

JURISDICTIONS 2015 RESULTS



To ensure deforestation free
supply chains, companies
need to adopt and implement
timebound and measurable
policies for forest risk
commodities

About the Forest 500:

The Forest 500 is the world's first rainforest rating agency. It identifies and ranks the most influential companies, investors and governments in the race towards a deforestation-free global economy.

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About the Global Canopy Programme:

The Global Canopy Programme (GCP) is a tropical forest think tank working to demonstrate the scientific, political and business case for safeguarding forests as natural capital that underpins water, food, energy, health and climate security for all. GCP works through its international networks – of forest communities, science experts, policymakers, and finance and corporate leaders – to gather evidence, spark insight, and catalyse action to halt forest loss and improve human livelihoods dependent on forests.

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EXECUTIVE SUMMARY

- This year's Forest 500 results show that progress made by jurisdictions during 2015 is minimal. Among the 50 jurisdictions assessed, no new zero or zero net national deforestation commitments were pledged and only one jurisdiction changed scoreband.
- The Sustainable Development Goals and a post-2020 global climate agreement represent two international agendas emerging during 2015 that have the potential to drive new national commitments on reducing forest loss caused by agricultural commodity production.
- Governments need to act now to put in place, strengthen and implement policies tackling deforestation from agricultural commodity production, especially if they are to meet the 2020 targets set by the New York Declaration and Sustainable Development Goals.
- Equally, jurisdictions have a crucial role to play in enabling other Forest 500 powerbrokers, namely companies and investors, to assist in creating deforestation-free supply chains.

INTRODUCTION

Political ambition to tackle the loss of tropical forests may be stronger than ever before, but a disconnect remains in translating rhetoric into concrete action. Tropical forests are now widely recognised by governments for their important role in climate, food, water, energy, and livelihood security. Yet since 2000, the 25 forest countries included in the Forest 500 have lost 95 million hectares of tree cover and deforestation rates show little sign of slowing¹. While action at a global level is vital to tackle forest loss, a handful of governments have significant power to influence the issue. These 'powerbrokers of deforestation' could have large-scale impact if they were to adopt and enact relevant policies, alongside progress towards economic and social goals.

The Forest 500 identifies and ranks the progress of 50 jurisdictions that have a central role to play in the race towards a deforestation-free global economy. The 25 national forest jurisdictions selected represent over 88% of tropical forest cover and around 87% of tropical deforestation between 2000 and 2012². Agricultural commodity production is estimated to have driven 71% of all tropical deforestation between 2000 and 2012^{3,4}. Five forest risk commodities – paper, timber, beef, soya and palm oil – are responsible for a major proportion of this loss. The forest jurisdictions account for a large proportion of the production of these commodities, producing 99% of soya, 96% of palm oil, and 62% of cattle originating in tropical regions⁵. Within these countries, 10 sub-national jurisdictions were selected and assessed as they are responsible for high volumes of forest risk commodity production, which is projected to lead or has already led to substantial forest loss.

However, responsibility for protecting tropical forests does not end with these forest jurisdictions. Trade partners also have a crucial role to play in driving integrated, global change. Accounting for over 72% of the total value of all forest risk commodity imports from the key tropical forest regions, 15 trading jurisdictions were identified and assessed for their national actions to remove deforestation from palm oil, soya, beef, paper, and timber supply chains⁶.

ABOUT THIS REPORT

This report tracks the progress of Forest 500 jurisdictions in reducing tropical deforestation during 2015. The report is divided into three sections:

- **Forest 500 results:** This section examines national and sub-national progress towards tackling forest loss.
- **Progress in the international arena:** Going beyond the national policy level, this section analyses the significance of the Sustainable Development Goals and explores the national pledges, known as Independent Nationally Determined Contributions (INDCs), made by Forest 500 jurisdictions towards a new global climate agreement.
- **Enabling other powerbrokers:** The final section analyses the importance of collaboration and communication with other Forest 500 powerbrokers, namely investors and companies.

FOREST 500 RESULTS

Progress on deforestation at a national level

The first Forest 500 assessments were conducted at a time of fresh governmental momentum on eradicating forest loss. Agreements such as the New York Declaration on Forests, signed in September 2014, seek to halve natural forest loss by 2020 and eliminate loss by 2030⁷. Almost one year on, the 2015 Forest 500 results examine whether such landmark agreements have generated change at a national level.

OVERVIEW

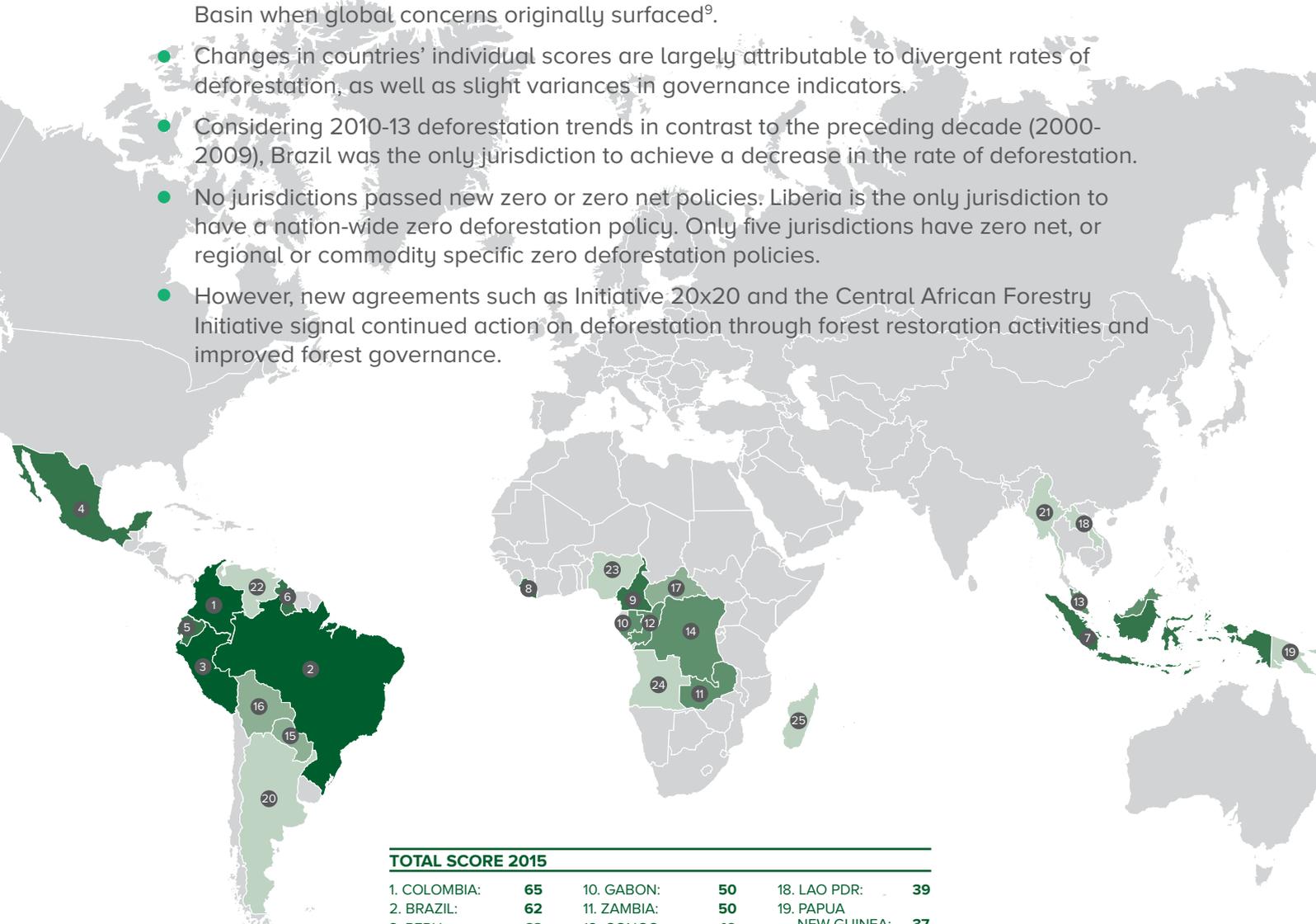
The Forest 500 assesses jurisdictions on their overall policy and forest loss track record as well as on governance⁸. The initiative will track progress to 2020, providing an annual benchmark for the rate of policy change. The 2015 results found that progress on deforestation-free supply chains was incremental across all jurisdictions. This result is unsurprising given the short timeframe relative to the passing of new legislation. Yet the average score remains below 50% of total points, demonstrating that while some governments are leading on the issue, much remains to be done.

FOREST JURISDICTIONS

Average Total Score: Year 1: 44 out of 100 (Score range: 29 to 64)
 Year 2: 48 out of 100 (Score range: 28 to 65)

2015 Results:

- The leaders remain the same, with little movement in the overall rankings. Colombia, Peru and Brazil continue to score the highest.
- Latin American countries continue to score highest on average (53 out of 100), followed by African countries (48 out of 100). Asia-Pacific countries have taken least action on forest loss (39 out of 100). This reflects the relative prevalence of policies focusing on deforestation rates in the Amazon, perhaps partly explained by the focus on the Amazon Basin when global concerns originally surfaced⁹.
- Changes in countries' individual scores are largely attributable to divergent rates of deforestation, as well as slight variances in governance indicators.
- Considering 2010-13 deforestation trends in contrast to the preceding decade (2000-2009), Brazil was the only jurisdiction to achieve a decrease in the rate of deforestation.
- No jurisdictions passed new zero or zero net policies: Liberia is the only jurisdiction to have a nation-wide zero deforestation policy. Only five jurisdictions have zero net, or regional or commodity specific zero deforestation policies.
- However, new agreements such as Initiative 20x20 and the Central African Forestry Initiative signal continued action on deforestation through forest restoration activities and improved forest governance.



TOTAL SCORE 2015			
1. COLOMBIA:	65	18. LAO PDR:	39
2. BRAZIL:	62	19. PAPUA NEW GUINEA:	37
3. PERU:	62	20. ARGENTINA:	37
4. MEXICO:	57	21. MYANMAR:	35
5. EQUADOR:	56	22. VENEZUELA:	33
6. GUYANA:	56	23. NIGERIA:	30
7. INDONESIA:	54	24. ANGOLA:	30
8. LIBERIA:	53	25. MADAGASCAR:	27
9. CAMEROON:	51	17. CENTRAL AFRICAN REPUBLIC:	41
10. GABON:	50		
11. ZAMBIA:	50		
12. CONGO:	49		
13. MALAYSIA:	48		
14. DRC:	46		
15. PARAGUAY:	42		
16. BOLIVIA:	41		

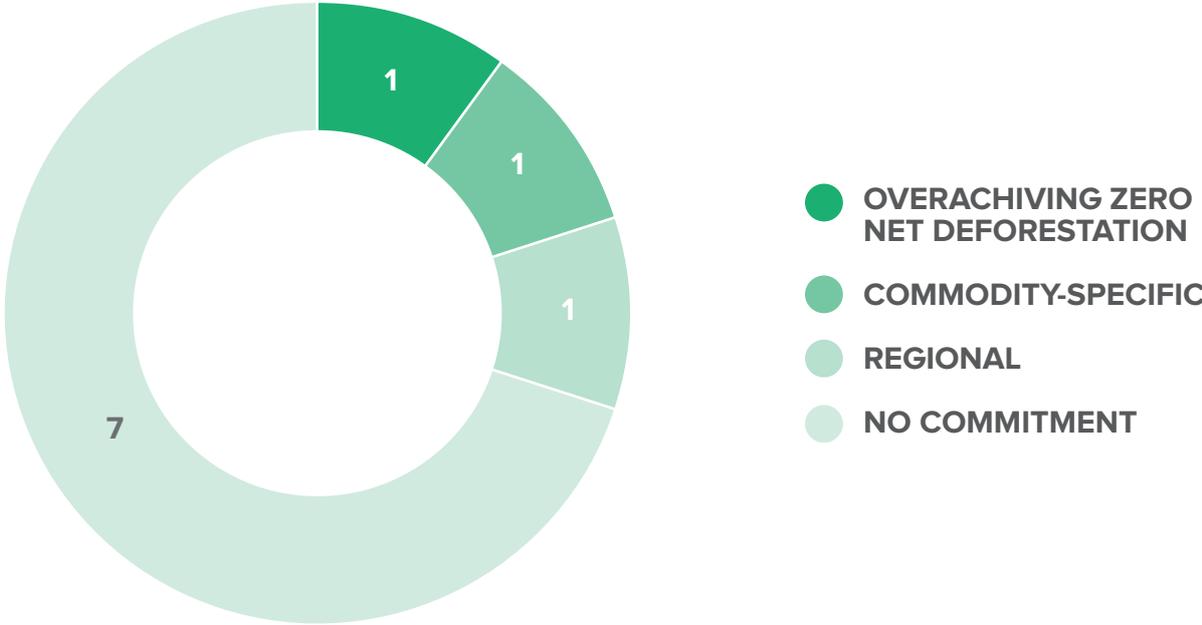
● 60+ ● 50-59 ● 45-49 ● 40-44 ● 0-39 ● NOT ASSESSED

SUBNATIONAL JURISDICTIONS

Average Total Score: Year 1: 39 out of 100 (Score range: 19 to 67)
Year 2: 40 out of 100 (Score range: 20 to 67)

2015 Results:

- No movement occurred among the leaders, with Para (Brazil), Caquetá (Colombia) and Central Kalimantan (Indonesia) scoring the highest.
- No new zero or zero net deforestation policy commitments were agreed. Only three sub-national jurisdictions have zero net policies (Para), regional policies on forest loss (Caquetá for the Amazon), or commodity specific deforestation policies (Central Kalimantan for palm oil).
- Changes in deforestation rates, overall national jurisdiction scores and governance scores are responsible for the slight score fluctuations.

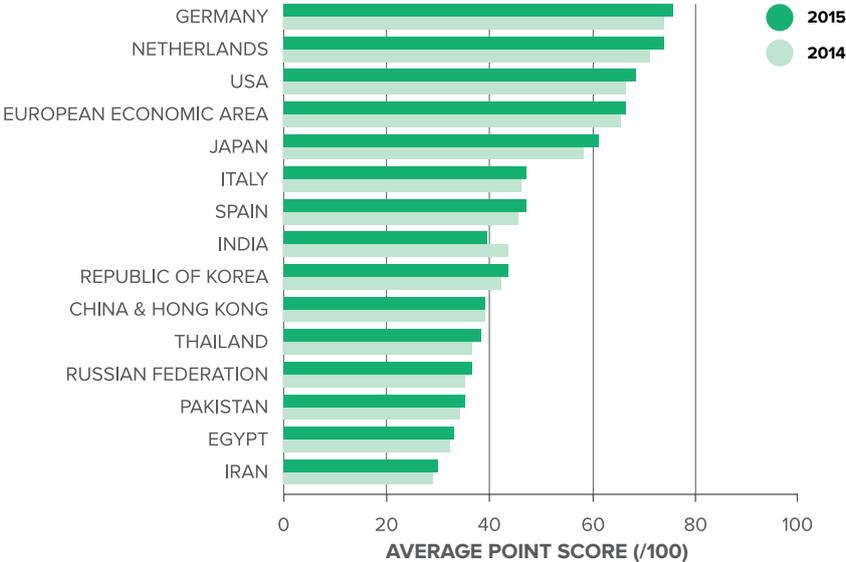


TRADING JURISDICTIONS

Average Total Score: Year 1: 44 out of 100 (Score range: 30 to 74)
 Year 2: 47 out of 100 (Score range: 30 to 76)

2015 Results:

- The highest ranking countries remained the same, with Germany, the Netherlands and the USA scoring the highest.
- India and China, the largest importers of forest commodities along with the EU in 2014¹⁰, continue to lag behind in terms of national policies aimed at creating deforestation-free supply chains. Action on tropical deforestation by all trading jurisdictions would both support and pressure forest jurisdictions producing commodities to implement stronger policies.
- Thailand has agreed to be bound by the International Tropical Timber Agreement (ITTA) as a Producing Member (Accession, September 2015)¹¹. The jurisdiction has now signed all five multilateral commitments that assist in tackling elements of deforestation within supply-chainsⁱ. The ITTA aims to improve international trade of sustainable timber products. Thailand is one of the world’s largest wood importers¹². While ITTA membership is a positive step, addressing Thailand’s role as a large importer of tropical wood via national policy or other mechanisms remains crucial.
- Japan was the only jurisdiction to change scoreband, from 3 to 4 out of 5. This increase is attributable to a slight decrease in the county’s biocapacity deficitⁱⁱ and an increase in governance scores. While Japan deserves recognition for its action on reducing tropical forest loss, the government could take greater action by focusing on strengthening the definition of and requirement for sustainably produced timber products under its Green Public Procurement Strategy¹³.



ⁱ Forest 500 jurisdictions are assessed for whether they have signed the following international treaties: three Rio Conventions - the United Nations Convention on Biological Diversity (CBD); the United Nations Convention to Combat Desertification (UNCCD); and the United Nations Framework Convention on Climate Change (UNFCCC), as well as the Convention on International Trade in Endangered Species of Fauna and Flora (CITES) and the International Tropical Timber Agreement (ITTA).

ⁱⁱ This is the biocapacity demanded by the final consumption per resident in the country versus the biocapacity supported by the jurisdiction’s own resources, which is either a deficit (demands greater biocapacity per capita than it supports) or a reserve (supports greater biocapacity per capita than it demands).

CLIMATE CHANGE AND SUSTAINABLE DEVELOPMENT

New catalysts driving national progress

The Forest 500 assessments demonstrate little progress at a national level during 2015. Yet two important potential catalysts driving new national commitments have emerged in the international arena. The Sustainable Development Goals and the expectation of a post-2020 climate agreement both create significant political momentum around forests, encouraging national ambition to curb forest loss.

THE SUSTAINABLE DEVELOPMENT GOALS

The Sustainable Development Goals (SDGs), adopted by world leaders in September 2015, define the post-2015 global development agenda to 2030¹⁴. The 17 goals replace the 8 Millennium Development Goals (MDGs). For the first time, environment and development policies have merged at the international level.

The importance of the SDGs for ending tropical deforestation is three-fold:

1. The goals incorporate a recognised shortcoming of the MDGs to address forest loss¹⁵. Goal 15 and target 15.2 commit to halting deforestation by 2020, as well as increasing sustainable forest management and reforestation practices.
2. The goals apply globally to all countries rather than just developing nations, as was the case for the MDGs, making it the responsibility of all nations to take action on forest loss and management.
3. Tackling forest loss will contribute to other goals, such as water security (Goal 6), creating sustainable supply chains (Goal 12) and combating climate change (Goal 13). Thus action on forest preservation is not an isolated consideration, but an integral component of the sustainable development nexus.

The SDGs set ambitious goals to protect forests that reinforce and move beyond the scope of current international agreements and compacts, such as the New York Declaration on Forests and the Bonn Challenge.

Sustainable Development Goals¹⁶

Goal 15: *“Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss”*

Target 15.2: *“By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.”*

POST-2020 CLIMATE AGREEMENT: INTENDED NATIONALLY DETERMINED CONTRIBUTIONS

Action to achieve the SDGs will be embodied, in part, by a second catalyst driving new national policies – a new global climate agreement to be agreed at COP21, December 2015. At COP19 in 2013, countries first agreed to submit nationally appropriate pledges to reduce greenhouse gas emissions during the 2020s¹⁷. These pledges, known as Intended Nationally Determined Contributions (INDCs), will form the basis of a new global agreement. Pledges have been submitted throughout 2015: by 31 October, 127 of 155 parties had submitted an INDC to the United Nations Framework Convention on Climate Change (UNFCCC)¹⁸.

As INDCs are not legally binding and only reflect national ambitions, these pledges were not considered in the Forest 500 assessments¹⁹. However, consideration of forestry within these pledges is an important indicator as to the commitment of jurisdictions to reduce deforestation.

Forests are important to include in INDCs. Their role in mitigation through carbon sequestration and supporting adaption through preserving ecosystem services vital for water, energy and food security are well-recognised. Tropical forest loss and degradation produces 1.3 billion tonnes of carbon dioxide every year, a tenth of worldwide annual emissions²⁰. Inclusion of forests is also important because these protecting these ecosystems can help bridge the gap until other mitigation and adaption strategies, such as renewable energy initiatives, are put in place.

By 31 October, 21 of the 25 forest jurisdictions containing 88% of rainforest globally had submitted an INDC^{21,22}:

- All included forestry as a mitigation or adaption strategy.
- Over 95% included commitments to improve sustainable forest management.
- Over 50% focused on afforestation and/or reforestation projects.
- Less than one-third included ambitions to reduce gross deforestation rates.

The INDCs suggest that the SDG Goal 15 to halt global deforestation by 2020 is ambitious. A number of countries could have committed to more ambitious, or at least more transparent forest goals. Nonetheless, the new climate agreement continues to promote forests as a key mitigation and adaption tool, and the pledges do illustrate continued national attention on forest loss, even if they are less ambitious than the SDGs. Next year's Forest 500 results will track the extent to which the continued international focus on forests demonstrated by these two catalysts prompts new and improved national commitments.

INDC Zero Deforestation Commitments

Few zero deforestation commitments were made by countries. Mexico presented one of the clearest in terms of scope, aiming to “reach a rate of 0% deforestation by the year 2030”. Commitments often lacked clear targets and implementation strategies, making the ambition of countries difficult to measure at times. Yet some INDCs clearly lacked ambition. Brazil, for example, pledged only to eliminate “illegal deforestation”.

CONNECTIONS BETWEEN FOREST 500 POWERBROKERS

The role of governments in creating enabling conditions

It is important to recognise the role of governments in enabling other Forest 500 powerbrokers to take action on deforestation in supply chains. Jurisdictions, both in trading and forest regions, have a role to play in enabling investors and companies to productively contribute to national and international commitments, as well as to incorporate sustainability measures into their operations. This role can be divided into three, interlinked responsibilities of governments as financiers, regulators and influencers.

FINANCIERS

- 1. Economic incentives to encourage sustainability and stimulate forest-friendly markets:** Governments can use economic incentives such as tax credits and loan insurance to promote investment in developing deforestation-free supply chains, as well as stimulating markets for sustainably produced goods.
- 2. Public-private partnerships:** Governments have a role in developing partnerships with investors and companies to create the collaborative funding mechanisms necessary to unlock large-scale investment in sustainable supply chains.

Private Sector Funding

Unlike the MDGs, whose funding was aid-based, the SDGs are reliant upon funding from a wide range of sources, both private and public. Likewise, the majority of commitments made in INDCs are subject to international support. In 2009, parties to the UNFCCC agreed the goal of mobilising \$100 billion each year by 2020 to assist climate change mitigation and adaptation in the least developed countries²³. This goal seems, at present, achievable²⁴. However, two points are important to recognise: firstly, while both public and private contributions will fund climate strategies, increasing private sector financing is vital; secondly, the total figure to meet climate mitigation and adaptation as well as development goals will far exceed \$100 billion^{25,26,27}.

REGULATORS

- 1. Maintain an enabling policy environment:** Creating a level, predictable playing field for companies and investors is one of the most important roles of governments. If private entities are to invest in change, they need reasonable certainty as to future conditions and a clear understanding of risk levels.
- 2. Public sector regulatory reform:** It is vital to improve existing national policy on issues such as legality and procurement. Forest jurisdictions should focus on land use assignment and tenure policies, while trading jurisdictions should review import policies. Ensuring consistency across national legislation is vital. China, for example, has recently undertaken a review to align its green economy policies with its wider financial system²⁸.
- 3. Private sector regulatory measures:** Using regulatory measures to effect private sector change can help create an equal playing field and encourage innovation. Peru, for example, passed an Act in 2015 requiring investors to consider environmental and social elements in their due diligence process²⁹.

INFLUENCERS

- 1. Implement public procurement strategies:** Governments can ensure that public purchasers only source sustainably produced goods.
- 2. National communications:** Vocal commitment to achieving deforestation-free supply chains indicates to investors and companies the direction in which government policy is developing. The adoption of carbon shadow pricing by a number of European and US companies testifies to the power of strong national signalling on issues such as climate change³⁰. It is a strong indication that companies anticipate a shift in policy towards greater corporate responsibility for carbon reductions and are proactively taking action.
- 3. Create shared public-private forums to enable knowledge sharing:** Creating space for dialogue between parties allows communication and collaboration, vital for enabling joint funding approaches and assisting innovation.

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