Accelerating Climate Action

Unlocking Private Sector Finance for Sustainable Landscape Management

2022 FCPF-ISFL Global Private Sector Workshop Report

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WORLD BANK GROUP

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BioCarbon Fund

IETA INTERNATIONAL EMISSIONS TRADING ASSOCIATION

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Executive Summary

The May 2022 global workshop "Accelerating Climate Action: Unlocking Private Sector Finance for Sustainable Landscape Management" made the business case for private sector investments in sustainable landscapes and demonstrated how collaboration can enhance impact for the climate, nature, and communities. It brought together over 500 leaders from 70 countries representing private sector organizations, REDD+ governments, contributing countries, non-governmental organizations, international development organizations, academia, and research institutes to share their experiences, learn from others, and better utilize public-private partnerships. They received practical advice, models, and tools that have demonstrated results in facilitating private sector engagement and increasing financing for climate action. This three-day, online workshop was the third in a series co-organized by the World Bank, the International Emissions Trading Association (IETA), and CDP, and facilitated by Meridian Institute.

The business case for investment in sustainable landscape management has never been stronger. As recent IPCC reports have demonstrated, significant action is needed around the globe to meet the goals of the Paris Agreement and stay within a 1.5 C future. Increasingly, the private sector is recognizing the urgent need, as well as opportunity, to decarbonize operations and improve sustainable landscape management in supply chains in the pursuit of net-zero emissions. Innovative business models of sustainable landscape management are encouraging and enabling companies to fulfill their environmental commitments while supporting people and livelihoods.

The workshop provided a road map to move from commitment to action, along with specific examples of where progress is being made and roadblocks are being overcome. Driven in part by important commitments made at COP26, many companies over the past year have pledged to take action on climate change impacts, nature conservation, and respect for human rights. To fulfill these commitments and be part of just transitions—and inspire others to do the same—companies need to see evidence of a sound business climate, be convinced that the business case for making investments is improving, and have the information necessary to act.

The enabling environment for private sector action has improved significantly, forging a more positive investment climate. Companies can more easily access capital for sustainable business models and governments and multilateral institutions are providing more concessional capital. There is growing interest and activity in voluntary carbon markets and greater clarity around compliance carbon markets resulting from the Paris Agreement Article 6 negotiations. Growing private sector demand needs to be met with successful business models, training, and capacity building to achieve results on the ground. Increased collaboration between companies, communities, civil society, and governments offers new ways to address risks and unlock these opportunities.

There are additional incentives for action coming from various sectors. Governments are developing and implementing regulations requiring due diligence by companies. Civil society organizations are expressing greater demand for climate action and

are holding companies accountable. Additionally, financial institutions are increasingly screening for environment, social, and governance factors and requiring companies to meet new expectations, and in some cases, new risk disclosure regulations. Companies that proactively increase their supply chain sustainability will mitigate pressure and take advantage of the opportunities the market offers.

Investments in sustainable business models are not only possible but are already happening and beginning to drive impact. The business case for investment is growing stronger as best practices for stakeholder engagement, financial mechanisms, measurement and assessment, and policy and regulation are being adopted. They are lowering risk and increasing certainty as negative externalities become internalized. As workshop case studies on agroforestry, livestock, and forest-smart mining demonstrate, companies can actualize their commitments to net zero and zero deforestation and conversion through investments. They can unlock new economic models and opportunities while achieving benefits for the climate, nature, and communities.

By partnering with governments and civil society, the private sector can take a leading role in accelerating climate action through sustainable landscape management. The following priority actions arose from the collective insights shared throughout the workshop:

1. Commit to net-zero and nature-positive goals.

More companies whose operations lead to deforestation and land conversion **need to make aggressive commitments and demonstrate tangible progress** in eliminating those impacts from their commodity supply chains and move onto net-zero and nature-positive trajectories, while consumers and civil society should hold them accountable.

2. Innovate development financing.

Multilateral and bilateral institutions need to continue to **put in place innovative approaches for blended finance to support early project assessment and development;** de-risk private sector investment; enable jurisdictional scaling; improve monitoring, reporting and verification (MRV) capacity; and empower Indigenous Peoples and local communities to be full participants in sustainable landscape efforts.

3. Ensure consistency and clarity.

With the development of guidelines regarding what is required for high-quality voluntary carbon markets and associated claims, it is important that **a widely accepted rulebook emerges to ensure consistency and clarity for all stakeholders.**

4. Seize opportunities for collaboration.

All parties need to seek opportunities for collaboration and mutual learning, which will be key to scaling the power of private sector investment to reverse negative impacts and embrace sustainable landscape management.

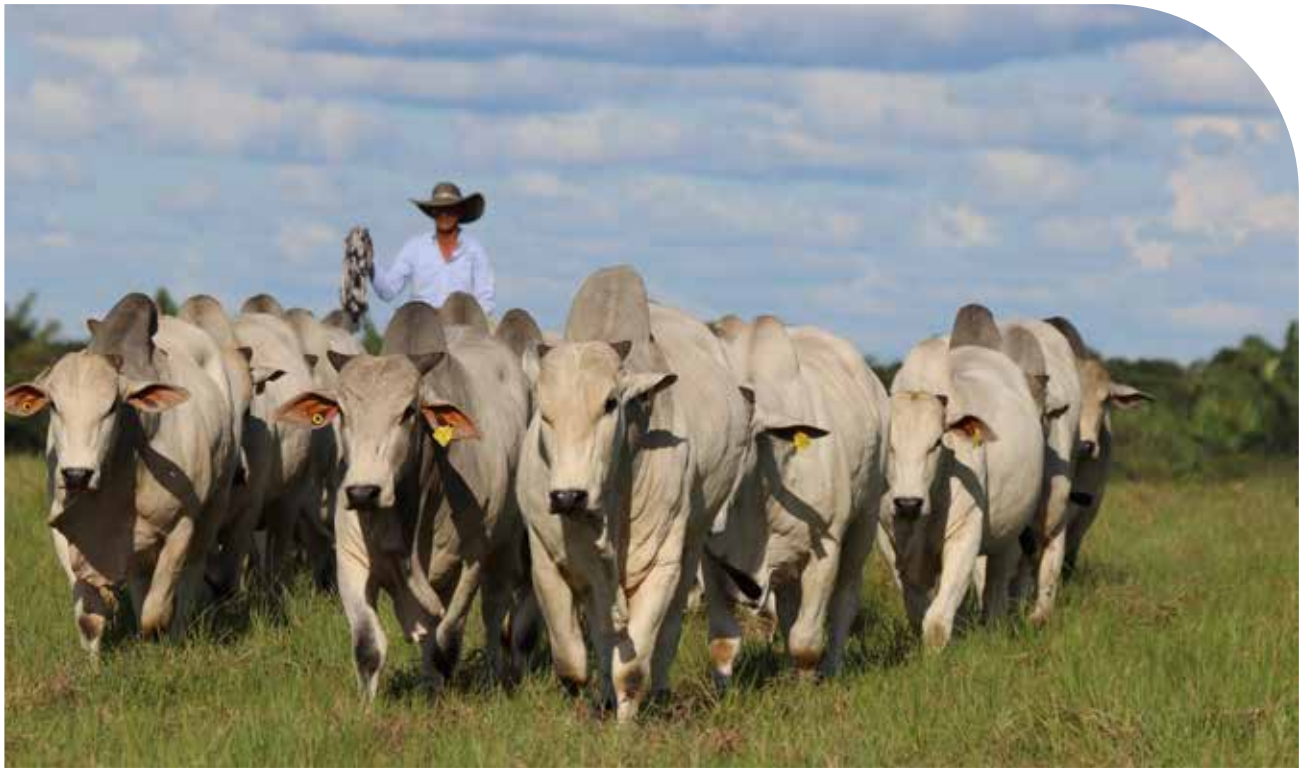
These actions can help to overcome the significant challenges that remain in formulating, executing, and scaling sustainable business models. The workshop showcased examples that demonstrate how innovative solutions and public-private partnerships can enhance the attractiveness and impact of private sector investments. Five key lessons emerged from these discussions:

Lesson 1:

Effective stakeholder engagement is critical to develop sustainable business models. It takes significant time and resources to build relationships and trust among companies, governments, country donors, civil society, producers, and communities on the ground—all the while navigating diverging perspectives and understanding the local context. Collaboration between companies presents its own set of challenges, such as competitive market dynamics, anti-trust considerations, and securing funding for sustainable supply chains and landscape management. There also can be barriers within companies, such as between sustainability and procurement teams. In both cases, the foundations for successful business models begin with mutual efforts to acquire greater knowledge about local stakeholders and the companies' own supply chains and to approach engagement with the mindset of respect and partnership. It is important that practices, such as free, prior, and informed consent of rightsholders, be followed. Collaborating with stakeholders and rightsholders, such as Indigenous Peoples and local communities, can help mitigate risks of criticism and failure, while avoiding duplication and amplifying impact.

Lesson 2:

Insufficient market capacity and lack of clarity on project standards continue to hamper access to climate finance for carbon projects. While more money is being pledged and more financing vehicles are being created, funding remains limited for credible carbon market projects and jurisdictional-scale programs are still under development. It is difficult for money to reach project implementers, who often receive insufficient revenue from their efforts. For investors, the financial rate of return takes longer compared to traditional investments. To overcome these challenges, civil society efforts are providing greater clarity on project standards. Safeguards and contracts with suppliers can also be put in place to delineate what must be achieved. On the demand side, guidance is being developed through several efforts, including the Taskforce on Nature-related Financial Disclosures (TNFD) on addressing nature-related risks and opportunities, the Integrity Council for the Voluntary Carbon Market (ICVCM), and the Voluntary Carbon Markets Integrity Initiative (VCMI) for carbon markets. Governments, multilateral institutions, and foundations are also providing more concessional capital with the initial expectation of lower returns to



catalyze private sector finance. These developments offer guidance, funding, and greater certainty for buyers and sellers, driving the market forward.

Lesson 3:

Advancements in measurement and assessment can help reduce costs and complexity while improving quality, efficiency, and automation through technology. Most MRV systems currently being used to measure and assess greenhouse gas (GHG) emissions reductions are costly, complex, and fragmented. More funding is needed for research, which will lead to better metrics of success in line with the latest guidance, such as through the GHG Protocol. MRV systems can be deployed more broadly to avoid duplication of efforts, while also being automated and aligned with other systems. This can help project implementers reduce costs and increase efficiency, making it more financially viable for companies considering investment.

Lesson 4:

Policy and regulation help set the rules of the game and provide incentives to act. The role of consumer and producer country governments in developing and enacting new laws while enforcing those already on the books is crucial to success. Coordination around sustainable landscape management should be led by governments with the support of companies. While government initiatives can be both difficult and time consuming, several countries and regions are capitalizing on opportunities to act. The European Commission has adopted a proposal for a directive on corporate sustainability due diligence in the European Union. Additional efforts are underway in the United Kingdom and United States, propelling consumer markets to take steps toward action. Additionally, risk disclosure rules are moving forward that would require financial institutions to gather and publish data regarding the climate impacts of companies within their investment portfolios. In producer countries, governments can take steps to enhance data access, law enforcement, sustainable certifications, technical assistance, and securing land tenure. Companies can engage in such developments and help propel them forward. Upon enactment, these policies and regulations will further enhance the investment climate and incentivize the adoption of sustainable business models.

Lesson 5:

Companies need to increase their understanding of climate-smart practices and their economic vitality while growing their capacity for implementation. Education is a critical enabler for adopting sustainable business models. Companies need to know the climate-smart practices that can be implemented along their supply chains to shift from business as usual to a more sustainable model. This shift is difficult due to the inherent risks of changing a company's core operating modalities, as well as the need to invest additional amounts in innovation. Companies must be convinced of the economic viability of these practices and understand the financial mechanisms available to support them. Additionally, companies need greater capacity to acquire mastery of these practices and related tools for implementation and monitoring.

Potential for success is at an all-time high. When stakeholder engagement, financial mechanisms, measurement and assessment, policy and regulation, and corporate understanding and capacity building are addressed through meaningful, context-specific partnerships, investments in sustainable supply chains have the greatest potential for success. Synergy among projects within jurisdictions will enable the scaling needed to achieve sustainable landscape management.

1. Overview

The business case for private sector investments in sustainable landscape management has never been stronger, and the need to act never more urgent. Recent reports from the UN's International Panel on Climate Change (IPCC) indicate significant action is needed around the globe to meet the goals of the Paris Agreement and stay within a 1.5 C future.[1] In particular, it is becoming clearer to the private sector the need to decarbonize operations and improve sustainable landscape management in supply chains in the pursuit of net-zero emissions. Innovative business models of sustainable landscape management are encouraging and enabling companies to fulfill their environmental commitments while supporting people and livelihoods. Companies are increasingly recognizing the important role they must play by making commitments to climate action, nature conservation, and respecting human rights. To fulfill these commitments and be part of just transitions—and inspire others to do the same—companies need to see evidence of a sound business climate, be convinced that the business case for making investments is improving and have the information necessary to act.

> "We are now at a point where the most fundamental thing—the business case for private sector investment in sustainable supply chains—is becoming obvious to everyone involved."
>
> **Nicolette Bartlett, Chief Impact Officer, CDP**

Building on the success of the 2019 and 2021 global workshops on private sector finance, the World Bank's Forest Carbon Partnership Facility (FCPF) and BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL), in collaboration with the International Emissions Trading Association (IETA) and CDP, hosted a third global event from May 10-12, 2022, entitled "Accelerating Climate Action: Unlocking Private Sector Finance for Sustainable Landscape Management." This workshop was designed to examine how public-private partnerships can help unlock private sector finance for sustainable landscape management and further the aim of reducing emissions from deforestation and forest degradation and fostering conservation, sustainable management of forests, and enhancement of forest carbon stocks (REDD+).

[1] https://www.ipcc.ch/report/ar6/wg3/downloads/report/IPCC_AR6_WGIII_SPM.pdf

The workshop was convened virtually in three half-day sessions and facilitated by Meridian Institute. There were 519 participants from 70 countries representing private sector organizations, REDD+ governments, contributing countries, non-governmental organizations, international development organizations, academia, and research institutes. The workshop shared experiences and advances being made around the world to engage the private sector in sustainable business models, explore sustainable initiatives, access climate finance opportunities, and achieve emission reductions by implementing proven instruments and tools—all made possible through collaboration across sectors to drive impact.

Workshop participants received practical advice, models, and tools that have demonstrated results in facilitating private sector engagement and increasing financing for climate action. Through the workshop, leaders from across key sectors shared their experiences, learned from each other, and received essential insights on utilizing public-private partnerships. See the Annex for the full workshop agenda.

Box 1. Workshop Agenda On "Accelerating Climate Action: Unlocking Private Sector Finance For Sustainable Landscape Management," May 10-12, 2022

Day 1: The Evolving Climate and Nature Landscape

- Updates: COP26 and the Global Landscape
- Collaborative Approaches to Advance Supply Chain Resilience
- Carbon Market Developments
- World Bank: Climate Finance Approaches and Actions for Sustainable Landscapes
- Integrating Sectors and Issues to Amplify Impact: Voices from Colombia and Mozambique

Day 2: Financial Mechanisms to Accelerate Climate Action

- Scaling Carbon Markets: Challenges and Opportunities for Building Supply
- Making Climate Finance Work for All
- Innovative MRV Systems and Transaction Registries: Key Partners for Unlocking Finance and Supporting Sustainable Production Systems
- Deep Dive I: Agroforestry as a Viable Climate Solution: The Case of Cocoa

Day 3: Private Sector Climate Leadership

- Deep Dive II: ISFL Private Sector Theory of Change – The Example of Livestock in Colombia
- Deep Dive III: Forest-Smart Mining: Nature-based Solutions Opportunities for the Mining Sector
- Scaling Private Sector Ambitions and Delivering Landscape Level Results: Lessons Learned in Brazil
- Priorities in the Year Ahead

Workshop sessions explored three main themes: 1) the evolving landscape for climate and nature, 2) financial mechanisms to accelerate climate action, and 3) private sector climate leadership. Each theme demonstrated the need for collaboration to amplify impact in sustainable landscape management.

The Evolving Landscape for Climate and Nature

Participants explored how global climate and carbon landscape has evolved significantly over the past year, with major commitments, pledges, and decisions made by business leaders and governments at the 2021 United Nations Climate Change Conference in Glasgow, Scotland (COP26). Key developments discussed include the evolution of the carbon market with the finalization of Article 6 of the Paris Agreement, companies reducing deforestation in their supply chains through increased traceability, the World Bank's latest climate change and emission reduction investments and growing cross-sector collaborations. These developments have enhanced the enabling environment for private sector investments in sustainable business models.

Financial Mechanisms to Accelerate Climate Action

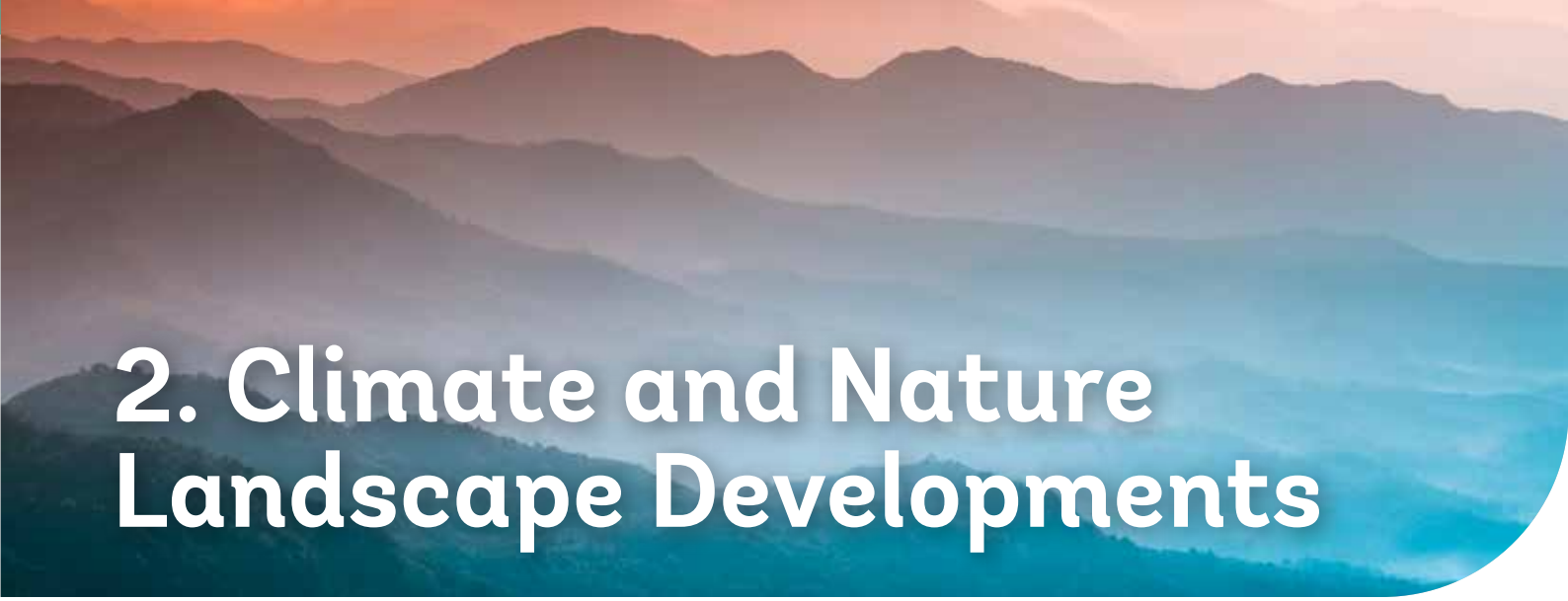
There are growing opportunities to deploy climate finance to achieve sustainable supply chains. Carbon markets, both voluntary and compliance markets, are channeling more capital toward natural climate solutions. To effectively scale, challenges and risks must be addressed, and organizations such as IETA are providing valuable insights. Key among them is that producers—from large scale companies to smallholder farmers to Indigenous Peoples and local communities (IPLCs)—will be the actors integrating sustainable practices, so money needs to be deployed in a manner that will reach them. Monitoring, reporting, and verification (MRV) systems will track progress and provide greater certainty to buyers that impact is being achieved. Together, these factors can enhance the flow of capital from demand-side actors to producers making changes on the ground.

Private Sector Climate Leadership

Private sector initiatives can provide solutions, lessons, and best practices to encourage actors along supply chains to implement sustainable practices to reduce emissions and combat climate change. Key to success across various economic sectors and geographies is careful consideration of stakeholder engagement, financial mechanisms, measurement and assessment, and policy and regulation. The World Bank's experience supporting countries as they implement FCPF and ISFL programs for emission reductions has generated successful business models, knowledge, and tools in agroforestry, livestock, mining, and other critical land-use activities. Efforts like these are being scaled up in jurisdictions such as Brazil to achieve sustainable landscape management.

Building on these focus areas, the World Bank, IETA, and CDP will continue to advance efforts to strengthen the enabling environment for sustainable investments by the private sector.

They will also look for new opportunities in climate and nature-related finance, and ways to promote further collaboration across regions and sectors through innovative partnerships.



2. Climate and Nature Landscape Developments

This chapter encapsulates the presentations and discussion that took place during the first day of the workshop on May 10, 2022. Please refer to the Annex for the full agenda or the workshop website for speaker recordings and presentations.

The world has evolved dramatically over the past year. The COVID-19 pandemic underscored the need to reevaluate how people interact with ecosystems, produce goods that sustain lives and livelihoods, and support each other. As the world grows more interlinked, the power of collective action in addressing climate change becomes more vital. COP26 showcased the need for global commitment and ambition. The challenges continue to evolve, but countries, businesses, organizations, and communities across the globe also continue to innovate and create new opportunities to effectively address climate change and scale up natural climate solutions.

More than 70 countries have set a net-zero target, covering about 76 percent of global emissions. Over 1,200 companies have put in place science-based targets in line with net zero.[2] These commitments have significantly accelerated carbon market demand. At COP26, the Article 6 rulebook was finalized, creating a framework for cooperation and collaboration between the public and private sector, thus enhancing the enabling environment for private sector engagement. Establishing and implementing these rules is critical for fulfilling Nationally Determined Contributions (NDCs) and corporate commitments to achieve the goals of the Paris Agreement. IETA's 2022 paper, How Governments Can Implement NDCs Cooperatively and Encourage Private Sector Investment, aims to help advance understanding and use of Article 6, by highlighting important elements that governments need to address to mobilize private sector resources and investments towards Article 6 mechanisms.

Even with all the commitments announced by companies and countries alike, investing in sustainability will be the linchpin in reaching global collective climate ambitions. The public and private sectors must collaborate to unleash the needed climate finance to reach global climate goals, preserve nature, and ensure sustainable development.

2.1 Policy And Regulatory Environment

COP26 was a significant milestone in efforts to combat climate change. The Glasgow Climate Pact, supported by nearly 200 countries, encourages urgent greenhouse gas (GHG) emission cuts to keep a 1.5 C future alive.[3] Also agreed at COP26 was the Paris Rulebook, guidelines for delivering on the Paris Agreement, including Article 6 which establishes a robust framework for countries to exchange carbon credits. The Glasgow Leaders' Declaration on Forests and Land Use was also made to halt and reverse forest loss and land degradation and commit public and private finance to achieve these goals.[4] Additionally, the corporate sustainability due diligence regulations under consideration in the European Union will further incentivize companies to transform their supply chains toward sustainability to maintain market access and legal compliance.

2 https://www.un.org/en/climatechange/net-zero-coalition
3 https://ukcop26.org/cop-26keeps5-1-c-alive-and-finalises-paris-agreement/
4 https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/

Article 6 Rulebook

The Article 6 rulebook allows for cooperation among countries in meeting and going beyond their NDCs, including enabling international carbon markets under the Paris Agreement. While negotiations to develop the rulebook were challenging, many important decisions were made. First, REDD+ is eligible under Article 6.2 (international transfer of carbon credits between countries) and Article 6.4 (trading credits from emissions reductions generated through specific projects). This enables natural climate solutions to count toward the new centralized hub that replaces the Clean Development Mechanism (CDM) in implementing emission reduction projects in developing countries to earn saleable certified emission reduction (CER) credits.[5,6,7,8] As Article 6 treats the land sector like any other sector, REDD+ gets neither discriminatory nor special treatment under the Paris Agreement.

> "Article 6 puts significant control, agency, and opportunity in the hands of host countries."
>
> **Lisa DeMarco, Senior Partner and CEO, Resilient LLP**

Another key takeaway was defining the need for "corresponding adjustments" (when Parties transfer a mitigation outcome internationally to be counted toward another Party's mitigation pledge, this mitigation outcome must be un-counted by the Party that agreed to transfer it).[9] Host countries are empowered with increased decision-making power, as they must authorize Article 6.2 and 6.4 emission reductions and the companies and other non-state actors that participate in related activities. They have the ability to decide to authorize mitigation outcomes generated for specific uses.[10]

Several other decisions were made to clarify the emission reduction accounting, including from carbon credits regarding Internationally Transferred Mitigation Outcomes (ITMOs), while voluntary carbon markets remain independent. A supervisory body will oversee the implementation of the Article 6 rulebook. Cooperation around Article 6 has the potential to cut costs by as much as $300 billion by 2030 as countries work to achieve their NDCs. Nearly 100 countries have expressed their intent to use carbon markets for this aim. IETA's Business Partnership for Market Implementation (B-PMI) provides capacity building and training to business organizations from selected PMI countries to ensure the economic efficiency and environmental integrity of the implementation of carbon markets and the operationalization of Article 6 worldwide. [11]

Glasgow Leaders' Declaration on Forests and Financial Commitments

COP26 featured forests and land use as never before. In the Glasgow Leaders' Declaration on Forest and Land Use (GLD), leaders from 141 countries committed to halt and reverse forest loss and land degradation by 2030 by strengthening their efforts to conserve and restore forests and other terrestrial ecosystems and accelerate their restoration.[12] The GLD reaffirmed the need to catalyze public and private finance toward forests and land use. Along with the GLD, there were commitments to provide $12 billion for forest-related climate finance by 2025 (Global Forest Finance Pledge), $1.7 billion to help IPLCs protect tropical forests, and $1 billion from the Lowering Emissions by Accelerating Forest Finance (LEAF) Coalition. Additionally, $3 billion was pledged to accelerate deforestation and conversion-free soy and cattle production in the Amazon, Cerrado, and Chacho, $1.5 billion to protect and maintain

5 https://www.ecosystemmarketplace.com/articles/what-does-the-article-6-rulebook-mean-for-redd/
6 https://www.wri.org/insights/what-you-need-know-about-article-6-paris-agreement
7 https://unfccc.int/process-and-meetings/the-kyoto-protocol/mechanisms-under-the-kyoto-protocol/the-clean-development-mechanism
8 https://www.ecosystemmarketplace.com/articles/article-6-and-its-glasgow-rulebook-the-basics/
9 https://www.climatefocus.com/publications/article-6-corresponding-adjustments#:~:text=Making20%a20%corresponding20%adjustment20%means,that20%agreed20%to20%transfer20%it.
10 https://www.ecosystemmarketplace.com/articles/what-does-the-article-6-rulebook-mean-for-redd/
11 https://www.ieta.org/page19230-
12 https://www.iucn.org/news/forests/202112/what-cop-26does-forests-and-what-look#2022-:~:text=The20%Glasgow20%COP20%26Declaration20%on,the20%fight20%against20%climate20%change.

forests and other critical global carbon stores in the Congo Basin, and 30+ financial institutions with assets totaling over $8.7 billion committed to eliminate commodity-driven deforestation from their portfolios. Thus, a large amount of finance is being pledged toward sustainable landscape management.

European Union Corporate Sustainability Due Diligence Regulations

In February 2022, the European Commission adopted a proposal for a directive on corporate sustainability due diligence for companies to respect human rights and environment in global value chains. The proposal aims to foster sustainable and responsible corporate behavior throughout global value chains by requiring companies to identify and mitigate adverse impacts of their activities on the environment and human rights.[13] To maintain access to the European Union market, companies will need to comply with such regulations, creating a level playing field in line with sustainability considerations. Investing in transformations toward sustainable business models will ensure compliance and help unlock opportunities associated with a just transition.

2.2 Corporate Net Zero Commitments

During the last several years, the world has witnessed an explosion of companies making net-zero commitments, with over 1,200 companies having put in place science-based targets in line with net zero.[14] COP26 saw significant emissions reductions commitments from major corporations in high emissions sectors and a focus on developing robust, rules-based accounting methods for measuring private sector action against their net-zero commitments, either by reducing their direct emissions, purchasing carbon offsets to finance carbon sequestration, or using other mechanisms.

> "Corporates are making unprecedented pledges around net zero. Voluntary carbon markets are driven by these targets and the corresponding demand to achieve them."
>
> **Katie Sullivan, Managing Director, International Emissions Trading Association**

While the recent proliferation of net-zero commitments and targeted actions to achieve them is a welcome development, the real work of fulfilling net-zero commitments has just begun. CDP plays a critical role through corporate disclosure to ensure companies are making progress toward their commitments. The Science-based Targets Initiative, of which CDP is a founding member, launched the first framework for corporate net-zero target setting in line with climate science.[15] All stakeholders—including governments, civil society, and private sector actors—must work together to meet the demand for carbon sequestration and nature-positive investment opportunities. In addition, the role of carbon markets will be critical, particularly in the short term, to stay on track with Paris-aligned targets. Companies will need to finance emissions reductions and removals outside of their value chain as there will be some value chain emissions that are not financially or technologically feasible to eliminate in the necessary timeframe.

Nature-related commitments are also proliferating, as nature positivity must go hand in hand with net zero. According to 2021 data disclosed through CDP's forests questionnaire, only 30 percent of companies reported public no-deforestation/no-conversion commitments.[16] Further, only 13 percent of companies have timebound, quantifiable no-deforestation/no-conversion commitments that are

13_ https://ec.europa.eu/commission/presscorner/detail/en/ip_1145_22
14_ https://www.un.org/en/climatechange/net-zero-coalition
15_ https://sciencebasedtargets.org/companies-taking-action
16_ https://cdn.cdp.net/cdp-production/cms/reports/documents/368/006/000/original/CDP_AFI_Forest_Report_29%2814%_2022.pdf?1653318147

well-aligned with the Accountability Framework, of which few disclosed human rights criteria alongside said no-deforestation/no-conversion commitments.

2.3 World Bank Financial Commitments

The World Bank Group is the world's largest financier of climate action in developing countries, providing over $26 billion in 2021 alone. In 2020, the Bank Group accounted for over half of multilateral climate finance to developing countries and over two-thirds of adaptation finance.[17]

World Bank Group Climate Change Action Plan 2021-2025

The World Bank Group Climate Change Action Plan 2021-2025 focuses on integrating climate and development, identifying and prioritizing action on the largest mitigation and adaptation opportunities, and using those to drive climate finance and leverage private capital in ways that deliver the most results. As the world's poorest countries are the lowest emitters but are most impacted by climate change, the Action Plan affirms the centrality of adaptation efforts for the poorest and most vulnerable countries and commits to boosting Bank Group support for adaptation and resilience.

The Action Plan is underpinned by three transversal principles—people, nature, and partners—in support of the Bank Group's green, resilient, and inclusive development (GRID) framework. This framework aims to a) create opportunities for the poor and vulnerable; b) tackle poverty, inequality, and climate change simultaneously; c) scale up interventions to match the urgency of the climate and COVID-19 crises; d) address global challenges through international cooperation; and e) tailor to country needs and implement through country programs. The Action Plan is being operationalized through three pillars: integrating climate and development, prioritizing key systems transitions, and financing to support the transitions.

Commitment highlights include aligning all new operations with the Paris Agreement by July 1, 2023 and achieving a 35 percent average climate finance target from fiscal year (FY) 2021 to 2025 and 50 percent of climate finance for adaptation from the International Bank for Reconstruction and Development (IBRD), which lends to governments of middle-income and creditworthy low-income countries, and the International Development Association (IDA), which provides interest-free loans and grants to governments of the poorest countries. The Bank Group's climate financing continued an upward trend in FY21, reaching a record $26.6 billion (32 percent). The Bank Group is pursuing transformative interventions in five key systems that account for over 90 percent of global GHG emissions to address climate change, achieve a resilient and low-carbon future, and support natural capital and biodiversity, with a particular focus on agricultural and land-use change, which account for almost 25 percent of GHG emissions. The Bank Group will also support greening the financial sector through its work with central banks, national development banks, and private sector financial institutions.

World Bank Financing Vehicles: Progress and Evolution

The Climate Emissions Reductions Facility (CERF) is the umbrella trust fund being created for all results-based climate finance within the World Bank. It will serve as a strategic funding channel for climate finance and provide greater efficiency. CERF pillars include natural climate solutions, sustainable infrastructure solutions, and fiscal and financial solutions. Officially launching at COP27 in Egypt in November 2022, CERF will encapsulate several existing forest and landscape funds, including the FCPF and ISLF.

> "How do we use public money to build the foundation that will catalyze private sector engagement on climate action?"
>
> **Roy Parizat, Fund Manager for the BioCarbon Fund, ISFL, World Bank Group**

17. Climate Change Overview: Development news, research, data | World Bank

The FCPF is guiding readiness and carbon finance for REDD+ in 47 country participants[18] while piloting the purchase of results-based emission reduction credits in selected jurisdictions. It includes 15 donor governments, one private donor, and one NGO providing $1.28 billion in funding. ISFL incentivizes the development and implementation of sustainable land-use activities with the private sector, blending climate and development impacts with five country programs and five donor governments providing $367 million in funding. Programs have ranged from supporting cattle ranches in Colombia on livestock intensification to an innovative field school in Zambia teaching climate-smart agriculture to a technical manual and cost-benefit analysis for sustainable vanilla in Madagascar to tree stumping in Ethiopia.

These programs are examples of the progress made in implementation and provide a proof of concept of private sector engagement, REDD+, and the carbon market overall. Ultimately, the World Bank is using its Climate Change Action Plan and CERF to broaden and deepen its commitment to climate action and sustainable payments

2.4 Carbon Market Developments

Global Update

As both the public and private sectors work to achieve global climate goals and commitments, carbon markets have been a hot topic in international discussions and seen significant growth in the past year. The final decisions on Article 6 provide a pathway to scale up the carbon market and enable major cost reductions for countries to meet their NDCs. However, many countries are wary of adopting Article 6 and there are some negative perceptions of carbon markets among stakeholders.

Negative perceptions can be overcome by securing long-term, credible results and effectively communicating the successes countries and corporates have seen through carbon markets to date. A key avenue that both mitigates negative perceptions and ensures the implementation of Article 6 calls for the public and private sectors to collaborate through capacity-building efforts that support carbon market development. Public-private partnerships and collaboration will not only secure the investments and capital flows that carbon markets need to develop but also catalyze the results needed to address concerns. A prime example is the collaboration between the World Bank and IETA on leveraging public and private experience and knowledge sharing through the Partnership for Market Readiness (PMR) and Business Partnership for Market Readiness (B-PMR), now the Partnership for Market Implementation (PMI & B-PMI).[19] PMI assists countries to design, pilot, and implement pricing instruments aligned with their development priorities.

Carbon Market Developments

There have been many positive developments in the current state of carbon markets. From 2021 to 2022, both compliance and voluntary carbon markets spiked in growth despite the many geopolitical challenges, including the COVID-19 pandemic and the Russia-Ukraine war. Many countries will be leaning on the guidance provided in Article 6 to utilize international cooperation and trading to reach their NDCs and net-zero goals. These developments may have blurred the lines of compliance and voluntary markets as they are both rapidly evolving and converging and are no longer siloed spaces. IETA plays an important role as a trusted business voice on market-based climate solutions by keeping companies informed on carbon market developments.

Compliance markets are undergoing major program reviews and consultations to modify emission trading systems. There is also a surge of new carbon credit protocols that are being developed across project types by voluntary standards and across regions by governments that underpin the issuances of carbon credits in these markets. These modifications are needed to appropriately incorporate natural climate solutions, agriculture, and forestry. As the market has grown, scrutiny and demand for integrity and transparency—both on the supply and demand side of the market—have become top issues to be addressed for the future viability in net-zero targets being accurately achieved and credits being used.

18_ The FCPF supports REDD+ efforts through two separate but complementary funds: the Readiness Fund (RF) and the Carbon Fund (CF). The RF covers 47 country participants while the CF has programs in 15 out of those 47. To find more about the FCPF's work and country participants please visit the FCPF website: https://www.forestcarbonpartnership.org/

19_ https://pmiclimate.org/#:~:text=The20%Partnership20%for20%Market20%Implementation,aligned20%with20%their20%development20%priorities.

Innovation and the role of digitization of the carbon market are also on the horizon, poised to unleash demand hesitant to interact with carbon markets. These include innovations in linking blockchain to remote sensing to streamline issuances of credits and engaging through exchanges that bring a sense of familiarity to the carbon market. Groups such as IETA's Task Group on Integrity in Digital Climate Markets are working diligently to examine the new trends in digital carbon markets and recommend step to ensure integrity in this growing space.[20]

Scaling Carbon Markets

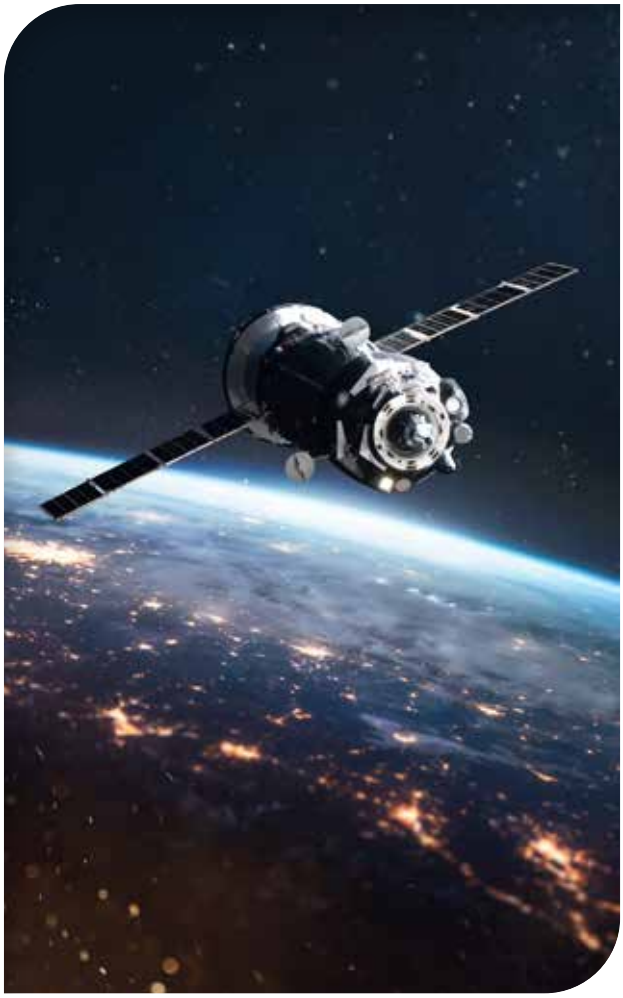
The carbon marketplace is evolving toward future growth, but both public and private sector financing need to drastically increase to achieve and sustain the market's scalability. With increased growth, project developers have noticed other challenges that will impact the viability of scaling the carbon market. Projects and governments alike have elevated and encouraged the adoption of technological innovations that support automating much of the labor and administrative intensity of project management. However, these innovations need to be complemented with the human components that confirm ownership and safeguards. To effectively implement technological and people-based approaches, there is a need to grow the workforce talent that the carbon market requires. There are not yet enough trained people to keep up with the growth in demand. Add to this the need for blended public-private sector financing to achieve market scale up.

While scaling carbon markets and, in particular, private sector investment in carbon credits, is a solution that can support emission reduction efforts in the short and medium terms, it cannot substitute supply chain emission reduction activities over the long term. Deep cuts within corporate value chains are a key lever in reaching climate ambitions. Engaging in carbon markets can be a helpful additional tool.

2.5 Monitoring, Reporting, and Verification

MRV systems are critical to accelerating climate action because without them, carbon markets, environmental service markets, and other climate efforts will lack the credibility they need to be successful. By promoting transparency and trustworthiness, MRV systems can help unlock climate finance, facilitate the efficient and transparent production of emission reduction payments, help private companies meet emerging due diligence requirements, and facilitate greater market access for the sustainable agriculture and forestry sectors.

MRV systems require further development before their full potential can be harnessed, and innovative efforts are underway to close these gaps. New digital MRV systems are using improved remote sensing technologies, cloud technology, and artificial intelligence to collect higher quality data and automate data collection and processing. Likewise, ongoing initiatives to develop carbon assets transaction registries and "warehouses" (meta registries connecting decentralized national registries and registries from carbon standards) and tokenization platforms that digitize carbon credits all promise to facilitate greater transparency and security for environmental service markets.



20_ https://www.ieta.org/page12286504/18192-

3. Key Considerations for Sustainable Landscape Management

This chapter encapsulates the presentations and discussion that took place during the second and third day of the workshop on May 11–12, 2022. Please refer to the Annex for the full agenda or the workshop website for speaker recordings and presentations.

Achieving sustainable landscapes requires transformation toward sustainable economic models that can effectively engage local communities, governments, and the private sector. While there are numerous considerations that need to be taken into account, discussions during the workshop illuminated five that are mission critical: stakeholder engagement, financial mechanisms, measurement and assessment, policy and regulation, education and capacity-building. While one size does not fit all, these cross-cutting considerations are relevant to most supply chains.

3.1 Stakeholder Engagement

For private sector sustainability initiatives to attain desired impacts, they must account for and build upon the context in which the company is operating. It takes significant time and resources to build relationships and trust among companies, governments, country donors, civil society, producers, and communities on the ground. Navigating diverging perspectives and understanding the local context can be challenging. Companies, in coordination with governments, need to engage local communities in ways that respect their needs, resources, and structures. Companies should also engage with other enterprises working in the same type of supply chains to design and implement programs on the ground. Pre-competitive collaboration can help avoid duplication and other unintended consequences.

Landscape and jurisdictional approaches are holistic and integrated management frameworks gaining momentum due to their capacity to coordinate sustainable land-use goals over a specific subnational or landscape area. Taking this type of coordinated approach rooted in common goals and collective action can help companies mitigate risks and achieve better outcomes.

Community and Producer Engagement

Community members, smallholder producers, local NGOs, and their respective leaders often better understand the local dynamics, relationships, challenges, and opportunities than the companies seeking to engage in their locales. Communities, especially producers, need to incur benefits from private sector engagement, especially as such projects will impact them and the natural resources upon which they depend. Companies should be prepared to compensate community partners fairly. Opposition from people on the ground can lead to reputational, economic, and legal risks, but productive and trusting relationships can mitigate these risks, reward the implementation of sustainable practices, and enable greater impact. These relationships can be developed through collaborative, respectful dialogue facilitated by well-designed, multistakeholder governance structures. These can include steering committees, roundtables, and decision-making bodies that ensure fair representation and equitable processes for arriving at decisions.

Companies need to acknowledge IPLCs not merely as stakeholders whose perspectives should be considered, but as rightsholders who must provide

free, prior, and informed consent for any projects that would bring changes to their natural resources and livelihoods. Given the importance and challenge of this task, companies should engage with affected IPLCs from the outset of a project or initiative, as well as relevant government authorities. As every community is different, companies should not expect that a model for engagement can be precisely replicated in each geography. Rather companies should seek to apply the best process standards that prioritize IPLC needs and ensure their full participation to inform the project decisions, financing, and timelines.

Industry Engagement

As several companies with complex supply chains operate throughout landscapes, industry-wide engagement is critical to achieving landscape-level outcomes. Sustainable transformation will require collaboration, buy-in and action from actors up and down the supply chain. Companies can benefit from engaging their supply chain partners through promoting the harmonization of technologies, markets, and standards. Harmonization results in greater efficiency, transparency, and stakeholder buy-in, which increases the likelihood of success. Furthermore, joint efforts of companies with smallholders and producers allow them to influence and promote requirements and capacity building for suppliers to meet sustainability commitments within a landscape, ultimately scaling up supply chain traceability, monitoring, and verification.

Cross-company collaboration can also help ensure that no single company seeking to advance sustainability takes on disproportionate risk and other companies accrue benefits after the fact from the lessons learned. Several pre-competitive forums have been developed to address shared challenges and opportunities. In the forest realm, the Tropical Forest Alliance was established to support companies through the ongoing global transition to deforestation-free supply chains and to accelerate forest-positive collective action. The Consumer Goods Forum's Forest Positive Coalition of Action is driving collective, transformative change in removing deforestation and forest conversion and degradation from key commodity supply chains and supporting forest-positive businesses.[21,22] Collaborations such as these can attract catalytic capital from governments and help stakeholders work together to navigate the complex policy landscape. They help companies better coordinate within jurisdictions to promote consistency and scale landscape-level impact.

Challenges

Although stakeholder engagement is crucial to ensure that projects are both successful and equitable, robust stakeholder engagement can be challenging to effectively implement. Challenges to engaging and involving IPLCs include communities' preparedness and capacity to act as partners, reluctance to engage because of past negative experiences, and the often difficult logistics of engaging with multiple IPLC communities or smallholder groups that may reside within a project area.

Challenges to fostering robust industry engagement and collaboration include concerns around competitive dynamics and antitrust and securing proper funding for multi-stakeholder initiatives. It is also important to ensure continued government commitment for landscape initiatives, conveyed in local policies and action plans to build favorable enabling environments for the private sector to engage at the landscape or jurisdictional level.

Opportunities for Success and Scaling

During the pre-engagement process, stakeholders should be working together to identify which communities are best prepared to act as partners with the private sector and which can be connected to capacity-building resources to develop readiness. Helping to develop farmer-led extension networks is one effective way to empower communities to lead capacity-building efforts. Some communities may be reluctant to engage due to negative experiences with companies and governments in the past. Leaders should strive to address these concerns through proactive engagement with IPLCs before and throughout the planning and implementation process.

Projects can begin by identifying stakeholders within the geographic area of a project or initiative, conducting listening sessions with each group aimed

21 https://www.tropicalforestalliance.org/en/about-tfa/about/
22 https://www.theconsumergoodsforum.com/environmental-sustainability/forest-positive/about/

at identifying concern, and then organizing a steering committee to collaboratively develop an approach that accounts for any concerns. Steering committee members can continue to convene as projects are implemented to ensure their feedback is incorporated throughout the execution process. Likewise, these steering committees should have an established complaints process so that stakeholders can seek redress should concerns arise. Additionally, engaging local government and convening multi-stakeholder/sectoral roundtables that involve stakeholder representatives can help keep dispersed local stakeholders involved and represented.

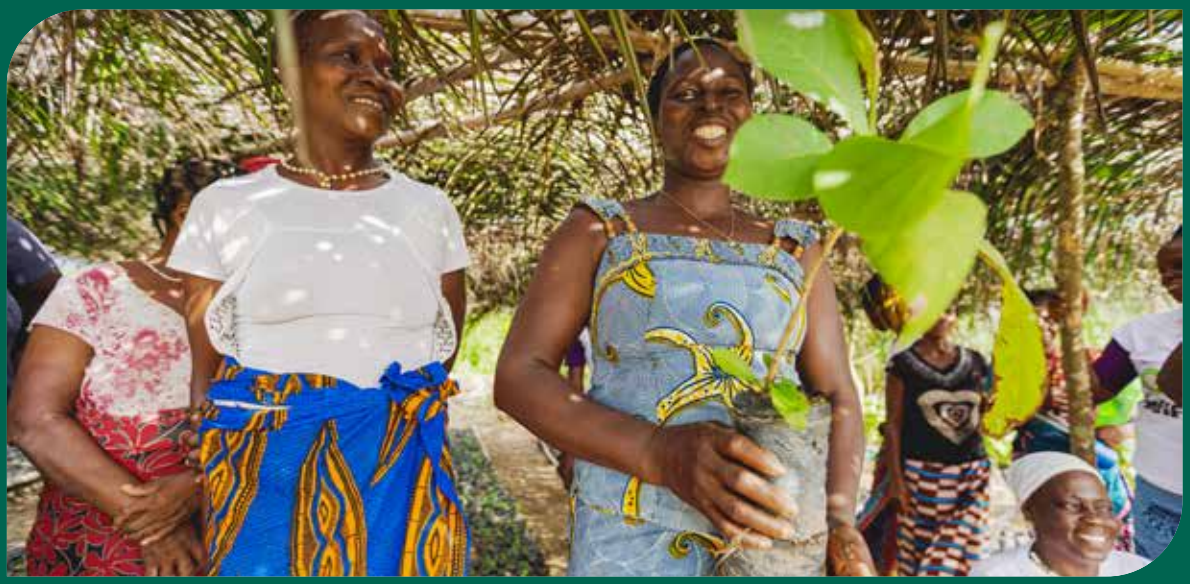
Engagement throughout a company's supply chain requires baseline knowledge about their direct and indirect operations. An important step is mapping out suppliers, the commodities they produce, and the processes by which the company obtains these commodities. Companies can conduct analyses on priorities for technical assistance, financing, and other forms of support. Within companies, communication is key to bridge the gap between sustainability goals, procurement decisions, and meeting financial targets. Companies should seek to incorporate sustainability expertise within their procurement and financial teams to avoid sustainability knowledge being siloed and kept out of such discussions. While cross-company collaboration can be challenging, there are a growing number of pre-competitive initiatives focused on sustainability for land-based companies. These efforts can be enhanced through effective rule-setting permitted by company legal departments (such as meeting under Chatham House Rule) to enable candid discussion of challenges and opportunities.

Box 2. Terra Global: Investee Engagement, Contracts, and Benefit Sharing

Risk and return profiles need to be attractive for both climate finance investors and investees of projects and programs on the ground. Investees that receive capital to transition to more sustainable practices or adopt new technologies face risks and incur costs in changing the way they manage natural resources for their livelihoods. That should be reflected in the economics of climate finance agreements. Terra Global Capital's framework for engaging local investees (e.g., governments, communities, and local private sector) ensures there is a fair balance of terms and a strong model for stakeholder participation and benefits allocation.

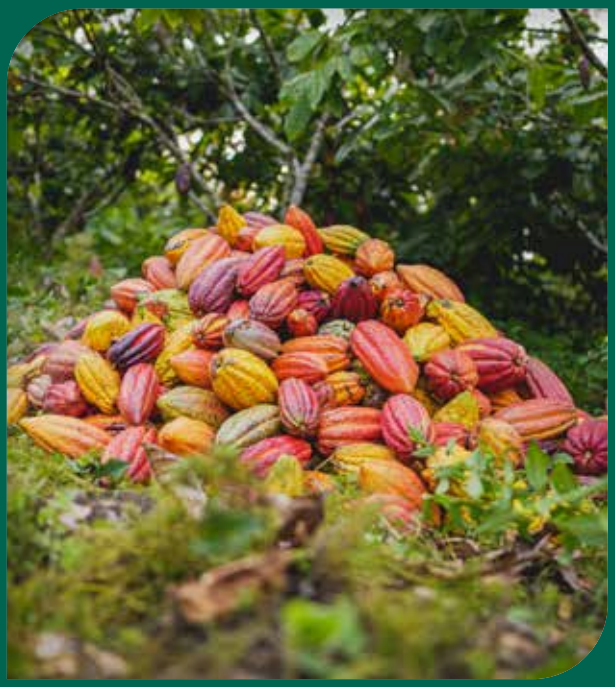
Terra Global has a four-stage process to ensure that climate finance structures entail a fair balance of risk and return to both the investor and in-country investee. These are progressive stages that involve collaboration and the creation of an investment-ready project. First are considerations for eligibility and engagement, which produce an initial review on a project or program's commercial viability. Second is assessing the investment readiness of a project or program. Depending on the level of investment readiness, over the next three to 18 months, Terra Global supports the development of the business case with investees, defining the cashflow projections for both investors and projects in a fully transparent manner. The third step in the process is deploying the investment, and lastly, supporting implementation and tracking the ongoing payment for performance.

Investment readiness is defined more broadly than determining risk and return. Rather, it starts with engaging the communities who will participate in the project and securing their informed and written consent for participation. They are engaged throughout the process, to define practice changes to be implemented by the project to achieve the desired emission reduction, social, and biodiversity outcomes. This includes a) working with local communities to secure land tenure; b) partnering with governments and NGOs to provide technical assistance, thus lowering operational risk; c) setting up the investment entity with a long-term implementation plan; d) quantifying the emission reductions and removals, e) developing investment cash models; and f) defining a clear vision and principles on how benefits will be shared. Ultimately, changes will be implemented by investees on the ground, so these stakeholders and rightsholders must be centered within investments. When Terra Global signs an investment agreement, the checklist of steps must be in place to align expectations and ensure fiscal and operational capacity reaches the ground in a collaborative manner.



Box 3. Andean Cacao: Inclusive Model for Cocoa Agroforestry

Andean Cacao is an agroforestry cacao company that seeks to transform the way cacao is produced today by creating inclusive and climate-smart productive ecosystems that will not only contribute to rehabilitating degraded lands but also benefit local communities.[23] Andean Cocoa has 40 times the number of employees than traditional cocoa production and is committed to providing a living wage to each of them. The company puts farmers at the center of the business, by employing women and smallholder farmers and developing a strong network to disseminate best practices. This inclusive model, coupled with ecologically-oriented practices, demonstrates that cocoa agroforestry can align climate, economic, and social goals.



"Agroforestry can help mitigate climate change impacts, create cooler microclimates, offer carbon sequestration potential, and have a positive impact in farmer incomes."

Cédric van Custem, Senior Director Cocoa Life, Mondelēz International

3.2 Financial Mechanisms

There are growing opportunities to deploy climate finance to achieve sustainable supply chains and landscapes. Navigating the evolving realm of challenges and risks associated with the current financial mechanisms will be key in scaling climate finance to achieve ambitious climate goals.

The private sector is uniquely positioned to mobilize finance both through investing in natural climate solutions throughout supply chains and by purchasing nature-based credits and offsets. Unlocking the potential of these investment avenues will require risk reduction measures, both catalytic and concessional capital, building investor confidence, and ensuring public and private resources are complimentary.[24,25]

23 https://www.andeancacao.com/about-us
24 https://www.macfound.org/programs/catalytic-capital-consortium/#:~:text=Catalytic20%capital%E94%80%2investment20%capital20%that,terms20%through20%the20%conventional20%marketplace.
25 https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/bf

Challenges

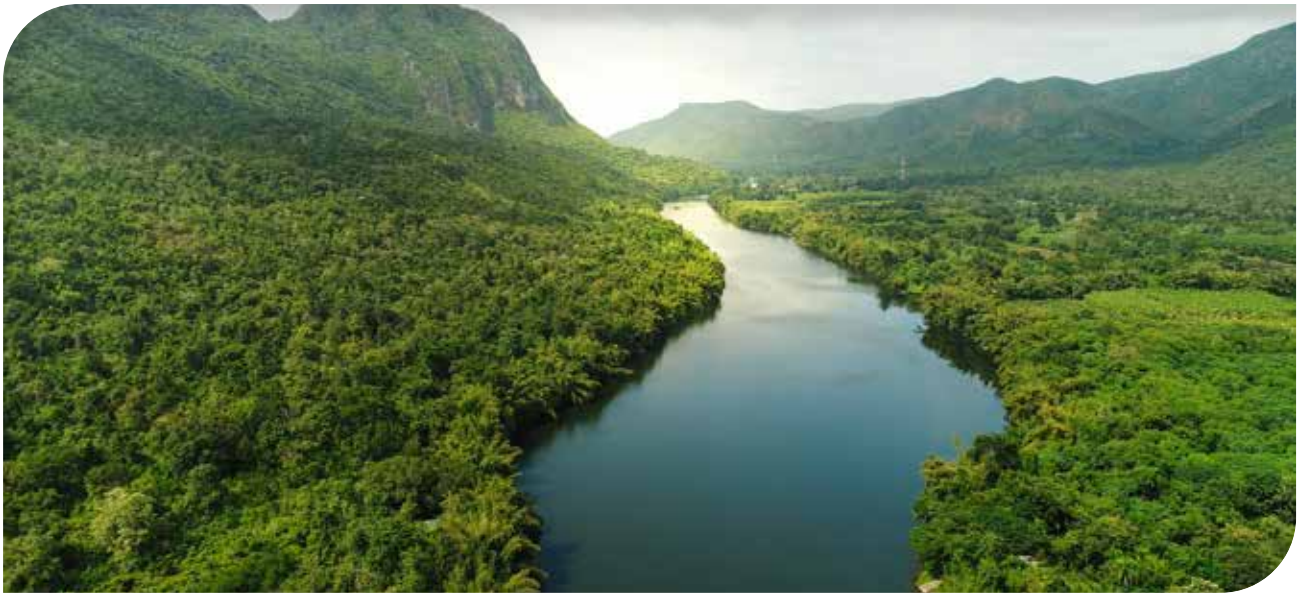
Although countries and companies have signaled interest in utilizing carbon markets as an avenue to achieve NDCs and net-zero commitments, there is still much to be defined regarding the transition to jurisdictional-scale programs and effective end-to-end transactions. Climate finance must scale to work for a broader group, but risks are prohibitive of the needed financing to grow the supply and mature the market.

Transitioning to jurisdictional-scale programs raises questions on how projects fit into the transition, who should manage the jurisdictional programs, and how double counting for both NDCs and corporate commitments should be addressed, as well as gaining free, prior, and informed consent from IPLCs. For end-to-end transactions, there are challenges in balancing the risks and return for each party engaged in the transaction. Overall, both public and private sector finance is needed throughout this transition period to understand and address the challenges with jurisdictional programs, end-to-end transactions, and building out the market.

Opportunities for Success and Scaling

There are existing opportunities and mechanisms to increase public and private sector finance toward nature-positive outcomes. The Taskforce on Nature-related Financial Disclosures (TNFD) framework, currently in beta phase and set to launch at the end of 2023, will help companies and financial institutions manage and act on nature-related risks and opportunities.[26] Blended finance is also critical for improving the risk/return profile of nature-based financial vehicles, as are requirements for collective governance, goal setting, monitoring, and links to commodity sourcing regions. Directly investing in and lending to nature-based projects will be important if companies and financial institutions want to mitigate nature-related risks and meet the net-zero and zero deforestation and biodiversity targets that they are increasingly committing to achieving. Likewise, financial institutions should invest in and lend to companies that are leading on nature-based solutions and landscape approaches to prevent stranded assets.

Contracts will be key in defining how end-to-end carbon market transactions are built while addressing many of the risk factors. Contracts require balance and flexibility to manage the asymmetrical relationships that are common within the market. It is important to understand the risks that each party is willing to assume and manage expectations of what is possible in terms of financing projects on the ground. This, in turn, informs how pricing will work for the transaction. Many emerging pricing benchmarks do not fully cover the range of standards or types of credits, which further emphasizes the need to build flexibility into contracts that allow for pricing to adapt. Thinking through the design of contracts can build a fair balance of risk and return for investors and investees and support success within the carbon market.

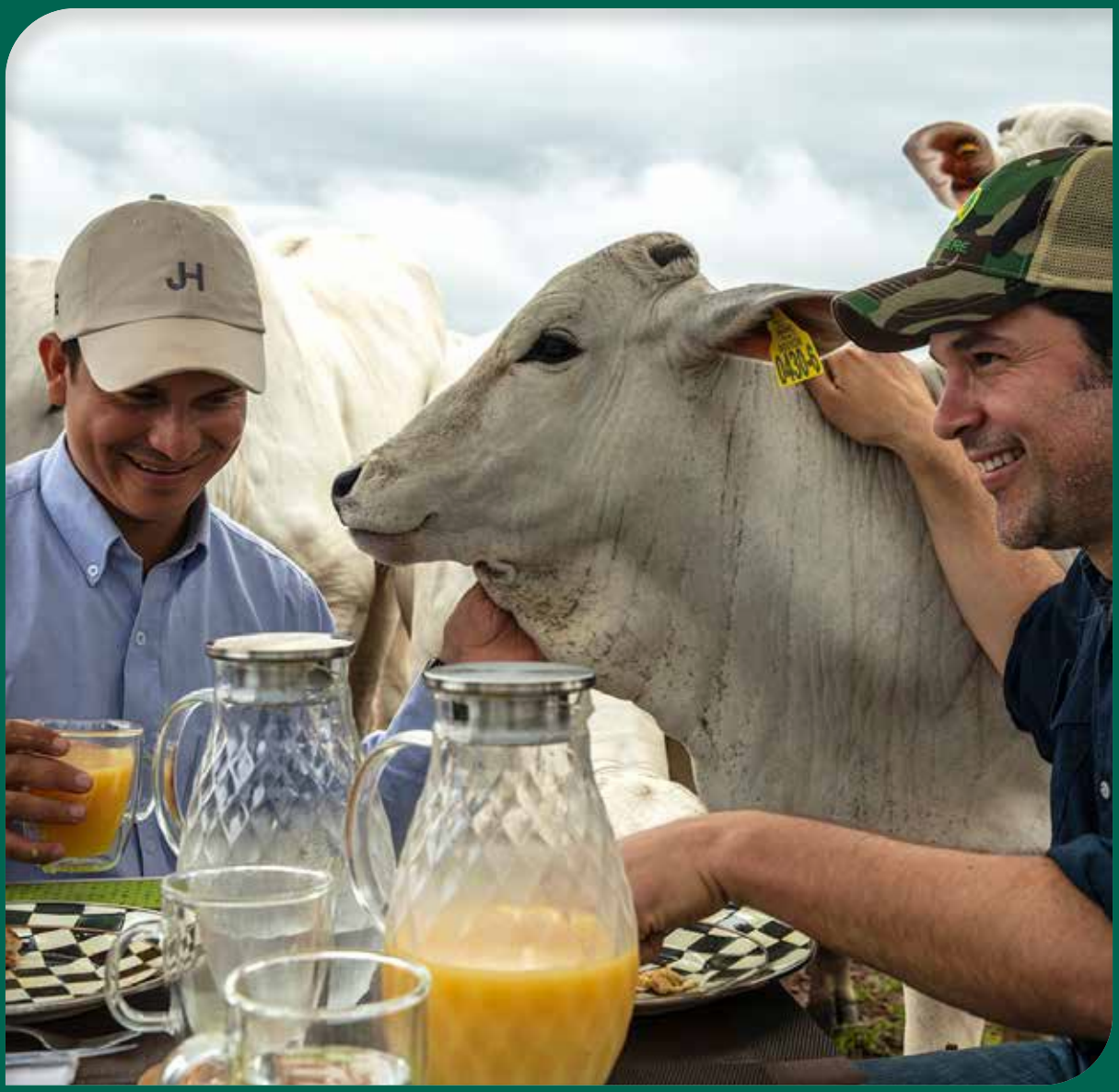


26 https://tnfd.global/about/

Box 4. &Green: Catalyzing Initial Funding In Livestock

&Green is a climate impact investment fund that invests in agricultural commodity sectors, with the intent of decoupling commodity production from deforestation while being socially inclusive. Many investors focus on sectors with less perceived risk and higher likelihood of outcomes, but &Green provides much-needed catalytic finance to help "riskier" sectors, such as the livestock sector, make the transition toward sustainability while improving livelihoods.

In the livestock sector, &Green has made transactions with Hacienda San José, a leading agribusiness company in genetics and sustainable meat production in the Vichada province of Colombia, as well as with Marfrig and Roncador in the state of Mato Grosso in Brazil. &Green's transition finance has helped these companies implement sustainable business model blueprints selected for their ability to scale within companies or across supply chains. These have included a) high-quality, high-yield, sustainable cattle production models; b) traceability and commitments to no deforestation, no peat, and no exploitation (NDPE) compliance of direct and indirect suppliers pushed from meatpacker to producer; and c) large-scale sustainable beef production with an integrated crop-livestock model.



Box 5. Anglo American: The Business Case for Holistic Operations Change in Mining

Anglo American is a leading global mining company that provides many of the essential metals and minerals that enable a more sustainable world. It works to meet fast-growing consumer demand while reimagining mining to change people's lives. Anglo has been working in close collaboration with the International Union for Conservation of Nature (IUCN) to explore how nature-based solutions can help deliver positive biodiversity outcomes and support carbon neutral goals while delivering additional benefits for conservation and wider stakeholders.27

Anglo provides the business case for a holistic-systems approach to weaving nature-based solutions throughout a company's operations. Anglo starts with standards that make room for integrating biodiversity and nature considerations across the entire business portfolio. The standards can be applied through new projects, the discovery portfolio, and the lifecycle process (e.g., lifecycle of a mine). They also act as the core building blocks of the framework of conducting business. They drive decision-making, employ a range of technological and financial tools to assess the impact on biodiversity and nature, and examine opportunities to enhance the business' ecological footprint as it is woven into the business model.

Enhancing the business model with biodiversity and nature at the core shifts the lens of business to include an ecosystems approach to operations, identifying environmental and social co-benefits in decision-making. Anglo is not just looking at how to utilize natural climate solutions, but also how it can support local community needs, water management, and job creation. Pursuing sustainability holistically from the start, driving those positive gains through the portfolio, identifying co-benefits, valuing those in the business case, and then scaling up are the process markers of success at Anglo American.

The impact of such collaboration is highlighted as a case study within the publication, Forest-Smart Mining: Guidance to Applying Nature-Based Solutions in the Large-Scale Mining Sector.

27 New IUCN-Anglo American collaboration aims to deliver collective net positive impacts for biodiversity and tackle climate mitigation through nature-based solutions | IUCN

3.3 Measurement and Assessment

MRV refers to processes whereby factual information on GHG emissions reductions are provided, examined, and assessed to see whether parties meet their obligations.[28] MRV systems can enable stakeholders to deliver on climate commitments, meet transparency and traceability requirements, gather information to guide decision-making, and access climate finance. They are the backbone of carbon markets and the exploding demand for credible environmental investment opportunities.

Before they can be fully leveraged, MRV systems need further technological and institutional development. Exciting projects are underway to train monitoring and verification systems and link national-level verification systems through meta-registries.

Challenges

There are a variety of challenges to developing, implementing, and scaling MRV systems across supply chains. Current methods to measure, report, and verify emissions reductions can be costly, error-prone, and time-consuming, often relying on manual operations that can call into question the accuracy of the data collected and slow reporting cycles (usually 12-24 months). Most MRV transaction logs are not integrated, increasing the likelihood of double counting and reducing overall efficiency. Awareness-raising and technical assistance to national and financial institutions are needed to stimulate the investment in MRV research and development that can overcome these technical issues.

Opportunities for Success and Scaling

MRV systems have the potential to become less expensive and more integrated. Costs can be reduced at scale with models being designed to cover the entire supply chain and avoid duplication of efforts. For example, the cost of soil sampling can be reduced when done at scale and in combination with modeling techniques to reduce the overall cost. Automated MRV processes, which automate report generation and verification through systems validation, would reduce the time and cost burden of these tasks. Ever-improving satellite monitoring can also reduce the cost of collecting data. MRV systems can also be developed to increase efficiency. For example, they can be designed to generate data for other purposes, such as other reporting requirements. If a project is implemented at a large scale, the emission reductions it generates can be aligned with national reporting systems and climate commitments. Additionally, central clearinghouses can provide peer-to-peer connections between decentralized carbon market registries and allow emissions reduction units to be tracked over their entire lifecycle—from the original issuance in a registry to retirement. This will help avoid the risk of double-counting and promote transparency and trust.

28_ https://www.iisd.org/system/files/publications/mrv_bibliography.pdf

Box 6. World Bank: Next Generation MRV Initiatives

New technologies and unprecedented availability of satellite data are causing a paradigm shift in the way Emission Reductions and Enhanced Removals (ERER) in the land use sector may be monitored. Thanks to newly available satellite data, cloud computing technology and artificial intelligence a shift in paradigm is being enabled, allowing carbon stocks and dynamics to be estimated across large areas, in a spatially explicit manner. This shift is setting up the stage for a major shift in the digitalization of the Measurement, Reporting and Verification (MRV) process for mitigation actions, i.e., next-generation MRV system, and a significant improvement in MRV efficiency.

Even though, some initiatives are pursuing the implementation of digital MRV in the land use sector, they mostly focus on the digitalization of processes, aligned to existing methodologies such as automatic area change detection, instead of disrupting traditional methods. In the meantime, other few initiatives are exploring the use of satellite data to estimate carbon stock dynamics for MRV, but are constrained by unresolved methodological issues (e.g., uncertainty estimation, auto-correlation), a lack of high-quality in-situ data and institutional barriers, and a limited use of these approaches in the context of climate and carbon finance.

The World Bank, in order to fill this gap and face these challenges, is developing a Proof of Concept (PoC) and Prototype of an MRV system for mitigation actions. Based on the terrestrial high-quality in-situ data collection of LiDAR, UAV LiDAR and Airborne LiDAR, the PoC development will design and implement a cloud-based model to enable the estimation of carbon stocks and dynamics and related uncertainties, while generating an estimation of Emission Reductions (ERs). It will be implemented within two areas where Emission Reduction Programs are currently ongoing under the FCPF and the ISFL, Mozambique and Colombia respectively.

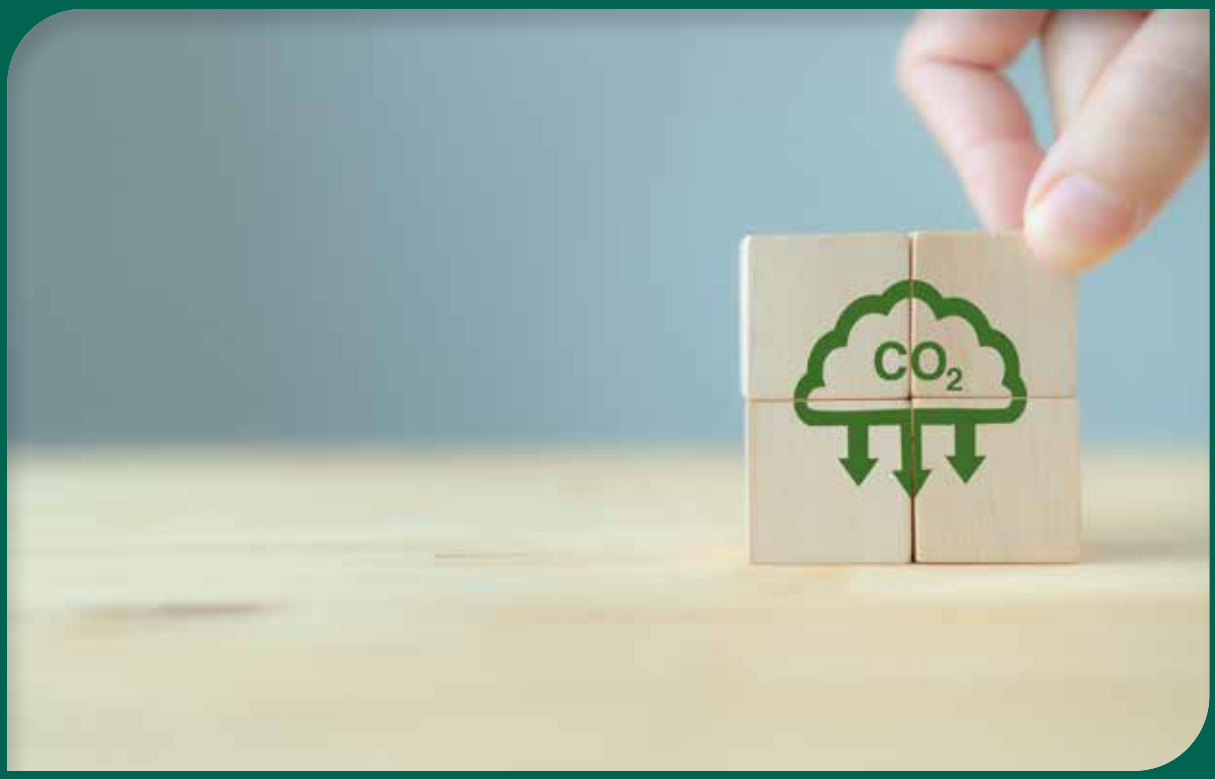
It is expected that such a solution and prototype will become publicly available for other countries to implement and allowing it to be upscaled to other areas. Moreover, the PoC development will deliver a report with practical recommendations for the implementation of a next generation MRV system.

Box 7. World Bank: Transaction registries

The World Bank has developed the **Carbon Assets Tracking System (CATS)** to serve as a central platform to support operations under FCPF and ISFL emission reduction programs. Through this platform, the World Bank issues and transacts emission reduction units on behalf of the host countries, with their consent and approval. As the trustee of trust funds supporting these results-based climate finance programs, the World Bank provides a secure and transparent transactional platform minimizing risks. CATS is tracking assets in 19 countries. In Phase II, CATS plans to accommodate new mechanisms under the Paris Agreement, incorporate a MRV data integration interface, enable communication with other registries, and provide support and capacity building to host countries on transaction registries.

The Climate Warehouse (CW) Initiative is a decentralized information technology (IT) approach to connect climate markets through a shared open metadata repository of registries, such as the CATS registry. It is an example of private and public sector collaboration to advance new MRV solutions, as the CW has been developed and tested in partnership with multiple private and public sector stakeholders. CW will consist of country-level and institutional databases, country and international standards registries, and a warehouse connecting systems to reflect information on all mitigation outcomes. The prototype is open source, low cost, and has easy local install and cloud deployment. The third version of the prototype was developed in February 2022 with Chia blockchain technology. Testing and simulation will begin in August 2022 after governance consultations with IETA and the Government of Singapore.

The World Bank is conceptualizing **the Climate Portal**, a tokenization platform that delivers tokenization capabilities to independent and sovereign carbon registries so they may digitize new and previously issued offset credits into Native Carbon Tokens with the same legal status. The Climate Portal will ensure registries remain in control and can be easily integrated.



3.4 Policy and Regulation

To catalyze private sector finance toward sustainable landscape management, governments can help create an enabling environment by enacting policies and regulations. These efforts should seek to mitigate corporate risk and maximize prospective benefits. Building on the variety of tools available for governments to de-risk and encourage private sector investments, it is important to take steps that align with the country's social, economic, and political abilities and constraints. Such enablers must be sustainable in the long term to give companies the certainty they need as they consider such investments. Although there are barriers, governments can take action now that can yield long-term benefits.

Data Access

There are some critical services that only governments can provide. Governments often have access to more comprehensive datasets offering insights into prospective project areas. For example, governments can share information about climatic conditions to provide companies insight into risks associated with extreme weather events, or information about land tenure to inform companies of Indigenous Peoples' land ownership and boundaries. Governments are also able to aggregate data across companies to produce more in-depth information than companies could produce on their own due to competition or anti-trust concerns.

Law Enforcement

Governments also have the sole authority to enforce laws within given jurisdictions. If governments fail to enforce laws governing natural resources, companies may seek to evade such laws, with devastating environmental consequences. In Brazil, an estimated 90 percent of deforestation is illegal, so enforcing laws already on the books and increasing penalties for violations will enable significant strides toward halting deforestation and encouraging deforestation-free business endeavors.[29]

Regulations and Certifications

Corporate sustainability due diligence regulations can also foster sustainable and responsible corporate behavior along global value chains.[30] Due diligence regulations are currently under development by the European Commission in the European Union, as well as earlier stage efforts in the United Kingdom and United States aimed at removing deforestation and human rights abuses from corporate value chains. Additionally, governments can consider developing certifications for sustainably created products, such as deforestation and conversion-free (DCF) and provide preferential treatment to these products in procurement.

Extension Services and Technical Assistance

Governments can work to identify communities most willing and able to engage in sustainable landscape management, opening the door to future corporate engagement. This may entail analyzing community information, leveraging connections, and providing guidance for engagement. Governments can also prepare communities for engagement by providing insight and ensuring safeguards are in place. After initiating engagement, governments can provide technical assistance, including knowledge and tools, to facilitate more efficient practices. Government provisioning can enable communities to access better raw materials, such as high-quality drought tolerant seeds for planting crops.

Land Tenure

For companies to effectively engage in a landscape, they need to be aware of which individuals, groups, and communities own which parcels of land and the corresponding natural resources. Free, prior, and informed consent is only possible if a company knows whose consent is required. As there may be several (often competing) claims and interests to pieces of land, the government plays an important role in determining and enforcing these rights. Thus, governments must abide by Indigenous Peoples' claims to their land and have a fair and transparent process for resolving disputes among government entities, companies, communities, and individuals regarding land tenure.

29 https://news.mongabay.com/12/2021/to-end-illegal-deforestation-brazil-may-legalize-it-entirely-experts-warn/
30 https://ec.europa.eu/commission/presscorner/detail/en/ip_1145_22

Financial Support

Governments should incentivize companies to invest in sustainable landscapes, aligning such investments with their bottom line. Governments can offer financial support to mitigate risk or make sustainable investments more financially attractive. Governments can provide catalytic capital that is patient, risk tolerant, concessional, and flexible.[31] Structuring grants and loans that accept the risks involved in sustainability projects and the longer time horizons for returns can alter the calculus for company decision-making, as can offering subsidies and tax breaks based on sustainability metrics.

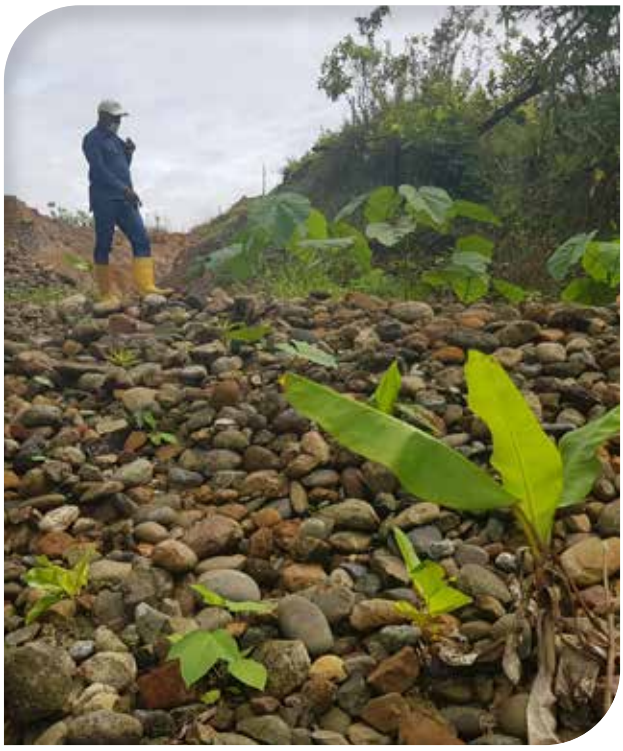
Challenges

Governments play a key role in nearly all the aspects of sustainable business transformation. The main challenge going forward is convincing governments to dedicate sufficient public sector resources and develop more ambitious programs to improve the investment climate for sustainable investing, in close partnership with the private sector and government stakeholders. Developing, enacting, and implementing new policies takes time and resources, but governments can use existing tools in their toolbox as more comprehensive policies and regulations are developed. Extension services and technical assistance are important dimensions of community engagement and overall project success. However, engaging with producers and providing them the assistance they need also takes time and resources. Communities, civil society, and governments operate differently, with people and organizations on the ground operating based on direct field experiences. There are also logistical aspects that must be worked through, such as transportation and translation, if necessary. Yet, as budgets face shortages, technical assistance funding is often one of the first items to be reduced.

Opportunities for Success and Scaling

The private sector is looking to governments as a partner to achieve sustainable landscapes. Collaboration between companies and governments, such as through increased dialogue, public-private partnerships, and landscape approach initiatives, can yield greater understanding of the circumstances each sector is navigating. It can lead to government policies geared toward enabling and elevating company ambitions. Governments should seek to work with companies and communities across their jurisdictions to yield positive results within various landscapes. Moreover, governments play a role in providing an enabling environment for private sector action on sustainability. Through data access, regulation and enforcement, financial assistance, and extension services, governments can create the conditions for successful private sector action.

> "We need unprecedented collaboration between the public sector, private sector, and customers working together to share insights."
>
> **Malek Al-Chalabi, Senior Carbon Pricing Policy and Advocacy Advisor, Shell**



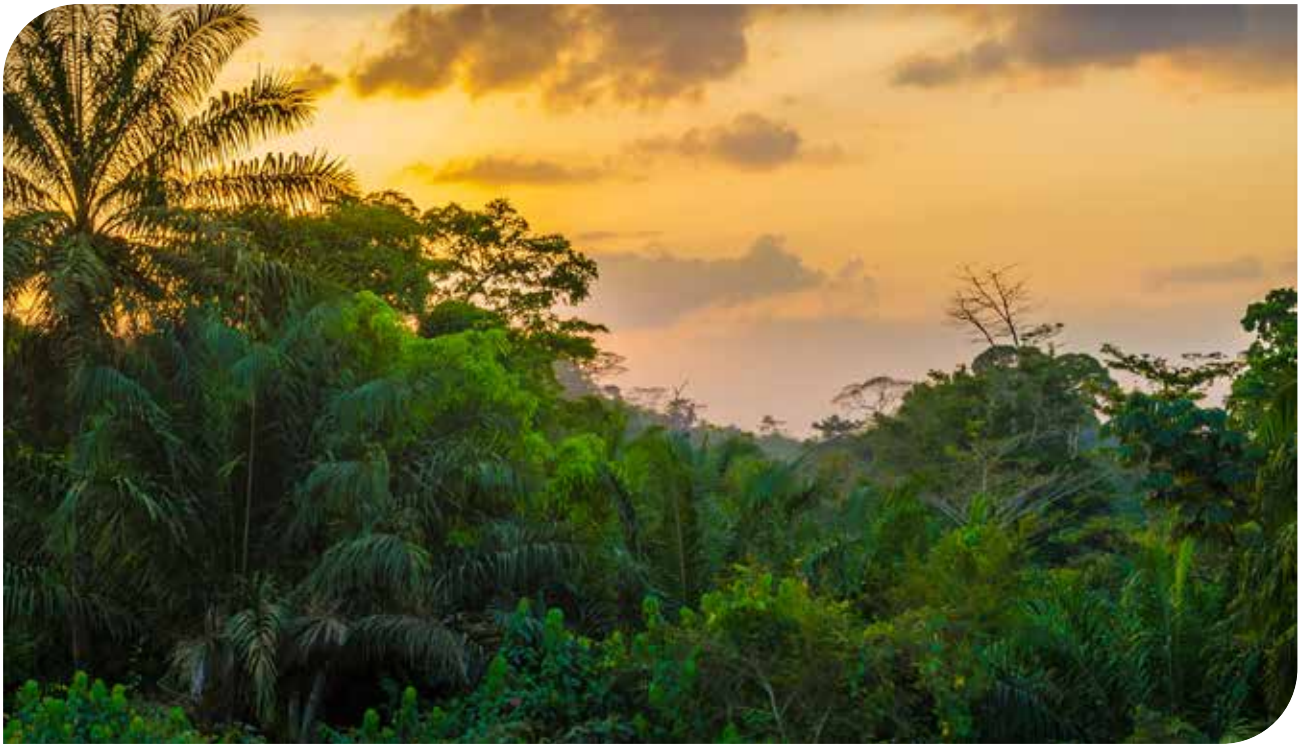
31 https://www.macfound.org/programs/catalytic-capital-consortium/#:~:text=Catalytic20%capital20%is20%investment20%capital,impact2%C20%while20%complementing20%conventional20%investing.

Box 8. Brazil: Governmental Due Diligence Support Systems

The Selo Verde, or Green Stamp, is an example of a public policy from Brazil that promotes green production by helping companies manage their supply chains and meet reporting requirements for emerging due diligence regulations. The Selo Verde is a national due diligence system that provides commodity trading companies buying beef in Brazil with baseline data regarding the legality and sourcing of the livestock they are purchasing.

Selo Verde was developed to help companies respond to proposed due diligence regulations around Brazilian beef imports. These new regulations, which have been proposed in the United Kingdom, the United States, and the European Union, would require importing companies to prove their products' compliance with human rights, environmental, and land tenure protocols. However, most agricultural commodity supply chains are exceedingly complex, with commodities changing hands many times before they reach the importer. Even if the product complies the proposed European Union due diligence requirements, companies will be hard-pressed to acquire the data they need to prove it.

Fortunately, countries can help the private sector meet more stringent due diligence regulations by establishing national due diligence systems based on governmental datasets, like the Selo Verde in Brazil. Only governments have access to the sensitive data (e.g., geolocation, invoices, legal status) necessary to establish a data system with universality and officiality. A universal due diligence system that includes all producers within a country can prevent commodity laundering and ensure that producers do not break national environmental and human rights laws in the production of their product.



Box 9. Mozambique: Extension Services to Enhance The Investment Climate

Mozambique's pursuit of emission reduction efforts began by analyzing existing conditions, identifying the stakeholders, conducting listening sessions with each, and bringing them together in a steering committee. Then, the government invested in the underlying drivers of deforestation, land tenure, agricultural practices, community awareness of climate change and mitigation strategies, and monitoring technology.

One key decision was engaging more advanced farmers to provide extension services to smaller farmers to bring them up and improve conditions. Challenges remain to organize communities that want to get involved in good practices. This will require formalizing their organization so that the private sector can rely on them for partnerships.

At this stage, a national network of communities in Mozambique is establishing standards on community conditions for going into partnership with the private sector. This will also serve as a tool to start investing in communities that are not yet ready for such engagement. Officials in Mozambique are looking to map organizations that need to be trained and organized in program areas to better articulate opportunities for investment. Mozambique has made significant progress in creating an enabling environment for more investment, offering a potential model for sustainable development in other countries.

3.5 Education and Capacity-Building

Understanding climate-smart practices and the expectations of other parties is important for companies as they move to adopt sustainable business models. Companies need to be familiar with the climate-smart practices that can be implemented along their value chains to shift from business as usual to a more sustainable model. Companies need to understand the economic viability of these practices and the financial mechanisms available to support them. They need to recognize that staff will require time, resources, and sufficient understanding to conduct outreach and hone partnerships with other stakeholders to implement these sustainable practices on the ground.

Challenges

To be meaningful, sustainable practices often call for changes in business as usual. While companies need to assess their own supply chains and product impacts, governments and civil society organizations (CSOs) need to provide guidance to businesses on best sustainability practices in specific geographies. These groups can help make the case to companies that sustainable business models are better for people and the planet, as well as the bottom line. Decision makers within companies need to better understand the operations of carbon markets and other financial mechanisms available. These topics are traditionally restricted to corporate sustainability teams and out of scope for procurement, external relations, or financial analysis teams. Siloes within companies may lead to ineffective communication among teams that need to engage.

Opportunities for Success and Scaling

Companies can begin the process of investing in sustainable landscape management by conducting thorough analyses of their sourcing relationship and product lifecycles. An accurate baseline can help companies identify key issues and set targets.

To identify best practices, companies should look to partner with leading CSOs, research institutes, and governments taking a proactive approach to sustainability. Companies should align their research and development investments with their net-zero and nature-positive aims to better understand options available. Actors from across sectors should take advantage of learning opportunities, such as this workshop, to expand their technical understanding. Furthermore, companies can seek to align sustainability commitments with other key progress indicators, signifying synergies between them and growing buy-in from company leadership.

Box 10. Mondelez International: An Education and Capacity-Building Journey

Mondelēz International, one of the world's largest snack companies, believes that sustainable snacking is about creating a future where people and planet thrive. Mondelēz aims to secure sustainable supplies of key raw materials by empowering farmers and their communities to become more productive and climate-resilient. It encourages practices that respect land rights and invests in innovation and technology to increase transparency and measure impact at scale across its supply chain.[32]

Mondelēz began its sustainability journey by conducting a lifecycle assessment, which found that most company emissions came from raw materials, particularly cocoa and cocoa products. Mondelēz also discovered that the area suitable for growing cocoa was expected to significantly decrease by 2030 and farmers were seeking support. Recognizing the clear business case for action around cocoa, Mondelēz launched Cocoa Life, an international cocoa sustainability program. Cocoa Life is addressing climate change, gender inequality, poverty, and child labor on the ground. It is working hand-in-hand with the men and women who make their living from cocoa, creating inclusive and empowered communities and educating on forest conservation and restoration.

Mondelēz has also made significant in-country research and development investments aimed at maximizing productivity and environmental benefits. It is learning about successful activities, such as edge-of-farm practices and intercropping which balance climate and biodiversity impacts with yields. While best practices vary by farm, these experiences have enabled Mondelēz to develop agroforestry criteria.

Mondelēz is demonstrating that companies can use insights from their supply chains to set targets, develop meaningful initiatives, and drive impacts on the ground. It is the first company to introduce payment for ecosystem services for cocoa in West Africa. Since 2018, over 56,000 farmers in Mondelēz's supply chain have applied agroforestry practices across 110,000 hectares with 2.1 million trees planted.

32 https://www.mondelezinternational.com/Snacking-Made-Right/ESG-Topics/Deforestation

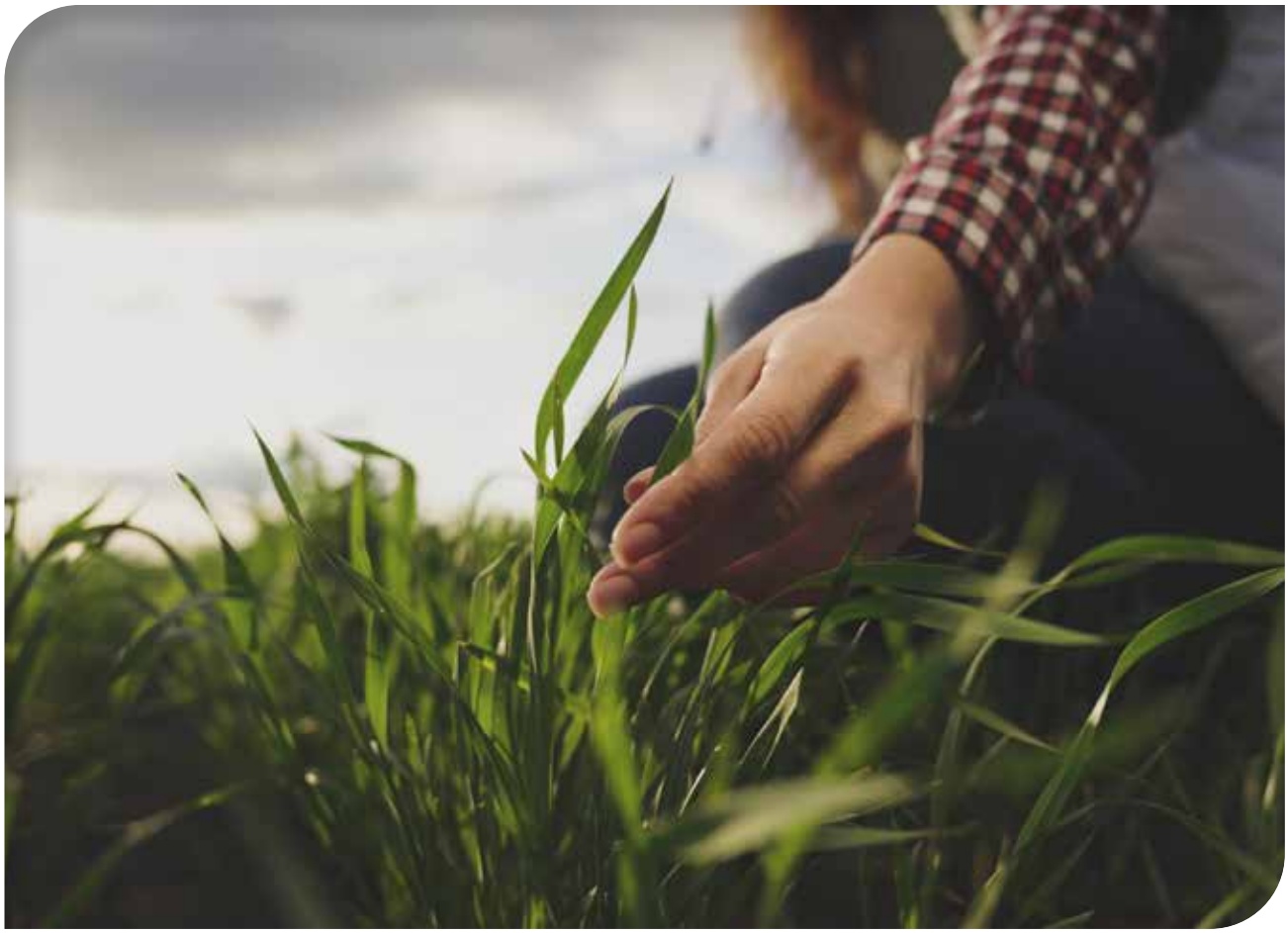
3.6 No One-Size Fits All

Stakeholder engagement, financial mechanisms, measurement and assessment, policy and regulation, and corporate understanding and capacity-building are key considerations for sustainable landscape management. They must be addressed together to attract private sector finance at scale, and they must be flexible enough to suit the contexts of various geographies. There is no one-size-fits-all approach, as these factors will vary across landscapes. **Instead, initiatives should be landscape-specific, ensuring companies, governments, and civil society can leverage resources available to drive sustainability forward.**

Navigating Diverse Contexts

Understanding the dynamics of a region takes time. As projects are devised and implemented by people, it is necessary to learn who the key players are and the contexts within which they operate. These engagements do not operate on a timescale aligned with corporate quarterly or annual earnings; rather, building relationships and trust is a lengthy, complex process. Stakeholders will have diverging perspectives within their respective sectors, requiring time and patience to find alignment among different and competing priorities.

Financial mechanisms may be more or less viable depending on the risks a particular geography presents. Sustainable activities require varying inputs, practice changes, and time horizons, altering the risk factor and the vehicles through which investors may be willing to deploy capital. Measurement and assessment are challenging tasks in general, becoming even more complicated when local factors (e.g., soil carbon sequestration potential) are considered. Insufficient data limits the ability to track and verify factors of a landscape. The policy process also differs by country and region, some of which are plagued by inefficiency and corruption. Furthermore, processes for sustainable production need to lead to desirability from consumers, but the resources associated with these processes may be reflected in consumer costs, potentially decreasing product demand. Even though there are many challenges, the workshop demonstrated that many strategies are being developed to overcome them.



Box 11. New Public-Private Partnership at the Forefront of Mainstreaming Landscape Level Action

The Rainforest Alliance, CDP, Clarmondial, Conservation International, and USAID recently announced Business Case, a transformational public-private partnership to reduce commodity-driven deforestation, contribute to global climate and biodiversity goals, and drive new investment in inclusive development across some of the world's most important tropical landscapes.[33]

This robust public-private partnership brings unprecedented reach in finance, markets, sustainability standards and large-scale landscape management. Over the next five years, it will convene the private sector, governments, and local producers and organizations in some of the world's most important tropical ecosystems and sourcing regions to address global environmental challenges associated with commodity-driven deforestation, including GHG emissions and biodiversity loss. Working in Peru, Ecuador, Brazil, and Indonesia, the program will pilot a novel landscape approach that leverages the complementary expertise of its partners while benefiting local and Indigenous communities and enterprises.

The initiative consists of three key components: a) the facilitation of multi-stakeholder landscape action plans and enhanced local capacity through the work of partners Rainforest Alliance and Conservation International, b) increased availability of cost-effective data on landscape and jurisdictional performance through the work of partner CDP, and c) the development of innovative financing mechanisms to support investment in high-performing landscapes through the work of partner Clarmondial. The goal of the activity is to unlock international finance for sustainable production, channel it to well-planned landscapes, and stabilize critical deforestation frontiers.

33 https://www.cdp.net/en/articles/media/announcing-the-business-case-for-collective-landscape-action-initiative

Landscape approaches involve collaboration among stakeholders across a given landscape to advance shared sustainability goals and reconcile multiple social, economic, and environmental objectives across economic sectors and land uses. These approaches are implemented through processes of integrated landscape management, convening diverse stakeholders to develop and implement land-use plans, policies, investments, and other interventions. Jurisdictional approaches are a type of landscape approach where the landscape is defined by administrative boundaries and the local government takes a central role in implementation.

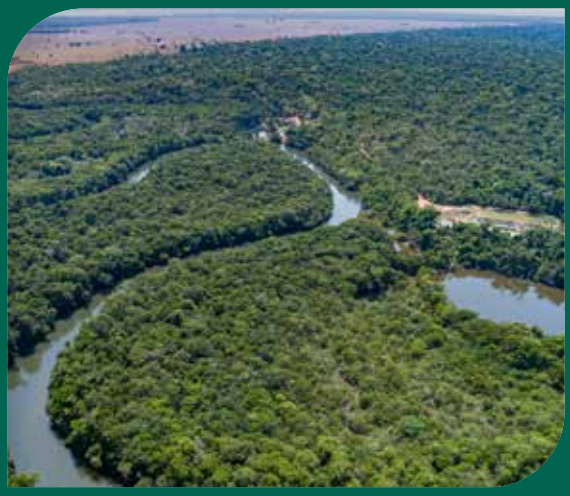
These types of multi-stakeholder initiatives enable discussion and forge better understanding among stakeholders. By considering the land, form of production, society, and social profile, programs can begin identifying priorities for their respective landscapes. Within these collaborations, stakeholders can come to agreement around a shared set of principles or pillars to facilitate directional alignment. Once projects are devised, they can look to more accessible capital opportunities (i.e., catalytic capital) for initial funding to become more attractive to additional funding. Once projects are piloted and demonstrated, results should be tracked as lessons are learned and shared with other local initiatives.

Box 12. Brazil: Effective Jurisdictional Approach in Mato Grosso

The Mato Grosso Produce, Conserve, Include Institute (PCI) offers a working model of the jurisdictional approach in Brazil.[34] The Brazilian state of Mato Grosso is the largest soybean, cotton, and cattle producer in the country. Its Gross Domestic Product (GDP) of approximately $30 billion is mostly derived from agriculture. The state also possesses many natural areas and around 14 million acres in degraded pastureland. The PCI Institute is supported by companies, such as Carrefour Brazil and Marfrig, which are aligning their practices with PCI principles, along with the public sector, civil society, and IPLCs. The PCI pillars include 1) Produce: efficient production, 2) Conserve: no further deforestation and conserve and restore native vegetation, and 3) Include: smallholder farmers and traditional populations.

PCI enables investment in production chains selling a company's own products and helps to de-risk regional investments. PCI has received funding from the United Kingdom and Germany and its strategy was accepted by the World Bank with high recognition. PCI serves as the environmental safeguard for funding that the World Bank has provided to Mato Grosso. The state is also one of the first jurisdictions in which climate impact investment fund &Green invested. This demonstrates the importance of PCI in the fiscal agenda and the potential for more jurisdictional approaches to experience these successes.

While work remains to be done to transform commitments into regional realities and expand geographical coverage, PCI has shown that improving the business case for farmers and reducing risk can go hand in hand. To fully finance its strategy implementation by 2030, PCI estimates it needs $30 billion by 2030, roughly 80% of which to be filled by the private sector.



34 https://business.edf.org/insights/mato-grosso-produce-conserve-include-pci/

4. Conclusions

Investments in sustainable business models are not only possible but are already happening and beginning to drive impact. The enabling environment shaped by government initiatives, civil society efforts, financial institution funding, pre-competitive business collaborations, and community engagement readiness continues to improve. Leveraging these developments alongside lessons learned regarding stakeholder engagement, financial mechanisms, measurement and assessment, policy and regulation, and corporate understanding and capacity-building unlock unprecedented opportunities for private sector investments in sustainable landscape management. Each of these considerations is best approached through public-private partnerships. Sustainable investments in supply chains are becoming increasingly financially sensible, politically viable, and technologically feasible, posing lower risk and higher likelihood of success. **When coupled with benefits from climate action, nature conservation, and community empowerment, sustainable business models demonstrate how economic development can align with a just transition.**

The following priorities for action arose from the collective insights shared throughout the workshop:

1. **Commit to net-zero and nature-positive goals**. More companies whose operations lead to deforestation and land conversion need to make aggressive commitments and demonstrate tangible progress in eliminating those impacts from their commodity supply chains and move onto net-zero and nature-positive trajectories, while consumers and civil society should hold them accountable.
2. **Innovate development financing.** Multilateral and bilateral institutions need to continue to put in place innovative approaches for blended finance to support early project assessment and development, de-risk private sector investment, enable jurisdictional scaling, improve MRV capacity, and empower IPLCs to be full participants in sustainable landscape efforts.
3. **Ensure consistency and clarity.** With the development of guidelines regarding what is required for high-quality voluntary carbon markets and associated claims, it is important that a widely accepted rulebook emerges to ensure consistency and clarity for all stakeholders.
4. **Seize opportunities for collaboration.** All parties need to seek opportunities for collaboration and mutual learning, which will be key to scaling the power of private sector investment to reverse negative impacts and embrace sustainable landscape management that is good for climate, nature, people, and economies.

Reflections From Workshop Organizers: World Bank, Ieta, and CDP

We, the workshop organizers, hope these discussions helped develop locally appropriate private investment strategies, identify investment opportunities, implement safeguards, and promote alignment among diverse interests. Going forward, we hope the workshop will foster discussions among government ministries, private investors, and supply chain actors. We expect that the business case for sustainable investing will continue to improve, and we are already planning a fourth global workshop in 2023 to share the new experiences and lessons learned.

Box 12. Anonymous Survey Responses: "What Is One Action You Plan to Take Building on The Insights and Learnings You Have Gained from the Workshop?"

- "Mainstream nature-based solutions into collective actions at scale."
- "Promote multi-stakeholder engagement."
- "Work on social monitoring in order to engage with mitigation project with companies."
- "Promote alignment between low-carbon public planning and project developers on the ground."
- "Engage with governments to understand the role of carbon markets in the Article 6 world."
- "Enforce community-led nature-based solutions."
- "Take advantage of the good practices of other countries to adapt them."
- "We intend to implement an opportunity with our sovereign clients to provide a sustainability bond utilizing proceeds from the verifiable sequential changes in their game preserves from the implementation of carefully designed nature-based solutions and scientifically based methods of GHG and use the funds for the redemption of the bond."
- "Design a dissemination strategy for the payment for environmental services (PES) program aimed at private initiative to invite them to participate by contributing financial resources to the PES, to enhance the resources from the federal government, in the implementation of good practices in the territory for the benefit of the owners of forest lands."

List of Abbreviations

CERF: Climate Emissions Reduction Facility

COP: United Nations Climate Change Conference of Parties

FCPF: Forest Carbon Partnership Facility

GHG: Greenhouse gas emissions

IETA: International Emissions Trading Association

IPLC: Indigenous Peoples and local communities

ISFL: Initiative for Sustainable Forest Landscapes

MRV: Monitoring, reporting, and verification

NDC: Nationally Determined Contributions

VCM: Voluntary carbon markets

Annex
WORKSHOP AGENDA

Accelerating Climate Action

Unlocking Private Sector Finance for Sustainable Landscape Management

10-12 May 2022

Time Zone	Start Time in Time Zones
Eastern Daylight Time (EDT)	8:00 AM
British Summer Time (BST)	1:00 PM
Central European Summer Time (CEST)	2:00 PM
Western Indonesian Time (WIB)	7:00 PM

Registration: CLICK HERE to register

Language options available: English, Spanish, French, and Portuguese

Meeting Description:

Back for a third year, this popular three-day online workshop organized by the World Bank, the International Emissions Trading Association (IETA) and CDP will explore the critical role of public-private partnerships in achieving sustainable landscapes. Building on the results of the 2021 workshop, the event will highlight the importance of private sector leadership to drive climate action. Key themes will include tracking evolutions in the climate and nature landscape, exploring a range of mechanisms to access climate finance, and promoting collaboration to accelerate action.

Tuesday, 10 May 2022

Day 1: The Evolving Climate and Nature Landscape

8:00 – 8:15	**Welcome and Workshop Overview** *John Ehrmann, Senior Partner, Meridian Institute* Welcome participants, provide workshop overview, highlight key themes, and review Day 1 agenda.
8:15 – 8:35	**Opening Remarks** *Bernice Van Bronkhorst, Global Director, Climate Change, World Bank Group* *Thomas Maddox, Global Director, Forests and Land, CDP* *Dirk Forrister, President and CEO, International Emissions Trading Association (IETA)* Opportunity for co-host representatives to welcome participants, share their perspectives, and highlight desired outcomes.
8:35 – 9:05	**Updates: COP26 and the Global Landscape** *Moderator: Andrea Bonzanni, International Policy Director, International Emissions Trading Association (IETA)* *Panel:* • *Lisa DeMarco, Senior Partner and CEO, Resilient LLP* • *Malek Al-Chalabi, Senior Carbon Pricing Policy and Advocacy Advisor, Shell* The global climate, carbon, and nature landscape has evolved significantly since last year, with major commitments and pledges, and significant decisions made by business leaders and governments at COP26. This session will explore how these developments have advanced the outlook on climate policy and carbon markets—including a deep dive into Article 6 of the Paris Agreement.
9:05 – 9:45	**Collaborative Approaches to Advance Supply Chain Resilience** *Panel:* • *Miriam Garcia, Senior Policy Manager, CDP (Moderator/Presenter)* • *Raoni Rajão, Associate Professor, Federal University of Minas Gerais (UFMG)* • *Susy Yoshimura, Sustainability Director, GPA Holding* Collaboration is key to achieve resilience and reduce deforestation in supply chains. In this session, we will present how companies are advancing against forest commitments and showcase a collaborative initiative under development by the private sector and other relevant stakeholders to address traceability issues in commodities value chain.

9:45 – 10:25	**Carbon Market Developments** *Panel:* • *Katie Sullivan, Managing Director, International Emissions Trading Association (IETA) (Moderator/Presenter)* • *Alfredo Nicastro, Senior Vice President - Head of Carbon Markets, StoneX* • *William Pazos, Co-founder and Managing Director, AirCarbon* Carbon markets have been booming in recent years, with significant interest and demand from buyers and investors, and increased scrutiny from civil society and academia. This session will take stock of the developments in carbon markets over the past year, including new initiatives looking to support market integrity, new tools to access pricing data, and more.
10:25 – 10:40	**Break**
10:40 – 11:20	**World Bank: Climate Finance Approaches and Actions for Sustainable Landscapes** *Moderator: Joseph Dickman, Senior Climate Change Specialist, World Bank Group* *Panel:* • *Carolina Monsalve, Lead Climate Change Specialist, World Bank Group* • *Erwin De Nys, Practice Manager, Climate Funds, World Bank Group* • *Simon Whitehouse, FCPF's Fund Manager, World Bank Group* This session will cover the World Bank Group's (WBG) position on the latest global policies and pledges, its investments in climate change and emission reduction programs, and how it is implementing action on the ground, in partnership with country clients and the private sector.
11:20 – 11:50	**Integrating Sectors and Issues to Amplify Impact: Voices from Colombia and Mozambique** *Panel:* • *Aristides Muhate, MRV Coordinator, Fundo Nacional de Desenvolvimento Sustentável, Mozambique* • *Alex Saer, Climate Change Director, Ministry of Environment and Sustainable Development, Colombia* Collaboration across governments, private sector, and civil society is critical to achieve sustainable landscapes. This session will showcase successful cross-sector efforts, lessons learned, and opportunities to expand collaboration to amplify impact.
11:50 – 12:00	**Overview of Next Day and Closing Remarks** *John Ehrmann, Senior Partner, Meridian Institute* Summarize key insights from Day 1 and preview Day 2.

Wednesday, 11 May 2022

Day 2: Financial Mechanisms to Accelerate Climate Action

8:00 – 8:10	**Welcome and Day 2 Overview** *John Ehrmann, Senior Partner, Meridian Institute* Welcome participants and review Day 2 agenda.
8:10 – 8:40	**Scaling Carbon Markets: Challenges and Opportunities for Building Supply** *Moderator: Simon Henry, Director of Carbon Market Development, International Emissions Trading Association (IETA)* *Panel:* • *Justin Cochrane, Founder and CEO, CarbonStreaming* • *Gautier Quéru, Managing Director , Head of the Land Degradation Neutrality Fund, Mirova* • *Christina Magerkurth, Managing Director,* ***Architecture for REDD+ Transactions, Secretariat at Winrock International*** To meet ambitious climate targets, we need to understand the opportunities and barriers associated with significantly scaling carbon markets. This session will explore these considerations with an eye toward ensuring the supply of credits can flourish and funds can flow to high-integrity projects.
8:40 – 9:20	**Making Climate Finance Work for All** *Moderator: Leslie Durschinger, Founder, CEO, CIO, Terra Global* *Panel:* • *Enric Arderiu Serra, Global Head of Environmental Products, Mercuria Energy Trading S.A.* • *Edward Rumsey, Managing Partner, Permian Global* One of the big questions as we strive to scale the carbon market is how do we get money on the ground to support projects? Join this session to explore the details of building bankable credits, deal structures, and how to support transparency and integrity, to make climate finance work for all.
9:20 – 10:00	**Innovative MRV Systems and Transaction Registries: Key Partners for Unlocking Finance and Supporting Sustainable Production Systems** *Panel:* • *Andrés Espejo, Senior Carbon Finance Specialist, World Bank Group* • *Julián Gonzalo Jiménez, Senior Carbon Finance Specialist, World Bank Group* • *Ana Sebastián López, Business Development Manager, GMV* The session will showcase how by implementing monitoring, reporting, and verification (MRV) systems and transactional platforms using innovative technologies, climate finance can be unlocked, emission reduction (ER) payments efficiently and transparently produced, and sustainable agriculture and forestry supported to access markets.
10:00 – 10:15	**Break**

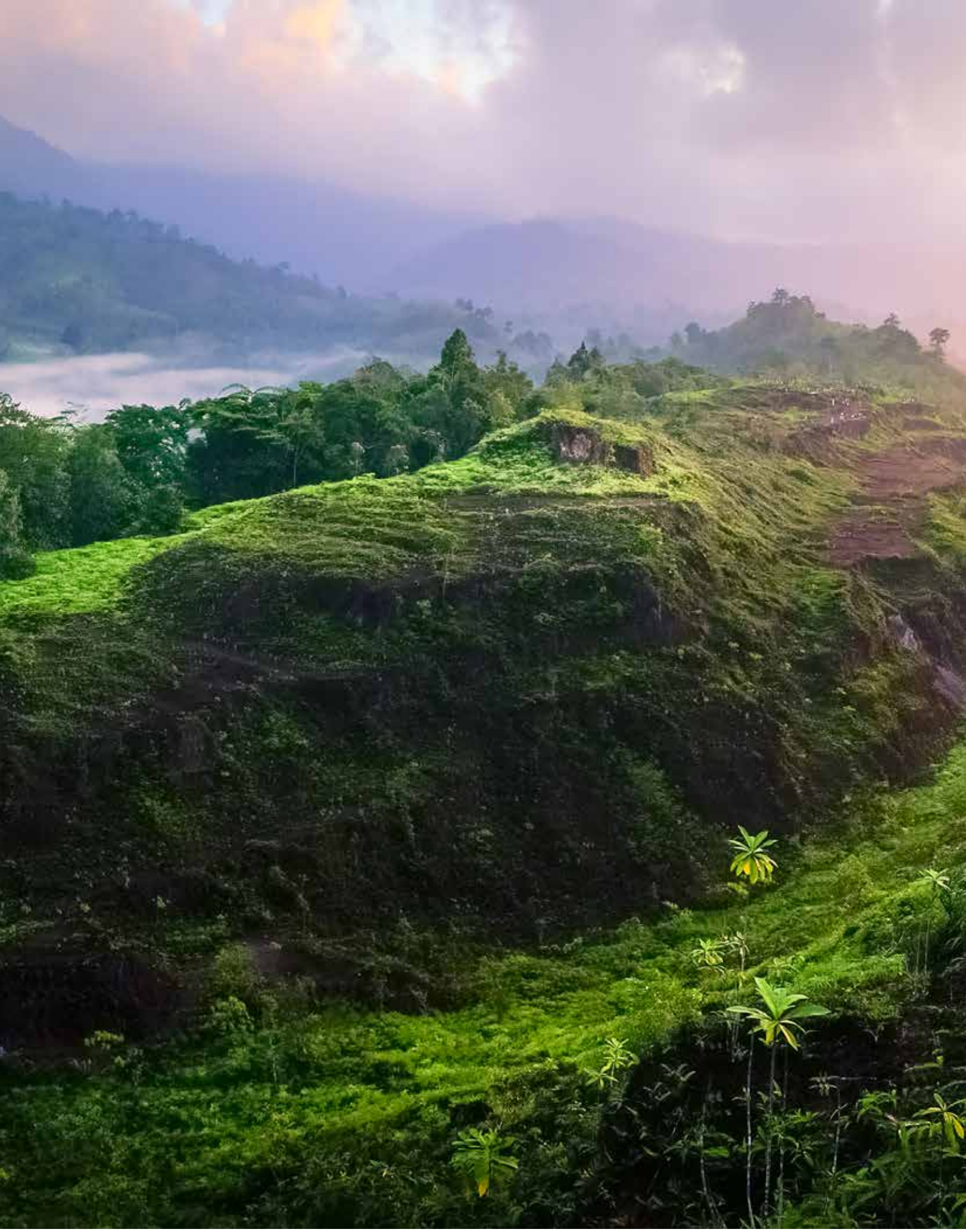
10:15 – 11:50	**Deep Dive I: Agroforestry as a Viable Climate Solution: The Case of Cocoa** *Panel:* • *Yohann Fare, Sustainability & Social Impact Manager, Kinomé /* • *Elikplim Komla Abotsi, Senior Consultant, Kinomé* • *Cédric van Custem, Senior Director Cocoa Life, Mondelēz International* • *María Soledad Requejo, Operations Officer, International Finance Corporation (IFC)* • *Oriane Pledran, Head of Sustainability, Andean Cacao* • *Oliver Hanke, Chief Sustainability Officer, 12Tree* This session will focus on the opportunity of agroforestry models as a solution to respond to current "no deforestation" market trends, import regulations and climate pledges, providing practical examples of viable business models on cocoa from West Africa and Latin America.
11:50 – 12:00	**Overview of Next Day and Closing Remarks** *John Ehrmann, Senior Partner, Meridian Institute* Summarize key insights from Day 2 and preview Day 3.

Thursday, 12 May 2022

Day 3: Private Sector Climate Leadership

8:00 – 8:10	**Welcome and Day 3 Overview** *John Ehrmann, Senior Partner, Meridian Institute* Welcome participants and review Day 2 agenda.
8:10 – 9:40	**Deep Dive II: ISFL Private Sector Theory of Change – The Example of Livestock in Colombia** *Panel:* • *Jean-Dominique Bescond, Senior Private Sector Specialist, World Bank Group (Moderator/ Presenter)* • *Dieter Fischer, Lead for Agribusiness Advisory Services in Latin American and the Caribbean, International Finance Corporation (IFC)* • *Mariángela Ramírez Díaz, Senior Agriculture Economist, World Bank Group* • *Eirivelthon Lima, Senior Agriculture Economist, World Bank Group* • *Marie Paviot, Senior Agriculture Economist, World Bank Group* • *Fernando Leyva, Component 2 Leader, Biocarbon Project, Ministry of Agriculture and Rural Development, Colombia* • *Felix Teillard, Livestock and Climate Change Specialist, World Bank Group* • *Paulo Moreira, Hacienda San José Colombia* • *Marthe Tollenaar, Impact & ESG, &GreenFund / SAIL Ventures* This session will present an initial overview of the ISFL's Private Sector Theory of Change, followed by the case of Orinoquia's livestock activities whereby working at three distinct levels towards the implementation of low-carbon practices, further climate finance can be unlocked.
9:40 – 10:35	**Deep Dive III: Forest-Smart Mining: Nature-based Solutions Opportunities for the Mining Sector** *Moderator: Fatoumata Binta Keita, Operations Officer & Country Lead, International Finance Corporation (IFC)* *Panel:* • *John Drexhage, Climate Advisor, World Bank Group* • *Ellysar Baroudy, Lead Natural Resources Management Specialist, World Bank Group* • *Pippa Howard, Director, Corporate Sustainability, Fauna & Flora International* • *Ian Hudson, Head of Nature-Based Solutions and Ecosystems, Anglo American* • *Thomas Maddox, Global Director, Forests and Land, CDP* • *Elree Winnett Seelig, Head of Environmental, Social and Governance for Markets and Securities Services, Citi* This session will provide an opportunity to discuss and advance the concept and practice of Forest Smart Mining at large-scale by examining the opportunities to take advantage of Nature-based Solutions (NbS) and use innovative financial instruments.
10:35 – 10:50	**Break**

10:50 – 11:30	**Scaling Private Sector Ambitions and Delivering Landscape Level Results: Lessons Learned in Brazil** *Moderator Nadia Bishai, Associate Director, CDP* *Panel:* • *Marcela Paranhos, Global Carbon Finance Manager, IDH & Investment Committee Coordinator, PCI Institute* • *Lucio Vicente, Corporate Affairs and Sustainability Director, Carrefour, Brazil* • *Leonel Almeida, Sustainability Manager, Marfrig* This session will bring together actors from the public and private sector in Brazil to discuss the lessons learned from their collaboration to improve socioeconomic and environmental conditions and deliver local, tangible results within a landscape. Join to hear about the successes of a landscape initiative and how a government is creating the enabling environment to further private sector intervention and fill the landscape performance gap.
11:30 – 12:00	**Priorities in the Year Ahead & Closing** *Moderator: John Ehrmann, Senior Partner, Meridian Institute* *Panel:* • *Nicolette Bartlett, Chief Impact Officer, CDP* • *Roy Parizat, Fund Manager for the BioCarbon Fund - Initiative for Sustainable Forest Landscapes (ISFL), World Bank Group* • *Leslie Durschinger, Founder, CEO, CIO, Terra Global* To conclude, co-hosts will offer reflections and insights shared during the workshop and specify opportunities to accelerate climate action through increased collaboration, attention at global events, and measuring progress.



WORLD BANK GROUP

FOREST CARBON PARTNERSHIP FACILITY

BioCarbon Fund

IETA INTERNATIONAL EMISSIONS TRADING ASSOCIATION

CDP DISCLOSURE INSIGHT ACTION