



# THE STATE OF JURISDICTIONAL SUSTAINABILITY: SYNTHESIS FOR PRACTITIONERS AND POLICYMAKERS



## SUPPORTED BY:



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## KEY MESSAGES

- The 39 subnational jurisdictions in 12 countries studied encompass 28% of the world's tropical forests and vary widely in both their deforestation rates and the amount of their forest that is remaining.
- Nearly all (38 of 39) jurisdictions have signed formal, international scale commitments to slow deforestation and/or accelerate reforestation or forest recovery.
- Many are financing and implementing innovative policies and programs, prioritizing indigenous peoples,
- local communities, and smallholder farmers as key beneficiaries of these interventions.
- Deforestation has declined in half (19 of 39) of the jurisdictions below official projected subnational forest reference levels.
- These declines in deforestation represent approximately 6.8 GtCO<sub>2</sub>e of avoided carbon emissions,<sup>1</sup> attributable to both subnational and national policy interventions and private-sector actions.

## INTRODUCTION

Tropical forests are the main source of livelihoods, water and fuel for more than 1 billion people living in tropical regions.<sup>2</sup> They play an important role in global hydrological cycles, including cooling the atmosphere. Deforestation, forest degradation and peatland emissions are also currently the source of an estimated 15% of global GHG emissions to the atmosphere.<sup>3</sup> Critically, in efforts to reduce global emissions, absorption of carbon by tropical forests could offset a significant proportion of the fossil fuel carbon projected to be released between now and 2050.<sup>4</sup> By stabilizing and reducing the concentration of CO<sub>2</sub> in the atmosphere in the short term, reducing emissions from tropical forests creates a bridge to a fossil fuel-free world, which is likely to take far longer to achieve.

Some of the world's wealthiest nations have made it a priority to help stem deforestation and other high-emission land cover/use changes in the Tropics. Collectively, Norway, Germany and the UK have contributed US\$2.9 billion toward slowing tropical deforestation and degradation in our study jurisdictions, since 2008. Multilateral donors have also committed an additional US\$1.4 billion (see *Section 4*). A key question for these funders, as well as for the inhabitants of these regions and for society at large, is whether their efforts have contributed to a decline in emissions from tropical forests and an increase in well-being in the region.

Jurisdictional approaches to sustainable, low-emission development hold tremendous potential for advancing holistic, durable solutions to the intertwined issues of tropical deforestation, rural livelihoods, and food security.<sup>5</sup> With many

jurisdictional “experiments” underway around the world, the time is ripe for a systematic assessment. This report provides an overall synthesis of jurisdictional sustainability across the Tropics based on research in 39 subnational jurisdictions where there are intentions in place towards implementing a low-emission development agenda (Fig. 1).

More specifically, we assess progress on core elements of jurisdictional sustainability, including innovative policies and incentives, clear performance targets, transparent and accessible monitoring systems, inclusive multi-stakeholder governance platforms, sustainable agricultural initiatives, and recognition and respect for local rights, among others. The assessment also includes an in-depth analysis of deforestation and emissions (including drivers and agents of deforestation and forest degradation) and examines the potential implications of low-emission rural development (LED-R) strategies for future emission reductions. It also explores barriers to and opportunities for fostering jurisdictional sustainability. We examine the following questions:

- 1. Has deforestation decreased in the study jurisdictions?**
- 2. What commitments have jurisdictions made toward reducing deforestation and/or emissions, and other socio-economic and environmental targets?**
- 3. What progress have jurisdictions made in advancing LED-R?**
- 4. What external support and/or recognition have jurisdictions received?**
- 5. How can jurisdictions continue to advance LED-R going forward?**

1 This calculation is for gross avoided carbon emissions, only considering offsets. The net avoided emissions – emissions reductions minus increases in emissions – equals 6.39 GtCO<sub>2</sub>e.

2 Seymour, F. and J. Busch. 2016. Why Forests? Why Now? The Science, Economics, and Politics of Tropical Forests and Climate Change. Center for Global Development.

3 Van der Werf, et al. 2009. “CO<sub>2</sub> emissions from forest loss.” Nature Geoscience.

4 Griscom, B.W. et al. 2017. “Natural climate solutions.” PNAS 114(44): 11645–11650.

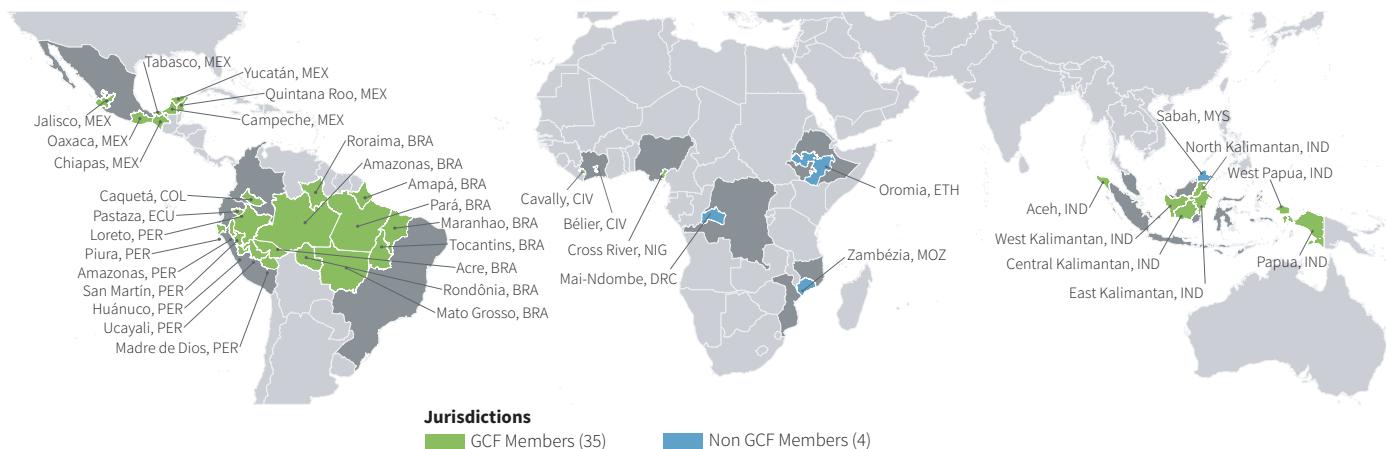
5 D. Nepstad, et al. 2013. “More Food, More Forest, Few Emissions, Better Livelihoods: Linking REDD+, Sustainable Supply Chains and Domestic Policy in Brazil, Indonesia and Colombia.” Carbon Management 4 (6): 639–58; W. Boyd, et al. 2018. “Jurisdictional Approaches to REDD+ and Low Emissions Development: Progress and Prospects.” Working Paper. Washington, DC: World Resources Institute. Available online at [wri.org/ending-tropicaldeforestation](http://wri.org/ending-tropicaldeforestation).

## BOX 1. KEY CONCEPTS

**Jurisdictional sustainability:** the successful transition to sustainable development—encompassing social, environmental and economic dimensions—across an entire political geography, such as a state, province, county, district or nation. Success is measured “wall-to-wall” across the entire jurisdiction and therefore encompasses the full range of activities, production systems, ecosystems and actors.

**Jurisdictional approach:** a type of integrated landscape management, with an important distinguishing feature: the landscape is defined by policy-relevant boundaries and the underlying strategy is designed to achieve a high level of governmental involvement.

**Low-emission rural development (LED-R):** a jurisdictional approach to sustainability, in which climate stability is an explicit goal, there is a focus on rural populations, and both environmental and development concerns are integrated at the scale of the entire jurisdiction.

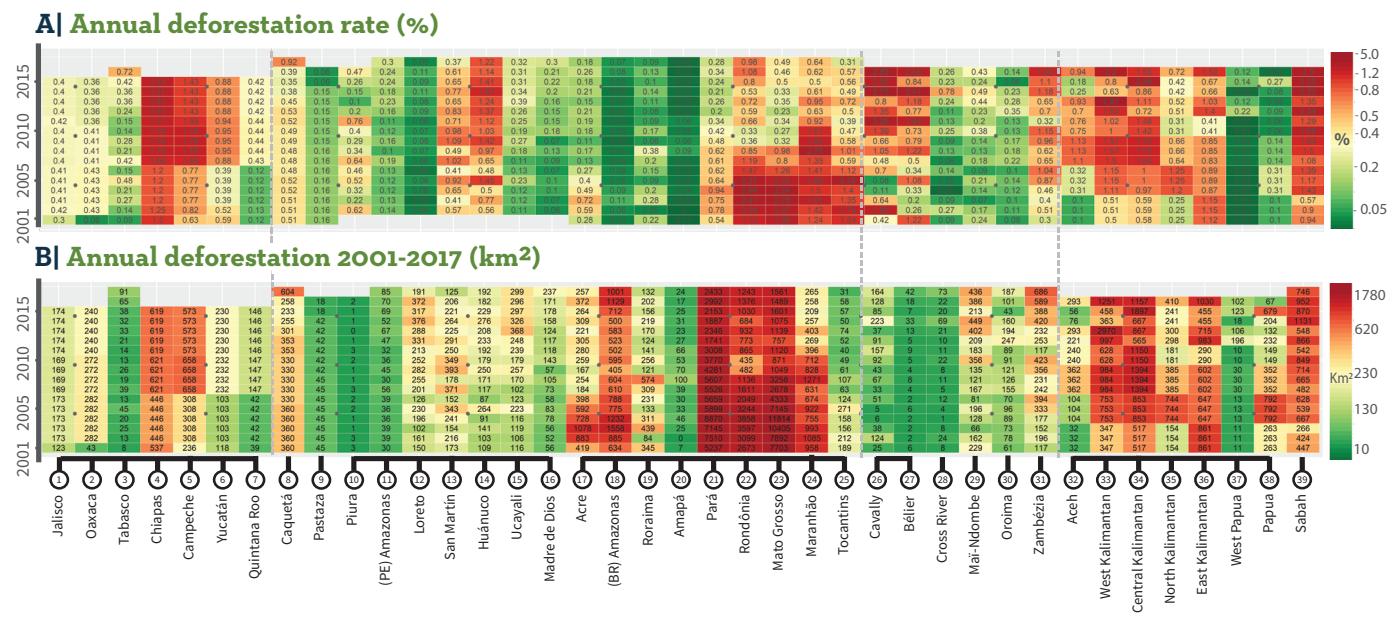


**Figure 1:** This study focuses on 39<sup>6</sup> primarily first-level subnational political and administrative divisions (e.g., provinces, states) in 12 tropical countries that are developing low-emission rural development (LED-R) strategies. 35 of the surveyed jurisdictions are members of the Governors' Climate & Forests (GCF) Task Force,<sup>7</sup> a collaboration of 38 states and provinces working to promote jurisdictional approaches to REDD+ and low-emission development. In 2017-18, we compiled secondary data and conducted interviews with key stakeholders in all jurisdictions on the themes described above. In several jurisdictions, we also implemented the Sustainable Landscapes Rating Tool (SLRT) of the Climate, Community and Biodiversity Alliance to complement our assessment of progress towards LED-R (see Box 3). In addition to this synthesis, the report includes a set of 2-page analytical jurisdictional profile briefs, which provide a contextual overview of each jurisdiction, highlight an innovative policy or program, detail progress on core elements of jurisdictional sustainability, and summarize challenges and opportunities specific to the jurisdiction. A complete list of jurisdictions included in the study, the report and profiles, and detailed information on data and methods are available online at [www.earthinnovation.org/state-of-jurisdictional-sustainability](http://www.earthinnovation.org/state-of-jurisdictional-sustainability).

<sup>6</sup> The number of jurisdictions included in each analysis reported here varies between 33 and 39, depending on the availability of data for each analysis. We report the number included for each analysis, and indicate which jurisdictions were not included. Most analyses described in this synthesis exclude Pastaza, Huánuco, Piura, Roraima, Oromia, and Papua.

<sup>7</sup> Governors' Climate & Forests Task Force: <https://gcft.org/>

## 1. TRENDS IN DEFORESTATION & EMISSIONS

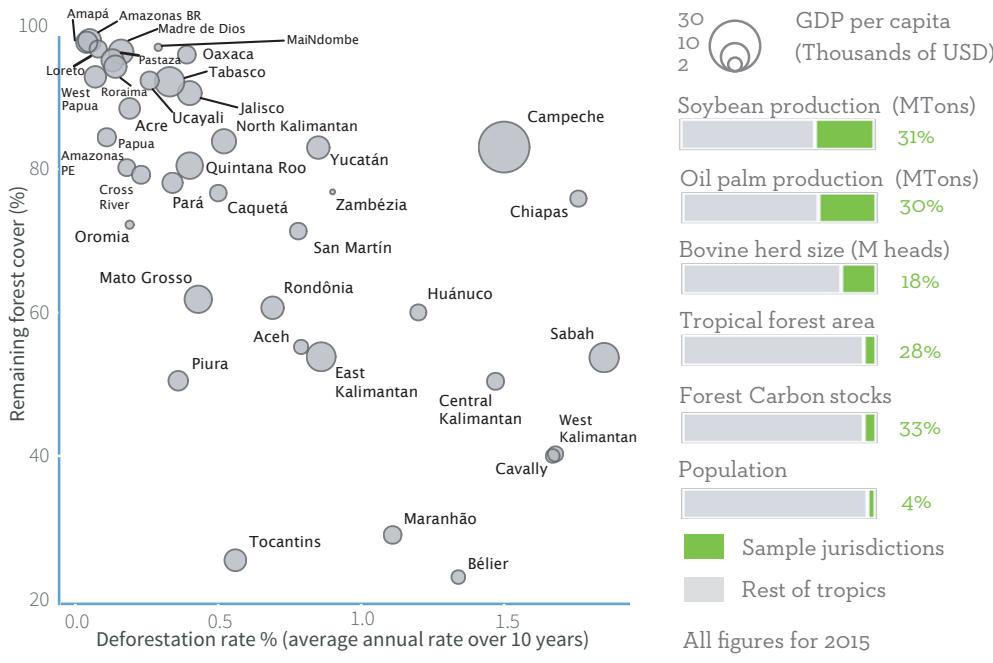


**Figure 2:** Heatmaps of annual deforestation (percentage and area of remaining forest that is lost each year, respectively) after 2001 in each of the 39 jurisdictions. Together these heatmaps provide an overview of spatial and temporal magnitude & variation of deforestation across the jurisdictions. Source: national forest monitoring systems (Brazil, Colombia, Ecuador, Mexico, Peru & Indonesia); national forest maps & Hansen/UMD/Google/USGS/NASA data with post-processing by Ell for jurisdictions in other countries. Please see Centerfold figure for further details.

- Overall, 346,600 km<sup>2</sup> of forests were cleared from 2000 to 2017 in all 39 jurisdictions combined.
  - Viewed together, deforestation began to decline after 2005, reached its lowest point in 2012 and has largely stabilized with a slight increase since then. However, this trend masks significant variation within regions and specific jurisdictions over the same time period.
  - Annual deforestation decreased over the last five years in 17 of the 39 jurisdictions by a median rate of 0.02% per year.
  - About half of the jurisdictions reduced deforestation below

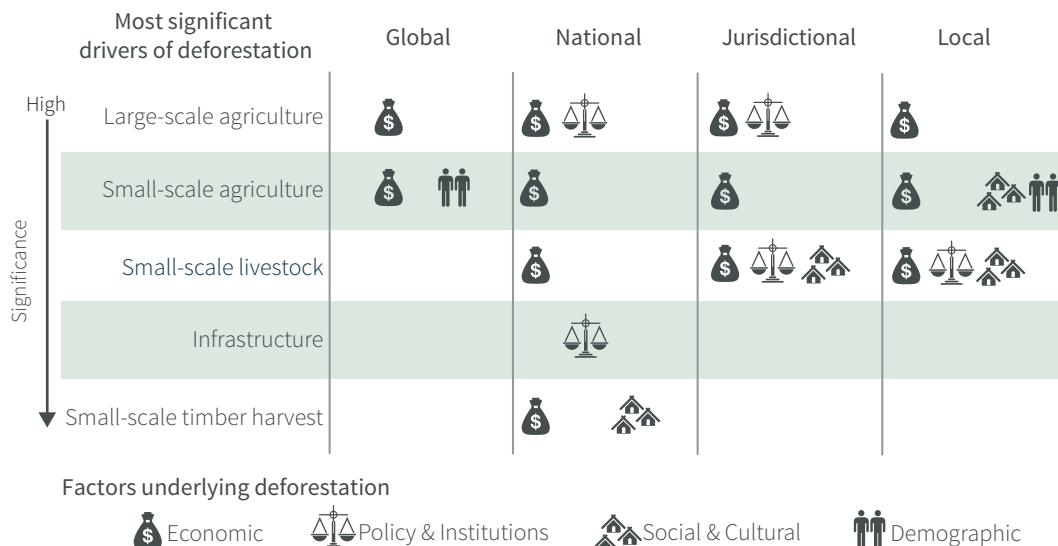
their FREL over the last five years. Brazilian states have avoided the deforestation of 112,734 km<sup>2</sup> by reducing their forest loss below their FREL from 2007 through 2017. In the 39 jurisdictions, 80% of the original forest – or 4.98 million km<sup>2</sup> – still remains, with a total carbon stock of 69.2 billion tons.

28 jurisdictions experienced economic growth in the last five years, marked by an average GDP increase of 6.28%. In almost all regions, economic growth appears to be decoupled from deforestation (Fig. 3: Centerfold).



**Figure 3:** We assessed 39 jurisdictions according to average annual deforestation rate (% of remaining forest) over ten years & the percent of the original forest that is remaining. The size of each jurisdiction's circle reflects per capita GDP. Although the studied jurisdictions are clustered in the upper left corner of the scatter plot—meaning they have a large portion of the original forest remaining and low rates of deforestation—other forest estate/deforestation rate situations are also represented in the study. To the right, the collective share of selected commodity production in the tropics, tropical forest area, tropical forest carbon stocks and population is summarized. Methods and data sources are summarized at <https://earthinnovation.org/state-of-jurisdictional-sustainability>

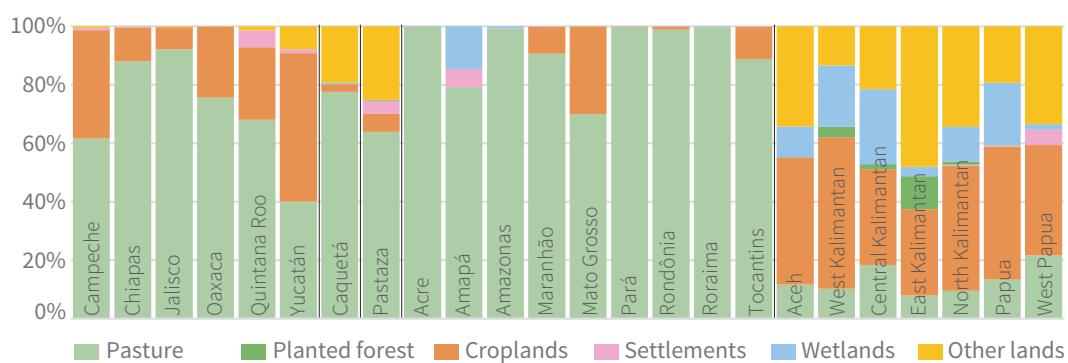
## DRIVERS OF DEFORESTATION



**Figure 4:** We surveyed key stakeholders for their perceptions on the most significant drivers of deforestation in 37 of the study jurisdictions. We complemented these responses with secondary sources and analyzed those responses across the jurisdictions surveyed. Each icon represents an array of underlying factors driving deforestation that may operate at global, national or jurisdictional scales: Economic (markets, economic costs/returns of land use activities, poverty and economic shocks); Policy & Institutions (formal public policies, policy climate, property rights, and regime change); Social & Cultural (public attitudes and beliefs, household, individual or firm behavior); Demographic (population growth, migration and urbanization). Data unavailable for: Oaxaca & Pastaza.

- Large-scale agriculture is cited in the survey as the most significant driver of deforestation across all regions (Fig. 4).
- Small-scale cattle ranching is cited as a significant driver of deforestation in Latin America, together with large- and small-scale agriculture. This is confirmed by the analysis of land cover maps (Fig. 5).
- Annual crop (e.g., soy, banana, sugarcane) and permanent crop (e.g., oil palm) cultivation are cited as significant drivers of deforestation in Latin America & Southeast Asia, respectively.
- Small-scale agriculture is cited as the main driver of deforestation in African jurisdictions. Common crops

- include yams, cassava and some commodities such as cacao.
- Taken together, illegal logging and mining activities at all scales are cited as another significant driver of deforestation and forest degradation across all regions.
- Fire is another commonly cited driver of forest degradation. While mostly anthropogenic in origin, the intent behind setting fires is not always clear; further research in this area is needed.
- Infrastructure development & urbanization are other notable drivers of deforestation across several jurisdictions.



**Figure 5:** We quantified the spatial transition of forest lands (since 2000) to other land covers from 2001-2015 based on an analysis of regional land cover maps. Conversions from forest land to pasture, cropland, settlements, wetlands, planted forest & other lands are mapped. We carried out the analysis for 22 jurisdictions for which we were able to obtain the necessary data. Land cover maps used: Brazil (Mapbiomas v.2.3); Indonesia: Landcover map produced by the Ministry of Forestry; Mexico: CONAFOR post-processed maps of INEGI LULC series. Stable forest lands over the period 2000-2016 are excluded from the analysis.

## 2. COMMITMENTS: INTENTION VS. ACTION

Strong commitments and time-bound, quantitative performance targets are essential components of jurisdictional LED-R strategies.<sup>8</sup> Countries' Nationally Determined Contributions (NDCs) under the Paris Agreement generally do not define subnational level contributions toward meeting national commitments. Yet subnational commitments (e.g., Rio Branco Declaration, Under2 MOU) and actions are critical to bridging the gap between current emission reduction trajectories and NDC objectives.<sup>9</sup> Clear performance targets at the subnational level help ensure that actors across sectors within a jurisdiction are striving toward the same goals through strategic policies, programs and initiatives, and that progress is measurable. They can also help jurisdictions leverage direct funding from international or corporate funders.

### INTENTION: PLEDGES MADE BY JURISDICTIONS

Many jurisdictions have made formal commitments to reducing deforestation, reducing emissions, restoring degraded lands, and promoting sustainable economic development and social inclusion (Table 1).

In addition to the pledges described in Table 1, some jurisdictions have also set goals related to sustainable economic development, social inclusion and rights, improvement of local livelihoods, and others related to sustainable agriculture that go beyond the scope of the NYDF.

**Table 1:** Jurisdictions' commitments to international pledges

COMMITMENT NAME	GOALS	NUMBER OF JURISDICTIONS (OUT OF 39)	TARGET
Rio Branco Declaration (RBD)	Reduce deforestation	35	Reduce deforestation 80% below baseline by 2020, conditional on performance-based funding from the international community
	Improve rural livelihoods and reduce poverty		Deliver substantial share of performance-based benefits to forest-based communities, indigenous people, and smallholders through clear and transparent mechanisms
Under2 MOU (U2MOU)	Reduce emissions	27 <sup>10</sup>	Limit emissions to 80-95% below 1990 levels, or to below 2 annual metric tons per capita, by 2050 <sup>11</sup>
Bonn Challenge	Promote reforestation/ restoration	31 <sup>12</sup>	Globally: Restore 150 million hectares of deforested and degraded land by 2020, and 350 million hectares by 2030 <sup>13</sup>
New York Declaration on Forests (NYDF)	Reduce deforestation, Promote sustainable agriculture	18 <sup>14</sup>	Halve natural forest loss by 2020 and strive to end it by 2030; Support private sector goal of eliminating deforestation in the production of agricultural commodities by 2020; Reduce deforestation derived from other sectors by 2020, among others

8 D. Nepstad, et al. 2013. "More Food, More Forest, Few Emissions, Better Livelihoods: Linking REDD+, Sustainable Supply Chains and Domestic Policy in Brazil, Indonesia and Colombia." Carbon Management 4 (6): 639–58; Ell (Earth Innovation Institute). 2017. Jurisdictional Sustainability: A Primer for Practitioners. San Francisco, CA: Ell. [http://earthinnovation.org/wp-content/uploads/2017/02/JS-primer\\_Englishonline.pdf](http://earthinnovation.org/wp-content/uploads/2017/02/JS-primer_Englishonline.pdf).

9 Data Driven Yale, NewClimate Institute, PBL 2018: Global climate action of regions, states and businesses. Available at <http://bit.ly/yale-nci-pbl-global-climate-action>.

10 Mexico and Peru have endorsed the MOU at the national level, in addition to the sub-national commitments.

11 Signatory parties commit to submit a Jurisdictional Appendix, defining a unique set of actions to reach midterm 2030 emission reduction goals and targets. To date, 18 of the 27 jurisdictions that have signed the U2MOU have also submitted their Jurisdictional Appendix.

12 Commitments to the Bonn Challenge are made at the national level. 31 jurisdictions out of the 39 included in our study are located in 10 different countries that are committed to the Bonn Challenge. Additionally, 4 Mexican states (Campeche, Yucatán, Chiapas, Quintana Roo) have defined state-level restoration commitments to the Bonn Challenge, on top of each state's contribution to the national commitment.

13 Signatories define their own individual commitments, including time-bound and quantitative restoration targets and quantified economic and climate (sequestered carbon) benefits.

14 Colombia, Côte d'Ivoire, Democratic Republic of Congo, Indonesia, Mexico and Peru have endorsed the NYDF at the national level, in addition to the sub-national commitments. All jurisdictions that have endorsed the NYDF are also signatories to the RBD and U2MOU.

## BOX 2. MATO GROSSO, BRAZIL: PRODUCE, CONSERVE, INCLUDE (PCI) STRATEGY

Mato Grosso's **PCI Strategy**, launched in 2015, includes 21 quantitative, time-bound targets that unite actors and sectors within the jurisdiction in advancing LED-R. The PCI reflects Mato Grosso's unique context with targets focused on improving livestock and crop productivity (e.g., higher beef yields; increase area of soy, corn and cotton planted in degraded pastures from 9.5 to 12.5 million ha by 2030), reducing deforestation (both annual rate and minimum 60% of state's native vegetation), and increasing socioeconomic inclusion of smallholders (e.g., extend technical assistance from 30% to 100% of small farmers by 2030), among others. The targets have an implicit outcome of statewide zero net deforestation and zero net forest carbon emissions by 2030 and would keep ~6 GtCO<sub>2</sub>e out of the atmosphere. Targets were developed through participatory processes that included actors from public, private, and non-profit sectors; implementation is monitored by a formal multi-stakeholder executive committee. Largely because of the Mato Grosso PCI Strategy and REDD+ law, Mato Grosso won a US\$50 million contract with Germany and UK in performance-based finance.<sup>15</sup>



## ACTION: INTERNALIZING PLEDGES THROUGH PERFORMANCE TARGETS

The subnational commitments described above contribute to climate action at the international level; however, they do not indicate whether a jurisdiction has developed distinct performance targets or applied measures toward achieving those targets. Signing the Rio Branco Declaration, for instance, does not guarantee that a jurisdiction has evaluated its deforestation reduction potential and formulated realistic targets based on its context and starting point. Nor does it guarantee that actors on the ground are sufficiently aware of or making concerted contributions toward achieving the goals.

The results shown in Figure 6 demonstrate that individual jurisdictions are developing performance targets that reflect their unique starting points, capacities and needs. Importantly, many of these targets were developed within national-level frameworks, ranging from subnational implementation of national legislation (e.g., RAN-GRK in Indonesian provinces,<sup>17</sup> PDRC in Peruvian regions,<sup>18</sup> PPCD in Brazilian states<sup>19</sup>) to existing in the context of multilateral financing agreements with tropical countries (e.g., Maï Ndombe FCPF Emission Reduction Program, DRC-CAFI Letter of Intent). These examples demonstrate how national-level frameworks can foster subnational action towards international goals, and may hold more weight/relevance within the jurisdiction than signing onto an international pledge.



**Figure 6:** Number of jurisdictions that have defined subnational-level targets related to their international-level commitments<sup>16</sup>. Solid green bars indicate the number of jurisdictions that have signed the RBD, U2MOU and Bonn Challenge, respectively, and that have developed performance targets related to those goals. Solid orange bars represent jurisdictions that have established related targets but have not signed the international pledge. In the case of the *Sustainable agriculture* and *Socio-economic* bars, the lack of green sections indicates that although some jurisdictions have established targets within those categories, they exist unrelated to any global scale commitment included in our analysis.

15 See D. Nepstad, et al. 2018. "Mato Grosso, Brazil": [https://earthinnovation.org/wp-content/uploads/2014/09/Profile\\_MATOGROSSO\\_2018\\_ENG.pdf](https://earthinnovation.org/wp-content/uploads/2014/09/Profile_MATOGROSSO_2018_ENG.pdf); Please see [www.pci.mt.gov.br](http://www.pci.mt.gov.br) & [www.pcimonitor.org](http://www.pcimonitor.org) for further information on the PCI.

16 The analysis does not consider whether the subnational-level targets are more, less, or equally as ambitious as the higher-level targets, and includes 33 jurisdictions (excludes Roraima, Piura, Pastaza, Oaxaca, Tabasco, and Papua).

17 Indonesia's National Action Plan for GHG Emission Reduction (RAN-GRK) requires provinces to develop Local Action Plans for GHG Emission Reduction (RAD-GRK).

18 Peruvian regions must develop Concerted Regional Development Plans (PDRC), required by the framework of the National Strategic Planning System and National Strategic Development Plan (PEDN).

19 Brazil's Action Plan for the Prevention and Control of Deforestation in the Legal Amazon (PPCDAm) and Action Plan for the Prevention and Control of Deforestation in the Cerrado (PPCerrado) require state-level implementation of parallel plans.

## PROGRESS: MOVING TOWARD ACHIEVING TARGETS THROUGH KEY POLICIES, PROGRAMS AND INITIATIVES

Interventions aimed at reducing deforestation and emissions; promoting reforestation, restoration and sustainable agriculture; and enhancing sustainable economic development and social inclusion are essential for jurisdictions to achieve their performance targets.

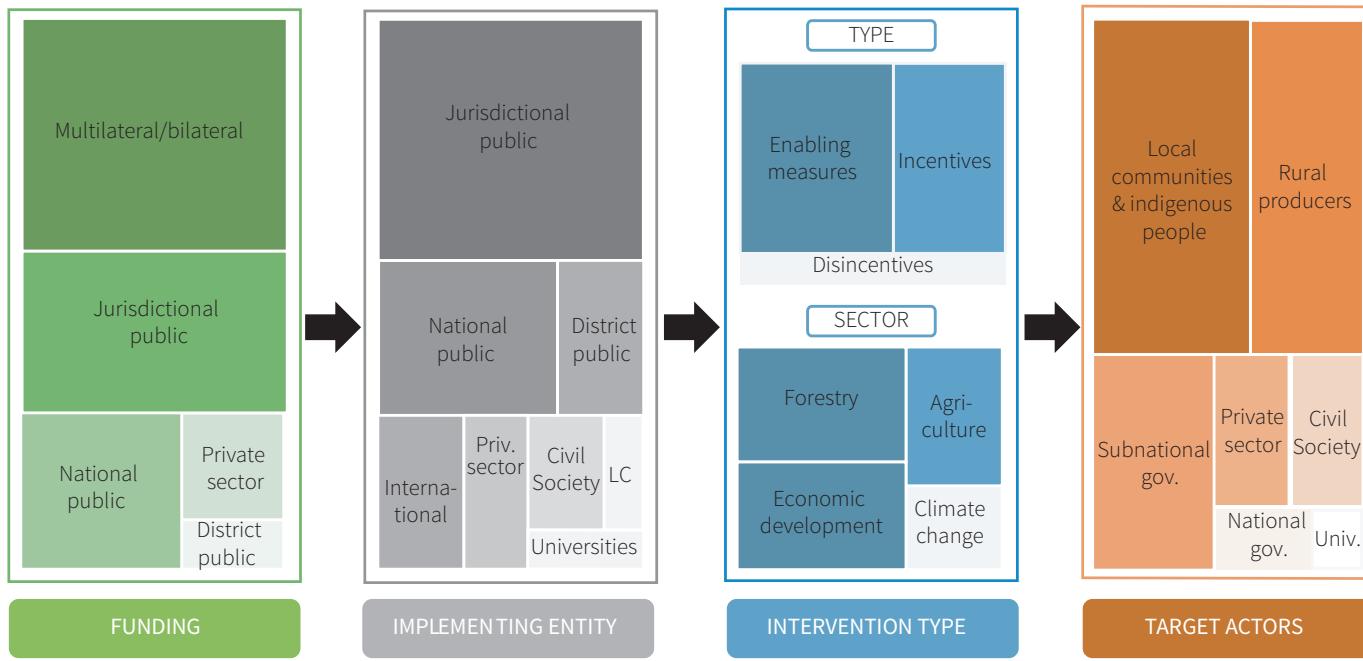
Key interventions are primarily funded by multilateral and bilateral donors, followed by the jurisdictions' own budgets, and those of national governments. Most are public policies and programs implemented by provincial and national-level governments, of which a few had multi-stakeholder steering committees, such as Mato Grosso's PCI Strategy (see Box 2).

Although key interventions focus mostly on forestry and economic development, almost all had more than one focus. Most include enabling measures to improve governance conditions, such as spatial planning, tenure clarification and strengthening of local institutions. Many include incentive-based measures that range from broad green growth policies (e.g., East Kalimantan, Indonesia), to Payments for Environmental Services (PES) programs (e.g., in Quintana Roo and Chiapas, Mexico), to initiatives that support more sustainable agricultural production (e.g., cocoa in Huánuco, Peru) and increase the value of forest products (Amapá, Brazil). The smaller number of interventions that include disincentives, such as restrictions on forest use and access, are always combined with incentive-based components.



Most interventions target indigenous peoples and local communities to support their role in managing (often) large areas of tropical forests, followed by those targeting rural producers (including smallholders) to promote transitions to more sustainable production practices. Many also focused on strengthening provincial and district-level governance capacities.

These results show clear action by subnational governments in financing and implementing policies, programs and initiatives toward sustainability. International funders, national-level governments, the private sector and a host of other actors play an important role in supporting this progress. Finally, the prevalence of incentives and a dedication to including indigenous peoples, local communities, and smallholder farmers as key beneficiaries of these interventions, holds promise for meeting climate and development goals.



**Figure 7:** Characteristics of 4-5 key interventions documented per jurisdiction (for 33 study jurisdictions -- excludes Piura, Pastaza, Roraima, Oaxaca, Tabasco, and Papua) in terms of source of funding, implementing entity, type of intervention, and target actors. Note that single interventions can be represented in more than one category (e.g., enabling, incentives, disincentives) within a characteristic (e.g., intervention type, sector, target actors) for all characteristics.

### **BOX 3. BUILDING CREDIBILITY FOR JURISDICTIONAL PROGRESS TOWARDS SUSTAINABILITY**

One of the most important factors influencing the ability of jurisdictions to attract the partners that they need is credibility. Do the jurisdiction's efforts represent real progress over and above the “normal” development pathway? Is this progress verified and broadly accepted?

One widely-used approach for establishing credibility is through international sustainability standards. Principles, criteria and indicators for assessing practices and impacts are developed and applied to determine the sustainability of production, an approach widely used for many agricultural and forest commodities. Once certified against these principles and criteria, the products from a farm or processing are considered “sustainable,” and sought after by some markets. The limitation of international standards is that they have not been very effective in “mainstreaming” sustainability, that is, driving large-scale shifts towards sustainability among the producers who are causing much of the damage.<sup>20</sup>

In the case of the jurisdictional approach, under which progress towards sustainability at the scale of vast political geographies is still quite incipient, systems are needed that recognize and reward the very early steps towards jurisdictional sustainability – not just the final steps – and that respond to the demands of different types of partners.

New systems and rating tools for assessing jurisdictional sustainability have been developed. The Landscape Standard<sup>21</sup> aims to help companies, governments and financiers to credibly assess, report and make claims about sustainability of production landscapes. The Commodities/Jurisdictions Approach<sup>22</sup> identifies jurisdictions that meet eligibility criteria for preferential sourcing set by Unilever and Marks & Spencer.

The Landscape Assessment Framework<sup>23</sup> is more flexible, providing a framework of sustainability pillars that governments and landscape actors can use to organize information and communicate progress towards their own tailored landscape sustainability goals, to help facilitate adaptive management as well as partnership or investment to advance those goals. The Sustainable Landscape Rating Tool<sup>24</sup> can be used to collect and communicate standardized information on jurisdictional policies and governance.

An important initial step is to assess and reliably report what jurisdictions are doing to make the shift to sustainability and what the impacts of those shifts are, which is one motive for this global assessment and for the GCFImpact.org online platform (see *Box 6*). Knowing the state of play of jurisdictional sustainability should help drive advances in current and future systems for tracking progress and fostering partnerships.



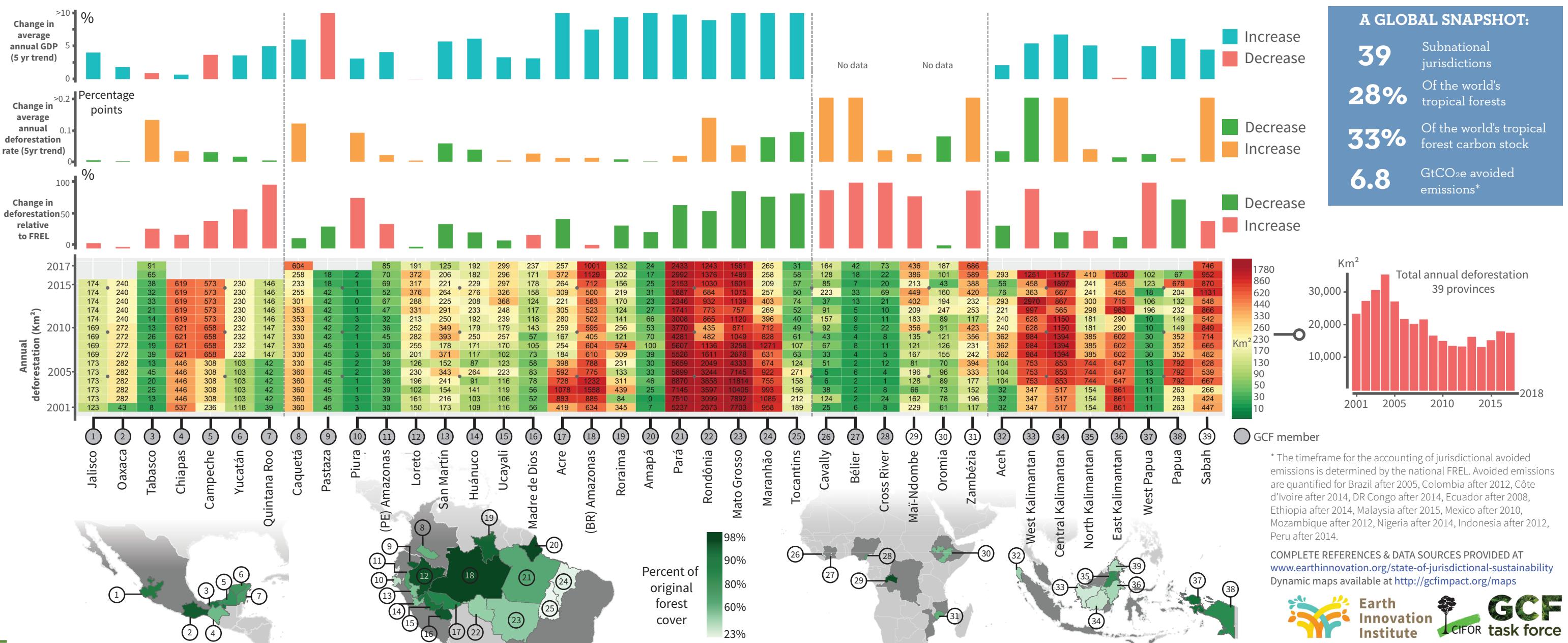
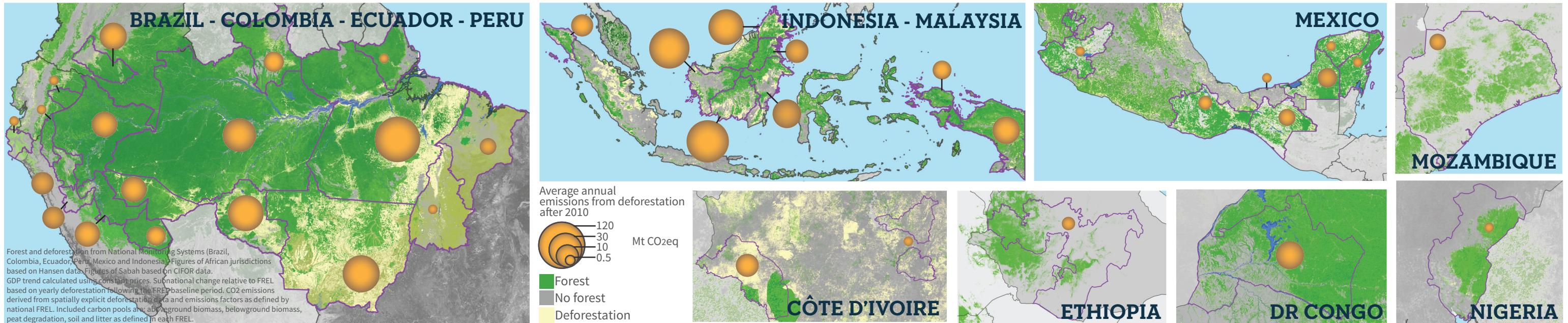
20 <https://news.mongabay.com/2017/11/it-is-time-to-recognize-the-limits-of-certification-in-agriculture-commentary/>

21 <http://verra.org/project/landscape-standard/>

22 <https://commoditiesjurisdictions.wordpress.com/>

23 <https://www.conservation.org/projects/Pages/Landscape-Assessment-Framework.aspx>

24 <http://www.climate-standards.org/sustainable-landscapes-rating-tool/>



### 3. PROGRESS TO JURISDICTIONAL SUSTAINABILITY

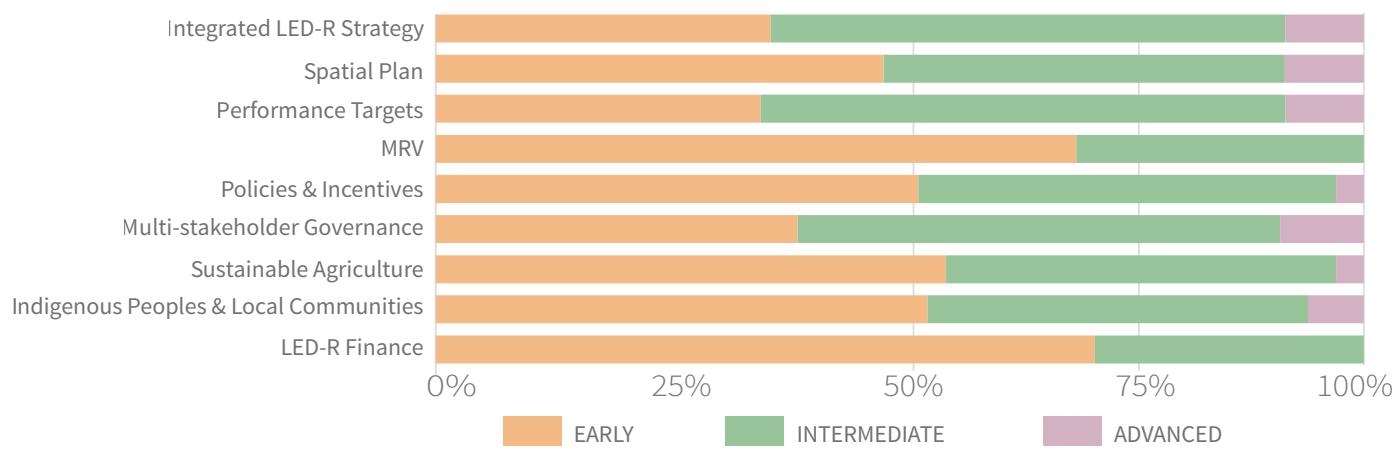
We assessed jurisdictions' progress toward sustainability on the basis of 9 key elements (Table 2). For each element, a jurisdiction was rated as being "Early", "Intermediate" or "Advanced" in its progress. The "Intermediate" category is broad relative to "Early" and "Advanced": it is easier to clearly define incipient and more leading-edge policies and other actions, as endpoints in this scale. The "Intermediate" category includes jurisdictions that had advanced slightly more than the minimal criteria, as well as those that lacked the full set of criteria needed for an "Advanced" rating. The analysis we provide here represents an early interpretation of the data collected for 33 of the 39 jurisdictions.<sup>25</sup>



Photo Credit: D. McGrath

**Table 2:** Description of the criteria used to assess each jurisdiction in terms of its progress on each of 9 key elements of jurisdictional sustainability. For more information on criteria used for ranking each element, please visit <https://earthinnovation.org/state-of-jurisdictional-sustainability>.

ELEMENT	CRITERIA
Integrated LED-R Strategy	Existence of a jurisdictional strategy and action plan, which lays out the vision and strategy for the jurisdiction, addresses all significant drivers, is formally approved and adopted by government, and involves broad stakeholder participation in its development and implementation.
Spatial Plan	Existence of a jurisdiction-wide spatial plan that has an ecological basis, recognizes indigenous, customary, and local community lands and resources, mitigates negative social and environmental effects of planned infrastructure projects, and broadly engages stakeholders in its development.
Performance Targets	Existence of official, realistic, time-bound, quantifiable goals for the entire jurisdiction, developed with broad stakeholder participation.
Monitoring, Reporting & Verification (MRV)	Extent to which a jurisdictional MRV system is reliably, accurately, and publicly providing government-endorsed reports on forests, land use GHG emissions, biodiversity, economic & social indicators, etc., and being used to assess integrated LED-R strategy and performance targets.
Policies & Incentives	Comprehensiveness and alignment of policies and incentives under development or in place for all relevant sectors that affect land use; extent to which framework supports a range of stakeholders to engage in sustainable practices.
Multi-stakeholder Governance	Existence and breadth of representation of multi-stakeholder processes or governing bodies focused on or relevant to land use, and other issues related to sustainability, as well as their official role in decision-making and governance.
Sustainable Agriculture	Existence, quality, and accessibility of measures to improve sustainability of the broader agricultural sector (including large- and small-scale crop and livestock production) under development or in place.
Indigenous Peoples & Local Communities	Extent to which IP/LC land & resource tenure, management, exclusion and use rights are clearly defined by law; and IP/LC are included in regional decision-making processes, and in benefit sharing structures.
LED-R Finance	Availability and diversity of financing to support and incentivize development and implementation of LED-R strategies and related programs, initiatives, or activities.



**Figure 8:** Distribution of ratings category by jurisdiction across 33 jurisdictions studied.

<sup>25</sup> Roraima, Pastaza, Piura, Oaxaca, Tabasco, Papua excluded from this analysis.

Overall, jurisdictions are predominantly “Early” or “Intermediate” in their progress towards jurisdictional sustainability. Jurisdictions have made slower progress in putting in place robust, transparent and accessible MRV systems, establishing the necessary policy, technical and financial support for the transition to sustainable agriculture, and securing the needed finance to advance LED-R readiness and implementation. As a group, jurisdictions were most

advanced in their spatial plans and multi-stakeholder processes related to LED-R, although approximately half of the jurisdictions were still rated as “Intermediate” in these categories (Fig. 8, Table 3). The “Early”, “Intermediate” and “Advanced” designations are best viewed as indicating the types of further support that jurisdictions need to advance with their LED-R strategies.

**Table 3:** For each element described in Table 2, we describe the average rating for the group of surveyed jurisdictions, as well as the most prevalent issues, challenges and opportunities associated with each element.

	● EARLY	● INTERMEDIATE	● ADVANCED
Integrated LED-R Strategy		<ul style="list-style-type: none"> <li>• 21 of 33 jurisdictions have jurisdiction-wide plans or strategies in place, but only three of these (Acre’s Multi-Year Governance and Sustainability Plan 2016-19, Mato Grosso’s Produce Conserve Include Strategy, Sabah’s Long Term Strategic Action Plan 2016-2035) broadly address causes of land-based emissions across sectors &amp; incorporate a range of critical elements (including targets, MRV, incentives, etc.).</li> </ul>	
Spatial plan		<ul style="list-style-type: none"> <li>● 17 jurisdictions have spatial plans in place; all but three of these (Acre, Pará, Jalisco) fail to adequately address indigenous and/or local community rights, and/or mitigate the effects of planned infrastructure developments, and/or were developed with a low level or quality of stakeholder participation.</li> <li>• Ability to monitor &amp; enforce land use regulations as defined by spatial plans is a key challenge.</li> </ul>	
Performance targets		<ul style="list-style-type: none"> <li>● 24 jurisdictions have time-bound, quantitative targets related to reducing deforestation and/or emissions from deforestation &amp; degradation (see Section 2).</li> <li>• Two-thirds of jurisdictions have time-bound, quantitative targets focused on sustainable agriculture and on social issues (including benefit-sharing, rights, engagement, improving livelihoods, etc.).</li> <li>• Assessing progress toward targets is a significant challenge in most jurisdictions, especially for targets other than those related to reducing deforestation and increasing reforestation.</li> </ul>	
MRV		<ul style="list-style-type: none"> <li>● Nearly all jurisdictions have MRV systems under development or in place, but still fall short in one of the following areas—frequency, reliability, accuracy, or transparency.</li> <li>• 12 jurisdictions have quite advanced systems—either jurisdiction-specific or as part of the national system—but fail to make their reports and data available to the public.</li> </ul>	
Policies & incentives		<ul style="list-style-type: none"> <li>● The major challenge for jurisdictions is a lack of policy alignment among government levels and/or across sectors; while most jurisdictions have some policies to promote LED-R in place, they tend to be isolated and/or with narrow scope in at least half of the jurisdictions.</li> <li>• Major challenges to the development of durable policies and incentives include political turnover, limitations related to centralized national governance structures, and corruption at subnational &amp; national levels.</li> </ul>	
Multi-stakeholder governance		<ul style="list-style-type: none"> <li>● Recent or ongoing multi-stakeholder processes relevant to LED-R exist in 20 jurisdictions, but very few (Acre, Jalisco, Quintana Roo) have established broadly representative, multi-stakeholder bodies specifically to develop and implement LED-R plans and activities.</li> <li>• A common challenge is insufficient inclusion of important actor groups (e.g., producers, IP, LC) in coordinated discussions with the public sector.</li> </ul>	
Sustainable agriculture		<ul style="list-style-type: none"> <li>● 14 jurisdictions have made some progress on sustainable agricultural production in some parts of the jurisdiction or along select supply chains.</li> <li>• Only Mato Grosso has a wide range of more advanced initiatives that address both large and smallholder crop and livestock production.</li> <li>• Most jurisdictions have insufficient or inadequate incentives (including low market access) for sustainable production, along with low private sector engagement in the jurisdiction’s sustainability agenda.</li> </ul>	
Indigenous peoples & local communities		<ul style="list-style-type: none"> <li>● In 18 jurisdictions, land tenure and access rights for IP &amp; LC are weak or poorly enforced and/or engagement of IP is low.</li> <li>• Mechanisms for securing land rights &amp; ensuring equitable benefit-sharing are best developed in Acre &amp; Quintana Roo, but also under way in other jurisdictions (e.g., Mato Grosso, other Mexican jurisdictions, &amp; West Papua, among others).</li> </ul>	
LED-R finance		<ul style="list-style-type: none"> <li>● Finance has been slow to reach most jurisdictions, making this one of the weakest elements in terms of progress to jurisdictional sustainability.</li> <li>• 23 of 33 jurisdictions have no or little financing available to support the development of LED-R strategies &amp; programs, while the rest have some (but not nearly enough) financing to support their efforts. (see Section 4)</li> </ul>	

## 4. CLIMATE FINANCE & PARTNERSHIPS

Most of the jurisdictions (35) studied are signatories to the Rio Branco Declaration, which states that the goal of reducing deforestation 80% by 2020 will only be possible with external help, namely, adequate and sufficient finance and partnerships with corporations:

*"Our efforts to build jurisdictional strategies and programs for low emissions development cannot be sustained without additional support. We call on the international community to partner with us as we continue to build robust jurisdictional programs that will enable large-scale, integrated transitions to sustainable development ...it is imperative that we have access to financial and technical support, and, most importantly, for the domestic and international, market- and non-market opportunities for the emissions reductions achieved in our jurisdictions..."*

*We call upon the Consumer Goods Forum and other private sector initiatives aimed at achieving zero net deforestation supply chains to partner with us as we build robust jurisdictional programs for REDD+ and low emissions rural development and to develop programs for preferential sourcing of agricultural commodities..."*

*We are committed to making significant emissions reductions provided that adequate, sufficient, and long-term performance-based funding is available, whether through market or non-market sources. If guarantees of this financing are made, we commit to reducing deforestation by 80% by 2020." (Rio Branco Declaration, 2014)*

In this section, we review how much external help the study jurisdictions have received through climate finance and partnerships with companies seeking sustainably produced commodities. Figure 9 provides a visual summary of progress made thus far in financing the 39 jurisdictions and in establishing company-government partnerships to help drive progress.

### CLIMATE FINANCE

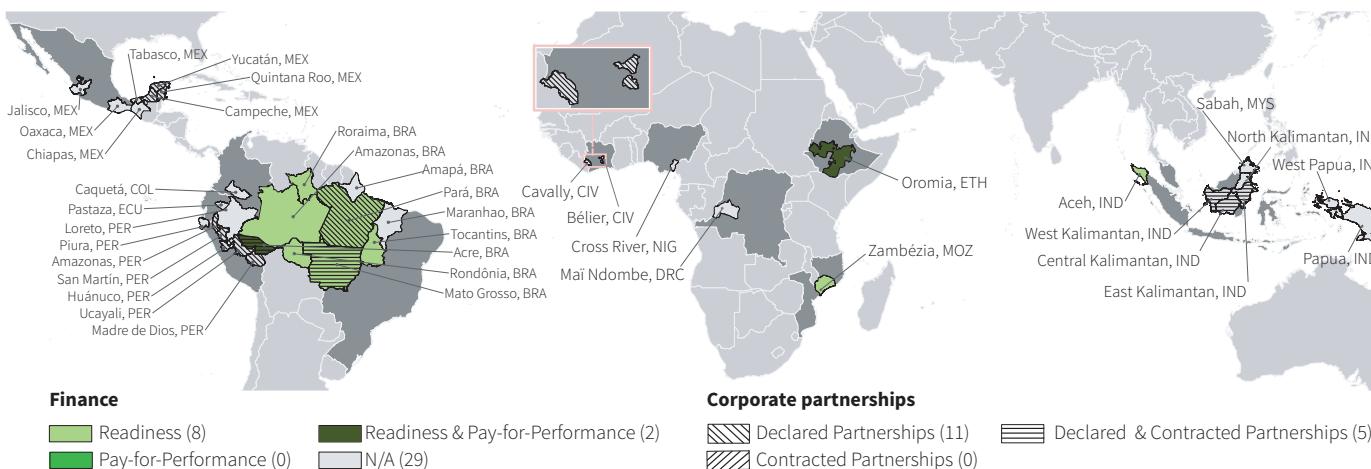
In the recent synthesis "Why Forests? Why Now?",<sup>26</sup> Seymour and Busch describe the current state of play of climate finance for tropical forests as "too low, too slow, too constrained as aid". This study supports that general finding.

### Pay-for-performance

We classified finance into two general categories: with and without performance conditionality. In "pay-for-performance" (PFP) or "performance-based" finance, the financial donor or investor commits to pay a national or subnational government only if time-bound milestones for reducing deforestation or carbon emissions from deforestation are achieved. These types of financial arrangements are a hallmark of the "REDD+ era", championed by Norway, Germany and, more recently, by the UK. Most of the PFP finance has been allocated to national governments, beginning with Norway's US\$1 billion pledge to the Brazilian Amazon Fund. Germany has pioneered subnational PFP agreements through its "REDD Early Movers" program.

Performance-based finance for aspiring jurisdictions is neither adequate nor sufficient, but it is reaching jurisdictions and the early results are very positive. The only subnational multi-year experience with this mechanism (Acre, Brazil<sup>27</sup>) demonstrates that a well-designed PFP contract can drive considerable progress towards LED-R (see Section 3).

New pay-for-performance contracts have been signed with Mato Grosso, Brazil (German KfW/REM, UK), Colombia ("Amazon Vision", Germany, Norway, UK) and Ecuador (Germany, the Green Climate Fund and the Global Environmental Facility). The amount of PFP finance that will flow to Caquetá and Pastaza, respectively, has not been ascertained.



**Figure 9:** Finance and company-government partnerships. Map of the studied jurisdictions that have received climate finance or pay-for-performance climate contracts, and those that have established formal "declared" or "contracted" partnerships with companies focused on sourcing of sustainably grown commodities.

26 Seymour, F. and J. Busch. 2016. Why Forests? Why now? The Science, Economics, and Politics of Tropical Forests and Climate Change. Center for Global Development.

27 See M. Leal, et al. "Acre, Brazil": [https://earthinnovation.org/wp-content/uploads/2018/09/profiles\\_led/SJS\\_Profiles\\_ENG/Brazil/Profile\\_ACNE\\_Leal\\_2018\\_ENG.pdf](https://earthinnovation.org/wp-content/uploads/2018/09/profiles_led/SJS_Profiles_ENG/Brazil/Profile_ACNE_Leal_2018_ENG.pdf).

The world's largest pay-for-performance system for tropical forests—the Brazilian Amazon Fund, administered by the Brazilian Development Bank (BNDES) and financed mostly by Norway—has delivered large grants to six GCF jurisdictions in Brazil, most of which has gone toward implementation of environmental laws and regulations. Flows of finance to the Amazon Fund are performance-based at the scale of the entire Amazon region of Brazil, and contracts to Brazilian States are not conditioned on the deforestation trends of the state recipient.

### Other climate finance

In addition to payments for performance, we also identified payments for REDD+ readiness in 24 of the jurisdictions studied. These investments support planning and coordination of strategies and plans; capacity building and strengthening of institutions; development and implementation of policies and laws; improving measurement, reporting, verification (MRV); setting up systems for benefit sharing; developing financial mechanisms; and launching pilot and demonstration initiatives.

Two of the jurisdictions studied (Acre and Tocantins) were able to secure loans to support the implementation of subnational sustainable development strategies. Such investments can be broad, and affect multiple sectors in the jurisdiction's economy, including agriculture, forestry, infrastructure, and others that may be relevant for the socio-economic development of each specific region.

As of 2016, 29 of the 39 jurisdictions studied had received—or were scheduled to receive—approximately US\$2.3 billion collectively. Most of this finance (88%) comes with no deforestation reduction “strings” attached. All but 6 of the 29 jurisdictions had received, or were scheduled to receive, at least US\$10 million in climate finance of this type. Climate finance that is not performance-based is reaching most (82%) jurisdictions via national governments.

As this report goes to press, ~30 of the GCF Task Force jurisdictions studied should soon be awarded \$300-400k each of Norwegian funding through the UNDP to develop or refine jurisdictional strategies. This funding should lead to important progress in these strategies that should, in turn, make future partnerships more likely.

## CORPORATE-GOVERNMENT PARTNERSHIPS FOR SUSTAINABLE COMMODITIES

*“Declared partnerships”* are those in which a company has formally joined a declaration, coalition, or jurisdictional governance structure, but which has not yet resulted in formal preferential sourcing, financial investment, or technical assistance to the jurisdiction. Nearly half (16) of the jurisdictions have established “declared” partnerships through either individual jurisdictional strategies (e.g., Mato Grosso PCI, Pará, Acre, West, Central and East Kalimantan) or consortia that involve multiple jurisdictions (five Peruvian regional governments through the “Coalition for Public-Private

partnerships for LED-R”; the Yucatán Peninsula Framework Agreement on Sustainability (ASPY); and the Cocoa Forest Initiative of Côte d'Ivoire). These “soft” agreements have, in general, resulted in few benefits for the jurisdictions, although that could change.

*“Contracted” partnerships* have a formal agreement defining the responsibilities and contributions of each party to the collaboration. Individual “contracted” partnerships have been established in Mato Grosso (e.g., Carrefour in Juruena county), Acre, Unilever with districts in Central Kalimantan, Asia Pulp and Paper in West Kalimantan, and others in East Kalimantan.

A formal structure for fostering corporate partnerships with jurisdictions is being developed through the Roundtable for Sustainable Palm Oil (RSPO) “jurisdictional certification pilots” in Central Kalimantan and Sabah.

## ARE JURISDICTIONAL COMMITMENTS LINKING WITH COMPANY PLEDGES?

A small number (5) of formal, contracted partnerships between companies and tropical forest governments have pledged to help solve tropical deforestation (Fig. 9). This number may still be small, in part, because the risk of attacks from advocacy NGOs can be high for companies that wish to switch to jurisdictional sourcing strategies, pointing to the need to achieve better alignment between NGO campaigns and the need for partnerships among jurisdictions. There is also a difference in the metrics of the pledges themselves. Governments can pledge to reduce deforestation across entire jurisdictions, while companies are striving to achieve zero deforestation supply chains.

### BOX 4. BALIKPAPAN CHALLENGE: AGRICULTURAL PRODUCTION AND TROPICAL DEFORESTATION

Launched at the 2017 GCF Annual Meeting, the Balikpapan Challenge seeks to drive progress towards a central goal of the Rio Branco Declaration: reducing tropical deforestation associated with agricultural production. It takes a bottom-up approach, supporting the jurisdictional strategies and regional coalitions that have emerged among GCF members by capitalizing on potential synergies between corporate supply chain pledges, sustainability certification systems and jurisdictional programs to reduce deforestation.

The Balikpapan Challenge has established a Global Steering Committee to promote a global framework for fostering jurisdictional sustainability that leads to a “race-to-the-top” among jurisdictions striving to achieve zero net deforestation, beginning with GCF members. It also advises GCF jurisdictional and regional strategies. The Steering Committee is co-convened by the GCF Secretariat and Earth Innovation Institute, and includes representatives<sup>28</sup> of roundtable processes, industry associations, producer and retailer companies, donor governments, international organizations, jurisdictional governments (representing the GCF members), and philanthropic organizations.

<sup>28</sup> A complete list of representatives and a more detailed description of the Steering Committee and its work is available at <https://earthinnovation.org/2018/05/balikpapan-challenge-brings-local-governments-together-with-international-experts-to-solve-tropical-deforestation/>

**Table 4:** Pledges and progress made by jurisdictions and companies committed to slow tropical deforestation.

TROPICAL DEFORESTATION PLEDGES AND PROGRESS		
	Tropical Forest Jurisdictions	Companies
Number of Pledges	Rio Branco Declaration (35) New York Declaration on Forests (20) Under2 MOU (83)	Individual commitments (473) Consumer Goods Forum (~400) New York Declaration on Forests (57)
2020 Commitments	Rio Branco Declaration: 80% reduction in deforestation by 2020 if corporate partnerships and finance sufficient	155 (33%) of 473 companies made 2020 supply chain commitments <sup>29</sup>
Deforestation metric	Regional declines in deforestation (% reduction below historical average)	Zero deforestation in supply chains
Progress on Deforestation	Deforestation declined in 20 of 35 RBD jurisdictions, and by >50% in 7 of these	49 of 473 company commitments (10%) with >75% compliance with 2020 pledges
Progress on carbon emissions	6.77 GtCO <sub>2</sub> e (avoided emissions) <sup>30</sup>	N/A
% of Global Tropical Forest Area	28% (Rio Branco Declaration)	N/A
Commodities	All produced in a jurisdiction	Soy, Palm Oil, Beef, Wood, Pulp

## BOX 5. LOCAL-TO-GLOBAL PARTNERSHIPS: INDIGENOUS PEOPLES, LOCAL COMMUNITIES & SUBNATIONAL GOVERNMENTS

Indigenous peoples, traditional communities and other forest-dependent communities are important partners in the fight to slow climate change. They own or have designated use rights to approximately 18% of the world's tropical forests and maintain 20% of the total above ground carbon stored in the world's major tropical forest regions (Indonesia, Democratic Republic of Congo, Mesoamerica, Amazon Basin). Subnational governments have increasingly recognized the role of indigenous peoples and local communities in realizing commitments to halt deforestation.

In 2014, members of the GCF signed the Rio Branco Declaration, committing themselves to reduce deforestation by 80% by 2020 and to sharing the benefits from these efforts with indigenous peoples and local communities. The GCF Global Committee on Indigenous Peoples and Local Communities<sup>31</sup> was formed in 2016 with the overarching goal of strengthening partnerships between subnational governments and indigenous peoples and local communities to help move the Rio Branco Declaration from pledge into practice. The Global Committee is promoting partnerships between governments, IP and LC by creating a platform for dialogue at global, national and regional levels. It also serves to inform and guide partnerships by establishing the “Principles of Collaboration”, and to replicate and adapt models of success through learning exchanges.

Jurisdictional sustainability can support advances in terms of securing land rights, political recognition (integrating IPs into decision-making), economic development to support livelihoods, capacity building and leadership development to support self-determination and agency, and cultural recognition—all of these are critical to building sustainable, equitable societies. Some examples of what these types of partnerships can achieve include:

- Economic development—The indigenous Peoples’ Assembly of West Papua and the provincial government work together to secure rights for local communities to manage their own forest and create incentives for managing forests
- Political recognition—In jurisdictions like Acre, Quintana Roo, Mato Grosso, West Papua, and Central Kalimantan, IPs have or are gaining more prominent decision-making roles and acquiring broader political recognition
- Capacity building—in Acre, a training program for community extension agents became a platform and catalyst for indigenous peoples’ agency in shaping sustainable development within their territories and communities<sup>32</sup>

29 Stephen Donofrio and “Supply Change” team at Forest Trends. [supply-change.org](http://supply-change.org)

30 Not all of these reductions can be attributed to actions of the jurisdiction itself; many involved national and non-governmental interventions.

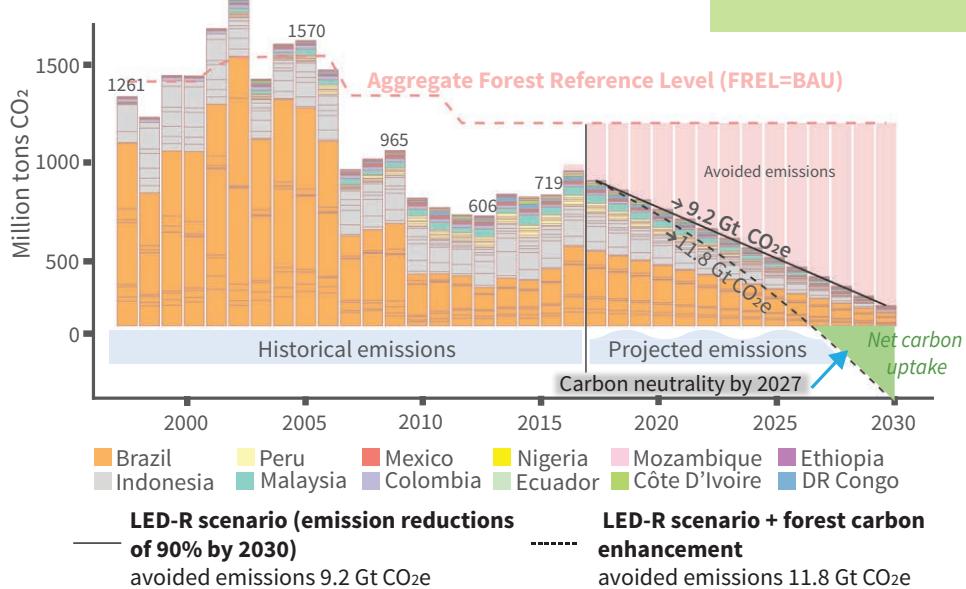
31 A more detailed description of the Global Committee and its work is available at <https://earthinnovation.org/publications/the-governors-climate-and-forests-task-force-global-committee-for-indigenous-peoples-local-communities/>

32 M. DiGiano et al. 2018. “The Twenty-year-old Partnership between Indigenous Peoples and the Government of Acre, Brazil”. Available at <https://earthinnovation.org/publications/the-twenty-year-old-partnership-between-indigenous-peoples-and-the-government-of-acre-brazil/>

## 5. A VIEW TO THE FUTURE: POTENTIAL IMPACTS

To assess the potential impacts that could be realized if all 39 jurisdictions meet their commitments to reduce deforestation and speed forest recovery, we examined 3 alternative scenarios based on different core assumptions (Fig. 10).

- **BAU (business-as-usual) scenario** projected using the deforestation trend and period represented by each FREL. Bar subdivisions represent jurisdictional contributions within a country. This scenario projects likely emissions if jurisdictions follow a business as usual scenario continuing historical deforestation trends.
- **LED-R scenario** projected with a reduction in deforestation of 90% by 2030 relative to the FREL. This scenario implies that jurisdictions follow a path of accelerated reduction in deforestation to achieve a 90% reduction of emissions by 2030. This scenario is ambitious but not unfeasible. Brazilian jurisdictions have already reduced deforestation by 60% with respect to their FREL over the last 5 years.
- **Zero net deforestation scenario** considers a 90% reduction in deforestation plus natural or induced regeneration of degraded and cleared forest areas based on downscaled national or subnational pledges. The forest regenerating area reaches 9.4 Mha in 2030. In the 14 simulated years (2017-2030) regenerated forests reach 1/5 of the projected mature carbon stocks. Carbon increases linearly from year 1 to year 14 and the total carbon stock increases as a function of the weighted distribution of the forest age and forested area over each year.



<sup>33</sup> Observed emissions for the period 1990-2017 derived from jurisdictional yearly deforestation data and carbon emissions factors considered as defined by national FREL submitted to UNFCCC. Included carbon pools are: aboveground biomass, belowground biomass, peat degradation, soil and litter as defined in each FREL. Regenerating forest targets rely on subnational/national reforestation pledges and zero net deforestation. The regeneration allotment of each jurisdiction is distributed uniformly between 2017 and 2030.

### BOX 6. GCFIMPACT.ORG AND ITS PROGENY: FACILITATING PARTNERSHIPS WITH TROPICAL FOREST JURISDICTIONS

The transition to jurisdictional sustainability in tropical forest regions could be facilitated if innovations in public policies and programs and improvements in the ease of doing business foster new investments in sustainable enterprises. Information on these innovations is not easy to find. The GCFImpact.org online platform was developed in response to this need.

GCFImpact.org currently provides information on deforestation trends, carbon emission reductions achieved, production of 60 agricultural products, economic performance, public policies, programs and pledges, and ease of doing business, in 55 tropical forest jurisdictions located in 8 countries. It builds on the GCF Knowledge Database, the official online registry of critical information about Governors' Climate and Forests Task Force member jurisdictions.

GCFImpact.org is only the first step towards facilitating strategic partnerships. Some GCF jurisdictions have developed their own, tailor-made platforms. Acrepp.org (for Acre, Brazil) and pcimonitor.org (for Mato Grosso's PCI Strategy) are two examples of jurisdictional information systems that grew out of multi-stakeholder dialogues, to facilitate easy access to reliable information on progress towards the goals and overarching vision of the future for each region. These systems are also a declaration of intent of tropical states, specifying commitments and progress made in conserving their ecosystems and achieving socially inclusive development. In Acre's case, its platform is also designed to attract investments in its low-carbon industries.

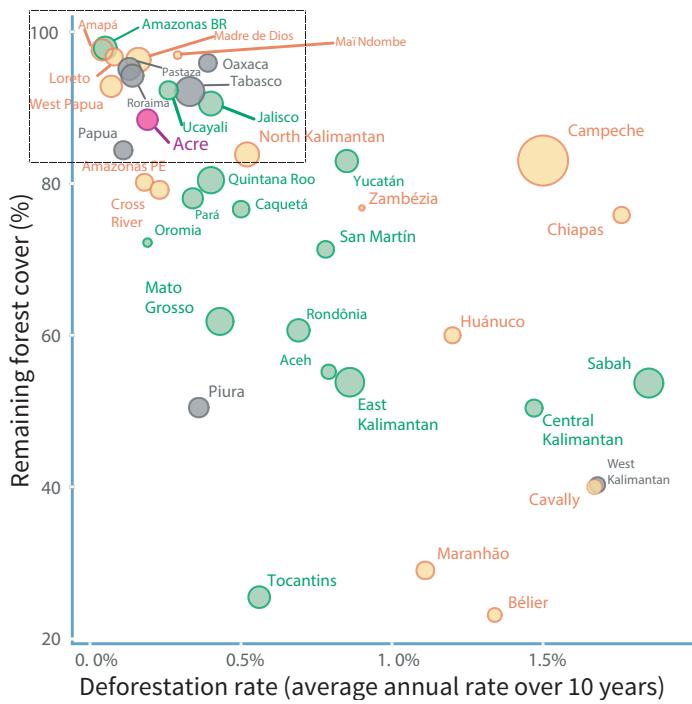
**Figure 10:** Under a LED-R scenario, we estimate that together the 39 jurisdictions could avoid a total of 9.2 Gt CO<sub>2</sub>e between 2017 and 2030 by lowering their deforestation by 90% from historical forest reference emission levels. Additionally, under a carbon enhancement, “zero net deforestation” scenario (natural and human-induced regeneration of cleared and degraded forest balance forest losses), carbon neutrality could be achieved by 2027 with a net carbon uptake reaching 0.4 Gt CO<sub>2</sub>e per year by 2030 and total avoided emissions of 11.8 Gt CO<sub>2</sub>e.<sup>33</sup>



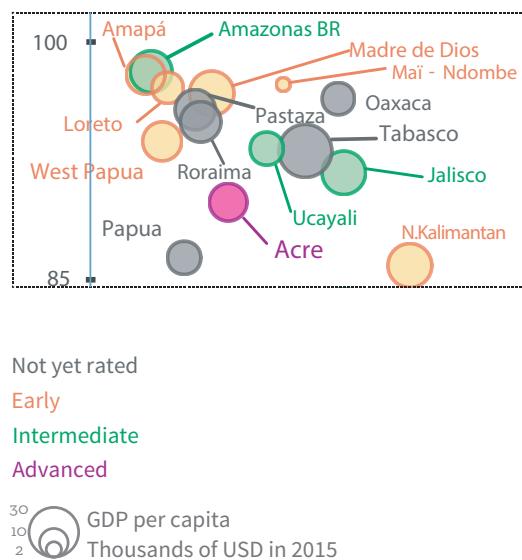
## WHAT IS THE PATHWAY FOR JURISDICTIONS TO ACHIEVE ZERO NET DEFORESTATION?

The potential for a large-scale transition to zero net deforestation varies greatly across jurisdictions, depending upon trade-offs between agriculture and forests that each region faces, and their readiness to implement strategies that involve both slowing deforestation and speeding forest recovery. Forest recovery/restoration is easier to promote where there is an abundance of cleared land with low levels of agricultural productivity. In the

absence of a clear pathway for growth in agricultural output, the prospect of letting marginal land return to forest or of actively restoring forest is quite small. Many of the jurisdictions studied have made intermediate to high levels of progress toward LED-R with 60-90% of their original forest remaining (Fig. 11) and could be strong candidates for realizing zero net deforestation in the fairly near-term.



**Figure 11:** Jurisdictions are plotted according to remaining forest cover (as a percent of original forest area) and annual rate of deforestation (averaged over the last 10 years). The size of the circle indicates the GDP per capita of each jurisdiction. In addition, each jurisdiction's overall (average) progress rating is indicated.



## CHALLENGES & OPPORTUNITIES

Subnational jurisdictions face a broad range of barriers to advancing low-emission development strategies. At the same time, there are important opportunities for progressing toward

jurisdictional sustainability despite these barriers. Below, we summarize some of the most common challenges and opportunities identified across 33 jurisdictions surveyed.

### CHALLENGES

- The administrative and legal autonomy of subnational governments varies greatly from nation to nation and is quite narrow in some regions
- There are long-standing and complex tensions of power over territory between sectors with conflicting priorities
- Low technical capacity and insufficient finance impedes implementation even of complete jurisdictional action plans
- Complex issues of customary land tenure rights are often still unaddressed despite important partnerships emerging between IPs/LCs and governments
- Insufficient alignment of private sector activities with relevant policy agendas results in missed opportunities to strengthen governance more broadly
- Insufficient incentives (including limited market access) for sustainably produced commodities are available, partly because these value chains are underdeveloped
- 23 jurisdictions in the study have had or have upcoming elections this year. Elections can present either a challenge or an opportunity, depending on the context of each jurisdiction and the political priorities and capacity of the incoming administration

### OPPORTUNITIES

- Many subnational jurisdictions have significant capacity to test, adapt, and implement policies and programs that can be adopted by national governments or replicated in other regions
- Most surveyed jurisdictions are already developing institutional frameworks for integrated LED-R strategies to overcome historical power struggles
- More and different media/publicity channels allow jurisdictions to make their progress and initiatives known to potential donors and investors
- Even small amounts of new finance can inject life into processes already underway and provide support for testing innovative policies and incentives
- Inter-municipal and local pilot initiatives demonstrate the potential to scale up to jurisdiction-wide action

## KEY FINDINGS

- The 39 jurisdictions studied encompass 28% of the world's tropical forests and are distributed across a broad range of both deforestation rates and the fraction of the original forest that is remaining
- Nearly all (38 of 39) jurisdictions have made formal commitments to slow deforestation and/or accelerate reforestation/forest recovery
- Many are financing and implementing innovative policies and programs, including incentives, and prioritizing indigenous peoples, local communities, and smallholder farmers as key beneficiaries of these interventions
- Deforestation has declined in half (19 of 39) of the jurisdictions below official projected subnational forest reference levels
- These declines in deforestation represent approximately 6.77 GtCO<sub>2</sub>e of avoided carbon emissions, attributable to both subnational and national policy interventions and private sector actions
- Considering 9 core elements of successful low-emission development strategies across 33 jurisdictions, one jurisdiction is at an "Advanced" level of progress, 16 are at "Intermediate" and 15 are at "Early"; all of these jurisdictions merit recognition and support
- Elements that are most advanced across jurisdictions are the development of spatial plans and multi-stakeholder governance platforms, with less progress on developing robust, transparent and accessible MRV systems, establishing the necessary policy, technical and financial support for the

- transition to sustainable agriculture, and securing the needed finance for low-emission development strategies
- Although nearly half (14 of 33) of the jurisdictions have made some progress related to sustainable agricultural production, surprisingly few (5) have entered into formal commodity sourcing agreements with companies that are directly contributing through finance, technical assistance, or other means; more common (16 of 39) have "declared" partnerships through multi-sector consortia and dialogues
- Current standards and rating systems for jurisdictions generally establish a high bar of jurisdictional performance that could leave jurisdictions with low levels of governance capacity without needed partners; a more flexible approach to building credibility is also needed
- 58% (23 of 39) of the jurisdictions have received more than US \$10 million in climate finance, but most of this funding comes without formal links to performance in reducing emissions; one jurisdiction has received performance-based finance directly and three more are in the queue
- If zero net deforestation targets for 2030 were adopted by all studied jurisdictions, integrating targets for slowing deforestation with those for recovering and restoring natural forest on cleared lands, approximately 12 GtCO<sub>2</sub>e would be avoided by 2030
- Jurisdiction-wide zero net deforestation is the most likely scenario for achieving the NYDF 2030 goal of ending tropical deforestation

## RECOMMENDATIONS

A critical challenge for the global community is the creation of the enabling conditions that encourage subnational jurisdictions to advance as much and as quickly as possible despite substantial constraints associated with the magnitude of socio-economic and political change that needs to occur for the proposed changes to take place. Here we provide a brief set of recommendations:

- Establish global enabling conditions for fostering more company-government partnerships
  - » A simple global framework for registering, recognizing, and linking aspiring jurisdictions to potential private sector partners could help avoid the problems faced by commodity certification, in which only top-performing producers/mills become certified
  - » Adjust environmental advocacy campaign strategies to favor meaningful company-government partnerships
  - » Foster partnerships that feature the priorities of producer region governments, as described in the draft Balikpapan Jurisdictional Framework
- Support tropical forest jurisdictions to overcome fundamental constraints on sustainable enterprise ventures and investment
  - » Improve the ease of doing business and reduce the risk to investors by streamlining regulatory processes, improving regulatory clarity, increasing transparency, investing in green infrastructure—a long term endeavor
- Put verified avoided emissions to work
  - » Mobilize verified emissions reductions, both existing and projected, to create new business opportunities: carbon neutral products and commodities; green funds; land tenure funds; technical assistance facilities
- “Mainstream” recognition of human and land rights through jurisdictional approaches to consultation and benefit sharing
  - » Leverage “safeguard” requirements of climate finance to drive better consultation and benefit sharing mechanisms
  - » Support government-IP/community partnerships, building on the example of Acre and the GCF Task Force principles

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<https://earthinnovation.org/state-of-jurisdictional-sustainability/>

## CONCLUSION

Ten years after the creation of the Governors’ Climate and Forests Task Force, a surprisingly large share of the world’s tropical forests is located in political geographies—states, provinces, regional governments and departments—that are making real progress in building the strategies, public policies and programs for achieving low-emission rural development. This progress is remarkable given the precarious mechanisms in place for recognizing, financing and rewarding this progress. The stage is set for ramping up the scale of results delivered in slowing deforestation and forest degradation as forest recovery and restoration accelerate. The recognition and protection of land rights, adequate support for livelihoods, and the participation in planning processes of indigenous peoples and other forest communities are integral dimensions of these results.

For the jurisdictions studied here to succeed and for their experiences to be emulated in other jurisdictions, a near-term alignment of forces will be essential. For company-government partnerships to flourish, environmental advocacy must evolve to recognize and favor these partnerships. Governments need help and advice for making their jurisdictions “bankable” and increasingly attractive places to do business, paving a pathway for lower dependency on international climate finance. Jurisdictions can apply pressure on their national governments and international processes to permit the creative use of verified emissions reductions—whose volumes should increase greatly—to maximize their utility in driving regional transitions to low-emission rural development.

