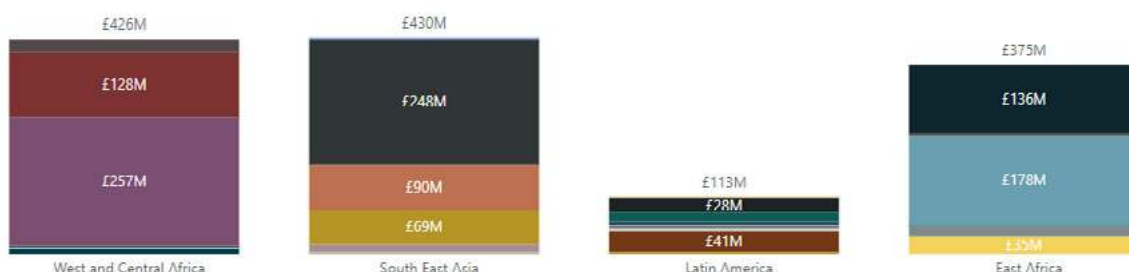


Figure 30: Investment mobilised by region, with coloured bars representing different projects.

If we look at the land area by region, Latin America has three projects with very high land area figures, meaning that in Latin America alone, P4F secured 3.6 million hectares of land. We can see that in South East Asia, we have many more projects contributing to this result, but each with lower amounts of land, all adding up to 2 million hectares.

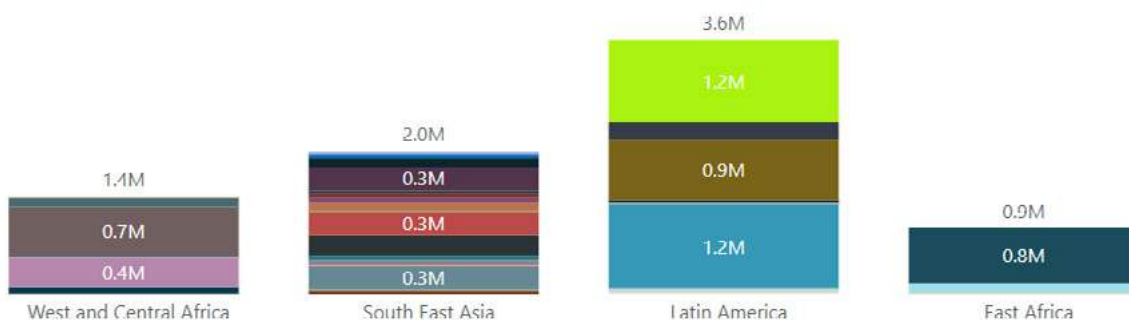


Figure 31: Land area brought under sustainable land-use management by region, with coloured bars representing different projects



Finally, looking at the spread of beneficiaries across the P4F regions, we can see that one East Africa project benefitted 140,000 people, but even without this one result, the East Africa region would be on par with West and Central Africa and South East Asia, benefitting 50,000-70,000 people each. We can also see that the Latin America portfolio has benefited a comparatively lower number of people compared the to the other P4F regions. Its important to note that smallholder farm sizes vary significantly between regions. This means that an intervention with a given project area could impact a different number of people depending on where it was implemented. Typically, in projects supported in Africa, holding sizes tended to be much smaller in comparison to smallholder farms in Latin America, for example.

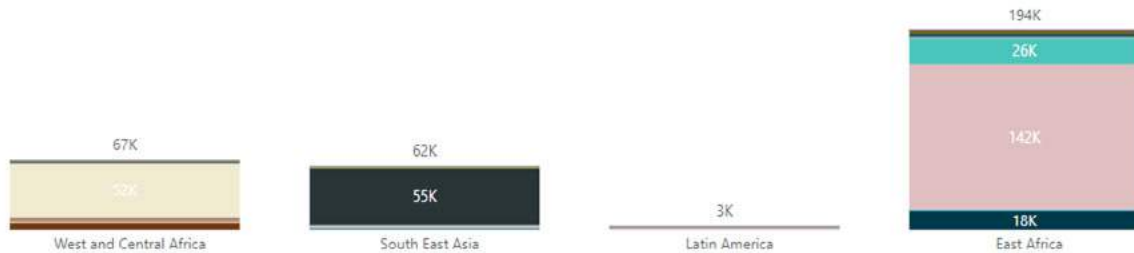


Figure 32: Beneficiaries by region, with coloured bars representing different projects

4.3. Climate

In addition to the three outcome areas highlighted above, P4F also collected data to estimate the greenhouse gas emission impact of FPs supported during the lifetime of the programme. For more information on our carbon assessment methodology, please visit the [P4F website](#).

Between 2019 and 2022, a total of 24 projects sequestered a total of 34.05 million tonnes of CO₂ equivalent (tCO₂e) from the atmosphere. Disaggregating this figure, projects with the strategy type produce-protect partnerships removed the highest amount of CO₂ from the atmosphere, 19.6 tCO₂e, which accounted for 58% of the total figure. Projects with the strategy type enhancing value from standing forests also leveraged significant results, removing 13.9 million tCO₂e which was 41% of the total reduction figure. Strategies aimed at creating value from forest growth removed the least amount of CO₂, 658,930 tCO₂e. It's important to caveat this information alongside the fact that forest growth strategies generally do not, and were not expected to, deliver any results during the lifetime of the programme and are

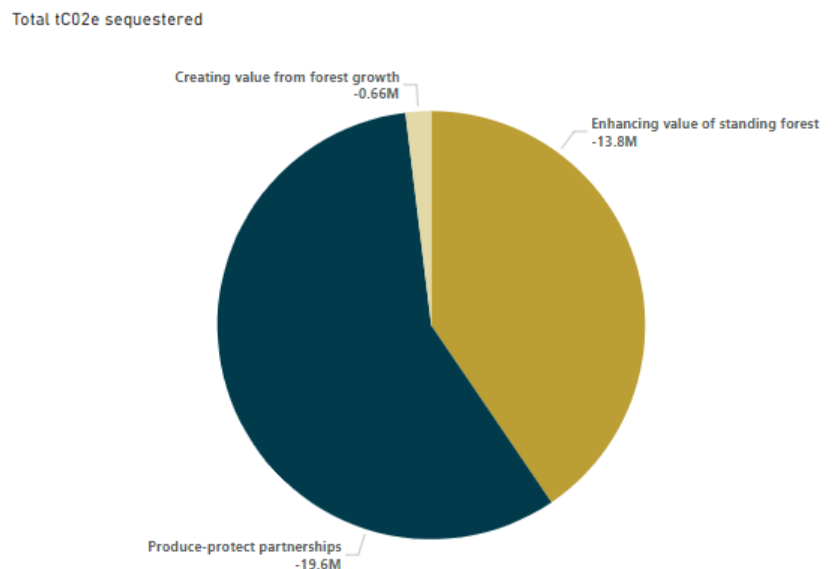


Figure 33: Total CO₂e sequestered by projects.



similarly not expected to deliver many results for the projected 20-year lifetime of the individual project. In addition, P4F have not yet developed an effective methodology for assessing projected emission reduction impact so such data has not been included in this report.

A slightly different story is told however when we consider these results alongside the total value of funds spent on implementing the grant. Enhancing value of standing forest strategies were the most cost-effective intervention types when considering tCO₂e sequestered per pound spent on implementation. For every pound spent on implementing a standing forest protection project, 0.75 tCO₂e was removed from the atmosphere. Although producing a higher cumulative total of tCO₂e sequestered, projects with producing while protecting strategies removed a smaller volume of CO₂ per pound spent at 0.59 tCO₂e. This suggests that produce-protect intervention types were a slightly less cost effective, but still contributed significantly to reducing carbon emissions. Projects that aimed to create value from forest growth were sequestered the least CO₂, with a total reduction of 0.05 tCO₂e sequestered.

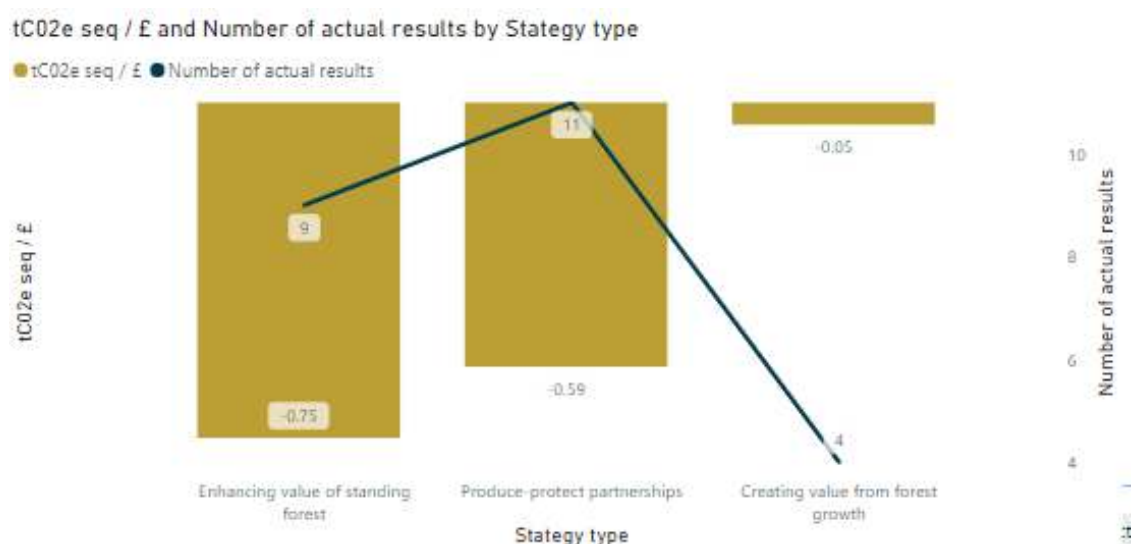


Figure 34: tCO₂e per £ spent aggregated by strategy type.

Breaking this down further, the archetypes that are the most cost-effective solutions reducing CO₂ are wild forest production, and reduced impact logging which are both archetypes with strategies targeted at adding value to standing forest. The next project archetype that generated significant CO₂ reduction results was agricultural productivity and protection, sequestering 0.6 tCO₂e for every pound spent.

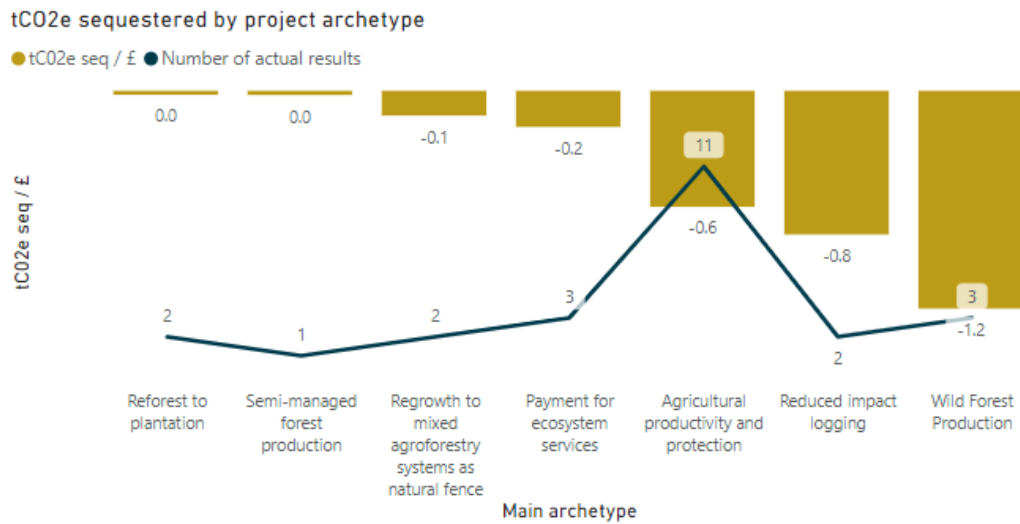


Figure 35: tCO2e sequestered per pound spent by project archetype.

Although this does provide detail into which strategies and which project archetypes were most cost effective at sequestering CO2 from the atmosphere, the number of projects that produced results was low and therefore the insights we can gather from this analysis is limited. Additionally, not all the funding spent on projects went towards CO2 reduction activities and there was a lot of variation in where money was spent on individual projects. This introduces similar issues that question the accuracy of the insights provided.

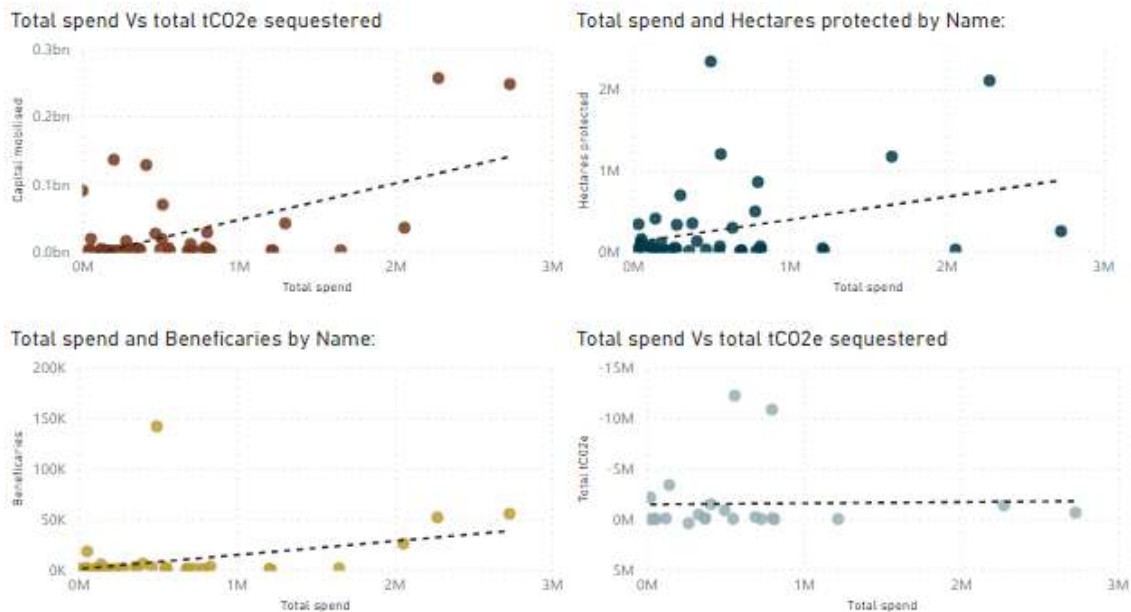


Figure 36: Capital mobilised, hectares protected, number of beneficiaries and, tCO2e sequestered against grant spend.

A similarly interesting story is told if we look at how grant spend relates to outcome and climate results. It appears that there is a weak positive correlation between both capital mobilised, and hectares protected with grant spend. Beneficiaries have a very weak correlation with grant spend and carbon has no observed correlation. This data challenges the belief that larger, more expensive projects generate most of the programme's results where instead it can be observed that the cumulative total of results generated from smaller grants, highlighting the value of projects with small ticket sizes.



5. Conclusion

In conclusion, this report extracts key learnings for the global donor and investor community interested in establishing forest and sustainable land-use incubator programmes similar to P4F.

5.1. Pipeline dynamics

The programme prioritised project selection based on regional needs, resulting in geographically diverse portfolios. For instance, Southeast Asia had a higher proportion of projects that sought to preserve standing forests, while West and Central Africa had a higher proportion of produce-protect projects.

An important takeaway is the effectiveness of P4F's screening process. P4F screened a large volume of project ideas (775) but funded a select few (150) with an approval rate for projects increasing significantly over time, reaching 100% in the final year. Most project rejections occurred early in the screening stage (97%), a result of a design process to prevent wasted resources. Projects with weak business cases or partnerships were the primary reasons for grant revocations after signing. The analysis highlights the importance of co-investment. Projects failing to secure additional funding from other sources were significantly more likely to fail overall.

5.2. Resource allocation in P4F

By examining the overall flow of grant and technical assistance implementation, the report delves into the various input categories, including human resources, travel, operations, workshops, communication, and other costs. Notably, HR emerges as the dominant expenditure category, comprising 68.1% of the total, with permanent staff and external contractors representing significant portions of this allocation. However, the analysis also underscores the diverse distribution of resources across different categories, with communication and knowledge management receiving the lowest proportional allocation of grants and TA at 2.7%.

The report also explores how resource allocation varies across different dimensions such as delivery partner type, strategic theme, commodity focus, and project stage within the P4F maturity funnel. It reveals nuanced patterns in spending, with private companies receiving the highest proportion of grant expenditure and variations observed in spending profiles across thematic areas and commodities. Additionally, the analysis highlights significant differences in resource allocation between projects that achieve outcomes versus those that do not, particularly in categories such as other costs, operations, and human resources. These findings provide valuable insights into the evolving spending priorities, shifting expenditure across the maturity funnel, and the correlation between resource allocation and project success, offering a foundation for further research and strategic planning within the P4F programme.



5.3. Impact achievement

P4F has demonstrated substantial impact across its core outcome areas: mobilising investment into sustainable business models, enhancing land under sustainable management, and reaching beneficiaries. By strategically addressing challenges along the Forest Transition Curve, P4F interventions span three key areas: enhancing the value of standing forests, production-protection partnerships, and creating value from forest growth.

Analysis of P4F's outcomes reveals noteworthy trends. Projects focused on creating value from forest growth attracted the highest investment figures, despite utilising the lowest amount of P4F funding. Additionally, while enhancing the value of standing forests saw lower investment figures, it resulted in significant land protection, a critical component in preserving primary tropical forests. Moreover, P4F's impact extends to climate action, with substantial CO2 reduction achieved across various project strategies, albeit with differing levels of cost-effectiveness.

Further examination highlights intriguing insights regarding grant spend and project outcomes. Contrary to the expectation that larger projects generate the most results, smaller grants demonstrate significant impact, underscoring the value of diverse project sizes. This nuanced understanding of resource allocation and its relationship with outcomes emphasises the complexity of achieving sustainable forest management goals and underscores the need for continued analysis and adaptive strategies in forest conservation efforts.

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