

### Private Sector Partnerships/ Supply Chain Sustainability



Daniel Nepstad, PhD Executive Director & Senior Scientist

 REDD+ as promising global mechanism for financing reductions in deforestation



- REDD+ large-scale finance mechanism still does not exist
  - Most REDD+ money inaccessible to subnational governments
- Huge volumes of money seeking "bankable" investments in low-emission development
- Growing global demand for "sustainable" agricultural
   & forestry commodities



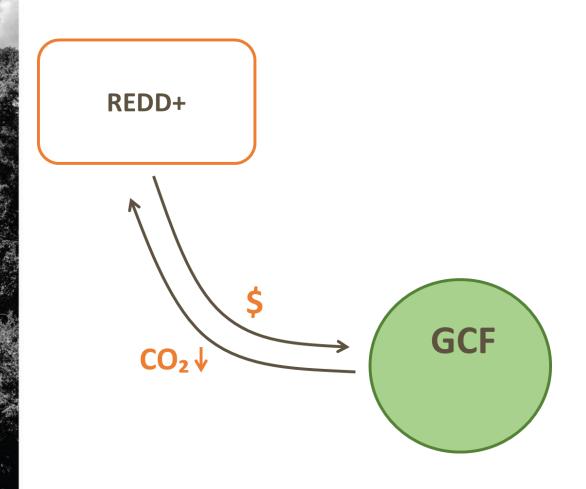
 Rapidly expanding interest in "jurisdictional" approaches to sustainability



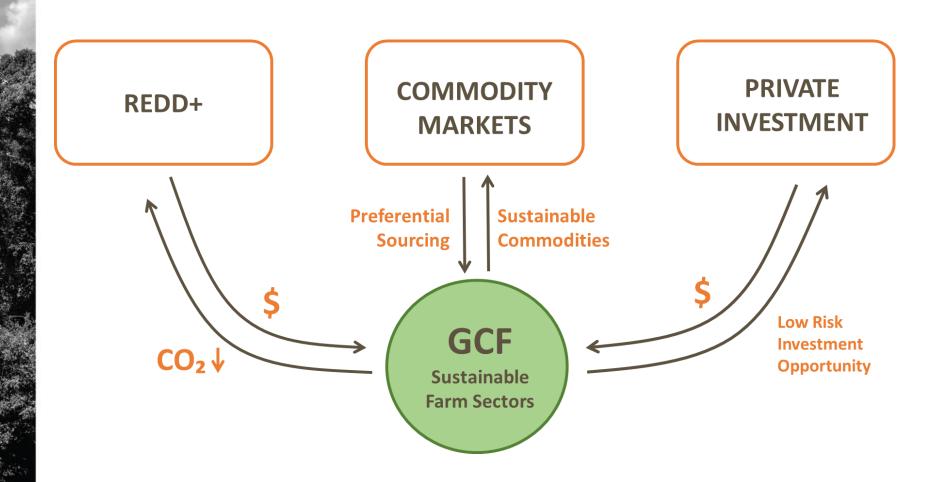
GCF members are extremely well-positioned to lead global low-emission, sustainable rural development agenda



#### **TODAY**



#### **TOMORROW**



### **GCF** "Performance System": Brazil

- EII, IDESAM, VCS
- "Fast Track" in 2015
- Integrating REDD+, Sustainable Supply Chains, "Bankable" Investments
- 2016: Indonesia? Peru? Mexico? Nigeria?



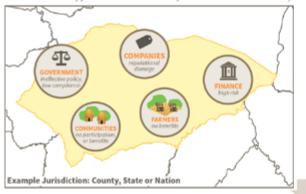
# The Territorial Performance System

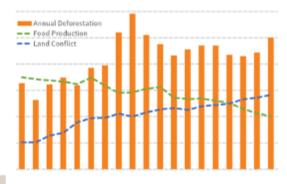
A framework for unifying disparate policies and initiatives to achieve large-scale, jurisdictional transitions to sustainability.



#### TYPICAL TROPICAL DEFORESTATION FRONTIERS

Fragmented Policies, Actors in Isolation, High Deforestation, Emissions and Conflict





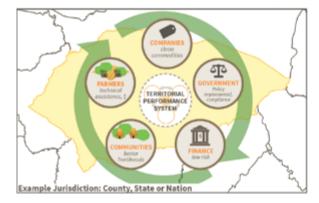
#### TERRITORIAL PERFORMANCE SYSTEM

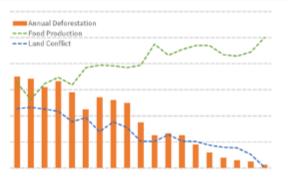


- LED-R Targets are broadly shared and timebound
- Multi-stakeholder Governance Structure coordinates implementation
- Integrated incentive system rewards farmers, communities and local governments for progress
- Monitoring platform for all parties to easily track progress

#### LOW-EMISSION RURAL DEVELOPMENT

More Food, More Forests, Fewer Emissions, Better Livelihoods





### Milestones

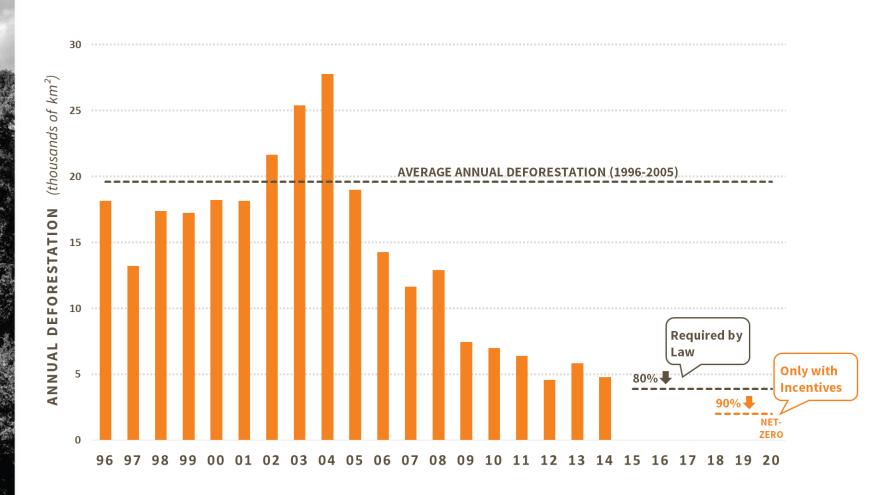


### **Many Definitions of Success:**

- High Conservation Value
- No Go Zones
- REDD+ Reference Levels
- Zero Net Deforestation
- Corporate Zero Deforestation Pledges

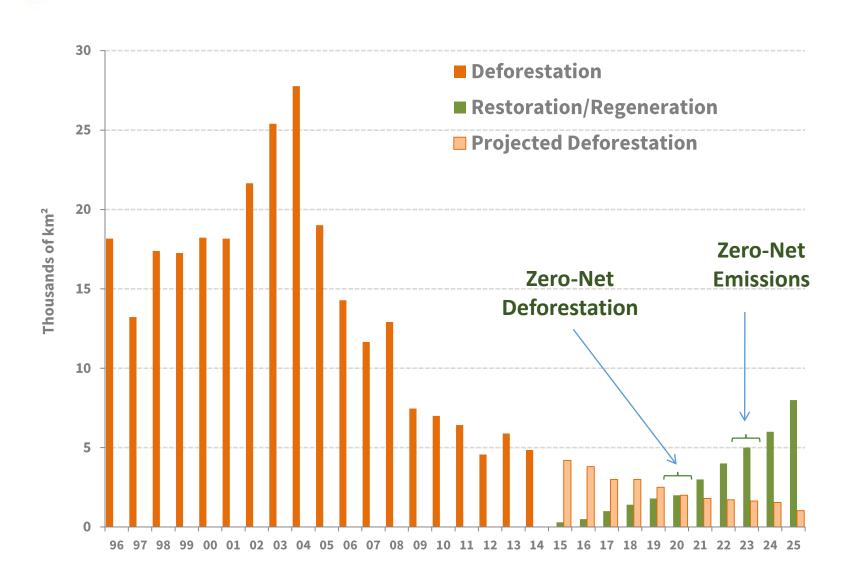


#### Possible Brazilian Amazon Deforestation Agreement: Beef, Soy, Finance, Government, NGOs at the Table





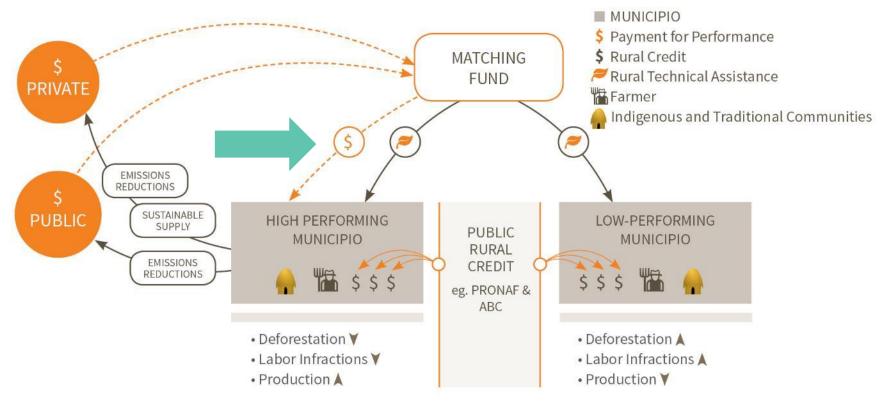
# **Zero-net Deforestation & Emissions in the Brazilian Amazon**



### **Incentives**



#### **Territorial Performance Matching Fund**



Depends upon performance



#### Indigenous Peoples and Low-Emission Rural Development (Thursday, Lunch)

#### THE CURRENT SITUATION OF INDIGENOUS PEOPLES AND LOW-EMISSION RURAL DEVELOPMENT

CRITERIA	ACRE Brazil	MATO GROSSO Brazil	LOWER AMAZON BRAZIL	RONDÔNIA Brazil	CHIAPAS MEXICO	LORETO Peru	MADRE DE DIOS PERU	CENTRAL KALIMANTAN INDONESIA	WEST PAPUA Indonesia	REGIÓN AUTÓNOMA DE LA COSTA CARIBE NORTE NICARAGUA	GRACIAS A DIOS HONDURAS	PETÉN Guatemala
FORMAL RIGHTS RECOGNITION						0	•	0	0		•	•
TERRITORIAL SECURITY	•	0	0	0	•	0	0	0	0	•	•	•
PARTICIPATION IN CLIMATE CHANGE DIALOGUES	•	0	0	0	0	0	0	0	0	•	0	0
BENEFITS- SHARING MECHANISMS	•	0	0	0	•	0	0	0	0	0	0	•
ENABLING GOVERNANCE CONDITIONS		•	•	•	•	•	•	•	•	•	•	•
PROGRESS TO LED-R			0	0	0	0	0	0	•	0	0	0

O LOW/BEGINNING MEDIUM/INTERMEDIATE HIGH/ADVANCED

### Taking finance to scale:

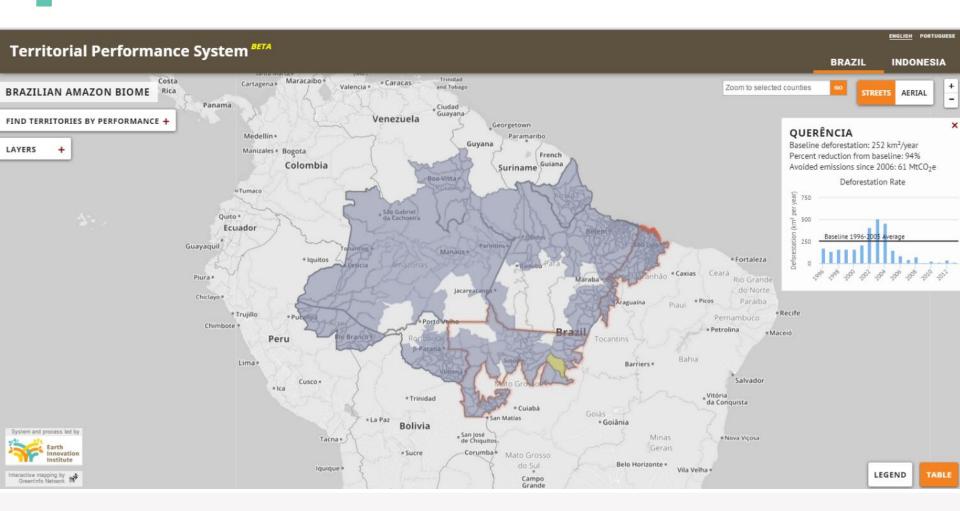
- Green Bond "Revolution": \$40B/year
- Climate finance to "de-risk" bonds



# Monitoring



# Online Territorial Performance Monitoring Platform: Seeing "Risk" in Seconds





# Multi-Sector Governance Structure

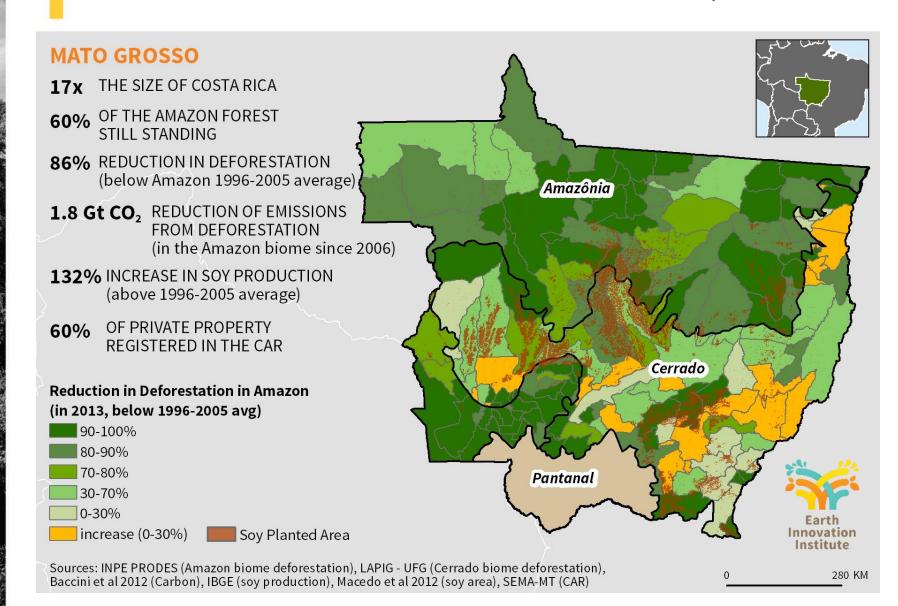


## **Creating Demand**



#### **Mato Grosso: Large Scale Sustainability**

The state and its producers urgently need market recognition and incentives to continue the historic transition to sustainability



#### **The Norway Connection**

