



# Jurisdiction

## Assessment methodology 2017

How are the 50 jurisdictions in the Forest 500 assessed and ranked?

**About the Forest 500:**

The Forest 500 identifies and ranks the most influential companies, financial institutions and governments in the race towards a deforestation-free global economy.

**Contact:**

To contact the Forest 500 team please write to [forest500@globalcanopy.org](mailto:forest500@globalcanopy.org)

**Citation:**

Please cite this publication as: Global Canopy. 2017. The Forest 500: 2017 Jurisdiction Assessment Methodology. The Global Canopy, Oxford, UK.

**About Global Canopy:**

Global Canopy is an innovative environmental organisation that targets the market forces destroying tropical forests. Our mission is to accelerate progress towards a deforestation-free global economy - through improved transparency, innovative finance and strategic communications. Since 2001, we have catalysed new thinking and action by leading governments, companies and investors worldwide. The contents of this report may be used by anyone providing acknowledgement is given to Global Canopy. No representation or warranty (express or implied) is given by Global Canopy or any of its contributors as to the accuracy or completeness of the information and opinions contained in this report. Global Canopy sits under The Global Canopy Foundation, a United Kingdom charitable company limited by guarantee, charity number 1089110

© 2017 Global Canopy. All rights reserved.

## JURISDICTION ASSESSMENTS

The Forest 500 jurisdiction assessment methodology provides a benchmark for country and subnational jurisdiction action on forest loss driven by forest risk commodity (FRC) production in the tropics<sup>1</sup>. FRCs include palm oil, soy, beef, leather, timber, pulp and paper. Producer countries (forest jurisdictions) and important subnational regions (subnational jurisdictions) are assessed alongside the major FRC trading partners of the producer countries (trading jurisdictions). As major producers and/or users of these commodities, these jurisdictions have great influence in encouraging a shift towards deforestation-free supply chains. For further explanation of the three jurisdiction types, please see the Forest 500 Selection Methodology.

Indicators have been selected to reflect key actions available to different jurisdiction types in order to benchmark commitment-levels. Jurisdictions are assessed in their official language as far as possible, using documents publicly available via official sources including government websites, UNFCCC communications, bi- and multi-lateral agreements, and REDD+ strategy documents<sup>2</sup>. In 2016, the assessment methodology was updated in order to maintain its relevance as a benchmark. Consequently, indicators were updated to reflect up-to-date commitment developments. The assessment methodology will be revisited as necessary in future years to ensure its continued relevance.

## FOREST JURISDICTIONS

Forest jurisdictions have been assessed against two overall categories, each weighted to 50% of a jurisdiction's total score. The first section, **Policy**, focuses on national commitments, examining whether jurisdictions have committed to action on forest loss caused by industrial commodity production and whether the importance of forests is reflected amongst other national priorities. The second section, **Transparency & Governance**, examines the openness and ability of governments to report policy progress as well as implement commitments. As these 25 countries have the largest remaining expanses of tropical forest yet that are losing forest at a rapid rate and high volume in large part due to FRC production, the results provide a benchmark indicating the extent to which these key jurisdictions are addressing FRC driven deforestation.

### POLICY

NUMBER	INDICATOR	MAX POINTS
1.1	<b>Existence of a public policy to end or reduce deforestation from the production of one or more forest risk commodities (FRCs)</b>	
	<i>Commitments to achieve zero deforestation of natural, primary, intact and/or high conservation value forests are awarded full points. Commitments that are regional or ecosystem specific that protect the above forest types from industrial production of one or more FRCs, or nationwide zero net deforestation commitments are awarded fewer points. Commitments to reduce deforestation rates or protect a stable level of forest cover from deforestation but that do not necessarily specify protection of certain forest types are awarded points for a 'Reduction' commitment. Commodity-specific, multi-stakeholder commitments endorsed by, or with government involvement, such as the</i>	<i>Zero: 18 pts Zero net, commodity, region or ecosystem specific commitment: 12 pts</i>

<sup>1</sup> For the purpose of the Forest 500, 'tropical' forest is understood as forests in both the tropics and subtropics.

<sup>2</sup> Care was taken to review all relevant sources of information possible, however we welcome comments and suggestions as to additional data sources.

	<i>industry-led soy moratorium in Brazil, qualify for points. Nationally Determined Contributions (NDCs) to the Paris Agreement submitted at the time of assessment have been included; Intended Nationally Determined Contributions (INDCs) were not assessed. Jurisdictions are not awarded points where they have endorsed collective goals, such as the New York Declaration on Forests, without repeating such commitments within their own national commitments.</i>	<i>Reduction commitment: 5 pts None: 0 pts</i>
<b>1.2</b>	<b>The national development strategy recognises the importance of environmental sustainability including forest preservation</b>	
	<i>The most recent publicly-available national development strategies, or similar, have been assessed. Points are awarded where the jurisdiction's national development plan or equivalent strategy recognises the importance of protecting the environment and forests in conjunction with other development goals.</i>	<i>Yes: 6 pts No: 0 pts</i>
<b>1.3</b>	<b>Number of critical conventions ratified</b>	
	<i>Points are awarded based on whether the jurisdiction has consented to be bound by the following conventions, either through ratification (or accession, acceptance, or approval) or membership as applicable: the United Nations Convention on Biological Diversity (CBD); the United Nations Convention to Combat Desertification (UNCCD); the Convention on International Trade in Endangered Species of Fauna and Flora (CITES); the International Tropical Timber Agreement (ITTA); the United Nations Framework Convention on Climate Change (UNFCCC); and the UNFCCC Paris Agreement.</i>	<i>One point per convention: 0-6 pts</i>

## TRANSPARENCY & GOVERNANCE

NUMBER	INDICATOR	MAX POINTS
<b>2.1</b>	<b>Commitments to reduce deforestation are timebound and targets measurable</b>	
	<i>Commitments assessed under indicator 1.1 contain an implementation plan or target that is timebound and measurable. Where commitments are either timebound or measurable, half points are awarded.</i>	<i>Timebound and measurable: 6 pts Timebound or measurable: 3 pts No : 0 pts</i>
<b>2.2</b>	<b>The jurisdiction publicly reports progress towards achieving commitments to reduce deforestation</b>	
	<i>Progress on achieving the commitments assessed under indicator 1.1 is publicly reported on at least an annual basis. For the purpose of assessment, reporting communicated within the last year was considered annual. Jurisdictions that report on commitment implementation on a less than annual basis, for example at the end of a policy's duration, are awarded fewer points.</i>	<i>Yes: 6 pts Less than annual: 3 pts No: 0 pts</i>

<b>2.3</b>	<b>Existence of a system to verify legality of commodity production or a commitment to implement such a system, for the production of one or more forest risk commodities</b>	
	<i>The jurisdiction has developed or committed to implement a system that verifies the legality of production of one or more FRCs. Examples include jurisdictions that have signed a Voluntary Partnership Agreement (VPA) with the EU and are implementing a legality assurance system for tropical timber exports, or national certification schemes such as the Indonesian Sustainable Palm Oil System (ISPO) that certify legal production.</i>	Yes: 6 pts No: 0 pts
<b>2.4</b>	<b>Land cover is monitored at least annually</b>	
	<i>The jurisdiction has developed a process to monitor land cover change on at least an annual basis. Jurisdictions that are currently developing a process are awarded fewer points. Examples include satellite monitoring systems developed as part of National Forest Monitoring Systems for REDD+ strategies.</i>	Yes: 6 pts Developing: 1 pt No: 0 pts
<b>2.5</b>	<b>The rule of law is established</b>	
	<i>The extent to which the rule of law is perceived to be present within a jurisdiction according to the World Bank's Worldwide Governance Indicators that range from -2.5 (weak governance) to 2.5 (strong governance). The Governance Indicator score for each jurisdiction is weighted as a proportion of the 6 available points. The rule of law is defined as "the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence"<sup>3</sup>,</i>	Weighted out of 6 pts
<b>2.6</b>	<b>The jurisdiction has low corruption levels</b>	
	<i>The extent to which the jurisdiction's public sector is perceived to be corrupt according to Transparency International's Corruption Perceptions Index (2015)<sup>4</sup>. The Index ranges from 0, where a country is perceived as highly corrupt, to 100, where a country is perceived as very clean. Each jurisdiction's score is weighted as a proportion of the 6 available points.</i>	Weighted out of 6 pts

<sup>3</sup> The World Bank Group (2016). The Worldwide Governance Indicators. [Online] Available from: <http://info.worldbank.org/governance/wgi/index.aspx#home>

<sup>4</sup> Transparency International (2016). Corruption Perceptions Index. [Online] Available from: <http://www.transparency.org/cpi2015#results-table>

## SUBNATIONAL JURISDICTIONS

The extent of decentralised governance in some tropical forest countries makes it important to recognise the role that subnational governments play in addressing deforestation. The 10 subnational jurisdictions were assessed for similar criteria as national forest jurisdictions, with a **Policy** section and **Transparency & Governance** section accounting for 50% of the overall score respectively.

### POLICY

NUMBER	INDICATOR	MAX POINTS
1.1	<b>National Policy Context</b>	
	<i>This indicator refers to questions 1.1 to 1.3 in the forest jurisdictions methodology above. The overall Policy score of the national jurisdiction in which the state or province is located is weighted as a proportion of the 12 available points.</i>	<i>Weighted out of 12 pts</i>
1.2	<b>Existence of a public policy to end or reduce deforestation from the production of one or more forest risk commodities</b>	
	<i>Commitments to achieve zero deforestation of natural, primary, intact and/or high conservation value forests are awarded full points. Commitments that are regional or ecosystem specific that protect the above forest types from industrial production of one or more FRCs, or jurisdiction-wide zero net deforestation commitments are awarded fewer points. Commitments to reduce deforestation rates or protect a stable level of forest cover from deforestation but that do not necessarily specify protection of certain forest types are awarded points for a 'Reduction' commitment. Commodity-specific, multi-stakeholder commitments endorsed by or in which the government is involved qualify for points. Jurisdictions are not awarded points where they have endorsed collective goals, such as the Rio Branco Declaration or the New York Declaration on Forests, without repeating such commitments within their own policy.</i>	<i>Zero: 18 pts Zero net, commodity, region or ecosystem specific commitment: 12 pts Reduction commitment: 5 pts None: 0 pts</i>

### TRANSPARENCY & GOVERNANCE

NUMBER	INDICATOR	MAX POINTS
2.1	<b>National Transparency and Governance Context</b>	
	<i>This indicator refers to questions 2.1 to 2.6 in the forest jurisdictions methodology above. The overall Transparency &amp; Governance score of the national jurisdiction in which the state or province is located is weighted as a proportion of the 12 available points.</i>	<i>Weighted out of 12 pts</i>
2.2	<b>Commitments that pledge to reduce deforestation are timebound and targets measurable</b>	

	<i>Commitments assessed under indicator 1.2 contain an implementation plan or target that is timebound and measurable. Where commitments are either timebound or measurable, half points are awarded.</i>	<i>Timebound and measurable: 6 pts Timebound or measurable: 3 pts No: 0 pts</i>
<b>2.3</b>	<b>The jurisdiction publicly reports progress towards achieving commitments to reduce deforestation</b>	
	<i>Progress on achieving the commitments assessed under indicator 1.2 is publicly reported on at least an annual basis. For the purpose of assessment, reporting communicated within the last year was considered annual. Jurisdictions that report on commitment implementation on a less than annual basis, for example at the end of a policy's duration, are awarded fewer points.</i>	<i>Yes: 6 pts No: 0 pts</i>

## TRADING JURISDICTIONS

The 15 trading jurisdictions that import the highest value of FRCs from the forest jurisdictions are assessed for their action on encouraging domestic usage of deforestation-free commodities and supporting forest jurisdictions in addressing forest loss. As above, overall scores are split equally between a score for **Policy**, where commitment to addressing deforestation and encouraging deforestation-free commodities is assessed, and **Transparency & Governance**, where the level of openness and ability of governments to both report and implement policy is examined.

### POLICY

NUMBER	INDICATOR	MAX POINTS
1.1	<b>Existence of a public policy that aims to end or reduce domestic use of forest risk commodities originating from tropical natural forests, intact forest landscapes, high conservation value areas and/or primary forests</b>	
	<i>Full points are awarded where jurisdictions have committed to a zero deforestation policy for at least one of the above forest types that applies to all FRC domestic usage. For nationwide zero net commitments or zero deforestation commitments that are applicable to one or more (but not all) FRC supply chain, fewer points are awarded. Commitments may rely on credible certification schemes that exclude production in, or conversion of, one or more of the above forest types. Commitments can be industry-led as long as they are supported in some capacity by the government, such as National Commitments listed by the RSPO. Policies that require public authorities to consider sustainability requirements that protect one or more of the above forest types when procuring FRCs are awarded 5 points. Where public procurement requirements or recommendations only cover certain products, such as paper or office furniture, 3 points are awarded.</i>	<i>Zero: 18 pts Net zero or commodity-specific: 15 pts All Government Procurement: 5 pts Weaker Procurement: 3 pts None: 0 pts</i>
1.2	<b>The jurisdiction supports the protection of tropical forests and reduction of deforestation globally</b>	
	<i>Trading jurisdictions are awarded points where they support international efforts to reduce deforestation and promote sustainable development that protects forest ecosystems. Bilateral donations or contributions to multilateral funds that undertake projects focused on sustainable agriculture and forestry are assessed.<sup>5</sup> High income economies are awarded full points for donations over US\$100 million since 2012, and fewer points for smaller contributions. Lower-middle and upper-middle income economies are awarded full points for any bi- or multilateral contributions since 2012, and fewer points for Memorandum of Understanding or other official public statements that commit the country to assist with reducing tropical deforestation in producer countries.<sup>6</sup></i>	<i><b>High Income</b> &gt;\$100 million: 6 pts &lt;\$100 million: 3 pts None: 0 pts  <b>Lower/Upper-Middle Income:</b> Contribution: 6 pts</i>

<sup>5</sup> Multilateral funds considered include: Adaption Fund, Amazon Fund, BioCarbon Fund, Central African Forestry Initiative, Forest Carbon Partnership Facility, Forest Investment Program, Global Climate Fund, Global Environment Facility, Indonesia Climate Change Trust Fund, Special Climate Change Fund, UN-REDD Programme. Fund selection and data was informed by and sourced from Climate Funds Update (<http://www.climatefundupdate.org>).

<sup>6</sup> The World Bank's Country and Lending Groups are used to categorise economies. For further details, see: The World Bank (2016). World Bank Country and Lending Groups. [Online] Available from: <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519>

		Statement of Commitment: 3 pts None: 0 pts
<b>1.3</b>	<b>Number of critical conventions ratified</b>	
	<i>Points are awarded based on whether the jurisdiction has consented to be bound by the following conventions, either through ratification (or accession, acceptance, or approval) or membership as applicable: the United Nations Convention on Biological Diversity (CBD); the United Nations Convention to Combat Desertification (UNCCD); the Convention on International Trade in Endangered Species of Fauna and Flora (CITES); the International Tropical Timber Agreement (ITTA); the United Nations Framework Convention on Climate Change (UNFCCC); and the UNFCCC Paris Agreement.</i>	One point per convention: 0-6 pts

## TRANSPARENCY & GOVERNANCE

NUMBER	INDICATOR	MAX POINTS
<b>2.1</b>	<b>Commitments that pledge to reduce deforestation from forest risk commodity use are timebound and targets measurable</b>	
	<i>Commitments assessed under indicator 1.1 contain an implementation plan or target that is timebound and measurable. Where commitments are either timebound or measurable, half points are awarded.</i>	Timebound and Measurable: 6 pts Timebound and/or Measurable: 3 pts No: 0 pts
<b>2.2</b>	<b>The jurisdiction publicly reports progress towards achieving commitments to reduce deforestation from forest risk commodity use</b>	
	<i>Progress on achieving the commitments assessed under indicator 1.1 is publicly reported on at least an annual basis. For the purpose of assessment, reporting communicated within the last year was considered annual. Jurisdictions that report on commitment implementation on a less than annual basis, for example at the end of a policy's duration, are awarded fewer points.</i>	Yes: 6 pts Less than annual: 3 pts No: 0 pts
<b>2.3</b>	<b>Existence of a system to verify legality of production or a commitment to implement such a system for the imports of one or more forest risk commodities</b>	
	<i>Points are awarded if the jurisdiction has legislation prohibiting the import of illegally produced commodities for one or more FRC supply chains, such as the US' Lacey Act or the European Union Timber Regulation (EUTR).</i>	Yes: 6 pts No: 0 pts

2.4	<b>The rule of law is established</b>	
	<p><i>The extent to which the rule of law is perceived to be present within a jurisdiction according to the World Bank's Worldwide Governance Indicators that range from -2.5 (weak governance) to 2.5 (strong governance). The Governance Indicator score for each jurisdiction is weighted as a proportion of the 6 available points. The rule of law is defined as 'the extent to which agents have confidence in and abide by the rules of society, and in particular the quality of contract enforcement, property rights, the police, and the courts, as well as the likelihood of crime and violence.'</i><sup>7</sup></p>	Weighted out of 6 pts
2.5	<b>The jurisdiction has low corruption levels</b>	
	<p><i>The extent to which the jurisdiction's public sector is perceived to be corrupt according to Transparency International's Corruption Perceptions Index (2015).<sup>8</sup> The Index ranges from 0, where a country is perceived as highly corrupt, to 100, where a country is perceived as very clean. Each jurisdiction's score is weighted as a proportion of the 6 available points.</i></p>	Weighted out of 6 pts

<sup>7</sup> The World Bank Group (2016). The Worldwide Governance Indicators. [Online] Available from: <http://info.worldbank.org/governance/wgi/index.aspx#home>

<sup>8</sup> Transparency International (2016). Corruption Perceptions Index. [Online] Available from: <http://www.transparency.org/cpi2015#results-table>

For more information visit: [www.forest500.org](http://www.forest500.org)

Contact us at: [forest500@globalcanopy.org](mailto:forest500@globalcanopy.org)

Follow us on Twitter: [@Forest500](https://twitter.com/Forest500)

To find out about Global Canopy's work visit: [www.globalcanopy.org](http://www.globalcanopy.org)

Copyright © Global Canopy 2017. All rights reserved.



A PROJECT OF  
**GLOBAL CANOPY**