JURISDICTIONAL SUSTAINABILITY

A Primer for Practitioners

INTRODUCTION

Jurisdictional sustainability is achieved when an entire political geography completes the transition to sustainable development. The pathway to jurisdictional sustainability is neither easy nor quick, however. This document is intended to highlight some of the key elements of successful strategies for achieving jurisdictional sustainability. It builds upon two multi-stakeholder roundtable dialogues (January 2015 and June 2016) convened by the Forests, Farms and Finance Initiative (3FI)[1] and recently published assessments of integrated landscape management and jurisdictional approaches (Annex 1).

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1 The Forests, Farms and Finance Initiative is led by Earth Innovation Institute and includes: Bonsucro, Denofa, Forest Trends, Governors' Climate and Forests task force, Global Roundtable for Sustainable Beef, Grupo Amaggi, Grupo de Trabalho da Pecuária Sustentável, INOBU, Instituto de Pesquisa Ambiental da Amazônia, Proforest, Roundtable for Responsible Soy, Roundtable for Sustainable Palm Oil, Solidaridad, and Unilever. For more information visit: forestsfarmsfinance.org

WHAT IS JURISDICTIONAL SUSTAINABILITY?

We define *jurisdictional sustainability* as the successful transition to sustainable development—encompassing social, environmental and economic dimensions[2]—across an entire political geography, such as a state, province, county, district or nation[3]. Success is measured "wall-to-wall" across the entire jurisdiction and therefore encompasses the full range of activities, production systems, ecosystems and actors.

Jurisdictional sustainability can be achieved through a *jurisdictional approach* that is 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. (See Annex 2 for a typology of approaches to sustainable rural development).

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2 As defined here, development is sustainable if it is meeting the needs of the current generation without compromising the ability of future generations to meet their needs (paraphrased from Our Common Future).

3 A jurisdiction can also be defined by a natural boundary, such as a watershed, if there are relevant public policies that operate at this level.

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THEORY OF CHANGE

Jurisdictional sustainability can be achieved when there is a shared definition of success among key sectors, when the political and economic power of those who want jurisdictional sustainability is sufficient to drive change, and when there is a viable strategy and plan for supporting the transition. Jurisdictional sustainability becomes durable when enabling conditions for maintaining it are locked into public policies, business models and formal land designations. It becomes self-reinforcing when it confers broadly-perceived benefits, such as increases in access to markets and finance, job creation, food security, poverty alleviation, more abundant natural resources, and a healthier, more resilient environment.

VISION

Jurisdictional sustainability becomes the new norm when its substantial benefits to local voters and constituencies are broadly perceived, making it a central feature of all viable campaigns for political office and of the region's business models. Successful innovations in high-performing jurisdictions are copied and replicated by others with lower performance, creating a virtuous race to the top.

DOES THE JURISDICTIONAL APPROACH REPLACE FARM- AND PROCESSOR-LEVEL APPROACHES?

No. The jurisdictional approach is best seen as an important complement to farm- and processor-level interventions. Farm- and processor-level interventions to promote and measure progress towards sustainability will always be needed. Technical assistance, finance, law enforcement and other types of interventions are essential to drive changes in farmer and processor behavior. Farm- and processor-level monitoring is needed to identify and reward top performers and to identify and reform free riders. Some buyers will always require dimensions of sustainability from their suppliers that can only be measured at the level of the farm or processor[4].

WHY IS A JURISDICTIONAL APPROACH NEEDED?

- **Governments must eventually be effective:** Strong public policies, effective government agencies and the rule of law are necessary in the long-run to establish the enabling conditions for sustainable development to thrive over large regions. However, a long history of disappointing performance by regional governments has pushed the sustainable development community towards approaches that do not depend on governments. The jurisdictional approach is designed to support the large number of governmental leaders now interested in promoting sustainable development.

- **Convergence and alignment:** Jurisdictional REDD, farm- and processor-level certification, domestic public policy initiatives and corporate deforestation sourcing commitments are supporting the transitions of tropical forest regions to sustainable development, often with a strong emphasis on reducing deforestation. A lack of alignment[5] among these approaches is an important impediment to progress. This alignment can be achieved through a jurisdictional approach.

- **Lower costs:** The jurisdictional approach can lower the costs to companies and farmers by achieving sustainable development regionally. Through a jurisdictional approach, powerful incentives and cost-sharing mechanisms for fostering collective action and positive peer-to-peer (farm-to-farm, business-to-business) interactions are possible and the cost of farm-by-farm audits can be lowered.

- **Allows certification to go to scale:** By increasing the sustainability of all production and processing systems through public policies, incentives and law enforcement, the jurisdictional approach makes certification under international standards viable for a larger number of farms and processors.

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4 Examples of these dimensions of sustainability include labor practices and the use of dangerous chemicals.

5 This lack of alignment can include differences in the metrics used for measuring performance (e.g., for forest cover, net deforestation rates, go no-go zones, high conservation value areas, high carbon stock forests), differences in the spatial unit of performance (e.g. farm, watershed, county), and differences in core assumptions (e.g. perception of farmers as essential partners vs. problematic agents needing reform.)

WHAT ARE SOME OF THE MAIN CHALLENGES OF THE JURISDICTIONAL APPROACH?

- **Buy-in:** Garnering sufficient support among important political leaders, farm sector leaders and business leaders
- **Capacity:** Weak institutional capacity of government agencies, businesses, farm sectors and civil society
- **Political turnover:** Strong political leaders are lost through elections
- **Governmental alignment:** Opposition from one level of government or one agency
- **Perverse incentives:** Public policies that work counter to the sustainability agenda
- **Missing carrots:** Lack of positive incentives for investments in sustainable practices and public goods
- **Missing sticks:** Weak laws and regulations to promote sustainable production systems and land management or weak enforcement of good laws and regulations.
- **Missing market signals:** Strong, consistent signal that the main domestic and export buyers of the jurisdiction's products want sustainable sources and accept the jurisdiction's definition of success
- **Too many metrics:** Multiple metrics for the same key issues (e.g., deforestation)
- **Fear:** Of working together: companies with governments, one sector with another sector, farmers with NGOs and other combinations.
- **Inclusion:** Smallholders, indigenous groups and other sectors of regional society often find it difficult to participate in multi-stakeholder dialogues

WHAT ARE THE ELEMENTS OF SUCCESS?

1. SHARED DEFINITION OF SUCCESS

   - **Time-bound goals and milestones:** For the entire jurisdiction
   - **Real progress:** Goals and milestones represent meaningful progress towards jurisdictional sustainability
   - **Ownership within regional society:** Accepted and supported by key local/regional stakeholders
   - **International recognition:** Recognized and endorsed by key external actors and, eventually, compliance with a set of principles or "rating system" (Note: An international set of principles is an important missing piece. Several initiatives are working on this). This is most important for export-dependent jurisdictions.

2. MONITORING, REPORTING AND VERIFICATION (MRV)

   - **Good data:** Accurate, timely, reliable, impartial and, eventually, "official[6]" data. See example of Brazilian PRODES system[7].
   - **Transparency** Reporting is available online, in an interactive platform that facilitates visualization and querying and is tailored to a diverse array of users (e.g., allows companies to justify why they prefer to source from a specific region).
   - **Beyond audits:** Farm-level auditing for verification will continue to be important. However, there is a trend towards greater reliance on remotely-sensed data, government data collection (e.g. crop production, labor law infractions) and citizen monitoring for tracking performance. Verification could rely more heavily on formal grievance reporting and investigation system.
   - **Traceability:** Companies and monitoring systems can trace back the origin of a product or ingredient of a product along a supply chain.

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6 "Official" refers to government-endorsed data that becomes the basis of policy decisions.

7 For example, Brazil's PRODES deforestation monitoring program for the Amazon, released every year, has allowed numerous innovations that promote sustainable development

3. INTEGRATED SYSTEM OF INCENTIVES & COST SHARING

- **Fair, effective sticks:** Easily understood land-use laws and regulations that are fairly enforced and stable over time (see footnote[8] with example for Brazilian Forest Code)

- **Need for multiple incentives:** A range of incentives is needed—financial, administrative (e.g., streamlining bureaucracy), contractual, land tenure

- **Sustainable businesses and farmers more competitive:** Policies and programs increase costs for low performers while lowering costs for high performers. (Note: today it is usually just the opposite)

- **Forge market agreements:** Sustainable sourcing agreements with key markets that include jurisdiction-wide targets

- **Attract investment:** Lower risks; increase returns

- **Pay-for-performance:** Principle of rewards for measurable territory-wide progress towards goals and milestones

- **Foster collective action:** Incentive systems that foster collective action to tackle deforestation as they deliver farm- and community-level support to adopt sustainable practices

- **Integrate incentives:** Achieved through jurisdictional business and investment plan

- **True cost sharing:** Incentives may best be viewed and discussed as mechanisms for equitably sharing the true costs of the transition to sustainable production systems[9]

4. MULTI-SECTOR GOVERNANCE STRUCTURE

- **Governmental representation and/or leadership:** Engagement/endorsement includes key agencies (e.g. agriculture, forest, environment, finance) and levels (e.g. District, Province, National)

- **Multi-stakeholder representation:** Achieves representation of all key stakeholders

- **Efficiency:** Mechanisms for ensuring efficiency, especially when government is in leadership role

- **Resilience:** Designed deliberately to ensure continuity across political transitions and through election cycles

- **Network:** Builds and reinforces web of strong relationships and collaborations among civil servants, businesses, farm sectors and civil society partners—the main foundation of resilience

- **Pragmatism:** Does not require perfection to advance

- **Manages conflict:** Competing interests and conflicts among participants should not interfere with the governance framework

PATHWAYS *(see examples in Annex 3)*

These three pathways to jurisdictional sustainability are not exclusive of one another. In many cases, a jurisdictional transition can involve 2 or 3 pathways, with different sequencing.

1. JURISDICTIONAL CERTIFICATION

- **Motivation:** Multi-stakeholder process is motivated by interest among key stakeholders in achieving jurisdictional certification (e.g., RSPO).

- **Assumption:** Single commodity certification will bring significant local benefits as it provides foundation for eventual wall-to- wall certification for all production and jurisdictional sustainability.

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8 When the Forest Code of Brazil was changed to increase the minimum forest cover of Amazon properties from 50 to 80% of each holding it lost a lot of credibility.

9 This is important since many of the benefits of sustainable production accrue to society as a whole while costs are borne disproportionately by producers.

2. JURISDICTIONAL REDD[10]

- **Motivation:** Multi-stakeholder process grows out of perceived potential benefits of jurisdictional REDD programs (e.g. German REDD Early Mover, Forest Carbon Partnership Facility, Biocarbon Fund, UN REDD, Governors' Climate and Forests Task Force, prospect of California REDD market) and the rules and systems that have been developed to participate in these programs (e.g. safeguards, reference levels, MRV).

- **Assumption:** Carbon finance can support readiness process; prospect of performance- based finance is sufficient to drive processes and land-use changes when orchestrated with related markets and investments.

3. ENDOGENOUS

- **Motivation:** Main motivation is regional commitment to sustainability that emerges from social movements, political leadership, or corporate leadership, encouraged by external opportunities (e.g. REDD, markets) or responding to regulations/public policies (e.g. Programa Municipios Verdes). Many of the 25 tropical forest states and provinces of the Governors' Climate and Forests task force fall in this category, motivated in part by the inter-governmental partnerships and political opportunities.

- **Assumption:** "If we build it, they will come." Success in slowing deforestation, recognizing indigenous land rights, alleviating poverty, improving food security will improve the quality of life in the jurisdiction and perhaps bring better market access as well as financial and reputational benefits.

HOW TO LAUNCH THE TRANSITION TO JURISDICTIONAL SUSTAINABILITY?

1. **Power:** Understand the power relationships and identify the coalition of individuals and institutions that could drive the process

2. **Neutral Convener:** Identify an organization or individual that is a neutral convener trusted by many stakeholders

3. **Unifying Issues:** Identify some of the common issues that could bring this coalition together

4. **Champions:** Engage potential champions for driving the process, especially political or economic leaders that can bring buyers, producers, and other key actors to the table

3. **Early Win:** Devise a strategy for achieving an early "win"—tangible benefit(s) that send a positive signal to those who have supported the process

4. **Big Tent:** Bring existing initiatives into the tent—or else they could become opponents

5. **The Three Cases:** Develop the political case, the business case, and the social case for jurisdictional sustainability

6. **Eye on the Ball:** Remember, this is a process of change, not a desired state

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10 The term REDD means: Reducing Emissions from Deforestation and forest Degradation.

ANNEX 1

SUMMARY OF RECENT ASSESSMENTS AND LITERATURE ON LANDSCAPE & JURISDICTIONAL APPROACHES THAT WERE REVIEWED FOR THIS REPORT.

1. **Climate-Smart Landscapes and the Landscape Approach—An Exploration of the Concepts and their Practical Implications.**

   Kusters, K. 2015. Wageningen, the Netherlands: Tropenbos International.

   This report assesses literature on all that is currently encompassed by the terms 'climate-smart landscapes' as well as 'landscape approach' and highlights questions where further research will be needed. Expert interviews are included to supplement Tropenbos International's literary discussions.

2. **Connecting Financial Tools and Landscapes: Aggregators and Strategic Interventions.**

   Clarmondial, Credit Suisse, Climate Bonds Initiative, F3 Life. 2016. Royal Society, London.

   This white paper provides an overview of landscape finance and implications as to how debt could be used to assist various actors and activities within a landscape.

3. **Early Lessons from Jurisdictional REDD+ and Low Emissions Development Programs.**

   Fishbein, G., D. Lee. 2015. The Nature Conservancy

   This study examines how jurisdictional approaches have been developed in eight diverse geographical jurisdictions, compares the current status of those approaches and their drivers, and draws conclusions about concerns and best practices for the future.

4. **Fostering Low-Emission Rural Development from the Ground Up.**

   Stickler, C. M. DiGiano, D. Nepstad, J. Hyvarinen, R. Vidal, J. Montero, A. Alencar, E. Mendoza, M. Benavides, M. Osorio, E. Castro, C. Mwangi, S. Irawan, O. Carvalho Jr., M. Becerra, D. McGrath, C. Chan, B. Swette, J. Setiawan, T. Bezerra, M. McGrath-Horn, J. Horowitz. 2014. Sustainable Tropics Alliance.

   This report analyzes and provides recommendations regarding eight tropical regions' key barriers and opportunities for promoting jurisdictional or regional low-emission rural development (LED-R) approaches.

5. **How Sustainability Standards Can Contribute to Landscape Approaches and Zero Deforestation Commitments.**

   Mallet P., M. Maireles, E. Kennedy, M. Devisscher. 2016. ISEAL Alliance, London.

   In ISEAL Alliance's recent publication, authors Patrick Mallet, Marta Maireles, Elizabeth Kennedy and Maira Devisscher provide an overview of existing sustainability standards and their application to landscape and jurisdictional approaches including relevant tools, frameworks, and initiatives.

6. **Integrated Landscape Approaches to Managing Social and Environmental Issues in the Tropics: Learning from the Past to Guide the Future.**

   Reed, J., J. Van Vianen, E. L. Deakin, J. Barlow, T. Sunderland. 2016. Global Change Biology, doi: 10.1111/gcb.13284.

   In this study, authors review and assess the history of landscape approaches, how they compare, and how they have been and can be applied in order to conclude that while significant barriers persist, such approaches hold great potential.

7. **Integrated Landscape Initiatives in Europe: multi-sector collaboration in multi- functional landscapes**

   Martín, M. G., Bieling, C., Hart A., Hart, Plieninger, T. Land-Use Policy, 58. 2016. 43-53. Elsevier

   This paper provides a systematic analysis of integrated landscapes initiatives in Europe in terms of patterns of organization, participants, resources, problems, and landscape values addressed.

8. **Integrated Landscape Initiatives for African Agriculture, Development, and Conservation: A Region-Wide Assessment**

   Milder, J.C, Hart, A. K, Dobbie, P., Minai J., Zaleski, C. 2014. World Development, 54. 68-80. Elsevier

   Study surveyed 87 integrated landscape initiatives in 33 Sub-Saharan African countries, providing a region-wide portrait of contexts, motivations, design, participation, and outcomes of such initiatives.

9. **Integrated Landscape Investments: How to Coordinate for Impact and Measure Effectiveness Across Landscapes.**

   EcoAgriculture Partners. 2015.

   In this white paper, issues regarding the coordination of investments, the facilitation of investor engagement, and the tracking of progress and returns within a landscape are identified.

10. **Integrated landscape management for agriculture, rural livelihoods, and ecosystem conservation: An assessment of experience from Latin America and the Caribbean**

    Estrada-Carmonaa, N., Hart A. K., DeClercke, F. A.J., Harvey, C. A., Milder, J. C. Landscape and Urban Planning 129. 2014. 1-11

    This article provides a systematic assessment of 104 integrated landscape management in 21 countries in Latin America and the Caribean. The analysis includes their characteristics, outcomes, contexts, motivations, objectives, stakeholders and participants, activities and investments, and major successes and shortcomings.

11. **Jurisdictional Approaches to Reducing Palm Oil Driven Deforestation in Indonesia: Scoping Study of Design Considerations and Geographic Priorities.**

    Daemeter Consulting. 2016.

    In their report to the Packard Foundation, Daemeter Consulting shares their findings and lessons from Indonesia regarding the opportunities and challenges involved in each step-by-step phase of developing and implementing a jurisdictional program (JP).

12. **Jurisdictional Approaches to Zero Deforestation Commodities - WWF Discussion Paper**

    Wolosin, Micheal, Forest Climate Analytics on behalf of WWF US. 2016.

    This paper provides information and analysis on jurisdictional approaches for consideration by interested stakeholders and to promote additional discussion.

13. **Jurisdictional Sustainability: Issues, Options and Recommendations for Accelerating the Transition to Sustainable, Equitable, Low-Emission Rural Development**

    Earth Innovation Institute. 2014.

    This white paper explores what is meant by jurisdictional sustainability, proposes a Theory of Change for how jurisdictional sustainability can be applied, outlines three pillars regarding this transition (incentives; performance milestones and metrics; and monitoring), and evaluates different options for enabling, designing, and driving jurisdictional sustainability processes globally.

14. **The Little Sustainable Landscapes Book: Achieving Sustainable Development Through Integrated Landscape Management.**

    Denier, L., S. Scherr, S. Shames, P. Chatterton, L. Hovani, N. Stam. 2015. Global Canopy Programme: Oxford.

    In this collaborative, in-depth report, integrated landscape management's central elements are outlined, related policy and technology trends are highlighted, current governance and financial circumstances that promote the feasibility of landscape management are discussed, and case studies are used to showcase various aspects of integrated landscape management's applications.

15. **More Food, More Forest, Few Emissions, Better Livelihoods: Linking REDD+, Sustainable Supply Chains and Domestic Policy in Brazil, Indonesia and Colombia.**

    Nepstad, D., S. Irawan, T. Bezerra, W. Boyd, C. Stickler, J. Shimada, O. Carvalho Jr., K. MacIntyre, A. Dohong, A. Alencar, A. Azevedo, D. Tepper, S. Lowery. 2013. Carbon Management, 4(6), 639-658

    In this article, various approaches to addressing rural low emissions development (LED-R) are compared and linked, and potential characteristics of and opportunities for a Jurisdictional Performance System (JPS) are explored.

16. **Reducing Risk: Landscape Approaches to Sustainable Sourcing.**

    Kissinger, G., A. Brasser, L.Gross. 2013. Landscapes for People, Food and Na¬ture Initiative, Washington, DC.

    This report supports the business case for landscape approaches by elaborating on how they address supply chain risk mitigation at scale, beyond an individual farm or mill.

17. **Thinking Medium Before We Thing Big: The Role of Program-Related, Angel and Venture Capital in Financing Landscape Startups.**

    Nature Services Peru, Craigmore Sustainables, International Woodland Company. 2016. Royal Society, London.

    This White Paper begins to explore the relationship between financial investment communities and sustainability strategies such as integrated landscape management.

ANNEX 2

BUILDING A COMMON UNDERSTANDING OF APPROACHES TO SUSTAINABLE RURAL DEVELOPMENT

Strawman typology of the "Jurisdictional Sustainability Working Group" (JSWG)[11]

These approaches are usually superimposed in various ways. This summary is not intended to endorse one approach over another. Rather, the goal is to provide a simple framework for categorizing approaches and their attributes

	NAME OF THE APPROACH			
FEATURE	**TRADITIONAL SUPPLY CHAIN**	**SECTOR-WIDE**	**INTEGRATED LANDSCAPE MANAGEMENT**	**JURISDICTIONAL**
Unit of Performance	Farms, plantations, mills (and suppliers) that sell to one buyer	All farms, plantations, mills in a region that produce a particular crop	Wall-to-wall across a defined geographic (socioecological area)	Wall-to-wall across a defined geographic area whose boundaries are aligned with public policy or administrative units
Example	Certification, company-led sourcing programs	Supply shed approaches, Soy Moratorium	Participatory watershed approaches	Jurisdictional certification, jurisdictional REDD, state- and province-wide initiatives
Forest Metrics	HCV, HCS, Legality, Deforestation Cut-Off Dates	HCV, HCS, Legality, Deforestation Cut-Off Dates	Landscape health: % forest cover, riparian zone vegetation, connectivity	Landscape health plus official targets, deforestation rate; reference level; reforestation area; minimum forest cover
Scale of Impact	Small	Medium	Medium - Very large	Large - Very large
Scope for company to implement without broader enabling environment	High	Medium	Medium	Small
Role of Government	Small	Small	Variable	Moderate-Large
Smallholders	Often excluded because of difficulty of engagement	Often excluded because of difficulty of engagement	Included	Included
Genesis	Often initiated and led by individual companies	Depends upon agreement across numerous buyers	Depends upon multiple stakeholders within a geographical area which usually include government actors, but often with non-government conveners or facilitators	Depends upon multiple stakeholders within a political boundary, including government; builds on and modifies policy

MATO GROSSO CASE STUDY

PROFILE
- **Average annual emissions from deforestation:** 149 MTCO$_2$
- **Total Area:** 903,366 km^2
- **Forest Area in 2012:** 520,884 km^2
- **Production Area:** 410,696 km^2
- **Protected Area:** 191,194 km^2
- **Population:** 3,321,196
- **Rural-Urban population:** 82% urban, 18% rural

PATHWAY
- Jurisdictional REDD (GCF membership, REDD law)
- Endogenous

ENTRY POINTS
- Market rejection of deforestation
- The promise of REDD
- Political leadership (Gov Pedro Taques, Blairo Maggi)

STATE-WIDE GOALS
- "Produce, Conserve, Include" (PCI) Plan, 2020 and 2030 targets:
  - 4 GtCO$_2$ emissions reductions (just forest carbon)
  - Zero net deforestation; zero net emissions by 2030
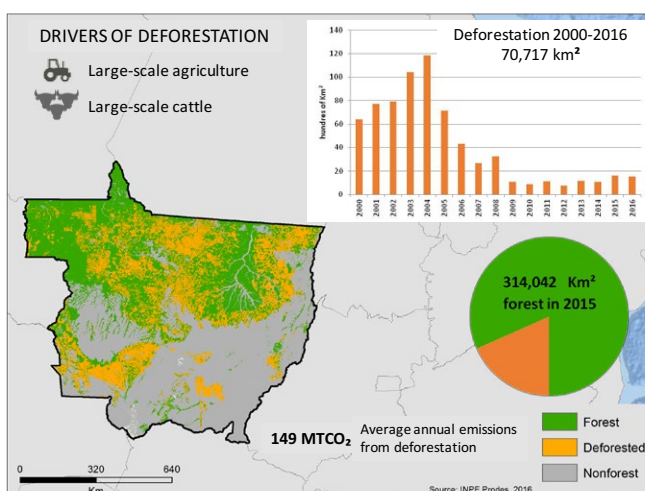 - 100% outreach to smallholders

INCENTIVES/COST-SHARING STRATEGY
Under development
- Jurisdictional sourcing agreements (with China, Norway, FEFAC)
- Althelia, public farm credit programs, cattle investment, territorial performance fund
- Estimated cost of PCI=$10B

MRV
Online performance platform under development

DRIVERS OF DEFORESTATION
- Large-scale agriculture
- Large-scale cattle

Deforestation 2000-2016
70,717 km²

314,042 Km² forest in 2015

149 MTCO₂ — Average annual emissions from deforestation

Forest
Deforested
Nonforest

Source: INPE Prodes, 2016

GOVERNANCE STRUCTURE
- New governance structure created by law (State Decree 468/2016). The institutional framework for the PCI Plan is currently being revised and the existing structure may change in this process.
- Under the current system, the State Plan Committee (CEEPCI) is responsible for overseeing the PCI and is made up of members from civil society, government and the private sector. The Executive Director sits below the CEEPCI and leads the implementation of the plan according to decisions made by the CEEPCI. Each element of the strategy is hosted by different government agencies: i) "Production" under the Secretary for Economic Development (SEDEC); ii) "Conservation" under the Secretary of Environment (SEMA)"; and iii) "Inclusion" under the Secretary of Family Agriculture (SEAF).
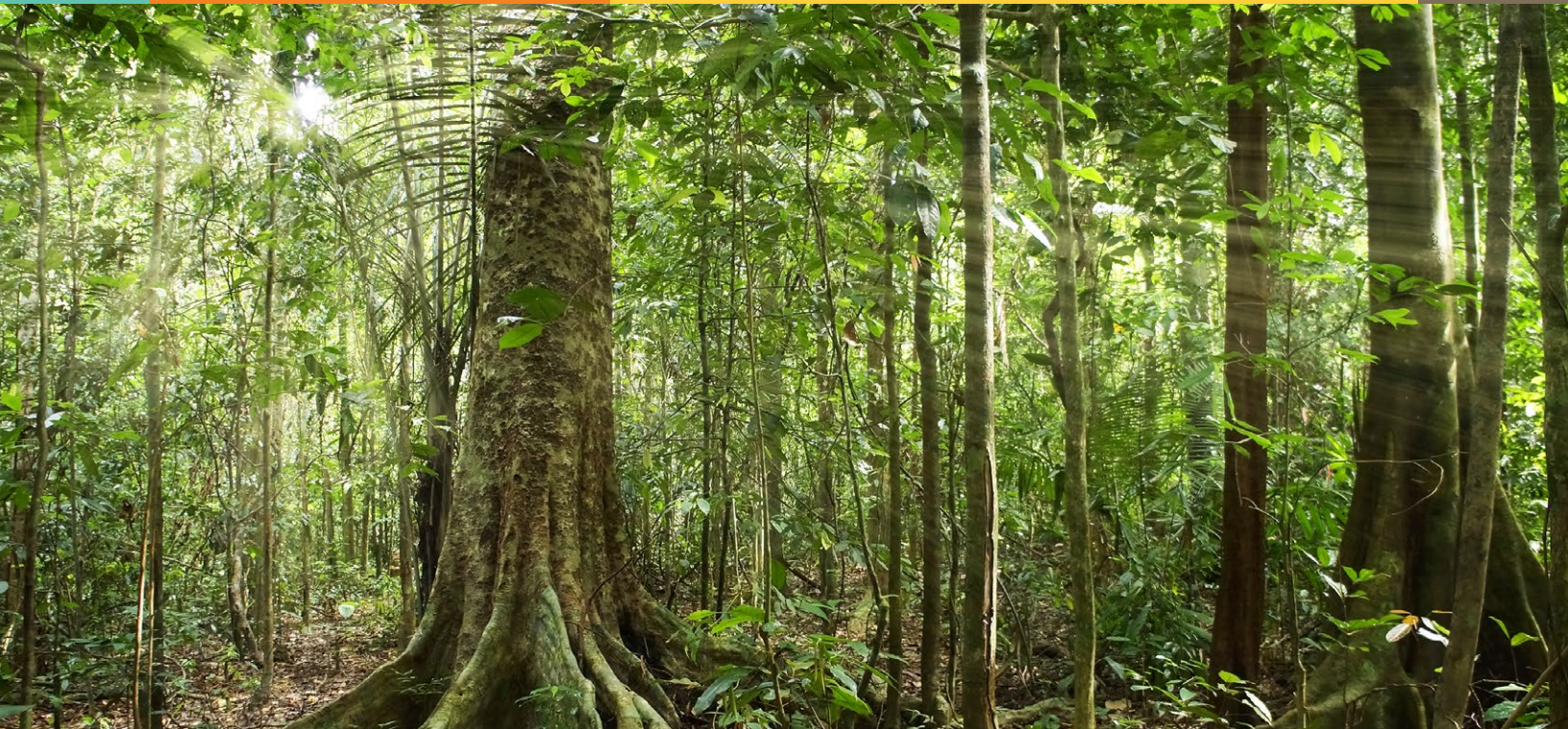
CENTRAL KALIMANTAN
CASE STUDY

PROFILE
- **Average annual emissions from deforestation:** 35 $MTCO_2$
- **Total Area:** 157,983 km^2
- **Forest area in 2014:** 80,181 km^2
- **Protected area:** 13,749 km^2
- **Population in 2014:** 2,439,858
- **Rural-Urban population:** 66% urban, 34% rural

PATHWAY
- Jurisdictional Certification
- Jurisdictional REDD (GCF member)

ENTRY POINTS
- Market rejection of deforestation
- Smallholder exclusion from formal economy
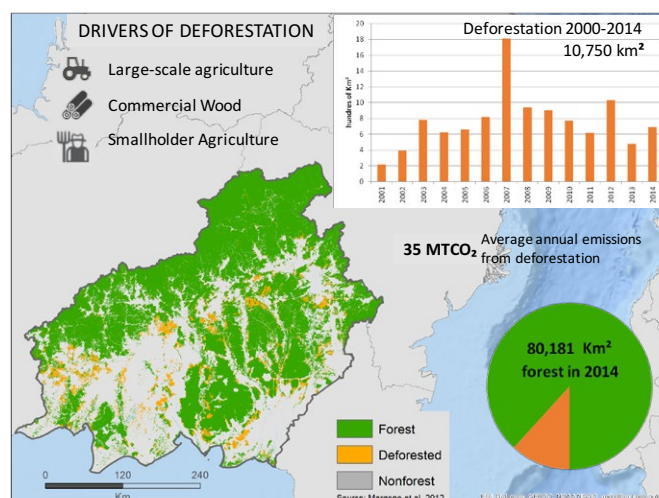- RSPO selection of Central Kalimantan jurisdictional pilot

PROVINCE-WIDE GOALS
- Province-wide goals: "The Central Kalimantan Roadmap to Low-Deforestation Rural Development that Increases Production and Reduces Poverty"[12]
- District-level goals not yet established

INCENTIVES/COST-SHARING STRATEGY
Under development
- Grants and corporate investments in smallholder mapping
- On-granting pay-for-performance mechanism

DRIVERS OF DEFORESTATION
- Large-scale agriculture
- Commercial Wood
- Smallholder Agriculture

Deforestation 2000-2014
10,750 km^2

35 $MTCO_2$ Average annual emissions from deforestation

80,181 Km^2 forest in 2014

- Forest
- Deforested
- Nonforest
Source: Margono et al, 2012

MRV
- Online performance platform SIPKEBUM[13] hosted by national, provincial and district governments

GOVERNANCE STRUCTURE
- Working groups (WGs) for RSPO certification. More specifically:
- Jurisdictional Certification (JC) WG in the Provincial level
- JC WG in Seruyan district
- JC WG in Kotawaringin Barat district
- JC WG in Gunung Mas district

12 See more here: http://earthinnovation.org/publications/central-kalimantan-roadmap-to-low-deforestation-rural-development/ (last accessed on Feb. 3, 2017)

13 See more at http://inobu.org/en/events/36-events/120-inovasi-bumi-inobu-ministry-of-agriculture-central-kalimantan-a-local-governments-sign-mou-and-launch-sipkebun-a-foundation-for-achieving-sustainable-palm-oil.html (accessed on Feb. 3, 2017)

ACRE CASE STUDY

PROFILE
- **Average annual emissions from deforestation:** 18 MTCO$_2$
- **Total Area:** 164,221 km^2
- **Forest area:** 148,522 km^2
- **Protected area:** 77,744 km^2
- **Production area:** 20,615 km^2
- **Population (2016):** 816,687
- **Rural-Urban population:** 73% urban, 27% rural

PATHWAY
- Endogenous, inspired by Chico Mendes
- Jurisdictional REDD (GCF member, SISA law)

ENTRY POINTS
- Social movement (autonomous rubber tappers, indigenous peoples) became platform for government
- Promise of REDD

STATE-WIDE GOALS
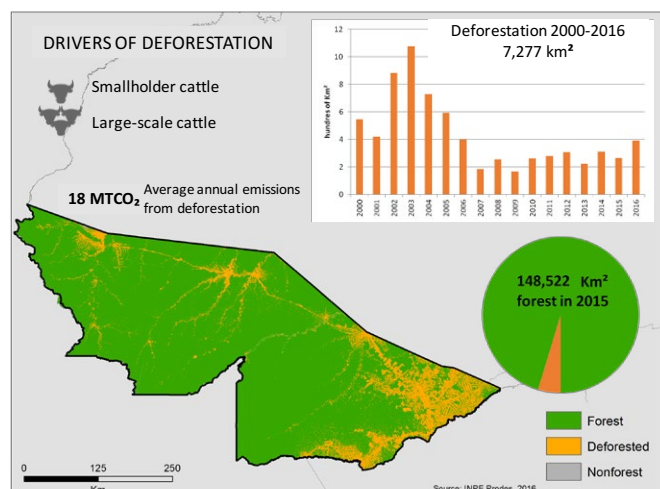- State-wide deforestation reference level

INCENTIVES/COST-SHARING STRATEGY
Under development
- System of Incentives for Ecosystem Services has attracted 25M Euros (German REDD Early Mover program); R$60M (Amazon Fund)
- Green growth plan attracting private investment (R$40M) to sustainable industries through Public-Private-Community-Partnerships

MRV
- Online territorial performance platform soon to be hosted by Acre government

DRIVERS OF DEFORESTATION

Smallholder cattle

Large-scale cattle

18 MTCO$_2$ Average annual emissions from deforestation

Deforestation 2000-2016 7,277 km²

148,522 Km² forest in 2015

Forest
Deforested
Nonforest

Source: INPE Prodes, 2016

GOVERNANCE STRUCTURE

- The State System for Environmental Services (SISA) established a legal mandate for the creation of several institutions, most of which operate within the State Environmental Agency (SEMA).

- Among these are: i) the Climate Change Institute (IMC), responsible for creating regulations, registry, and controls for implementing the SISA law and ensuring its integrity; ii) the Scientific Committee, responsible for overseeing the technical and scientific integrity of reference levels, monitoring systems, and assessments of emissions reductions; and iii) the Company for the Development of Ecosystem (CDSA), which operates as a public-private entity charged with the financial viability of the state's incentive programs by attracting investments into the system from the private sector and public donors. More details on the SISA structure are available here.[14]

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14 For more details visit: http://imc.ac.gov.br/wp/wp-content/uploads/2016/09/SISA.pdf (last accessed on Feb. 3, 2017)