SUMMARY OF THE PROJECT IN DESIGN * (*)

Promoting sustainable forest management through innovative carbon accounting solution for tackling climate change

PITCH ELIGIBILITY DATE	COUNTRY(IES)
08/08/2022	Brazil

ALIGNED WITH COUNTRY STRATEGY?
Yes

PARTNER(S)
Conservation International, Fundação Toyota do Brasil

PRELIMINARY CLASSIFICATION ENVIRONMENTAL AND SOCIAL IMPACT
C (**)

TOTAL BUDGET	IDB Lab	LOCAL COUNTERPART AND COFINANCING
US 500,000	US 250,000	US 250,000

DESCRIPTION

The problem: For fostering private sector-driven activities for forest restoration and protection, one of the topics that is yet to be matured further is forest carbon credit scheme. To make forest carbon credit market transparent and credible, innovative ideas for accurately estimating forest biomass estimation are needed to foster funding to nature conservation with greater accountability, thus resulting in deaccelerating/reversing the deforestation and reduced risks for those who live in vulnerable area.

The solution: The project's goal is to contribute to the mitigation and adaptation of the effects of climate change and to more sustainable land use in Brazil, through mobilizing innovations and resources to deaccelerate deforestation of rural community lands that provide significant socioeconomic benefits to low-income farming families, while generating positive environmental co-benefits. The specific objective of the project is to develop and deliver a new solution for responsible forestry management. The proposed solution is a satellite-based forest biomass estimation. As an alternative solution to airborne LiDAR, satellite-based remote sensing would seek to achieve highly-accurate, low-cost forest biomass estimation.

The beneficiaries: The poor and vulnerable people in rural communities of Brazil, with a strong focus on smallholder farmers involved in agricultural activities such as crops, livestock, and dairy production located in such rural areas will the principal beneficiaries from the expected environmental outcomes (CO_2 sequestration, improved water retention on their lands and increases in biodiversity).

The partner: The executing agency to pilot the forest management solution is Conservation International Brazil, which has been active in Brazil since 1990, using science, policies and

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**The IDB categorizes all projects into one of six E/S impact categories. Category A projects are those with the most significant and mostly permanent E/S impacts, category B those that cause mostly local and short-term impacts, and category C those with minimal or no negative impacts. A fourth category, FI-1 (high risk) Financial Intermediary (FI)'s portfolio includes exposure to business activities with potential significant adverse environmental or social risks or impacts that are diverse, mostly irreversible or unprecedented, FI-2 (medium risk) FI's portfolio consists of business activities that have potential limited adverse environmental or social risks or impacts, FI-3 (low risk) FI's portfolio consists of financial exposure to business activities that predominantly have minimal or no adverse environmental and social impacts.

partnerships to conserve critical ecosystems. The technology partner is sustainacraft, a Japanese startup which promotes sustainable forest management through end-to-end carbon accounting solution from field and satellite-based measurement to net carbon removal estimation.

The IDB Lab contribution: The proposed amount of US$250,000, under the modality of non-reimbursable technical cooperation, will be financed in its entirety with the resources of the Japan Enhanced Initiative (JEI) of IDB Group. This contribution will be complemented with a counterpart funding of US$250,000 to be jointly contributed by Conservation International and sustainacraft.

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