

Round table meeting on information needed to scale up investment in sustainable landscapes

Rainforest Alliance office, London, 7 June 2016

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Participants

- Edward Rumsey, Permian Global
- Peter Carr, Permian Global
- Adam Gibbon, Althelia
- Emma Knott, Althelia
- Alex Pinzon, Global Canopy Programme
- Melissa Miners, Unilever
- Tony Ripley, UK Department for Environment and Climate Change
- Paola Agostini, World Bank
- Martijn Wilder, Baker Mackenzie
- Agustin Silvani, Conservation International
- Joanna Durbin, Climate, Community & Biodiversity Alliance

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 participating NGOs are seeking to facilitate some general understanding about sustainable landscapes, how they are characterised and how they can be supported.
- 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 tool is currently in an early stage of development, and we are reaching out to others who may be interested to use the tool and/or partner in its development.
- 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 currently 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.
- Rainforest Alliance and Wildlife Conservation Society are participating actively but were not able to come to this meeting. This is not just an initiative of CCBA and its member NGOs. We are keen to include other partners. EcoAgriculture Partners is interested but not able to come to this meeting. GCP, Solidaridad and Earth Innovations Institute have also expressed interest.

What information do you need/ what is your current due diligence process?

- For land use investment
 - Look for potential deal first and then do screening
 - spatial layout (if possible) for current and planned land use, and for land tenure
 - policies/regulations that will affect investment opportunity/activity
 - Commodity flows - roles of smallholders, intermediaries etc
 - Environmental social and governance issues - may do initial country screening eg on labor issues, before going to sub-national/local level
- For REDD+ opportunity
 - Who has right to emissions reductions?
 - Who is the appropriate counter-party in Government?
- For commodity sourcing
 - In many cases the process is reactive
 - Talk to NGOs with strong presence/information about the area - eg Greenpeace about Indonesia
- Permian and Althelia would be willing to share their due diligence questions to help develop a general set that could be used by others to facilitate further investment in sustainable landscapes
- They have a list of issues that would put a country/deal on black list. Also have issues that indicate red list - need more information as could create a problem. Note that early movers may have greater tolerance for risk - fewer countries on black list - as they are looking for new opportunities and willing to break new ground
- Althelia sometimes uses Maplecroft reports that do a general assessment for a country on political and governance information. Provides 20-30 page report. Quite useful but not very.

Existing tools/platforms

- Landscape Accounting Framework (LAF) - Conservation International
 - Provides graphs and easy to understand format to enable monitoring of performance with respect to sustainability goals identified by the landscape actors using publicly available data.
 - Organised around pillars - natural capital (eg. forests, biodiversity), production, human well-being and governance.
 - Governance in Peru Alto Mayo example is addressed by monitoring incidence of fires. SL Rating Tool could be used to identify some governance issues that are key for the landscape
- Landscape Standard - VCS
 - under development from 2017 by VCS partnering with IUCN (Costa Rica), Solidaridad (Colombia), Rainforest Alliance (Peru), NCRC (Ghana) and CCBA (for framework development, in part to ensure linkage with SL Rating Tool)
 - Differs from LAF by seeking to assess landscape performance against standard set of performance criteria.
- Forest 500 and Unlocking Forest Finance - GCP
 - Forest 500 provides ratings for companies and for jurisdictions. Sub-national jurisdiction assessment is focused on pledges and a few governance criteria taken from national ratings (eg perceptions of corruption).
 - Unlocking Forest Finance has worked in sub-national jurisdictions in Brazil and Peru to identify investment opportunities in several supply chains. Now helping to seek investors, and developing tools related to finance to assist other jurisdictions.

- Discussing with CCBA about potential linkages with SL Rating Tool.
- Other tools/platforms not represented at the meeting - see hand out
- The Sustainable Landscape Rating Tool would complement existing tools by
 - Focusing on due diligence related to policy, governance and other enabling conditions, and not on monitoring ongoing performance. However, the tool could highlight issues to address that could be monitored over time - ie re-use the tool later to see what progress has been made.
 - Focusing on aspects specifically related to land use (ie slightly different focus from country ratings on Ease of Doing Business, or Perceptions of Corruption)
 - Focusing on sub-national level

Potential use of Sustainable Landscape Rating Tool

- Would be of interest to investors to help with rapid screening across several landscapes. Could help to raise red flags about issues to delve into further. More detailed due diligence will always be necessary.
- Would be useful for commodity sourcing to understand broader picture of landscape conditions.
- Would be of use to World Bank and other IDIs to help prioritise/track enabling policy/governance enabling conditions, and progress in bringing rating up through their support.
- What about the repercussions of giving a poor rating? Note that CCBA will not do the rating. Plan is to provide criteria/structure and guidance on good practices for rating. Could be a self assessment or done by investor or a third party. As long as the evidence for the rating is provided, the rating can be justified and credible.
- Discussion with country actors, including governments, indicates that they do not just want a diagnostic tool but they do also want to be able to communicate with investors so the term 'rating' is acceptable, and implies that not all jurisdictions will get a top rating. The report can include space for landscape actors to explain what they are doing to address an element with a lower rating.
- The users of the tool could potentially pool their ratings, so they are shared on a common platform. This could be useful as long as the evidence used for the rating is included/linked. Another model could be for users to subscribe and collective resources to be used to outsource assessments by a third party.
- Go/no-go decision on investment usually comes down to specific conditions at site level that would probably not be identified through this tool, but the tool would be useful for early screening and identification of issues to delve into in more detail.
- What behaviour do we want to incentivise with this tool? If we want to encourage sub-national governments and actors to improve their policy/governance to attract investment then need to design the tool so it is easy for them to use, and also need to show them that the rating influences investment decisions.

Scope

- Needs to consider national level context, sub-national province/state level, and also district/municipality. Can't just focus on one. Commodity sourcing in Indonesia would need District level. World Bank would probably focus on province/state level.
- Should enable use for landscapes across multiple jurisdictions. Could include questions about coordination/coherence across the relevant jurisdictions
- Maintain focus on information needed for land use decisions, but consider including/linking to other information that will be needed eg on ease of doing business, rule of law, corruption etc.

Early ideas on content – see attachment

- Add information about commodities, production potential, production risks (eg disease) etc. and about market demand. This information is key for the investment decision.
- Land tenure is hard to assess at landscape level, in particular the spatial mapping which makes more sense at site level. A site level tenure assessment is needed for any investment
- Note that private sector invests in projects at site level and not in jurisdictional/landscape level.
- Would be helpful to have an assessment of the types of tenure present in the landscape, and general issues related to them.
- Very helpful to have an assessment of the processes and general timing for clarifying land tenure. For example, Ease of Doing Business Rating has an assessment of number of days to register a new business in a country, could have an assessment of number of months (average) to establish a concession
- Include information about who else active in the landscape - both international and national.
- Include water among ecosystem services.

Related Initiatives - others to reach out to

- Indonesia Palm Oil Pledge - IPOP. Developing criteria to identify districts in Indonesia that are on track for reduced deforestation and other sustainability targets. Sounds quite similar to this initiative. Joanna will contact Ade and set up a meeting in London/Oslo, making connection with Melissa.
- Greenpeace Indonesia - contact?
- Governor's Climate and Forests Fund - also seeking assess and monitor jurisdictions against governance and other criteria. Joanna has made initial contact with Rosa Maria Vidal and Luke Pritchard and will be following up in Oslo.
- Tropical Forest Alliance
- Finance in Motion - contact?
- Danish fund for agroforestry? In the Cambridge University GLF session mapping legal and policy landscapes for investment in Africa - contact?
- Joanna will contact Valerie Hickey as a point of contact in World Bank – who could help to identify others in climate-smart agriculture etc.

Next steps

- We plan to hold a similar meeting in Washington DC in July.
- We have some funds to start initial development and we are actively seeking partners/funding for further development and for pilot testing of the tool.
- We will include all the participants and others who have expressed interest in a contact group and keep you informed.