

Workshop Report

From 27 to 29 October 2015, VCS, Althelia, the Global Canopy Programme and the Rainforest Alliance, with funding from Norway under a NICFI grant, held a workshop on leveraging finance and incentives to drive sustainable land management in central London at the Coin Street Conference Centre. This report includes the event background, outcomes, agenda and participant list.



Background and Objectives

There is growing interest in landscape-scale sustainability initiatives, which have the potential to increase agricultural productivity while improving livelihoods, addressing forest and biodiversity loss, and establishing powerful low-emissions development models. Although there are recognized practices for driving sustainability on individual farms, it can be difficult for governments, producers, civil society and other actors on the ground to bring these activities to scale and link them to the sustained funding needed for lasting transformation. In this workshop, participants explored the needs, challenges and opportunities associated with advancing these sustainability efforts and linking them to new sources of finance.

A diverse group of investors and funders are showing increasing interest in sustainable outcomes at the landscape scale. These range from consumer goods companies seeking to minimize reputational risks and meet Tropical Forest Alliance (TFA) 2020 commitments, to institutional and impact investors looking to identify attractive investment regions and opportunities. Development banks, green bond issuers and donors may be motivated to assess the performance of funded regions/programs around climate benefits, green development, poverty alleviation, food security and ecosystem conservation. Finally, carbon market participants are exploring linkages with sustainable landscape initiatives given the need

to engage the broad range of actors and drivers of deforestation across a landscape to ensure the success of REDD+ projects and programs.

The workshop explored how landscape-scale initiatives, standards and tools can be advanced to meet these various needs and establish links with new sources of finance.

Case studies were presented by producers and governments of Acre (Brazil), Costa Rica, Colombia, the Democratic Republic of Congo, Ghana, India and Peru. Potential links between their REDD+ efforts and new landscape standards frameworks (including VCS' Jurisdictional and Nested REDD+ (JNR) framework and emerging Landscape Sustainable Production Standard (LSPS)) were explored, as well as their ability to help unlock finance and other incentives. The full agenda is included in Annex A.

The objective of the workshop was to explore ways to link REDD+ to broader sustainable landscape initiatives, identify challenges and opportunities related to implementing and scaling up landscape sustainability efforts and to identify new opportunities for financing sustainable landscapes efforts.

Besides representatives of the case study countries, participants included consumer goods companies, financial institutions, carbon market participants, donors, NGOs and intergovernmental agencies (see full participant list in Annex B).

PDF versions of presentations from the workshop, as well as a concept note on LSPS, are available in this Dropbox folder: <https://www.dropbox.com/sh/28pndoowvk1eigh/AAB0SJdxwbSvrKg89ae6kipOa?dl=0>. We will add links to additional, relevant resources as they become available and shared by participants.





Meeting Outcomes

During the workshop, seven countries presented their sustainable landscapes initiatives, highlighting key policy, implementation and financing needs and opportunities. Additional ideas emerged from subsequent presentations and discussions with financial, corporate and civil society stakeholders.

Sections 1-3 below capture what workshop participants considered to be key challenges, gaps and opportunities related to advancing sustainable landscapes.

1. Key landscape challenges and gaps:

- Implementation and policy gaps:
 - Limited capacity, including for governments to make decisions about land-use planning and absence of technical, business and marketing capacity in government and the field
 - Different motivations, interests and responsibilities at national and sub-national scale and among key actors in the landscape leading to a lack of alignment and participation of stakeholders (including smallholders)
 - Lack of clear, common definitions, including how to establish landscape boundaries.
 - Unclear who is responsible for landscape outcomes and monitoring, and what level (eg, national vs subnational) is the appropriate scale for managing/ monitoring a landscape.
 - Need to assess and prioritize trade-offs between maximizing yield and sustainable land use
 - Negative, unclear and/or conflicting sustainable landscape value to elected officials, leading to, eg, lack of political will necessary to advance program
 - Risk of free-riders within the landscape
 - Need for improved regulation (domestically and from demand countries)

- Tension between short-term needs and long-term goals, with limited planning horizon
- Lack of connectivity between landscape efforts and existing programs (eg, REDD+)
- Undefined and insecure land tenure creates uncertainty and promotes expansion and unsustainable practices
- Finance/incentives and market gaps:
 - Lack of resources and finance (including long-term) to adopt and implement sustainable practices
 - Need to translate and connect commitments (eg, zero-deforestation) to sustainable landscape initiatives/efforts
 - Lack of clarity over who assesses a landscape (and who pays for assessment)
 - Lack of ability to value and communicate diverse impacts
 - Need to manage (high-perceived) risk and complexity
 - Leakage from farm-level efforts and broader impacts not accounted for with existing frameworks/ certifications
 - Complex supply chains (eg, multiple actors, traceability issues) and limited focus on single commodity value chains
 - Competitive challenges of private-sector participation
 - Mismatch in scale/scope of traditional investment vs needed green investment
 - Need to aggregate smallholders to overcome barriers for accessing finance
 - Need to create/demonstrate/integrate financial value for key sustainability impacts (eg, water); monetizing externalities and ecosystem services

2. Opportunities to overcome the challenges and gaps:

- Implementation and policy opportunities:
 - Establish coalitions for stakeholder action (among influential landscape actors and investors), leveraging existing platforms where available (including TFA 2020, Nationally Appropriate Mitigation Actions (NAMAs), LEDS) and investment interests
 - Build on existing monitoring systems and capacity (eg, REDD+: high-quality, proven, established technical capacity, investment ready)
 - Build in adaptive management to sustainable landscape initiatives (to inform/evolve process, avoid lock-in).
 - Identify, develop, promote technological solutions/tools; undertake research and development.

- Target regions with highest need/potential to improve (not just the leading “low hanging fruit” landscapes) – establish baselines to capture net change in performance
 - Identify opportunities where agricultural productivity can be significantly increased while generating compelling social and/or environmental benefits
 - Create/pilot standards (ie, LSPS) for assessing and demonstrating landscape impacts of sustainability efforts, building from existing initiatives; demonstrate social returns
 - Promote agricultural subsidy, regulation and policy reform to incentivize sustainable activities and disincentivize unsustainable ones
 - Drive public procurement from sustainable sources
 - Clarify land tenure, carbon and other rights at jurisdictional scale
- Finance/incentives and market opportunities:
 - Embed natural capital valuation (economic value is on flows not stocks) in financial and risk management tools
 - Clarify interests and capacities to act throughout the supply chain
 - Develop frameworks that help companies identify and manage supply chain risks
 - Develop and package investment proposals that leverage multiple sources of finance to reduce risk and maximize impact
 - Establish verified sourcing regions
 - Drive commitments to source from sustainable regions/landscapes
 - Link landscape (continuous improvement) performance (eg, from LSPS) to finance/incentives
 - “Bring the sexy back” – effectively communicate/market sustainability efforts (and products), share lessons, success stories and value (eg, return on investment of sustainability efforts).

3. Concrete Opportunities for Action

In addition, participants identified a series of concrete opportunities to advance efforts on sustainable landscapes and their linkage with a variety of finance and incentives. The following bullets capture agreed actions that will be taken forward through partnerships advanced or established at the workshop. VCS will follow up on each of these to ensure appropriate action is taken, and will engage relevant participants as individual work streams take shape. Relevant resources associated with some of these items will be posted in the aforementioned Dropbox folder.

1. Pursue new avenues for REDD+ finance, including emerging California compliance market and aviation sector market-based mechanism
2. Develop and pilot Sustainable Landscape Investment Analysis Tool (which was scoped out during the workshop based on the needs identified by countries and other participants), coordinating with relevant initiatives (incl. Global Canopy Programme's Unlocking Forest Finance)
3. Provide input to countries on how to overcome land tenure roadblocks by drawing on REDD+ lessons learned (eg, VCS to develop case studies on Acre and DRC jurisdictional REDD+ programs), and through collaboration with land governance initiatives
4. Netherlands government and partners to leverage success of Dutch funding and leadership in the sustainable landscape space, by organizing a meeting with other donor countries to promote engagement in space
5. Pursue/promote green technology solutions, for example:
 - a. Dow Agrosience to share examples of innovative technologies that could support landscape sustainability
 - b. South Pole to share information on emerging Climate Smart Agriculture technologies
6. Consider establishing technology exchange platform/database of examples of successful landscape approaches and green technology in action
7. VCS to engage countries and financial actors to explore potential to link agricultural and forest NAMAs and REDD+ finance with sustainable landscapes
8. FMO (the Dutch development bank) to further consider how to provide finance to landscape initiatives; they are interested in identifying a project to test/pilot possible investments (2016, consider one to two opportunities, which must be scalable)
9. SHARP to convene actors with an interest in sustainable smallholder production to help catalyze Public-Private Partnerships for landscape interventions
10. Peru to design and communicate value of ag/forest landscape lending criteria/conditions for local banks and public funds; consider using public/donor finance (eg, Norway commitment to Peru) to build local bank capacity and incentivize change; tap potential IDB links (using lending criteria for climate smart ag fund and large-scale investment in ag sector)
11. VCS to establish working group on LSPS to support development and implementation of standard

12. Share knowledge, including, for example:
 - a. Little Book of Landscapes (to be released at Paris COP) will communicate value of landscape approach and case studies
 - b. TNC to share outline of report they'll develop on investment in sustainable landscapes for feedback/contributions
 - c. South Pole to share USAID landscape restoration examples
 - d. Costa Rica/IUCN to share guide on assessing restoration opportunities – available at https://www.iucn.org/about/work/programmes/forest/fp_our_work/fp_our_work_thematic/fp_our_work_flr/approach_to_forest_landscape_restoration/restoration_opportunities_assessment_methodology/
 - e. SHARP (Smallholder Acceleration and REDD+ Programme) to share tools and approaches for smallholder integration into responsible supply chains, including:
 - i. SHARP Responsible Sourcing from Smallholders framework which helps companies manage risks to sustainable sourcing while supporting smallholders to continuously improve production practices and livelihood security
 - ii. Smallholder Risk Assessment Methodology (in development with Proforest, WRI, Daemeter and P&G) as tool to support sustainable landscape management

Annex A: Agenda

Tuesday 27 October: Linking REDD+ with landscape finance

<i>Morning</i>	<i>Arrivals</i>
13:00-13:30	Opening & introductions: Introduce three-day agenda/objectives Toby Janson-Smith , VCS
13:30-15:00	Linking REDD+ to sustainable landscapes and finance/incentives <ul style="list-style-type: none"> Highlight advances in REDD+ country programs and how they fit into broader sustainable landscape strategies, and explore the potential to link these activities to various incentives and sources of finance Summer Montacute , VCS Antoine Drouillard , National REDD+ Coordination Unit, Democratic Republic of Congo Dande Tavares , Company for the Development of Environmental Services, State of Acre (Brazil) [<i>Remote presentation</i>] Adriana Pinto Brun , Ministry of Environment (Colombia) [<i>Remote presentation</i>] Swapan Mehra , IORA, India
15:00-15:30	<i>Coffee break</i>
15:30-16:30	Private-sector perspectives on REDD+ sustainable landscape opportunities <ul style="list-style-type: none"> Identify challenges and opportunities for mobilizing private-sector engagement and finance to scale up REDD+ and link to sustainable production Pamela Brazier , Wildlife Works Christian Dannecker , South Pole Christian del Valle , Althelia Ecosphere
16:30- 18:00	Needs and opportunities to link REDD+ to diversified sources of finance <ul style="list-style-type: none"> Group discussion of gaps, challenges, barriers and opportunities in aligning incentives to support country REDD+ efforts, including those presented earlier in the day

Wednesday 28 October: Advancing sustainable landscapes: country programs, tools and incentives

8:30-8:45	<p>Overview of agenda</p> <p>Carolyn Ching, VCS</p>
8:45-10:45	<p>Case studies for building sustainable landscapes that generate significant economic, social and environmental value</p> <ul style="list-style-type: none"> Analysis of country-led efforts, including gaps and opportunities, for driving landscape sustainability and low-emissions development <p>Emmanuel Tei-Quartey, Cocoa Board, Ghana, and Ernest Dwamena, Touton Elena Rubio Urrelo, SERFOR and Jorge Torres, Ministry of Environment, Peru Mauricio Sanchez, GIZ Central America, Costa Rica</p>
10:45-11:00	<i>Coffee break</i>
11:00-12:30	<p>Early progress and lessons from multi-stakeholder initiatives</p> <ul style="list-style-type: none"> Discussion of leading initiatives and tools bringing together governments, producers and civil society for driving landscape-scale sustainability <p>Katie Minderhoud, Solidaridad Niki Mardas, Global Canopy Programme Nienke Stam, Dutch Sustainable Trade Initiative IDH Kate McCoy, CDP Carolyn Ching, VCS</p>
12:30-13:30	<i>Lunch</i>
13:30-15:30	<p>Overcoming barriers for advancing sustainable landscape efforts and scaling them up with diversified sources of finance</p> <ul style="list-style-type: none"> Discussion of policy, implementation and financing challenges and opportunities facing sustainable landscape efforts, including those presented previously <p>Jane Wilkinson, Climate Policy Initiative</p>
15:30-16:00	<i>Coffee break</i>
16:00-17:30	<p>Global models for landscape-scale transformation</p> <ul style="list-style-type: none"> Development of initial recommendations, including definition of globally replicable incentive models, for achieving landscape-scale transformation
Evening	<p>Hosted dinner with all participants (<i>location: Brasserie Joël, in the Park Plaza Westminster Bridge Hotel at 200 Westminster Bridge Road</i>)</p>

Thursday 29 October: Linking sustainable landscapes (including REDD+) to concrete demand and finance/incentives

8:30-9:00	Overview of agenda and objectives, and welcome of new participants Carolyn Ching, VCS
9:00-10:30	Key policy, implementation and financing needs and opportunities for advancing sustainable landscape efforts <ul style="list-style-type: none"> Summarize and discuss insights coming out of previous workshop sessions Toby Janson-Smith, VCS <i>Moderated panel with representatives from countries and private sector</i>
10:30-10:45	<i>Coffee break</i>
10:45-12:30	Demand for sustainable landscapes and potential for alignment of finance/incentives <ul style="list-style-type: none"> Explore existing sustainable landscape collaborations among public and private-sector actors and identify gaps and opportunities Moderator: Christian del Valle, Althelia Ecosphere Jan Kees Vis, Unilever Jean-Pierre Renaud, Livelihoods Fund Nienke Stam, Dutch Sustainable Trade Initiative IDH <i>With additional comments from:</i> Christopher Knowles, European Investment Bank Gerhard Engel, Netherlands Development Finance Company (FMO)
12:30-13:30	<i>Lunch</i>
13:30-15:30	Overcoming sustainable landscape implementation/scaling barriers and linking concrete opportunities to demand <ul style="list-style-type: none"> Identify most attractive/viable incentive models and concrete opportunities for collaboration in specific landscapes and on global framework setting/implementation; agree on next steps and action plan
15:30-16:00	<i>Coffee break</i>
16:00-17:30	Summary and closing
17:30-19:00	Cocktails (<i>location: Coin Street Neighborhood Room</i>)



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Annex B: Participant List

Name	Title	Institution
Pamela Brazier	Business Development	Wildlife Works
Peter Carr	Project Manager	Permian Global
Carolyn Ching	Manager, Sustainable Landscapes	Verified Carbon Standard
Russell Cooper	Brand Integrity and Sustainability Research Manager	Sainsbury's
Christian Dannecker	Director, Sustainable Supply Chains and Land Use	South Pole
Michele de Nevers	Senior Associate	Center for Global Development
Christian del Valle	Founder and Managing Partner	Althelia Ecosphere
Antoine Drouillard	Principal Technical Advisor	CN-REDD, Democratic Republic of the Congo
Ernest Dwamena	Ghana Cocoa Sustainability Manager	Touton
Gerhard Engel	Senior Investment Officer	FMO, Netherlands
Adam Gibbon	Chief Technical Officer	Althelia Ecosphere
Edward Hewitt	Global Lands Strategist	TNC
Tony Hill	Director, SHARP Partnership	Proforest
M. Nurudeen Iddrisu	Head, London Office	Ghana Forestry Commission
Toby Janson-Smith	Chief Innovation Officer	Verified Carbon Standard
Urvi Kelkar	Sustainable Development - Livelihoods & Economic Impact Manager	SAB Miller
Chris Knowles	Head of the Climate Change & Environment Division	European Investment Bank
Jenny Lopez	Sustainability Advisor, Food and Energy	Forum for the Future
Jacqui Machin	Sustainability and Climate Change Consulting Associate	PwC
Niki Mardas	Deputy Director	Global Canopy Program
Richard Maycock	Dow AgroSciences Regulatory Leader	Dow
Katie McCoy	Head of CDP Forests	CDP

Name	Title	Institution
Swapan Mehra	CEO	IORA
Katie Minderhoud	Market Developer	Solidaridad
Summer Montacute	Coordinator, Sustainable Landscapes	Verified Carbon Standard
Thimothée Murillo	Senior Business Development Manager	Livelihoods Fund/ Livelihoods 3F
German Obando	Head of IUCN for Central America	IUCN Central America
Hans Perk	Manager Business Development	Solidaridad
Adriana Pinto Brun (remotely)	NAMAs and Low Carbon Development Consultant for Ministry of Environment, Colombia	Ministry of Environment, Colombia
Emmanuel Tei Quartey	Director, Research	Ghana Cocoa Board
Jean-Pierre Renaud	Environment Director	Livelihoods Fund / Livelihoods 3F
Elena Rubio Urrelo	Specialist in Forest Certification	National Forest and Wildlife Service (SERFOR),Peru
Ed Rumsey	Portfolio Manager	Permian Global
Mauricio Sánchez Monge	National Technical Advisor,REDD+Landscape Program--Central America	GIZ Central America (on behalf of FONAFIFO)
Frances Seymour	Senior Fellow	Center for Global Development
Nienke Stam	Senior Manager Learning and Innovation	Dutch Sustainable Trade Initiative (IDH)
Dande Tavares (remotely)	CEO	Company for the Development of Environmental Services, Acre, Brazil
Jorge Torres Padilla	National Fund Advisor REDD+, PNCB	National Program for Forest Conservation (PNCB), Ministry of Environment, Peru
Omer van Renterghem	Theme Expert - Land, Water and Ecosystems	Dutch Government, Ministry of Foreign Affairs
Naomi Swickard	Director, Land-Based Frameworks	Verified Carbon Standard
Jan Kees Vis	Global Director Sustainable Sourcing Development	Unilever
Jane Wilkinson	Director of CPI's Indonesia Program	Climate Policy Initiative