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REPORT

GCF TASK FORCE TECHNICAL EXCHANGE
Public - Private Collaboration in Conservation and Restoration



Governors' Climate and Forests Task Force

GCF Task Force Technical Exchange Report

Public - Private Collaboration in Conservation and Restoration

*West Kalimantan, Indonesia**

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Executive Summary

Representatives from eight countries and more than a dozen tropical forest jurisdictions gathered in Bogor, West Java,[1] from September 9–10, 2026, for a Technical Exchange on "Public-Private Partnerships in Conservation and Restoration," hosted by the Province of West Kalimantan and organized by the Governors' Climate and Forests Task Force (GCF Task Force).

The exchange brought together GCF Task Force member jurisdictions from Indonesia, Bolivia, Brazil, Colombia, Ecuador, Mexico, Peru, and the United States, alongside non-member provinces from Indonesia, partner organizations, and private sector actors. Over two days of plenary sessions, experience sharing, and group discussions, participants explored how governments and companies can move beyond fragmented approaches toward integrated, jurisdictional models for forest conservation and sustainable development, grounded in the New Forest Economy. The sessions were organized around five themes:

1. Joining Forces: Restoration and Conservation-Based Enterprises
2. Public-Private Partnerships in West Kalimantan
3. Leveraging Markets to Protect Natural Infrastructure: Carbon Markets and Nature-Based Solutions Mechanisms
4. NDPE for Sustainable Commodities
5. Supporting Mitigation and Adaptation through Innovative Legal Financing Mechanisms (BLUD) [2]

The exchange provided an opportunity to present viable options for private sector involvement in GCF Task Force jurisdictions' conservation and restoration programs, discuss how to institutionalize these options, and identify their strengths and challenges.

[1] The Technical Exchange was originally scheduled to take place in Pontianak, West Kalimantan, from September 7-10, 2026 but was moved and then shortened due to extensive forest fires throughout Kalimantan and the Anak Krakatau eruption.
[2] Regional Public Service Agencies (Badan Layanan Umum Daerah, BLUD) were discussed as one example of an innovative legal financing mechanism.



KEY TAKEAWAYS

Eight cross-cutting themes emerged from the exchange:

The private sector must be a core partner, not a peripheral supporter. Across every session, participants emphasized that effective conservation requires private sector involvement in governance, finance, and implementation, not just corporate social responsibility contributions or one-off investments.

Jurisdictional approaches allow for effective collaboration at scale. Whether through biosphere reserves, Produce, Conserve & Include (Produzir, Conservar e Incluir, PCI) strategies, or jurisdictional frameworks for Reducing Emissions from Deforestation and Forest Degradation (REDD+), landscape-level approaches provide the shared data, standards, and goals that allow governments, companies, producers, and communities to work together at scale.

Financing must be long-term, diversified, and innovative. The most successful models combine public budgets, private investment, carbon revenue, blended finance, conservation funds, results-based payments, and innovative instruments. No single funding source is sufficient to sustain conservation at the jurisdictional scale.

Market mechanisms need long-term regulatory certainty and early private sector engagement. Whether it's carbon markets; No Deforestation, No Peat, and No Exploitation (NDPE) requirements; or European Union Regulation on Deforestation-free Products (EUDR) compliance, the private sector needs predictable rules and should participate in market design

from the outset — not only after the market is established. Uncertainty makes it difficult to attract long-term private sector investment.

Smallholders and communities must be active participants, not passive recipients. Their meaningful involvement in decision-making, implementation, and benefit-sharing is essential for legitimacy, effectiveness, and long-term sustainability. Furthermore, compliance standards, certification costs, and international regulations (like EUDR) risk placing an unequal burden on smallholders who often lack land legality, infrastructure, financing, and direct access to major export markets.

Data, transparency, and accountability strengthen partnerships. Disclosure platforms such as CDP, monitoring systems, and traceability mechanisms create the shared evidence base on which trust between public and private actors is built.

Trust is a critical requirement. Transparent institutions, credible intermediaries, and sustained relationships build the confidence that governments, communities, donors, and private sector actors need to commit to long-term conservation partnerships.

Cross-jurisdictional learning accelerates progress. The exchange itself demonstrated how sharing experiences across countries and contexts — from Mexico's Project Finance for Permanence (PFP) to Brazil's PCI to Indonesia's BLUD — helps jurisdictions adapt proven models and avoid repeating mistakes.

Panels

1. Joining Forces – Restoration & Conservation-Based Enterprises

This session focused on case studies from across the GCF Task Force network, which revealed how jurisdictions are building practical partnerships between government, the private sector, and local communities.



A Water Cooperative in Tarija, Bolivia
The Department of Tarija, Bolivia, demonstrated how conservation and water funds can mobilize private sector contributions around shared water security. One example is a water cooperative that was established in 2022 with the Nature Conservancy and other partners where a portion of water service fees go towards conserving water resources. Private sector payments make up approximately 30% of the budget. These kinds of initiatives are critical to Tarija's wine industry, which relies on irrigation.

Project Finance for Permanence in Yucatán, Mexico
The State of Yucatán, Mexico, presented Herencia Maya, the country's first PFP initiative and the first led by a state rather than a national government. Herencia Maya brings together government, donors, NGOs, the private sector and Indigenous communities around a US$12.6 million long-term conservation financing mechanism designed to protect over 1.4 million acres

of land, mangroves, and freshwater sources. Using the PFP model in collaboration with Indigenous peoples and local communities (IPLCs), Herencia Maya aims to safeguard regional biodiversity, combat climate change, and support traditional Maya livelihoods like sustainable agroforestry and beekeeping.

Produce, Conserve and Include in Mato Grosso, Brazil
Mato Grosso, Brazil, shared its PCI strategy — a jurisdictional approach launched in 2015 that links sustainable agricultural production, forest conservation, and social inclusion through an investment platform connecting companies, banks, and development partners with sustainability-aligned projects. A non-profit called PCI Institute was established in partnership with the State of Mato Grosso to support PCI implementation and includes private sector representatives in its governing board. Mato Grosso's initiatives also include a Rural Environmental Registry (Sistema Mato-Grossense de Cadastro Ambiental Rural, SIMCAR) and Action Plan for the Prevention and Control of Deforestation and Forest Fires (Plano de Ação para Prevenção e Controle do Desmatamento e Incêndios Florestais, PPCDIF/MT), both of which are aligned with the PCI strategy.

An Integrated Landscape Initiative in West Papua, Indonesia
West Papua, Indonesia, described the Crown Jewel of Papua - a 2.3 million hectare integrated landscape initiative built on collaboration between provincial governments, Indigenous Peoples, civil society, and the private sector. It aims to protect rich biodiversity and primary rainforests while supporting local communities through sustainable economic development, social forestry, and the recognition of Indigenous rights.

Innovation Financing and Indigenous Collaboration in Ecuador
Our Country Director in Ecuador presented Plataforma Amazonica, an alliance of 11 Indigenous nationalities (La Confederación de las Nacionalidades Indígenas de la Amazonia Ecuatoriana, CONFENIAE) and six prefects including GCF Task Force members (Morona Santiago, Orellana, Pastaza, and Zamora Chinchipe) and observers (Napo and Sucumbios) that are working together to protect 14 million acres of the Ecuadorian Amazon. The Amazon Future Fund (Fondo Futuro Amazónico, FFA) is an innovative trust fund that builds on Plataforma Amazonica. It allows for the management and investment of resources to support conservation of Amazon areas and the collaborative governance of the Amazon Platform.

SESSION TAKEAWAYS

Conservation and restoration cannot be delivered by one actor alone, and we need to move beyond fragmented short-term projects towards long-term jurisdictional approaches. Sustainable outcomes require strong coalitions, long-term commitments, effective institutions, private-sector participation, adequate financing, and meaningful involvement of IPLCs.

- Long-term and diversified financing is essential. Need blended financing, increase engagement with banks, and innovative mechanisms that go beyond REDD+.
- A sound legal basis and institutional framework are also essential to ensuring long-term protection of resources.
    - This helps provide certainty for market actors and investment environments, longevity beyond government transitions, and demonstrates that a program - REDD+, incentives, tax benefits to private sector participation, etc. - is designed for the long-term.
- We need to move from fragmented projects with disconnected objectives and limited impacts towards jurisdictional and regional approaches that integrate environmental, social, and economic priorities at scale.
- IPLCs must be active participants, not just beneficiaries. We must also utilize traditional knowledge and connect it with modern science.
- In order to be viable, conservation must generate tangible economic value while improving livelihoods. Products with high value need to be developed, especially in jurisdictions that are far away from major markets.
- Trust is a critical foundation for long-term conservation partnerships and financing. Transparent institutions, credible intermediaries, and sustained relationships can help build confidence among governments, communities, donors, and private-sector actors.

PRIORITY ACTIONS TO ADVANCE

- Assist GCF Task Force members in strengthening policy, institutional structures, and registries (such as Mato Grosso's SIMCAR and PCI) to insulate conservation initiatives from political turnover, build stakeholder trust, and connect sustainable producers directly with banks and corporate investors.
- Continue to promote knowledge exchanges and cross-jurisdictional collaboration.
- Support GCF Task Force members in their efforts to expand innovative and blended financing models beyond standard REDD+ schemes—such as state-led Project Finance for Permanence (e.g., Yucatán's Herencia Maya), water funds leveraging private sector service fees (e.g., Tarija), and dedicated regional trust funds (e.g., Ecuador's FFA).
- Explore additional ways to derisk investment and attract more private sector investment, including investigating private insurance as an innovative financing mechanism.

MODERATORS

- Herlina Hartanto – Executive Director, Yayasan Konservasi Alam Nusantara (YKAN)
- Maria Calvo – Business Development Coordinator, Fundación Natura Bolivia

SPEAKERS

- Vice-Governor Gonzalo Avila, Tarija, Bolivia
- Secretary of Sustainable Development Neyra Silva Rosada, Yucatán, Mexico
- Executive Secretary for the Environment Alex Marega, Mato Grosso, Brazil
- Professor Charlie Heatubun, Regional Research and Innovation Agency (Bidang Riset dan Inovasi Daerah) and Professor of Forest Botany at Universitas Papua, West Papua, Indonesia
- Bruno Paladines, GCF Task Force Country Director - Ecuador

2. Public-Private Partnership Initiatives in West Kalimantan

This session turned the spotlight on the host jurisdiction, with West Kalimantan showcasing its emerging public-private partnership (PPP) initiatives.



MAJU Kalbar - A Sustainable Commodity Value Chain Initiative
MAJU Kalbar is a seven-year initiative funded by the Green Climate Fund (GCF) and the German Society for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH). It is a sustainable commodity value chain initiative that is projected to reduce GHG emissions by 16M tCO2eq, directly benefit 680,000 people, and strengthen the climate resilience of over 10M hectares of forest. Target commodities include palm oil, rubber, coffee, cacao, coconut, pepper and non-timber forest products (NTFPs) with support for traceability, certification, and compliance with international regulations such as the EUDR. This includes public-private partnerships for sustainable procurement.

Mata Pandawa – A Proposed UNESCO Biosphere Reserve
West Kalimantan is moving forward with the proposal to seek UNESCO Biosphere Reserve status for Mata Pandawa, which is a portmanteau of the names of three areas: Karimata, Palung, and Mendawak. The Mendawak Biodiversity Corridor serves as critical orangutan habitat. This would be West Kalimantan's second UNESCO Biosphere Reserve, following Danau Sentarum in 2018. Because biosphere status does not alter or restrict existing business permits, current operations can continue, with the added opportunity to leverage biosphere reserve product branding.

Delta Kapuas – Community-Based Social Forestry for Climate Mitigation

The Delta Kapuas Project is a climate mitigation initiative delivered through a community-based social forestry scheme that is designed to conserve approximately 125,000 hectares of forests, peat swamp, and mangroves. Realizing that income from the sale of NTFPs was not sustainable or sufficient for large-scale protection or restoration of landscapes, the project turned to the voluntary carbon market. Although the project has benefitted 25 villages by improving sustainable economic development, education, health, and infrastructure, major challenges persist—chiefly the pressure for palm oil conversion and climate impacts such as drought, forest fires, and flooding.

CDP's First Subnational Requesting Authority

On September 8, West Kalimantan became the first subnational government to take on the role of a Requesting Authority on the CDP climate disclosure platform. Better data and reporting can strengthen jurisdictional climate action, and West Kalimantan has initiated data collection from actors operating within the jurisdiction. So far, records cover 14 forestry companies, 28 palm-oil companies, and eight forest-farmer groups. Historically, financial institutions and large, multinational purchasing companies have requested information from companies and suppliers. Having a subnational requesting authority, however, will allow for harmonization across public and private domains.

Integrated Water Management in a Peatland Timber Plantation

PT Wana Subur Lestari, a concession company and wholly-owned subsidiary of Sumitomo Forestry Co. (SFC), presented an example of responsible peatland forestry based on Integrated Water Management. SFC developed a 140,000 hectare peatland management area, including timber plantations and adjacent forests. Even with low-cost infrastructure like gates, proactive water management reduces flooding, fire, and subsidence risks while maintaining wood productivity and high groundwater and soil moisture levels.

SESSION TAKEAWAYS

West Kalimantan continues to face high deforestation and degradation pressures. The response is increasingly focused on linking climate action with local economic development through sustainable commodity value chains and landscape-based management. While carbon markets and community-led initiatives like social forestry offer promising solutions, they face challenges such as regulatory uncertainty and the need for reliable, long-term financing. Ultimately, sustained success requires cross-stakeholder collaboration, capacity building, and clear jurisdictional coordination to empower local communities and protect vital ecosystems.

PRIORITY ACTIONS TO ADVANCE

- Strengthen jurisdictional data collection and compliance. Continue engagement with the CDP Requesting Authority framework for data collection across public and private domains including forestry companies, palm-oil producers, and forest-farmer groups.
- Increase knowledge exchange among GCF Task Force members to share lessons learned from initiatives such as MAJU Kalbar, Delta Kapuas, and the UNESCO Biosphere Reserve program.

MODERATORS

- Haryono Hansen Sirait, Regional Manager, CDP
- Eric Natanael, Director, Harapura Impact

SPEAKERS

- Ibu Yenny, Environmental Planning and Compliance Division, on behalf of Adi Yani, Head of the Environment and Forestry Agency of West Kalimantan (Mr. Yani was unable to attend due to the ongoing fires in West Kalimantan.)
- Professor Farah Diba, Dean of the Forestry Department, Tanjungpura University
- Fajri Nailus Subchi, Director, SAMPAN Kalimantan
- Asep Andi Yusup, General Manager of Water Management, PT Wana Subur Lestari, Sumitomo Forestry Group
- Ari Suharto, Director, Yayasan Bumi Eka Lestari (BATARI)

3. Leveraging Markets to Protect Natural Infrastructure: Carbon Markets and Nature-Based Solutions and Mechanisms

The session examined how carbon markets and nature-based solutions and mechanisms can create enabling conditions for public-private synergy.



IETA and Effective Market-Based Trading

International Emissions Trading Association (IETA) works with 300 of the world's largest companies and empowers the private sector to engage in climate action by supporting the establishment of effective market-based trading of greenhouse gas emissions and removals. Article 6 of the Paris Agreement, which established the framework for international cooperation through carbon markets, was discussed in detail. Global demand for Article 6 Internationally Transferred Mitigation Outcomes (ITMOs) is growing, and IETA found that 83% of respondents were willing to pay a premium for ITMOs over other credits. One major concern was uncertainty of the host country's framework. IETA's Business Partnership for Market Implementation (B-PMI) was created to complement the World Bank's Partnership for Market Implementation (PMI); B-PMI supports the implementation of carbon pricing instruments in PMI countries through

private sector capacity building and engagement with policymakers.

Learning from the Success of California's Cap-and-Invest Program

California's Cap-and-Invest Program, administered by the California Air Resources Board (CARB), is a successful example of a subnational-led compliance emissions trading system and one of the largest compliance markets in the world. Factors and strategies that have contributed to the program's success and a nearly 100% compliance rate include minimizing cost to industry while maximizing benefits, incentivizing early voluntary actions, providing compliance flexibility, and managing the administrative burden and leakage. In order to address private sector concerns over cost, feasibility, and legality, CARB held over 30 workshops prior to regulation adoption. CARB built relationships, provided guidance documents, fact sheets, and market notices. Other enabling conditions for a successful program include a public and transparent design process, clear reporting with third-party verification, equal access to market information, robust monitoring and enforcement, protection of industry from leakage, and investment of proceeds in communities.

ART/TREES Standard for J-REDD+

Architecture for REDD+ Transactions (ART) administers the REDD+ Environmental Excellence Standard (TREES) and serves as a quality benchmark for jurisdictional REDD+. TREES credit can be monetized via countries (Article 6 or Results Based Payments), ICAO Airlines for CORSIA, corporations with voluntary targets, LEAF Coalition, and investment funds or carbon market brokers. There are multiple options for public-private partnerships including with nested activities.

Indonesia's First Provincial-Level JREDD+ Program

East Kalimantan's Emissions Reduction Program with the World Bank's Forest Carbon Partnership Facility (FCPF) was Indonesia's first provincial-level JREDD+ program. The FCPF drove land mitigation and conservation efforts by palm oil companies while accelerating the adoption of sustainability standards like Indonesian Sustainable Palm Oil (ISPO) and Roundtable on Sustainable Palm Oil (RSPO). After initial implementation challenges, an intermediary organization was appointed to ensure fair and transparent sharing of benefits, especially with IPLCs. Moving forward, the strengthening of policy frameworks and strategic partnerships is essential to support broader, sustainable PPP adoption.

The REDD+ Paradox

Carlos Aragon, GCF Task Force Brazil Country Director, discussed the REDD+ paradox: REDD+ is both the most promising and the most contested nature-based climate solution. There is a high demand for forestry and land use carbon projects, but in order to drive progress, we must transition from debating "high integrity" to delivering on it. And in order to attract REDD+ investment, we need national advocacy, joint international advocacy, better communication of REDD+ benefits, active engagement in global consultation processes (Open Coalition on

Compliance Carbon Markets), and to provide input to the forthcoming COP31 Deforestation and REDD+ Roadmap.

SESSION TAKEAWAYS

To successfully scale private-sector participation in carbon markets and jurisdictional REDD+ programs, governments must establish clear regulatory frameworks, predictable market signals, robust safeguards, and equitable benefit-sharing mechanisms. Early and continuous collaboration between private companies, technical partners, and local communities ensures that emission reduction projects align with companies' business strategies while providing confidence and transparent benefit-sharing. A key shift in mindset is needed: the private sector should see emission reductions not only as a regulatory obligation, but also as an investment opportunity that can generate meaningful, long-term environmental and social value.

PRIORITY ACTIONS TO ADVANCE

- Continue to increase knowledge sharing by building on recent GCF Task Force initiatives such as GCF Task Force Brazil's REDD+ course and the GCF Task Force Indonesia visit to CARB.
- Explore IETA's Business Partnership for Market Implementation (B-PMI) program in Indonesia and Brazil.
- Continue providing input to the COP30 (and COP31) Deforestation and REDD+ Roadmap.
- Engaging with existing jurisdictional REDD+ programs, such as in Guyana, to learn from their experiences and apply best practices based on results.

MODERATORS

- Jason Gray, Project Director, GCF Task Force
- Syahrina D. Anggraini, GCF Task Force Country Director - Indonesia

SPEAKERS

- Björn Fondén, International Policy Manager - APAC Lead, International Emissions Trading Association (joined virtually)
- Shannon Dilley, Chief Counsel, California Air Resources Board
- Arif Budiman, Senior Technical Manager, Architecture for REDD+ Transactions
- Prof. Dr. Ir. Daddy Ruhiyat, Chair of the East Kalimantan Provincial Climate Change Council (DDPI) and Professor at Mulawarman University
- Carlos Aragon, GCF Task Force Country Director - Brazil

4. NDPE for Sustainable Commodities

This session explored how NDPE commitments can be advanced at the landscape level with better data, monitoring, collaboration, and innovation funding.



Making the Business Case for Landscape Approaches with CDP

CDP introduced its landscape questionnaire in 2020 in response to growing demand for landscape approaches and has found that the business case remains difficult; the median corporate investment in credible landscape initiatives is approximately $300,000 USD. CDP is encouraging companies to use procurement budgets for these costs, not just sustainability budgets. There is a "need to move from supply-chain sustainability toward landscape resilience, because the risks that matter most to business increasingly occur at landscape scale."

Successful Voluntary Certification in Michoacán, Mexico

Deforestation and land use change for export crops, especially avocados, presents the greatest threat to forests and biodiversity in Michoacán. In 2024, a satellite and AI surveillance system called Guardian Forestal was implemented to provide near real-time monitoring of deforestation, land use change, fires, water use and more. It allowed for protection of environmental defenders and a voluntary deforestation-free avocado certification called ProForest Avocado (PFA). Currently, over 59,000 avocado orchards, nearly 38,000 water reservoirs, and six million hectares are being monitored; 65 packing houses; four processing plants, three US importers and four marketers have been certified while 34 municipalities have experienced a reduction in deforestation. Michoacán is pushing the federal government to make avocado certification mandatory and is also expanding to agave and berry certifications.

The Power of Collaboration in Peru

The Amazon Regional Commonwealth (Mancomunidad Regional Amazónica, MRA) brings together seven regions in the Peruvian Amazon (including six GCF Task Force members - Amazonas, Huánuco, Loreto, Madre de Dios, San Martín, and Ucayali – and one non-member, Cusco) to promote low-emission development and sustainable production. The main private sector actor in the Peruvian Amazon is the small-scale producer, and MRA promotes ExpoAmazónica, the most important business fair in the Peruvian Amazon. MRA is also a member of the Coalition for Sustainable Commodities (Coalición por una Producción Sostenible), a public-private platform of 100+ organizations that aims to improve the business environment and coordination with the private sector. The Coalition has sectoral sustainability agreements in coffee, cocoa, livestock and palm oil.

Collaboration and PES in La Libertad, Peru

La Libertad, Peru, is a member of the Northern Forests Macroregional Platform (Plataforma Macroregional Bosques del Norte) along with GCF Task Force members Piura and Tumbes, GCF Task Force observer Lambayeque, and non-member Cajamarca. Together, they promote conservation, restoration, and sustainable development of the northern forests of Peru, including seasonally dry forest, mangroves, montane forests, Yunga, Parámos and more. La Libertad has worked to turn restoration into an investment-ready portfolio for private investors, for example with their water Payments for Environmental Services (PES) program Mecanismos de Retribución por Servicios Ecosistémicos (MERESE). Powered by a 0.8% levy on local water and sewer bills and agreements with local stakeholders in four headwaters, La Libertad's MERESE initiative has successfully planted 9,000 trees, established a nursery with a 22,000-seedling capacity, and developed a $1M USD investment plan. La Libertad is also developing a sustainable goat-farming business model while expanding partnerships with the agro-export sector to drive regional restoration.

Facilitating Smallholder Compliance in Central Kalimantan, Indonesia

Palm oil is by far the largest driver of deforestation in Central Kalimantan, Indonesia. There are approximately 1.8M ha of palm oil in the province, 48% of which are in forest areas and 22% of which are independent smallholder plantations. Since becoming a GCF Task Force member, the provincial government has had more partners to assist with mapping smallholder plots, which has led to increased compliance. The Rejuvenation of Smallholder Palm Oil Plantations program (Peremajaan Sawit Rakyat, PSR) was designed to avoid land clearing by increasing productivity with access to high-yield seeds and promoting sustainability through facilitation of ISPO certification.

A Vision for Sustainable Agriculture in Caquetá, Colombia

As Colombia's fourth-largest cattle-ranching department, Caquetá is addressing deforestation by transitioning from forest-clearing practices to productive, regenerative landscapes. By promoting regenerative cattle production and diversified agroforestry, the department has

improved productivity and protected resources and ecosystem services without expanding the agricultural frontier. Mechanisms include minimizing the detrimental effects of El Niño on productivity by using PES to supplement feed and ensure water supply, promoting sustainable value-added products through Territorially Focused Development Programs (Programas de Desarrollo con Enfoque Territorial, PDET), and creating alliances including with research institutions like the Amazonian Scientific Research Institute SINCHI (Instituto Amazónico de Investigaciones Científicas SINCHI).

Agri-Business and Smallholder Sustainability in Indonesia
Olam Agri, a global agri-business focused on high-growth end consumption markets, partnered with GIZ to create the Sustainable Natural Rubber Initiative (SNRI) within the Sustainable Agriculture for Forest Ecosystems (SAFE) framework. The objective of the SNRI is to "enhance the competitiveness, sustainability and market inclusion of smallholder rubber farmers, and work towards deforestation-free rubber cultivation." SNRI has partnerships with over half of the top global tire companies. To increase yields, improve sustainability, and promote EUDR-readiness, SNRI is engaging 2,000 smallholder farms, many of which are run by women, and providing training and assistance with legality and land ownership issues.

SESSION TAKEAWAYS

Achieving sustainable commodity production requires shifting from isolated projects to collaborative, landscape approaches that align governments, small and large producers, communities, and buyers around shared data and goals. The key to success is combining regulation, technology, market incentives, financing, and institutionalized collaboration so that sustainable production remains competitive while delivering benefits for forests, communities, and local economies.

PRIORITY ACTIONS TO ADVANCE

- Collaborate with CDP to increase disclosure among GCF Task Force members.
- Continue our EUDR-readiness webinar series while addressing issues discussed here, especially smallholder inclusion and capacity building.
- Assist jurisdictions with implementation of low-cost, high-tech monitoring programs like Michoacán's Guardian Forestal, while expanding public-private platforms and sectoral agreements across high-impact commodities (e.g., avocados, coffee, cocoa, and palm oil).
- Advance on technical exchanges through partnerships, such as with the EU-funded Amazonia+ Program (our joint Mecanismo de Intercambio de Políticas Públicas Subnacionales para la Gestión Ambiental Sostenible de la Amazonía (MIPA) for Amazonian subnational governments).

MODERATORS

- Fakhrizal Nashr, Regional Manager – Forests, CDP
- Daniel Coronel, Deputy Coordinator, GCF Task Force Peru

SPEAKERS

- Secretary of the Environment Alejandro Méndez López, Michoacán, Mexico
- Regional Environmental Manager Frank Eduardo Sánchez Romero, La Libertad, Peru
- Secretary of Environment and Agriculture Juan Pablo Jaramillo, Caquetá, Colombia
- Domingos Neves JDC, Policy Analyst, Plantation Agency, Central Kalimantan, Indonesia (on behalf of Vice-Governor Edy Pratowo)
- Luis Augusto Briceño Jara, Executive Director, Amazon Regional Commonwealth (Mancomunidad Regional Amazónica, MRA)
- Claire Prescott, Head of Sustainable Places, CDP
- Robi Ramdani, Responsible Sustainable Procurement Manager, Olam Agri

5. Supporting Mitigation and Adaptation through Innovative Legal Financing Mechanisms (BLUD)



This session highlighted the potential role of Regional Public Service Agencies (Badan Layanan Umum Daerah, BLUD) as an institutional and financing mechanism to support climate mitigation and adaptation at the local level. BLUDs are semi-autonomous public service delivery units that were established to improve the quality and delivery of public services while allowing for greater financial and managerial flexibility than a standard bureaucratic agency, while still remaining part of the government structure and being subject to public accountability. Therefore, BLUD can provide a more flexible institutional and financial mechanism for delivering climate-related public services, allowing revenues and partnerships to support operational needs while remaining accountable within the local government system.

Clear policy guidance and strengthened collaboration among central and local governments, private-sector actors, and other stakeholders is needed to develop effective institutional frameworks for the implementation of Carbon Pricing (Nilai Ekonomi Karbon, NEK) and climate-related programs. Stakeholders agree on the need to strengthen regional climate policies and programs, empower communities, and explore BLUD as a tool to scale climate action and overcome institutional and financing challenges.

SESSION TAKEAWAYS

BLUD can serve as an institutional and operational instrument to support the implementation of NEK and climate mitigation and adaptation programs at the regional level. Collaboration with provincial BLUDs can provide an important mechanism for supporting and scaling up programs initiated by district governments.

BLUD should be viewed as part of a broader effort to facilitate climate action, sustainable financing, community empowerment, environmental protection, and regional economic development. Stronger coordination between central and local governments, private-sector actors, and other stakeholders will be essential to translate the existing policy framework into concrete mitigation and adaptation actions on the ground.

PRIORITY ACTIONS TO ADVANCE

- Explore BLUDs as “designated entities” to assist in managing climate funding for GCF Task Force member jurisdictions in Indonesia
- Explore flexible BLUD-like entities in non-Indonesian jurisdictions.

MODERATORS

- Juliarta Bramansa Ottay, Director, Perkumpulan Mandala Katalika (MANKA)

SPEAKERS

- H. Yudia Ramli, Director of BUMD, BLUD and BMD, Ministry of Home Affairs, Indonesia (joined virtually)
- Ratih Mulia Fazriati, Legal Researcher, Padjadjaran University
- Professor Gusti Hardiansyah, Head of the West Kalimantan REDD+ Working Group and Professor of Forestry at Tanjungpura University
- Nelson Sasarari, Expert Staff to the Governor for Economic, Finance and Development, South Papua, Indonesia
- Nurminda Yurika Hartuti, Staff, Sub-Directorate BLUD, Ministry of Home Affairs, Indonesia

Conclusion and Next Steps

The exchange produced several forward-looking recommendations for the GCF Task Force network and its partners:

Develop a shared toolkit for public-private partnership models. The diversity of approaches presented — from Project Finance for Permanence to conservation funds to carbon market nesting — represents a rich portfolio of tested mechanisms. Documenting and systematizing these models into a practical toolkit would help other jurisdictions assess which approaches best fit their context and readiness.

Establish a peer-learning network on carbon market readiness. Many GCF Task Force jurisdictions are at different stages of carbon market development. A structured peer-learning mechanism — pairing experienced jurisdictions such as California or Mato Grosso with those beginning their carbon market journey — could accelerate jurisdictional readiness and reduce the risk of costly early mistakes. This would build on prior knowledge exchanges such as the one between California and Indonesia organized by the GCF Task Force in February 2026.

Strengthen platforms for private sector engagement at the jurisdictional level. The exchange highlighted the importance of creating structured entry points for companies to engage with jurisdictional programs — through disclosure platforms, investment pitchbooks, corporate action groups, and multi-stakeholder governance bodies. Scaling these platforms across more jurisdictions should be a priority.

Address the financing gap between upfront costs and results-based payments. The sessions highlighted the challenge of mobilizing resources for Measurement, Reporting, and Verification (MRV), community engagement, and project development before carbon or ecosystem service revenues become available. Designing blended financing instruments and institutional mechanisms — including BLUD and conservation funds — to bridge this gap will be critical.

Integrate smallholder support into landscape and commodity strategies. As EUDR, NDPE, and other sustainability requirements reshape global supply chains, there is an urgent need to ensure that smallholders are included rather than excluded. This requires investment in land legality, traceability, capacity building, technology, and market access at the jurisdictional level.

Continue building the evidence base for a New Forest Economy. This exchange demonstrated that a New Forest Economy is no longer just a concept, rather, it is being built on the ground across multiple continents. Tracking and communicating the results of these

jurisdictional initiatives (in terms of deforestation reduction, investment mobilized, livelihoods supported, and emissions reduced) will be essential for demonstrating that conservation can be financially competitive with conversion.

LOOKING AHEAD

Achieving long-term landscape resilience requires moving past short-term, isolated projects and embedding conservation into multi-stakeholder jurisdictional partnerships. By blending public-private investments, leveraging carbon markets, and establishing transparent monitoring systems, subnational governments can build resilient models that align sustainable development with environmental protection. Crucially, integrating Indigenous peoples and smallholders through land titling, capacity building, and viable economic opportunities ensures that conservation actively supports local livelihoods while preserving ecosystems and their services.

This Technical Exchange reinforced a central message: the GCF Task Force and its members are actively building a New Forest Economy from the ground up. The experiences shared across eight countries demonstrated that the models exist, the momentum is building, and the path forward requires deepening the collaboration between governments, the private sector, Indigenous peoples, local communities, and international partners.

The GCF Task Force will continue to support its member jurisdictions in turning the lessons of this exchange into action, building on the shared understanding that forests are not a cost to be managed but an asset to be invested in — for the benefit of communities, economies, and the climate.