Private Sector Partnerships/Supply Chain Sustainability

Daniel Nepstad, PhD
Executive Director & Senior Scientist
Global Context: 2008

- REDD+ as promising global mechanism for financing reductions in deforestation
Global Context: 2015

• 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
Global Context: 2015

- Rapidly expanding interest in “jurisdictional” approaches to sustainability
Global Context: 2015

GCF members are extremely well-positioned to lead global low-emission, sustainable rural development agenda
GCF “Performance System”: Brazil

- EII, IDESAM, VCS
- “Fast Track” in 2015
- Integrating REDD+, Sustainable Supply Chains, “Bankable” Investments
The Territorial Performance System

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

- Deforestation
- Restoration/Regeneration
- Projected Deforestation

Zero-Net Deforestation
Zero-Net Emissions
Incentives
Territorial Performance Matching Fund

PRIVATE

PUBLIC

MATCHING FUND

$ Payment for Performance
$ Rural Credit
$ Rural Technical Assistance
$ Farmer
$ Indigenous and Traditional Communities

EMISSIONS REDUCTIONS
SUSTAINABLE SUPPLY
EMISSIONS REDUCTIONS

HIGH PERFORMING MUNICIPIO
- Deforestation
- Labor Infractions
- Production

PUBLIC RURAL CREDIT
eg. PRONAF & ABC

LOW PERFORMING MUNICIPIO
- Deforestation
- Labor Infractions
- Production

 Depends upon performance
## The Current Situation of Indigenous Peoples and Low-Emission Rural Development

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- 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.

**MATO GROSSO**

- **17x** The size of Costa Rica
- **60%** of the Amazon forest still standing
- **86%** reduction in deforestation (below Amazon 1996-2005 average)
- **1.8 Gt CO₂** reduction of emissions from deforestation (in the Amazon biome since 2006)
- **132%** increase in soy production (above 1996-2005 average)
- **60%** of private property registered in the CAR

**Reduction in Deforestation in Amazon**
(in 2013, below 1996-2005 avg)

- 90-100%
- 80-90%
- 70-80%
- 30-70%
- 0-30%
- Increase (0-30%)
- Soy Planted Area

Sources: INPE PRODES (Amazon biome deforestation), LAPIG - UFG (Cerrado biome deforestation), Baccini et al 2012 (Carbon), IBGE (soy production), Macedo et al 2012 (soy area), SEMA-MT (CAR)
The Norway Connection