

ENGAGING THE PRIVATE SECTOR IN RESULTS-BASED LANDSCAPE PROGRAMS:

Early Lessons from the World Bank's Forests
and Landscapes Climate Finance Funds

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BioCarbon Fund
Initiative for Sustainable Forest Landscapes





INTRODUCTION

This paper captures early observations by the World Bank Forests and Landscapes Climate Finance Funds in engaging the private sector, particularly multinational companies involved in global agricultural commodity supply chains, in the context of emission reductions programs to address land use change. The World Bank Group's Forest Carbon Partnership Facility (FCPF) and the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL) have spent years working with private sector companies that produce, trade or buy commodities that play a role in driving deforestation or forest degradation. These funds have gained valuable insights into what has worked, and what more is required to further shift private sector behavior toward sustainable business models.

Emission reductions programs have evolved over the past decade, as on-the-ground efforts to reduce emissions from deforestation and forest degradation (REDD+) have produced lessons from various country experiences. When REDD+ was first introduced into the UN Framework Convention on Climate Change, the role of the private sector was viewed as minimal, but over time the link between the private sector and deforestation has become much clearer. In 2010, the Consumer Goods Forum announced a new initiative to work towards ending deforestation in four key supply chains (i.e., beef, palm oil, paper and pulp, and soy). In 2012 at the Rio+20 Earth Summit, the Forum and the United States announced a new public-private partnership, called the "Tropical Forest Alliance 2020", aimed at achieving zero net deforestation by 2020, which has since expanded to eight countries, 27 companies and 33 NGOs. In 2014, at the UN Secretary General's Summit on Climate Change, the New York Declaration on Forests and its accompanying Action Agenda prominently featured the role of the private sector. In 2015, the Lima-Paris Action Agenda highlighted how public-private partnerships can support the Paris Agreement on climate change. And in December of that year, at the UN Climate Change Conference in Paris, 17 world leaders signed a Leaders Statement on Forests and Climate Change that recognizes the important role of the private sector.

Since 2007, many countries have also embarked on a REDD+ "readiness" process, including 47 countries participating in the FCPF's Readiness Fund. Of these, 19 countries have progressed into the FCPF Carbon Fund pipeline and are designing emission reductions programs. Three more countries have entered into the ISFL's pipeline and are developing programs to reduce emissions from the land use sector. These and other forest countries are increasingly aware of the need to engage the private sector and, to varying degrees, have made efforts to integrate the private sector into their programs.

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Timeline

2007

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2010

Consumer Goods Forum announced a new initiative to work towards ending deforestation in four key supply chains (i.e., beef, palm oil, paper and pulp, and soy).

2012

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2014

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2015

Lima-Paris Action Agenda highlighted how public-private partnerships can support the Paris Agreement on climate change. And in December of that year, at the UN Climate Change Conference in Paris, 17 world leaders signed a Leaders Statement on Forests and Climate Change that recognizes the important role of the private sector.



It is a relatively new approach to explicitly develop emission reductions programs with private sector involvement to address deforestation through a dialogue between donor governments, forest countries and the private sector. Relationship building can take time; governments need to better understand the role and implementation capacity of the private sector, and the private sector needs to understand the benefits of a government-led REDD+ and/or emission reductions program. Such partnerships, however, offer promising opportunities to use available climate-related finance to leverage much larger private investments that can support the objectives of the World Bank Forests and Landscapes Climate Finance Funds.

While private sector engagement has many challenges to overcome, as summarized in Section 2, many new cooperative relationships are being developed as part of the World Bank Forests and Landscapes Climate Finance Fund programs. Section 3 summarizes these emerging opportunities and ways in which the Forests and Landscapes Climate Finance Funds are overcoming some of the barriers to public-private cooperation. Gaps that remain are highlighted in Section 4. The overall message is that private sector engagement requires long-term commitments and unique strategies to meet the needs of each country.



Private Sector Engagement: **KEY CHALLENGES**

This section describes some of the key challenges the World Bank Forests and Landscapes Climate Finance Funds have encountered in their efforts to bolster private sector engagement in country programs.

SUFFICIENT DEMAND. In many instances, the market for sustainable deforestation-free products is not strong enough to provide sufficient incentives to change practices. Models relying on premiums can work to initially enhance demand for certain commodities, typically for those differentiated by quality like coffee and cocoa. However, premiums do not necessarily provide long-term market support to producers, as production has often outstripped demand. Further, a focus on premiums may mask the more important incentives to producers, such as improvements in productivity, quality, land management, and ultimately livelihoods. Market demand for deforestation-free commodities that are more difficult to differentiate by quality, such as palm oil and soy, rely on offtake and sourcing agreements and may provide a model for longer-term market support for deforestation-free products.

While there have been a growing number¹ of company commitments to sustainably source some or all of their commodities, it is often the case that operational units in countries, when approached, are not aware of pledges made at the international level by their CEO or company. Therefore, there is a clear gap between the rhetoric in New York and London around global private sector commitments to zero-deforestation, and the reality on the ground, especially in Africa and Latin America. In some cases, key performance indicators for companies have not moved much beyond profitability first, then quality and price, then risk-management, which may include social and environmental sustainability factors.

Changing behavior requires altering the core business operations of global buyers.

INFLUENCING COMPANIES' CORE BUSINESS. Changing behavior requires altering the core business operations of global buyers. Historically, public-private partnerships, particularly in the land-use sector, have formed around well-defined *projects*, often related to corporate social responsibility, rather than around cooperation on government policy or programs that affect companies' core operations (e.g., procurement practices, supply chain management, investment decisions, land management, agricultural practices). Companies are less comfortable integrating such activities with government processes or official development assistance programs. Some companies attempt to minimize engagement with government and focus on their own operations. However, national REDD+ and emission reductions program strategies are being developed at national or jurisdictional scales, covering a multi-use landscape, and integrating multiple efforts including policy reforms,

¹ Forest Trends' Supply Change project cites 579 public commitments from companies around the world who have pledged to remove forest destruction from their agricultural commodity supply chains (palm oil, wood products, soy, and cattle).

World Bank Group and Nespresso Partner to Bolster Sustainable Coffee in Ethiopia



In 2016, the ISFL, along with the World Bank Group's International Finance Corporation (IFC), the international coffee company, Nespresso and the non-profit, TechnoServe launched a landmark collaboration project to support coffee farmers in Ethiopia to combat the effects of climate change.



The ISFL awarded a \$3 million grant through the IFC to the Nespresso Sustainability Innovation Fund to provide farmers in Ethiopia's Oromia region (an area the size of Italy) with intensive, field-based agronomy and business training to advance sustainable coffee production. IFC also provided a \$3 million loan to Nespresso to expand training for farmers on sustainability standards and increase shade tree planting within coffee farms.



The aim of this collaboration is to support climate smart coffee production and help to increase the productivity of high-quality coffee production in Oromia. The project will contribute to the ISFL's Oromia Forested Landscape Program, which aims to reduce greenhouse gas emissions and improve sustainable forest management in the region. This is the first private sector collaboration for the ISFL, which is pioneering projects that bring countries and companies together to adopt new ways of working that benefit both people and the environment.

<p>1</p> <p>Local producers and companies are crucial to success.</p> <p>Influencing this part of the supply chain is crucial to a successful shift in behavior, and relies on the right mix of incentives to farmers and farmer associations.</p>	<p>2</p> <p>Creating a level playing field.</p> <p>Many companies are willing to change practices, but only if there is a level playing field and others are held to the same standard.</p>	<p>3</p> <p>Providing predictability.</p> <p>Unpredictable environments discourage long-term investments and decisions, many of which are needed to turn unsustainable practices into sustainable ones.</p>
<p>4</p> <p>Mismatches between governments and the private sector.</p> <p>Public and private institutions often work differently, and there is a lack of pre-defined space for dialogue between the two.</p>	<p>5</p> <p>Lack of capacity.</p> <p>Building such capacity, especially where production is driven by thousands of smallholder farmers, requires patience and a commitment to long-term technical assistance.</p>	<p>6</p> <p>Available finance.</p> <p>The scale of private sector profitability in commodity industries that drive deforestation is significantly larger than funds offered by the World Bank Forests and Landscapes Climate Finance Funds.</p>

Key Challenges

safeguards, land-use planning and monitoring. Countries need to find the right model to partner with and shift private sector behavior, including enabling regulations and policies that create the right incentives.

LOCAL PRODUCERS AND COMPANIES ARE CRUCIAL TO SUCCESS. Most local businesses are not directly linked to international markets and have not been placed under the same pressure as global brands and multinational supply chain companies. Influencing this part of the supply chain is crucial to a successful shift in behavior, and relies on the right mix of incentives to farmers and farmer associations (e.g., market demand, access to finance) and tools (e.g., training).

CREATING A LEVEL PLAYING FIELD. Many companies are willing to change practices, but only if there is a level playing field and others are held to the same standard. Governments can be reluctant to adopt regulatory systems, or even best-practice policies, out of fear that global buyers will move and invest in other countries. There is also the problem of various, and sometimes competing standards for sustainable production that can be confusing for businesses to navigate. Enforcement of existing policies remains a critical gap in many countries, as is lack of traceability in supply chains, which are both essential to leveling the playing field.

PROVIDING PREDICTABILITY. Unpredictable environments discourage long-term investments and decisions, many of which are needed to turn unsustainable practices into sustainable ones. For example, declining productivity often requires replanting, which provides long-term gains but comes at a short-term cost. Similarly, the private sector finds governments, and their often lengthy and burdensome processes for decision making, unpredictable.

MISMATCHES BETWEEN GOVERNMENTS AND THE PRIVATE

SECTOR. Government agencies leading emission reductions programs often do not have experience or relationships with key counterparts in the private sector. Public and private institutions often work differently, and there is a lack of pre-defined space for dialogue between the two. **Therefore, communication is the first barrier, but beyond this, there are additional incongruities, summarized in the bullets below.**

- **Operating on different time scales.** Governments tend to move more slowly and deliberately, while the private sector can be more agile, not only making decisions more quickly but also sticking to time tables. The private sector can find it hard to align with governments and timelines (both length and lack of discipline) through which official development assistance is disbursed.
- **Mistrust.** In some instances, governments can be skeptical of the private sector in general, and large, multinational companies in particular. Beyond logging, traditional foresters often do not understand the role of the private sector, and may feel in competition with companies to provide benefits to communities. Governments also fear losing control over a sector. At the same time, local companies may be hesitant to engage with the government based on previous experience.
- **Silos.** Government engagement with REDD+ and landscape programs may be limited to ministries of environment, and not include other ministries (such as Finance or Agriculture), which may be more comfortable engaging with the broader private sector involved in the land use sector.
- **Differing interests and responsibilities.** Governments need to be responsive to their constituents, and consider the interests of potentially affected communities that are often split on how they wish to manage forests, as well as the broader landscape. This can require lengthy stakeholder dialogues, which can be seen by the private sector to be increasing risk. In contrast, the private sector needs to be responsive to its Board or shareholders, whose main goal is often profitability and security of supply.

LACK OF CAPACITY. Changing practices require improving human capacity. Many countries suffer from a range of capacity shortfalls that result in, for example, low productivity or resistance to changing practices that have been in place for generations. Building such capacity, especially where production is driven by thousands of smallholder farmers, requires patience and a commitment to long-term technical assistance.

AVAILABLE FINANCE. The scale of private sector profitability in commodity industries that drive deforestation is significantly larger than funds offered by the World Bank Forests and Landscapes Climate Finance Funds. For example, cocoa in Ghana is a \$2 billion industry and Ethiopian coffee exports are around \$900 million per year. Companies need to be convinced that participating in an emission reductions program is in their interest. They also need to be sure that the funds available will leverage other funds, policies, or more sustainable supply of a particular product that will benefit them in the long run.

Government agencies leading emission reductions programs often do not have experience or relationships with key counterparts in the private sector.



Private Sector Engagement: **EMERGING OPPORTUNITIES**

Despite the challenges summarized above, a number of opportunities for partnering with the private sector are emerging (see Table 1). International consumer companies, as well as global traders and producers, are coming under pressure to improve their sustainability. They also increasingly recognize that guaranteed supply depends on improving productivity, which in many countries is low or declining due to poor environmental stewardship or aging plantations. At the same time, multinational companies compete with smaller, often local, companies that do not face the same pressure, and therefore are increasingly interested in working with government and NGOs to “raise the bottom” and create a level playing field.

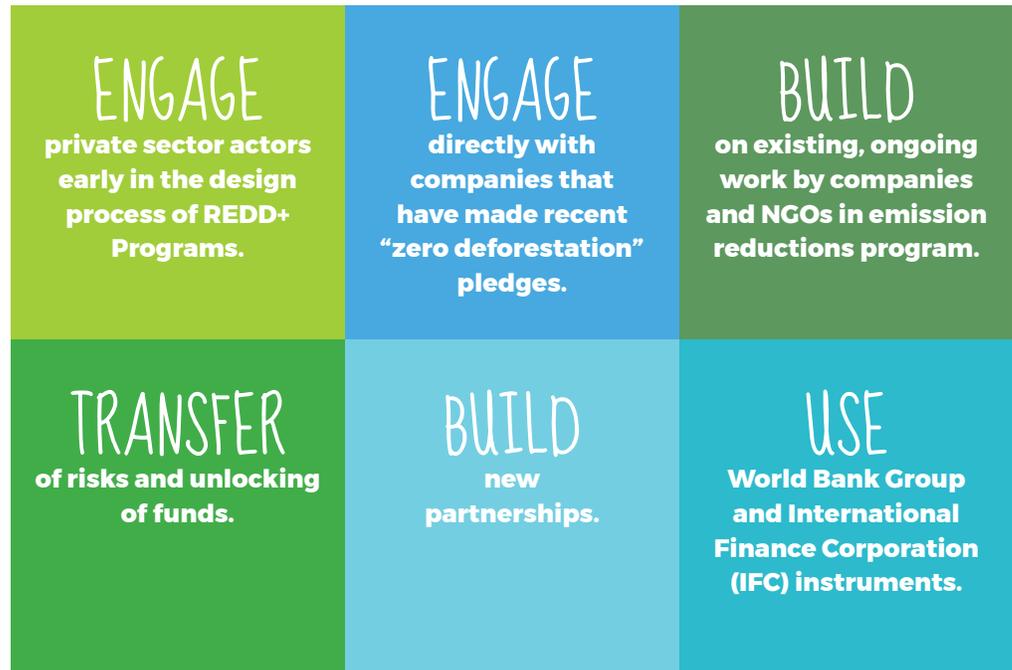
Other areas in which the private sector sees benefits to participating in an emission reductions program include when the program:

- Provides access to farmers and increases loyalty;
- Helps to cover upfront costs of improving productivity and increasing farm resilience, for example by providing technical assistance and support for farm extension programs, securing farmer income via insurance schemes, and improving techniques and inputs through research and development;
- Shares risks, for example by helping to underwrite or provide loans to farmers – many of whom lack collateral and are high risk – to purchase inputs, such as fertilizer;
- Provides positive reputational benefits;
- Includes the private sector in payments for results achieved by adopting more sustainable practices;
- Advances national policy issues that are in their interest, such as: improved institutional collaboration and coordination (e.g., government service delivery); improved governance; increased community participation; and policy reforms (e.g., greater clarity on issues of land and tree tenure).

Starting a conversation early in the design phase helps to build trust between the government and private sector, raise ambition to go beyond already adopted practices, and overcome some of the inherent mismatches

The World Bank Forests and Landscapes Climate Finance Funds are taking advantage of such opportunities and engaging the private sector in various ways, and through different entry points, as summarized below.

Key Opportunities



Encouraging Forests and Landscapes Climate Finance Fund countries to engage private sector actors early in the design process of REDD+ Readiness Preparation Proposals and Emission Reductions Programs.

Starting a conversation early in the design phase helps to build trust between the government and private sector, raise ambition to go beyond already adopted practices, and overcome some of the inherent mismatches described in Section 2. For example, Ghana’s Forestry Commission has been working together with the Cocoa Board from the start of its REDD+ readiness process, and together are designing an emission reductions program (Ghana’s “Cocoa Forest Mosaic Landscape” program). Similarly, Cote d’Ivoire’s Emission Reductions Program Idea Note and Republic of Congo’s draft Emission Reductions Program Document (both submitted to the FCPF’s Carbon Fund) suggest that the private sector will play a critical role in designing and implementing future emission reductions programs.

Engaging directly with companies that have made recent “zero deforestation” pledges. In an effort to bridge the gap between high-level corporate pledges and operations on the ground, the Bank is reaching out to companies, encouraging sustainability units to work more closely with operations in Forests and Landscapes Climate Finance Fund countries. The aim is to find ways that their operations might collaborate with emerging emission reductions programs.

Building on existing, ongoing work by companies and NGOs in emission reductions program areas. Rather than starting from scratch, the World Bank Forests and Landscapes Climate Finance Funds are finding ways to support and expand existing work by champions of sustainable agriculture, and build on existing capacity and knowledge (see Table 1).

World Bank Launches Deforestation-Free Cocoa Report



In May 2017, the World Bank Group, together with the World Cocoa Foundation and Climate Focus, released a report (funded by the ISFL) that presents a first set of principles for achieving sustainable, deforestation-free cocoa production. The study, *Eliminating Deforestation from the Cocoa Supply Chain*, applies the New York Declaration on Forests assessment framework to the cocoa sector, and analyzes current sustainability projects, standards and best practices to build the business case for moving toward deforestation-free cocoa production models.

The report highlights that 63% of cocoa producers have already made deforestation-related commitments. This is being done to address declining productivity, environmental degradation and forest encroachment, and strategic and operational concerns about the security of long-term cocoa supply. A growing demand in the EU and the United States for sustainably-produced goods is also creating incentives for cocoa companies to make deforestation-free commitments.

The findings, principles and strategies set out in the report will feed into the Cocoa and Forests Initiative through the World Bank Group's ongoing partnership with the World Cocoa Foundation and the IDH Sustainable Trade Initiative. Throughout 2017, the FCPF and ISFL will contribute to the initiative, which will support 12 leading cocoa producers to develop a global public-private framework of action to address deforestation. This framework will be presented at the United Nations Climate Change Conference in Bonn, Germany in November, 2017.

Transfer of risks and unlocking of funds. Farmer productivity in ISFL-selected countries is a fraction of that in developed countries. Farming operations are usually labor intensive and capital poor. Hence, farmer income and food production can be improved without the need to deforest new areas. This can be achieved by improving farmers' access to knowledge and better inputs. These in turn require capital and finance at reasonable rates, but financial institutions often view farming as a risky enterprise. The ISFL program is considering options through public-private partnerships to help reduce farmer risk and unlock finance to improve productivity.

Building new partnerships. An effective way to foster action is by bringing together leaders from the public and private sector to discuss, identify and work together to overcome challenges that impact the sustainable production of commodities. Experience has shown that it is often most efficient to convene private sector and NGO partners according to commodity and geographic location, and that economies of scale can be found in industries pursuing joint action, particularly in monitoring. In December 2016, the ISFL hosted a workshop which explored the possibility of establishing joint industry mechanisms for conservation across Latin America. Participants to this discussion included: Archer Daniels Midland, Bunge, Louis Dreyfus Commodities, Carrefour Brazil, and McDonalds, as well as The Forest Trust, National Wildlife Federation, Union of Concerned Scientists, The Nature Conservancy and Rainforest Alliance.

It has also been highly beneficial for partnerships to build on existing platforms. For example, the Forests and Landscapes Climate Finance Funds are building on the Tropical Forest Alliance 2020's Africa Palm Oil Initiative, which is seeking to transition the palm oil sector in West Africa to a sustainable driver of long-term, low-carbon development in the region. Cote d'Ivoire and Ghana are participating countries in this initiative and intend to integrate new principles for sustainable production into their REDD+ and emission reductions programs.

Using available World Bank Group instruments, including those at the International Finance Corporation (IFC). The IFC has long-standing experience and proven success in partnering with the private sector. They have helped countries produce higher value-added products, increase productivity and production capacity, expand outgrower markets and provide jobs for rural communities. For example, the ISFL is currently partnering with IFC to consider projects in all of its program countries. For example, in Ethiopia, IFC and Nespresso, in partnership with ISFL, are helping coffee farmers get technical assistance to improve agricultural practices and boost productivity and quality in a sustainable, climate-smart way (see page 5). Additional partnerships with the IFC are being explored in a number of other Forests and Landscapes Climate Finance Fund countries.

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Table 1: Progress On Private Sector Engagement in Countries Participating in the World Bank Forests and Landscapes Climate Finance Funds.

BURKINA FASO:

Shea Butter

The government is working with a consortium of local and international companies on a public-private partnership agreement to collaborate on deforestation-free shea butter.

CAMEROON

Early discussions are underway to expand the IFC/Cargill program focused on training cocoa farmers. Also, several private sector companies with business in the country's emission reductions program area have agreed to actively participate in program development and indicated interest in potential partnerships around specific commodities.

COTE D'IVOIRE:

Cocoa

Mondelēz and its suppliers (Cargill, Cemoi) have expressed their commitment to participate in Cote d'Ivoire's emission reductions program. The program will build on Mondelēz's Cocoa Life Program in Cote d'Ivoire. The government is exploring with Mondelēz how to implement zero-deforestation agriculture, including a monitoring and verification system.

GHANA:

Cocoa

The government's Forestry Commission and National Cocoa Board are in partnership, exploring opportunities with companies (e.g., OLAM, Mondelēz, Touton), to jointly promote climate-smart cocoa practices, agroforestry, and community-based approaches to increase cocoa productivity and meet evolving global industry demand for sustainable cocoa supply chains. The FCPF-supported program is leveraging national fora such as the Ghana Cocoa Platform (led by the Cocoa Board) and the Climate-Smart Cocoa Working Group to further private sector engagement. There is active dialogue between partners and the World Cocoa Foundation to foster deforestation-free, climate-smart cocoa. Ghana's emission reductions program will build on, and benefit from, private sector activities funded by the Forest Investment Program, including climate-smart cocoa and commercial plantation development in partnership with the IFC.

REPUBLIC OF CONGO:

Cocoa

CIB-OLAM has been a partner (including providing funding) in the development of the country's Emission Reductions Program Idea Note to the FCPF Carbon Fund. CIB-OLAM has partnered with the Ministry of Agriculture and Ministry of Forestry Economy and Sustainable Development to rehabilitate the cocoa market by harnessing OLAM's strategic market position in the global cocoa sector. Activities include the intensification of shade-grown cocoa production in degraded forests to avoid slash-and-burn practices in the primary forest. BioCF-ISFL

COLOMBIA:

Palm, Milk, Cattle, and Forestry, Agroforestry

Colombia will be receiving technical assistance to assess opportunities for private financing of climate-smart investments. In addition, the ISFL is exploring together with IFC possible investment and advisory engagements with companies operating or planning to start businesses in the program area, and are developing deforestation-free supply chains. At this stage, four sectors for engagement include: palm oil, cattle ranching (meat and dairy), and forestry, agroforestry (including REDD+, commercial reforestation, agroforestry systems) A large, high-level public-private dialogue took place in September 2016 to discuss best entry points for sustainable supply chains and low-carbon development in the ISFL program area (Orinoquia region). Specific supply chain dialogues in coordination with the national producer associations (FEDEPALMA, FEDEGAN, FEDEMADERAS) involving private sector companies, national and regional public sector, as well as academia and CSOs will take place in June and July 2017.

ETHIOPIA:

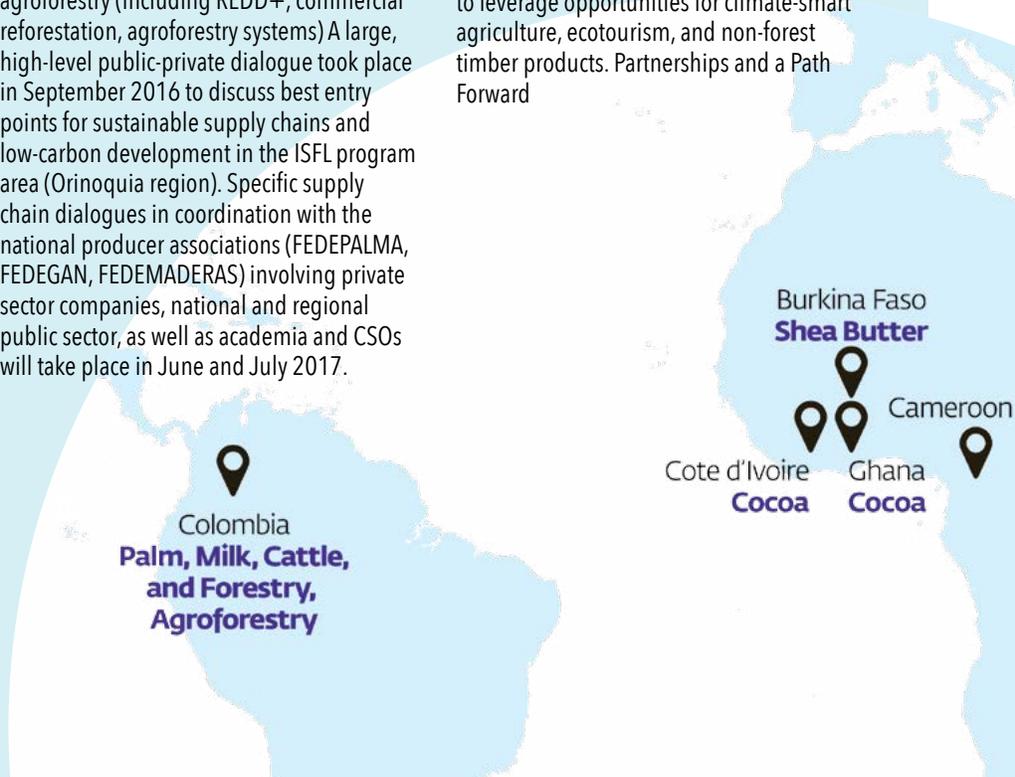
Coffee

Ethiopia and its partners are supporting the development of a climate-neutral coffee value chain as part of the Oromia Forested Landscape Program. The ISFL has partnered with IFC and Nespresso to help coffee farmers in Oromia adopt improved management and agronomic techniques, which will contribute to reduced carbon emissions. The project will reach 40,000 coffee farmers and 200 wet mills (see page 5).

ZAMBIA:

Cotton and Other Agricultural Products

Discussions have been initiated with several cotton companies to create a collective partnership to produce zero-deforestation cotton as part of COMPACI certification. The Bank's BioCarbon Fund sponsored a technical study of the cotton sector to understanding how zero-deforestation cotton schemes can be attained including the types of operational activities and corporate policies that would need to be supported. This study is complete and is now serving as a basis for engaging cotton companies, and other agribusiness. In addition, several partnerships are being discussed with other private sector entities to leverage opportunities for climate-smart agriculture, ecotourism, and non-forest timber products. Partnerships and a Path Forward



4

PARTNERSHIPS AND A PATH FORWARD

The New York Declaration on Forests aims to halve the rate of natural forest loss by 2020, and strives to end natural forest loss by 2030. Since it was launched in 2014, the declaration has been endorsed by 36 national governments, 20 subnational governments, 53 companies, and 70 indigenous peoples and civil society organizations. The World Bank Group also stands behind the declaration, and will partner with signatories, forming coalitions and taking advantage of each organization's comparative strength, to carry out the collective commitments of the declaration.

The ambitious goals of the New York Declaration on Forests will only be met if all parties find ways to align and scale up their efforts. While emerging partnerships are forming with the private sector in a number of World Bank Forests and Landscapes Climate Finance Fund countries, a number of gaps remain that can only be overcome if each actor does its part.

- Companies must be held accountable for their pledges and translate such commitments into action. Some companies are not always working with sufficient urgency to meet their 2020 goals. Some are working to close this gap, but there remains a notable distance between pledges and operations on the ground.
- Demand for sustainable products must come from consumer countries, firstly from developed countries, but emerging economy and developing country markets are growing at faster rates and are increasingly important to "tipping the market".
- Efforts to raise the bar across an entire region or country are helpful to increase company engagement in "greening" commodities. Initiatives such as the Tropical Forest Alliance 2020's Africa Palm Oil Initiative should be supported both financially, technically and diplomatically.
- Some countries still lack high-level champions. Donor governments can play a more active role by engaging high-level officials prior to committing funding, and by using diplomatic channels to send consistent messages of the importance of emission reductions programs and private sector engagement. Companies can also be encouraged to take a more active role in creating agreed frameworks in countries that clarify responsibilities and collective actions among multiple actors.
- Supportive policies need to be enacted in many countries, but a lack of resources and political will prevents them from being implemented. Support for enforcement should be scaled up.



Changing the status quo — which in most countries is a lack of cooperation between the government and the private sector — requires “early movers” willing to take risks. This includes parties at all levels, including donors and forest country governments, multilateral agencies and implementing partners, companies and farmers. It also requires several key players with access and the ability to broker public-private partnerships and drive a process of operational alignment. In many instances, this requires high-level interest and buy-in from both government and companies.

Transformation will not come quickly, particularly where change requires collective action among actors with different interests, and behavioral shifts among multiple actors, from large companies to smallholder farmers. However, emerging partnerships and increasing cooperation between governments and the private sector provides a hopeful sign for the future of emission reductions programs.

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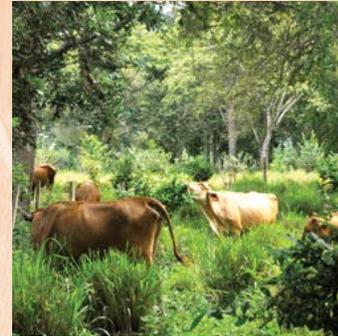
Bringing Together Commodity Sourcing and Forest Protection: The Commodities- Jurisdictions Approach



In 2016, the World Bank Group joined an international group of experts from companies, NGOs and governments to develop a new approach to sourcing sustainably-produced commodities. The project aims to provide companies with simple and efficient options to source their ingredients and products from producers who can verify adherence to comprehensive climate, environmental and social standards.



To achieve this, national and subnational-scale (“jurisdictional”) programs are assessed by independent experts for consistency with a series of criteria established by sourcing companies. Rather than creating a new standard or certification, this approach aims to help companies distill and operationalize critical elements from existing standards and global guidelines. The goal is to expand incentives for international supply chains that are supportive of forest conservation. By following this approach, countries can protect their valuable national forests and reduce emissions, and companies can ensure integrity in their supply chains.



Participants in the working group for this initiative include experts from organizations including: Cargill, Climate Community & Biodiversity Alliance, Colombia, Conservation International, Consumer Goods Forum, Earth Innovation Institute, Forest Carbon Partnership Facility, IDH Sustainable Trade, Indonesia, International Finance Corporation, Germany, Liberia, Marks & Spencer, McDonalds, Meridian Institute, Mondelēz, Norway, Olam, Peru, Proforest, The Prince’s Charities International Sustainability Unit, Tropical Forest Alliance 2020, Unilever, United Kingdom, United Nations Environment Programme, United States, Verified Carbon Standard, and World Wildlife Fund.

ACKNOWLEDGMENTS:

We would like to thank the following colleagues who have served as reviewers for this report:

Ahmad Slaibi, Bruce Wise, Christopher Brett, Daan Wensing, Dora N. Cudjoe, Elizabeth Price, Glenn Hurowitz.

PHOTO CREDITS:

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