

Roundtable meeting on information needed to scale up in investment in sustainable landscapes

Rainforest Alliance office, Washington DC, 20 July 2016

Participants – see Annex

Aims of the meeting

- To discuss the information needed by different actors to facilitate scaling up investment in sustainable landscapes
- To review existing information tools and platforms
- To seek input on a new sustainable landscape rating tool that CCBA and its member NGOs are developing.

Framing

- The Sustainable Landscapes Rating Tool aims to assess the viability of key policy, governance and other enabling conditions to indicate a jurisdiction's potential to meet sustainable landscape goals, as a means to facilitate private and public sector investment and other support.
- The initiative is being led by the Climate, Community and Biodiversity Alliance with some of its members (Rainforest Alliance, Conservation International and Wildlife Conservation Society) and other partners (EcoAgriculture Partners, Global Canopy Programme). This is not an exclusive group and we are keen to include others to ensure that the initiative reflects broad understanding of key enabling conditions. The tool is currently in an early stage of development, and this meeting is one of the ways that we are reaching out to others who may be interested to use the tool and/or participate in its development.
- This initiative seeks to provide information that is complementary to other tools and platforms that help to support decision-making related to finance for activities that contribute to sustainable landscapes. We are keen to engage with people involved in these other initiatives to explore how the policy and governance assessment provided through the tool could link with and complement their work.
- We hope that this kind of round table and our other outreach that we undertake through this initiative can help to facilitate general understanding about sustainable landscapes, how they are characterized and how they can be supported.

What information is needed by different actors?

- There is a lack of definition/understanding of what a sustainable landscape is.
- Companies are increasingly aware of risks related to sourcing commodities in regions where the production is not sustainable, or is detrimental to their sustainability goals, but it is not always clear what information they need.
- Intermediaries, like national development banks, need information for criteria to provide finance. For example, information that helps intermediary to identify sites where it is best to finance.
- Public banks need to show that they are financing development projects. Need to have information about the results of their investment.
- Sustainability has many dimensions, not only 'green' environmental side but also other benefits such as increasing productivity, social benefits, and social integration. Sustainable land use and increase in income, climate consideration, access to markets etc.

- Need to integrate the risk such as climate in the decision-making for their investment for banks. Can't only rely on government, need to work with investment institutions and provide the tools needed for decision-making.
- Need to take into consideration the scale of activities - large scale activities (e.g. concessions) vs. smallholders. Investment in large enterprise seems easier than on small scale. Need information that will facilitate smallholder investment.
- Need to build M&E system for activities for investments while governments are still building their monitoring systems because timeline for governments is very different from private sector. Make sure that private M&E systems can integrate later on in the government system.
- Important to have information that helps to unlock financing by reducing the transaction costs. Funding is available to invest in sustainable landscapes but need to help investors to identify areas for investment by reducing transaction costs.
- At landscape level, there is a need for progress and reform to improve governance and transparency.
- Need to provide information on tradeoffs between different objectives for different stakeholders
- Need information and process to verify the claims that companies and jurisdictions are making
- Need information on the incentives for investment to show that the place is investment ready
- The temporal context is very important. Need to provide information on trends and the transition e.g. government intent to implement tenure reforms, and not just what is currently in place
- Why landscape scale? Companies do not invest at landscape scale? Who are the primary users of landscape information? Companies engage at a site scale but they operate in a jurisdictional framework. Policies and governance affect their business opportunities.
- Note that landscapes can be within or across jurisdictions.
- Investors want to avoid risks and need information across jurisdictions, landscapes, and territories. Landscapes are ecological categories, jurisdictions are more related to governance and territories are more related to indigenous peoples. Need to look at the risks at these 3 levels.
- Companies are often engaging across production areas. Companies made pledges not to deforest and they want to make sure that if they can't source it to the particular farm, they can track them to an area that is not being deforested or degraded.
- Companies are directly relying on the ecosystem services where they are operating which means that they want to make sure these are sustained as they need them to operate.
- Political risk is important, as was seen recently for the collapse of the palm oil pledge in Indonesia.
- Not only reducing the risks but also identifying what are the risks.
- Tools are needed to turn information into analysis, for example identifying where are the bottlenecks in the policy process and providing incentives to government to change the way they practice.

What tools/platforms exist and what information needs do they fill?

- **VCS - Landscape Standard** – aims to help define what sustainable means at landscape scale across social, economic and environmental dimensions that are important for producers, government, companies and investors. Aims to define key metrics and how to assess performance on those metrics at landscape scale to demonstrate how the landscape is progressing towards the sustainability goals. Not planning to focus on risks but aim that the information could help companies to conduct their risk analysis.
- **CI – Landscape Accounting Framework** – an impact monitoring tool at landscape scale to track progress to visualize and communicate progress. Indicators and targets are identified with stakeholders and using government and other existing data. Currently used for sustainable landscape partnerships where CI is engaged, and interested to develop LAF to be a broadly applicable framework for use by other organizations.
- **WRI – Restoration Diagnostic** - assesses the key success factors for enabling and implementing landscape scale restoration in order to design strategies and action plans.
- **Global Forest Watch** - online tool to analyze deforestation across the globe enabling the user to find information on forest change in specific geographic areas. There are customized applications for biodiversity, fires, and commodities.
- **GFW commodities** - helps companies to clean their supply chains by overlaying concession areas with forest change data.
- **GFW finance** - will be launched soon targeted at investors to help them identify potential risks for their investments. Also helps identify the different players in different areas. Still in a pilot phase.
- **Governance of Forest Initiative** – qualitative indicators of forest governance to help identify the strengths and weaknesses of forest governance.
- **Landmark** - a tool to map indigenous and community land - still need to be populated – to help companies to identify where they may be risks related to indigenous peoples’ rights.
- **IFC - GMAP** – a web based platform compliant with IFC performance standards. Focuses on country commodity combinations and considers the extent to which PS 2 on child and forced labor and PS 6 on biodiversity pose risks for investment. Helps banks to identify if they should ask more questions for a particular investment. Only developed for IFC clients at this stage but looking to taking it to other banks that are not clients. Uses publicly available data.
- **Forest Trends - Supply-change.org** – provides a profile of companies with their commitments and how there are doing with respect to those commitments. So far only focuses on HQ of a company. Would like to have local level information but there is limitation on what companies are willing to share. Not engaging the companies (in contrast to CDP) but using public data base on company reporting on commitments.
- **Rainforest Alliance** – facilitating a consortium of partners to put together an accountability framework to monitor deforestation-free supply chain pledges and identify gaps through application of a set of guiding principles. In addition, developing a framework for verification of commitments. Developing a global atlas of sustainable production areas that are verified through a standard.

- **EcoAgriculture Partners** – secretariat of the Landscapes for People Food and Nature network. Involved in a landscape measures center to identify indicators at landscape scale. Also developing guidelines for integrated landscape management, including policy recommendations. Developing a learning group around landscape initiatives.

How can the sustainable landscapes rating tool help?

- Participating NGOs plan to apply and test the tool in landscapes where they are active, and are seeking others to do the same.
- We are not planning to do all the assessments ourselves and provide a data platform, rather to develop and test the tool and make it available to others, with guidance on good practices for its use. It could be used by landscape actors for diagnosis (what do we need to have in place to be investment ready?) or for rapid assessment across several potential landscape areas by investors/commodity sourcers, or by governments/international development institutions to prioritise public funding for enabling conditions.
- How can you make sure that the rating would be consistent? Developing a tool with guidance on how conduct an objective rating. This initiative would develop the tool for others to collect the information.
- Plan to pilot in landscape initiatives while the tool is being developed, eg in San Martin in Peru.
- Defining the scope for the assessment at landscape/jurisdiction scale is interesting. It will be helpful to consider the context of areas around landscapes and areas surrounding the jurisdictions.
- Worth including conditions of the current sustainability performance of landscape. If only looking at future conditions, may scare investors?
- Risks for banks are financial risks. Banks already have social and environmental safeguards. This tool should go beyond by looking not only risks but also what can be improved/solutions for the problems that are identified. Tool would give an initial overview but specific investment would need to run a more thorough assessment.
- Need to be careful to differentiate between private sector and multilateral organizations and funds. Risk assessment would be good to be available to financial institutions. Level of understanding may be lower for private sector.
- Will the government accept the idea of having a rating and score? Could be used as self-diagnosis by governments and identifying areas for improvement/action plan. Governments have said that they would like to have a means to communicate with potential investors so not averse to rating.
- Maybe need tool that can be used by different stakeholders in different ways. For example, self diagnosis for government and rating use for investor. Could have different layers of analysis.
- Depending on user, there may be different type of scoring such as score card.
- Standardization aspect is important.

Participants in round table meeting on Information for Investment in Sustainable Landscapes– 20 July

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- Chris Meyer, EDF
- Dana Miller, EDF
- Michelle Mendlewicz, EDF
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- Maria Netto, IADB
- Frank Hawkins, IUCN
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- Bruce Wise, IFC
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