

Environmental Markets & Finance Summit 2019

Pre-Summit 101 on Environmental Markets & Finance

Washington, DC, 29-31 October 2019

Stephen Donofrio

*Director, Forest Trends'
Ecosystem Marketplace &
Supply Change Initiatives*

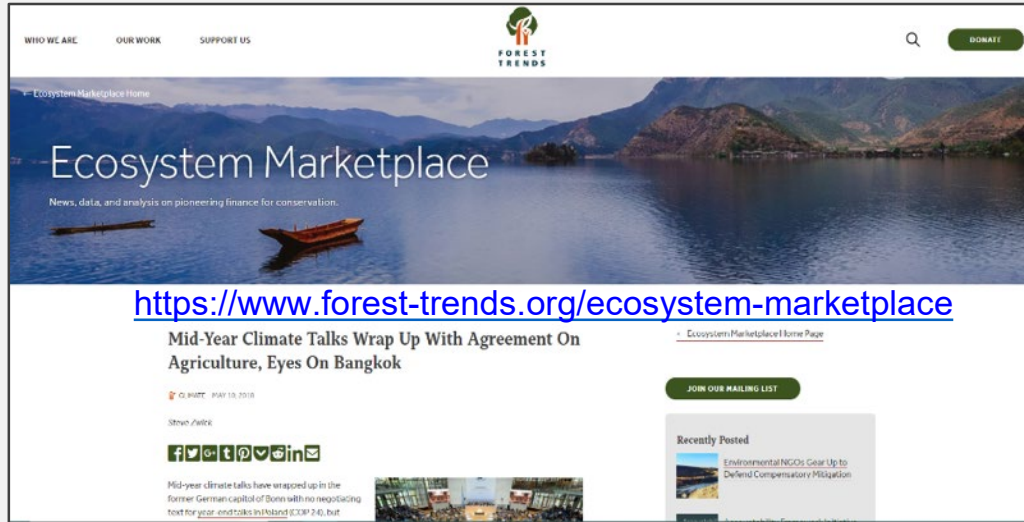
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Ecosystem Marketplace

A FOREST TRENDS INITIATIVE



<https://www.forest-trends.org/ecosystem-marketplace>

Success with Support



EM Insights

Publications / Reports
One-to-One Email & Phone Support
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Webinars

EM Tools & Platforms

Markets Map
Supply Change

EM Data Intelligence

Carbon
Water
Biodiversity
Zero Deforestation Supply Chains

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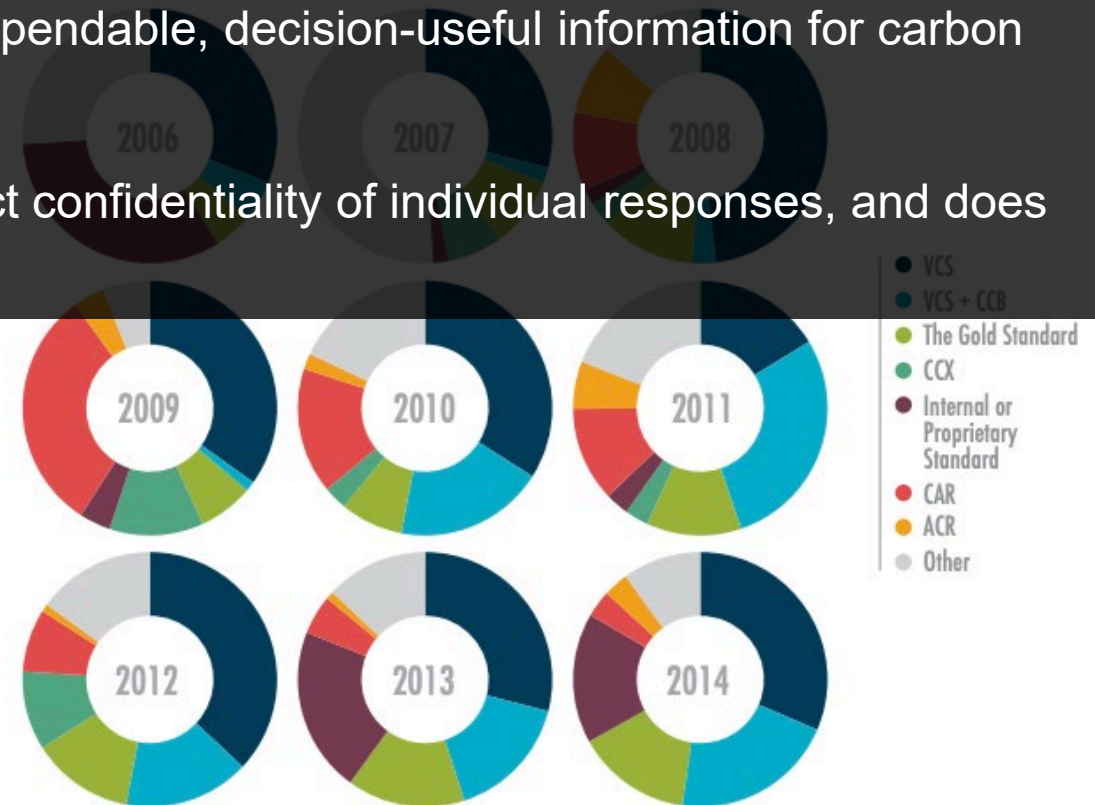
Jobs Board
Digital Resource Library

Tracking Voluntary Carbon Market Surveys and “State of” Reports

Proven track-record of nearly 15 years. Long history of tracking carbon markets beginning in 2006. EM has developed strategic relationships that enables it to engage deeply with stakeholders, collect confidential data from market participants, provide guidance & insights.

Quality data, analysis, and reports. Generates dependable, decision-useful information for carbon market participants and policymakers worldwide.

Credible, confidential, and neutral. Maintains strict confidentiality of individual responses, and does not favor any specific standard nor project.



Notes: Based on 81 MtCO₂e associated with a third-party standard in 2014, alongside historical data from reports through the *State of the Voluntary Carbon Markets 2007*.

Source: Forest Trends' Ecosystem Marketplace. *State of the Voluntary Carbon Markets 2015*.

Tracking Corporate Offsets' Inclusion into Enterprise Carbon Management Strategies



BUYING IN:

TAKING STOCK OF THE ROLE OF OFFSETS
IN CORPORATE CARBON STRATEGIES

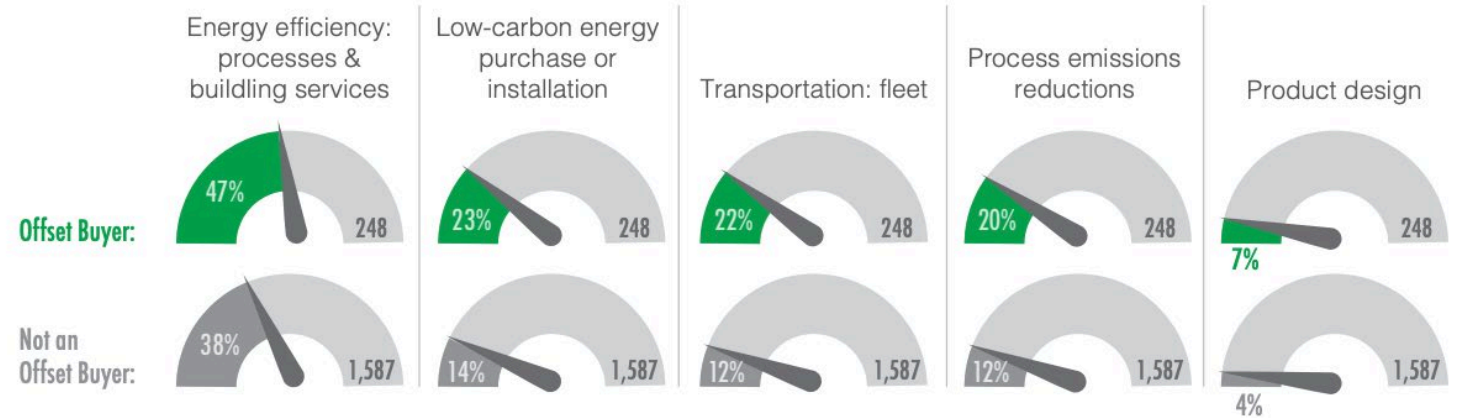


Supporters: MacArthur Foundation



Sponsor: InfiniteEARTH™
World Carbon Impact Community

Figure 9: Percentage of Reporting Companies Engaging in Emissions Reductions Activities



Notes: Based on emissions reductions activities reported by 248 companies that purchased offsets in 2014 and 1,587 companies that didn't. Respondents could select multiple emissions reductions activities.

Data source: CDP public disclosure, reporting year 2015.

Tracking Offset Projects' Impacts & Co-Benefits

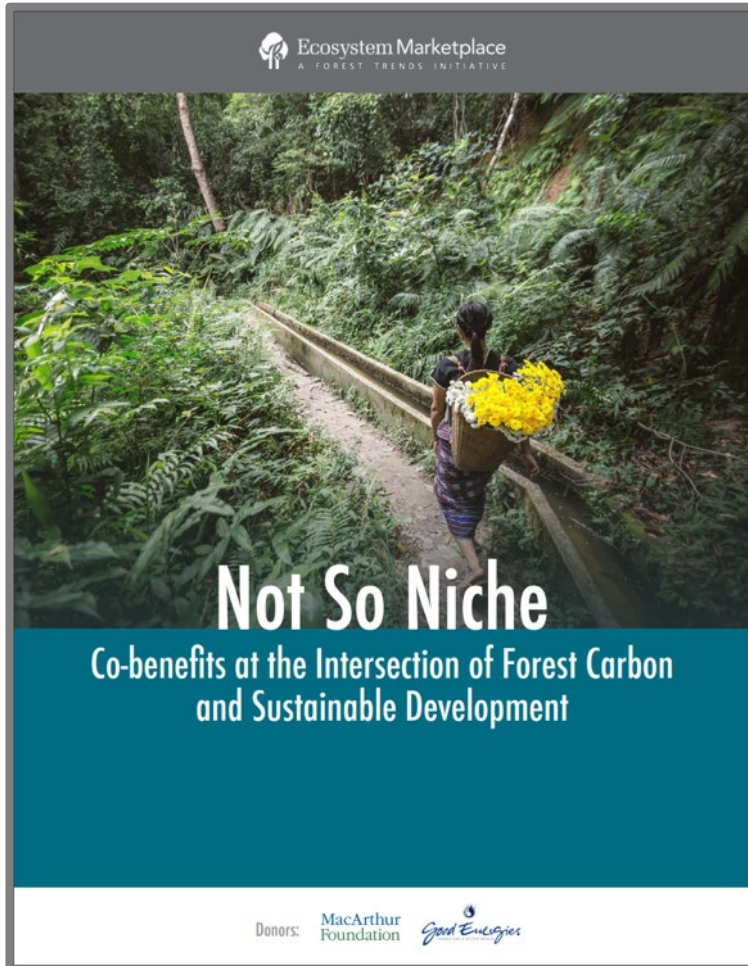
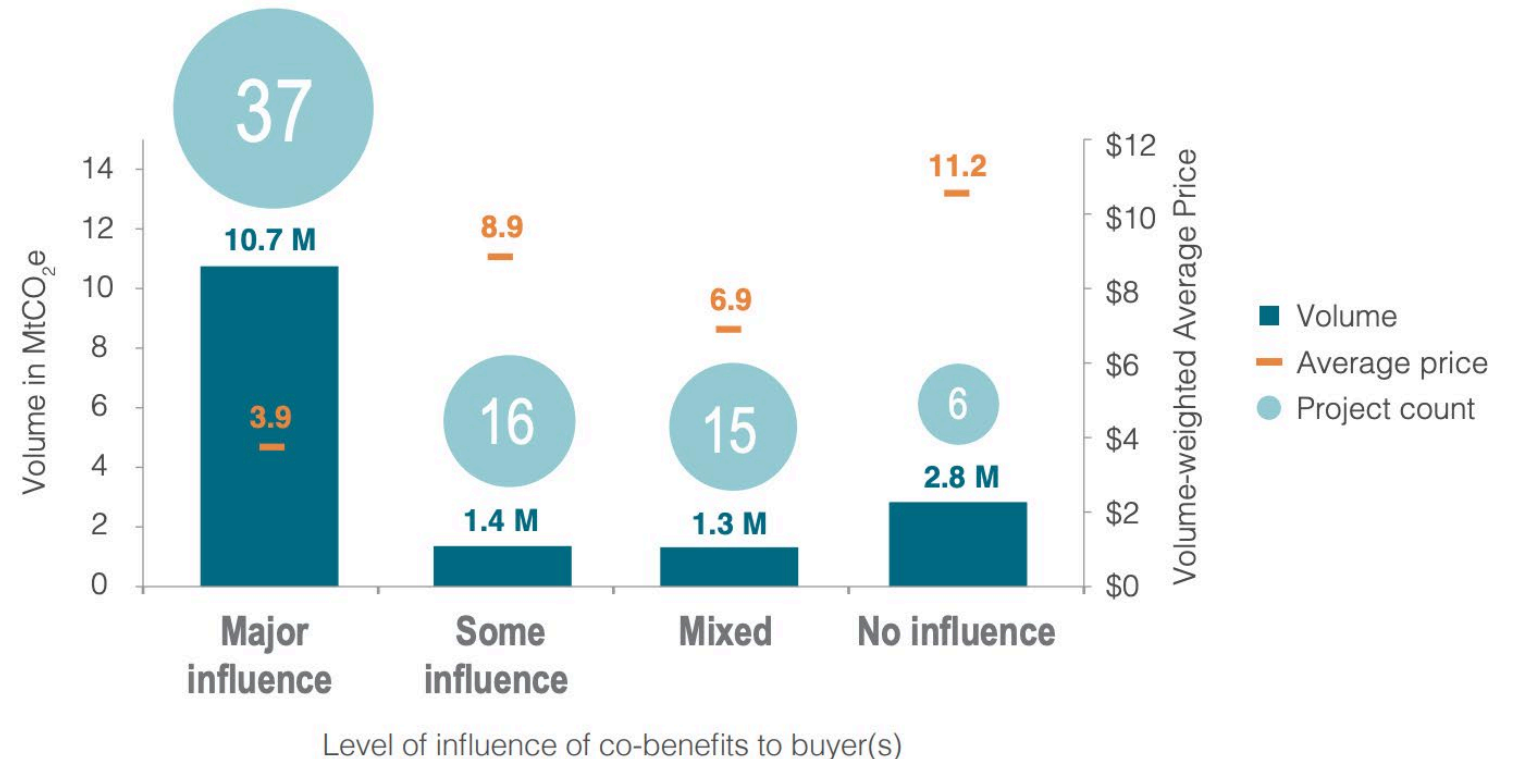


Figure 10: Extent to Which Co-benefits Motivated the Buyer to Complete a Transaction in 2014 by Volume, Average Price, and Project Count



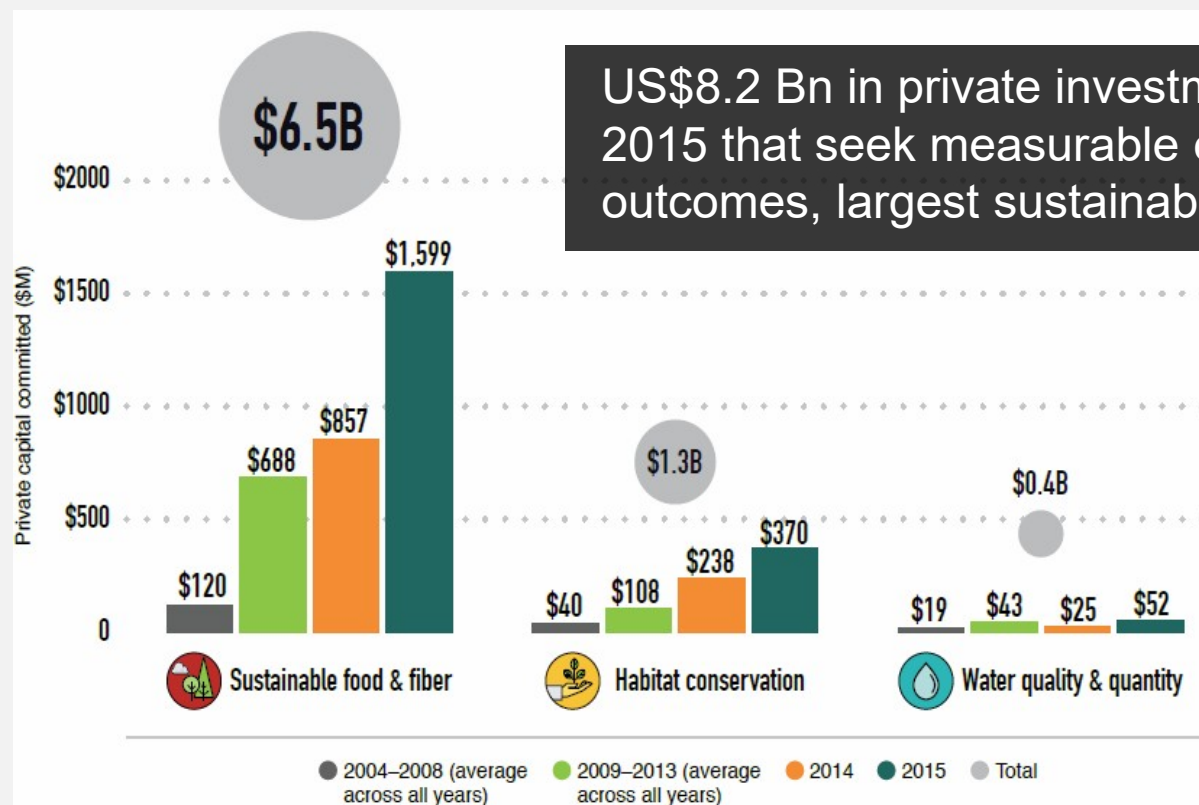
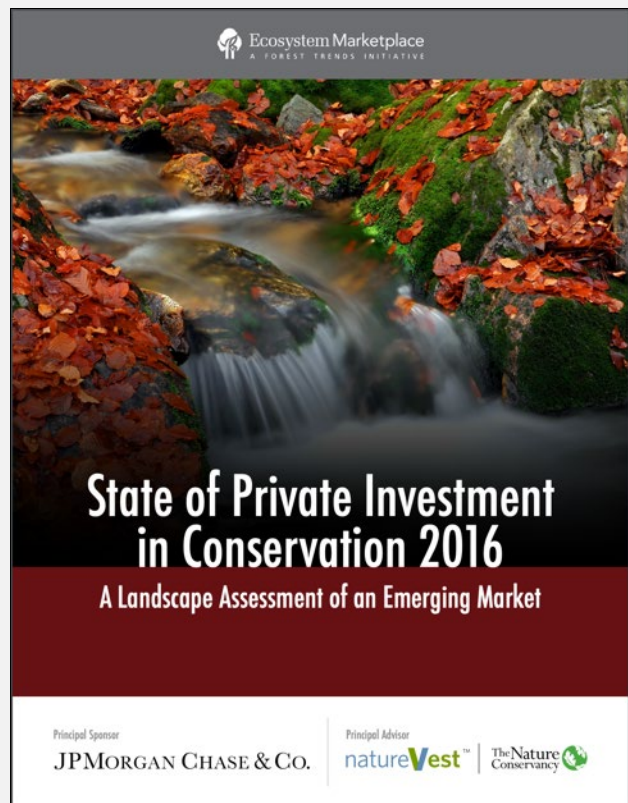
Notes: Based on responses associated with 16.3 MtCO₂e in transaction volume.

Source: Forest Trends' Ecosystem Marketplace, 2016. *Not So Niche: Co-benefits at the Intersection of Forest Carbon and Sustainable Development*.

Tracking Private Investments into Conservation

Surveyed: Private investors: fund/ fund-of-fund managers, corporations, NGOs, foundations, family officers / high net worth individuals

Tracked: Investments intended to return principal or generate profit while also resulting in a positive impact on natural resources and ecosystems.



Mapping Ecosystem Markets

The interactive map displays information about 4,500+ projects that conserve, restore, or support sustainable management of ecosystem services through ecosystem markets and market-based mechanisms.

Data sources include: State of Voluntary Carbon Markets, State of Watershed Investments, or State of Biodiversity Mitigation

The screenshot shows the homepage of the 'Mapping Ecosystem Markets' website. At the top is a navigation bar with links: Initiatives, Events, Publications, Blog, Pressroom, News from EM, Ecosystem Markets Map, Careers, and social media icons. Below this is a secondary navigation bar with 'WHO WE ARE', 'OUR WORK', and 'SUPPORT US'. The main header features the 'FOREST TRENDS' logo, a search icon, and a 'DONATE' button. The central banner displays a world map with the title 'Mapping Ecosystem Markets' and a descriptive paragraph: 'Many initiatives around the globe are using environmental markets, market-based mechanisms, and innovative finance to fund the conservation, restoration, or sustainable management of ecosystems. Our Ecosystem Markets Map tracks these initiatives in order to improve access to data and information and build a community of practice.' Below the banner are two buttons: 'Launch the Map!' and 'About the Data'. To the right of the banner is a 'Project List' table with 18 entries, each including a project name and location. Below the table is a 'SPONSOR' section for 'The Nature Conservancy'. The bottom of the page features a large world map with colored dots representing projects, a sidebar with filters for Location, Project Status, Intervention, Mechanism, and Year First Active, and a 'Summary of Selected Data' section at the bottom right showing 'Total Projects: 4,587' and 'Total Hectares: 504,631,593'.

Initiatives Events Publications Blog Pressroom News from EM Ecosystem Markets Map Careers f t y

WHO WE ARE OUR WORK SUPPORT US

FOREST TRENDS

Mapping Ecosystem Markets

Many initiatives around the globe are using environmental markets, market-based mechanisms, and innovative finance to fund the conservation, restoration, or sustainable management of ecosystems. Our Ecosystem Markets Map tracks these initiatives in order to improve access to data and information and build a community of practice.

Launch the Map! About the Data

Project List
Reforestadores REDD Project Forest and land-use carbon - Madre de Dios, Peru
Reforestation and Restoration of degraded mangrove lands, sustainable livelihood and community development in Myanmar Forest and land-use carbon - Myanmar
San Nicolas Carbon Sequestration Project Forest and land-use carbon - San Nicolas, Colombia
Amigos de Calakmul Mexico Forest and land-use carbon - Selva Maya, Mexico
Uganda Nile Basin Reforestation Project No 4 Forest and land-use carbon - Uganda
Emiti Nibwo Bulora Forest and land-use carbon - Nyaishozi, Tanzania
Hiniduma Bio-Link Project Sri Lanka Forest and land-use carbon - Hiniduma, Sri Lanka
Araguaia Mata Viva project - Biodiversity Corridor Forest and land-use carbon - Mineiros, Brazil
Poland Forest and land-use carbon - Mazury, Poland
Oakvale Native Forest Protection project Forest and land-use carbon - Australia
Oddar Meanchey REDD Project (Cambodia) Forest and land-use carbon - Cambodia
Promoting sustainable development through plantations of natural rubber trees in Guatemala Forest and land-use carbon - Suchitepequez, Guatemala
Recuperation of degraded areas with agroforestry systems in Colombia Forest and land-use carbon - El Retiro, Colombia

SPONSOR

The Nature Conservancy
Protecting nature. Preserving life.
Learn more about sponsorship options

Summary of Selected Data

Total Projects: 4,587 Total Hectares: 504,631,593

Ecosystem Marketplace - Opportunities in 2019...

Now

End-2019

- ◆ State of the Voluntary Carbon Markets - 2017 AND 2018
- ◆ Lessons Learned from PES Contracts
- ◆ Payment for Successful PES Investment Models
- ◆ Short reports/articles on the Colombia carbon tax, carbon insetting

...and beyond

SAVE THE DATE!

**STATE OF ENVIRONMENTAL
MARKETS & FINANCE
SUMMIT**

October 29-31, 2019
Mandarin Oriental Hotel
Washington, D.C.

HOSTED BY
Forest Trends & AEMI



Commercial agriculture drives at least two-thirds of tropical deforestation.

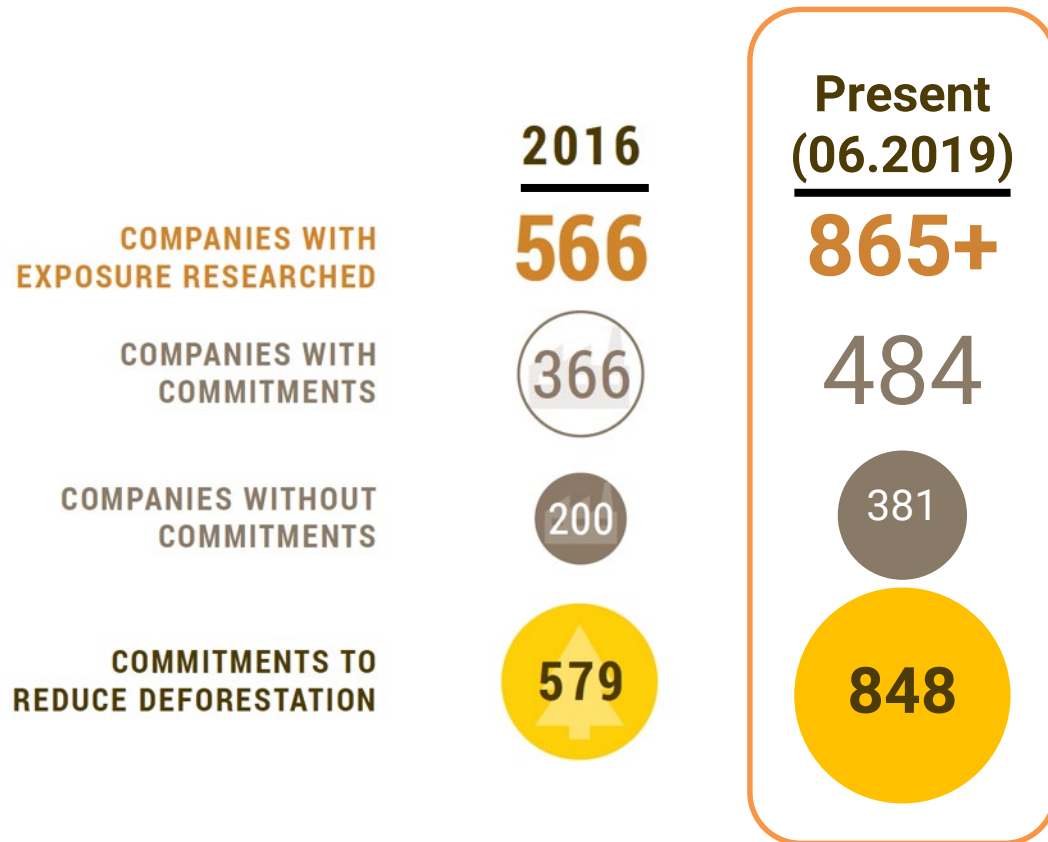
As companies commit to reduce the ecological impacts of their commodity supply chains, Supply Change provides transparency to their progress – and tracks commitments that count.

The production value of the four key agricultural commodities in tropical countries exceeds USD 1 Tn, illustrating the large economic incentives in the sectors that drive deforestation.



SUPPLY CHANGE

An Initiative of Forest Trends



Since 2014, *Supply Change* has tracked corporate commitments to address commodity-driven deforestation to enable comparability and understanding of corporate investments into sustainable land use.

All sizes, geographic nature, and levels (producer to retailer) of the “big four” commodities’ – palm, soy, timber & pulp, and cattle (+ cocoa, as of 2019/2020) supply chain are covered.

Consolidates data from all available public channels to provide a centralized, free, and publicly available information center

Accessing Supply Change's Insights on Tracked Companies

Free-to-Access Aggregated Company Data Web Platform

www.supply-change.org

Profiles *

Which entities are stepping up - and how do they measure up?

Filter By ▼

Sort By ▼

SEARCH HERE...



A.S. Watson Group
A member of CK Hutchison Holdings



ABENGOA

Showing 6 of 471

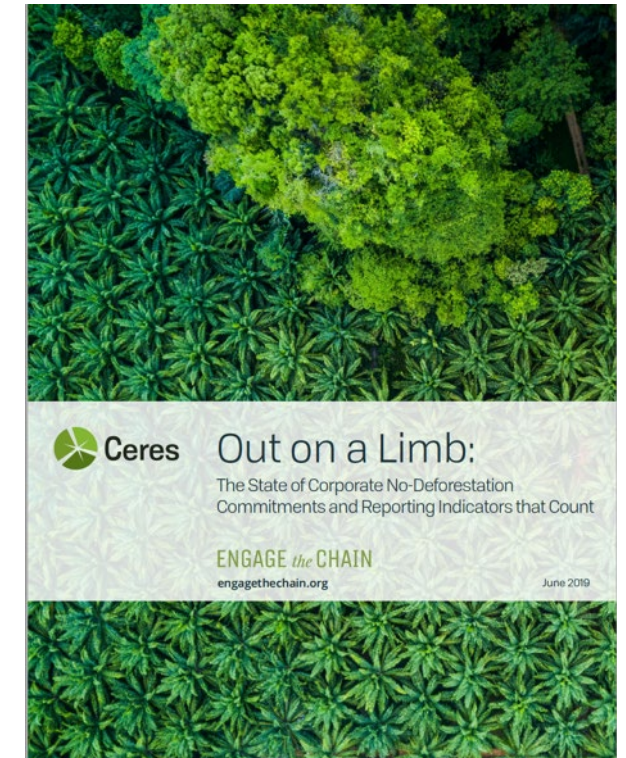
Show More

Supply Change

Investor Risk Related to Corporate Zero / Zero Net Deforestation Commitments to Address Commodity-Driven Deforestation

The *Supply Change* team reviewed research for the identified 865 companies believed to be the largest, most impactful, and/or most likely to have commitments in order to:

- ➔ Identify the types and degree of progress reported around various corporate commitments; and,
- ➔ Present these findings in a way that can be of use to value-driven investors seeking to manage deforestation risk.

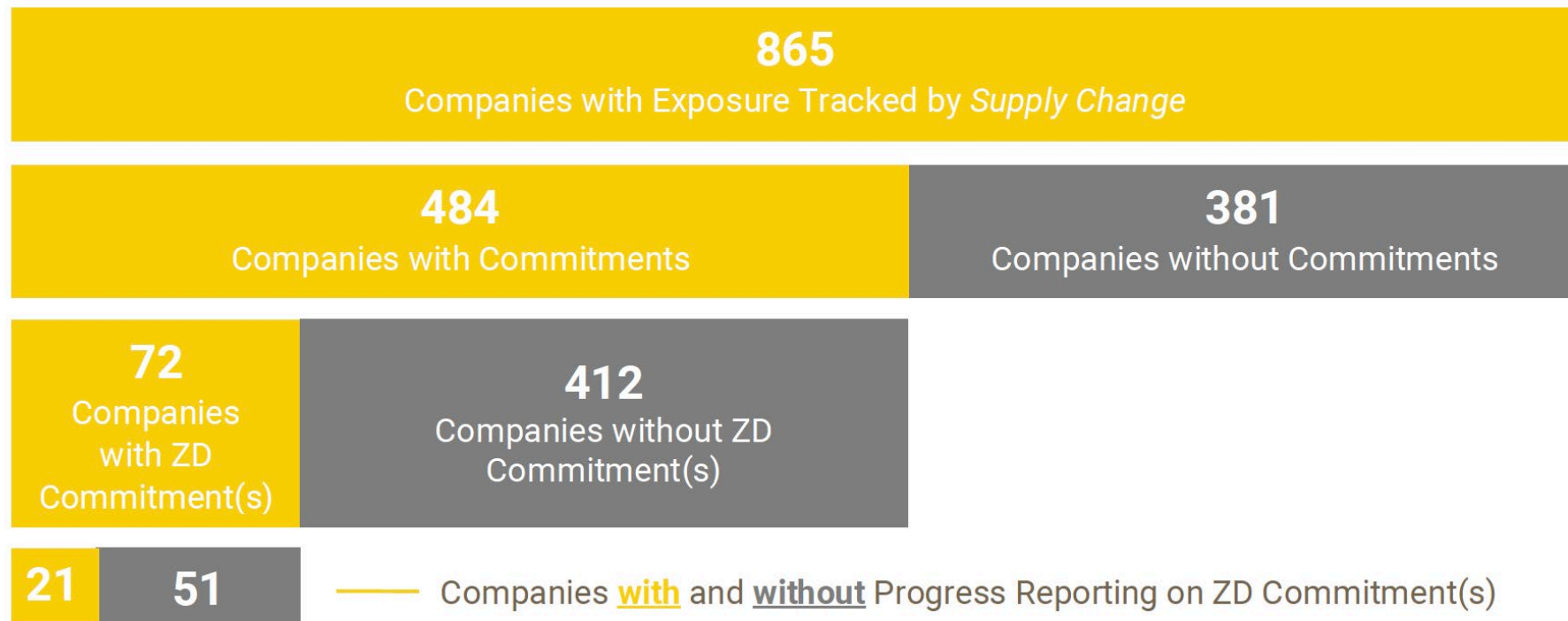


Supply Change

Alarming gap between commitment and action exposes companies and institutional investors to financial risks



Figure 1: Variation in Companies' Sustainable Commodity Commitments and Progress Reporting on Zero Deforestation (ZD) Commitments



TARGETING ZERO
COMPANY PROGRESS

A COLLABORATIVE ANALYSIS BETWEEN

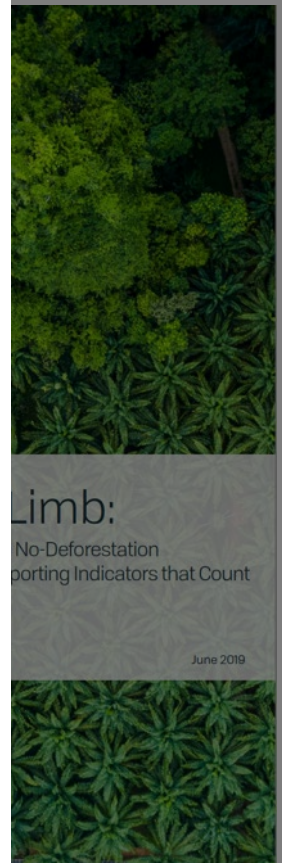
Change is good. So is

Businesses, investors, and governments
degrading the world's critical ecosystems
that best supports these efforts have
fill this data gap by providing a platform
catalogs and contextualizes global

June 2019

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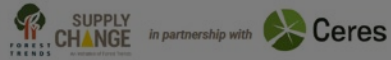


Limb:
No-Deforestation
Reporting Indicators that Count

June 2019

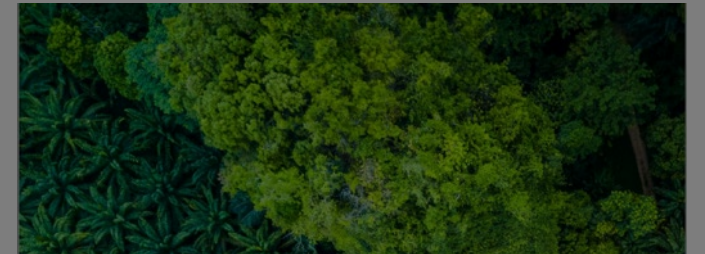
Supply Change

How do we get there?



TARGETING ZERO DEFORESTATION: COMPANY PROGRESS ON COMMITMENTS THAT COUNT, 2019

A COLLABORATIVE ANALYSIS BETWEEN FOREST TRENDS AND CERES BASED UPON SUPPLY CHANGE DATA



(6) Zero/zero net-deforestation commitments lack intermediate deadlines. Although 2020 is a key year for collective zero deforestation pledges, none of the 72 companies with these pledges have set intermediate milestones to track progress on deforestation. This contrasts sharply with companies making other types of commitments, and may reflect a lack of consensus on how to define and report progress towards zero deforestation.

June 2019

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ENGAGE the CHAIN
engagethechain.org

June 2019



Supply Change

Country-specific Analysis of Corporate Action to Address Commodity-driven Deforestation



Commitments in Country:

Companies, Cattle, & Commitments that Count in Paraguay, 2019

A COLLABORATIVE ANALYSIS BASED UPON SUPPLY CHANGE DATA

Change is good. So is information.

Businesses, investors, and governments are committing to reverse their role in degrading the world's critical ecosystems. But until recently, market information that best supports these efforts has been scarce. Supply-Change.org exists to fill this data gap by providing a platform for news, data, and analysis that catalogs and contextualizes global progress toward environmental targets.



June 2019

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<- Paraguay & Cattle

Indonesia & Palm ->



in partnership with

Commitments in-Country: Companies, Palm, & Commitments that Count in Indonesia, 2019

An analysis based upon Supply Change data

October 2019

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