



Landscape Approaches

Lessons from P4F's portfolio on designing sustainable, integrated, and responsible practices





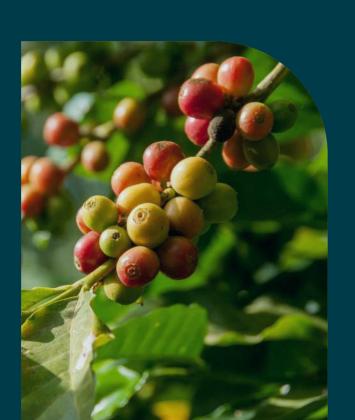


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Bukit Tigapuluh (BTP)

Protection Forum



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Glossary and Acronyms

Landscape

Multi-functional geographical area where various stakeholders and their interests are connected through ecological or socio-economic relationships (Tropenbos and EcoAgriculture Partners, 2017 (2)). The number of stakeholders and functions within a landscape often leads to 'overlapping and conflicting interests' (ibid) that can affect the success of wider environmental and social activities.

Landscape approach

Collaboration of stakeholders within a defined natural or social geography, such as a watershed, biome or company sourcing area. These approaches seek to reconcile competing social, economic and environmental goals through 'integrated landscape management'—a multi-stakeholder approach that builds consensus across different sectors with or without government entities (TFA, Proforest, and WWF, 2020). Fundamentally, they involve multiple stakeholders with an aim to align activities around a unified goal, action, or issue.

Jurisdictional approach

A type of landscape approach operating within sub-national or national administrative boundaries with active government involvement. Some engage multiple jurisdictions within a biome or physiographic region (TFA, Proforest, and WWF, 2020).

Social License to Operate (SLO)

Derived from corporate social responsibility, SLO describes 'the acceptance/approval of communities and stakeholders in a landscape on a company's operations'. It also describes the process by which companies move towards gaining legitimacy from local communities (Gehman, Lesrud and Fast, 2017 $\ \ \ \ \ \ \ \ \ \ \$) and has gained prominence in the context of oil, gas, and other natural resource industries.

Conservation Area in East Kalimantan, Indonesia





| 3PRCL | Partnership for Productivity, Protection and Resilience in Cocoa Landscapes | GPSNR | Global Platform for Sustainable Natural Rubber |
|----------|---|--------|--|
| ABT | Alam Bukit Tigapuluh | HCSA | High Carbon Stock Approach |
| ADP' | Amsterdam Declarations Partnership | HCS(+) | High Carbon Stock (Plus) |
| AFR100 | African Forest Landscape Restoration Initiaitye | HCV | High Carbon Value |
| APOI | Africa Palm Oil Initiative | HIA | Hotspot Intervention Area |
| ARSX | Xingu Seeds Network | IDH | The Sustainable Trade Initiative |
| ВОРР | Benso Oil Palm Plantation | ISLA | Initiative for Sustainable Landscape |
| ВТР | Bukit Tiga Puluh (Protection Forum) | ISP0 | Indonesia Sustainable Palm Oil |
| CFI | Cocoa and Forest Initiative | LUC | Land Use Change (Analysis) |
| COCOBOD | Ghana Cocoa Board | KVTC | Kilombero Valey Team Company |
| | | LBC | License Buying Companies |
| COOPAVAM | Cooperativa de Agricultores do Vale do Amanhecer | MCDI | Mpingo Conservation Development Initiative |
| СОР | (UN Climate) Conference of Parties | MFC | (Kenyan) Mau Forest Complex |
| CMC | Cocoa Marketing Company | ND | No Date |
| CREMAs | (Ghanian) Community Resource Management Areas | NDPE | No Deforestation, No Peat Expansion and No Exploitation |
| CSLP | Climate Smart Lending Platform | NTFP | Non-Timber Forest Product |
| ECTA | Ethiopian Coffee and Tea Authority | P4F | Partnerships for Forests |
| ECX | Ethiopia Commodity Exchange | PBC | Produce Buying Companies |
| ERC | (Indonesia) Ecosystem Restoration Concession | PCCDAm | Action Plan for the Prevention and Control of Deforestation in the Legal Amazon |
| ESG | Environmental, Social and Governance | PEFC | Programme for the Endorsement of Forest Certification |
| FPIC | Free, Prior and Informed Consent | PES | Payment for Ecosystem Services |
| FSC | Forest Stewardship Council | PFM | , |
| FZS | Frankfurt Zoological Society | PTW | (Ethiopian) Participatory Forest Management |
| GDP | Gross Domestic Product | PNGATI | (Brazilian) National Policy for Territorial and Environmental Management of Indigenous Lands |
| GOPDC | Ghanaian Oil Palm Development | | |
| | Company | RaCO | (RSPO) Remediation and Compensation Procedure |

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| RECM | Reserva Extractivista Chico Mendes REDD+ | SL0 | Social License to Operate |
|-------|---|--------|---|
| REDD+ | Reducing emissions from | SNNPR | Southern Nations, Nationalities and Peoples' Region |
| | deforestation and forest degradation, conservation of existing forest carbon stocks, sustainable forest | SPV | Special Purpose Vehicle |
| | management and enhancement of forest carbon stocks | TFA | Tropical Forest Alliance |
| | | TNC | The Nature Conservancy |
| RLU | PT Royal Lestari Utama | ТОРР | Twifo Oil Palm Plantation |
| RSPO | Roundtable on Sustainable Palm Oil | VLFR | Village Land Forest Reserves |
| RTRS | Roundtable for Sustainable Soy | VLFK | Village Land Forest Reserves |
| SCCM | Sustainable Commodities | WBCSD | World Business Council for Sustainable Development |
| | Conservation Mechanism | WCF | World Cocoa Foundation |
| SEFE | Executive Secretary of Forest and | MANAGE | |
| | Extractivism | WWF | World Wildlife Fund |

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Rubber saplings in Bukit Tigapuluh, Indonesia



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Executive Summary

Many commodity producers increasingly recognise that collaborating with stakeholders in a landscape helps improve their business sustainability and can legitimise their operations with communities and help them meet their zero-deforestation commitments.

This report targets companies and investors that are interested in measuring and improving their environmental, social, and governance performance. It shares examples of how companies have designed and supported approaches to protecting and enhancing local forests and ecosystems from across Partnerships for Forests' (P4F's) portfolio.

These approaches complement many companies' existing internal processes and sustainability targets and are often specific to the country, context, sector and ecosystem in which they operate. Using the framework from the Tropical Forest Alliance (TFA), P-roforest, and World Wildlife Fund's (WWF) Practical Guide on landscape-level initiatives, this report adds real-world cases showing how companies have helped to advance sustainable landscape and jurisdictional initiatives globally. The original Practical Guide highlights six intervention types that companies can use to design, implement and measure a landscape approach.

Below are the P4F portfolio's high-level lessons on how companies are working, in collaboration with other stakeholders, towards the six types of interventions.

Brazil nut tree in Vale do Amanhecer legal reserve settlement Mato Grosso, Brazil

Participate in landscape/ jurisdictional planning and multi-stakeholder alignment

Many companies working with forest risk commodities have aligned how they calculate and monitor progress in areas such as emission reductions, sustainable practices, and forest protection. This report highlights several examples of multi-stakeholder initiatives that facilitate commodity producers' alignment in a particular commodity or landscape, including the Africa Palm Oil Initiative (APOI), the High Carbon Stock Approach (HCSA), the Cocoa and Forest Initiative (CFI), the Global Platform for Sustainable Natural Rubber (GPSNR), and the Bukit Tiga Puluh (BTP) Protection Forum.

All the initiatives include a third-party facilitation team, usually a trusted organisation that is familiar with the value chain or landscape and has experience organising multi-stakeholder fora. While it helps to set common visions, goals and progress indicators, organisations across P4F's portfolio have approached these in varied ways. Some focused on high-level commitments (e.g. APOI, CFI, and GPSNR), and others centred around activities to address common challenges (e.g. the BTP Protection Forum). For companies, multi-stakeholder initiatives can be relatively low-cost commitments that help them align with others in their sector or landscape.

A key lesson from P4F is that inclusion of a third-party facilitation team is best practice in ensuring a pre-competitive environment is maintained and to encouraging fairness and transparency in the process. These teams are also best placed to provide recommendations on how to design financial arrangements that reduce bias, ensure sustainability, and promote equity across stakeholders. Striking a balance between membership costs and benefits for companies is part of the challenge.

02 Build community and multi-stakeholder capacities

Helping communities understand and participate in multi-stakeholder initiatives often requires a significant investment of time and resources, but it is an important investment in protecting what remains of our forests as communities are the best stewards of local environments (Stevens et al., 2014 27).

In P4F's portfolio in Africa, there are several examples of companies working to improve existing, decentralised structures so that communities can better manage forest resources. This has, in turn, allowed commodity producers deliver on their zerodeforestation commitments. In Ghana, the partnerships have facilitated the creation of Landscape Management Boards, which are based on government efforts to establish Community Resource Management Areas (CREMAs), whereas the Ethiopian Forest Coffee partnership has worked with Participatory Forest Management (PFM) structures to support and enhance the collection of coffee from standing forests.

In P4F's Latin America portfolio, decentralisation has only taken place in indigenous lands and territories. The Cooperativa de Agricultores do Vale do Amanhecer (COOPAVAM) and the Seeds Path Initiative show how P4F's support has enabled indigenous communities to better organise and participate in multi-stakeholder initiatives.

Finally, at the global level, the GPSNR illustrates how facilitation by Transitions—a consultancy specialised in sustainable, inclusive, and supportive development models—and active participation by GPSNR members has improved the transparency, financial management and fair representation of stakeholders in the platform.

By working with existing structures, P4F has focused on training, setting-up equitable governance structures, and designing financial models to allow these community-led forest management bodies to keep running without donor funding in the future rather than on creating incentives for communities. For companies, investing in communities' participation both locally and



globally is instrumental in legitimising any multistakeholder initiative, but can be less straightforward when dealing with complex value chains.

When done well, initiatives that involve local communities and smallholders around specific commodities can help set realistic targets, create a strong foundation for implementation, and promote better understanding of the norms, challenges, and incentives between actors across the value chain.

Commitment and capacity

P4F has also supported strategic initiatives that design, improve, and implement government policies in commodity producing countries and, in the long-term, promote favourable conditions for commodity producers to produce more sustainably and in a way that protects, rebuilds, and enhances forests. These interventions, including APOI, CFI, and a segment of work under the Ethiopian Forest Coffee partnership, have been designed to unlock barriers common to the wider sector.

In P4F's experience, national policies can be best influenced and enhanced through multi-stakeholder initiatives. These initiatives represent common interests across multiple actors in a value chain rather than the biggest players, and so can provide the most effective policy recommendations. This is also an important lesson for public sector donors.

If more sustainable agriculture practices are to be taken up, however, consumer country policies also need to change. This report shares the Amsterdam Declarations Partnership (ADP) example, which influences European countries to adopt greener policies via a multi-donor, multi-sector initiative spearheaded by Mekon Ecology, a natural resources consultancy. The initiative has worked particularly well as a platform for knowledge exchange between European countries on effective policy making.

The role of commodity producers in influencing consumer countries should therefore be embedded in multi-stakeholder initiatives, so that they represent stakeholder interests and help the government prioritise activities that benefit the greatest number of stakeholders in a value chain.

Honey harvest in Indonesia

O4 Link supply chain actions to landscape/jurisdictional planning through private sector collaboration

This report provides in-depth examples of how preferential sourcing and green procurement policies have been used successfully by various types of organisation. The Ethiopian Forest Coffee partnership, Sustainable Commodities Conservation Mechanism (SCCM), Forestwise, Komaza, COOPAVAM, and Veja have all benefitted from preferential sourcing in regions where their efforts have empowered local communities whilst also protecting forests. They have been able to communicate the story of their products' livelihood and forest benefits to purchasers. Many of them have also created transparent contracts with producers to improve their relationship with communities and, in turn, ensure the sustainability of their supply.

While deliberate efforts to source from specific landscapes or jurisdictions is an option for some companies, P4F experience shows that this is only possible for large companies (e.g. SCCM and Veja) or companies that have formed their business case around a niche commodity that can only be grown in specific areas (e.g. Ethiopian Forest Coffee, Komaza, COOPAVAM, and Forestwise). While preferential sourcing may increase costs, positive impacts to communities, forests, and quality can outweigh this for consumers Realistically, this is not a strategy that every company can afford to take and, if they do, this process can take several years to set up and present new risks. More needs to be shared on how different preferential sourcing deals have been secured, what conditions have been made, and the different risks and mitigation strategies found by companies.



05 Support and incentivise sustainable production and community land use practices

P4F was designed to test innovative models, and the portfolio is rich with examples and lessons on how to support and incentivise sustainable land use techniques.

Cases include training farmers in climate smart techniques (e.g. Partnership for Livelihoods and Landscapes in Western Ghana, the Adum Banso Smallholder Programme, and Forestwise), training communities on deforestation and fire patrolling (e.g. RLU and BTP Protection Forum), and helping cooperatives and farmers to improve their harvesting and processing capacities (e.g. Ethiopian Forest Coffee, Forestwise, and Komaza). In each case, P4F has helped companies design capacity building activities across a variety of commodities, regions and issues.

A lesson from the portfolio is that commodity producers need to factor in the costs to training smallholders on sustainable production, as well as training communities in tools and methods that complement their existing local knowledge of the landscape. Landscape-specific training needs should be carefully considered and companies should aim to do this directly or through multistakeholder initiatives (intervention type A) to ensure work is aligned and coordinated with other stakeholders in the landscape and contributes to shared goals, including forest protection.

Providing incentives to communities to do things more sustainably is most straightforward when the commodity they are being asked to plant, harvest, collect or produce is well known to them. In P4F's portfolio, several commodity producers and market access players have done this using customised contractual arrangements. For example, the Ethiopian Forest Coffee, Forestwise, Komaza, COOPAVAM, and Veja, have used bespoke contracts to balance fair prices with conditions that producers reduce encroachment and protect forests. For Veja, existing payments for ecosystem service (PES) mechanisms in the Chico Mendes region unlocked government subsidies that increased the price paid to tappers.

When companies are working with a new commodity, or when time is needed to allow trees to mature, companies should work with communities to resource alternative sustainable livelihoods that are identified and prioritised by



Cocoa in São Félix do Xingu, in the Brazilian Amazon

communities themselves. In P4F's experience, companies that have succeeded in this have tailored their business model around the local context in order to reduce pressures on nearby forests. Examples such as the Adum Banso Smallholder Programme, Village Land Forest Reserves, Komaza, and COOPAVAM have carefully considered alternative livelihoods that provide financial incentives for smallholders to cease practices such as encroachment.

Restoration and preventing harm may need both incentives and legal enforcement. P4F's examples of successful restoration are concentrated in Latin America due to the Brazilian Forest Code legislation and policies. Examples such as the cocoa agroforestry partnership and the Seeds Path Initiative have both worked because of existing legislation that mandates landowners to protect or restore a percentage of their land depending on the biome. This area of learning will not be applicable where such legislation in not in place.





Support innovative financial mechanisms

Many innovative financial mechanisms now complement those that were developed earlier, such as carbon offsetting. In this report, we look in detail at the Climate Smart Lending Platform (CSLP), Veja, and SCCM, which use innovative financial methods to address very different market issues. For example, CSLP has helped smallholders in East Africa to access sustainable finance that incentivises climate smart techniques. Similarly, Veja's rubber producers in the Chico Mendes region have benefitted from existing PES arrangements that secured higher prices for their rubber. In contrast, SCCM has targeted palm oil companies meeting their remediation and compensation obligations under their Roundtable on Sustainable Palm Oil (RSPO) certification, which could be replicated in other industries. These projects have been in addition to REDD+ carbon credits scheme, through which P4F has supported the Ghana Cocoa Forest REDD+ Programme.

A key lesson from P4F is that company offset programmes cannot be a substitute for reducing carbon emissions directly and so should be secondary to any sustainability strategy.

This is because offset programmes pass responsibility onto others and, although there has is a trend towards them, setting up nationally led carbon markets is a politically fraught and lengthy process. Commodity producers should first consider how to create financial incentives for smallholder farmers to take up climate smart techniques, become certified or eliminate any encroachment in forested areas. This may be through setting up PES schemes, partnering with financial institutions, or offering higher prices as a result of wider market potential.

Many of the issues we face globally—forest fires, encroachment, loss of biodiversity, and loss of livelihoods—can be more efficiently addressed by companies and stakeholders working together at local, regional, and global levels.

Across P4F's portfolio, approaches to collaboration that can be scaled and replicated have been key to helping companies deliver on their sustainability targets. As this report details, many approaches adopted by companies—where smallholders are incentivised to adopt climate smart techniques, protect and monitor forests, and participate in local and global multi-stakeholder initiatives—have also led to downstream benefits.

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Coffee farmers Ayenachew Getanhe (L) and Aselefech Woldegiorgies (R) roast and grind Ethiopian Wild Coffee beans in the Kafa region, Ethiopia





Introduction



P4F's model of supporting partnerships has enhanced and protected valuable forest commodities and sustainable agricultural practices across the tropical forest belt. But what about at landscape level?

The driving questions this report seeks to answer are: 1) Have any companies that P4F has supported forged partnerships outside their operational boundaries to protect nearby forests and ecosystems, and 2) Has collaborating with other stakeholders helped the companies meet their sustainability goals? The report shares examples from across P4F's portfolio that speak to how companies, local organisations, communities and governments have taken an integrated approach to tackling deforestation.

Gaining legitimacy in a local context requires companies to look beyond their operational boundaries and align with other stakeholders. While a social license to operate refers to legitimacy in local communities, sustainability and responsibility are broader concepts that involve the vertical, horizontal, and systemic changes that need to take place to protect natural resources in the landscape and jurisdictions that produce key commodities for the company. This can include considering local initiatives, government strategies for a landscape or sector, and global initiatives trying to create alignment across stakeholders.

In all of the real-world examples provided,

- 1. The strongest solutions include multiple stakeholder groups that work towards a shared understanding and set of activities. These stakeholders have been united by their sector or by their landscape or country. Structuring a price policy and rules on how to monitor, collect data, and verify information, and;
- 2. Companies have seen the benefits of tackling rising deforestation by working with other stakeholders.

About Partnerships for Forests (P4F)

P4F is an eight-year programme that delivers grants and technical assistance to address the current market failures that continue to undermine the protection and restoration of forests. It does this by supporting forest partnerships (public-private-people partnerships), initiatives that support enabling conditions (at national and regional level) and demand-side measures (primarily from import countries).

A characteristic of P4F's approach is identifying and incubating models with the aim of supporting

Orangutan's Dora and Suro taking a rest in the Sumatran Orangutan Reintroduction Centre (SORC) them to catalyse investments. Core to this approach is ensuring that P4F support does not substitute or replace supported organisation's core funding or subsidize activities that companies should undertake themselves. Additionally, models must clearly articulate how they will improve sustainable land use, address deforestation, protect biodiversity, or improve natural resource management in the tropical forest belt.

P4F operates in Latin America (Brazil, Colombia and Peru), West Africa (Ghana, Côte d'Ivoire, Gabon, Cameroon, Democratic Republic of Congo, Liberia and Nigeria), East Africa (Ethiopia, Kenya, Uganda, Tanzania, Mozambique and Madagascar) and South East Asia (Indonesia).

The programme was established in December 2016. It is funded exclusively by the UK Government and led by Palladium International , in partnership with SYSTEMIQ .



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Who this report is for

This report is designed to support companies and investors with operations or investments in agricultural value chains across the tropical forest belt that want to take action to achieve their landscape-level sustainability effectively.

The report shares real-world examples of how companies are working towards achieving a shared vision in specific landscapes in Colombia, Brazil, Ghana, Ethiopia, Kenya, Tanzania, and Indonesia. The lessons and examples vary from large multi-national company initiatives to small enterprises that produce, trade, or sell a single commodity.

The examples are likely to be most relevant for commodity producers and, specifically, operations managers, procurement leads, and investors that are designing their Environmental, Social and Governance methodology.

Throughout the report, readers will find links to resources and tools to help them learn more about relevant initiatives and tools to the solutions presented.

We hope you find this report useful for your operations, and we would love to hear from you if it has made a difference to your work



Scan the QR code with your phone to view

Landscape Approaches

These countries represent the top 7 countries receiving P4F grants out of the 15 countries where the programme has provided grants (not including the global and UK focused opportunities).

Methodology

This report builds on Tropical Forest Alliance (TFA), World Wildlife Fund (WWF) and Proforest's Practical Guide on 'Landscape Scale Action for Forests, People and Sustainable Production' (2020) . The guide was created to help companies to undertake sustainable landscape and jurisdictional initiatives. It is organised into six overarching intervention types, with 20 specific activities companies can take (see Table 1). Written from a business perspective, it provides key points to companies thinking about undertaking similar activities, including external conditions that improve the likelihood of success and the business case for taking each activity forward.

This report shares how the P4F project portfolio makes use of these different interventions, expanding the range of examples and, in places, drawing a deeper level of detail and learning from them.

The report is informed by a review of project documentation and reports, the wider literature, and key informant interviews with P4F staff. Feedback from P4F project partners was also gathered as part of the P4F Landscape Approaches workshop that took place on 9th June 2022.







TABLE 01 | Interventions from the TFA, WWF, and Proforest Practical Guide

Α.



Participation in landscape/jurisdictional planning and multistakeholder alignment

- **A.1** Co-design goals, key performance indicators and strategies $\[\[\] \]$
- **A.2** Support land use planning
- **A.3** Pre-competitively align your sector

 ✓
- **A.4** Share spatial data and management systems \Box

B.



Build community and multi-stakeholder capacities

- **B.1** Build community capacity to engage
- **B.2** Financially support multi-stakeholder institutions

C.



Enhance government commitment and capacity

- **C.1** Support development of government policies
- **C.2** Build momentum through story telling
- **C.3** Advocate with consumer countries to support Landscape/ iurisdictional initiatives

For ease of referencing, we have included codes for each intervention reported.

Link supply chain actions to landscape/jurisdictional planning through private sector collaboration





- **D.1** Share responsibility for progress
- **D.2** Collaborate on joint traceability
- D.3 Align supplier requirements with landscape/jurisdictional goals 🗹
- **D.4** Preferentially source from progressing Iandscapes/jurisdictional initiatives
- D.5 Incentivise suppliers to engage in landscape/jurisdictional initiatives

Support and incentivise sustainable production and community land use practices

E.1 Support to farmers on best management practices $\ensuremath{\underline{C}}$



- **E.2** Enhance sustainability pegged financial flows
- **E.3** Support landscape restoration
- **E.4** Support additional/alternative livelihoods <a>C
- **E.5** Support legalisation of production \Box

F

Ε.



Support innovative financial mechanisms

F.1 Help develop carbon offset programmes \Box

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The next section gives examples that can be added to the guide and links them to the 20 types of interventions. Some of the examples were referenced in the original report, but it is hoped the additional information provided will add useful detail about progress that has been made since 2020.

| | Intervention type | P4F examples |
|-----|--|--|
| A.1 | Co-design goals, key performance dindicators and strategies | Most of the examples in this report |
| A.2 | Support land use planning | BTP Protection Forum (SEA) Cocoa and Forests Initiative (WCA) Global Platform for Sustainable Natural Rubber (Global) |
| A.3 | Pre-competitively align your sector | BTP Protection Forum (SEA) Cocoa and Forests Initiative (WCA) Global Platform for Sustainable Natural Rubber Global) |
| A.4 | Support land use planning | 1 BTP Protection Forum (SEA) 2 Partnership for Productivity, Protection and Resilience in Cocoa Landscapes (WCA) 3 High Carbon Stock Approach (Global) |
| B.1 | Build local community capacity to engage in multi-stakeholder processes and incentivize their engagement | Partnership for Livelihoods and Landscapes in Western Ghana (WCA) Partnership for Productivity, Protection and Resilience in Cocoa Landscapes (WCA) Ethiopian Forest Coffee (EA) Cooperativa de Agricultores do Vale do Amanhecer (LA) Global Platform for Sustainable Natural Rubber (Global) |
| B.2 | Financially support multi-stakeholder C institutions | Most of the examples in this report |
| C.1 | Support development of government policies | 1 Africa Palm Oil Initiative (WCA) 2 Cocoa and Forests Initiative (WCA) |

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| | Intervention type | P4F examples in this report |
|-----|--|--|
| C.2 | Build momentum for L/ Jls by sharing positive, clear stories about ongoing sustainability efforts | 1 Ethiopian Forest Coffee (EA) |
| C.3 | Advocate with consumer country governments to support landscape/jurisdictional approaches in commodity producing regions | 1 Amsterdam Declarations Partnership (Global) |
| D.1 | Share responsibility for progress | Most of the examples in this report |
| D.3 | Align supplier requirements with landscape/jurisdictional goals | Veja (LA) Amsterdam Declarations (Global) |
| E.1 | Support to farmers on best management practices | Adum Banso Smallholder Programme (WCA) Cocoa agroforestry (LA) Ethiopian Forest Coffee (EA) |
| E.2 | Enhance sustainability-pegged financial flows to producers | 1 CSLP (EA) 2 Veja (LA) |
| E.3 | Support landscape restoration 🕜 | 1 The Seeds Paths Initiative (LA) 2 Cocoa agroforestry (LA) |
| E.4 | Support additional/ alternative livelihood activities and practices that reduce pressure on forests | Adum Banso Smallholder Programme (WCA) Village Land Forest Reserves (EA) Komaza micro-forestry model (EA) Cooperativa de Agricultores do Vale do Amanhecer (LA) |
| E.5 | Support legalisation of production 🗹 | 1 Village Land Forest Reserves (EA) |
| F.1 | Help develop carbon offset programs that reduce deforestation at the landscape/jurisdictional scale | Veja shoes (LA) Sustainable Commodities Conservation Mechanism (SEA) |

Landscane Approaches





Navigating the report

The report is organised by region and provides information about 20 P4F-supported projects to strengthen landscape approaches. Since context is extremely important in ensuring a landscape approach is sustainable and responsible, each section begins with context and information about the drivers of deforestation and the sectors that have been early movers in the country/region.

Each real-world example includes:

- Formal name of the intervention
- Organisations involved
- Commodity
- Landscape/jurisdiction

- · Lessons the intervention relates to
- About the intervention
- The business case for private sector to engage

Focusing on the countries that are most relevant to their own value chains will enable readers to better understand what neighbouring companies are doing in this field.

Important caveat

This report presents examples of current or previous P4F projects that include multi-stakeholder collaboration in a landscape, country or sector. The projects included are not exhaustive, but showcase

the clearest evidence the programme has to-date about multi-stakeholder collaboration. Due to the nature of the programme, all the examples are led by companies or non-profit organisations. Wider jurisdictional strategies may also be present in the landscapes but may not be provided in detail.

Travelling down the Olam palm plantation in Ghana with Rainforest Alliance



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Between 2002 and 2020, Ghana lost 101,000 hectares (ha) of primary forest, with more than 90% of the loss caused by shifting agricultural practices (Global Forest Watch, 2022 (2)). Much of the remaining intact primary forest in the country is officially protected, but illegal logging remains a huge threat, with perpetrators coming up with creative ways to move illegal timber past officials of the Ghana Forestry Commission—the institutional body responsible for regulating forest utilization, conservation and wildlife resources (Mongabay, 2019 (2)).

Smallholder farmers dominate the agricultural sector in Ghana, with approximately 90% of farmers holding less than 3 ha (Chamberlin, 2007 ?). For cocoa, this translates to harvesting less than one tonne of beans per year (Mondelez, ND ?) or, for palm oil, around 15 tonnes per year. With most smallholders facing land limitation and low productivity of their trees, it is unsurprising that there has been mounting pressure on palm oil processors, consumer goods giants and cocoa companies to help smallholders improve what they have without encroaching on neighbouring forests.

While deforestation has historically been linked to the two major commodities produced in the country —cocoa and palm oil—there have been significant efforts by both sectors over recent years to improve smallholder knowledge about productivity and deforestation. Additionally, certification schemes such as the RSPO and 'deforestation-free cocoa' aim to curb smallholder encroachment by providing financial incentives for sourcing from approved zones. However, the reality is more complicated.

The Community Resource Management Area (CREMA) and Hotspot Intervention Area (HIA) are unique to landscapes in Ghana, and devolve rights to communities to manage resources. Recognised by the government, the individuals that make up HIA Management Boards are the highest level of locally elected officials. The policies that initiated these boards were passed in 2000 but have only recently been operationalised in their full potential, with well over 40 CREMAs being developed across the country.

Despite this progress, in recent years a new driver has emerged that undermines the progress made to protect forests across palm and cocoa companies: mining. Mining practices have been responsible for a 118% increase in the amount of illegal and small-scale driven deforestation between 2015 and 2018 (Sevir Global, 2020). The high demand for gold has provided traditional smallholders with opportunities to diversify their income, particularly as the economy has suffered due to the impact of Covid over the past few years. It remains a largely unregulated sector and an issue that is likely to continue unless new, more severe policies are enacted.

Resources



- Learning About Cocoa Landscape Approaches: Ghana Guidance Document and Toolbox 🕜
- Replicating a sustainability initiative across sectors and geographies:
 HCSA's experience in the West African cocoa sector (2)

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Landscape Approaches



Cocoa

Ghana is the second largest producer of cocoa after Côte d'Ivoire. It is the main cash crop of smallholder farmers, and between 2009 and 2014 income from cocoa made up a quarter of the country's GDP (CFI, 2020). Nearly all cocoa produced in Ghana and Côte d'Ivoire comes from smallholder farmers who mainly live below the poverty line and whose livelihoods depend significantly on cocoa. The introduction of cocoa to Ghana has been largely viewed as a success story (Anti-slavery, 2004), given its ability to grow alongside other crops. As a crop that requires shade in its early life, it can be easily adopted as part of a mixed cropping system with little disruption.

Ghanaian cocoa production has historically been a major driver of deforestation and a cause of concern for many chocolate and cocoa companies. A major reason for this was a (mis)conception that sun-grown cocoa was more productive than shade-grown cocoa (Sukanan, 2020 🗹). In 2017, 35 leading cocoa and chocolate companies, along with the governments of Côte d'Ivoire and Ghana, joined the Cocoa and Forests Initiative to address deforestation within the cocoa supply chains of both countries. The initiative aligned activities across the sector to improve smallholder farmers' capacity, engagement, and livelihoods (WCF, ND 🗹). Previously, companies had worked in siloes to improve producers' knowledge, and there was a significant amount of duplication across the sector and a genuine challenge in improving traceability.

The challenge of traceability in the sector relates to aggregation and centralisation in the country. Cocoa is a heavily regulated industry, and no cocoa can be exported without passing through the Ghana Cocoa Board (COCOBOD). In Ghana, there are currently 27 registered License Buying Companies (LBCs) and the Produce Buying Companies (PBC) are the only registered entities that can purchase cocoa from smallholders. Following the purchase of cocoa beans, all sales are transported to the Cocoa Marketing Company, a state-owned subsidiary that coordinates with the COCOBOD to sell and export Ghana's premium cocoa. These aggregating companies make it impossible to know precisely which smallholders companies are purchasing from.

Also, most current traceability systems do not explore the 'first mile' supply chain from the farmer to the LBCs or PBC (IDH, 2020) and so these systems are unlikely to reveal where deforestation has taken place. Cocoa and chocolate companies have needed to look elsewhere to understand how to eliminate deforestation in their supply chains and protect what is left of the forests in Ghana.

Palm oil

Like cocoa, palm oil is an key agricultural commodity in Ghana and has grown in importance over the past decade. Around 60% of it is cultivated by smallholders (Khatun et al., 2020 2). Due to around seven decades of stop-start government efforts to make Ghana a commercial trade hub for palm oil, palm oil remained a household item for many years before it was exported internationally (ibid 2). In general, palm oil smallholders have lower productivity rates than industrial plantations, and face greater challenges in getting certified. In 2018, only 13,000 of the 350,000 ha devoted to palm oil in Ghana was certified by the RSPO.

RSPO certification has been an important measure in combatting palm-oil-related deforestation as it ensures that "palm oil is produced without causing harm to the environment or society" (RSPO, 2018 2). The Africa Palm Oil Initiative (APOI), that builds sustainability mechanisms in the region, has also supported RSPO certification. Established in 2014 when only one company with operations in Africa was certified, APOI now covers 10 palm-oil producing jurisdictions: Cameroon, Central African Republic, Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Liberia, Edo State in Nigeria, Republic of the Congo, Sierra Leone, and Ghana.

The APOI has promoted tools and processes that help major palm oil companies in Ghana and the region to integrate processes such as high carbon value (HCV), high carbon stock (HCS), and free, prior and informed consent (FPIC). Four major palm oil companies have received RSPO certification: Twifo Oil Palm Plantation, the Benso Oil Palm Plantation (BOPP) and the Ghanaian Oil Palm Development Company (GOPDC) and Norpalm. This progress is the exception unfortunately. Whilst RSPO certification should support intensification of exportgrade palm oil and so increase farmers' yields and profits, in reality certification is a costly process that most smallholder farmers cannot afford.

Finding a solution has been a major challenge. However, at least one company has trialled a hybrid operating model that should improve the way smallholders grow palm oil, and may be a conduit for certification.

Resources

- Technical Brief on Cocoa Traceability in West and Central Africa 🗹



Partnership for Livelihoods and Landscapes in Western Ghana



Organisations involved: Olam and
Rainforest Alliance



Commodity: Cocoa



Landscape: Sui River Forest Reserve, Ghana



Lessons relate to: Build local community capacity to engage in multistakeholder processes and incentivize their engagement



About: In Sui River Forest Reserve, Olam and Rainforest Alliance have undertaken two major activities:



Olam has provided technical extension services and interest-free loans to help farmers increase their productivity, yield, and income from cocoa. In exchange for setting-up offtake agreements with Olam, farmers benefit from premium payments tied to sustainable, deforestation-free cocoa. This support has also enabled Olam to improve their traceability, with over 7,000 farmers now mapped on their farmer identification system.

2 Working with Rainforest Alliance, the project has established two Landscape Management Boards (LMBs) to help local communities better manage activities and monitor forest encroachment in the Sui River Forest Reserve. The LMB model provides a clear governance structure through which local communities can organise and create action and business plans, as well as become a business cooperative that will help aggregate smallholders and attract investment opportunities from the government and private sector. The LMBs have signed offtake agreements with local schools, restaurants and pharmaceutical companies as part of the additional livelihood support in the partnership. In 2019, John Bitar, a private timber firm, pledged an investment of 100,000 timber shade trees over three years to support the reforestation of over 60,000 hectares outside the reserve in cocoa farmlands. The shade provided

will also help cocoa trees flourish and so increase productivity.

The business case for private sector: the two activities have very different benefits for Olam. Firstly, Olam can secure an increasing amount of sustainably grown cocoa. Their internal traceability tool will also help them verify sustainability claims and track changes to smallholders' land. Secondly, the activities help communities organise, gain valuable income, and monitor deforestation in the local forest reserve. Although helping to protect nearby forest may not seem like an economically useful venture for Olam, not doing this would undermine the company's overarching strategy of identifying deforestation hotspots and preventing land expansion whilst promoting productivity.

In a 2020 press release, Olam's Vice President and Global Head of Environment, Chris Brown, said "Through our 'net-positive' approach within Olam's Living Landscapes Policy, we're building resilience into our supply chains with ecosystem conservation and regenerative farming practices, with the long-term goal of putting back more into food and farming systems than we're taking out. This resilience is ultimately what will determine our, and indeed the planet's, ability to continue satisfying the world's food demands" (Olam, 2020 🖒).

Walking through Olam's palm oil concession in Ghana





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Partnership for Productivity, Protection and Resilience in Cocoa Landscapes (3PRCL)



Organisations involved: Commodity: Touton in consortium with: COCOBOD; SNV: the Ghana Forestry Commission; and, NCRC



Cocoa



Jurisdiction: Juabeso and Bia Districts, Ghana



Lessons relate to: Share spatial data and management systems 🖸 and Build local community capacity to engage in multi-stakeholder processes and incentivize their engagement 🗹



About: Cocoa-trading company Touton is working with a consortium to achieve sustainable, deforestation-free cocoa in Juabeso and Bia districts in Ghana. The initiative aims to help 60,000 smallholder cocoa farmers to improve productivity yields from 350 kilos/ha in 2017 to 1,000 kilos/ha by 2023. To date, 23,000 farmers have been trained in climate-smart cocoa techniques and four rural service centres have been set up to provide farm-level support and employment opportunities for women and youth in the community. The plan is that newly established nurseries will provide 200,000 vegetable seedlings so families have higher quality vegetable genomes and, potentially, another source of income.



Touton has improved the management of 180,000 ha, a key part of which was the establishment of a Landscape Management Board (LMB) with active participation from communities. This landscapewide framework will use geospatial and remote sensing data to provide strong safeguards that ensure the product is deforestation free—a major marketing premise of the brand. LMBs are also trained to help Touton address deforestation risks in its supply chain by monitoring deforestation in national parks.

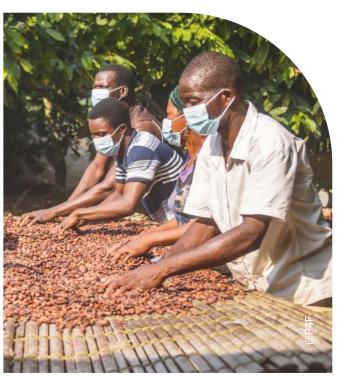
Touton set up its own LBC, to enable the company to purchase directly from smallholder farmers, and has signed conservation agreements with farmers in exchange for premium prices for their cocoa in the future. Working with COCOBOD, the wider initiative is also building standardisation across the sector and encouraging best practice by developing a climatesmart cocoa standard.

Touton has also worked with stakeholders including Tropenbos, Solidaridad, Conservation Alliance, Mondelez, Ferrero, and Mars to sign a framework agreement for the Juabeso-Bia landscape. This translated into Ghana's first Emissions Reductions Performance Agreement (ERPA), signed by the World Bank in 2019. It will enable access to over GBP10 million from the World Bank Carbon Fund and further enhance activities to protect the 160,000 ha of remaining forest and anticipated 80,000 ha of new forests across the two districts.

The business case for private sector: Touton has been one of the leading cocoa and chocolate companies in Ghana to take a holistic approach to tackling climate change while protecting the incomes and livelihoods of smallholder farmers from which they source. Touton's Action Plan outlines the company's sustainability ambitions and activities across the areas where they source cocoa. Since 1st January 2018, the company has required all suppliers "to guarantee that the cocoa [they buy from] does not come from national parks and reserves" (2019). Touton is also one of the signatories to the CFI.

As Touton trades exclusively in cocoa, their business is at risk if the cocoa supply chains in Ghana and Côte d'Ivoire diminish, for example if new generations of farmers do not take up cocoa production. Touton understands that their sustainability is directly linked to helping families generate a reasonable living from their 3-ha plots.





Landscape Approaches Landscape Approaches



Cocoa and Forests Initiative (CFI)



Organisations involved:
World Cocoa Foundation, The
Sustainable Trade Initiative,
Governments of Ghana and
Côte d'Ivoire, 37 leading cocoa
and chocolate companies



Commodity:



Jurisdictions: Ghana and Côte d'Ivoire



Lessons relate to:
Pre-competitively
align your sector

✓



About: Cocoa production has caused Ghana and Côte d'Ivoire to lose 8% and 25%, respectively, of primary forest between 2002 and 2019. This has been largely driven by smallholder farmers expanding into forest areas to increase their production but previous, siloed, efforts have not changed the behaviours of this group. To tackle the issue more holistically, in 2017 the governments of Ghana and Côte d'Ivoire came together with 35 cocoa and chocolate companies to sign the Cocoa and Forests Initiative (CFI) at the 23rd UN Climate Change Conference (COP23) in 2017. By working under a single initiative, CFI's goal is to reduce duplication of efforts and address encroachment into remaining forests.



In May 2019, the signatories released action plans to improve: 1) forest protection and restoration; 2) sustainable cocoa production and livelihoods, and; 3) community engagement and social inclusion.

By 2020, across Ghana and Côte d'Ivoire around 600,0000 smallholdings had been mapped and the farmers trained in good agricultural practice and agroforestry systems, and reforestation had been supported through the planting of more than 10 million trees. To provide access to finance, CFI supported 4,500 rural saving groups (Village Savings and Loans Associations) that had reached more than 100,000 members by 2020. As part of its inclusion strategy, CFI signatories contributed to delivering training on finances, income generation and nutrition. Many of these trainings targeted women and allowed cocoa smallholders access to new financial support that will allow them to purchase farm inputs to increase the productivity of their cocoa farms.

The business case for private sector:

work to improve productivity must be centred around supporting the smallholders who produce more than 50% of the world's cocoa (Statista, ND (2)). With a tree lifespan of 20–25 years, cocoa farmers face diminishing productivity that they cannot afford to address. With 2 million smallholders, no company can address the issues alone and so the CFI provides a platform for companies to act jointly with governments to

reduce the impact of the cocoa sector on forests. Further supported by donors, it has allowed companies to coordinate efforts and reduce the level of duplication that was previously taking place with companies designing their own maps and farmer training schools.

Facilitated by the World Cocoa Foundation (WCF), the CFI also offers companies a pre-competitive space to share examples of what has worked and what hasn't when it comes to improving forest protection.

Keeping track of legal changes is also important for cocoa and chocolate companies. As mentioned by the Honorable Alain-Richard Donwahi, Minister of Water and Forests in Côte d'Ivoire, "since the signature of the CFI commitment, we've made significant progress on the protection of forests, including through the release of the new Forest Code in 2019. This new code defines the legal and regulatory framework for the implementation of the CFI, including the creation of a differentiated approach to classified forests, which also takes into account the needs of communities whose livelihoods depend on forests" (WCF, 2020 7).

Resources

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For more information the CFI read more on The Sustainable Trade Initiative (IDH)'s website





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Adum Banso Smallholder Programme



Organisations involved: Benso Oil Palm Plantation, Proforest, Ghanian smallholder farmers and Adum Banso communities



Commodity: Palm oil



Landscape: Adum Banso landscape, Ghana



Lessons relate to: Support additional/alternative livelihood activities and practices that reduce pressure on forests and Support farmers to improve land management



About: The Adum Banso Sustainable Oil Palm Pilot, managed by the Benso Oil Palm Plantation (BOPP), has been working with communities to develop locally owned, sustainable palm oil fields and improve productivity. BOPP is a subsidiary of Wilmar International Limited, founded in 1976 to set up palm oil plantations in Ghana. The production model is a hybrid of traditional plantation and nucleus model.



₱ BOPP was the first company in Ghana to attain certification from the RSPO in 2014, taking the corporate policy decision to bring all smallholders into certifiable status.

The project is piloting across 1,400 ha of communal land and aims to bring 16,000 ha of the Nueng South Forest Reserve under protection by 2024. The unique model divides 900 ha of land into plots for 100 farmers—each receiving 3 ha to manage with support and inputs from BOPP,118 ha set aside for perennial crop farmers, and 100 ha to community oil palm development. With training and support, the goal is to improve smallholder yields on the 900 ha allocated to oil palm farmers and in the wider community. Historically, the average yield 3-5 tonnes fresh fruit bunch per ha, compared to 10 tonnes per ha from plantations. Working with the global non-profit organisation Proforest, farmers have been trained to meet RSPO standards on environmentally sustainable production and social best practice.

Additionally, BOPP has trained more than 200 community members in other livelihood activities including baking, livestock farming, and bee keeping. This has helped ensure an income until the palm oil trees start producing and incentivised members to not encroach on protected forest reserves.

The business case for private sector: BOPP is a signatory of the APOI and has the ambition to be RSPO certified. Although it has been costly to get around 100 farmers RSPO certified, the process has improved the company's social license to operate in the Adum Banso landscape. As Samuel Avaala, BOPP's General Manager, shared with P4F, "the cost of becoming RSPO certified is very high and it takes a lot of commitment to do... but [we have] seen its benefits and continue to see it. The long-term benefits of going sustainable are immense to us, BOPP."

Community development is the other pillar of BOPP's approach to sustainability. BOPP has invested significantly, creating 250 direct and 200 indirect jobs for members in neighbouring communities and upskilling members in complementary livelihoods to palm oil. The rationale behind this, as explained by Kwasi Ofori, Estate Manager for BOPP, is that "the management view is to make things workable and result oriented in a sustainable way... The goal is to make BOPP the preferred choice."

The Adum Banso Smallholder programme also contributed to the protection from deforestation

and forest degradation of nearby forest reserves, particularly Nueng South Forest Reserve. The establishment of Community Forest Protection Committees and the involvement of forest-fringe communities ensured continuous monitoring of illegal logging and mining activities and the restoration of degraded forest areas by planting 3,000 trees, covering 7.5 ha. Communities actively participated in restoring riparian buffer areas by planting several tree species to maintain the quality of local streams and rivers.

By taking this first step to raise standards, it is expected that other palm oil companies will follow suit both in Ghana and abroad.



Palm oil processing in Ghana

Resources



Read more about BOPP from P4F's case study that outlines what the project is doing to improve gender equality and livelihoods

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Africa Palm Oil Initiative (APOI)



Organisations involved: Tropical Forest Alliance, Proforest, Governments of Cameroon, Central African Republic, Côte d'Ivoire, Democratic Republic of the Congo, Gabon, Ghana, Liberia, Edo State in Nigeria, Republic of the Congo and Sierra Leone



Commodity: Palm oil



Landscape: National platforms across ten countries



Lessons relate to:
Support development
of government
policies



About: Palm oil expansion into West and Central Africa has been a growing concern for many conservation organisations. In reality, the volatile nature of the price of palm oil has made this expansion a lot slower than previously expected and both governments and palm oil companies have been conscious of moving forward in a responsible way to improve livelihoods and protect remaining rainforests.



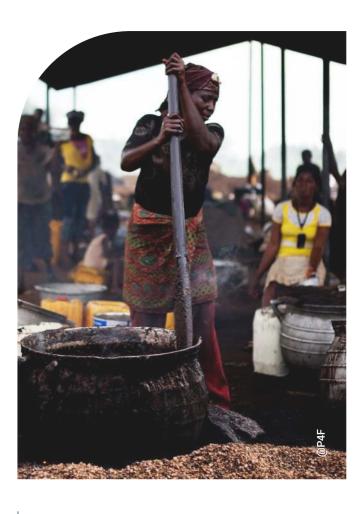
To support a coordinated approach across the region, the global multi-stakeholder platform Tropical Forest Alliance (TFA) asked Proforest to coordinate its first Signature Initiative, the APOI in 2014. Its ambition is to create a sustainable vision for West and Central Africa that can contribute to meeting the rising global demand for palm oil whilst enhancing livelihoods and protecting forests. To date, ten countries have signed up and each country has followed a three-phase process. The first phase involved engagement with civil society and the private sector, and the subsequent phases involved designing national principles and action plans.

While each country has progressed at their own rate, national platforms have been set up and institutionalised. This helps to ensure coordination and successful implementation of the national principles and action plans, and members of the multi-stakeholder platforms are engaging with palm oil companies on a regular basis. APOI supported the Republic of the Congo and Edo State platforms to develop FPIC guidelines where indigenous peoples and local CSOs were involved in the process.

At regional level, the Marrakesh Declaration for Sustainable Development of the Palm Oil Sector was signed by governments of palm oil producing countries in West and Central Africa—Central African Republic, Côte d'Ivoire, Democratic Republic of Congo, Ghana, Liberia, the Republic of Congo and Sierra Leone—during the annual UN Climate Conference (COP22, Marrakesh, Morocco 2016). The regional principles, which form the foundation of the Marrakesh Declaration, place sustainability, good governance, transparency, recognition of community and human rights, partnerships, and equitable benefit sharing at the heart of Africa's oil palm industry.

In 2022, the APOI is expanding to include a wider range of commodities, including rubber and cocoa. With this new multi-commodity emphasis, the APOI will become the Africa Sustainable Commodity Initiative.

The business case for private sector: The historical deforestation associated with palm oil mean that its expansion into West and Central Africa causes concern and will continue to be closely monitored by global watchdogs. As the sector changes to take up hybrid models of working with smallholders, most companies and investors planning to operate in West and Central Africa



Palm oil processing in Ghana

could benefit significantly from the APOI national platforms.

As a pre-competitive space, it offers companies opportunities to learn from others who are working with new models in the region. As a government-focused initiative, understanding how different levels and departments in government are engaging with the sector is likely to reveal potential opportunities and barriers that companies may not have identified on their own.

Resources

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- The Africa Palm Oil Initiative Highlights from 2020–2021 🖸
- The Africa Palm Oil Initiative: Highlights 2019–2020
- Africa Palm Oil Initiative Marrakesh Declaration +5

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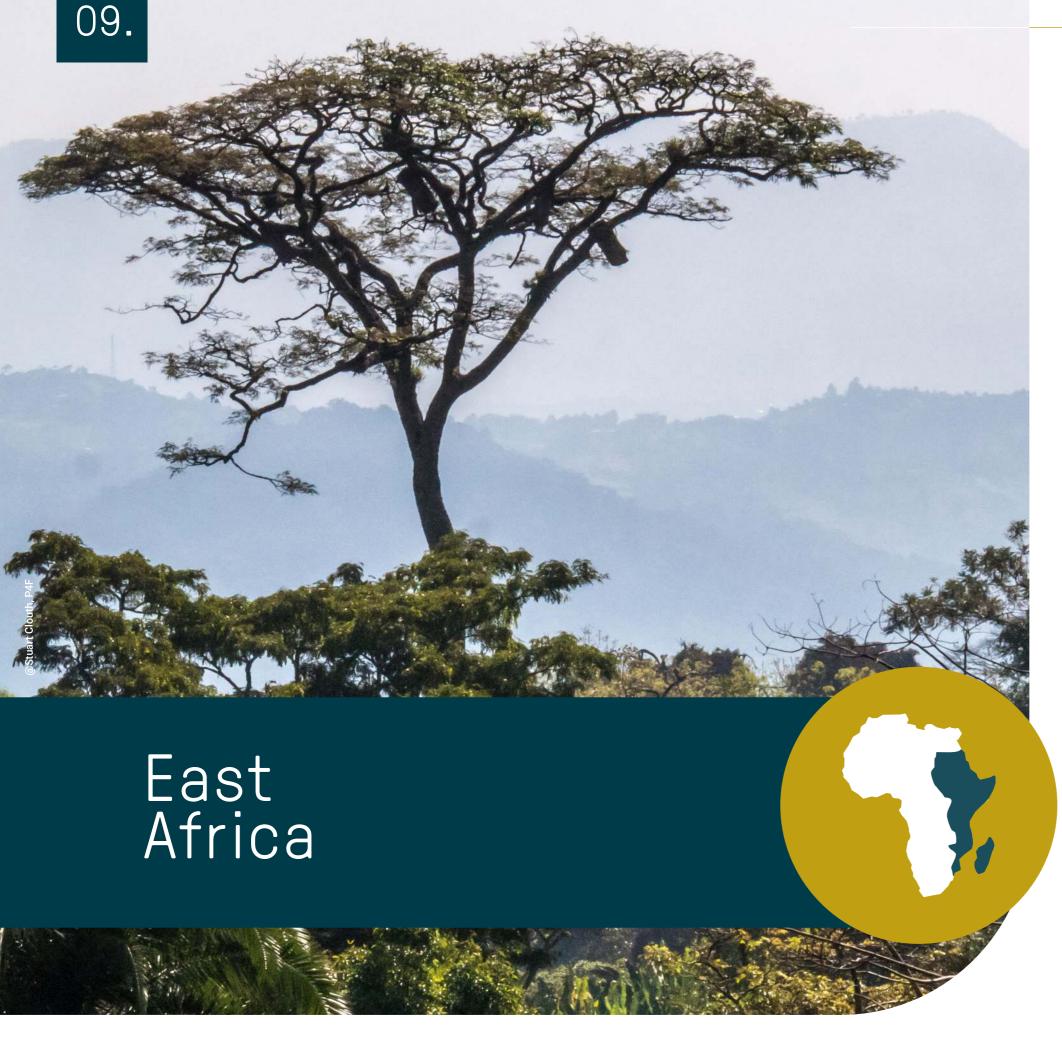


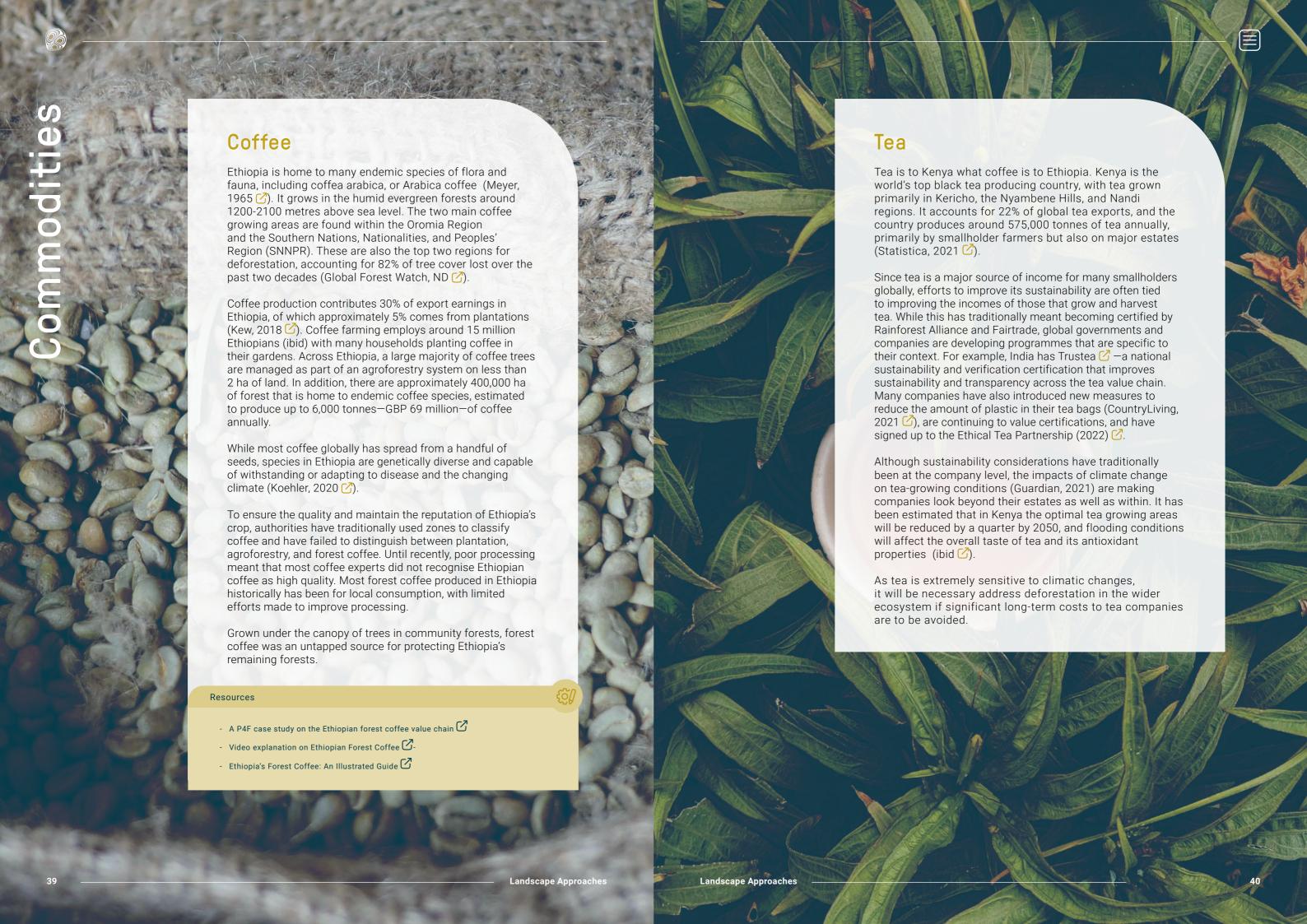
Context

Ethiopia is a landlocked country with wide altitudinal ranges. It is best known for the central plateau that breaks up the country between the highlands and lowlands and its unique geography has led to ecosystems that "possess one of the richest assemblages of plants in the African continent" (Vivero, Kelbessa and Demissew, 2005 ?). Kenya is around 5% forested and more than a third of Tanzania is estimated to be forested. The Eastern Arc Mountains and coastal forests run along the coastline of both countries and stretch 900 km across (CEPF, 2007 ?).

Agriculture is a major part of the Ethiopian economy and the leading cause of deforestation—between 2001 and 2020, Ethiopia lost 428,000 ha of tree cover, of which 18% was primary forest (Global Forest Watch, ND ?). Over the same period Kenya and Tanzania lost 361,000 ha and 2.7m ha of forest, respectively, of which 14% and 1% of this was primary forest (Global Forest Watch, ND ?). As in Ethiopia, agricultural encroachment is a leading driver of deforestation, along with charcoal production. Deforestation in Kenya and Tanzania tends to be highest in community areas that are usually open access and have poor management or land tenure systems.

In light of these challenges, the national governments of Kenya, Tanzania, and Ethiopia have signed up to the African Forest Landscape Restoration Initiative (AFR100), a pan-Africa initiative to bring 100 million ha of land into restoration by 2030.









Ethiopian Forest Coffee



Organisations involved: GIZ, TechnoServe, Ethiopian Coffee and Tea Authority, Ethiopian Commodity Exchange and CoQua Lab Commodity: Forest coffee



Commodity: Forest coffee



Landscape: Kafa, Sheka, Bench Majji, Illuababor and Bale Forests in Oromia and SNNPR, Ethiopia



Lessons relate to: Build local community capacity to engage in multi-stakeholder processes and incentivize their engagement ♂ and Build momentum for L/JIs by sharing positive, clear stories about ongoing sustainability efforts ♂



About: GIZ and TechnoServe have been working across the value chain to improve the processing facilities of forest coffee and create a brand that is internationally recognised. Combined, these activities are expected to improve protection of primary forests in the Oromia and SNNPR regions by enhancing the capability of local forest governance structures. \Longrightarrow



In Ethiopia, several districts have legally recognised PFM as a way of managing community forests. Prior to 1995, forests were owned by the government but, as a result of growing deforestation and overall mismanagement, there was pressure on the government to hand responsibility for administering and managing their forests to local people. These structures were introduced in 1995 as a way of decentralising property rights from the state, and granting communities the authority to make decisions over these resources. Oromia was the first state to recognise the PFM model and forge agreements with local communities and four other states have followed (Farm Africa, 2015 2).

While each PFM has had its own challenges in protecting standing forests, it is widely recognised that PFM regimes are most successful when communities develop profitable forest-based enterprises.

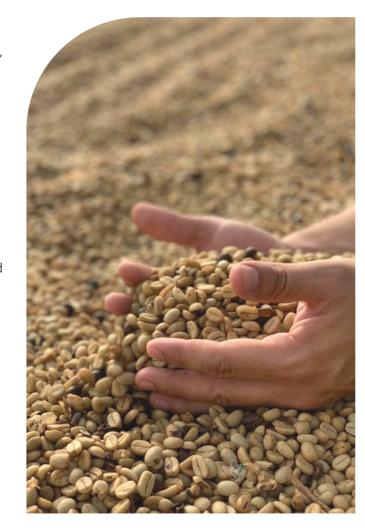
Working with the PFM structures, GIZ has helped communities in Kafa, Sheka, Bench Maji, Illubabor and Bale Forests to improve harvesting practices, construct centralized drying stations, train farmers on best practices, and raise drying beds. These activities have helped improve the quality mark 'cupping scores' of the coffee, where scores of 80 points or above get "specialty coffee" recognition. GIZ's work has helped 18 cooperatives score over 85 and 12 score between 81 and 84, demonstrating the speciality of the coffee grown in forests. A survey of 300 international coffee buyers, found that 95% of them were interested in buying Ethiopian forest coffee.

To complement the work with coffee suppliers, TechnoServe has published a Forest Coffee Guide that features a compilation of stories and profiles from each forest coffee region with details of the cooperatives, maps, and images of the people involved in the process. This has been shared at several global coffee industry events. To connect local community enterprises with international buyers, the project has also established an online platform to support traceability and help more communities secure profits that incentivise them to improve forest monitoring.

The business case for private sector: No single coffee company could have made the level of investment needed, especially given forest coffee was not a widely recognised brand for coffee buyers or within the Ethiopian trade market until 2017. Before 2017, most buying was done through the Ethiopia Commodity Exchange (ECX), which sold

through auctions and bagged according to region, not producers. A change in government regulation in 2017 meant that producers with privately owned washing stations could sell their coffee directly to international buyers, outside the ECX, and that fully traceable coffee was possible.

These changes along with the work done by GIZ and TechnoServe will allow more coffee buyers to begin purchasing high quality forest coffee either directly by producers or through the ECX. With export-quality coffee, community-owned enterprises are expected to reap the benefits and boost their incentives to protect the remaining community forests in Oromia. In turn, coffee buyers will be able to market their coffee as sustainable. As Volcafe Select, a European Speciality Coffee brand, has shared on their website about forest coffee, "For the first time it is possible for farmers to be rewarded for their efforts to achieve higher quality, and to have their coffee reach the market in their own names" (ND 2).



Landscape Approaches Landscape Approaches Landscape Approaches



Initiative for Sustainable Landscape Approaches (ISLA)



Organisations involved: The Sustainable Trade Initiative, Nakuru, Kericho, Bomet national government agencies, James Finlay, Unilever, Rhino Ark and KDTH



Commodity: Tea



Landscape: South West Mau Forest Complex, Kenya



Lessons relate to:
Support landscape restoration ☑



About: Situated in the Rift Valley, the Mau Forest Complex (MFC) is Kenya's largest closed-canopy montane forest and an area that is known for its biodiversity (Birdlife, 2013 ☑) and microclimate, both of which make this region extremely desirable for agriculture and livestock. It is the country's top tea producing region, home to several of the country's largest tea plantations that provide incomes to thousands of people living in the Mau Region and contributing 60% of Kenya's annual tea production. →



Despite this, more than 25% of the MFC has been degraded since 2005 due to agricultural expansion, mainly by grazing livestock along its eastern parts. James Finlay Kenya is a leading grower, manufacturer and supplier of Kenyan tea, covering 10,300 ha, of which 1,200 ha are preserved indigenous forests.

The ISLA project was initiated by The Sustainable Trade Initiative (IDH), a non-profit organisation, to create a landscape approach to protect and restore the South West Mau Forest. In 2016/2017, IDH brought together government and private and public sector representatives to find joint solutions to the issues affecting the landscape. The organisation created an integrated action plan that covers four main areas: 1) forest conservation; 2) improvement of water flow and access; 3) sustainable energy; 4) alternative livelihoods.

The project has trained farmers in livestock intensification, particularly dairy cows. By encouraging use of fodders such as maize, instead of forest grazing, the original pilot (funded by P4F) helped 200 dairy farmers increase milk production by 50%. Most had a rise in production of between four and six litres per day, allowing household consumption and selling on the market. With this proof of concept, IDH secured additional funding from James Finlays, Unilever, KDTH and Rhino Ark to scale this to another 1000 livestock farmers in the region.

IDH estimates that, at the current rate of improvement, all the degraded forest could be regenerated by 2029 (2021 2).

The business case for private sector: IDH's drive to protect the MFC and work with stakeholders in the region to identify and address common challenges has been central to this project. While the success of the original pilot helped to secure investments from companies that rely on the microclimate for tea production, IDH's costs and time still rely on donor funding and so the project's sustainability remains a challenge. Despite this, IDH's vision and motivation has allowed it to take a holistic, multi-organisation landscape approach, acting as an important neutral facilitator that maintains accountability and keeps track of progress against the action plan.

Involvement in ISLA avoids duplication of efforts, addresses challenges in getting a social license to operate, and aligns with local communities,



Packed Finlay loose tea

such as the Water Resources Users Associations and Community Forest Associations, that IDH has worked to meaningfully engage with.

The project funding received to date is contingent on voluntary commitments by private sector actors. If it becomes a formal organising body, its governance approach is already outlined in the 2018 Action Plan. Several of the companies involved have been very engaged in ISLA and have seen the benefits of continuing their support. As the Managing Director of James Finlay Kenya, Simeon Hutchinson, stated in the company's 2019 sustainability report, "ISLA is key for the longevity of the tea industry in Kericho and the future supply of tea."



Building our Flourishing Future: Program Action Plan 🗹





Mpingo Conservation Development Initiative (MCDI)



Organisations involved:
Mpingo Conservation
Development Initiative,
Kilombero Valley Teak
Company, Gibson Guitars,
Yamaha, Ministry of Natural
Resources and Tourism



Commodity: Timber



Landscape: Village Land Forest Reserves across 17 villages, Tanzania



Lessons relate to:
Support additional/
alternative livelihood
activities and practices
that reduce pressure
on forests ♂ and
Support legalisation of
production ♂



About: Hardwood timber is one of the most valuable products from Tanzania's forests, but prior to 2015 around 70% of this timber came from illegal logging (Climate Change News, 2019 ☑). To address this and bring responsible development to local communities, the Mpingo Conservation Development Initiative (MCDI), a conservation NGO, has set up 17 Village Land Forest Reserves (VLFRs) and has supported them to grow and sell hardwoods and manage Tanzania's remaining forest areas. ⊝



MCDI's role has been to provide training and support for VLFRs to strengthen: 1) Awareness of the importance of forests; 2) Financial literacy and 3) Budget prioritisation and management.

Legislated to protect forests by the Tanzanian government, VLFRs elect village natural resource committees to manage forests and the hardwood plantations designed by MCDI. Gaining the first FSC certification of a community-managed natural forest in Africa, communities have achieved a premium price for the sale of sustainable timber. The VLFRs are also exempt from paying government royalties and so can sell at a lower price than royalty-paying companies. This is expected to reduce the demand for illegal timber and provide additional incomes to communities.

VLFRs secured at least an eight-fold increase in their annual forest revenue (from an average of GBP3,265 to GBP26,126). VLFRs are similar to community enterprises, and the profits have been invested in maternity care, schools and education bursaries and diversification strategies such as mobile sawmills.

Kilombero Valley Teak Company (KVTC), a leading global commercial teak plantation, joined the initiative as an off taker to the teak timber produced by communities. Additionally, Yamaha and Gibson Guitars have purchased Mpingo logs from the VLFRs to produce their high-end musical instruments.

The business case for private sector: Companies producing high-end goods are under pressure from global timber industry watchdogs to stop purchasing illegal timber, but finding sufficient certified hardwood species in the quantity and price range that buyers expect is challenging. The VLFRs are helping to address this issue in the long term, as well as bringing positive stories of economic change for rural forest communities.

For KVTC, the collaboration with MCDI fits their community strategy as "KVTC aims to work with communities in the project area for a better environment and livelihood for all stakeholders involved. KVTC strives to engage people in the project area to actively care for the environment and to create opportunities for economic development" (2022 🖒). MCDI's experience in building private and community forestry management models also supports KVTC in meeting its conservation commitment.

For Yamaha and Gibson, sustainability and certification has been of primary importance in demonstrating they do not use illegal timber varieties (The Conversation, 2021).

Makala Jasper (CEO) meets with Ngea Village Natural Resources Committee

"The Yamaha Group has established a due diligence system to prevent the procurement of timber from illegal sources, and promotes a strict confirmation process for the legality of timber harvesting through site visits and surveys of documents for procurement sources. In addition to environmental considerations, the Group is expanding the use of certified timber, which is produced in socially and economically sustainable forests and contributes to the advancement of the community"

Yamaha, ND 🗹



______ Landscape Approaches



Komaza micro-forestry model



Organisations involved: Komaza and communities in Kilifi, Kwale and Nyandarua



Commodity: Timber



Landscape: Community forest reserves across coastal Kenya



Lessons relate to:
Support additional/
alternative
livelihoods 2



About: Komaza originally worked in Kilifi district and has since scaled up to Kwale and Nyandarua. To date, it has worked with 20,000 farmers who have planted 7,000 ha of trees. P4F supported Komaza in developing expansion strategy including selecting sites, developing SOPs and building scalable technology and data systems. Working with equal numbers of male and female smallholders, the company has improved its model by introducing e-mobile payments (MPESA) and contracts that provide smallholders with better tenant-farmer protection.



In 2020, P4F also supported the project to design a Special Purpose Vehicle (SPV) that helps Komaza to aggregate investments across multiple projects to minimise perceived risks to investors and establish a new forestry asset class. Komaza was also connected to more than ten investors through P4F's investor roundtable event.

The business case for private sector: East African timber remains in high demand globally and species like eucalyptus and melia volkensii (comparable to mahogany) yield comparatively high prices. However, historical conflicts with communities and companies that have failed to secure an SLO mean that plantation production in East Africa is a huge risk for companies and has made most governments reluctant to grant companies estate-level tenure rights.

This means that working with smallholders is the only sustainable solution to building a timber business in Kenya. Allowing smallholders to harvest parts of their timber for their own fuelwood needs could also have transformative impacts by encouraging them not to encroach in forests.

Komaza's social impact also contributes to their marketability and strategy as "We're not clearing vast tranches of land, displacing people and fostering anger and resentment. We're unlocking the potential of the land and lifting farmers out of poverty" (ND 🖒). Investor awareness of their offer has helped the company to unlock GBP50m of investment from social-responsibility focused investors such as Novastar, AXA Investment Managers, FMO and Minrova. The SPV prepared with the support of P4F also attracts investors by providing them with sustainable forestry investment options.



Seedling propagation

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Climate Smart Lending Platform (CSLP)



Organisations involved: F3 Life, Financial Access, the International Union for the Conservation of Nature (IUCN), the Climate Policy Initiative's Global Innovation Lab, ECLOF and, Satelligence



Commodity: Finance



Landscape: Africa



Lessons relate to: Enhance sustainability-pegged financial flows to producers 2



About: Access to finance is one of the biggest challenges facing smallholders globally, and the issue is much more pronounced in Africa. The Climate Smart Lending Platform (CSLP) was created to support financial institutions and lenders to incorporate climate risk into their loans and incentivise good land management practices by smallholders who take out loans. According to the Climate Policy Initiative's Global Innovation Lab, this is a potential USD 200b market (ND 🗹). 🤿



The project has developed tools that integrate variable information into existing credit-scoring systems and report against sustainability standards across six different commodities: tea, cotton, coffee, sugar, dairy, and potatoes. The project aims to help financial institutions design incentives to improve the practices of farmers that will, in turn, enable the institutions to increase financial results, reduce credit default risks and expand their clientele.

With support from P4F, the CSLP completed a proof of concept with its first lender in Kenya, ECLOF, a micro- and small-business lender with 132,000 clients and a focus on agricultural businesses. Before 2019, the organisation had not provided any loans linked to climate smart agricultural practices. Following the success of a pilot with 75 farmers in Nyandarua, the organisation plans to roll the approach out across its Kenyan operations. Five more financial institutions have also adopted the climate smart tools in East and West Africa, with plans to onboard an additional 15 organisations this year.

The business case for private sector: The lack of finance across Africa has knock-on effects in every

sector, particularly those dependent on smallholder farmers for their supply. Smallholders are unlikely to adopt best practice if they are unable to invest in their businesses, so the combination of companies supporting farmer training and extension services or investing in programmes delivered by others to do this— and local financial institutions incorporating good practice into their loans could help ensure results are sustainable.

This could also help organisations engaging in landscape approaches to achieve their results and ensure activities on the ground are effectively taken up by smallholders. For financial institutions and lenders, best practice approaches are going to lead to a lower risk of defaults and could expand their clientele. More prosperous smallholder businesses can also lead to higher compliance with local and national laws and legalisation of their operations.

Resources



- For videos and a summary about CLSP link here







Landscape Approaches Landscape Approaches



South East Asia

Context

Between 2002 and 2020, Indonesia lost 9.75m ha (10%) of primary forest and 27.7m ha (17%) of its tree cover. The primary drivers were commodity products such as pulp and paper, palm oil and timber (Global Forest Watch, 2022 🕜). However, recent years have seen a shift and in 2021 the Indonesian government reported that deforestation was the lowest since it began tracking forest loss in 1990. There are still disagreements on what progress is being made in forest loss, with some estimating the country likely to lose another 55m ha by 2040 (Mongabay, 2021 🖒).

While many officials and academics credit two main government-enacted moratoriums on (1) opening primary forests and peat, and (2) issuing licenses for new palm oil plantations (ibid), the overall calculation of deforestation may still be affected by data on timber and pulp and paper plantations. Also, despite the 'one map' policy to unify all land use data across the archipelago launched by President Joko Widodo in 2018, claims and conflicts around overlaps remain. There is also ongoing discussion on who can access different levels of information and how and whether customary forests will be included in a unified database.

Additionally, the moratoriums are not a permanent solution. They were enacted as a response to major forest fires in 2015, when around 2.6m ha of land was burned, and were always intended to be temporary (Reuters, 2021). When the moratorium on new palm oil was not extended (in spite of environmentalist calls to do so), the government claimed new permits were going to be rejected due to new regulations that were in place or in development (Thomson Reuters Foundation, 2021 ?).

One of those new regulations was the Job Creation Law (often referred to as the Omnibus Law) in 2020 that a) prevents the public from challenging environmental permits in court by establishing assessment teams of government representatives and certified experts, and b) allows concessions to grow multiple commodities. Before this, the granting of single commodity concession permits led to the dominance of plantations and monocultures in the country. While the new issuing of permits may be problematic environmentally, the change could allow concessions to diversify production and may offer businesses the opportunity to create value from standing forests.

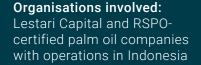
Despite these turbulent times for forests in Indonesia, there have been pockets of positive news emerging across the country.





Sustainable Commodities Conservation Mechanism (SCCM)







Commodity: Palm Oil



Landscape: Indonesia



Lessons relate to: Support innovative financial mechanisms

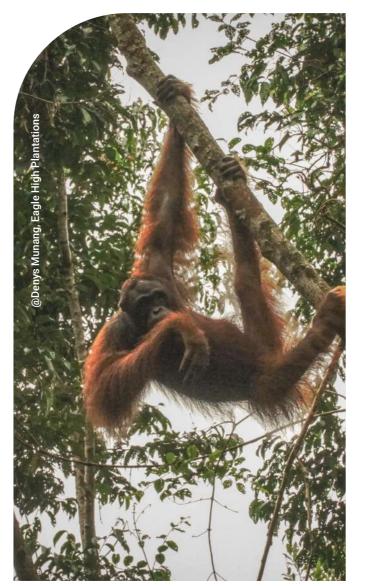


About: Lestari Capital is a financial management company that, in 2018, set up the Sustainable Commodities Conservation Mechanism (SCCM) involving a group of SPVs that help companies to redeem their environmental liabilities. The first vehicle—the Rimba Collective—was created specifically to service the liabilities from RSPO-certified palm oil companies in a way that would be approved by the RSPO Compensation Panel.



To date, the Rimba Collective has mobilised close to GBP30 million of private capital for conservation efforts from four companies. With a growing portfolio of projects that meet RSPO requirements, the mechanism can secure 25-year financing structures as a result of their purchase service agreements.

One example of the projects supported by SSCM is the Nanga Lauk Village Forest \Box — a 10,000 ha peat and riparian village located in Kalimantan. The village has sold Plan Vivo certified credits in exchange for GBP2 million and will receive credits through activities such as landscape protection (forest and wildlife patrolling and forest rehabilitation) and NTFP production. The activities will also provide incomes to the 700 community members.



Given the success of the Rimba Collective, Lestari Capital is looking achieve similar results in other commodity sectors, such as soya. The SPV mechanism has helped address one of the biggest barriers facing companies that want to invest their corporate social responsibility or certification commitments into projects—the administrative costs of finding forest projects. Specifically, by aggregating capital, Lestari Capital has been able to build a portfolio of projects that are approved by experts and have third-party validation, such as Plan Vivo.

The business case for private sector: Many international and national standards have zero-deforestation obligations, and some also require companies to pay liabilities for historic deforestation. For RSPO, these liabilities must be paid to projects in the areas where the original deforestation took place. Companies that produce and use palm oil are not the only companies to benefit significantly from tropical deforestation. Large consumer goods companies like Unilever, Proctor and Gamble, Nestlé, and PepsiCo have also reaped considerable economic rewards and are now facing pressure to improve supply chain traceability and demand for more sustainable, certified products.

As Benjamin Ware, Nestlé's Global Head of Sustainable Sourcing and Climate Delivery, said "[Nestle's] involvement in the Rimba Collective will enable us to speed up our proactive efforts to protect forests and peatlands as well as human rights. It is an important pillar to achieve our commitment to zero net greenhouse gas emissions by 2050" (2021). Similarly, PepsiCo state on their website, "We are committed to engaging in on-theground initiatives with industry, civil society, and others that support the transition to responsible production and play an active role in the wider transformation of the palm oil sector" (ND).

Consumers are also increasingly conscious about the sustainability and origins of the items they purchase. This trend is likely to intensify, and taking a proactive approach to helping address tropical deforestation is likely to be a worthwhile, and financially responsible strategy.

Resources

- About RSPO SCCM Solutions
- About the Rimba Collective

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Forestwise



Organisations involved: Forestwise, LUSH North America and local communities



Commodity: Illipe Nut



Landscape: West Kalimantan, Indonesia



Lessons relate to: Support to farmers on best management practices ☑



About: Founded in 2018, Forestwise is a Dutch company that saw the opportunity in using sustainable illipe nut production to protect remaining rainforests. With support from P4F, the company established a factory in Sintang, West Kalimantan, and set up a subsidiary, PT Forestwise Wild Keepers. Certified by Ecocert with Fair for Life, NOP Organic, and EOS Organic certificates, the company is the first to export illipe nut internationally.





Women collecting illipe nuts from the forest floor in Sintang regency, West Kalimantan



The product helps Dayak communities, who have harvested and processed illipe for centuries. Previously, they sold their harvest to middlemen who then transported them to local processing facilities. As a local community member said "When dealing with middlemen for an uncertain price, there are times when we get a lot of profit from it, but there are also times where we lose money. Price is very much determined by the middleman" (P4F, 2020). Before Forestwise was established communities received between IDR 1,000 to 3,000 per kg but since working with Forestwise, they receive IDR 6,000 to 7,000 per kg.

Since 2020, the company signed agreements with 740 people in 32 villages, which include a clause to ensure the long-term protection of the tree. Due to certification, communities have been trained in improved processing techniques that involve sun drying instead of smoking. This could have positive impacts on the health of women in the supply chain, who are traditionally responsible for this process.

The business case for private sector: Forestwise's website sets out that: "Our mission is to #StopDeforestation and create #RainforestValue by developing a market for valuable products from the

rainforest and empower local people to protect the remaining forest" (ND). In addition to illipe nut butter, the company sells buah merah, kukui nut and virgin coconut oil.

For cosmetic companies, particularly ones that aim to be sustainable and environmentally and socially conscious, purchasing illipe nut butter also comes with a story about how this NTFP product is helping to save Borneo's remaining rainforest. This fits well with companies such as LUSH North America that "carefully selects synthetics to ensure they're safe for use and don't have a negative impact on ecosystems, animals or humans" (ND). As a nearly like-for-like alternative to cocoa and shea butter, improving global demand for illipe butter would be relatively straightforward and could have a significant positive impact for Indonesia's remaining rainforests.

Resources

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Illipe Nut: A New Value Chain with Strong Social and Gender Potential

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Bukit Tigapuluh (BTP) Protection Forum



Organisations involved: KKI Warsi, PT TMA, PT WKS, PT Royal Lestari Utama, PR Alam Bukit Tiga Puluh, WWF, BTP National Park, Frankfurt Zoological Society, Eyes on the Forest, JPIK



Commodity: Commodity agnostic



Landscape: Bukit Tiga Puluh ('Thirty Hills'), Sumatra, Indonesia



Lessons relate to: Precompetitively align your sector ☑ and Share spatial data and management systems ☑ and Share responsibility for progress ☑



About: Thirty Hills is a 400,000 ha landscape with the last remnant of tropical forests in the region. It is home to wild elephants, tigers and orangutans—species that are critically endangered due to losing around half of their forest habitat to logging and the farming of palm oil and other commodities.





There are several organisations that have a stake in the landscape, including NGOs such the Frankfurt Zoological Society and Eyes on the Forest and companies such as PT Royal Lestari Utama (RLU)—a joint venture between an Indonesian land manager and Michelin the French tyre manufacturer, and PT Alam Bukit Tiga Puluh (ABT)—an ecosystem restoration concession.

P4F has worked with several of these stakeholders to help them develop responsible business practices including:

- PT RLU using HCV and HCS methodologies to identify areas for protection and production;
- PT ABT developing and commercialising honey production; and,
- PT ABT blocks 1 and 2 being linked as a Wildlife Conservation Area with habitats for the Sumatran elephant and tiger.

Working across stakeholders also revealed shared issues—such as human—wildlife conflict, forest protection and patrolling, managing forest fires and the threat of encroachment—that were often

tackled in siloes, leading to significant duplication of effort. To help address this, in 2019 P4F designed a Protection Forum that focused on the common challenges facing land managers and helped build trust between companies.

Facilitated by KKI Warsi, a neutral facilitator in the landscape, the forum hosts monthly meetings on topics common to all members and informal meetings to build trust, find collaboration opportunities, and generally build the relationships between members. The forum also conducts training sessions and bimonthly joint patrol events with members. These patrols have helped identify elephant mobility across the landscape, illegal logging activities, land fire hotspots and encroachment around concession areas.

ABT's Public Relations Manager, Netty Riana Sari, told P4F "The BTP Protection Forum maximises synergy between land managers in practical ways, for example through the joint patrol and reporting of illegal activities within the landscape... PT ABT's interaction with other land managers has increased in terms of intensity and productivity".

The business case for private sector: In competitive environments, building momentum, trust and collaboration is maximised if the issues addressed are shared by all stakeholders, if there are lower level and less formal chances to work together, and if activities are organised by a neutral actor. It is also important that costs are shared fairly across the full set of stakeholders.

If these initial set up considerations are made, the incentives for companies to get involved can be significant. In addition to reducing transaction costs, a joint forum between stakeholders can provide financial incentives if joint solutions are found – for example, in joint monitoring and patrolling. It can also provide opportunities for shared learnings and resources. This could help free up resources for other things.

Even if the incentives for reaching a shared vision for a landscape are not in place, it is likely that stakeholders operating in close proximity will have shared challenges to coalesce around.

Resources



P4F's Report 'Making Forests and Biodiversity Work for All'

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Latin America

Context

Deforestation in the Amazon peaked in 2004, when nearly 3 million ha of forests were cleared, but was on a significant decline between 1994 and 2003. Many people have attributed this to the Action Plan for the Prevention and Control of Deforestation in the Legal Amazon, as well as the soya and beef moratoriums (Junior et al., 2021). Since 2015, however, official trends show an incremental increase in deforestation, with the latest 2020–2021 figure estimating deforestation at around 1.3 million ha (Imazon, 2021).

This upward trend was anticipated by many experts following the 2012 update to the Forest Code which: 1) pardoned any illegal deforestation prior to 2008, leading private landowners to further clear native vegetation with the expectation of impunity, and 2) reduced the percentage of native vegetation private landowners were required to keep standing (otherwise referred to as 'legal reserves') by granting rights to Amazon states that are 65% covered by conservation units or indigenous reserves. It has been estimated that 15 million ha were legally allowed to be cleared as a result of these changes (Freitas et al., 2018). The upward trend was also influenced by the weakening of the Ministry of Environment's resources, that has made it difficult to enforce illegal behaviour when it does occur.

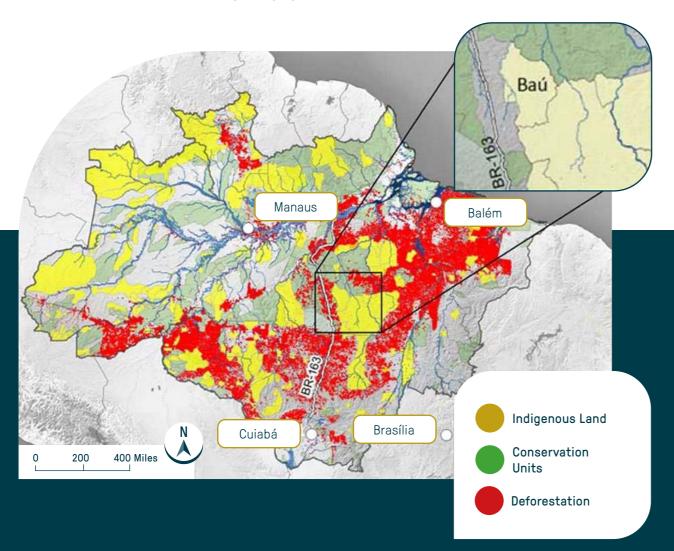
Attributing responsibility for deforestation within Brazil is challenging as there are interdependent illegal activities involved including: land grabbing, logging, mining, agriculture, and hunting and wildlife trafficking. This creates a "web of illicit interests" (Mongabay, 2022 🕜) that stand to benefit from the current soaring natural resource prices, particularly gold. While deforestation across Brazil is likely to rise until more resources are committed to enforcement, monitoring of the changes has improved. With initiatives such as the Monitoring of the Andean Amazon Project that use detailed satellite imagery to detect deforestation areas, every hectare of the Amazon can be monitored in real time.

A similar trend can also be seen in Colombia. Shifting agricultural practices are the dominant driver of forest loss across the country, Since the signing of the 2016 Peace Deal, deforestation rates have increased as many of the FARC guerrillas left forested areas which opened up opportunities for loggers and cattle and cocoa farmers. The country saw rates of deforestation peak in 2018 over an 18-year period (Global Forest Watch, ND).



It is important to note that the rates of murder of people within indigenous groups have also risen. In Brazil, more indigenous leaders were killed in 2019 than any other year in the past two decades. Many organisations and groups have suggested that responsibility for this lies with the federal government for "putting indigenous people as an enemy to the nation's progress and development" (Mongabay, 2019 ...). Over the decades, however, evidence that local communities, including indigenous groups, are the Amazon's best land stewards has mounted (Mongabay, 2017 ...) (see map below).

Indigenous reserves and conservation units in the Amazon





Landscape Approaches

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Seed Paths Initiative/Iniciativa Caminhos da Semente



Organisations involved: Xingu Seeds Network, Agroicone Instituto Socioambiental and Embrapa



Commodity: Seeds



Jurisdiction: Initially started in Xingu Park, Brazil, but now present in multiple regions in the Amazon and Cerrado



Lessons relate to: Support landscape restoration ✓



About: The Seed Paths initiative was launched in 2019 to support restoration efforts across the Brazilian Cerrado and Amazon. Previously, native tree species were difficult to obtain in the seed market. The Seeds Path Initiative promotes a direct seeding approach—known as the 'muvuca' approach—as a cheaper, more efficient alternative to traditional methods that rely on seedlings for restoring native vegetation. When tested in the Brazilian Midwest, the approach was found to produce trees that had better developed roots and were more resistant to drought (SER-INSR, 2021).



In addition to being cheaper and supporting more resistant trees, the approach has benefits including:

- 1) Mimicking the natural forest regeneration process,
- 2) Allowing farmers to use their own machinery, and 3) Providing jobs for women and indigenous groups
- across rural, semi-urban and urban areas.

The Seed Paths Initiative aimed to promote the muvuca method across several seed networks and new areas of Brazil. Central to this scaling was support to the most mature seed network in Brazil, the Xingu Seeds Network (ARSX), to scale and become more business-oriented.

Created in 2007 by Agroicone Instituto
Socioambiental, a local NGO focused on supporting
indigenous groups in the Amazon, the network was
previously dependent on donors for survival.
In order to ensure the sustainability of the Seed
Paths Initiative, the project was broken into
two phases. The first phase identified barriers,
stakeholders and a roadmap to transform ARSX in a
profitable business, and the second phase focused
on increasing uptake of the technique by increasing
awareness and knowledge across the Brazilian
agribusiness sector.

Making restoration techniques more affordable and effective for landowners could bring significant ecological and economic benefits to Brazil, but restoration is an immature market that will require large-scale behaviour change.

The business case for private sector: Despite the Forest Code in Brazil, there are significant practical barriers to landowners to restoring native vegetation, including a lack of knowledge of how to do it, high costs and low returns, and an unstructured supply chain. For ARSX, a company that previously struggled to be economically viable, the Seed Paths Initiative offered a strategic way to understand the barriers and support the behaviour change needed to improve demand for native seed species.

As part of their involvement in the initiative, a business consultancy called Sense Lab was selected to conduct a four-month diagnosis and develop a business plan for ARSX. Acting on the recommendations from Sense Lab, the company consolidated and professionalised the team, improved infrastructure, designed financial and organisational processes, implemented a marketing strategy, and supported the training and knowledge sharing between seed collectors. In addition to the business case, a new governance structure was

proposed that involved ensuring the Executive Board could make tactical and operational decisions for the company.

In the short term, the improved enabling conditions have helped the company address fundamental business case challenges they were facing. In the long-term the improved enabling conditions will help increase awareness and take up of the direct seeding technique. To date, ARSX have signed contracts with private companies such as AES TIETÊ, AMAGGI, Iniciativa Verde and Saint Isabel Sugar to restore their environmental liabilities.

Resources



- For more information on the seed-based restoration read here ┌ॅिं



Gilmar preparing seeds to mix using the muvuca approach.

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Veja







Commodity: Rubber



Jurisdiction: Chico Mendes Extractive Reserve/Reserva Extrativista Chico Mendes in Acre, Brazil



Lessons relate to: Help develop carbon offset programs that reduce deforestation at the landscape/jurisdictional scale and Enhance sustainability-pegged financial flows to producers and Align supplier requirements with landscape/jurisdictional goals



About: Veja is a French luxury shoe company that has gained popularity across consumer markets for their commitments to sustainability and fair trade. Veja purchases all its rubber from the Amazon from the Reserva Extrativista Chico Mendes (RECM) in Acre—close to areas where a significant amount of deforestation is taking (Mascarenhas, Brown and Silva, 2018)—and manufactures its sneakers in Porto Alegre, Rio Grande do Sul state, and purchases all its rubber from the Amazon from the Reserva Extrativista Chico Mendes (RECM). Working in partnership with Cooperacre, the largest cooperative in Acre state, Veja pays the tappers above the rubber market price.



In 2017, Veja started to source rubber from across eight Acre municipalities: Sena Madureira, Assis Brasil, Brasileia, Xapuri, Feijó, Tarauacá, Porto Walter, and Rodrigues Alves. RECM, which covers part of these municipalities, is home to 30,000 people and is the largest reserve in the Amazon, covering an area of 970,000 ha. It is named after Chico Mendes, the assassinated rubber tapper and environmentalist, and is managed by traditional rubber tapper families.

In the late 1990s, a Sustainable Rubber Supply Chain Programme was launched. It provided state subsidies to enhance rubber production and for a few decades most tappers in the region were able to live off rubber tapping, particularly while the price of rubber was high. Since the price drop in 2011, many families have had to look to other forms of work, including cattle ranching. Veja's efforts on sustainability and community improvements have been focused there.

RECM is unique in that the Acre's Chico Mendes Law provides a subsidy for sustainable rubber tapping (CBD, ND). To benefit, rubber tappers must be registered with the Executive Secretary of Forest and Extractivism and the State Government and be members of an organised association, like a cooperative, that distribute the subsidies. This market-based instrument was established in 1999 to discourage alternative industries such as logging and cattle ranching. It acts as an incentive for traditional people to remain in the reserve by supplementing the market price paid to rubber tappers.

Working with P4F, Veja's activities in RECM have focused around three main activities:

- Scaling operations by raising the number of rubber tappers from which they buy, and providing rubber tappers with training, kits, and events to improve the way they collect, store, and transport rubber;
- 2) Structuring a price policy and rules on how to monitor, collect data, and verify information and;
- 3) Improving gender awareness by making deliberate efforts to engage and empower women across the value chain to access training and better understanding of the PES scheme.

The business case for private sector: Veja has made environmental and social sustainability core

to its strategy and marketing and have strived to be transparent to consumers across their entire value chain. Even when Brazilian rubber production did not meet their demand, they decided to scale within the country rather than import from Asian or African countries. Although training and providing new farmers with kits took more initial resource, within two years they were able to nearly double the number of rubber tappers they purchased from, to 435 in 2021.

Unlike global production, rubber in RECM is produced in community-owned areas in the wild. Families are designated rubber tappers, with an average of 100 trees. The initiative was supported by the fact that bringing in the additional 200 tappers did not require planting and waiting for new rubber trees to mature. Instead, Veja could identify, train, and provide kits to families who might have stopped rubber tapping due to the low price or that were still tapping but at a low-market price.

With Veja, rubber tappers receive additional payments for every kilogram of rubber they sell to the cooperative in exchange for committing to zero deforestation.

The other core business reason for Veja to scale-up production in Brazil the long history of rubber production in the area and the alignment with local government measures to use rubber to generate value into standing forests. Working with a specialist consultancy, Veja helped to establish a protocol that encompassed four main principles and provided workshops to train rubber tappers on how to comply with the requirements including the monitoring measures that the cooperatives and rubber tappers need to do.

By working with families that were previously dependent on welfare benefits from the state ('Bolsa Familia') as well as other social benefits, Veja has increased smallholder incomes by 71% between 2018 and 2021. Further information lcan be found in their strategy and website .

Resources



For more information about Veja's scale-up efforts and PES scheme read here

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Cocoa agroforestry







Commodity: Cocoa



Jurisdiction: São Félix do Xingu and Tucumã municipalities in Pará, Brazil



Lessons relate to: Support landscape restoration of and Support farmer training on best management practices and provide incentives to implement them



About: In 2019, Para state contributed to 40% of the Amazon deforestation due mainly to cattle ranching, illegal logging and slash and burn crop expansion. The Cocoa Agroforestry Restoration project improves productivity of cocoa across Pará state by providing technical assistance to smallholder farmers. With the overall objective of reducing risk and improving returns to smallholders, the project helps farmers move away from unsustainable farming and livestock practices towards cocoa agroforestry methods that also regenerate native Amazon forests and support restoration projects' compliance with the Brazilian Forest Code.



Managed by The Nature Conservancy (TNC), the project has five main activities:

- 1) Developing a technical assistance hub;
- Rehabilitating existing cocoa farms and bringing 200 hectares under management by improving land use practices;
- 3) Restoring degraded areas and complying with environmental regulations;
- 4) Unlocking rural credit for cocoa farmers by engaging finance providers; and;
- 5) Increasing participation by women in the supply chain.

Targeting existing and degraded pastureland and old agroforestry areas, by 2021 the project had helped 252 smallholders to successfully adopt agroforestry practices and sign zero-deforestation commitments. The Hub also supported banks, such as the Banco da Amazonia, to identify challenges facing both the bank and the cocoa producers, to conduct risk assessments of credit applications, including from smallholders with little to no formal education. The project helped to secure a partnership with the bank for fast-track credit with favourable repayment terms and interest rates.

The business case for private sector: Cocoa is Mondelez's primary product and one of the main commodities that Olam supplies. Although Brazil currently only ranks seventh in the world for cocoa production, the promise of sustainable Brazilian cocoa is of interest to many of the global cocoa companies that have made zero deforestation commitments. While cocoa has been associated with historic deforestation, today's cocoa production offers companies a new incentive: supporting farmers to adopt cocoa agroforestry techniques has the potential to significantly reduce the rate of deforestation in the Amazon.

The narrative is particularly effective for highend consumers that value sustainability, as in Mondelez's Cocoa Life Brazil—a company initiative that aims to help farmers become more productive, improve their livelihoods and protect and restore forests. As Rodrigo Freire, TNC's Vice Coordinator of Restoration in Brazil, said "The partnership with Cocoa Life brings a new perspective to expand our efforts. Indeed, the Pará region, which had one of the highest rates

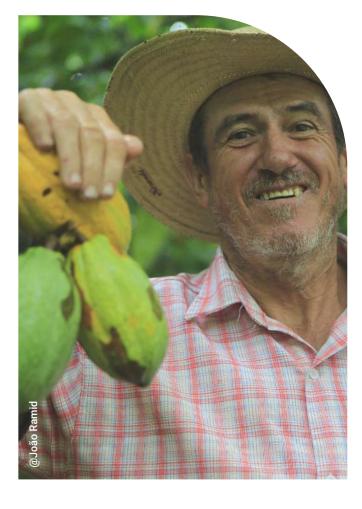
of deforestation in Brazil, has the potential to become an example of sustainable development and restoration in the Amazon Rainforest" (Global News Wire, 2018).

A similar incentive was referenced by Elicio Oliveira Amado, Olam Cocoa's Commercial Director, "Not only are we working to improve cocoa quality and traceability, we're also helping farmers get the best price for their product whilst restoring forest" (P4F, 2020).

Resources



- For more information about the Cocoa Agroforestry Restoration Model 7



Farmer working on his rural property in São Félix do Xingu, on the Brazilian Amazon.

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Cooperativa de Agricultores do Vale do Amanhecer (COOPAVAM)



Organisations involved: Cooperativa Brazil nuts de Agricultores do Vale do Amanhecer, Forest Trends and off-takers, e.g. Natura and Gebana



Commodity:



reserves in Northwest Mato Kayabi, Aripuanã, Sete de Setembro, and Zoró)



Jurisdiction: Four indigenous Lessons relate to: Build local community capacity to engage in Grosso and Rondonia (Apiaká- multi-stakeholder processes and incentivize their engagement and Support land use planning 🗹



About: Local cooperative Cooperativa de Agricultores do Vale do Amanhecer (COOPAVAM) has been operating in Mato Grosso and Rondonia states in Brazil since 2008. They purchase Brazil nuts from smallholders and indigenous communities, and currently have commercial agreements with 500 households from three indigenous territories, covering approximately 1.5 million ha of forest. The cooperative sells the nuts for use in food, health, and cosmetic products and processes them into oil and flour.







When COOPAVAM started, middlemen paid community members USD 0.09-0.15 per kilo. The cooperative was able to pay upwards of BRL 6 per kilo. Four years later, Brazil passed the National Policy for Territorial and Environmental Management of Indigenous Lands, instituted by the Brazilian Federal Government through Decree No. 7,747/2012. It was created to guarantee and promote the protection, recovery, conservation, and sustainable use of the natural resources of indigenous lands and territories by respecting their sociocultural autonomy.

As a result of this decree, indigenous groups were expected to carry out Environmental and Territorial Land Management Plans (PGTAs), with support from civil society and the Brazilian Government. PGTAs are the officially recognised mechanism to promote indigenous leadership in developing longterm visions and plans for the management of their territory and natural resources. Since 2018, with support from P4F, COOPAVAM has been supported by Forest Trends, a specialised non-governmental organisation that works with four indigenous territories to establish governance mechanisms that will cover nut collection, processing and commercialisation.

The business case for private sector: Because Brazil nut trees can only produce fruit in the wild, forest protection is vital to the value chain. This provides COOPAVAM with a strong incentive to

support indigenous communities to enhance their surveillance and protection activities. To date, four indigenous territories working with COOPAVAM have created and implemented territorial plans and developed sustainable governance frameworks. These will support the implementation, maintenance, and monitoring of surveillance activities in the Amazon rainforest and provide transparency in their relationships with the cooperative moving forward.

Working with Forest Trends, new agreements between indigenous communities and the cooperative have been drawn-up. These provide information about the indigenous group decisionmaking body and procedures, surveillance and protection activities, land use agreements, and benefit-sharing mechanisms with COOPAVAM.

As Forest Trends is a neutral organisation that is not paid directly by COOPAVAM, communities have reassurance to that there are no conflicts of interests in the creation of these governance processes. In theory, this should ensure that each PGTA is designed for and by indigenous communities and will be a document owned by them.

Resources



Forest Trends' TORs for the design of the four PGTA

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Context

Between 2001 and 2020, the world lost 411 million ha (10%) of its tree cover. The four primary causes of this loss were wildfires, forestry/logging, shifting agriculture and commodity-driven deforestation. Two other major factors are that drier conditions leading to more intense and more frequent forest fires and governments struggling to cope with "constrained fiscal resources and high levels of debt" (WRI, 2021).

Russia, Brazil, Canada, the United States, and Indonesia have the highest rates of deforestation by area (ibid) but in terms of import deforestation, the UK, Germany, Italy and Japan take the lead in their demand for coffee, chocolate, cattle, soy, palm oil and timber that are traditionally derived from tropical forests (Carbon Brief, 2021). The global pandemic did little to reduce deforestation, despite the global economy contracting by around 3.5% in 2020 (IMF, 2021).

National policies and procurement rules

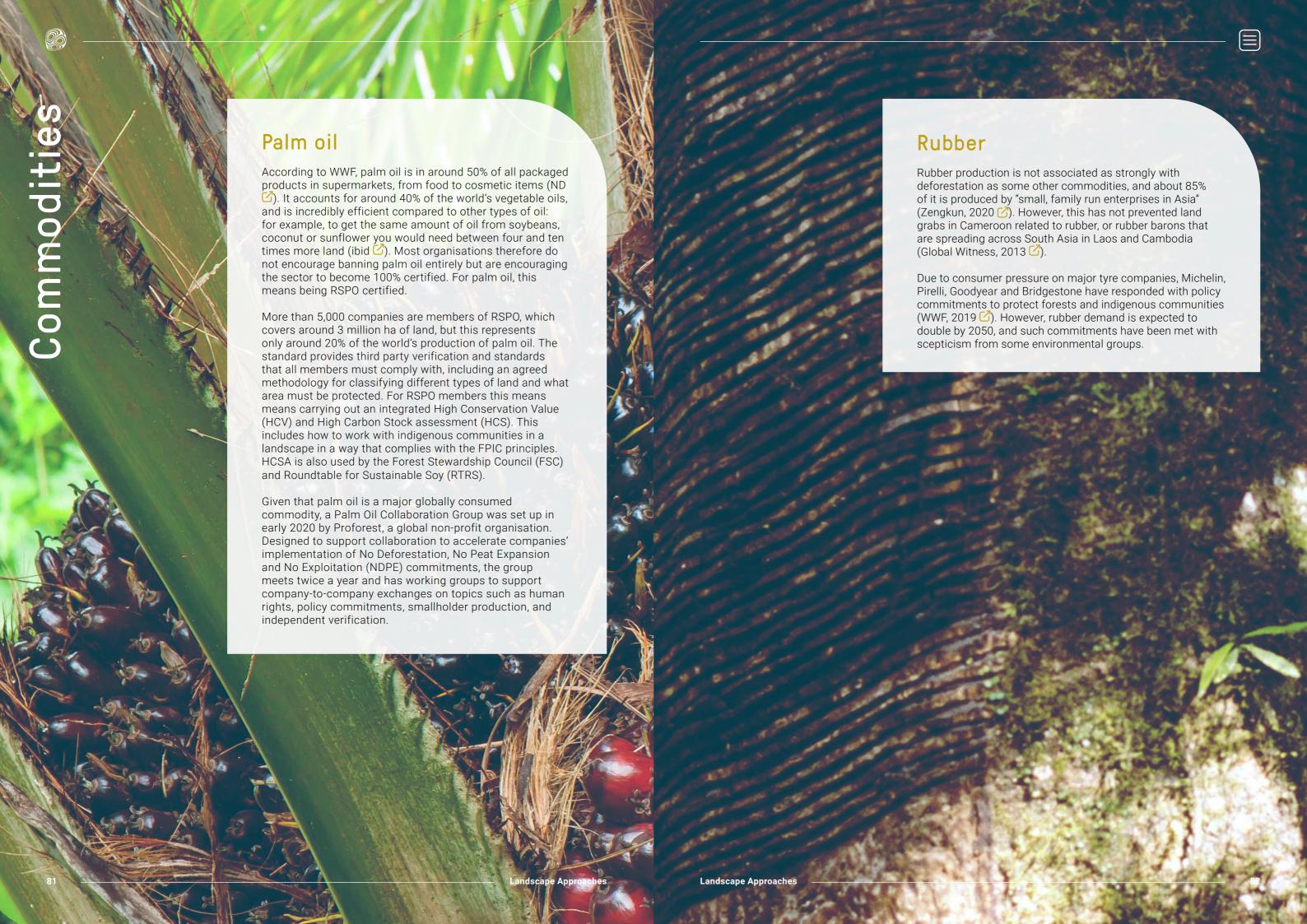
In November 2021, more than 140 countries ratified the Glasgow Leaders' Declaration on Forests and Land Use . Included in the declaration is a commitment by countries to "facilitate trade and development policies, internationally and domestically, that promote sustainable development, and sustainable commodity production and consumption, that work to countries' mutual benefit, and that do not drive deforestation and land degradation". Although not legally binding, many high-income countries have started to design legislation to improve the transparency and tracking of deforestation related to imports. For example, Germany enacted a Due Diligence in the Supply Chain Act, Norway the Transparency Act, and Switzerland the Conflict Minerals and Child Labour Ordinance.

The United Kingdom is in the process of drafting secondary legislation similar to the EU Deforestation Due Diligence that will make it illegal for UK businesses to use key commodities if they have not been produced in line with local laws protecting forests and other natural ecosystems (UK Government, 2020 C). This will have impacts on producers and smallholders that will need to adapt at-scale to meet requirements of consumer country regulations or otherwise risk being excluded from European markets. The UK legislation is being developed as a result of recommendations that came out of an independent Global Resource Initiative (GRI) Taskforce that consulted 200 leading businesses. The new measures have been well supported by organisations and companies alike. As the CEO of Tesco and ROI, Jason Tarry, stated, "We welcome these new measures as an important first step towards creating a level playing field in the UK, aligned with Tesco's goal of zero deforestation. We hope this encourages all businesses to do the right thing" (2020 \Box).

While peer pressure among governments is an effective tactic for getting concerted change across global demand, this has to date only be done in areas where there exist economic trade zones, like the European Union.



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High Carbon Stock (HCS) Approach



Organisations involved:

High Carbon Stock Approach Secretariat, RSPO-certified companies, FSC-certified companies, and RED-REDD+ actors



Commodity: Commodities in tropical forests landscapes



Landscape: Global



Lessons relate to:

Share spatial data and management systems and Support land use planning



About: In 2017, with support from P4F, the High Carbon Stock Approach (HCSA) Secretariat designed a toolkit to unify the High Carbon Stock Plus (HCS+) and HCSA was produced to help companies reach their zero-deforestation pledges. The toolkit provides consistent definitions and measures for upholding people's rights and safeguarding livelihoods. For example, it helped companies establish where high-, medium- and low-density forests are located, as well as the location of young regenerating forests and degraded lands. An estimated 635,000 ha of high carbon stock forest has so far been earmarked for conservation through the approach, and the Secretariat aims to reach 5 million ha by 2025 (2021).



The HCSA approach is most commonly associated with palm oil (given RSPO's requirement to use the approach), and P4F's support has helped to expand the member companies' use of the toolkit to other commodities.

Barry Callebaut and Ferrero, two major cocoa companies, have already joined HCSA and the first indicative HCSA maps of cocoa landscapes in Ghana have been produced. A Memorandum of Understanding between HCSA and the World Cocoa Foundation was signed in 2019 to help cocoa and chocolate companies achieve their zero-deforestation targets. As WCF's Director of Environment, Ethan Budiansky, said, "our collaboration with HCSA will generate synergy and collaborative actions in key cocoa sector tropical forest growing regions, in alignment with the interest and scope of each organisation. [It] will generate a series of results that will benefit the cocoa sector in its ability to achieve its no-deforestation commitment and responsible land use management in tropical forest regions" (P4F, 2020 \bigcirc).

The business case for private sector: HSCA is the gold standard in helping companies to achieve their zero-deforestation commitments through an integrated conservation and land use planning process. The approach is recognised by banks and financial institutions as providing third party verification on which areas should be protected or restored. It was developed to be used in fragmented landscapes in moist tropical forests and includes social best practice elements, including FPIC as a tool for ensuring social safeguards.

With many of the world's consumer goods companies making zero-deforestation commitments, the toolkit is especially valuable if adopted as part of companies' procurement policies. As the Consumer Goods Forum shared on their website, "By sourcing forest-risk commodities like cattle products, palm oil, pulp and paper, soy and timber from producers that use the HCV and HCS approaches, CGF members are taking an important step towards the elimination of deforestation from their supply chains" (2017).

This has been an important motivation for some of the newest members of the HCSA, particularly in the cocoa industry. When Ferrero signed up to HCSA in 2017, the approach had not yet produced any maps of the fragmented forests in Ghana. By 2020, Ferrero and Barry Callebaut were the first in the cocoa industry to benefit from the indicative forest maps. Mighty Earth, a global conservation advocacy organisation, stated on their website, "[we] believe that that [HCSA] should be widely used; and salutes the two trials of HCSA assessments are being conducted in cocoa landscapes in Ghana and in Peru" (2020 ...)

Resources



- For more information about the HCSA toolkit visit their website 7
- For more information about the 2017 HCSA integrated toolkit read here [✓]





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Global Platform for Sustainable Natural Rubber (GPSNR)



Organisations involved: Natural rubber processors, tyre makers and car makers, civil society organisations, rubber smallholders from seven countries



Commodity: Rubber



Landscape:Global



Lessons relate to: Build local community capacity to engage in multi-stakeholder processes and incentivize their engagement and Pre-competitively align your sector



About: In 2017, CEOs of the World Business Council for Sustainable Development, part of the Tyre Industry Project, saw the need to bring together stakeholders globally—an initiative that ended up with the creation of the Global Platform for Sustainable Natural Rubber (GPSNR).



The launch of the GPSNR took place in October 2018, and brought together ten producers, processors and traders, three car makers, 12 tyre makers or natural rubber buyers, and 11 civil society organisations (WBCSD, 2018). The group represented around 50% of the world's demand for natural rubber and the goal of the platform was to harmonise standards across the rubber industry to prevent deforestation, improve human rights and protect biodiversity. To ensure continued momentum, a Secretariat, Executive Committee and Working Groups of platform members were put in place.

Given the predominance of smallholders in the rubber value chain, in September 2020 the platform's membership structure was modified to give smallholders equal voting rights on platform decisions. However, support was needed to ensure smallholder organisation and buy-in so they could meaningfully engage in the global platform. Working with the global consultancy Transitions, P4F supported GPSNR to facilitate a series of workshops to bring together smallholders from the top rubber producing countries: Indonesia, Thailand, Vietnam, Côte d'Ivoire, Ghana and Brazil These workshops informed a recommendations report to GPSNR setting out the support needed for smallholders to get a representative group participating, and eventually voting, at platform meetings. Transitions helped elect 28 smallholders from seven countries to participate in the GPSNR meetings and contribute to discussions on how and whether decisions are actionable and viable for smallholders in their country.

GPSNR is also developing a traceability and transparency strategy for risk mapping using tools such as earth observation. As Stefano Savi, GPSNR's Director, pointed out, "This is something that no single company can fix. Understanding that people are coming from different places in the supply chain and to work synergistically in finding solutions; that's where the platform is strongest" (P4F, 2021).

The business case for private sector: Although not often seen as a forest-risk commodity, there is growing demand for rubber and increased prices will drive deforestation if left unchecked. While this threat was exaggerated when the price of natural and synthetic rubber peaked in the early 2000s (Index Mundi, ND), the fact that around 85% of rubber is produced by smallholders could present a risk to companies reaching their zero-deforestation targets. This is because cascading traceability requirements



can be difficult and costly to implement, particularly in smallholder production. As Pirelli's Head of Natural Rubber Purchasing, Ulrich Antoni stated, "The aim is to make sure all suppliers commit to cascading Pirelli's policy along supply chains and start to organise corrective actions whenever there is a gap with respect to our policy," (CIPs, 2020).

The issue of traceability commitments is not specific to rubber, but the sector has been very proactive in promoting alignment across actors. This is likely to save companies significant investments compared to siloed approaches and duplication of effort. GPSNR is unique in that stakeholders across the rubber value chain can learn from smallholders and incorporate their feedback into company procurement and sustainability policies.

Resources

- ₹<u>`</u>
- For more information about GPSNR
- For more information about how smallholders have been included into the platform link here
- Proforest's Environmental Risk Assessment of Natural Rubber Production and Processing

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Amsterdam Declarations Partnerships (ADP)



Organisations involved:
Mekon Ecology and the
governments of Belgium,
Denmark, France, Germany,
Italy, Norway, Spain, the
Netherlands and the United
Kingdom



Commodity: Cocoa, palm oil and soya



Landscape: European markets



Lessons relate to: Advocate with consumer country governments to support landscape/jurisdictional approaches in commodity producing regions and Share responsibility for progress

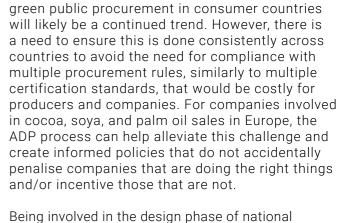


About: Iln 2015, six European countries came together in Amsterdam with a shared goal of preserving primary forests and high conservation value areas by putting global agricultural commodities at the heart of their supply chain management. Since its original statement, three more countries have joined the Amsterdam Declaration Partnership (ADP). The nine signatory countries represent 80 to 90% of Europe's commodity import markets, and the region is the second largest importer behind China/Asia-Pacific (SEI, 2021)



Facilitated by the global consultancy Mekon Ecology, the ADP Secretariat has brought together companies, governments and civil society to discuss impacts of different policies, with a focus on cocoa, palm oil and soya. The 2019 EU Communication "Stepping-Up EU Action to Protect the World's Forests" specifically references the work done by ADP, as do several other EU Resolutions. The platform has facilitated exchanges between countries designing national policies, from public procurement to national due diligence and deforestation action plans.

With support from P4F, the Secretariat also provided technical support in the form of studies on public procurement within food and catering services, and the robustness of green procurement policies. To keep momentum across the partnership, Mekon Ecology supports a six-monthly rotating chair that takes lead on the agenda of the meetings. As a representative from the Ministry of Environment and Ministry of Food, Agriculture, and Fisheries in Denmark shared with P4F, "Chairing the ADP sheds further light on the deforestation agenda within ministries and key external stakeholders in Denmark... We have been inspired by the dialogues and learnings in the ADP when elaborating the Danish Action Plan against Deforestation" (2022).



The business case for private sector: The rise of

Being involved in the design phase of national procurement policies is especially important for smaller businesses across these commodities, as they will likely have different constraints in implementing new requirements. Additionally, as other high-risk forest commodities such as beef/leather, rubber, charcoal, and minerals gain global recognition, companies need to stay abreast of changes within consumer markets that may hinder their ability to sell goods in the future.





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Conclusion

A valuable, and possibly obvious, lesson that this report emphasized is that context matters when working on landscape approaches. There is no generic model that donors, commodity producers, NGOs, or local government can adopt to ensure forests are protected, degraded ones are restored, and deforested areas reforested back to their natural state. Laws, culture, economies, politics, and existing institutions all play an important role in helping stakeholders identify what is feasible and, more importantly, what will likely be most sustainable in a particular landscape.

While generalisations can be challenging, there are lessons that can be taken away for different types of stakeholders that have read this report:

Donors (bi-lateral, multi-lateral and philanthropies)

- Multi-stakeholder initiatives are an important aspect of making landscape approaches work and setting these up brings costs that in the long-term that need to be sustainable. Donors can play an important role here by financing the set-up of these initiatives to ensure they are designed fairly and in a participatory way that brings together stakeholders from across the landscape. Donor funding helps ensure the process can be funded with an eye on neutrality since its not driven by a single stakeholder operating in the landscape.

 Cost: >£100,000 per year | Time: 2-3 years
- **Identifying and contracting an honest broker** to lead a multi-stakeholder initiative is important



to ensure a pre-competitive environment is maintained, the process remains fair, and progress is clearly reported. The organisation must have facilitators that have demonstrable experience in managing multi-stakeholder processes, mediating conflicts, understanding and reporting conflicts of interests, and communicating progress both to stakeholders including funders. It is important that the facilitation team is well-known in the landscape, can speak local dialects, and is familiar with donor-level requirements (at least at the beginning). A facilitation team should help stakeholders have realistic discussions, create a strong foundation for implementation, and promote better understanding of the norms, challenges, and incentives between actors across the value chain. As part of this process, a prerequisite is to have credibility across all stakeholders. Only after this has been done can conversations turn to sustainability and financial structures.

Cost: Dependent on the size of the landscape Time: Also dependent on the relationship between stakeholders

- Factoring in **policy influencing activities** as part of multi-stakeholder initiatives. The initial years of a multi-stakeholder initiative is important for establishing consensus on the design and scope, stakeholders involved, governance process, and finance needed to keep initiatives running independently. Not factoring in resources to influence local and national policies can make it more costly to fix once governance processes have been agreed. Multi-stakeholder initiatives are in a strong position to influence policies as they are able to represent the common interests and challenges of multiple stakeholders in a particular landscape and/or sector.

Cost: Dependent | Time: <1 year

Commodity producers (including consumer goods companies)

- Any sustainability strategy needs to include working with downstream partners and designing activities to help smallholders and communities better execute sustainable management plans. This may involve working with communities to identify different types of training they would like/ need and finding ways of aggregating groups to communicate best practice. This is particularly true in commodities that require smallholders to plant, harvest, collect, or process goods before being sold on. A lesson from P4F to commodity producers is that the focus of training should be on designing models to ensure training is sustained and communities can build their forest management skills over an extended period of time. Many key performance indicators for smallholder trainings have sought to reach the greatest number of smallholders, and therefore tend to be one-off opportunities. Commodity producers should aim to mentor smallholders and establish relationships that enable them to learn skills over time, trial what they have learned, and be able to ask questions throughout the process. Cost: Dependent | Time: >3 years
- Preferential sourcing can be a good option for some commodities but may not work for everyone, especially small and medium sized enterprises. In the short-term preferential sourcing can increase costs but in the long-term can lead to positive impacts for communities, forests, and quality that might align with the strategy set by some companies. More experiences from preferential sourcing needs to be shared so that new regions/landscapes can replicate. From P4F, a major lesson is that this is not a strategy that every company can afford to take and if they do, this process can take several years to set up and can create new risks. More lessons and challenges from companies that have adopted preferential sourcing need to be shared.

Cost: Dependent | Time: 5+ years

- Establishing and nurturing relationships with local communities and allocating necessary resources to do this can be part of a good sustainability strategy. In our experience, customized contractual arrangements with smallholder producers and/or market access players can provide much needed assurances that they are genuine in their efforts. Related to a companies' social license to operate (SLO),



customized contracts that secure fair and equitable prices as well as complementary training for forest protection, climate smart techniques, and alternative, forest-friendly livelihoods can help secure relationships and reduce doubts of a companies' intentions in a landscape.

Cost: >£250,000 | Time: 1-2 years

- Participating and financially contributing to the sustainability of multi-stakeholder initiatives at landscape, sectoral, and national levels is important to helping unlock barriers facing multiple stakeholders. Being able to participate in these initiatives can help reduce duplications, align on measurements and techniques, and collaborate on areas of common interests/concern. To ensure these initiatives are not dependent on donor funding in the long-term and that they are accountable to stakeholders, requires that private sector stakeholders contribute financially to facilitators' time and resources to keep the platforms moving forward. Cost: >£15,000 | Time: 5+ years

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Facilitators (NGOs, consultancies, think tanks)

- Multi-stakeholder initiatives require facilitation teams that can be neutral and have experience managing conflict and participatory engagement. The organisation needs to be agreed by consensus among stakeholders and their scope needs to be set early on in a participatory and iterative way. Funded independently, often by donors, the role and responsibility of the organisation should include: setting a clear governance approach, conducting relevant research, setting key performance indicators with the donor, agreeing progress reporting, organising check-in points to reflect and make updates to the Terms of Reference, and identifying and agreeing with stakeholders the sustainability strategy. Also important for the organisation is to set realistic growth opportunities for their coordinators and retention strategies, as there is clear evidence that individuals acting in these roles are highly influential and too much movement in these roles could affect the initiatives credibility and trust gained by stakeholders.

Cost: 1-2 Coordinators FT | Time: 5+ years

- Finding initial independent, often donor resources, may require short-term investment for facilitation teams but can be important for reassuring less seen stakeholders (e.g. community groups) that there are no underlying interests at play in the creation of these

governance processes. This funding should be seen as a temporary measure until governance and financing mechanisms are established. This requires setting up participatory approaches so that they are done in equitable way and which doesn't disproportionally advantage one set of stakeholders or individual member.

Cost: >£50,000 | Time: >1 year

- A facilitation team should help stakeholders set realistic targets, create a strong foundation for implementation, identify a common vision/ challenges, and promote better understanding of the norms, challenges, and incentives between actors across the value chain.

Realistic targets should be SMART - Specific, Measurable, Achievable, Relevant and Timebound -- and conflicts should be ironed out with individual stakeholders.

Cost: No Cost | Time: >1 year

- Government respresentatives should both be seen as target stakeholders for engagement and groups to be influenced. Multi-stakeholder initiatives are in a strong position to influence national policies as they represent the common interests and challenges of multiple stakeholders in a particular landscape and/or sector and factoring this into Terms of Reference from the start can be important so that resources are committed. Working groups can also be helpful to ensure different stakeholders meet to co-create solutions that were relevant to them.

Cost: Dependent | Time: 1-2 years

Acknowledgements

Stephanie Andrei Lead Writer Gen Kennedy and Sara Gwynn Editorial Support

Photo credits

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Additional Resources:



Value beyond value chains (UNDP Green Commodities, 2019)

Five reasons companies are collaborating to end deforestation (GreenBiz, 2018)

Engaging with landscape initiative: A practical guide for companies (Proforest, ND)

Tackling deforestation through a jurisdictional approach (WWF, 2018)

Reducing Deforestation from Commodity Supply Chains: Lessons and recommendations on an Integrated Approach from the Good Growth Partnership (UNDP, 2022)











