



# Unlocking the potential of tropical forests as a climate change solution



**Earth  
Innovation  
Institute**

Daniel Nepstad, Executive Director & President  
LoCarNet 7<sup>th</sup> Annual Meeting, Jakarta



Tropical forests could become one fourth or more of the emissions reductions needed by 2030 to avoid a 2 degree increase in global temperature\*

*But how?*

\*Griscom et al. 2017. Natural climate solutions. Nature Climate Change



Slowing the loss and speeding the recovery of tropical forests is possible at scale through strong political and well-designed public policies and programs

Brazilian Amazon: 70-80% reduction in deforestation; ~7 GtCO<sub>2</sub> avoided emissions

Costa Rica: Deforestation declined; reforestation increased nationally

India: \$6B/year in transfers to favor forests



After 11 years of REDD+ and 8 years of “zero deforestation” corporate commitments, how are we doing?

REDD+    Compensating nations, jurisdictions and projects for **r**educing **e**missions from **d**eforestation and/or forest **d**egradation

Corporate “Zero Deforestation” commitments: 473 companies have committed to “deforestation-free” commodity sourcing; 50 are implementing their commitments (source: Supply Change)

# THE STATE OF JURISDICTIONAL SUSTAINABILITY :

## Synthesis for practitioners and policymakers

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



Earth  
Innovation  
Institute

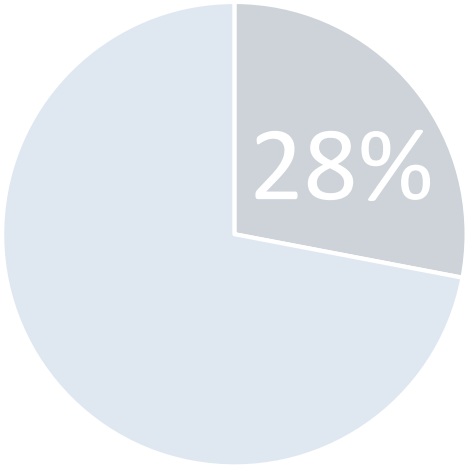


CIFOR

**GCF**  
task force

# Key Statistics—Global Summary

39  
Jurisdictions



Tropical forest

19/39  
Reduction  
relative to  
FREL



38/39  
Formal  
commitments



6.8 GtCO<sub>2</sub>e  
Avoided emissions

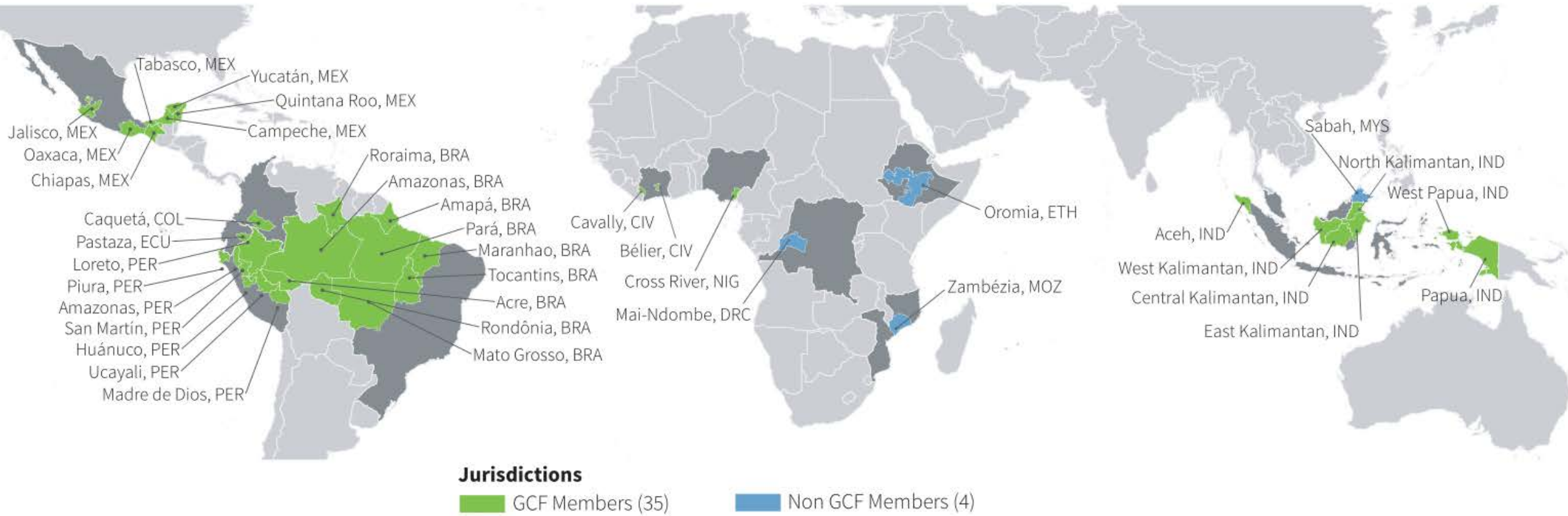
Innovative

Communities

Policies and programs

A complex diagram with a light blue background, featuring a hand holding a pen and pointing to a flowchart with various boxes and arrows. The diagram is flanked by the words 'Innovative' on the left and 'Communities' on the right. Below the diagram is the text 'Policies and programs'.

# Jurisdictions (39)



# Example: Jurisdictional Profile Brief



## JURISDICTIONAL SUSTAINABILITY PROFILE

### LOW-EMISSION RURAL DEVELOPMENT (LED-R) AT A GLANCE

- Founding member of Interregional Amazonian Council (CIAM) – coordination council of 6 Peruvian regions to strengthen the decentralization process & formulate an inter-regional agenda for sustainable development
- Regional Government promotes a Production-Protection-Inclusion (PPI) approach, which seeks to increase competitiveness & sustainability of regional production
- Over 21% of region designated as Protected Area
- Deforestation decreased 47% with respect to the historical peak (2009)
- Largest producer of rice, coffee, & cacao nationally, promoted using a PPI approach
- ACOPAGRO co-op (one of Peru's largest cacao producers & exporters) is implementing a community reforestation program & deforestation-free production, with NGO support

**DRIVERS OF DEFORESTATION**

- Small-scale agriculture
- Small-scale cattle ranching

**AVERAGE ANNUAL EMISSIONS FROM DEFORESTATION**

10.47 Mt CO<sub>2</sub>e (2010-2016)  
Includes above-ground biomass & below-ground biomass

**AREA**  
51,253 km<sup>2</sup>

**POPULATION**  
873,593 (2012)

**HDI**  
44.08 (2012)

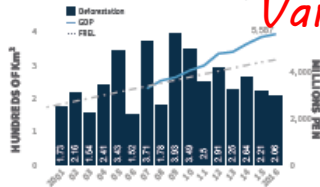
**GDP**  
USD 1.66 billion (2016, base year: 2007)

**GINI**  
0.510 (2014)

**MAIN ECONOMIC ACTIVITIES**

- Agriculture & cattle ranching
- Services
- Trade

**RURAL/URBAN POPULATION**  
35%/65%



Progress in Various Areas

### KEY INTERVENTIONS



1 Regional Government of San Martín (GORESAM) general budget, 2 Peru-Norway-Germany Joint Declaration of Intent on REDD+ (DCI), 3 GORESAM, 4 World Bank (Climate Investment Fund), Inter American Development Bank, 5 Ministry of Environment (MINAM), 6 Forest & Wildlife Service (SERFOR), 7 Regional Agriculture Office (DIASAM), 8 Municipal governments.

Key Policies, Programs & Innovations

Overview

Spotlight on Innovation

### SPOTLIGHT ON INNOVATION

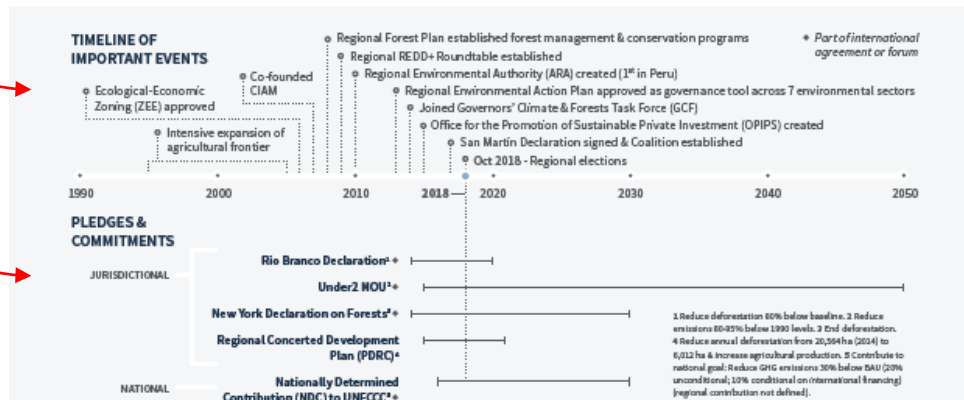
The Office for the Promotion of Sustainable Private Investment (OPIPS) was created in 2015 to attract private investment by forging public-private partnerships that result in sustainable purchasing agreements. It was established as a specialized, consultative unit assigned to San Martín's Office of General Management. OPIPS is responsible for encouraging and supporting the activities of the private sector, aimed at promoting the development of regional resources and creating necessary instruments and mechanisms. In particular, it helps to link investors with small producers, supports producers with

potential, coordinates with other regional entities (such as the regional agriculture management agency) to provide technical assistance to producers. Finally, OPIPS represents the regional government in its dealings with local, national and foreign investors and supports the positioning of the region as an attractive destination for socially inclusive and environmentally responsible investment. In this respect, OPIPS is poised to play an important role in promoting the "Marca San Martín," including negotiating potential jurisdictional-scale sourcing agreements.

Progress in Various Areas

Timeline

Pledges



### PROGRESS TO JURISDICTIONAL SUSTAINABILITY

	EARLY	INTERMEDIATE	ADVANCED
<b>Integrated LED-R Strategy</b>	1	2	3
<b>Spatial plan</b>	1	2	3
<b>Performance targets</b>	1	2	3
<b>Monitoring, reporting &amp; verification (MRV)</b>	1	2	3
<b>Policies &amp; Incentives</b>	1	2	3
<b>Multi-stakeholder governance</b>	1	2	3
<b>Sustainable agriculture</b>	1	2	3
<b>Indigenous peoples &amp; local communities</b>	1	2	3
<b>LED-R finance</b>	1	2	3

### CHALLENGES & OPPORTUNITIES

- CHALLENGES**
- Ineffective land use laws contribute to high incidence of illegal activities (e.g. land trafficking, illegal deforestation & timber extraction, Inter alia)
  - Lack of formal mechanisms for coordinating government agencies
  - Centralized governance structure in Peru contributes to prevalence of policies designed at national rather than regional level & inadequate budget allocation
- OPPORTUNITIES**
- Potential to scale up ADEL to coordinate landscape-scale approaches to development
  - Increasing global interest in San Martín, fostered in part by its leadership of the PPI approach, could improve direct access to finance for the jurisdiction
  - Effective agroforestry policy & zoning could contribute to reduction of emissions from agricultural expansion

Challenges & Opportunities

**CITATION** | O. David, G. Suárez de Freitas, C. Stöckler, P. Luna. 2018. "San Martín, Peru" in C. Stöckler et al. (Eds.), *The State of Jurisdictional Sustainability*. San Francisco, CA: EII, Bogor, Indonesia: CIFOR; Boulder, CO: GCF.

**COMPLETE REFERENCES & DATA SOURCES PROVIDED AT** [www.earthinnovation.org/state-of-jurisdictional-sustainability](http://www.earthinnovation.org/state-of-jurisdictional-sustainability) 2018/09/07

#### TECHNICAL TEAM



#### SUPPORTED BY



Based on a decision of the common monitoring



# Synthesis: Central Questions

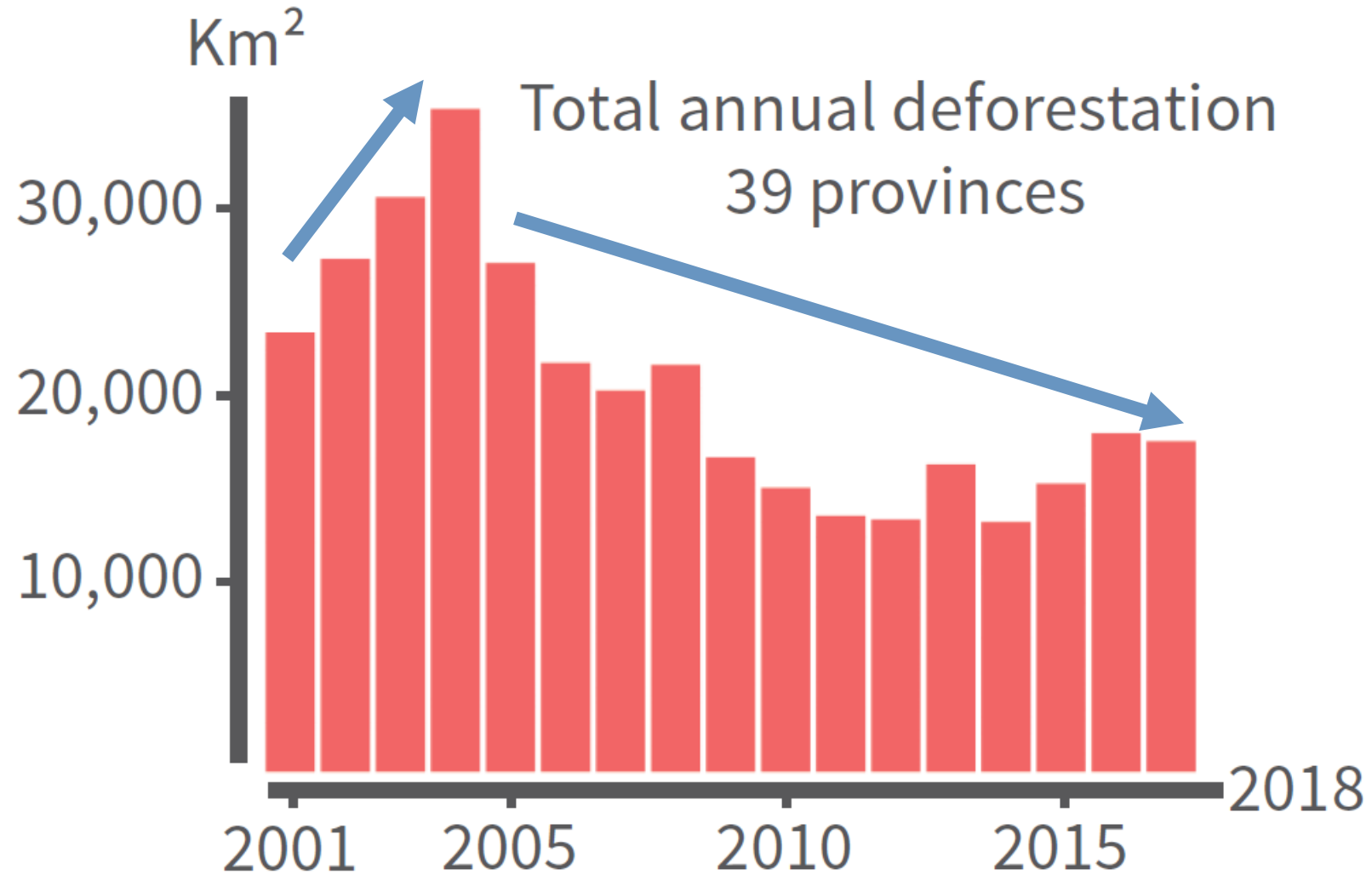
---

1

Has deforestation decreased in the study jurisdictions?

# Deforestation trends

---

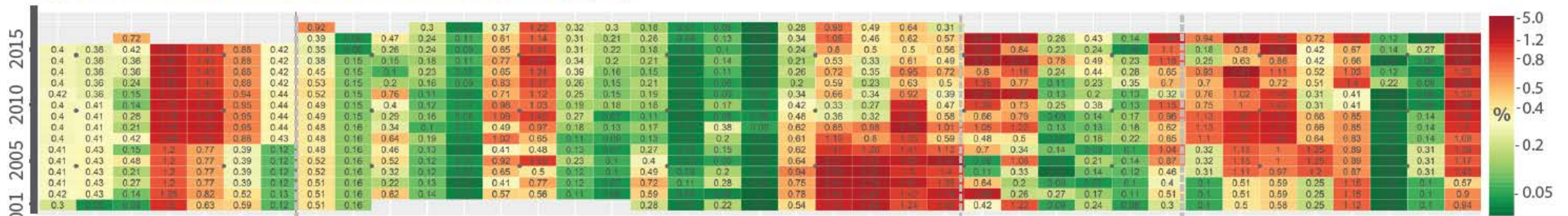


346k

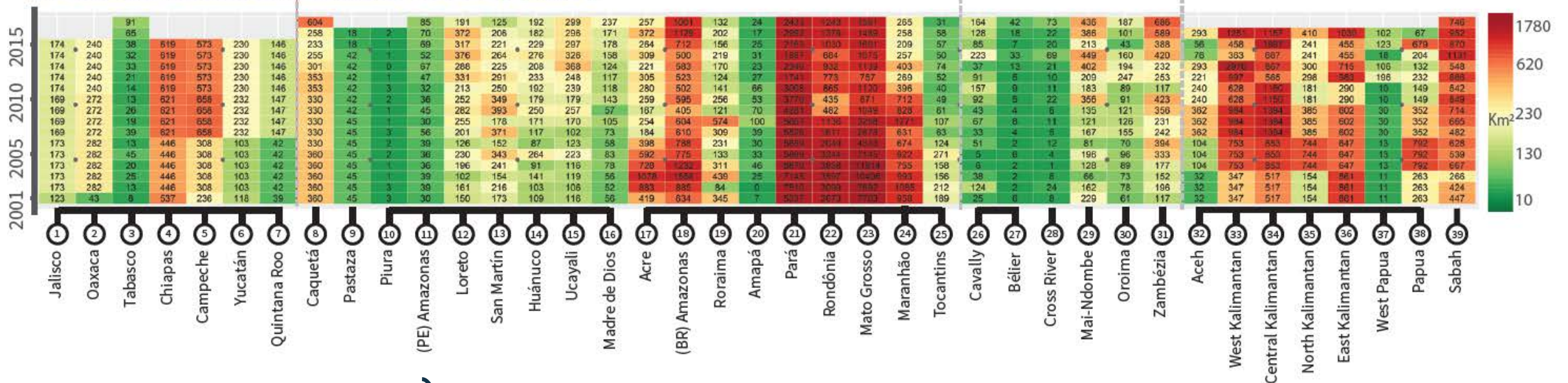
Km<sup>2</sup>

2000-2017

## A) Annual deforestation rate 2001-2017 (%)



## B) Annual deforestation 2001-2017 (km<sup>2</sup>)



Reduction 12

Stable 9

Increase 18

5 years

- Half of jurisdictions reduced deforestation below FREL over same period
- 80% original forest cover (4.98 million km<sup>2</sup>) remaining; total C stock = 69.2 GtC

# Synthesis: Central Questions

---

## 2

**What commitments have jurisdictions made toward reducing deforestation/emissions (and other targets)?**

# Pledges & Commitments

---

Rio Branco  
Declaration

35



Deforestation



Poverty



Livelihoods

Under2 MOU

27



Emissions

Bonn  
Challenge

31



Reforestation



Restoration

New York  
Declaration on  
Forests

18



Deforestation



Sustainable  
agriculture

# Synthesis: Central Questions

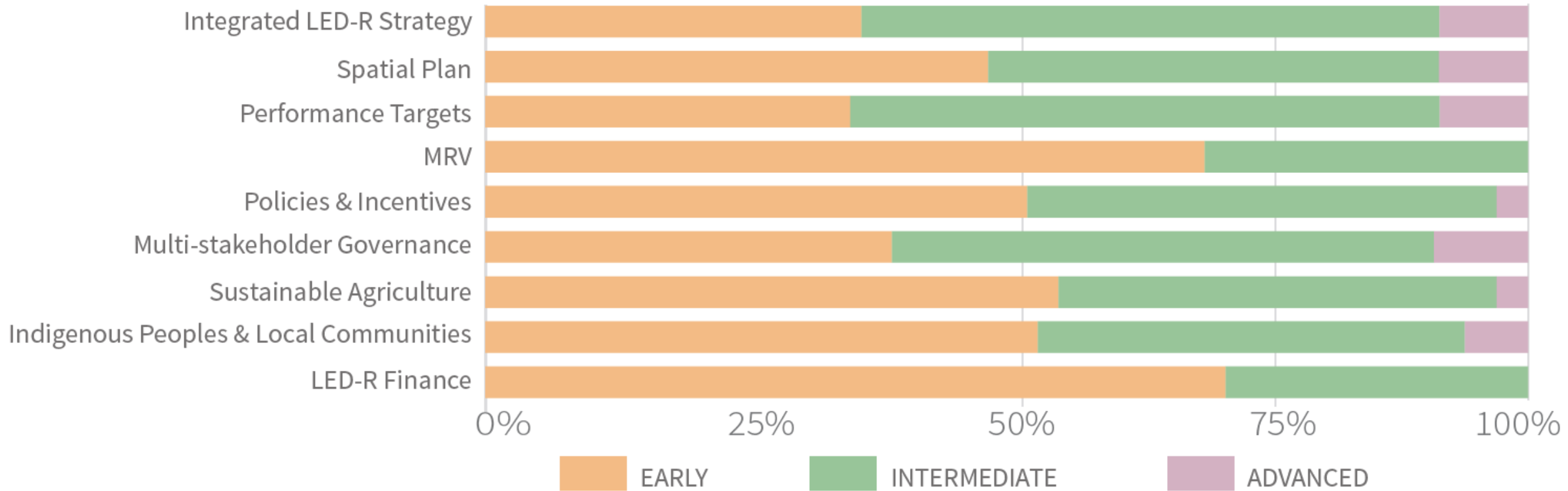
---

## 3

**What progress have jurisdictions made toward low-emission development?**

# Progress to Jurisdictional Sustainability

---



- **Most advanced:** Spatial Plans & Multi-stakeholder Processes related to LED-R
- **Early:** MRV, Sustainable Agriculture & LED-R Finance

# Synthesis: Central Questions

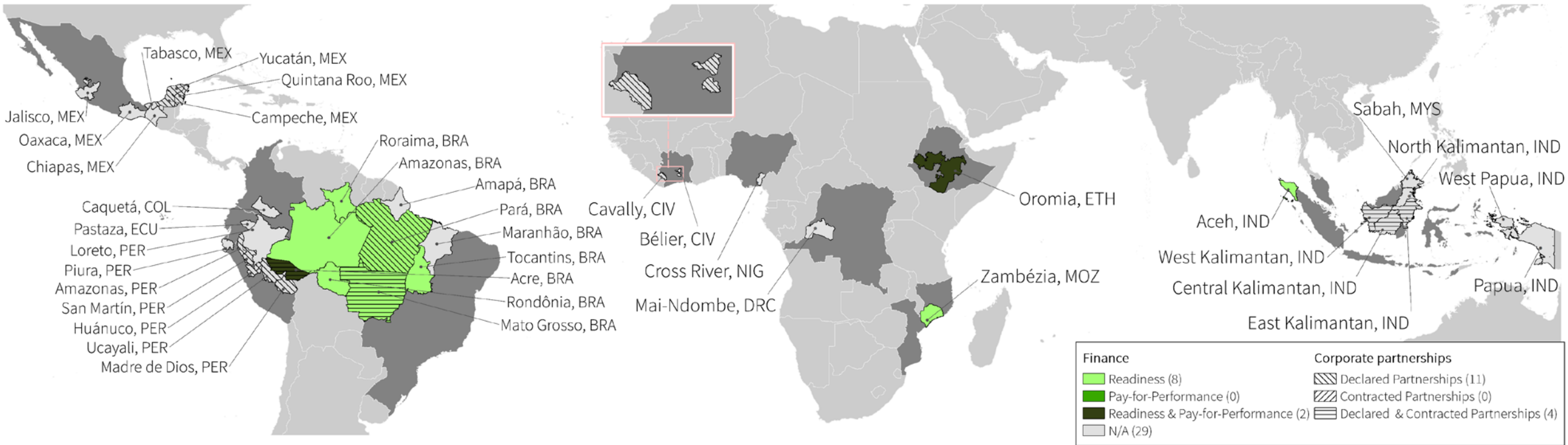
---

4

**What external support/recognition  
have jurisdictions received?**

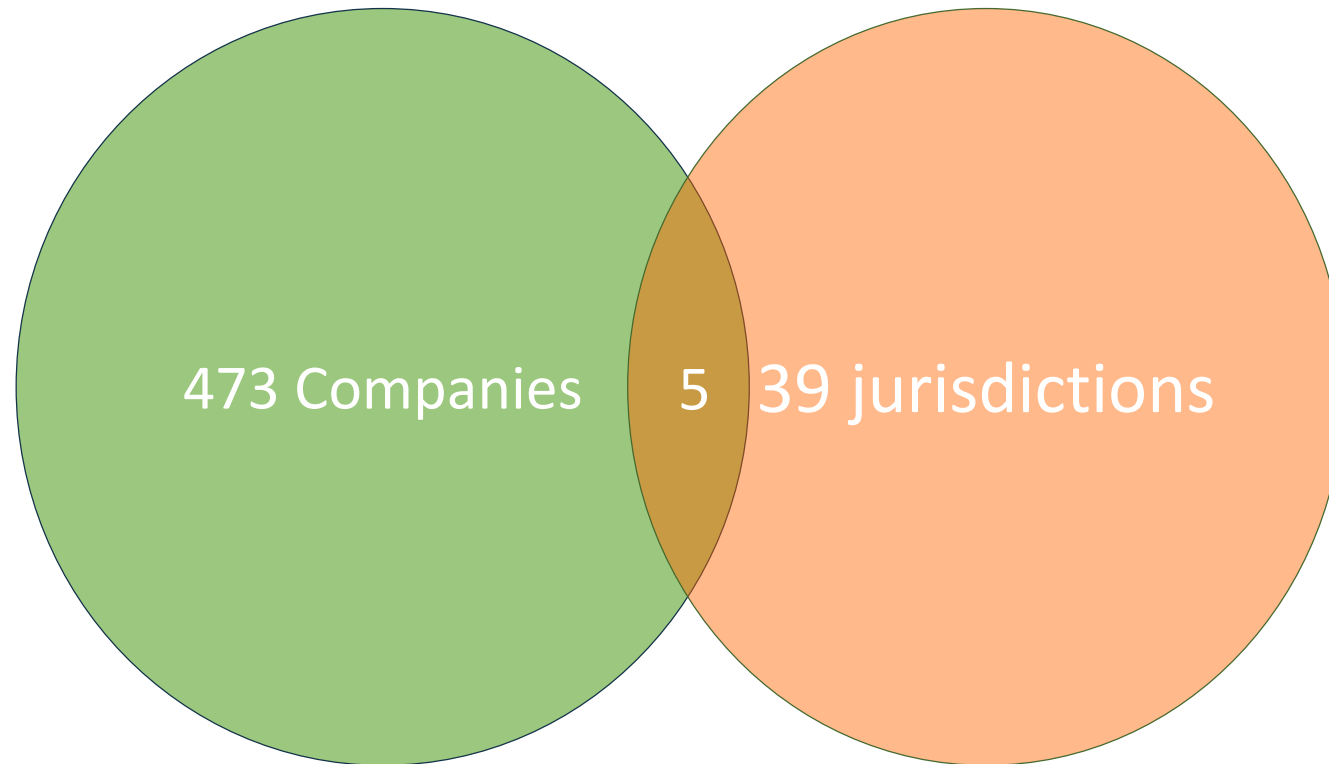


# Finance & Partnerships



- Climate finance: too low, too slow, too much like aid...
- 29 of the 39 jurisdictions have received (or scheduled to receive) approximately USD 2.3B
- Only 1 jurisdiction has received pay-for-performance funding directly (Acre State, Brazil)
- Partnerships: General agreements in 16 jurisdictions, but only more concrete/contracted in 5

# The global disconnect: 473 corporate commitments, 39 jurisdictional pledges, but only 5 formal partnerships



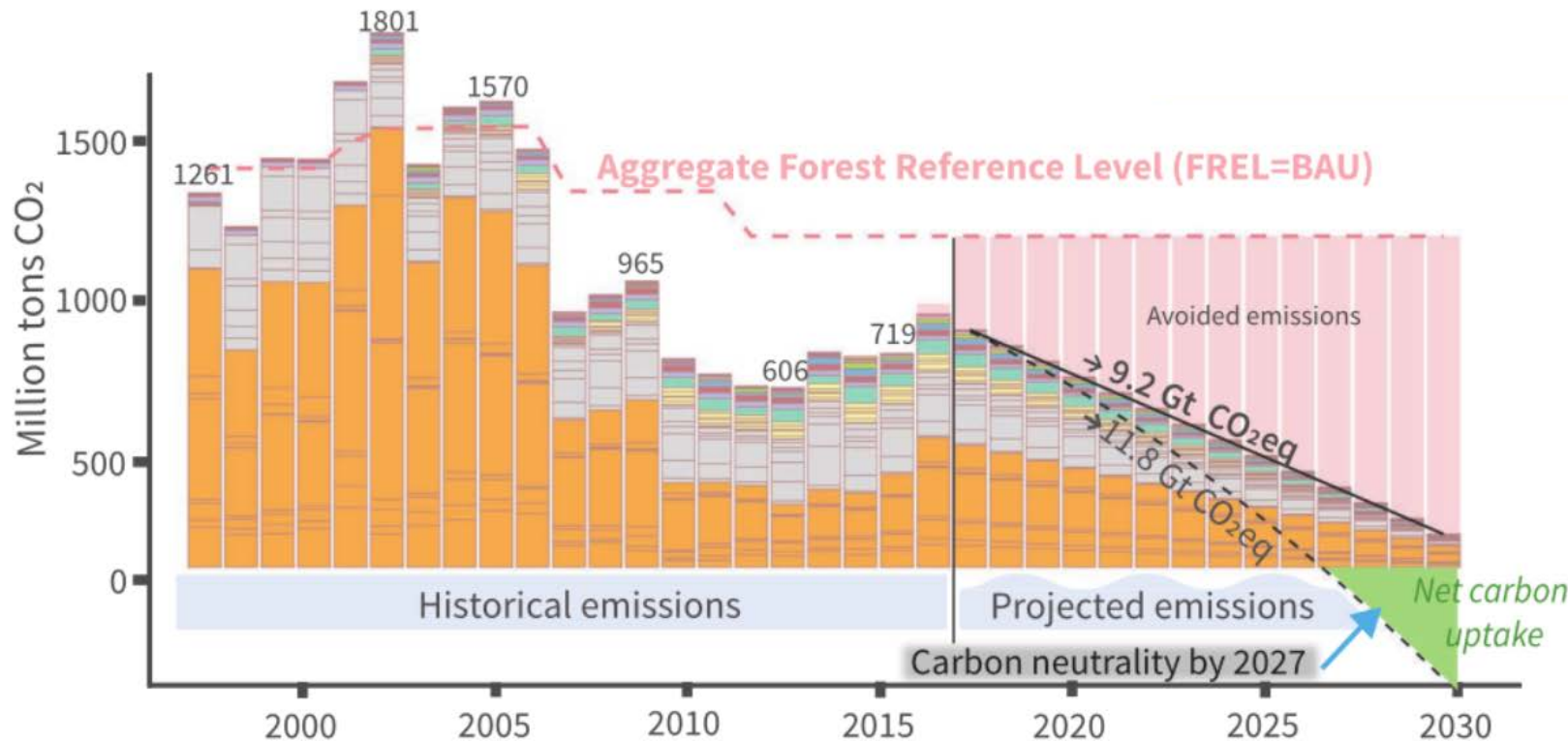
# Synthesis: Central Questions

---

5

**What is the potential for reducing emissions?**

# 39 jurisdictions: zero net deforestation by 2030 projection



- |             |            |            |           |                 |            |
|-------------|------------|------------|-----------|-----------------|------------|
| ■ Brazil    | ■ Peru     | ■ Mexico   | ■ Nigeria | ■ Mozambique    | ■ Ethiopia |
| ■ Indonesia | ■ Malaysia | ■ Colombia | ■ Ecuador | ■ Côte D'Ivoire | ■ DR Congo |

**LED-R scenario (emission reductions of 90% by 2030)**

avoided emissions 9.2 Gt CO<sub>2</sub>e

**LED-R scenario + forest carbon enhancement**

avoided emissions 11.8 Gt CO<sub>2</sub>e

39  
Jurisdictions

11.8 GtCO<sub>2</sub>e

2017-2030

# Would 20 GtCO<sub>2</sub> by 2030 be possible?

---

- 1. Help 39 jurisdictions achieve zero net deforestation (12 GtCO<sub>2</sub>)**
- 2. Double the number of green jurisdictions by 2021, creating upward pressure on national governments to achieve**
- 3. Stronger national action**

# Synthesis: Central Questions

---

6

How do we speed up progress?

# Build a global green jurisdiction “system”

---

1. Establish guiding **principles** for defining success
2. Implement these principles through an online green jurisdiction **registry** with low entry level bar
3. “**Matchmaking**” service to facilitate partnerships with markets, investors, donors, technical partners
4. Increase support to aspiring jurisdictions to become **better places to do business**, with lower risk to investors
5. Forge agreement with Greenpeace, RAN, MightyEarth for green **jurisdictional “safe zones”**

# To create a global “race-to-the-top”, we need new narrative:

---

Low-carbon, forest-friendly development = prosperity

- Better health
- Better jobs
- Greater economic opportunities
- Food security
- Climate change resilience
- Stronger democratic institutions (transparency, accountability)



Thank you!

dnepstad@earthinnovation.org

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



Earth  
Innovation  
Institute



**GCF**  
task force

SUPPORTED BY



Ministerio Federal  
de Medio Ambiente, Protección de la Naturaleza  
y Seguridad Nuclear



Norad



PROGRAMA DE  
INVESTIGACIÓN SOBRE  
Bosques, Árboles y  
Agroforestería

en virtud de una resolución del Parlamento  
de la República Federal de Alemania