

Engaging with landscape initiatives

A practical guide for supply chain companies



Introduction

Many companies in agricultural commodity supply chains have made commitments to responsible sourcing of commodities. This includes, for example, taking action to reduce deforestation, improve labour conditions, support smallholder producers and respect human rights. There are many ways in which companies can do this and it is clear that, in many cases, they need to collaborate with other companies, government agencies and civil society organisations to deliver their commitments and have large-scale impact.

Companies can implement actions both within and beyond their own supply chains, in order to achieve their commitments and contribute effectively to sustainable development (see Figure 1). **Within supply chains**, companies can require assurances from their suppliers that the volumes they purchase were produced responsibly, through certification or legal assurance. Companies can also engage with their suppliers to cascade commitments up the supply chain, driving changes in production practices.

Beyond a company's own supply chain, collaboration and alignment at landscape, jurisdictional or sectoral scale can address issues that require collective action and deliver wider impact (see *Agricultural Commodity Responsible Sourcing (ACRES)*, Proforest Responsible Sourcing and Production BN13). This provides opportunities to collaborate with other actors in production landscapes and across sectors to build local engagement and ownership, and increases the likelihood of local positive impact and contributing to long-term sustainable development.

Engaging with landscape initiatives: A practical guide for supply chain companies

Our experience has shown that actions are needed both within and beyond individual supply chains to effectively implement responsible sourcing commitments and achieve positive, long-term impacts.

Many companies are therefore seeking to work directly with initiatives to improve environmental and social outcomes in production landscapes. This can be complex since commodities are often sourced from multiple origins, which bring various opportunities, risks and contexts. At the same time landscape or jurisdictional

initiatives are being developed in many different places with different structures. They may be led by a **variety of stakeholders**, including government and civil society organisations, for different purposes.

This guide collates our learning on where and how supply chain companies can most effectively engage with these landscape initiatives to help meet their commitments, recognising the different roles and participation of other stakeholders in the process.

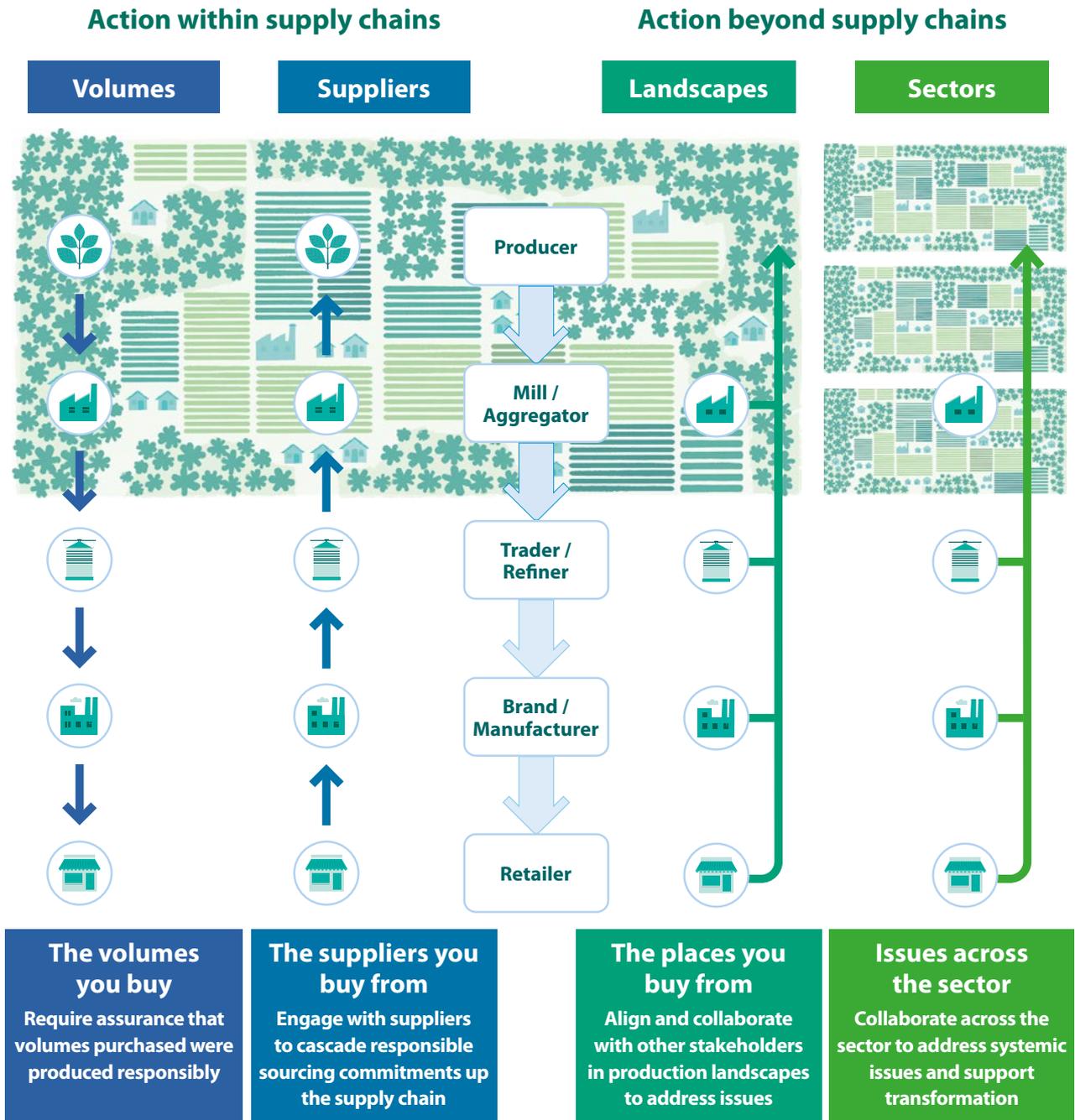


Figure 1: Supply chain companies can take action to implement their responsible sourcing commitments both within and beyond their own supply chains (see *Agricultural Commodity Responsible Sourcing (ACRES)*, *Proforest Responsible Sourcing* and *Production BN13*).

Why work at landscape scale?

Working at a landscape scale can be a way of scaling up impact. In addition, many issues central to responsible sourcing commitments are not under the control of a single producer, mill, aggregator or actor in the supply chain. Addressing these issues requires action from multiple actors in the landscape including

government, local communities, producers, civil society organisations and companies. Therefore, delivering responsible sourcing commitments can only be achieved through some sort of collaborative initiative within the production landscape.

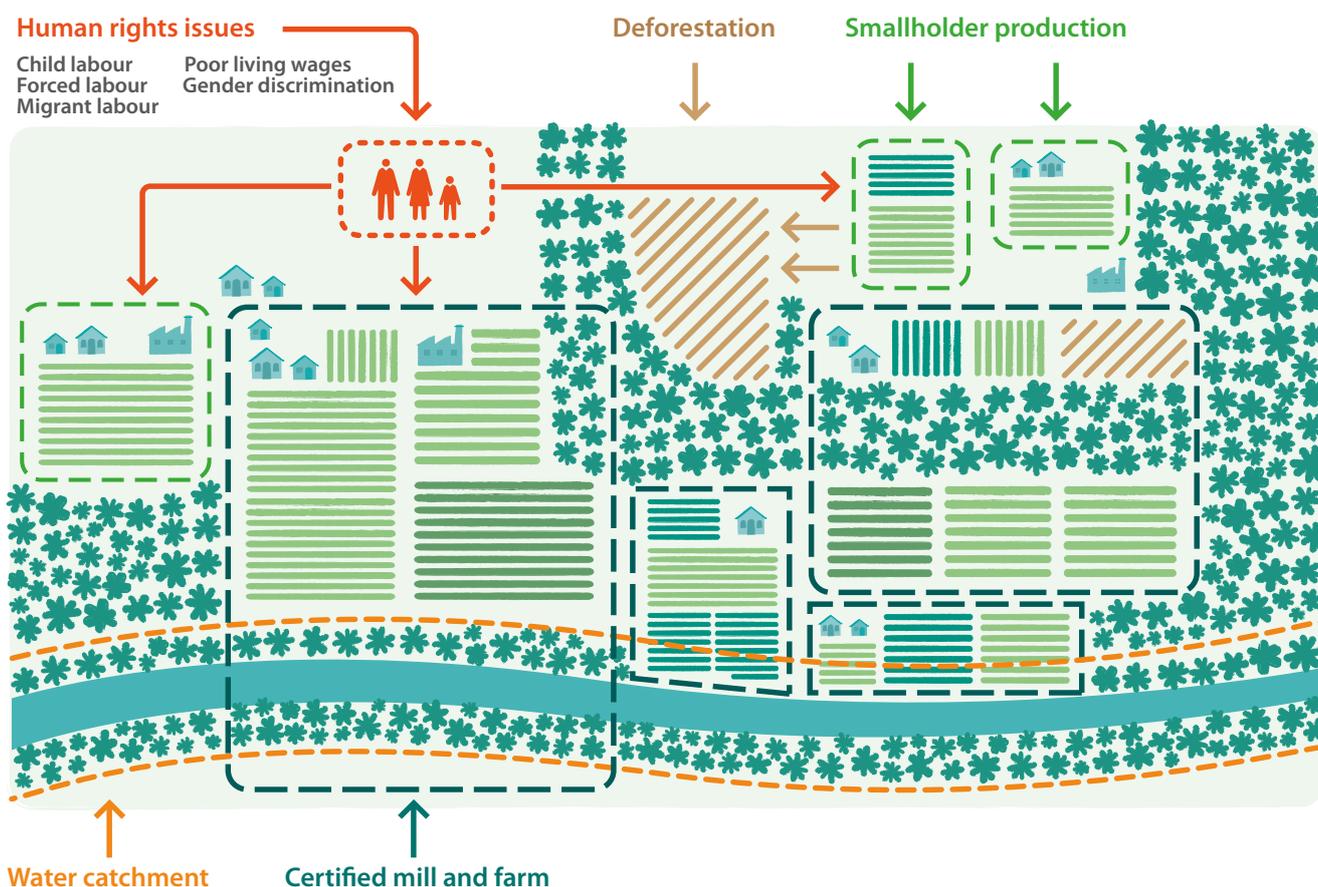


Figure 2: Schematic representation of some issues that may be more effectively addressed at landscape level.

Figure 2 highlights some issues that may be best addressed at a landscape level. For example, working at landscape level may be necessary to:

- **Maintain forests and natural ecosystems:**

Considerable progress has been made in delivering zero deforestation commitments by working with existing producers, for example, by excluding producers who are still clearing forests or other natural ecosystems. However, many of those involved in deforestation are smallholders or small-scale speculators who are not yet part of any supply chain, and so cannot be engaged through traditional supply chain approaches. Addressing

these drivers of deforestation requires engagement and collaboration in the landscape before the forest is cleared (see *Delivering company commitments to zero deforestation commodity supply chains*, Proforest Responsible Sourcing and Production BN10).

- **Resolve or avoid land conflict:** Land-use planning must involve multiple stakeholders to ensure effective and equitable land allocation and conservation. This can only happen at a landscape scale.
- **Water catchment management:** Coherent action to protect and conserve water resources requires engagement with all water users, many of whom will be outside any specific supply chain.

- **Support smallholder production:** Mills and other production sites may share a common smallholder supply base. Companies buying from smallholders through intermediaries may be unaware of the location, production standards and legal status of the smallholders who supply them. Smallholders can be more efficiently supported through collaborative action to raise awareness, build capacity and introduce more sustainable management practices. This may be more effective than trying to trace the supply chain to individual farmers, and more equitable than excluding smallholders from supply chains.
- **Protecting human rights:** Many issues in labour markets have complex root causes that need to be addressed across a sector or jurisdiction through

policy, legislation, enforcement and education. Migrant labourers, for example, can be particularly vulnerable to exploitation, and landscape-scale systems can help ensure rights are protected across a sector or jurisdiction. Gender equality and equity are fundamental human rights and key to effective and sustainable development outcomes. However, women face greater barriers and constraints to benefiting from their participation in production agriculture and supply chains. These need to be addressed systemically, together with other stakeholders including government and communities (see Proforest Gender Equality Guidance Paper 03 for responsible sourcing projects).

What do we mean by a production landscape initiative?

We recognise a range of different types of landscape or jurisdictional initiatives that supply chain companies may want to engage with (see Figure 3). Landscape or jurisdictional initiatives generally bring together elements of working at scale, participation of government and other stakeholders, agreement on shared goals, mechanisms to ensure accountability and credibility, and alignment of activities among stakeholders.

These initiatives are being developed for a variety of different purposes, including government-led initiatives such as the Produce, Conserve and Include initiative of the Government of Mato Grosso, Brazil and the Ghana Cocoa-Forest REDD+ Programme, a commodity-focused landscape programme convened by the Ghana Forestry Commission.

In addition, we also see supply shed projects and initiatives that are working ‘at scale’ and that are effective pathways for supply chain companies to implement their commitments to responsible sourcing. These supply shed projects work at a landscape scale but may lack the overall coordination or government and stakeholder participation of a landscape or jurisdictional approach. Sectoral approaches, which work across a range of locations within a single sector or commodity, can also provide a mechanism for achieving impact at scale on issues that are specific to, or best addressed through, the institutions of a sector.

In this practical guide, we include all these types of ‘at scale’ initiatives under the term ‘production landscape initiative’.



Figure 3: Landscape-scale initiatives include a spectrum ranging from supply shed projects to jurisdictional or landscape approaches, and national sectoral approaches.

About this guide

How a company engages with landscape initiatives depends partly on the company's position in the supply chain. Downstream companies (manufacturers, brands, retailers) often source from many different landscapes in different countries and first need to identify where

to engage and what initiatives would be appropriate. Upstream companies (producers, mills and traders) are closer to the production landscape and may want to engage directly with known, on-the-ground initiatives in their operational location.

Part 1 Preparing to engage in a production landscape

1. Understand the supply base and local/national context

Through supply chain mapping, understand the places where commodities are produced
Understand the risks that production does not meet responsible sourcing commitments

2. Identify priority landscapes and enabling environments

Identify priority landscapes for engagement, considering importance for procurement, level and materiality of risk, existing leverage and success factors

3. Identify initiatives, understand local motivation, governance & decision making

Identify the main initiatives and explore their goals and mandates
Explore initiatives' governance and understand local motivations driving the initiatives

4. Decide which initiatives and what approach is right

Consider whether a supply chain, landscape or sector approach, or a combination, will best deliver company sustainability objectives
Decide whether an existing initiative will help deliver sustainability commitments

Part 2 Practical engagement in a landscape

5. Clarify resources available and scope of engagement

Identify level of funds or in-kind support that can be committed over what timescale
Decide scope of engagement, such as direct funding, expertise, preferential sourcing
Consider level of engagement from limited participation to leadership role
Clarify expected timeframe for engagement and delivery of results

6. Build trust

Build trust with other stakeholders by respecting established governance structures
Consider pre-competitive collaboration with other companies

7. Plan and implement interventions

Clarify expectations for company support
Align timelines for implementation with other stakeholders

8. Communicate and coordinate

Seek to align partners' communications and plan communications in advance
Allocate a communications lead in the company; consider shared support on resources, capacity & distribution for communications
Develop a contingency plan to deal with miscommunication and adverse publicity

9. Monitor and evaluate

Align with existing landscape monitoring frameworks where possible
Seek to share common indicators and monitoring processes with other partners
Set clear rules for action if the initiative is failing to deliver expected results

Figure 4: The nine elements of engaging with landscape initiatives.

This guide is therefore divided into two sections.

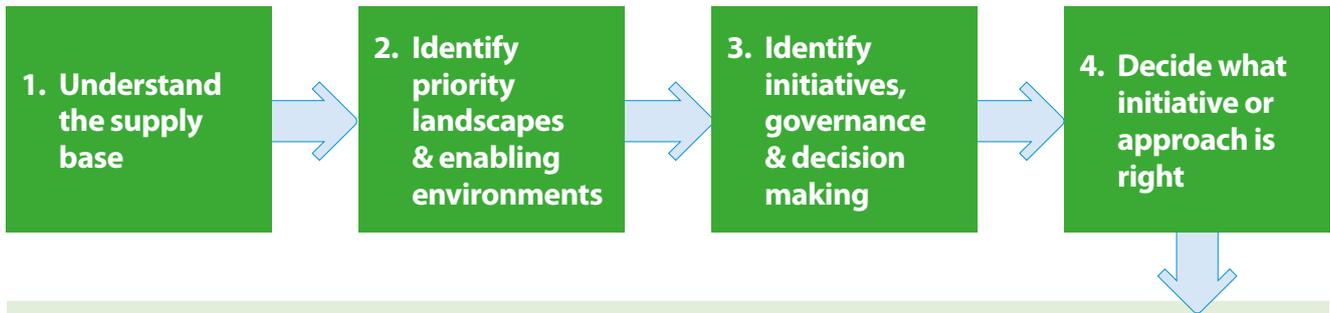
Part 1 is aimed at helping downstream companies to identify **where** to start engaging with landscape initiatives. **Part 2** is guidance on how to engage with a landscape initiative and will be useful for all companies that already know where they will work.

There are nine elements in this guide (see Figure 4). While Part 1 may be a sequential process, elements of Part 2 are likely to be iterative (see Figure 5), undertaken in parallel,

or revisited as users gain a better understanding of the opportunities and challenges.

The guide is based on experience of working with supply chain companies and our partners to better understand and deepen engagement with landscape-scale initiatives. This is a rapidly evolving area, and Proforest will continue to work with partners and companies to revise the guide over time.

Part 1: Preparing to engage in a production landscape – deciding where and what to do



Part 2: Practical engagement in a landscape – understanding how



Figure 5: Practical engagement in a landscape is not always a sequential process.



Part 1 Preparing to engage in a production landscape

Part 1 is aimed mainly at downstream companies that source from many different production landscapes. It will help companies to understand their supply base, decide where they should consider taking action beyond their own supply chain, and identify what initiatives they might engage with in different places.

Element 1 Understand the supply base and local/national context

Key points 1:

- **Supply chain mapping:** Understand the places where the commodities in the company's supply chain are produced. Identify the primary processors or aggregators. Assess the volumes that each place contributes to procurement.
- **Identify risks:** Understand the risks that production does not meet the company's sustainability commitments in each place it sources from (e.g. no deforestation, eliminating child labour, respecting community land rights or supporting smallholders).

Supply chain mapping: Responsible sourcing commitments relate mainly to production practices. The starting point is therefore to understand where the commodities in the company's supply chain are produced, and what are the main sustainability issues and risks in these places.

To decide where and how to engage it is essential to understand the supply base, including the sources of the largest volumes, which regions are strategically important for procurement, and the location of key mills, primary processors or aggregators. For **upstream** companies located close to producers, this can be relatively straightforward. The company is likely to know the location of production and have a good idea of the key issues in that landscape.

For **downstream** companies, which may have many intermediaries and source products from many different origins, understanding the supply base can be a major undertaking. Supply chain mapping traces products back through the supply chain to the production area;

often to the mill, primary processor or first aggregator (see Proforest's *Responsible Sourcing: A Practical Guide*).

Understanding risks: Once the company knows where its commodities are produced, it can assess the risks that the company's sustainability commitments may not be met in that location.

Risks can vary significantly between countries and regions within a country, so an assessment across the whole supply base is needed. This is generally a high-level review of risks and issues, which will be complemented later with more detailed on-the-ground assessment in priority landscapes.

By engaging directly with its suppliers, the company can also understand whether suppliers are operating in compliance with its sustainability policy commitments. At the same time, this process can potentially identify opportunities for leveraging positive change in the supply chain and collaborative activities with existing suppliers and customers.

Element 2 Identify priority landscapes and enabling environments

Key points 2:

Identify priority landscapes for engagement, considering in particular:

- **Importance for procurement:** are volumes sourced from the landscape significant, strategically important, or associated with existing infrastructure?
- **Level and materiality of risk:** is there a significant risk that one or more responsible sourcing commitment is not being met in the production base?
- **Leverage and success factors:** is the company present in the landscape, or close to upstream suppliers that are present? Is there local/national government leadership and commitment to sustainability? Is there already contact with relevant initiatives in the landscape?

Some companies source from only a few landscapes and so can work with all of them from the outset. However, many supply chain companies, particularly downstream companies, source from tens or even hundreds of different landscapes around the world. In this case, it is necessary to identify priority landscapes in which to start engagement, while also maintaining an overview of the whole supply base and the goal of ensuring commitments are met in all production areas. Building on the assessment in Element 1, the company can prioritise landscapes for engagement based on three main factors:

Importance for procurement: In general, landscapes supplying large volumes are likely to have a higher priority. Landscapes are also of high importance when the supply of commodities is strategically important for economic, political or logistical reasons. Upstream companies may already be closely integrated with production landscapes and may have infrastructure and ongoing activities, which would support engagement in the area.

Level and materiality of risk: Landscapes are likely to have a higher priority for engagement when there are high risks that sustainability commitments are not being met, both within the direct supply chain and in the wider sourcing landscape, or when the risk is particularly serious. For example, this might occur if there is a high rate of deforestation or fires, known human rights abuses including labour issues, gender discrimination, or conflict over land. High levels of production by independent smallholders may also indicate a need for

support to help producers implement best management practices.

Leverage and success factors: There are additional factors that are likely to help make an intervention successful. For example:

- good engagement with suppliers and upstream companies may help to implement activities
- company presence in the country or region and/or good contacts can support activities, build trust and assist learning
- prior contact with initiatives that are known to be working in the landscape and may align with company commitments, such as reducing deforestation or improving working conditions (reviewed in more detail in Element 3)
- local and national government leadership and commitment on sustainability issues provide a foundation for company action to build on, aligning their actions with local and national sustainability policies and plans.

This information should help companies to make a first selection of the landscapes where they could engage. For most companies so far, this has not been a completely systematic process, but identifying the most important landscapes for procurement and overlaying these with risk mapping usually results in several candidates. Adding existing leverage and success factors often helps the company to decide where to begin.

Element 3

Identify initiatives, understand local motivation, governance & decision making

Key points 3:

- Identify the main initiatives in the selected landscape and explore their goals and mandates.
- Explore initiatives' governance and mechanisms for private sector involvement.
- Understand local motivations driving the initiatives.
- Understand decision-making processes.

Identify initiatives in the landscape: Having identified priority landscapes, it is important to review what is already happening in the landscape. Wherever possible engagement should build on existing initiatives.

Key initiatives may have been identified already as part of the prioritisation process (Element 2). However, there may be other initiatives in the landscape that also align with company commitments, which may be identified at this stage. Initiatives can be identified through discussion with suppliers, government agencies, civil society organisations and companies working in the landscape.

Initiatives work at different scales, ranging from programmes across a whole national sector to initiatives within a landscape or jurisdiction, or there may be projects that operate across the supply shed involving collaboration between companies, government and/or civil society.

For example, if the priority issue is deforestation, national-level initiatives might include a national REDD+ programme or commodity development programme with a focus on reducing forest loss. These national-level initiatives may be active in the selected landscape.

There may also be jurisdiction-level programmes to enhance conservation and protection of forests in the state, province or district that includes the identified landscape.

Similarly, where the issue is human rights related (such as forced or child labour), national-level sectoral initiatives may be important and might be implemented in the identified landscape. Locally developed and implemented initiatives within a state or district, led by government, local non-governmental organisations (NGOs) or companies, may also be important.



Explore governance structures: Transparent governance is increasingly recognised as a key issue in the development and management of landscape and jurisdictional initiatives. For example, programmes such as the IDH Verified Sourcing Areas address the need for clarity and transparency around the governance of landscape initiatives.

Landscape initiatives are in different stages of development in different places, and governance structures may be clearly defined, or emerging and evolving with time. Furthermore, they may be led locally, sub-nationally or even nationally, with a corresponding variety of types and levels of governance. Therefore, it is important first to understand how existing governance works and what the expectations are for private sector involvement.

Understand motivations and expectations: Existing initiatives are likely to have some objectives and goals in common with the company's aims, but these are unlikely to be exactly the same. The perspectives, motivations and expectations of the people involved in an initiative may differ considerably from the company perspective.

For example, while a company's main objective may be to deliver its commitment to reducing deforestation, a locally-based initiative may be primarily concerned with improving livelihoods, in addition to – or as a means towards – reducing deforestation. The drive to deliver on global priorities such as reducing deforestation will have little resonance at local level if initiatives do not create positive outcomes for local communities and governments.

Communities may be more motivated by issues such as improved livelihoods, better markets, access to resources or greater security of land rights. Meanwhile, local governments need to address local priorities including economic opportunities, protection of human rights, and provision of key services and environmental security. It is important to frame outcomes in ways that align with these local priorities. If initiatives do not contribute to these goals, they are unlikely to succeed.

Decision making: It is also important to understand at what level key decisions are being made that determine environmental and social outcomes of commodity production.

- Some decisions are controlled at a national or sub-national jurisdictional level, so it is important to understand the actors involved and their motivations, capacity and goals.
- Other decisions may be made by local actors – community leaders, local entrepreneurs, heads of households and individual smallholder producers – bearing in mind that many of these are men, so specific initiatives are necessary to bring in women's voices. Change in the behaviour of local actors will only be sustained if it is locally owned by both women and men.

This means initiatives aimed at greater sustainability in production must often work together with national and sub-national government, as well as community and farmers' leaders and other local stakeholders such as women's rights groups, to agree and implement interventions.

Understanding local motivations, perspectives and decision making provides the basis for having common expectations, appropriate incentives and aligned objectives (see Box 1). A company may try to understand this context before engaging with an initiative, for example by:

- identifying issues that matter to local stakeholders, (e.g. livelihoods, food security, productivity, health, land rights and access to and control of resources and migration) which may go beyond company objectives
- assessing the extent to which the company's commitments to responsible sourcing will be achieved by supporting the initiative
- understanding local decision-making processes including the actors, timeframes and planning contexts that interventions need to meet.

The process of engaging with an initiative may also help supply chain companies, especially those downstream, to understand local perspectives. For example, Box 1 describes how a coalition of companies have sought to align private sector action with local priorities in the Siak and Pelalawan districts of Riau Province, Indonesia.

Box 1: Understanding local priorities in the Siak and Pelalawan districts of Indonesia

Proforest and Daemeter are working in two districts of Indonesia with a coalition of eight companies engaged in the palm oil supply chain. The aim is to develop a programme of private sector actions that support local efforts and multi-stakeholder platforms to advance a shared vision of sustainable, inclusive production. To do this it is essential to understand local needs and other existing initiatives, as well as the process and timelines involved in district planning frameworks.

The coalition of companies reviewed the goals and objectives of organisations working in the two districts, including government policy and initiatives, the Siak Road Map (developed by Saudagho Siak, a coalition of local NGOs) and the Sustainable Palm Oil National Action Plan in Pelalawan. Key local actors from NGOs, civil society organisations, and the private and public sectors were consulted to identify the root causes of issues in the districts and point to suitable interventions. This helped to identify appropriate goals, activities and timeframes that are in alignment with district plans, and activities implemented by other organisations that could be scaled up and replicated. The partners shared the proposed interventions with government actors and other key stakeholders for further development.

Element 4 Decide which initiatives and what approach is right

Key points 4:

- **Supply chain, landscape or sector: consider whether company sustainability objectives will be best addressed through a supply chain initiative (buying compliant volumes or working with suppliers), or collaboration with a landscape, jurisdictional or sector initiative, or a combination of both.**
- **Decide whether an existing initiative will help deliver sustainability commitments.**

Having identified initiatives in the selected landscape, and explored their governance, motivation and decision making, the company needs to decide:

- whether a landscape, jurisdictional or supply chain initiative is best to help ensure that sustainability commitments are being met in the landscape
- whether an existing initiative in the landscape will help to achieve this.

Landscape scale or supply chain: Companies can work both within and beyond their own supply chain to implement activities that will help meet their commitments to responsible sourcing. It may be practical to work on some issues through the direct supply chain, and others through wider landscape initiatives, or through a combination of both approaches.

For example, where issues are largely under the control of individual companies or suppliers, it may be effective to focus on supplier engagement or buying

volumes that are verified as complying with sourcing commitments through certification, legal assurances or other mechanisms. (Supplier engagement is covered in more detail in *Responsible sourcing in practice*, Proforest Responsible Sourcing and Production BN08.)

However, many issues are not under the control of a single company or supplier in the landscape (see “Why work at Landscape Scale?” above).

Many different actors – government, local communities, NGOs or companies beyond the supply chain – may have an influence on the causes of, and solutions to, a problem. In these situations, a landscape, jurisdictional or sectoral approach may provide a framework for collaboration.

In some cases, a combination of supplier engagement and working with wider landscape initiatives may prove the most effective way to achieve impact across a number of issues.

Assessing landscape initiatives: Box 2 provides a list of criteria to help companies assess landscape initiatives. The criteria are divided into three sections. Goals describe whether the initiative aims to achieve results that match the company's objectives. Governance and transparency describe how effectively the initiative is likely to deliver its objectives. Mandate and inclusiveness

cover the initiative's willingness to include stakeholders, including companies.

Initiatives are unlikely to completely meet all criteria, but they give an indication of the strengths and weaknesses of different initiatives.

Box 2. What is a 'good' landscape initiative?

Below is a list of criteria which have been used by companies to help them assess landscape initiatives. It is unlikely any single initiative would meet all the criteria but they provide a framework for comparing initiatives and building an understanding of strengths and weaknesses.

Goals

- ✓ There are clear goals and milestones
- ✓ It will help the company to meet its commitments on responsible sourcing and production
- ✓ It covers important issues for the sector
- ✓ There will be tangible benefits at scale
- ✓ There are safeguards in place to protect and advance human rights and protect vulnerable groups from harm

Governance and transparency

- ✓ There is credible leadership
- ✓ There is a clear governance process, with identified roles and responsibilities
- ✓ There are appropriate incentives and sanctions that support implementation
- ✓ There is credible implementation
- ✓ There is a system to monitor progress and adapt to changing circumstances
- ✓ There is transparency on finance

Mandate and inclusiveness

- ✓ It engages with relevant stakeholders (including communities, civil society organisations, producers and government) and offers a genuine opportunity to participate and influence
- ✓ It respects and recognises local people's rights and interests
- ✓ There is willingness to collaborate with the private sector
- ✓ There is a business case for all parties to engage
- ✓ It is clear what is expected from the company (what role, how long for, etc)

Part 2 Practical engagement in a landscape

Part 2 provides guidance on how the private sector can engage with landscape initiatives. It assumes that there is already a basic understanding of issues, risks and initiatives.

Element 5 Clarify resources available and scope of engagement

Key points 5:

Be clear in advance about the scale of available resources to invest in an initiative and the scope and level of engagement envisaged:

- **Scale of support:** The company needs to have an idea how much money or other in-kind support could be committed and over what timescale. This is likely to be very important to other actors in the initiative.
- **Scope of engagement:** Think about the way in which the company plans to engage and support the initiative. This might be through direct funding, provision of expertise, preferential sourcing or other support, such as advocacy.
- **Level of engagement:** Consider how involved the company aims to be with each initiative it engages with, as this may vary from very limited involvement to active participation, or even a leadership role.
- **Timeframe:** the timeframe for engagement and delivery of results needs to be clear and factored into company planning and reporting.

Scale of support: Growing interest in landscape initiatives is prompting an increasing number of supply chain companies to express interest in engaging, but they are not always clear what resources they are prepared to invest. However, for the other actors in the landscape initiative, this is likely to be the most important aspect of supply chain company engagement. Companies should therefore decide early on what they can bring to a landscape initiative in terms of both scale of support and approach to engagement. Landscape approaches have great potential to achieve impacts at scale, but they also require significant investment, often over long timeframes. It is therefore important to be clear what resources are available over what time period.

Scope of engagement: Upstream companies, closer to production and aggregation, have local contacts, infrastructure, technical staff and investment on the ground. They may have political connections and social capital that can help an initiative move forward. By contrast, downstream companies are likely to be more distant, and contributions may be focused on finance, preferential sourcing or communication support.

Different ways of engaging may therefore be appropriate for different companies, even in the same landscape.

For example:

- **Funding for action in the landscape:** As jurisdictional and landscape initiatives emerge, they are more able to identify activities and interventions on the ground, and associated costs. They can then seek partners and financial support from companies and other funders. Some of these activities may be directly related to responsible sourcing commitments (e.g. supporting improvements in smallholders' agricultural management or training on good labour practices). Others may be more indirect, such as funding a land-use planning process or building alternative employment options to reduce dependency on illegal expansion of production areas. The amount of funding required also varies enormously from a few thousand to many millions of dollars.
- **Funding for the initiative:** Many companies commence their support by offering funding directly to the initiative for meetings, planning, travel and staff. This can be a useful way to begin the engagement and the budget is likely to be relatively modest. However, this approach provides only limited benefits to those living and working in the landscape.

- **Expertise and staff resources:** Upstream companies in particular may provide expertise, infrastructure and staff rather than funding. This is particularly useful for activities such as training and capacity development, supporting extension services, engaging with local or even national government, hosting meetings, communicating with local communities about women's and men's priorities or providing expertise such as mapping and surveys.
- **Supporting and measuring progress:** Many companies have experience with setting, measuring and reporting against progress indicators. Companies may be able to bring this knowledge to an initiative and support the development of planning, monitoring and evaluation processes.
- **Communications and visibility:** Support for communications and visibility has been very useful for some landscape initiatives and can help link local initiatives to national and international platforms and supply chains, as well as increasing visibility to potential inward green or impact investment. It can be very motivating (and useful) for local politicians and producers to receive public recognition, helping to maintain commitment and momentum.
- **Preferential sourcing from the landscape:** Preferential sourcing is the focus of much discussion. It assumes that if companies focus

their procurement on landscapes where effective sustainability programmes are being implemented, it will provide immediate incentives for better practices at landscape scale through better access to markets. Preferential sourcing may also help companies improve control of mid- to long-term operational, physical or regulatory risks. The Verified Sourcing Areas concept developed by IDH seeks to build on the concept of preferential sourcing by identifying and assessing progress in such landscapes and linking them to committed end buyers. Where preferential sourcing is possible at scale it may be very effective, but companies need to involve procurement staff in discussions before making any commitments, since there may be logistical and commercial limits to preferential sourcing options.

Box 3 outlines an example from Mato Grosso in Brazil of one of the most developed jurisdictional approaches, which has developed its own guidance for companies on ways to engage.

Box 4 outlines the Accountability Framework Initiative guidance for companies on how to engage with stakeholders at different stages in the supply chain to support landscape approaches.



Box 3: The Produce, Conserve and Include initiative in Brazil

The Produce, Conserve and Include (PCI) initiative in Mato Grosso is a jurisdictional approach that aims to combine sustainable low-carbon production with environmental conservation and social inclusion. Its goals are to increase the productivity of agricultural commodities including soy, maize and cattle, while maintaining native vegetation cover and reducing deforestation. Mato Grosso State is Brazil's largest agricultural producer. Meeting its PCI goals will avoid approximately 6.6 gigatons of greenhouse gas emissions by 2030 and create a scalable model that can be replicated across Brazil and beyond. The initiative has developed guidance to help companies engage and information on the benefits of participation.

PCI guidance includes:

- **Engage in the Corporate Action Group:** This group will connect approximately four times per year to discuss pertinent items and help companies get exposure to on-the-ground and large-scale opportunities.
- **Support one or more priority projects that drive toward PCI goals:** PCI has identified priority projects that are ripe for replicability and scale. Companies can provide technical or financial assistance to these projects.
- **Commit to source from PCI projects:** This sends a demand signal that sustainable development increases access to markets.
- **Voice support for the PCI strategy:** Companies should communicate with their supply chain partners and the public, and participate in policy conversations in Brazil.

The benefits of participation for companies include:

- progress toward corporate forest goals
- incentives for sustainable expansion of production
- robust and transparent state-wide monitoring
- reduced deforestation risk across the state
- social and environmental safeguards
- progress toward corporate climate goals
- proof of concept for a new model of leadership in combating deforestation.

See: www.pcimonitor.org for more information

Box 4: Accountability Framework initiative

The Accountability Framework initiative is a collaborative effort to provide clear and consistent guidance to companies on how to set, implement and disclose progress towards their ethical supply chain commitments. Core Principle 10 of the Accountability Framework provides specific guidance on how companies at different stages of the supply chain may contribute to sector, landscape and jurisdictional initiatives to foster collaboration for landscape and sectoral sustainability, including:

- Companies that develop, own or manage land participate in – or support – multi-stakeholder planning and policy efforts at landscape or jurisdictional scale to improve land governance, avoid deforestation and conversion of other natural ecosystems, and prevent adverse impacts on human rights.
- Work with governments and other stakeholders to promote the publication of maps and other relevant information to help accelerate the implementation of sustainable practices and initiatives, facilitate monitoring and foster transparency.
- Participate in sector initiatives to create collective or aligned goals, commitments, standards, coordinated implementation processes or monitoring systems.
- Remain engaged in settings characterised by moderate to high social or environmental risk or poor governance, with a focus on using their influence to address such risks.
- Encourage suppliers and customers to support multi-stakeholder planning and policy efforts.
- Ensure the company's engagement with government meets legal obligations and company commitments.

The Accountability Framework includes further specific actions that can be taken by upstream actors, midstream traders and downstream buyers to ensure their supply chains are free from deforestation, ecosystem conversion and human rights violations, thereby contributing to the broader landscapes and jurisdictions from which they source.

See: www.accountability-framework.org for more information.

Level of engagement: When joining an ongoing initiative, companies should be clear about the level of engagement they expect to have. Some companies may want to be involved proactively in all aspects, from priority setting and identification of interventions to implementing activities on the ground. For others, a supporting role may be more appropriate. Downstream supply chain companies often buy from multiple locations, most of which are likely to need some action, and this may limit the engagement the company can have with each landscape. Furthermore, some initiatives already have a clear programme of priorities and interventions, and it may not be appropriate for

a company to try to influence these. It is therefore important that companies are clear on their level of engagement in each landscape where action is needed (see Box 5).

Timeframe: Landscape programmes are complex, multi-stakeholder initiatives which take months to establish and years to deliver results. Most companies are much more used to annual planning and reporting cycles so it is important that there is a clear understanding at all levels within the company about the expected timeframe over which engagement will be required, and before results are obtained.

Box 5: Extent of engagement with initiatives

Companies should be credible, robust and transparent in taking responsibility and contributing resources that are commensurate with the scale of their buying. They should be realistic about what they can do in each place. Across the whole supply base, engagement might range from leading some initiatives to limited or minimal engagement with others, especially when they are already involved with several other initiatives.



Figure 6: Levels of company engagement

Element 6 Build trust

Key points 6:

- **Build trust with other stakeholders by respecting established governance structures where they exist and proactively supporting emerging processes where governance is unclear.**
- **Consider pre-competitive collaboration with other companies to align on engagement with the initiative.**

Build trust and respect governance: Getting to know the other actors in a landscape and building trust is a crucial part of the engagement process. Some initiatives will already have clear governance processes and it is important to identify how companies fit into these processes and work within that role. For example, nationally led programmes such as REDD+ processes often have clearly defined (and sometimes complex) processes for private sector engagement.

Box 6 highlights an example of the process for involving private sector in the Ghana Cocoa-Forest REDD+ Programme. In contrast, many local initiatives are led by local government or NGOs with less clearly defined rules and where the contributions and role of private sector in governance and implementation are still being discussed or developed.

Box 6: Understanding how companies can participate in Ghana

When discussing their role in landscape initiatives, companies need to ensure they understand all governance structures and requirements around their role. In Ghana, numerous cocoa companies are working with the Ghana Cocoa-Forest REDD+ Programme in nine Hotspot Intervention Areas (HIAs) across the cocoa-growing region. In order to be recognised as an implementing partner, companies need to comply with the established requirements that govern how they can engage in an HIA.

To gain recognition, companies need to sign a memorandum of understanding with the Ghana Forestry Commission. This may be based on a planned or existing investment by the company or a consortium of companies in any of the HIAs in Ghana. The agreement, known as a tripartite framework, is arranged between the consortium of external stakeholders comprising companies, a convener and relevant government institutions; the HIA Landscape Management Board; and the Ghana Cocoa Board. Before an agreement can be signed, partners need to carry out a landscape assessment and develop a landscape governance structure to ensure that the interests of all partners are fully reflected in the management plan.

Companies therefore need to engage as appropriate to each initiative. Where governance is unclear, it is important for companies to work proactively and carefully to build trust with a range of other actors in the landscape. In many places there may be historical tensions between companies, NGOs, communities and local government. Understanding and acknowledging these, while also building personal and professional relationships and improving communication, is a crucial part of the engagement process.

It is also important to understand how inclusive the governance is for local stakeholders and whether it allows representation and participation of different

groups of people living in the landscape – particularly small producers that might be in the company's supply chain. In some cases, it may be appropriate to include support for local institutions of governance to enable more local ownership of decision making, particularly by women who are historically left out of decision-making processes.

Pre-competitive collaboration: Companies at different stages in the supply chain are also likely to have different levels of engagement in the governance of an initiative. It may be practical and effective for companies sourcing from a landscape to collaborate with other companies and to engage as part of a

pre-competitive coalition. This enables companies to coordinate their inputs across common issues and to provide a coherent voice in governance, but it requires an active and committed process of coordination.

A neutral convener can help to build trust within coalitions, as well as bridge trust with other stakeholder groups, to allow real engagement to take place. A convener ideally is an organisation that is able to communicate with various stakeholders, including civil society organisations, government and the private sector, to see their differing perspectives and facilitate a common understanding. As a coalition of companies may include market competitors, it is important that

the convener is also able to bridge interests and is seen as neutral.

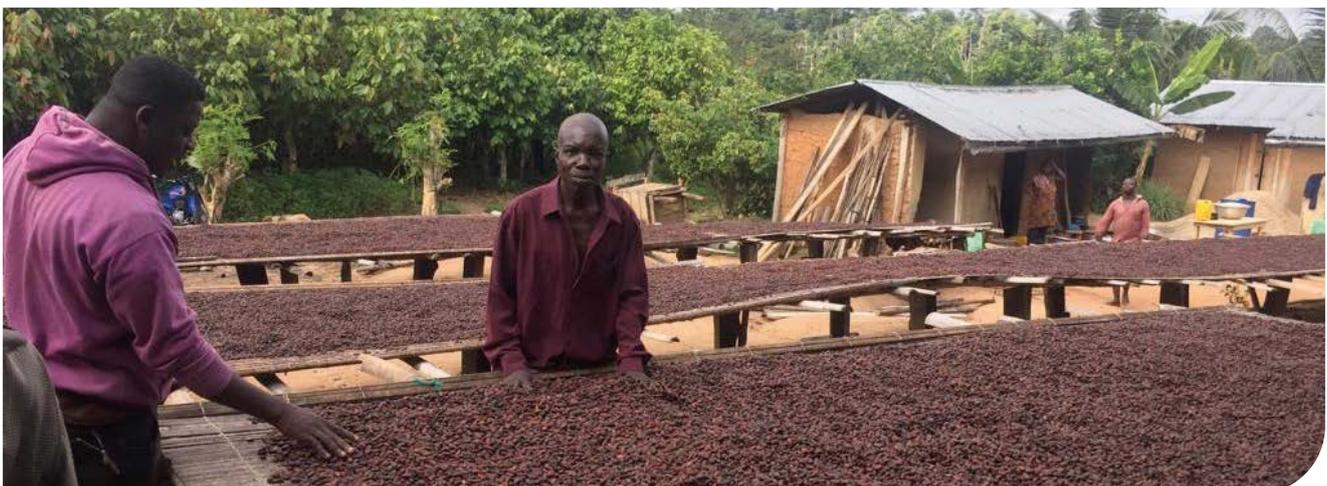
For example, in the Siak and Pelalawan districts of Indonesia, eight companies working in the palm oil sector have joined forces to work as a coalition (see Box 1). The CORE partnership (made up of Proforest and Daemeter) plays the role of convener and can communicate about the coalition and present their interests externally. Coordination among a coalition of companies may be supported by the development of internal guidelines and principles, such as those outlined in Box 7.

Box 7: Forming a company coalition

Companies sourcing from a single landscape may find it helpful to come together as a private sector coalition. This has the advantage of pooling their resources on common areas of interest and providing a unified voice when working with other stakeholders. Bringing together and managing a pre-competitive coalition of companies can require a lot of time and energy. In order to guide members of the coalition and support collaborative working, it may be useful to develop:

- guiding principles that describe the structure and decision-making processes in the coalition, and what requirements there are on new members
- guidelines on contributions, including how financial and in-kind contributions are measured and managed, financial controls, and levels of contribution expected of members from different parts of the supply chain
- a communications protocol to agree among companies what can be communicated and when about the coalition and progress in interventions and outcomes
- documents covering the relationships between members of the coalition, including a memorandum of understanding or cooperation agreement, non-disclosure agreement, anti-trust statement, and data-sharing agreements.

(See *Siak Pelalawan Landscape Programme*, Proforest Production Landscape Programme BN03.)



Element 7 Plan and implement interventions

Key points 7:

- Clarify expectations for companies' support or action on different interventions
- Agree and align timeframes with other stakeholders.

There are many different ways companies can contribute to production landscape initiatives, ranging from funding or leading activities within the landscape to making preferential sourcing agreements.

Given the range of possible types of landscape initiative and action, there is great variation in the type and scale of companies' interventions. However, there are some common factors that are useful to consider.

Manage expectations: It is useful to set out jointly what all stakeholders expect to happen and when, and to align these processes with existing timeframes. Distinct phases of implementation can be identified, with clear expectations for delivery at each stage. Gaining such agreement can be a slow process because there are often multiple actors working in the landscape who may have different priorities and timeframes. For all these reasons, it is essential to take time to consult and discuss.

All relevant actors, including those directly affected by the initiative, should be involved in planning and delivering interventions, as well as monitoring and

feedback. For example, if an intervention aims to support smallholder farmers it is important that they (or their representatives) are involved at all stages.

Agree and align timeframes: It is also important to manage expectations, both internally and externally, about activities that are planned or underway, what they are likely to deliver and over what timeframe.

While timeframes for implementation should be as clear as possible, they often depend on external factors. Where possible, companies should align their timelines for implementation with those of other stakeholders. Company hierarchies often require quick results, so it is important to be clear about what can be realistically achieved. For example, for the Siak and Pelalawan Landscape Programme implementation plan, the coalition companies and CORE agreed to set milestones every 6 months with clear key performance indicators (KPIs) for short-term deliverables and achievements.



Element 8 Communicate and coordinate

Key points 8:

- Actively try to align all partners' communications. Ensure that all partners' claims are credible.
- Plan communications ahead of time to allow for approval and revision by other organisations' communications teams and senior management.
- Allocate a communication lead within the company and identify equivalent leads in partner organisations.
- Have contingency plans in place to deal with miscommunication, bad news and adverse publicity.

Landscape initiatives by their nature involve collaboration between different organisations, including private sector, government, local communities and civil society organisations. However, these types of organisations tend to operate at different speeds. Company teams can feel pressure to show rapid progress, for both internal and external audiences. Yet at a landscape level, progress may be difficult to demonstrate. This is especially true at the early stages of a landscape initiative when much effort goes into planning, building institutions and collaborative processes, defining governance processes and ensuring stakeholder buy-in and participation.

It may be particularly tricky for companies to communicate their support for landscapes or jurisdictions where deforestation and other social and environmental issues are being tackled, but progress is slow. There is considerable pressure on companies to ensure their supply chains are free from deforestation, damage to peatlands, land conflicts and human rights abuses such as exploitation in the labour force

and gender discrimination, and it can be difficult to communicate the value of engaging in high-risk landscapes to address the issues rather than disengaging from the landscape. Careful communication across all partners is important in such situations.

At the same time, it is useful for the company to share experience about engaging with landscape and jurisdictional initiatives through platforms such as the Tropical Forest Alliance, to share their knowledge and seek support from other supply chain companies.

Any claims made about progress and impacts therefore need to be agreed among all parties to maintain a common narrative that is supported by the evidence. To support this, it may be helpful to agree a communications protocol that sets out what can be communicated and when. If participant companies have key performance indicators and timescales they need to promote, these can be incorporated into expectations and their communication can be agreed and shared.



Representatives of government and the private sector coordinated to publicly communicate their support for the Siak and Pelalawan Landscape Programme in Riau, Indonesia.

Element 9 Monitor and evaluate

Key points 9:

- An established landscape initiative may have developed its own monitoring and evaluation framework. Where possible, company monitoring should align with this.
- Where new processes need to be developed to monitor progress of the landscape initiative, companies should seek to share common indicators and processes with other partners. Companies may want to monitor their own KPIs as well, to track the progress of their engagement with the landscape initiative.
- Set clear rules to guide the company's action if monitoring shows the initiative is failing to deliver the expected results.

Monitoring and evaluation are likely to be needed at several levels of company engagement in a landscape initiative, including the:

- process of engagement with the landscape initiative, and whether this meets the company goals or KPIs
- progress of the landscape initiative in delivering its own goals and implementation plans
- the management of financial resources.

A landscape initiative may have well defined monitoring indicators and processes to collect and share data. Where possible companies should align their monitoring with other partners and collaborate on data collection. Where mechanisms for monitoring and evaluation have not been defined, it is helpful to agree monitoring indicators across partners to ensure data collection is collaborative and aligned. Collecting baseline data at the start will allow progress to be measured.

In addition, the company may also need its own review of the effectiveness of engagement with the landscape initiative. Processes for evaluating progress and taking action where progress is not as expected should be agreed with partners in the landscape initiative. If an initiative is not delivering results as expected, the company may need to increase its involvement or commit greater support. Setting clear rules at the start will also help the company to decide under what conditions it should disengage from an initiative.

Several tools are being developed to support the assessment of change in sustainability performance at landscape level. Consider using or aligning with an external framework, such as LandScale or the IDH Verified Sourcing Area model, to measure progress. Box 8 outlines the LandScale approach to assessing landscape performance.

Box 8: Assessing progress at landscape scale

A number of tools are being developed to support assessment of progress towards environmental and social goals at landscape or jurisdictional scale. These include LandScale, the IDH Verified Sourcing Areas, and the Commodities-Jurisdictions Approach.

LandScale (formerly the Landscape Standard) aims to provide a common approach for assessing and communicating landscape sustainability performance. It comprises a measurement framework covering four themes: ecosystems, human wellbeing, governance and production; it also aims to provide a verification and assurance mechanism and results platform. Developed by Rainforest Alliance, Verra and the Climate Community & Biodiversity Alliance, it is being piloted with partners in a range of landscapes.

	SUSTAINABLE LANDSCAPE GOALS	INDICATORS	Bold = required Standard = context dependent
1. ECOSYSTEMS	1.1 Protect and restore ecosystems	1.1.1 Natural ecosystem conversion	
		1.1.2 Natural ecosystem degradation	
		1.1.3 Ecosystem restoration	
	1.2 Protect biodiversity	1.2.1 Threatened species	
		1.2.2 Biodiversity habitat conversion	
	1.3 Maintain and enhance ecosystem services	1.3.1 Water quantity	
1.3.2 Water quality			
2. HUMAN WELLBEING	2.1 Improve standard of living, especially for vulnerable and marginalized groups	2.1.1 Poverty, disaggregated by population segment	
		2.1.2 Food insecurity, disaggregated by population segment	
	2.2 Respect, protect, and fulfill human rights	2.2.1 Child labor	
		2.2.2 Forced labor	
		2.2.3 Workers' rights	
		2.2.4 Other human rights (HRs)	
3. GOVERNANCE	3.1 Recognize and protect rights to land and resources, and reduce related conflicts	3.1.1 Land & resource tenure security	
		3.1.2 Land & resource conflicts	
	3.2 Promote transparency, participation, inclusion, and coordination in land use policy, planning and management	3.2.1 Land use plan adoption & enforcement	
		3.2.2 Coordination of government agencies in land use policy, planning & management	
		3.2.3 Stakeholder participation & inclusion in land use policy, planning & management	
		3.2.4 Illegality and corruption related to land & resources	
4. PRODUCTION	4.1 Promote regenerative agriculture and plantation forestry	4.1.1 Agricultural & forest plantation productivity	
		4.1.2 Resource use efficiency in agricultural & forest plantation production	
	4.2 Promote sustainable extraction and use of natural resources	4.2.1 Pollution from extractive industries and infrastructure development	

*This framework will be revised based on feedback from public consultation and testing in pilot landscapes

Figure 7: The draft LandScale Assessment Framework, July 2020

Proforest Responsible Sourcing and Production Briefing Notes

available from www.proforest.net

- BN01:** Delivering responsible sourcing in practice: an integrated approach
- BN02:** Introduction to landscape or jurisdictional initiatives in commodity agriculture
- BN03:** Implementing responsible sourcing – using landscape or jurisdictional initiatives
- BN04:** Building on legality
- BN05:** Smallholder engagement
- BN06:** Geospatial risk assessment and ‘no deforestation’ commitments
- BN07:** The high carbon stock approach: an update
- BN08:** Responsible sourcing in practice: supplier engagement
- BN09:** Socio-environmental monitoring of the cattle sector in Brazil
- BN10:** Delivering company commitments to zero deforestation commodity supply chains
- BN11:** Practical assessment and monitoring of forest biodiversity
- BN12:** Accelerating implementation of responsible sourcing commitments: a framework for progress to 2020 and beyond
- BN13:** Agricultural Commodity Responsible Sourcing (ACRES): taking action within and beyond supply chains

Proforest Production Landscape Programme Briefing Notes

- BN01:** Supporting companies to work at a landscape scale
- BN02:** Development of a landscape programme in Siak and Pelalawan, Indonesia
- BN03:** Siak Pelalawan Landscape Programme – how companies collaborate and engage

Proforest Gender Equality Guidance Papers

- 01** Gender Equality Guidance Paper for projects to implement responsible production
- 02** Gender Equality Guidance Paper for fieldwork
- 03** Gender Equality Guidance Paper for responsible sourcing projects
- 04** Gender Equality Guidance Paper for facilitating multi-stakeholder initiatives



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