



### **The Good Growth Partnership**

Cultivating Sustainability in Commodity Supply Chains

# Generating Responsible Demand for Reduced Deforestation Commodities

# The Challenge

Demand for unsustainably produced agriculture commodities is a root cause of deforestation, with an estimated 70 percent of tropical deforestation alone linked to palm oil, soy, and beef (plus timber and pulp) (Lawson 2014). Global demand for these commodities will continue to rise as populations grow to an estimated nine billion by 2050. In addition, the middle

class is expected to triple by 2030, creating a larger per capita demand for palm oil, soy and beef products. As a result, food consumption is expected to double by 2030. Some estimate a 70 percent increase in demand for food products by 2050 to meet the world's more urban and prosperous population.

### Budget

GEF: USD \$8,748,070 Co-financing: USD \$42,334,902

### **Implementing Agencies**

WWF-US and UNDP in partnership with Proforest Initiative, WWF-Indonesia, WWF-Singapore, and the Stockholm Environment Institute

### **Countries and Regions in Scope**

Countries chosen based on relative threat to biomes from the commodities of focus.

- Brazil and major global buyers of Brazilian soy
- Paraguay and major global buyers of Paraguayan beef
- Regional West Africa including Liberia, Sierra Leone, and eight other countries involved in the Africa Palm Oil Platform and the Marrakesh Declaration
- Indonesia and regional Southeast Asia

# **Project Overview**

This Good Growth Partnership's Demand Project aims to reduce the barriers to achieving sustainable commodity demand by working with key demand actors: companies, investors, policy makers and consumers. This will be achieved through advancing awareness, capacity and collective action between stakeholders. Engaging these actors can be mutually reinforcing, as civil society's demands often influence government decision-making, which can in turn create an enabling environment for reduced deforestation commodities, and promote reduced deforestation supply chains for companies. This will in turn send a clear market signal to producers who are incentivized to employ sustainable practices in order to meet heightened demand for sustainable products.



# **Project Components**

- Mainstreaming demand for reduced deforestation commodities with major buyers and traders
   This work engages with companies to build awareness and capacity to accelerate the demand and market for commodities associated with reduced deforestation
- 2. Strengthening the enabling environment for reduced deforestation commodities in demand markets This work will be in Asia, Africa and Paraguay where the project will work with governments to promote policies supporting reduced deforestation commodities.
- 3. Promoting reduced deforestation commodities in major markets

Indonesia is the focus of this work with a goal to increase domestic demand for sustainable palm oil.

4. Advancing supply chain transparency, traceability and decision support tools

This component will support the publicly available Trase supply chain transparency tool to verify buyers of commodities from specific locations through the supply chain to the final importing countries.

# Insight -

"As demand for agricultural commodities grows, we need to develop forward-thinking business models to manage sustainable commodity production that also maintains forests and important ecosystem services."

### Naoko Ishii,

CEO and Chairperson Global Environment Facility

### **Expected Results**

- Investors' capacity is increased to incentivize consumer goods companies towards reduced deforestation sourcing.
- Government capacity is strengthened to inform policy dialogue and facilitate reduced-deforestation commodity markets.
- Consumer awareness of negative impacts linked to palm oil drives willingness to purchase reduced-deforestation products.
- New market intelligence and public transparency tools facilitate verification of sustainably produced commodities.
- Global demand and finance projections for palm, soy, and beef support project and program knowledge management.

# **Stakeholders Engaged**

The Demand Project team consulted across the globe to solicit feedback in the design of this project in order to determine the most impactful interventions, and most appropriate organizations to execute the work. Additionally, stakeholder workshops were held at the country level to solicit input from government, companies and civil society.

# **Opportunities for Engagement**

There are numerous opportunities for engagement in the Demand Project. Companies buying Indonesian oil palm, Brazilian soy, or Paraguayan beef can engage with the project to learn strategies and tools for reducing deforestation in their supply chains.

Investors engaged in the oil palm space can participate in regional trainings in Asia to reduce their risk exposure.

Governments wanting to create markets for sustainable commodities can engage in the Learning and Exchange program. Service providers specializing in supply chain mapping and communications are sought in Indonesia.





# **About the Good Growth Partnership**

Launched at the United Nations New York headquarters in 2017, the Good Growth Partnership works with the governments of Brazil, Indonesia, Liberia and Paraguay, as well as the private sector and civil society organizations, to put sustainability at the heart of commodity supply chains. The partnership is funded by the Global Environment Facility and also contributes to the GEF's commitment to assist the

objectives of multilateral environmental agreements. Led by the UNDP's Green Commodities Programme, the initiative was designed and is being implemented in partnership with Conservation International, the International Finance Corporation, UN Environment, the World Wildlife Fund and their respective partners.

### **Project Document**

View the project document in full at www.thegef.org.

### **Contact**

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