

ITC Roundtables on Deforestation-free Global Value Chains

Summary - 5 May 2022

Industry responses to deforestation: Methodologies & approaches implemented in Global Value Chains

Executive Summary

As fighting against global deforestation and forest degradation at the international level has become a worldwide priority. The European Union, and others, are developing a proposal for a new regulation on “deforestation-free” products. The International Trade Centre (ITC), an agency of the United Nations based in Switzerland, is convening four rounds of private-public consultations and development of concrete plans of actions for “Deforestation-free Global Value Chains” in priority commodities sectors, such as soy, cocoa, and coffee.

The first roundtable, on 29 March, investigated the state of play in producing countries and the voice of the producers. This second roundtable, on 5 May, continued the conversation with value chain operators and their role to foster partnerships with farmers, sharing experiences on what works in practice and what does not, and reflections on the current and similar legislative initiatives. A third ITC virtual roundtable on deforestation-free supply chains will take place on 9 June focusing on regulatory action. ITC also confirmed plans to host an in-person final roundtable meeting in the autumn.

This document provides a summary of the key insights and messages from the panel, as well as more detail from the discussions themselves. The statements made are those of the panel and its speakers and do not represent views of ITC or the co-organizers.

As keynote speaker, Mr. Matthew Spencer, Global Director Landscapes, Sustainable Trade Initiative (IDH), shared his views on learnings that can be taken from previous attempts for change, which were primarily through a market-based approach. Mr. Spencer also provided some reflections on what needs to change for success through a trade policy approach. Experts from the Consumer Goods Forum (CGF), the Tropical Forest Alliance (TFA), the World Cocoa Foundation (WCF) and the ADM Corporation shared their “lessons learnt” experience and how value chain partners can move to practical implementation of measures and metrics towards deforestation-free supply chains.

Similarly to the first roundtable, all panellists agreed that biodiverse and vibrant forests are essential for sustainable cash crop production. There is a desire to find answers and solutions to support the implementation of the proposed regulations and legislation. Indeed, there is vast experience and a number of solutions already implemented that can provide practical ways forward.

The panel offered the following key messages:

- **Legislation is welcome, but it needs to be “the right” legislation.**
 - o There needs to be bite and teeth – market scale & impact locally and robust governance.
- **Collaboration is key to success and must take place across the entire value chain.**
 - o Direct engagement with key stakeholders in producing regions is a must.
- **Implementation of the regulations may have unintended consequences.**
 - o There is a need to combine urgency of action with patience and the support needed to build capacity.
- **Everyone must play their part, must take responsibility and must take action.**
 - o Accountability needs to be a “taken up” and not just “given to”.
- **One-size-fits-all approaches will not work.**
 - o A toolbox approach should be taken, without reinventing the wheel.

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Industry Responses to Deforestation: Key messages for all stakeholders

A global commitment to end deforestation exists. There is also widespread awareness that crops and the societies that grow them are dependent on biodiverse and vibrant forests. Current deforestation endeavours are part of a wider movement to change our agricultural systems. Food systems must positively contribute to societal development and planetary health. Collective action is needed to ensure that food systems can play this positive role.

Legislation is welcome, but it needs to be “the right” legislation.

For legislation to be effective, both “bite and teeth” are needed. It must have bite - market scale and impact locally; and teeth - robust governance. Policy makers will need to keep any administrative burden to evidence progress to a minimum to ensure resources are most effectively applied and it should not duplicate the efforts of existing national or international regulations. While regulation can provide context or basis of what will be required, it will not provide the solutions to make the changes that are needed.

All of the requests and mandates for change ultimately end with the farmers who are central to all considerations and must be supported to realize the outcomes being requested of them. More details are needed on what resources and financial support will be provided as global public goods, and on what mechanisms are in place to ensure successful implementation the regulation.

Collaboration is key to success and must be across the whole value chain.

Direct engagement with the millions of farmers in producing countries must take place. Today’s approaches are all very positive but often “siloes”. Engagement needs to happen through governments, local jurisdictions, corporate buyers, traders, service organizations, NGOs, finance organizations, farming communities, famers and more.

Implementation of the regulations may have unintended consequences.

Urgency of action must be combined with patience and support to build capacity. A key question is which actors will bear the costs of making the change. Progress can perhaps best be made by concentrating efforts and focusing on key geographies and jurisdictions in order to help drive the biggest impact. Funding will be required from private and public sources. The consumer’s role in this whole process is unclear (i.e., will consumers help bear some of these costs and how would that work in practice?).

Everyone must play their part, must take responsibility, and must take action.

New regulation should not simply impose, but rather invite everyone to embrace what could be a forest positive common goal with producing governments and consuming ones. It needs to incentivize change and not simply penalize inaction.

Collective action is needed with an acceptance of responsibility at a larger scale, i.e., acceptance at senior levels of government and industry, that fundamental change is needed to transform the food system, and acceptance of a business case that means that the price of products will increase.

One-size-fits-all approaches will not work.

A toolbox of approaches is required. One common solution will not work. The complexity of different regions and origins and supply chains will need to be carefully managed to deliver solutions that are economically feasible, implementable, and acceptable. Solutions need to be farmer-focused and farmer-driven.

Fortunately, although often siloed in approach, there is much that can be used that is in place today and much progress within specific sectors, as well as mechanisms and trust, that can be utilized to engage and achieve success. We don't need to reinvent the wheel.

Keynote speech

IDH has been a pioneer of change and direct action for sustainable change on the ground for many years. Mr. Matthew Spencer, Global Director, Landscapes at IDH, shared his views on learnings that can be taken from previous attempts for change, which were primarily through market-based approaches. Mr. Spencer also provided some reflections what needs to change for success through trade policy.

Learnings on previous attempt for change through a market-based approach

Key lessons from IDH's own certification-based deforestation programmes and initiatives have highlighted that market-based approaches have proven to be more effective on social criteria rather than on lowering deforestation rates, with the notable exception of Indonesia. Addressing indirect deforestation, linked to smallholder farmer activities (which are very hard to reach via a direct supply chain approach). Therefore, IDH promotes jurisdictional/landscape approaches which are very effective at a "horizontal" level to foster the decentralized transition of whole provinces/municipalities towards a deforestation-free status.

Working collaboratively and towards common outcomes is key to making progress and IDH welcomes activities such as the recent CGF commitment to integrate landscape approaches in their "forest-positive" action plan.

It takes time to build capacity in very diverse regions and biomes, especially where a majority of the agricultural produce is consumed locally (as is the case with Brazilian beef). In such areas the importance of engaging local companies and international buyers directly to build better relationships with farmers cannot be underestimated. In summary:

Value chain action is necessary, but insufficient to end deforestation

- Primary forest loss has been increasing despite intensive value chain action
 - Farm by farm certification has not influenced the wider trends
 - No Deforestation, No Peat, and No Exploitation (NDPE)¹ commitments have helped build demand for deforestation free supply
 - Much deforestation is happening from indirect suppliers in cocoa, palm and beef

Creating direct links between sourcing and sustainable landscapes makes it easier to slow and stop deforestation

- Landscape approaches create alignment and are showing promising results
 - Landscape approaches create alignment between local authorities, farming communities and commodity buyers on shared goals
 - The CGF Forest Positive Coalition is committed to landscape approaches equivalent to members sourcing footprint

It takes time to build capacity to stop deforestation

- But there are benefits of engaging at landscape level from day one
 - Very dependent on local enforcement capacity, and political incentives to follow the law

¹ [NDPE Commitment » European Palm Oil Alliance](#)

- Company engagement and responsible sourcing helps shift economic incentives for deforestation and conservation measures
- Direct relationships with the farmers can also lower supply risks for buying companies

What needs to change for success through a regulation?

IDH recognizes the importance of new regulatory approaches in key consumer areas, such as the EU legislative proposal as well as respective legal initiatives in the US and China. Regulation should not be imposed as an extraterritorial requirement towards producing countries.

The first consideration for the legislation should be to provide incentives for action. The EU approach is focused on "screening" products for any link with deforestation. This seems to take a punitive approach and does not address deforestation at origin. This approach could have unintentional consequences such as "high-risk" products simply moving to other destinations that do not impose such regulations. There is also a "transition risk" as the EU proposal may result in the exclusion of certain regions by providing no incentives to help them to move to deforestation free status over time.

A horizontal methodology is needed, whereby one takes a landscape management approach working with several districts in the same general geography or production area. More investment needs to be made in convincing farmers of the business case to implement pro-forest approaches. Farmers are proud of their farms and region and want to preserve its productivity and biodiversity.

Local complexities must be understood as well as an understanding of which specific areas require assistance. Incentives should be provided rather than sanctions, and fundamental issues such as poverty must be addressed to tackle deforestation, while ensuring the proper enforcement of regulations.

Poverty is the challenge of greatest concern in many sectors such as cocoa, palm, beef and soy. There is a need to consider the underlying causes of poverty, which vary by sector and location. It is important to not disregard such issues or negate them but it is critical to work with all stakeholders along the value chain and engage at a jurisdictional level.

Producer countries need to work in partnerships to improve deforestation performance

- The current EU 'screening' approach could likely lead to a diversion of deforestation risk commodities

Europe can lever a bigger impact by supporting landscape approaches

- Landscape approaches create a horizontal effect across production areas to reinforce vertical value chain effects

Deforestation-free success requires investment in traceability AND sustainable agriculture transition

- New platforms such as SourceUp ²connect global corporate commitments to local priorities

² [SourceUp - A step towards supply chain sustainability \(idsustainabletrade.com\)](https://sourceup.com)

Panel discussion

Legislation is welcome, but it needs to be “the right” legislation.

We need bite and teeth – market scale & impact locally and robust governance. Due diligence is needed and there are many examples where legislation can be effective and can provide a level playing field for businesses along the whole value chain. Despite some challenges, legislation does have positive and sometimes unexpected effects. For example, US forced labour laws³ preventing the import from products that are made with forced/child labour, do have some impact on regions and commodities like palm oil. This is an example of how the regulation can be a lever for progress. This legislation is robustly governed and is having an impact at scale within the market and direct local impact. A good example of “bite and teeth” working to achieve the desired outcomes and improving working conditions further up the supply chain.

Learnings here show that further progress can be achieved with clear/ transparent implementing guidelines, target outcomes and validation needs. Expectations of validation and "proof of compliance" must be flexible to address different realities in different regions. It is important to share a common roadmap between economic actors.

IDH proposes to support existing portfolios of their own and other landscape projects, as an effective way to accelerate transition to deforestation free regions. We don't need to reinvent the wheel.

As highlighted by **Róisín Mortimer, private sector engagement and programming lead at TFA**, regulatory proposals are one part of the role governments should be playing to enhance the enabling environment promoting sustainable supply chains. For example, in the EU, the regulatory proposal is responding to one of five actions that the EU laid out to step up action to protect and restore the world's forests. (See Appendices)

TFA plays a key role in fostering collective action across public, private and civil society sectors to advance forest positive supply chains. They create spaces to bring people together to dialogue on the difficult, complex topics and are a strong resource to work with. Within the EU space, TFA initiates dialogues to help engage policy makers, build awareness, and create technical tools to support the creation of robust regulation that benefits actors at all nodes of the supply chain and the environment.

Due diligence has the potential to strengthen efforts to tackle deforestation, but it must look beyond requirements and reporting and confirm who will support the producing governments to make sure it is viable at a national level. Countries from demand-side markets must engage with and support producing (supply) governments to adhere to sustainable supply chain and due diligence regulations (e.g., enforcement, traceability, satellite monitoring, social mitigation). Where possible, consuming countries should educate consumers and fight misinformation as well as support the changes being proposed.

Regulation has definitely an important role to play in setting the “minimum standards” for production and trade around the world, obliging all actors, not just industry leaders, to comply. Benchmarking is often a controversial topic, as there are many different interpretations but yet offers potential to support speed and progress. A validation of existing methodologies and standards and the endorsement of acceptable approaches will help leverage the work already ongoing and will minimize rework and potential disengagement.

Producer partnerships also help. For regulatory measures to contribute to fostering regenerative food systems and ending deforestation, they need to include and/or be accompanied by measures to support producers so

³ [Forced Labor | U.S. Customs and Border Protection \(cbp.gov\)](https://www.cbp.gov)

that they don't just encourage a two-tiered market: "green, "sustainable", deforestation-free" supply going to some markets, with no impact on deforestation rates while deforestation continues to produce the same commodities going to markets without these regulatory measures. The overall focus needs to be to support farmers to produce more sustainably so that the global flow of commodities becomes more sustainable, rather than on ensuring one particular demand-side market has a "clean" supply.

Regulation can help to reduce the footprint of certain key markets, but to really impact deforestation rates, regulation needs to be complimented, and designed to support partnerships with producer countries, the financial sector, service providers (data & technology companies) and international organizations.

Collaboration is key to success and must take place across the entire value chain

Direct engagement with key stakeholders in producing regions is crucial. Many companies recognize the need to work with all stakeholders in their supply chains, in addition to their direct suppliers; governments are increasingly accepting their role in creating and enforcing a strong regulatory framework; and the finance sector is increasingly taking on their role & responsibility to stream finance into sustainable supply chains and away from unsustainable ones.

These are all very positive but often "siloes" approaches but, more acknowledgement of shared responsibility is needed.

Collaboration is crucial to address the root drivers of deforestation that go beyond physical supply chains, such as poverty. Companies need to think beyond the boundaries of their company and consider the business case for this work, as not competing with "business as usual". Resources need to be made available by corporations, the finance sector, and governments.

Mr. Didier Bergeret, Director of Sustainability at CGF shared the lessons learned from CGF's past projects on deforestations and the commitments that they are now making.

The CGF is a global, parity-based industry network, driven by its members. It brings together the CEOs and senior management of over 400 retailers, manufacturers, service providers and other stakeholders across 70 countries and reflects the diversity of the industry in geography, size, product category and format. The members are committed to protecting forests at a CEO level and they are taking accountability through the Forest Positive Coalition. (See Appendix 1).

CGF lessons learned:

- Structured and coordinated collective action among businesses and across all actors in the value chain creates the most impact;
- Certification is a useful tool, but not the only thing needed to achieve a forest positive future;
- Solutions such as Forest Positive⁴, need to become integral to the DNA of businesses. Incorporating forestation concerns across all business strategies is key to achieving goals in the long term. Sustainability departments tend to be isolated from business operations. Involving Chief Procurement Officers in forest positive objectives helps getting trader and supplier engagement.
- Developing a Forest Positive global value chain has to be complemented with a Landscape Approach to protect and restore the areas that allow for commodities to be sustainably grown.

Progress can best be made by taking these learnings into all sectors and working more closely to more efficiently and effectively achieve the change needed.

⁴ [Forest Positive Coalition - Create a forest positive future for the planet. \(theconsumergoodsforum.com\)](https://www.theconsumergoodsforum.com/)

Ethan Budiansky, Senior Direct of Environment at WCF shared the progress that WCF is making.

WCF is the convenor of the private sector. This helps set priorities, develop strategy, and drive accountability on core sustainability issues including farmer income, child labour, deforestation and climate resilience and represents industry in engagement with government and other partners around key sustainability issues.

WCF also drives the alignment on best practices, criteria for measurement, indicators for impact and acts as a vehicle to engage with local jurisdictions. Work is underway through the Cocoa Forest Initiative (CFI)⁵. This is an unprecedented initiative bringing together the companies and government in joint commitment and collaboration to eliminate deforestation from the cocoa supply chain.

The CFI is making good progress on commitments. In April 2022, the 35 participating companies published their 2021 progress reports. The CFI initiatives covers 80% of global supply for cocoa, laying down best practice guidance, which will be taken up in individual action plans by value chain partners. Since 2018, companies have supported farmers in planting over 23 million multipurpose trees for cocoa agroforestry and landscape restoration and trained approximately 700,000 farmers in improving productivity practices to grow more cocoa on less land.

It is important to recognize that collaboration is a challenge. Markets are a big and competitive space, with each organization having its own level of risk to accept. Current approaches are often individual, and progress is more scattered, as corporates understandably focus their efforts on their own supply chains. Progress could be demonstrated by summing up across all those separate activities, but this does not address the root causes and there is a need to work better together on prioritized landscapes and outcomes.

CGF is working with companies and governments on the next phase of CFI to align with national implementation plans being adopted, confirm greater prioritization, and key systemic issues to address and to secure new and greater funding. The Forest Positive approach needs to become a reality for our value chains, but it only works if complemented by an ambitious landscape approach to "give back" to forests. That's why landscape engagement looks at production-base footprint or the number of hectares currently used by CGF members for the products they sell. The idea is to cover that surface with sustainable landscape initiatives that support climate, nature and people-positive outcomes.

CGF has developed a portfolio of landscape initiatives that are already well established and that members are supporting directly to generate more of these positive impacts.

Implementation of the regulations may have unintended consequences.

Urgency of action must be combined with patience and the support needed to build capacity of suppliers to meet sustainability requirements. Ana Yaluff, Sustainability Manager EMEA at ADM asked who will cover these transition costs as she shared experiences from a trader perspective, seeing the challenges from "both sides" as a customer and a supplier within the value chain and as a bridge between farmers and retailers. With over 100 years of experience working with agricultural supply chains, ADM has learned and improved continuously over time and has a learning curve regarding setting up deforestation-free supply chains, seeing the need to address social impacts and importance to remain active in high-risk areas.

Since 2009, ADM has been working with farming extension programs to include sustainable management practices which has resulted in an increasing availability of certified products and farmers that are ready to certify under sustainability schemes. More recently, ADM has been increasing their use of traceability and

⁵ <https://www.worldcocoafoundation.org/initiative/cocoa-forests-initiative/>

satellite monitoring systems to assess sourcing regions to help define clear actions to transform the soy supply chain and support the purchasing process.

Deforestation needs to be addressed at the roots of raw material production to be effective. It needs to be addressed considerate of and balanced with the needs of farmers, local communities and the wider economic and social impacts directly related to agriculture. If there is no direct engagement with high-risk origins, there will be “spillage.” Production will not stop and producers and exporters will naturally find alternate markets for non-compliant exports to other regions where no regulation is in place. There are hundreds of players in all parts of the supply chain and no obvious mechanism to govern it successfully.

Traceability is a powerful tool that helps to assess supply chain risks (as part of the due diligence process) but there is a general confusion about traceability and chain of custody. There is an incorrect perception that transparency means giving away private or sensitive information. What is needed is a common methodology, agreed by stakeholders, that can be verified by independent accredited parties to ensure there is compliance with environmental standards. Chain of custody is the way that traders move the product from one point to another along the value chain. Different models depend on the way a commodity moves throughout the supply chain. Each has a direct impact on the costs of products.

Mr. Bergeret commented on this and recognized the value of data collection to improve transparency and accountability. However, Mr. Bergeret warned against the risk of the misuse of the data, forcing operators to move away from high-risk areas. Satellite data should be used to engage in a more systemic approach allowing industry to identify effective response. Traceability ultimately has to benefit the farmer and ideally incentivize them. CFI is a good example where all companies have to collect data and report on progress. Traceability achievements have mainly happened in the direct supply chain. 72% of cocoa deliveries from Côte d’Ivoire and Ghana can be traced back to the farm plot from the first buyer in the direct value chain, which represents only 50-60% of the cocoa sector. Further progress can be made with national traceability to address both direct and indirect and it is recognized that leakage via indirect supply chains remains a challenge.

ADM considers an approach focused on addressing supply chain issues solely through strict traceability rules, whilst ignoring the cost of chain of custody, as unhelpful. Cost and impacts of price increases are a major concern, and it is not clear whether legislators are aware of, or will manage these risks. The global population relies on agriculture for food, feed and fuel, and supply/demand cycles drive the way the agriculture market behaves, resulting in shortages of key commodities like grains and oilseeds.

This will lead to extra costs for food, feed, and fuel in the current market context of high food price inflation, resulting from shortage of grains. Spiking prices are forcing food makers to reformulate products, raising concerns over food security and inflation by driving up prices at the check-out. Cost increases could be up to 35%, which do not include the cost of implementing due diligence regulations or paying a premium to farmers. As consequence, some rough calculations translate into final products increasing in price by approximately 83% for a kilo of chicken and an increase of 43% on a litre of milk. This does not seem tenable, and it is not clear that these measures will then address deforestation at source.

There are, however, opportunities to consider.

There are market opportunities for deforestation free supplies, but there is no need to reinvent the wheel, as there are solutions such as the robust certification systems in place for soybean meal, existing solutions like FEFAC Soy Sourcing Guidelines⁶, which have helped to increase volumes over time and which recognizes

⁶ [FEFAC-Soy-Sourcing-Guidelines-2021-1.pdf](#)

around 20 Soy Bean Meal (SBM) certification programmes⁷ that are deforestation and conversion free, while being implemented at reasonable cost for those needing to take action. These approaches can be leveraged to continue making progress moving further to achieve scale. However, market demand is still rather weak as reported in the IDH monitoring report, with only 11% of SBM deliveries certified deforestation-free.⁸

Stronger demand from the consumer market which would involve consumers paying a “fair” price that covers the costs along the supply chain could motivate farmers upstream to adopt sustainable practices (audits, verification etc.). However, it is not clear how this could work in practice. In a world of increasing food prices, it is not clear that whether the end consumer will directly pay for the changes needed. Stakeholders along food value chains are already working to achieve change but as highlighted earlier by other members of the panel, silos need to be further broken down and legislation could support this, and the funding needed for change.

Everyone must play their part, must take responsibility and must take action.

Accountability needs to be a “taken” and not just “given”. Operators have responsibility for their risk assessment and mitigation, verified by audits and controlled by competent authorities, but all stakeholders must recognize and carry out their respective roles.

As members of CDF retailers are vocal supporters of the Forest Positive initiative. Shaping such approaches is very hard and the challenges that legislators are managing are recognized by CGF and others, but there is neither the time, nor the skillset across businesses to play a strong advocacy role themselves. Instead, engagement is through TFA, to bring together wider stakeholders, NGOs, Finance and more to work more closely with legislators. An effective approach requires clear accountability, responsibility, commonality and robust governance and metrics.

The experts highlighted in the Q&A session that farmers in producing countries note a "lot of talk", but little interest in buying credits, meaning that farmers see no reward for their investments in sustainable practices. The experts stressed the need to prioritize actions, align on best practices and move away from silo approaches towards more collective action and acceptance of responsibility at company level by strengthening the business case for deforestation free supplies at CEO level.

Consumers demanding change will help, but it is unclear whether the market can support change in isolation. A concerted effort is needed to address the root causes of deforestation (and other), mainly poverty. Funders must be willing to co-invest via a collective approach that will drive change and greater transparency throughout the supply chain is needed.

Policy makers are aware that alignment is important, but there is not yet a strong focus on it, or concrete examples of alignment from policy makers. TFA is trying to lend support here, and as example, it recently held a virtual event for a community focused on the latest demand-side policy measures. It is good to see interest from the diverse groups as the proposals become clearer. Regardless, increased efforts on all sides will be needed to break down traditional silos between stakeholder groups, especially business and policy makers.

While many stakeholders are calling for alignment on the different legislative packages being developed, so far there is no concrete action in this direction. The EU, UK and the US are each increasingly engaging with different stakeholder communities to get their input on draft regulations. More of this is needed to engage producers (producer country governments, trade associations, companies etc.) as the most important stakeholder and to ensure common approaches, methodologies, and terminologies across these individual

⁷ [Schemes-Programmes-positively-benchmarked-against-the-FFAC-Soy-Sourcing-Guidelines-2015.pdf \(sustainable-trade.org\)](#)

⁸ [2019-IDH-European-Soy-Monitor-report.pdf \(idsustainabletrade.com\)](#)

initiatives. TFA noted that the current status is with UK legislation⁹ already deciding to stick with legality principle¹⁰, whilst the US is still at early stage of its own legislative proposal in Congress.¹¹

What TFA sees as useful is that a multistakeholder community raises awareness about the bottlenecks that will occur due to the many different processes happening. If policy makers are aware of this, they can then act collectively, break down silos and bring in other complimentary government efforts to address commodity-driven deforestation.

One-size-fits-all approaches will not work.

A toolbox approach is needed, without reinventing the wheel. Solutions should consider the complexity of the different commodities and create solutions that are economically feasible, implementable, and widely acceptable to those raising the need for action and those expected to deliver the outcomes.

Legislation initiatives have historically come as very “quick and dirty” approaches. “Simple” on purpose in the aim of clarity but “too simple” to be engaging, adopted and effective. For consumer with supply chains in the emerging markets, it is not easy to be linked with legislation that could force the firm to exit a whole region, walking away from employees, suppliers, and farmers. This is not what anyone intends, but perfection is often an enemy of practicality.

In the application of these legislative approaches, caution is needed. A lot of focus tends to centre on data and transparency. Legislation often comes with a heavy audit requirement and mandatory targets and these requirements are a major concern in terms of workload, overheads and they raise a question on what behaviour they promote versus what outcomes are desired. To address a specific problem in a supply chain, up to five approaches are possible: Buy from someone else; from somewhere else; something else; stop buying or buy the farm (vertically integrate the supply chain in some way). Transparency offers options for quick fixes but potentially undesired behaviours. Exiting a supply region to “buy from somewhere” else” achieves progress but does not resolve the issues.

Once there is the transparency, and the detailed awareness requested, it is incumbent on all in the value chain to make the hard choices and be part of the solution. All need to work together to “raise the bottom” where necessary and not simply exit the region and remove the issue for our own value chains.

New regulations should take stock of what solutions already exist and aim to establish partnerships with producing countries committed to become forest positive rather than look at penalising and multiplying audits and reports. The legislation cannot risk being seen as indirectly resulting in country-wide bans or departures of lead firms. Much more awareness, granularity and finesse of implementation is needed. Existing solutions can be leveraged and allow for multiple options based on common methodology.

Addressing deforestation as key to sustainability has been ignored for too long but no actor, government, or company, can succeed alone. Progress will require time and trust and can best be made by building on what is already there. For example, CFI has 20 plus years of building trust with companies and government to make this a reality and that was building on previous collaboration platforms (i.e., Cocoa Action and Cocoa Livelihoods Programme¹²).

⁹ [Government sets out world-leading new measures to protect rainforests - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/government-sets-out-world-leading-new-measures-to-protect-rainforests)

¹⁰ [UK's landmark deforestation law 'may only have limited impact' | The Independent](https://www.independent.co.uk/news/uk/parliament/uk-landmark-deforestation-law-may-only-have-limited-impact-b1101111.html)

¹¹ [Text - S.2950 - 117th Congress \(2021-2022\): FOREST Act of 2021 | Congress.gov | Library of Congress](https://www.congress.gov/117/records/text/s2950)

¹² [Cocoa Livelihoods Program | World Cocoa Foundation](https://www.worldcocoa.org/cocoa-livelihoods-program)

Accountability of commitments that have been made, growing the limited external funding current available, securing government support for satellite monitoring, traceability, enforcement, and development of fund solutions to support the needs of farmers in protected areas, can best be achieved via partnerships.

More market incentives and financial resources are required to support farmers and landscapes to accelerate the transition to deforestation-free supply. Legislation can support a common approach to reduce the wide range of currently unacceptable outcomes, but it should not impose "one size fits all" solutions which do not make a difference on the ground.

How can we make progress faster? How is this faster pace achieved?

Collective action is needed with an acceptance of responsibility for each stakeholder. Working first on critical geographies, with the most extreme or largest scale of problems, will enable the most effective use of resources, confirm the systemic issues to be addressed and the additional investment required to make progress (such as restoration enforcement and satellite imagery). This focus will bring on board suppliers and manufactures to co-invest in these priority landscapes, to monitor success on the ground and to use that the learnings that spring from this work to launch activities in new geographies.

Success requires donors, investment and financing foundations to support efforts and work together to protect the forests. This provides support for direct action from manufacturers and retailers, but also provides solutions to achieve success when outside companies direct supply chains. Such "landscape" collaboration can create models for greater impact in shorter time frames and are designed to meet unique requirements.

Appendices

Appendix 1: Reference Materials

Consumer Goods Forum - Forest Positive Coalition



220505 CGF Forest
Positive Coalition.pdf

2020 National Reports

<https://www.idhsustainabletrade.com/publication/annual-report-2020-cote-divoire-cocoa-forests-initiative/>

<https://www.idhsustainabletrade.com/publication/cocoa-forests-initiative-ghana-progress-report-2020/>

EU communication on stepping up EU action to protect and restore the world's forests.

On 23 July 2019, the European Commission adopted an EU communication on stepping up EU action to protect and restore the world's forests.¹³

The communication has the objective of protecting and improving the health of existing forests, especially primary forests, and significantly increasing sustainable, biodiverse forest coverage worldwide. It sets out five priorities:

- Reduce the footprint of EU consumption on land and encourage the consumption of products from deforestation-free supply chains in the EU;
- Work in partnership with producer countries to reduce pressures on forests and to “deforest-proof” EU development cooperation;
- Strengthen international cooperation to halt deforestation and forest degradation, and encourage forest restoration;
- Redirect finance to support more sustainable land-use practices;
- Support the availability and quality of information on forests and commodity supply chains, the access to that information, and support research and innovation.

EU Sustainable Soy Blog

COCERAL, FEDIOL and FEFAC members represent a sizable share of the EU grain, oilseed and feed value chain. Grain and oilseed traders, oilseed processors, and compound feed manufacturers are delivering 100% of the soy in the form of soybean, soybean meals or compound feed used by farmers, food processors and other industries. They offer regular insights and updates on their community blog.

<https://sites.google.com/fediol.eu/eusustainablesoyblog/home>

¹³ https://ec.europa.eu/info/publications/eu-communication-2019-stepping-eu-action-protect-and-restore-worlds-forests_en

Appendix 2: Speaker Profiles

WELCOME ADDRESS



Mr. Mathieu Lamolle
Senior Advisor, Sustainability Standards & Value Chains
International Trade Centre (ITC)

Mathieu Lamolle has over 15 years of experience in international trade, market access and sustainable development issues. He holds a master's degree in International Economics and Management from the Solvay Brussels School of Economics and Management (SBS) and speaks English, French and Spanish.

Mathieu works at the International Trade Centre (ITC) as senior advisor on sustainability standards and global value chains. He leads the development of the Standards Map global repository of sustainability standards, codes of conduct and audit protocols (www.standardsmap.org) and he coordinates partnerships with private industry groups, companies and NGOs on the use of Standards Map. He delivers technical assistance and offers advisory services to develop sustainable sourcing strategies, helping companies to integrate sustainability in their supply chains and access international markets.

KEYNOTE ADDRESS



Mr. Matthew Spencer
Global Director, Landscapes
IDH – The Sustainable Trade Initiative

Matthew Spencer is Global Director, Landscapes at IDH - The Sustainable Trade Initiative, overseeing a business unit that includes regional landscape teams in Asia, Africa and Latin America, a Landscape Finance team, and a Markets team working to raise demand for sustainable commodities. Matthew is also part of the Management and Leadership teams of IDH and leads the organization's work on carbon finance.

Matthew trained in environmental biology, began his career working on forest protection and rural development in the Andes of Ecuador and has spent 30 years working in the not-for-profit sector. Before joining IDH in 2019, Matthew worked as Strategy Director for Oxfam GB, where he also led its campaign on fairer food systems, served as Director of Green Alliance, where he secured government agreement for the UK's coal power phase-out, and was founding CEO of Regen SW, where he brokered an expansion of renewable energy projects.

Matthew loves road cycling, outdoor adventures with friends and family and being absorbed in a good novel.

MODERATION



Mr. Adrian Greet
Director & Owner - A. Greet Co. Limited
Senior Advisor - Cambridge Institute for Sustainability Leadership

Adrian is a sustainability practitioner who recognizes that true success for sustainability is achieved through collaboration, transparency and innovation. He is currently supporting a range of organizations as they develop and progress their own key business and sustainability challenges.

Working to support Cambridge Institute for Sustainability Leadership (CISL) as a Senior Advisor, Adrian is providing support to CISL's Business and Nature portfolio objectives including the Business and Nature Leadership Group, "Investing in Nature" projects with We Mean Business and UKRI CGRF Trade, Development and the Environment Hub (Trade-Hub).

As a member of the Executive Committee for over seven years and then as President, Adrian led the work on SAI Platform's Vision, Mission and Strategies. In the role of Director General, Adrian drove these strategies and developed the organization in support of member value and growth, and towards a sustainable future for agriculture on a global scale.

During a career of over 33 years with Mars Incorporated, Adrian has led positive change across various areas and in many roles: most recently as one of the leading architects of the Mars Sustainable in a Generation Plan. He is an experienced public speaker and a highly experienced manager, who takes a value-driven approach to creating a culture, ethos and team that thrive on improvement and empowerment.

Adrian holds a BSc. Honours degree from London University in Mathematics and Physics. He has worked as a member of the board of governors for the Dairy Sustainability Framework, the Advisory Board for the Quantis Geofootprint Tool and remains an active support to the Surrey University Practitioner Doctorate in Sustainability.

PANEL



Mr. Didier Bergeret
Director, Sustainability – Forest Positive, Human Rights & SSCI
The Consumer Goods Forum

Didier Bergeret is Director, Sustainability and covers three Coalitions of Action: Forest Positive, Human Rights – Working to end forced labour and the Sustainable Supply Chain Initiative (SSCI). The main focus of his work is to develop collaborative and practical solutions for the industry to advance responsible businesses and value chains. He supports the implementation of these CGF's Coalitions launched by the CEOs of the Board of the Consumer Goods Forum and ensures effective linkages between essential sustainability areas. Didier engages stakeholders, institutions and governments with the industry to coordinate efforts on such issues and to drive positive change for companies' own operations and supply chains.

With professional experience in both private and public organizations, Didier's expertise lies in building key partnerships to foster sustainable business performance, NGO management, procurement and consulting services for private and public actors. From an educational background in Political Science and International Economics in France, Germany, Spain and the UK, his international experience and language skills serve him well in his daily work.



Ms. Róisín Mortimer
Private Sector Engagement Lead
Tropical Forest Alliance, World Economic Forum

Since volunteering to protect temperate rainforests in her home of Tasmania while in high school, Róisín Mortimer has not stopped looking for and being part of solutions to the complex environmental challenges we face today that benefit people and nature. From Australia to Norway and many places in between, Róisín has studied and worked on conservation biology, sustainable development, and agroecology in both public and not for profit sectors. Building regenerative, sustainable global supply chains and working with diverse stakeholder groups has been a common thread that she brings to her current role as Private Sector Engagement Lead at the Tropical Forest Alliance in the World Economic Forum.



Ms. Ana Yaluff

Sustainability Manager EMEA

ADM Germany

Ana has more than ten years of experience within the Sustainability area in the food industry, with strong expertise in tackling global sustainability challenges for the agricultural commodities and building local and regional solutions to face those challenges, from the private sector perspective. Currently she works as Head of Sustainability at ADM for the EMEA region. She holds a Master Professional in International Economy from Sorbonne University and a Postgraduate Certificate in Sustainable Value Chains from Cambridge Institute for Sustainability Leadership.



Mr. Ethan Budiansky

Senior Director of Environment

World Cocoa Foundation

Ethan Budiansky serves as Senior Director of Environment and leads WCF's overarching strategy to drive environmental sustainability across the cocoa sector. Ethan heads the Cocoa & Forests Initiative, supporting cocoa and chocolate companies to advance their environmental sustainability commitments, and addressing deforestation and the impact of climate change in cocoa growing regions. He previously led the Climate Smart Cocoa program. Ethan also co-led the Cocoa Livelihoods Program to improve productivity and the livelihoods of cocoa farmers.

Ethan has over 15 years of experience in climate change adaptation in agriculture, natural resource management, conservation, agroforestry and international development. Prior to joining WCF, he was Head of International Programs at Trees for the Future, where he managed agroforestry and sustainable agriculture programs in Africa and the Caribbean. Ethan was a Peace Corps volunteer in Senegal from 2001 to 2003. He holds a B.A. in Zoology from Connecticut College, an M.A. in International Affairs from American University in Washington, DC and an M.A. in Natural Resource Management from the University for Peace in Costa Rica. In his off time he works at a raptor hospital, rescuing and rehabilitating injured, sick and orphaned birds of prey.