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INNOVATE FOR THE EARTH'S FUTURE

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The new decade is upon us. And most of the hundreds of corporate and government pledges to protect tropical forests and slow climate change by 2020 will not be met. Not even close.

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EII is supporting 18 subnational, regional governments in the Amazon region, representing 22% of the world's tropical forests and 9 billion tons of forest CO2 reduction potential by 2030. In 13 of these Amazon jurisdictions we are directly supporting their low-emission development strategies.

But despair is not the answer. Instead, we must approach 2020 with optimism and a critical assessment of why current strategies are not working.

The last decade offers valuable lessons about how best to slow the loss and speed the recovery of tropical forests, which are vital to slowing climate change. One lesson is that negative incentives – "sticks" – are not enough. The previous decade was awash in sticks, attempts to exclude deforesters from markets or punish them in other ways. They failed to deliver results at scale.

Positive incentives – "carrots" – are more important.

In 2019, the Earth Innovation Institute (EII) helped steer tremendous progress on new forms of "carrots." **We undertook a major initiative to recognize and reward the farmers, forest communities and local governments striving to achieve sustainable, forest-friendly development.** We are now poised to tap into the powerful global momentum around the Amazon and climate change to make the next decade a remarkable one for tropical forests and the communities that live in them.

Here are some of our highlights from the past year.

- The **California Tropical Forest Standard** was approved by the California Air Resources Board, sending an important signal to tropical forest states and provinces that their efforts to conserve forests are recognized. Initially, it could help channel investments from the rapidly expanding voluntary market for carbon emissions reductions from tropical forests into these states and provinces, while ensuring such flows meet high environmental and social standards. The

Standard paves the way for more than a billion dollars of corporate investment to flow to tropical forest regions – farm sectors, indigenous communities, local governments – over the next few years. EII played a critical role in the development and approval of the Standard.

- The **Tropical Forest Champions** initiative was launched to attract investors and buyers to the tropical forest states and provinces that are striving to achieve sustainable, forest-friendly development. Ten founding member governments finalized the rules that they will follow – rules that are anchored in the Governors' Climate and Forests Task Force principles and definitions. Both the "Champions" initiative and the GCF principles and definitions were spearheaded by EII.
- The **Pan-Amazon "Back to Fish" strategy**, launched by EII in May, was formally endorsed by 16 subnational governments of the Amazon region in Brazil, Colombia, Ecuador and Peru. For millennia, fish have sustained the indigenous peoples of the Amazon and could, again, become the main source of protein for Amazonians and others, reducing demand for ever-expanding cattle pastures that drive deforestation.
- And EII provided an important reality check amidst the international furor over **Amazon fires** that erupted in August, repeatedly encouraging governments, policy-makers, companies, and environmental groups to use this global attention to achieve long-term solutions to fire in the region. Despite what some headlines have implied, luckily, an Amazon "tipping point" and regional forest dieback can still be avoided if urgent action is taken.

I hope these examples also give you hope for 2020 and beyond. For me and the team at EII, we are powered by a belief in science and progress, and by gratitude for friends and supporters like you. Thank you. To contribute to this work, please visit our secure donation page.

My best for a wonderful end to 2019, and strong start to 2020.

With our deepest thanks,
Dan Nepstad, PhD
Executive Director & Senior Scientist