Year Three: Good Growth Partnership Highlights
September 2020

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Writing, editing, design, and production:
Aline Da Silva, Lavinia Gasperini, Margreet Groot, Pascale Barazon, Simon Cooper and partners

For more information see: www.goodgrowthpartnership.com

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Collective action for resilient and sustainable commodity supply chains

When the Good Growth Partnership was launched, we knew an integrated approach was the only way to change the commodity systems. Now, in a year of COVID-19, we see just how important a systems approach is, as all aspects of commodity production, their supply chains and consumption are shown to be interlinked and vulnerable to disruption. The COVID-19 pandemic has provoked a collective global disruption of lost harvests, accelerating unemployment, political instability, stalled economies and widespread uncertainty of what will come next.

Within this context the Good Growth Partnership has taken on even more importance. Not only as an approach to combat habitat & biodiversity loss, climate change and poverty but also to reduce the risk of future pandemics caused by deforestation. It is now key to assist producer governments and companies, to increase resilience and sustainability and to renew in a manner that both are seamlessly intertwined and embedded across the commodity sector.

One of the key lessons from the Partnership is the importance of multi-stakeholder collaboration. The Good Growth Partnership uses the principles of multi-stakeholder collaboration for systemic change as the foundation of effective partnership and implementation of the programme. When bringing stakeholders together it is critical the whole system is represented, as only then solutions can be co-created. This means farmers, cooperatives, traders and processors, up the supply chain to consumer goods companies, and the vertical scales of government from municipal to ministerial as well as across ministries. Such collaboration fosters a more resilient change process, stronger stakeholder alignment, and fertile ground for ongoing innovation and expansion.

In Paraguay, the Good Growth Partnership has supported the development of the Chaco Beef Action Plan, which aligns well with COVID-19 economic recovery needs by integrating sustainable beef production with forest conservation. The plan provides a validated framework for environmental, social, legal, market and business-oriented solutions to problems of sustainability in the beef supply chain.

In Indonesia the Good Growth Partnership’s approach underpinned the development of the National Action Plan for Sustainable Palm Oil which was signed into law by the President of Indonesia in November 2019. The action plan - spread across 14 ministries - provides a timely framework to boost the economic recovery by supporting the growth of the sustainable palm oil sector. Similar efforts are being undertaken in Liberia and Paraguay.

Despite these encouraging results, it is not easy for individuals, particularly those representing different interests, to agree. Those of you who have worked in a multi-stakeholder collaboration context know. Hence, it is important to constantly review and strengthen how we support and foster collaboration. We need to innovate and break through barriers to collaboration. This requires refined approaches. The Partnership continues to nurture and pioneer such approaches making use of system thinking and ensuring we are advancing towards system transformation.

COVID-19 has reinforced that the type of collective action pursued under GGP is key to tackling economic and social disruption and co-creating solutions for the post-pandemic new normal. Within the Partnership we are also stronger together – as a collective, we have dealt with the impact of COVID-19 better than we would have done independently.

Through this report, we will share with you how COVID-19 has impacted the four Good Growth Partnership countries and supply chains, but also the positive outcomes that the integrated approach has enabled and how it contributes to strengthen supply chain sustainability and help countries recover.

By Andrew Bovarnick
Director of the Good Growth Partnership

As we enter our last year of the Partnership we are grateful for the Global Environment Facility (GEF) to support us on this journey, to test and implement an integrated supply chain approach to bring systemic change. Together with the GEF we have been learning along the way.

We recognise the power of staying and working together and we are already co-creating a phase 2 to continue partnering even after the official closure of the GGP programme. If our work resonates with you, we invite you to join us as we co-design the future of the Partnership.
The Good Growth Partnership: cultivating sustainability in commodity supply chains

The Good Growth Partnership convenes a wide range of stakeholders and initiatives throughout soy, beef and palm oil supply chains to reduce deforestation and enable sustainable development.

Working with a full range of stakeholders, from small-scale producers to national governments and global corporations, the Good Growth Partnership promotes a holistic approach to sustainability that encompasses entire commodity supply chains.

Our efforts on the ground currently focus on several landscapes in four commodity producing nations: Brazil’s MATOPIBA region in the country’s tropical savannah ecoregion known as the Cerrado; important ecosystems in the Indonesian islands of Sumatra and Kalimantan; the biodiversity-rich northwest of Liberia; and the semi-arid Chaco region of Paraguay. These landscapes are prioritized by the Partnership due to their high conservation value and proximity to agricultural production and deforestation areas.

We work with key buyer and consumer stakeholders in regional and global commodity markets to influence responsible demand.

In the United States, Europe, Asia and throughout our partner commodity producing nations, the Partnership is focused on engaging major multinational corporations, financial institutions, global banks and public regulators to strengthen corporate policies and investment standards.

By combining forces, the Good Growth Partnership aims to provide a model of wide-scale systemic change which capitalizes on the strengths of each partner.
The way we work

Instead of treating production, demand and investment interventions as separate tracks, the Partnership looks at where the layers of the supply chain integrate and overlap to enhance financial incentives and increase demand for sustainably produced agricultural commodities.

**Convening Stakeholders**
Helping NGOs, national and sub-national governments to convene diverse stakeholders around a common vision and an agenda for action and implementation.

**Land Use Planning**
Enabling and advocating for clear land use policies to dissuade expansion into forests and other critical land areas while identifying suitable land available for cultivation.

**Supporting Farmers**
Working with governments to coordinate farmer support services to improve agricultural practices and market access.

**Enabling Sustainable Transactions**
Designing economic incentives and new business models for financing to encourage sustainable production and responsible demand.

**Generating Responsible Demand**
Increasing market awareness and demand for reduced deforestation commodities among buyers, traders, consumers and investors.

**Sharing Knowledge**
Sharing knowledge and lessons learned throughout the supply chain to stimulate and coordinate best practice replication and strategies which scale-up impact.

Photo: © Maria Paz Gonzáles/PNUD Perú
Since its inception in 2017, the Good Growth Partnership has brought together a growing coalition of committed changemakers to achieve greater results throughout its focal commodity supply chains and landscapes.

This alliance has enabled efficiency, avoided overlap and allowed each partner to work to their strengths while simultaneously connecting the dots and layers that influence sustainability throughout the entire supply chain.

A COALITION OF COMMITTED PARTNERS

FOUNDING PARTNERS: COORDINATING THROUGHOUT THE SUPPLY CHAIN

The Good Growth Partnership is funded by the **Global Environment Facility (GEF)**. The Partnership contributes to the GEF’s commitment to assist developing countries in meeting the objectives of multilateral environmental agreements.

The **United Nations Development Programme (UNDP)** is leading the Partnership, with a specific focus on coordination and integration, knowledge sharing and sustainable production. UNDP convenes key stakeholders to improve the legal and regulatory environment for commodity production. UNDP also works directly with farmers to improve practices which help to protect high conservation value areas and enhance productivity.

**Conservation International (CI)** is working on the ground with producers, companies and policymakers to improve spatial mapping and land use planning, implement and validate legal requirements, and increase support for producers that improve practices and protect high conservation value areas in Brazil, Indonesia and Liberia.

**The International Finance Corporation (IFC)** is leading the Partnership’s transactions project, which aims to develop and test models to enhance the sustainable flow of finance throughout the Partnership’s focal commodity supply chains. Alongside IFC, **UN Environment Programme Finance Initiative (UNEP FI)** is contributing to the transactions project, working closely with banks and helping to make sustainable financing more accessible for businesses and farmers who require additional capital to invest in more environmentally sound practices.

**World Wildlife Fund (WWF)** is leading the Partnership’s responsible demand project, working to raise awareness and strengthen demand for sustainably produced beef, palm oil and soy among companies, consumers, policymakers, and investors.
ISEAL Alliance launched Evidensia, an online knowledge hub which synthesizes and communicates available information about sustainable production and voluntary sourcing initiatives and commitments.

Proforest is building capacity and empowering companies to source responsible soy from Brazil.

Trase, a partnership between Stockholm Environment Institute and Global Canopy, is bringing unprecedented transparency to global supply chains. In partnership with WWF, Trase is transforming how data is used for decision-making by tracking the flows of commodities from production landscapes to consumer markets and highlighting the associated deforestation risks.

To reduce environmental threats in the agricultural frontier and to promote sustainable soy production in Brazil, the Brazilian Foundation for Sustainable Development (FBDS) is working on landscape planning to encourage soy cultivation in already deforested or degraded lands, supporting the creation of ecological corridors.

In Indonesia, WWF is working with several partners to implement demand-side activities. PT Wana Tirta Hawa, University of North Sumatra, and Pusaka Kalam are mapping palm oil supply chains. Accenture Development Partnership and Indonesia Business Council for Sustainable Development (IBCSD), along with WWF–Indonesia, are co-convening a dialogue platform and co-developing a sustainable sourcing guideline involving various corporate and government stakeholders to build shared commitment on increasing awareness and uptake of sustainable palm oil in the Indonesian domestic market. Edelman Indonesia is supporting WWF–Indonesia to conduct a consumer awareness campaign for sustainable palm oil, and MarkPlus is surveying consumers to determine changes in awareness and willingness to purchase sustainable palm oil products.

At the global level, GlobeScan supports the demand-side activities with tracking companies’ progress on actions to take deforestation out of their supply chains and understanding how different initiatives have helped in these efforts.

Joining forces with national and regional leaders in the transition towards ‘Good Growth’

**BRASIL**

Ministry of Environment (MMA)*, Ministry of Agriculture, Livestock and Supply (MAPA)*, Ministry of Economy, Brazilian Forestry Service/MAPA, Secretariat for Biodiversity (MB), Ministry of Environment and Sustainable Development* (MMA), Ministry of Agriculture and Livestock/Vice Ministry of Livestock, Ministry of Industry and Commerce, the National Forestry Institute, the Public Ministry, regional government departments including Boquerón and the municipality of Filadelfia, Mariscal Estigarribia and Loma Plata.

**INDONESIA**

Ministry of Agriculture*, Cabinet Secretariat, Coordinating Ministry of Economic Affairs, Ministry of Environment and Forestry, Ministry of National Development Planning, Ministry of Agrarian Affairs and Spatial Planning, Ministry of Foreign Affairs, Ministry of Home Affairs, Ministry of Manpower, Ministry of Trade, the Indonesian Sustainable Palm Oil Standard, the Provincial Forest and Estate Crops Agencies in North Sumatra, West Kalimantan and Riau, District Heads and forest agencies of Pelalawan, South Tapanuli and Sintang.

**LIBERIA**

Ministry of Agriculture*, Forestry Development Authority, Environmental Protection Agency, Liberia Land Authority and the National Bureau of Concessions.

Note: *Government project partners and lead government agencies
The German Federal Ministry of Economic Cooperation and Development (BMZ) via the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Switzerland’s State Secretariat for Economic Affairs (SECO) support the sustainability efforts and multiplier effects of the work implemented by the Good Growth Partnership. This includes the learning work of the Green Commodities Community as well as efforts to support sustainable palm oil production and multi-stakeholder processes in Indonesia.

UNDP’s Green Commodities Programme has been cooperating with GIZ since 2017 at the global level and in Indonesia and since 2020 at the jurisdictional levels in Caqueta (Colombia) and West Kalimantan (Indonesia) to address deforestation and promote sustainable commodity production through dialogue on the common disconnects between actors operating within the same jurisdictions. These dialogues highlight UNDP’s collaborative partnership with the Governors’ Climate & Forests (GCF) Task Force in both jurisdictions.

The Good Growth Partnership continues to work closely with the New York Declaration on Forests (NYDF) and the Tropical Forest Alliance (TFA) in a greater effort to align key initiatives and networks. NYDF and The Good Growth Partnership support each other on exchanging and disseminating resources and knowledge. After coordinating around the organisation of the Good Growth Conference and the TFA annual meeting in 2019, collaboration between the Good Growth Partnership and TFA will be strengthened in year four with the organisation of a joint event on private sector engagement. TFA is also part of the Green Commodities Community Digital Learning Platform Advisory Group and Good Growth Partnership partners join TFA’s regular partners meetings.

A Statement of Intent was signed in 2020 between the Good Growth Partnership and the Green Fund to express their intention to work together to achieve their shared vision to remove deforestation from commodity supply chains, and act on the financial levers of commodity supply chains.

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Through platforms like the Good Growth Partnership we can ensure that we collectively protect the natural ecosystems and soil on which our food systems depend. Achieving this transition requires a holistic, system-wide approach. Increasing demand for food is one of the major drivers of biodiversity loss, land degradation, and depletion of water resources. Through the Good Growth Partnership the partners collectively address the key drivers of environmental degradation and therefore contribute to the systemic change we need.

- Gustavo Alberto Fonseca, Director of Programs, Global Environment Facility
Bringing stakeholders together around a common vision and agenda for action and implementation is at the heart of the Partnership. By the end of our third year the Good Growth Partnership has established, enabled and/or supported 18 commodity platforms and forums at various geographic scales (from global, to national to local). These multi-stakeholder collaboration platforms bring all those involved with a commodity supply chain together around one table to discuss solutions and agree on frameworks, standards and actions to move towards more sustainability. As a key result, 39 policies, policy frameworks, strategies and/or action plans have been supported to encourage and enable reduced deforestation supply chains with actions on the production, demand and transaction sides.

Notably, in Indonesia, the National Action Plan for Sustainable Palm Oil (NAP SPO) developed by FoKBSI (the Indonesian Sustainable Palm Oil Platform) with support from UNDP was signed into law by the President. It mandates the 14 related ministries as well as a range of stakeholders including private sector, development partners including international NGOs, and Civil Society Organisations (CSOs) to get involved in the implementation of the National Action Plan.

Improving agricultural practices to ensure sustainable growth is critical for any of the three commodities in the four geographies we focus on. In Tocantins, one of the key areas of Brazil’s newest soy frontier, an agreement was signed between Conservation International and the Brazilian Agricultural Research Cooperation (EMBRAPA) to promote low-carbon agricultural practices in farms. Working directly with more than 40 soy producers and extension staff on 69,000+ hectares under pilot, it provides an opportunity to scale good practices and to extend this cooperation to other producers such as cattle ranchers to benefit from crop-livestock integration.

In order to ensure scaling up of sustainable production, it is important that producers are convinced of its business case. In the Paraguayan Chaco region, IFC successfully piloted the adoption of sustainable intensification techniques in partnership with a farmer cooperative. After one year of implementation and benefitting from favourable weather conditions, productivity already increased by almost 45 percent. These promising results should entice more cooperatives towards adoption of these practices.
The Partnership has increased its positive impact on people and the planet in the past year. Almost 43,000 hectares of High Conservation Value/High Carbon Stock areas have been protected or placed under sustainable management practices. Additionally, more than 6,400 households have directly benefited from sustainable agricultural practices training, policy change and community conservation agreements. We see this in the North West landscape of Liberia where the Zoda Conservation Agreement protects forests, reduces unsustainable practices and provides opportunities to improve livelihoods for local communities.

Globally, demand for sustainably produced palm oil continues to rise. However, in the three largest palm oil consuming countries, China, India, and Indonesia, the demand for sustainable, deforestation-free palm oil remains very low. Through the launch of its Sustainable Sourcing Guidelines and inclusion of Indonesian companies in its global Palm Oil Buyers Scorecard, along with a campaign to raise consumer awareness of sustainable palm oil in Indonesia, WWF is working to change that. Nine Indonesian companies pledged to support the implementation of the guidelines and in parallel WWF Indonesia continues to engage domestic manufacturers and retailers in sourcing certified palm oil from the Roundtable on Sustainable Palm Oil (RSPO) and marketing their products as sustainable.

Companies can use innovative tools like Trase and the Soy Toolkit to understand the extent of their risk and prioritise actions for decoupling their supply chains from deforestation. Trase is a platform which provides data transparency on agricultural commodity supply chains. It now covers nearly 50 percent of global trade in commodities linked to deforestation in the tropics. The Soy Toolkit, developed by Proforest, is a capacity building programme on responsible sourcing of soy that aims to empower companies to effectively deliver on their commitments. Both of these tools are publicly available online and received major upgrades this past year.

Besides generating more demand for sustainable products, facilitating financial transactions can be a key lever towards more sustainable supply chains. To that effect, UNEP FI has been building capacity in Brazil, training banks and partnering with a number of banking associations on key risk management practices related to deforestation risk. This enables banks to invest in companies that are not contributing to deforestation, and hence supporting sustainable supply chains. Various modules are being developed allowing the programme to expand in the next year in Brazil, Paraguay and Indonesia. In Paraguay, this is supported under the Memorandum of Understanding UNEP FI signed with the Central Bank.

During year three, the Good Growth Partnership released new and strengthened existing online resources and innovative tools, providing an opportunity to learn from best practices elsewhere with Evidencia and the Green Commodities Community. Evidencia, launched by ISEAL Alliance and partners, is an online information hub that provides reliable research and analysis about the impact, effectiveness and business value of sustainability initiatives. The Green Commodities Community connects practitioners from around the world and embodies learning through sharing. Last year it launched a demand-driven learning programme including more than 20 interactive participatory workshops.

As we celebrate these achievements, getting us closer to our targets and initiating deep changes in the commodity systems we are seeking to influence, we should also acknowledge key challenges we are facing, mostly related to the pace of change and the time bound nature of a programme. For example, despite partner governments generally being supportive, the pace of policy changes and reforms is too slow compared to the rate of land use change. This is compounded by the COVID-19 crisis and governments shifting priorities towards the emergency response and recovery, in many cases without the necessary focus on long-term resilience. Similarly, the private sector, despite increased commitments towards sustainable sourcing, is facing key profitability issues in some places (e.g. Sime Darby divestment in Liberia) and disturbed supplies due to COVID-19, slowing their progress towards their noble goals. As the year comes to a close, it is evident that many companies will fall short of their commitments to source 100% sustainable commodities by 2020, despite an increased awareness of the importance of these actions.

The Good Growth Partnership and the work of our partners directly contribute to many Sustainable Development Goals (SDGs) and in particular those related to people, planet and prosperity and of course partnership (Sustainable Development Goal 17, “Strengthen the means of implementation and realize the Global Partnership for Sustainable Development”).

Multi-stakeholder partnerships are essential vehicles for mobilizing and sharing knowledge, expertise, tools and financial resources to support the achievement of the SDGs in all countries, particularly developing countries. We are encouraged by the contribution we bring to this SDG and more widely to the 2030 Agenda, and look forward to further success and learning together, next year.

Pascale Ionzon, Global Project Manager Good Growth Partnership, UNDP
Lara Yacob, GGP Sustainable Transactions Project Manager, UNEP FI
Susan Pomar Nuitjen, Associate Project Operations, MAS Agribusiness Advisory Services, GGP Sustainable Transactions Co-Project Manager, IFC
Margaret Arbuthnot, Director, Commodity Markets, GGP Responsible Demand Project Manager, WWF US
Amanda Sennet, Director, Multilateral Relations, Conservation International

Farm in the Chapada dos Mangabeiras. Photo © Flavio Forner Rio Galhão
Progress data

43 financial tools and products identified or developed that support investments in sustainable production.

2 new partnerships facilitated and supported between producers, buyers and finance providers, fostering sustainable commodity supply chains.

39 policies, policy frameworks, strategies and/or action plans supported to foster and enable reduced deforestation supply chains.

142 financial institutions involved in workshops and trainings on sustainable finance and responsible investments of palm oil, soy and/or beef.

98 companies actively engaged in project activities and advancing on commitments to source reduced deforestation soy, beef, or palm oil.

125 countries have increased transparency into the origins of the beef and soy volumes they are sourcing from Brazil and Paraguay.

303 organisations connected via the Partnership, in multi-stakeholder dialogue and action planning.

744,077 metric tons of CO₂ emissions avoided.

6,400+ households consisting of farmers, producers and forest and lake dependent families directly benefiting from agriculture training, policy change and community conservation agreements.

109 publications, briefs and knowledge products developed to enhance knowledge and support sustainable commodity supply chains.

8 publications increasing awareness and knowledge on gender in agricultural supply chains.

43,000 hectares of high conservation value land protected or placed under sustainable management.

Photo: © Maria Paz González/PNUD Perú
The current crisis in our food and commodity systems calls for an urgent transformation of these systems. COVID-19 presents an opportunity to lay the foundations of a more sustainable and resilient future.

**COVID-19 and the impact** on the Partnership’s palm, beef and soy supply chains

Our current global production and consumption models negatively impact nature and reinforce exclusion of marginal populations. In addition, the COVID-19 health crisis has prompted an economic crisis of unprecedented scale that has further stressed food availability and food security due to disruptions in supply chains and revenue loss. Climate change will deepen and accelerate these impacts. However, COVID-19 also presents an opportunity for commodity and food supply chain actors to create a new, more sustainable “normal”.

The Good Growth Partnership developed **four country focused papers** providing an overview of the COVID-19 situation in each country and impacts on our target supply chains while highlighting the Partnership’s response to the crisis and its contribution to a green, sustainable and resilient recovery. Key insights of these papers are summarized below.

"COVID-19 has disrupted global supply chains. This will continue. The Good Growth Partnership’s initiatives to develop data, tools, policy and awareness of supply and demand issues and strategies that move supply chains are critical as companies pivot in the new normal and rebuild more resilient and equitable supply chains."

— Jason Clay, Sr. Vice President, Markets & Food, WWF-US
COVID-19 IMPACT

Brazil

By the end of July 2020, Brazil reported more than 2.5 million COVID-19 cases and 90,000 deaths, and the curve is still rising with record numbers of new infections every day. Development partners are concerned about new emerging risks regarding deforestation, as they see the attention of environmental agencies and civil society shifting to short-term pressing needs over the longer-term climate change agenda.

China’s fear of further supply chain disruptions as a result of COVID-19 is producing a surge in Brazilian soy sales. Soy exports to China rose 37% from January till June. Many market actors feel uncertain about how this increasing demand in soy will influence business and its sustainability priorities. As Brazil breaks records in soybean exports to meet Chinese demand, the potential for deforestation is equally increasing, both legal and illegal.

Indonesia

As of 31 July 2020, Indonesia had reported more than 100,000 cases, the highest number in Southeast Asia. The socio-economic impact of COVID-19 is posing a major threat to the macro-stability that has been achieved by the country. Indonesia’s economy suffered its sharpest downturn since the 1998 Asian financial crisis in the second quarter, as the COVID-19 pandemic shut down large parts of the country, ravaging businesses and leaving millions out of work. It is expected that the economy will suffer long-lasting and severe consequences, reversing critical development achievements on many levels. It is estimated that in 2020, palm oil exports will decrease by at least 4 percent for multiple causes, COVID-19 being one of them. Meanwhile, compared to 2019, domestic consumption of products containing palm oil increased by 2.8 percent to 8.6 million metric tonnes in the first half of 2020.

Liberia

In Liberia 73 deaths were reported as of 31 July 2020. The pandemic is taking a heavy toll on Liberia, a country that is already poverty afflicted and that ranks 176 out of 189 in the Human Development Index. Poor basic services and weak infrastructure lead to high transport costs that hinder agricultural competitiveness and distribution and make Liberia dependent on importing food. This is compounded by the COVID-19 crisis and movement restrictions as well as trade disruptions. This is expected to increase issues of severe food insecurity over the next 18 months.

There are similarities between the current COVID-19 situation and the 2014 Ebola outbreak in West Africa. According to the UN Food and Agriculture Organization (FAO), labour shortages and disruptions in agricultural supply chains meant that many farmers in Liberia could not grow or sell their crops. Similar issues such as fear, stigmatisation of infected people and mistrust towards public health institutions evolve in the oil palm communities.

Paraguay

By the end of July in Paraguay, 5,538 cases were confirmed and 49 deaths. The Government of Paraguay has taken early and concrete actions to limit the spread of the COVID-19 pandemic.

Paraguay is the 8th largest beef exporter in the world and exports 60 percent of its production. Chile, Russia, and Taiwan are the main importers. After a positive beginning in 2020, beef exports from Paraguay decreased by 24 percent in April compared to the same month in 2019. By the end of July 2020, sales started to increase again, but there are no records yet to understand whether this improved export can offset previous losses, especially as in May 2020 slaughter cattle price decreased by more than 25 percent compared to the same period last year. In addition to that, other factors such as the severe drought experienced in the Chaco this year affected the beef sector and further and made the situation even more serious.

Pathway to recovery

All Good Growth Partnership countries face an unprecedented crisis with huge economic and social impacts, as a result of COVID-19. An integrated approach will be critical to any COVID-19 response, something the Partnership is already undertaking. Therefore it is very well positioned to support a resilient and sustainable response and recovery through strengthening and expanding the existing work. It is especially important to safeguard and continue to increase the protection of important forest landscapes through supporting and incentivizing sustainable supply chains while mitigating the emerging risk of increased deforestation for short term economic gains.

The Good Growth Partnership is committed to continue working within its multi-stakeholder collaboration approach in its four target countries, linking governments, smallholders, civil society, finance institutions and the private sector to achieve long-term systemic change.

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Photo: © Ministerio del Ambiente y Desarrollo Sostenible de Paraguay

This [Covid-19] is likely to weaken the enforcement of environmental preservation policies and increase incentives for deforestation

- World Bank

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Systems change within the Partnership means changing behaviour towards a more sustainable outcome. A fundamentally different way of working together, for all the stakeholders in the system.

Shifting mindsets for systems change

Within the Partnership there is a strong focus on systems thinking and systems change approaches. Systems thinking is a holistic approach to analysis. It focuses on the way that a system’s parts interrelate and how systems work, over time and within the context of larger systems. The systems thinking approach contrasts with traditional analysis, which studies systems by breaking them down into their separate elements. Systems change in our context, means changing its behaviour towards desirable outcomes, i.e. more sustainability. This involves changing existing structures, mindsets, power dynamics and rules driving the system towards undesirable outcomes, and this implies deepening the existing stakeholder collaboration that has been established, to achieve lasting positive changes in agricultural commodities. It is a fundamentally different way of operating and starts with a participatory approach that brings all of the stakeholders in the system together.

We need to embrace the complexity of the system and get into a systems way of thinking rather than a mechanistic one to be able to come up with innovative and different solutions.

- Lise Melvin, Senior Programme Advisor UNDP Green Commodities Programme
A system thinking approach for Cerrado soy

The first systems approach workshop on the soy supply chain, with a focus on the Cerrado in Brazil was organized. The partners were able to identify the most powerful levers to accelerate and bring lasting positive changes in that system, and strengthen their collaboration around these areas. Innovative approaches were used to reflect on the current Cerrado soy system, analyse causal loops and driving forces. The workshops provided clear recommendations on which levers should be focussed on, such as a clear business case and narrative, blended finance to incentivize the producers towards sustainable production, the power of trade agreements and international policies, as well as the importance of continuing the efforts to support the National Rural Environmental Registry (CAR) policy currently being implemented. This policy aims to geo-reference all properties and promote monitoring of, and compliance with, natural vegetation conservation requirements.

Accelerating systems thinking

Knowledge on systems thinking is growing but its successful inclusion in development projects can be challenging, therefore UNDP launched a co-inquiry process. Bringing together 49 leading systems thinkers and practitioners, including participants from the Good Growth Partnership organisations, the group inquired how they can work more systemically to accelerate progress toward more sustainable food and agricultural commodity systems. This series of four virtual brainstorming events built on the experiences and lessons learned from the Partnership countries and beyond, and key learnings will feed back into the Partnership’s projects implementation.

Questions explored included: “What's the 'secret sauce' for working more effectively on whole systems change in sustainable food and agricultural production?”; “What is blocking more effective multi-stakeholder collaboration to catalyse more transformational, systemic change for sustainable food and agricultural production?”

Key findings will be captured in a lessons learned report and a second round of co-inquiry will allow us to continue and dive deeper into this work.

Building investors’ capacity for sustainable investing in palm

To address a problem as complex as commodity-driven deforestation, a system-wide approach is essential, but sometimes key components are left out or not leveraged enough. Financial institutions including investors are an influential part of the system that is often overlooked by the sustainability sector and the investment industry itself. To close this gap, WWF–Singapore is engaging financial institutions to identify deforestation-related risks and build their awareness on best practices for responsible investing criteria. In the past year WWF–Singapore has trained representatives from over 71 financial institutions through one-on-one engagement and larger workshops and trainings. WWF–Singapore also conducted an analysis of 29 Asian Fast-Moving Consumer Goods (FMCG) companies regarding their sustainable sourcing practices and commitments (including on palm oil), which was shared with investors in the Principles for Responsible Investment (PRI) Palm Oil Investor Working Group and attendees at the PRI conference in Paris in September 2019. The PRI was founded by UN Global Compact and UNEP FI. The FMCG analysis was also used to develop company-specific information packs to help investors directly engage companies in their portfolios around sustainable palm oil sourcing and other best practices.

In seeking to promote the transition to a sustainable palm oil industry, it is vital that investors escalate their stewardship efforts, using all the tools available to them to achieve this.

- Paul Chandler, Director of Stewardship at the Principles for Responsible Investment (PRI)

The acknowledgement that none of us have the answers, it’s an open-minded inquiry, where nothing is ruled out. The connection to people with a strong desire for the world to do better – somehow.

- Bjørn Rask Thomsen, Former CEO of Denofa
Partnering for change through multi-stakeholder collaboration is the most effective way forward. The participatory process of multi-stakeholder collaboration brings all actors within the same sector with common sustainability issues but distinct interests together. The first step is to define a shared vision and collectively learn, innovate and act upon a complex and changing environment. Although these collaborations are not the easiest, they are certainly the most effective way forward to achieve transformational change and ensure that no one is left behind.

Joining forces for sustainable finance for agri-commodities in Brazil

In Brazil a multi-stakeholder initiative called the Finance Lab, supported by GIZ, brings together members and affiliates of the Brazilian financial sector on green finance. UNEP FI is participating in a number of working groups, including environmental and social risks and green bonds. The platform serves to exchange ideas and developments on sustainable finance. UNEP FI has solicited feedback on a number of knowledge products through this platform such as the report on blended finance products that support zero deforestation commodity production in Brazil and the needs assessment report for training banks on deforestation risk management.

In addition to the Finance Lab, UNEP FI is partaking in the Brazilian Coalition for Forest, Climate and Agriculture. The coalition comprises over 200 stakeholders in the climate and agriculture space, and UNEP FI is participating in a number of task forces and has started discussions to develop a proposal on fiscal policy reform for agri-commodities.

The organisations collaborating under the Good Growth Partnership are important partners for &Green in establishing the best institutional frameworks for our clients to be successful – both at a jurisdictional and a landscape level. The partners can assist our clients in defining successful business models that are free from deforestation. In combination with &Green’s innovative financing solutions, this will create scalable blueprints that fully integrate sustainability.

- Michael Schlup, Managing Director at Sail Ventures, the investment advisor to &Green

200 stakeholders participating in Finance Lab
Moving from multi-stakeholder dialogue to action plan implementation

The Good Growth Partnership has for a number of years supported the operation of the Indonesia Sustainable Palm Oil Platform or FoKBSI, a multi-stakeholder platform led by the Indonesian Coordinating Ministry of Economic Affairs, involving representatives from various ministries, private sector, smallholders’ associations and NGOs. This year the collaboration achieved the milestone of legalising the National Action Plan for Sustainable Palm Oil (NAP SPO), firing the starting gun for the move to implementation. The platform provides an open and neutral space for all stakeholders to discuss and find solutions to the problems faced by the palm oil industry in Indonesia. Since the adoption of the NAP SPO, the Coordinating Ministry of Economic Affairs and the Ministry of Agriculture are working on the transition of FoKBSI towards the National Implementation Team of the NAP SPO to coordinate and implement the action plan in an effective and sustainable way. Socialisation of the NAP is being conducted with ministries, private sector actors, development partners and CSOs through platforms and bilateral engagement. A similar process of transition from provincial platforms and district forums to Action Plan Implementation Teams will be initiated next year to support implementation of subnational action plans while conserving the important multi-stakeholder dialogue component of the platforms and forums.

The Government of Indonesia believes that comprehensive improvement of the palm oil sector in Indonesia to achieve sustainable palm oil development requires active participation from all relevant stakeholders. Palm oil sustainability is not only in Indonesia’s interests, but also in the interests of the global community. With the support of the Good Growth Partnership, the National Action Plan for Sustainable Palm Oil (NAP SPO) was legalised in 2019, as the road map for stakeholders towards sustainable palm oil development. This in turn will contribute to the achievement of the SDGs, along with other long-term goals including the reduction of greenhouse gas emissions and conservation of biodiversity. Henceforth, we invite stakeholders to participate actively and collaboratively to align their initiatives with the NAP SPO to successfully achieve more sustainable palm oil development in Indonesia.

Musdhalifah Machmud – Deputy Minister for Food and Agriculture, Coordinating Ministry for Economic Affairs, Government of Indonesia

Photo: © Agusriady Saputra/UNDP
Increasingly the private sector looks beyond its own supply chain for approaches to strengthen sustainable production.

The private sector as a force for change

There is an increasing recognition that achieving sustainable agricultural systems requires the transformation of entire sectors, not just individual companies’ supply chains and farms. Leading companies around the world are starting to look for approaches that can strengthen the enabling conditions for sustainable production across entire regions, beyond their own supply chains. This requires engaging in multi-stakeholder collaboration processes and public–private partnerships to bring systemic change. Change will be required not only in production operations; ensuring buyers have the skills, knowledge and the right tools to source sustainably; investing into sustainability throughout supply chains is also a critical part of the solution.

Creating value beyond value chains

Some companies have managed to significantly improve the sustainability performance of their own supply chains, generating a positive impact on sustainable production practices on the ground. However, a two-tier system has been created where there are ‘islands’ of good practice, while a ‘business as usual’ approach continues at a lower level for the rest. Companies – and governments – struggle to work out what they should do.

The UNDP offers a solution for this problem and launched this year a new guidance note for the private sector called Value Beyond Value Chains. It explains the rationale for companies to act beyond their value chains to help create the enabling conditions for sustainable production, specifically by supporting initiatives at landscape, subnational and national level in producer countries. The guidance has been developed with major producers and buyers in mind to guide company decision-making towards a deeper alignment with governments and civil society around a positive common agenda.

The next step is to pilot these guidelines at the country level, and to evolve them towards a second version targeting the demand and financial actors involved in commodity supply chains. A first workshop on the content took place at the virtual Responsible Business Summit Week organised by Ethical Corporation and Reuters Events in June 2020.
A private sector partnership for sustainable palm oil production

UNDP Indonesia signed a Memorandum of Understanding with Musim Mas (one of the world’s largest, integrated palm oil corporations), with the support of IFC.

At least 1,500 smallholders will be trained on good agricultural practices

Thanks to this partnership, at least 1500 smallholders from the district of Pelalawan will be trained over the next year on good agricultural practices to improve their production of sustainable palm oil and to align with the Indonesian Sustainable Palm Oil (ISPO)/RSPO certification. This will set the ground for Musim Mas to be able to buy these oil palm fruits from the smallholders to meet growing global demand for sustainable palm oil. This supply chain partnership, connecting smallholder farmers with an off taker, provides an opportunity for farmers to enhance yield while ensuring sustainable use of resources such as land and water, and securing their livelihoods.

Scoring companies on sustainable palm oil commitments

A number of companies have made commitments to source only deforestation-free palm oil by 2020 or earlier. WWF’s Palm Oil Buyers Scorecard, launched in January 2020, assessed 173 companies headquartered in Asia, Europe, North America and Australia for progress against these supply chain commitments and other efforts to support a more sustainable palm oil industry. While some of these companies are making commendable progress to support sustainable palm oil, others are doing little or nothing at all. The process of engaging companies on their commitments and progress led many companies to take a closer look at their policies and actions and identify areas for improvement. Scores will be updated in 2021 to determine which companies took major steps forward and which are lagging behind. The scorecard includes clear and specific recommendations of steps that companies, consumers, governments, and financial institutions can take to support sustainable palm oil.

The Soy Toolkit – reducing soy-related deforestation

The Soy Toolkit developed by Proforest is an accessible guide to the many initiatives which aim to decouple soy production and supply chains from deforestation, conversion of native vegetation and human rights violations. Companies can use the Toolkit briefing notes, webinars, and summaries to better understand how to implement their sustainability commitments, from assessing risks to engaging suppliers to monitoring, verifying, and reporting progress. In addition to supporting capacity building with individual companies, the Soy Toolkit is serving as an important entry point and discussion topic in key dialogues and collaboration platforms. Through this outreach and engagement strategy, Proforest is increasing the uptake of the Toolkit and increasing the industry’s capacity to implement improved soy sourcing policies.

The Soy Toolkit enables you to have one conversation that goes down consistently through multiple levels of supply chain, and it means that whenever somebody else starts that conversation... the same consistent messaging and capacity building goes back as well. Everybody wins together

- Mike Barry, Sustainability Consultant, former Director of Sustainable Business at Marks & Spencer

The Soy Toolkit is increasing the industry’s capacity to implement improved soy sourcing policies

The Soy Toolkit is increasing the industry’s capacity to implement improved soy sourcing policies. As part of the Soft Commodities Forum (SCF), Proforest facilitated technical meetings and a workshop in March 2020 using the Soy Toolkit as part of the preparation materials for SCF members (major soy traders include ADM, Bunge, COFCO, Cargill, Glencore, and Louis Dreyfus Company). The third SCF Progress Report was launched in June 2020, acknowledging the importance of the Soy Toolkit and GEF funding. Proforest presented the Toolkit at various high-profile events, including the Edie Sustainability Leaders Forum 2020, the Roundtable on Responsible Soy Annual Meeting, and the Emerging Markets Investors Alliance. Proforest is also working with Efeca, who facilitates the UK Roundtable on Sustainable Soy, to update guidance using the Toolkit.
Covering more than 20 percent of Brazil, the Cerrado is South America’s largest and the world’s most biodiverse savannah. It shelters 5 percent of all the living species on earth and one in ten Brazilian species, including species of plants found nowhere else in the world. Located at the intersection of Maranhão, Tocantins, Piauí and Bahia States, more than 90 percent of MATOPIBA lies within the Cerrado. However, it is also now the main soy frontier in Brazil.

Mainly used as animal feed, soy has become one of the world’s biggest crops due to rising demand worldwide for meat products. But its growth has come at a cost with impacts on the environment and local communities. Forests and other natural ecosystems are coming under ever greater pressure as production and demand continues to grow. Today Brazil produces 34 percent of the world’s soy, and its production is expected to increase in 2020.

To reduce environmental threats in the agricultural frontier and to promote sustainable soy production, the Good Growth Partnership seeks to encourage soy cultivation in already converted or degraded lands, support conservation areas and encourage the implementation of Brazil’s Forest Code. It also increases the capacity of companies to source sustainably while supporting financial institutions to take into account deforestation in their decisions.
Promoting low-carbon agriculture practices

In the State of Tocantins, one of the key areas of Brazil's newest soy frontier, a technical cooperation was established between Conservation International and the Brazilian Agricultural Research Corporation (EMBRAPA) with the objective of promoting the adoption of sustainable agricultural practices in the production of commodities, especially soybeans. This partnership has a focus on low-carbon agricultural technologies in the production of commodities, especially soybeans. This partnership and rural extension staff and 22 pilot farms covering an area of almost 70 thousand hectares. Negotiations are taking place to extend cooperation, aiming to target cattle ranchers to enhance benefits from crop-livestock integration in sustainable commodities production.

The Good Growth Partnership generates very precious knowledge for the development of the soy supply chain in MATOPIBA. This knowledge is important for enabling production capable of promoting the balance between productivity and environmental conservation. The challenge is to expand producers’ access to this knowledge and technology and stimulate the implementation of mechanisms like payments for environmental services.

- Mr. Pedro Neto, Deputy Secretary for Innovation, Rural Development and Irrigation, Brazilian Ministry of Agriculture, Livestock and Supply - MAPA

69,000+ hectares under pilot for low-carbon agricultural technologies

Supporting local governments in monitoring conservation requirements

According to the Brazilian Forestry Service, more than 5.5 million landholders are registered in the National Rural Environmental Registry (CAR) electronic database. Farmers must submit information about their properties as an important step towards improving transparency around production activities. The registry shows what areas are cultivated and what areas are under conservation. The CAR policy aims to geo-reference all properties in Brazil and promote monitoring of, and compliance with, natural vegetation conservation requirements. The CAR registration is one key advance in Brazil that uses the Forest Code to improve environmental issues such as deforestation in rural areas. Efforts towards the strengthening of Tocantins and Bahia’s CAR validation processes have been consolidated in year three under signed cooperation agreements with CI. Technical experts were hired to support CAR analysis, resulting in the acceleration of environmental regularisation of selected rural properties in river basins located within the 10 focal municipalities of the project. So far, 45 percent of the registrations have been analysed together with state governmental staff, representing a total of around 242,784.73 hectares. The Good Growth Partnership in Brazil is contributing to the improvement of environmental management in these two states, by fostering consolidation of a key instrument of national legislation and enabling progress towards implementation of the Environmental Regularisation Programme.

Support to the Consolidation of the Consortium of Secretaries of MATOPIBA

A cooperation agreement was signed between Secretaries of Agriculture of Maranhão, Tocantins, Piauí & Bahia States in October 2019, resulting in the formation of a MATOPIBA Consortium of Secretaries. This initiative, supported by CI, aims to identify and promote joint actions between the MATOPIBA States focused on research, rural and environmental extension and sustainable agribusiness. This is an opportunity to support activities focusing not only on soy, but other supply chains in the region, as well as influencing the process of decision-making towards sustainability in regional landscape governance.

4 Consortium meetings held with governmental representatives from the 4 States of MATOPIBA

244 properties analysed which means direct support to farmers environmental regularisation and access to rural credit

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Driving demand for deforestation-free soy in the Cerrado

WWF Brazil is working with NGOs, soy traders, and buyers to meet demand for soy by increasing supplies without additional deforestation, for example through increased production on existing agricultural land. Highlights of this engagement include the launch of the Cerrado Funding Coalition website which will serve as a hub for support, information sharing, and for new financial mechanisms to promote sustainable transitions for soy farmers. Meanwhile, WWF Brazil along with Cerrado Manifesto (SoS) members asked Brazilian soy traders to commit to zero deforestation and conversion in the Cerrado and resumption of the stalled Cerrado.

\*Working Group (GTC) process. WWF Brazil, together with WWF Network support, also led the engagement of the signatories of national market declarations in France and Germany, requiring traders to recommit to a Cerrado zero-deforestation and conversion procurement policy on soy. Several companies approved the declaration in both countries, signalling increased demand for deforestation- and conversion-free soy at the international level.

A total 155 signatories of the Cerrado Manifesto

Trase links soy buyers to impacts in Cerrado

With updated data and new indicators, Trase analyses reveal powerful insights about the global trade in Brazilian soy and its links to deforestation and carbon emissions. By quantifying the volumes of soy originating in each Brazilian municipality and linking that soy production to recently deforested areas and to export volumes, Trase has been able to show that deforestation risk is highly concentrated in the Cerrado. Almost 90 percent of the deforestation risk associated with soy exports in 2018 was linked to soy coming from the MATOPIBA region in the Cerrado, and more than 50 percent of the deforestation risk came from only 1 percent (21 of 2,308) of Brazilian soy-producing municipalities. Additionally, 46 percent of the deforestation risk was linked to exports from only 5 traders, while another 293 traders shared the remaining 54 percent of the risk. As companies and importing countries take steps to reduce the deforestation risk in the commodities they source, Trase data will reveal whether these actions are effective. Trase also made significant improvements to carbon footprinting for Brazilian soy, including a new indicator of CO₂ emissions risk from soy deforestation for Brazilian soy exports.

Trase data has made possible a new generation of life-cycle footprint analyses for individual buyers of agricultural commodities.

Financial incentives for better environmental performance

IFC has been adapting and promoting the Global Trade Supplier Finance (GTSF) tool amongst key stakeholders in the soy supply chain, targeting potential new clients. GTSF provides short-term financing to emerging market suppliers against buyer-approved invoices. The innovative structure of the financing is that GTSF’s interest rates are offered on a sliding scale and suppliers with stronger environmental and social performance are rewarded with lower interest rates. This is a real economic incentive to increase sustainability.

IFC has presented the GTSF tool in a webinar from the Roundtable on Responsible Soy on sustainable finance with more than 100 high level participants. IFC has also explored the GTSF tool with several feed, food and beverage companies sourcing from Brazil with the end goal of using this short-term financing programme to provide financial incentives for suppliers to improve sustainability performance.
Tracking sustainability in the COFCO MATOPIBA soy supply chain

Since this year IFC is working with COFCO International Limited (CIL) to track and screen MATOPIBA soy non pre-financed suppliers against key sustainability criteria. The work aims to cover 85 percent of COFCO direct suppliers in the MATOPIBA region by 2021, and to fully cover the region by 2023. The screening is verifying if supplying farms are free of forced labour, are not located on indigenous land, conservation units or embargoes areas, and are in compliance with the Amazon Soy Moratorium, a global agreement aiming at reducing the deforestation linked to soy expansion in the Amazon. The screening will also assess supplier compliance with the National Rural Environmental Registry (CAR), a mandatory electronic registration which combines geospatial data of rural properties with their environmental information, including legally protected areas, and identify the latest deforestation of the MATOPIBA suppliers. This sustainability screening process associated with a robust traceability system will be a core element of COFCO sustainability actions.

Important foundations for responsible finance practices

In Brazil a partnership has been established with the FEBRABAN, the Brazilian Federation of Banks, which represents 122 banks and accounts for 97 percent of the total assets of the national banking system in Brazil. As part of this partnership to support the Brazilian financial sector, UNEP FI is developing a series of tools, guidance and capacity building programmes that enable effective implementation of environmental, social and governance (ESG) risk management measures. A first session involved over 30 banks from the Brazilian Development Association (ABDE) and FEBRABAN, and introduced concepts related to deforestation risk management and will be followed by the first training module that will be delivered early October. UNEP FI is training the country’s major agribusiness finance providers on key risk management practices relating to deforestation risk. Further a review of financial products has been completed. The review report outlined blended finance (a mix of public and private) products offered by banks to support zero deforestation commodity production. This stock-taking report will help to better understand the gaps and barriers that financial institutions face to enable the full-scale adoption of these products by their clients.

Cargill is committed to eliminating deforestation from our agricultural supply chains. To do so, we must draw on the power of a diverse set of partners – customers, farmers, industry, NGOs, governments – to create, identify and scale solutions in the food system. We welcome the insights from the Good Growth Partnership on the vital role of effective public–private sector collaboration to build the enabling environment for sustainable agricultural development. Valuable tools such as the Soy Toolkit and the Value Beyond Value Chains guidelines help us to implement our responsible sourcing strategies for soy.

Traceability was never our final destination but rather a tool to go further. With this project we will be able to further screen non pre-financed suppliers for key sustainability criteria and identify those with whom we want to engage more closely.

– Wei Peng, Head of Sustainability with COFCO International

Soy Toolkit supports buyers of Brazilian soy to decouple supply chains from deforestation. The Soy Toolkit is specifically focused on Brazilian soy. See update under “Private Sector Engagement” section.
Tropical rainforest ecosystems, featuring an array of biodiversity and wildlife and often home to endangered species, are scattered across Indonesia. Indigenous groups continue to practice sacred rituals that are central to the forest. Indonesia is home to 10–15 percent of all known plants, mammals and birds on the planet. Many rare animal species can only be found in Indonesia’s forests — from orangutans to Sumatran tigers, birds and rhinos — which are increasingly threatened by extinction.

Today, small and large-scale oil palm plantations dominate the economy. Large areas are threatened by land use change and degradation. Indonesia is the world’s largest producer of palm oil, and its smallholder oil palm plantations generate income for more than 2.3 million farmers.

The Good Growth Partnership is working across the palm oil supply chain in Indonesia, at national and subnational levels. The Partnership facilitates multi-stakeholder dialogue and actions that systemically improve the enabling environment for sustainable production, sourcing and investing, extending support to small-scale farmers and engaging other supply chain actors including consumers. The Partnership is also tracing palm oil from production areas to downstream buyers, aiming to increase transparency. Consumer awareness campaigns focused on palm oil are further incentivizing local consumers to demand sustainable palm oil. Finally, the capacity of financial institutions is being built to invest responsibly in supply chain actors that foster sustainable production.
New regulating policies for sustainable palm oil

A new policy developed and adopted in the Pelalawan district will provide new opportunities for strengthening traceability and improving smallholders’ capacity. As a result, one company has already stated its interest in pursuing a new partnership with over 8,000 smallholders present within its supply chain. Besides, the Pelalawan Spatial Plan regulation was passed in January 2020, officially protecting 20,219 ha of High Conservation Value (HCV) and High Carbon Stock (HCS) areas in the district. Previously, in 2018, the buffer zone for 12 lakes in Sintang District had been enacted and mandated to be protected, which covered more than 3,816 Ha of HCV Forest intending to maintain the ecosystem services, especially freshwater availability for Sintang District. Four other policies aiming at conserving additional important areas are currently under development in Sintang, South Tapanuli and Pelalawan. In the meantime, work continues on three further regulations aiming at legally protecting critical ecosystems, supporting smallholders and promoting sustainable production.

UNDP facilitates and assists the vision and mission of the Pelawan District Government to realise a partnership programme between smallholders and companies in the framework of cooperation with companies, communities so that palm oil commodities become more sustainable and respond to global challenges.

— M. Harris, Regent of Pelalawan

Smallholder training for sustainable production

In the districts of South Tapanuli and Sintang, more than 1100 farmers have been trained so far. Following the development of a district level smallholder support strategy, work was kicked off in the district of Pelalawan and more than 1800 smallholders were identified to be trained. Quality assurance and monitoring of implementation of good agricultural practices is also being conducted. Further training modules for smallholders on preparing for the Indonesian Sustainable Palm Oil standard have been developed, covering good agricultural practices, gender and sustainability certification. The modules include easily understandable guidelines that will be disseminated through independent smallholders and were endorsed by the Ministry of Agriculture as official modules for smallholder training. The COVID-19 pandemic put capacity building activities in the field on hold, but this important work is expected to restart once lockdown measures are lifted, with precautionary measures as needed.

Monitoring tool for land use change

UNDP is supporting the Ministry of Environment and Forestry’s efforts on land use planning and management. In order to effectively reduce deforestation, accurate data and information on the dynamics of land cover is needed. In partnership with the Bogor Agricultural University, a Land Use Change Monitoring (LUCM) Tool was developed to strengthen the enforcement of land use planning efforts for sustainable development. This tool can be used as a source of information for the government to develop effective policies related to protecting and managing forest and land resources. Two reports have been submitted already, and information will be sent to the Ministry of Environment and Forestry on a quarterly basis. In 2019, the tool was used to identify land cover change in the Sumatra region, 13 percent of it being related to the expansion of commodity area plantations, especially oil palm plantation (88 percent). Fires that occurred in August and September 2019 are thought to be the main cause of this land cover change. In addition to that, a mobile application linked to the system was developed alongside an Early Warning System, so accuracy of information can be validated, land use changes identified early, and a response can be quickly deployed.
Consumer perceptions in palm-oil producing markets

Oil palm producing countries are also major consumers of palm oil. However, there is still little understanding of these domestic markets and their willingness to purchase deforestation-free palm oil products. Recognising the opportunity these markets may represent for domestic palm oil companies, WWF Indonesia conducted a consumer perception survey in three Indonesian cities – Jakarta, Medan and Pekanbaru. The survey results showed that most consumers are still unaware of the use of palm oil in products other than cooking oil and margarine. It also found that most consumers do not understand what sustainable palm oil is and are unable to correctly describe it. While most respondents indicated a willingness to buy products containing sustainable palm oil, most would prefer to learn more about sustainable products before switching their purchasing decisions. Considering that these three cities were previously targeted by a sustainable palm oil media campaign by WWF Indonesia, it is likely that knowledge of sustainable palm oil is even lower in other Indonesian cities. These findings will form the basis of consumer sustainability campaigns to be deployed next year.

Tracking corporate sourcing commitments

UNEP FI partnered with Supply Chain, a GEF-supported initiative from Forest Trends, on a report to examine the state of corporate reporting on commitments made on deforestation linked to palm oil production in Indonesia. For this report more than 108 companies, that are believed to produce and/or source palm oil from Indonesia, were tracked. Through identifying trends in corporate reporting around management practices, supplier selection, and other important factors, this report provides context for investors around financial decision-making regarding the 108 companies and others involved in Indonesian palm oil supply chains. A list of relevant initiatives at the end of the report can provide support to companies and financial institutions interested in engaging further on these issues.

The report “Commitments in-Country: Companies, Palm, & Commitments that Count in Indonesia” was published in February 2020 and launched with a webinar attended by over 100 participants in April 2020. Another report coming out of this initiative on the beef supply chain can be found in the Paraguay section of this report.

Sustainable sourcing guidelines for Indonesian retailers

The demand for sustainably produced palm oil globally is on the rise. However, this demand remains concentrated in Europe and North America. While China, India, and Indonesia are the largest consumers of palm oil, their demand for sustainable, deforestation-free palm oil remains very low. WWF is working to change that. In April 2020, WWF Indonesia, together with the Indonesia Business Council for Sustainable Development (IBCSD) and Accenture Development Partnership, launched the Sustainable Sourcing Guidelines which include an explicit focus on palm oil. During the launch, which took place at the Earth Day 2020 event “COVID-19 Pandemic: A Wake-Up Call to Ambitious Actions for Our Sustainable Planet”, nine Indonesian companies pledged to support the implementation of the guidelines. The launch of the guidelines also strengthened the collaboration with IBCSD for an existing dialogue platform called Green Lifestyle, in which many companies and other stakeholders have been supporting the sustainability movement. In parallel, WWF Indonesia continues to engage manufacturers and retailers 1-on-1 to switch to sourcing RSPO certified palm oil and marketing their products as sustainable. The road ahead for increasing domestic demand in Indonesia is long, but these efforts represent a crucial foundation for future engagement.

9 Indonesian companies pledged to support the implementation of the sustainable sourcing guidelines

Through initiating the Sustainable Sourcing Guidelines, WWF plays an important role in encouraging companies to take concrete actions towards sustainable business in several commodities, including on palm oil goods. Some companies have shown their commitment to implement the guidelines within their own business operations. It means the guidelines are feasible and beneficial for the business; respecting the environment, social, and most importantly it also ensures the continuation of the business itself.

“...”

- Indah Budiani, Executive Director IBCSD

500 Indonesian consumers surveyed

250 men and 250 women

Photo © Agusriady Saputra/UNDP Indonesia
The densely forested landscape in North-West Liberia where the Partnership operates, covers more than one million hectares and is home to about 320,000 inhabitants. The area has some of the highest poverty rates of the country. A large portion of the landscape is covered with primary forest and is rich in biodiversity such as the endangered pygmy hippopotamus and a variety of monkey species. In this landscape, oil palm development has just started and promises to grow substantially.

Bomi County has the highest accumulated deforestation in the landscape, which has resulted in significant cultural and economic impacts on local and indigenous communities. Additionally challenges are present for sustainable palm oil production, as the Sime Darby’s divestment from the oil palm plantation demonstrated it this year.

To protect these vulnerable areas and sustainably develop the oil palm sector in Liberia at large, the Good Growth Partnership is working to finalize a national vision and strategy for sustainable oil palm through multi-stakeholder dialogue, which then should be implemented collaboratively. This includes legally defining areas of High Conservation Value and High Carbon Stock which will direct development toward locations better suited to oil palm cultivation, and supporting the development of a sustainable concession model with a strong role for communities and smallholders. The Partnership will ensure that the concerns and considerations of local communities are represented in national decision-making, that land-use conflicts are addressed and conservation agreements are signed and implemented with them.
Turning vision into action

Building on progress made last year, the National Oil Palm Platform of Liberia (NOPPOL) chaired by the Ministry of Agriculture and co-chaired by the Forest Development Authority, and its related North West Oil Palm Landscape Forum (NWOPLF) were strengthened in year three. Work on preparing the 2020-2025 National Oil Palm Strategy and Action Plan (NOPSAP) continued under the leadership of the National Steering Committee on oil palm. An effective approach was taken through multi-stakeholder collaboration involving public, private and civil society organisations. The draft is currently undergoing an extensive consultation process and will be then submitted to the government for official adoption.

NOPPOL’s capacity to enable a better coordination between oil palm actors was proved at the annual retreat in March 2020 during which around 35 key actors from the oil palm sector gathered to align their activities and join forces to strengthen sustainability in the sector. Engagement and collaboration has moved to a virtual format during COVID-19, while a NOPPOL website aiming at improving flow of information between stakeholders is currently under development.

33+ organizations involved in dialogue through NOPPOL and the landscape forum

The development of the National Strategy for Sustainable Oil Palm is one of the initiatives that will advance the oil palm sector in Liberia. This strategy will lead to activities that foster sustainable impact and benefit smallholders in the oil palm sector.

- Robert Fagans, Deputy Minister for Planning & Development, Ministry of Agriculture

Using Targeted Scenario Analysis to inform decision makers

Using the overarching framework of the draft Action Plan for Sustainable Oil Palm, several policy interventions are being coordinated under NOPPOL to contribute to sustainable oil palm development. This important policy work is informed by a Targeted Scenario Analysis (TSA) conducted this year in Liberia. By comparing conventional oil palm development (the business as usual scenario) to oil palm development that emphasizes smallholder participation and environmental constraints (the sustainable oil palm scenario), the TSA will support the Government of Liberia’s decision-makers with predictions of future outcomes as they consider policy options for guiding oil palm development.

Using Targeted Scenario Analysis to inform decision makers

In the North West landscape of Liberia, benefits resulting from the implementation of the Zodua Conservation Agreement with three communities came through this year. This Conservation Agreement signed in February 2019 protected 5,000 hectares of High Conservation Value/High Carbon Stock (HCV/HCS) and improved life conditions for 632 households so far. Through monthly forest patrols and the promotion of alternative livelihoods, the implementation of the Conservation Agreement has led to a reduction in unsustainable practices like pit-sawing, charcoal production, bushmeat hunting, and shifting cultivation in HCV/HCS areas. It has also enabled the empowerment of local communities with tools and techniques to improve landscape assessment and forest monitoring, scholarships offered to thirty students and first loans of the Village Saving and Loans Associations distributed, and has directly contributed to the COVID-19 response through the set-up of a clinic.

Farmers, families and forests benefit from conservation agreement

744,000+ tons direct CO2e emissions projected to be avoided thanks to the Conservation Agreement

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Towards certified sustainable palm oil for Liberia

A milestone was reached in 2020 in Liberia’s oil palm sector with the submission to the Secretariat of the Roundtable on Sustainable Palm Oil (RSPO) of a draft Liberian interpretation of this widely recognized certification. Using a facilitated and highly participatory process led by the National Oil Palm Platform of Liberia, coordinated multi-stakeholder groups reviewed and discussed how the global RSPO principles and criteria could be applied in Liberia’s context to ensure socially responsible and environmentally sound production of oil palm in Liberia. After submission and approval of the draft by the Secretariat, an inclusive and extended period of national consultation was initiated, during which public and private actors as well as civil society, producers and community members were invited to share their feedback on the proposal. Having an agreed RSPO national interpretation in Liberia will allow producers to access markets that require RSPO certification and provide strengthened safeguards to the oil palm production.

“The National Oil Palm Platform of Liberia is THE forum to convene experts and stakeholders around the table to inform planning, policy, and action and most importantly, achieve positive change in the oil palm sector and in Liberia.”

- Violet Baffour, Deputy Resident Representative/Programmes, UNDP Liberia
Paraguay’s Chaco region encompasses the entire western portion of the landlocked nation. The vast lowland landscape is home to indigenous communities, producers and an abundance of wildlife, which includes the endangered jaguar, ocelot and puma. Within the Chaco, the Good Growth Partnership is focusing on three of the most vulnerable landscapes, including buffer zones and areas adjacent to the Defensores del Chaco National Park, as well as the productive landscape between the Río Negro National Park and the Cerro Chovoreca Natural Monument.

Together with small, medium and large producers, including indigenous communities, the Partnership is ensuring that the growth of Paraguay’s beef production is conducted in a sustainable manner with minimal impact to the Chaco region. This is done through good agricultural practices, protection of high-conservation value areas and respect for indigenous communities and their way of life.

Additionally, the Good Growth Partnership is facilitating a regional sustainable beef dialogue for all concerned stakeholders to agree on how to develop the beef sector in a sustainable manner and link it to global buyers with sustainable beef commitments. Finally, the Partnership is working to increase the transparency of the beef supply chain from Paraguay and to equip financial institutions with the tools, skills and knowledge to include environmental, social and governance considerations in their transaction decisions, and thus incentivize producers to adopt sustainable practices.
Chaco beef action plan validated

The search for sustainable production in the Chaco area led to a first for the region: the creation of a Regional Platform for Sustainable Beef in the Chaco, bringing together more than 35 organisations representing the public private sector, academia and research, civil society and indigenous communities. All together, they worked on developing a Regional Action Plan for Sustainable Beef in the Chaco region, which was validated by stakeholders at the end of 2019, and demonstrates the commitment of the different actors. The plan defines specific objectives and 47 lines of action to be taken around six areas:

1-Environmental; 2-Social; 3-Institutional/Legal; 4-Market, Logistics and Finance; 5-Production; 6-Knowledge and Research and Communication. Issues related to indigenous communities are fully integrated into these six areas thanks to the active participation of 91 indigenous representatives in the Chaco platform.

Implementation has started through Regional Platform working groups and should lead to substantial changes in the beef production sector towards more sustainability.

Participation in these events [the Chaco Beef Platform Meetings] is very important for us to talk about social development for the indigenous communities and their specific needs. Previously, we did not have access to these spaces and today we have access thanks to the organizers. They allow us to give our opinions and, in this way, we are able to clearly indicate our indigenous community’s needs.

– Francisco Mora, Nivacle indigenous people

Business case for sustainable beef intensification

A technical assistance programme of IFC worked with 11 cattle ranchers of Neuland cooperative in the Chaco region to adopt sustainable intensification techniques and demonstrate its business case. After one-year implementation, figures on intensification pilot projects show more than 40 percent average increase in productivity for the period 2018/2019, from 126 to 178 kilograms of beef per hectare. It is worth highlighting that weather conditions were also significantly favourable for livestock production and contributed to the increase in productivity. Some of the techniques implemented include pasture management, rotational grazing, integrated pest management in pastures, health and animal management and strategic supplementation with hay, corn and/or sorghum silage. Some farms implemented a confinement scheme adapted to Chaco conditions. This means animals are fed with a fibrous diet 30–50 percent based on corn and sorghum silage, pen dimensions are larger than traditional feedlots with 25–50m²/animal, native forest shadow and no adding of hormones or antibiotics.

Additionally, under the project, three cooperative technicians have been trained in good agricultural practices and producer support to build capacity in the technical assistance department. Technicians highly appreciate the trainings received and highlight progress at field level.

Decision making tool guiding sustainable investments

IFC is working with the Smithsonian Institution to develop a publicly accessible online tool featuring core data defined in IFC Performance Standard 6 (e.g. biodiversity and ecosystem services) for the Paraguayan Chaco region. The web-platform will serve as a decision-making tool for IFC and other financial institutions to guide sustainable investments across the Chaco region while contributing to conservation and sustainability.

Applying IFC Performance Standards to agricultural and livestock investments at the Paraguayan Chaco scale can be a game changer to slow down the conversion of one of the largest dry forests remaining in the world.

– The Smithsonian team
Building farming knowledge & skills online and offline

The business case for sustainable intensification has been demonstrated, as described above, and as a result the Partnership is scaling up its farmer support. Technical training opportunities on sustainable production practices were offered to local producers in the Chaco region. This was achieved through alliances with public and private sector institutions, providing support to events such as workshops, field trips, congresses, courses and others. These trainings were mostly carried out in person, but the new COVID-19 context drove the team to develop online courses, which has allowed an even greater number of producers to join and strengthen their capacity. So far, the project has managed to reach more than 2,600 local producers and to train them on sustainable production practices. In addition to this, through a partnership with the National University of Asunción, an online platform dedicated to sustainable production practices for the Chaco was developed, where online courses, existing material and guides on sustainable production will be made available, increasing access to knowledge and training to many more producers.

Corporate commitments to sustainable beef

A report from Forest Trends’ Supply Change initiative in cooperation with the Good Growth Partnership, highlighted the opportunity for Paraguay to reposition itself, due to the rising global demand for deforestation-free and traceable cattle products.

Supply Change, a global platform designed to support stakeholders’ decision making and, ultimately, to drive transformational change, draws from publicly available data to track a global set of companies, and their commitments to address commodity-driven forest loss related to the ‘big four’ – palm, soy, timber & pulp, and cattle.

Supply Change researchers aggregated and reviewed corporate resources published by companies with cattle exposure that produced in or sourced from Paraguay and found that one in five of these companies have already committed to address land use change from cattle ranching. At least 56 major companies with $26.3 billion in annual revenues have pledged to reduce or eliminate forest loss in their global cattle supply chains, according to the report.

The first supply chain map for Paraguay beef exports

The international community is increasingly aware of the supply chains driving deforestation for Brazilian beef and soy. However, supply chains in neighbouring Paraguay remain quite opaque. To close this gap, Trase has developed the first comprehensive, publicly available supply chain map for Paraguay beef exports. This many are engaged in sustainability issues through platforms including the Paraguayan Roundtable on Sustainable Beef and the Green Chaco Regional Beef Platform, and several international buyers do have sustainable beef sourcing commitments. Trase’s publication of beef supply chain data should place pressure on buyers and traders of Paraguayan beef to improve the sustainability of their supply chains. In addition, it will serve as an important tool for those companies to implement their commitments once they are made.

The top 5 traders exporting beef from the Chaco are linked to 85% of the deforestation risk connected to Chaco beef exports

exercise revealed that Paraguay’s Chaco region is experiencing some of the most intensive deforestation in the world, and in recent years, the cattle industry was by far its biggest direct driver. Although deforestation to create pasture has slowed recently, there are signs it could soon accelerate again. Cattle deforestation risk associated with exports from the Chaco in 2018 were double that of Brazilian beef exports; on a per tonne basis, deforestation risk is more than 10 times higher. Despite these trends, no exporter from Paraguay has a public deforestation-free commitment, although

Rolling out responsible finance training

As part of UNEP FI’s ongoing efforts to build the capacity of financial institutions to sustainably finance the agri-commodity value chain, relationships have been developed with a number of organisations to deliver training to domestic financial institutions. In Paraguay, Resolution 8, a recently adopted Central Bank of Paraguay regulation, requires all financial institutions to integrate environmental, social and governance criteria into their decision-making processes by 2020. A comprehensive training programme on implementing Resolution 8 and deforestation risk management in the finance sector has now started to be rolled out. An agreement was signed with the Central Bank of Paraguay in April 2020 to develop and deliver training to the supervisors of the Central Bank. Training modules are under development and are planned to be offered starting in Q3 2020. Further a series of 6 webinars have been organised together with WWF, UNDP and the Inter-American Development Bank (IDB) in collaboration with the National Securities Commission (CNV) to raise awareness on green bonds.
The Partnership brings together a wealth of expertise through the partners and sustainability commodity experts involved. Creating, disseminating and exchanging knowledge, lessons learned and ideas for solutions is a key component of how the Partnership enables change.

Online knowledge platforms provide access to best practice and data transparency. Relevant tools support key decision makers and practitioners as they improve processes and support the achievement of better outcomes.

Elaboration of soy expansion scenarios

The growing and inevitable expansion of soy in the Cerrado is happening with a focus in MATOPIBA. Therefore, the development of soy expansion scenarios is a relevant tool for the productive sector so that crop expansion may occur in the most sustainable and responsible way possible. Produced in partnership with The Nature Conservancy, the analysis presents two soy expansion models for 2030: one considering the potential risk of converting native vegetation according to past soy growth trends (business-as-usual) and a second one considering sustainable expansion, that is, zero conversion of the remnants of native vegetation, allowing expansion only in areas occupied by pastures. MATOPIBA has about 2.7 million hectares of pasture suitable for advancing soy, however, the lack of logistics for access and flow of production in these areas hinders its use for the expansion of soy in a sustainable manner. Therefore, access to these areas is an essential item of the future land use plan in this region, integrated with socio-environmental safeguards to ensure expansion only over already open areas and to minimize the advance of deforestation directly by soy or indirectly for other uses.

A new approach to farmer support systems

Farmer support systems – a key part of agricultural commodity sectors – are often weak, operating with top-down mechanisms that do not meet the needs on the ground. UNDP is working with governments to transform this, supporting smallholder farmers within commodity supply chains in a systemic fashion, changing the dynamic by bringing stakeholders to work together to create meaningful change. The publication "Multi-Stakeholder Collaboration for Systemic Change: A New Approach to Strengthening Farmer Support Systems", encourages and guides governments to develop new partnerships, enable innovation and strengthen financing for farmer support systems for sustainable commodity production. Enriched through pilots in Indonesia and Liberia, the document, which also includes a practical Diagnosis Scorecard, guides sustainable commodity production practitioners from government, civil society and private sector on how to collaboratively assess and strengthen farmer support systems in order to achieve the broader goal of improving livelihoods and protecting vulnerable ecosystems.
Market intelligence: Closing demand-related knowledge gaps

In a changing global market, industry actors need timely information on emerging trends to meet ambitious commitments to deforestation-free sourcing. At the same time, sustainability practitioners need to follow these trends to identify the most strategic opportunities to engage the industry. To meet this need, WWF continues to develop salient and publicly available “Commodity Market Intelligence Updates” to provide strategic insights on market demand, trade flows, and consumption and finance trends. In year three, WWF published three of these Updates. The first, “Food Commodities and Bioenergy,” examined current trends and implications in demand for soy, palm oil, and other crops at risk of displacing tropical ecosystems from rising use of biodiesel and ethanol. The second report, “Asia’s Consumer Goods Sector: The Missing Link in Sustainable Palm Oil Demand” provided insights on large consumer goods companies in Asia as an important lever in strengthening demand for sustainable palm oil and how banks and investors can start to drive these companies to source sustainability. Finally, “COVID-19, Animal Feed, and China’s Protein Industry” provided real-time analysis of shifting commodity trade patterns during the COVID-19 pandemic and how China’s animal protein industry has become the leading driver of demand for Brazilian soy. These reports provide stakeholders with actionable information on specific issues which influence the Partnership as a whole.

Landscape Analysis Tool: identifying effective interventions

Integrated Landscape Management (ILM) has emerged as a practical means of answering the threat that unsustainable production of agricultural commodities brings to the world’s forests and the services they provide. ILM promotes forest conservation, sustainable production, and improved human well-being in the same geography. By applying a more holistic approach to addressing deforestation at a scale that captures the dynamic system of a landscape, synergies between these sometimes competing demands can be maximised while minimizing trade-offs.

In recognition of this complexity, a Landscape Analysis Tool was developed to help practitioners fine-tune existing and future interventions by building a shared analytical understanding of the effectiveness of various interventions in reducing deforestation and, in the process, gain knowledge of the more important levers for effective change.

The methodology and approach of the tool were refined based on the learnings of its pilot in Eastern Paraguay, and the tool is currently being implemented in the Paraguayan Chaco, the North-Western Liberian landscape and the Indonesian districts of South Tapanuli, Sintang and Pelalawan. By the end of 2021, the most effective interventions to reduce deforestation in these landscapes will be identified.

RESPOND: a new tool for responsible investing

Efforts to eliminate deforestation from supply chains mostly focus on production and sourcing. There is, however, an opportunity to engage investors whose portfolios include banks that finance sustainable production and companies that are buyers of commodities linked to deforestation. Recognizing this gap, WWF Singapore developed a responsible investment framework in 2019 and in January 2020 launched the interactive RESPOND tool and related analyses will continue to gauge the progress toward increasing deforestation-free investing in the future.

We expect our external asset managers to be integrating ESG analysis into investment decision-making. Included in this analysis is addressing natural capital risk exposure. WWF’s recently launched RESPOND framework and tool provide new perspectives into natural capital risk that can be used to help inform asset managers’ decision-making.

– Brian Rice, Portfolio Manager at CalSTRS
Value at Risk

UNEP FI has commenced work on developing value at risk models for financial institutions to better understand the financial trade-offs and risks associated with business-as-usual vs sustainable actions. The approach provides banks with an additional tool to assess the risk exposure of their portfolio based on a series of sustainability parameters. The tool is aimed at banks who are ready to integrate more advanced approaches to risk management. In 2020, a number of data partners have been developed, including with Agroicone in Brazil and the IFC in Paraguay. A model for assessing the value at risk for banks investing in palm oil clients in Indonesia was developed but is currently being calibrated using new metrics. Draft models for consultation will be ready by Q4 2020.

Launch of Trase yearbook 2020

In the past year, Trase dramatically expanded its data coverage through additional funding and partnerships beyond the Good Growth Partnership and now covers nearly 50 percent of global trade in commodities linked to deforestation in the tropics. Trase continues to improve data on Brazilian and Paraguayan soy and beef, which were the first supply chain maps released on the platform, with the Partnership’s support. Building on these data improvements and compelling new analyses, the Trase Yearbook 2020 was launched in June. The online yearbook makes Trase data and insights more accessible than ever. Key insights from the Yearbook include the role of China as the biggest overall buyer of forest-risk commodities and the higher relative deforestation risk (per ton) of commodities purchased by European Union member states. The Yearbook also reveals that corporate commitments to deforestation-free supply chains have not yet witnessed enough implementation action to reduce those companies’ deforestation risk, compared to companies without commitments. Trase will continue to monitor this and over time expects to see a reduced risk for the companies that are acting on their commitments.

Evidensia expands and receives increased interest

ISEAL’s Evidensia platform is now a comprehensive repository for the most relevant and credible research on the impacts of supply chain sustainability tools on key issues such as smallholder livelihoods, farmer incomes, deforestation, and biological conservation. Through its online library, visual summaries, geographic map, and knowledge matrix, Evidensia provides numerous ways to make research findings accessible and actionable for decision-makers. As of end of June 2020, Evidensia had 750+ reports and resources including 10 key knowledge products from the Good Growth Partnership. Users to the site surpassed the 10,000 mark and now stand at 12,800 over the first year of the site. In addition, growing subscriptions to the Evidensia newsletter and Twitter followers indicate increased interest in the site and its content. The Evidensia webinar series is starting to take a lead role in bringing together practitioners and researchers as a learning space.

Reimagining the Green Commodities Community

After the conclusion of the first learning cycle of the Green Commodities Community with the Good Growth Conference held in Peru in May 2019, the members of the Community were consulted on their experience and their learning needs to ensure a second programme tailored to their needs. The Community went through a complete reshaping at the beginning of 2020. New workshop formats were introduced and a quality assurance process ensures highly participatory sessions encouraging deeper practitioners’ learnings and exchanges. The new programme is organised in seven streams including Multi-stakeholder Collaboration for Systemic Change, Land Use Change, Farmers Support - Approaches, Tools and Financing, and Demand & Supply Chain Approaches. The survey conducted also revealed that connectivity between members was the most important aspect facilitated by the Community and demonstrated the value of this learning space, with 51 percent of the respondents stating that they could take lessons learned during the workshop forward into their work. Currently almost 200 members from 51 organisations are part of the Community.

The Green Commodities Community brings together a wide range of people from different backgrounds. It provides a lot of interesting and actual themes, with a holistic approach and competent speakers. It helps us in our daily jobs, to share experiences and knowledge across sectors, and can provide great understanding of various organizations. The Green Commodities Community is a cross-sectoral platform that is very helpful and open!

– Rifdan Firmansyah, Green Commodities Community member, Communication and Knowledge Exchange Officer, Sustainable Palm Oil Initiative, UNDP
The gender gap in food and agriculture is extensive. As producers, rural women face even greater constraints than their male counterparts in accessing essential productive resources and services, technology, market information and financial assets. Women are under-represented in local institutions and governance mechanisms, and tend to have less decision-making power. Yet when women are included in gender-responsive policy and action, the outcomes are often more efficient and effective, as well as responsive to different needs and perspectives, and provide broader benefits to communities.

Increasing the participation of women

Following an analysis identifying key inequalities and defining adapted gender mainstreaming actions for the Liberian oil palm sector, a gender action plan was developed and is currently being implemented. For example, strategies aiming at increasing the participation of women in meetings of the North West Oil Palm Landscape Forum were designed. Separate community meetings are also held with men and women to allow free expression of issues, and the project is working with local cultural and religious leaders and male project participants to explain the importance of women’s participation. Successes related to gender mainstreaming efforts include so far three women holding leadership roles such as co-chair and mobilizers in the landscape level forum, and training of women as Frontline Conservationists.

Through the Zodua Conservation Agreement 20 community members benefitted from the Village Saving Loans Associations, including 13 women. A further 30 students are benefitting from a scholarship of which 16 are women.

30 students benefiting from a scholarship including 16 women
Sharing gender mainstreaming best practice

Even though the need to minimize adverse social and environmental effects from supply chain activities is globally recognised, gender equality is still inconsistently prioritised, gender compliance challenging and consensus on its meaning, still elusive. But women play an important and valuable, though often invisible, role in agriculture. Promoting and taking action for reducing gender inequality in supply chains is one of the aims of the Good Growth Partnership. The report “Gender Mainstreaming in Global Agricultural Supply Chains can accelerate Good Growth: What Works and for Whom?” was published to underline and stress the added value of using a gender lens in the design and implementation of activities in agricultural supply chains. It further reflects on current trends in gender mainstreaming, opportunities to accelerate action, and critical lessons learned from initiatives that have already been implemented. Presenting a business case for gender equality and women’s empowerment in agricultural supply chains, it provides useful guidance on gender mainstreaming to stakeholders involved in commodity-related projects. In order to strengthen commodity practitioners and their ability to effectively reduce gender inequality and mainstream gender in their projects, the Green Commodities Community launched this year a stream dedicated to gender. In addition to the socialisation of the key insights of this publication, a deeper virtual training on gender in commodity supply chains is under development and will be offered during the second half of 2020.

Involvement of women in the commodities production chain

In Paraguay, 75 percent of young people who neither study nor work are women. Most of them stopped studying and do not work formally because they dedicate themselves to the unpaid work of caring for a relative or housework. However, women make important contributions to the soy and beef production sectors, commodities that make up, together with energy, 80 percent of Paraguay’s exports. Nevertheless, there is still a widespread belief that agricultural tasks are essentially masculine. To promote the increasing role of women in the different processes of the production chain, in October 2019, within the framework of the National Platforms for Sustainable Beef and Soy and with support from the Good Growth Partnership, the discussion “Being a Woman in the Productive Chain of Sustainable Commodities” was held, which brought women representatives from different agricultural production fields to find out the perception of their participation in these spaces and in the production chain of commodities. More than 60 women leaders attended the event. This space dedicated to women was intended to generate greater visibility of their real participation in the agricultural sector, as well as promoting the development of projects that can be carried out both within the framework of the Commodity Platforms and at the national level, to promote the inclusion of women in economic activities and create a more egalitarian society.

The National Beef and Soy Platforms contribute to gender equality and empowerment by strengthening spaces for political and technical dialogue with 29% of these Platforms’ leadership bodies being composed by women at subnational level.

For the Ministry of Agriculture, this work is not minor, considering that many of the producers with whom we work today, work closely with women. These spaces for dedication and visibility are very important, because they will contribute to better preparation for all the challenges that are coming.

- Leticia Torres, Head of Gender and Rural Youth of the General Directorate of Planning - Ministry of Agriculture and Livestock, Paraguay

60+ women leaders participated in national event on role of women in agricultural production in Paraguay
The Good Growth Partnership has made great progress in creating the enabling conditions for sustainable production, demand and financing of key agricultural commodities.

However, as deforestation and unsustainable production are still prevalent in many countries and will likely increase due to the economic crisis and shift in priorities generated by the COVID-19 pandemic, more work still needs to be done and accelerated. We will continue to report our progress, share innovative tools & resources as well as lessons learned, as we strive to collaborate for change, foster new partnerships and scale the supply chain approach.
1. Cultivating sustainable production

In Brazil, promoting dialogues with local governments, soy producers, and private sector partners will continue to be a key priority to drive a fundamental shift so that sustainability is not seen as an additional task for farmers, but as a key element to ensure efficient food production in the future. Work for year four will focus on the consolidation of CAR analysis, the expansion of the partnership with Embrapa in Tocantins to reach soy farmers and cattle ranchers in the adoption of low-carbon agricultural practices, the elaboration of public policies’ recommendations, the implementation of the gender focused strategy and the launch of a publication to discuss sustainability in the soy supply chain. In Indonesia, efforts will focus on supporting the national and subnational action plans’ implementation and the transition of the Platforms to Action Plans Implementation Teams that build in a sustainable multi-stakeholder collaboration mechanism. Major milestones are also planned for next year, with new important areas for conservation being protected, the legalisation of the Essential Ecosystem Area (Kawasan Ekosistem Essensial /KEE) regulation and the finalisation of the farmers training work. In Liberia, the work will continue on consolidating the governance of the oil palm sector, strengthening NOPPOL and facilitating the development of important policies to create enabling conditions for sustainable oil palm production. High Carbon Value/High Carbon Stock maps of the targeted landscape will be finalized and additional hectares will be protected through new conservation agreements.

2. Generating responsible demand

Global markets and stakeholders are feeling the effects of the COVID-19 pandemic. It has brought economic instability, and domestic and international trade policies are actively changing relationships between governments, companies, and civil society in the places where commodities are produced and consumed. To manage for these changing realities, a competitive small grants initiative was launched to fund urgent and innovative ideas to make supply chains more sustainable and resilient during this period of turmoil. Meanwhile, current partners will continue their work to raise awareness and facilitate action among buyers, consumers, governments, and investors around sourcing palm oil, beef, and soy more responsibly. New tools are on the horizon and new insights from updates of existing tools will be released in the coming months. Partners will continue convening stakeholders and advancing dialogue, supporting commitments and agenda-setting and focusing increasingly on implementation of meaningful actions to take deforestation out of global supply chains.

3. Enabling sustainable transactions

In Paraguay, strengthening the national environmental legal framework and environmental policies to enable sustainable production will be critical. A key objective will be to achieve greater knowledge of the Chaco territorial space and identify areas that should be dedicated to conservation and others to sustainable production while continuing to incentivize and support producers to carry out sustainable intensification.

The work on developing and delivering training programmes for banks in the partner countries will continue. In addition to this, together with the World Conservation Monitoring Centre (WCMC), global training modules on deforestation-free financing will be developed. All capacity building will be delivered virtually. By partnering with the WCMC, ongoing work around sustainable commodity trade through the TRADE-Hub, the work of ENCORE, a UNEP FI initiative that defines key natural capital risks in economic sectors will be leveraged. Finally, value-at-risk modelling and a decision support framework that will enable financial institutions to better define their risks in financing agri-commodities and the potential trade-offs and mitigation steps they can implement to de-risk their portfolios will be finalised and published.

In the Chaco region in Paraguay, IFC will finalize the development of a tool for sustainable finance through a participative multi-stakeholder approach. Further IFC will continue to support the local chapter of the Global Roundtable for Sustainable Beef, Mesa Paraguaya de Carne Sostenible (MPCS), to implement a set of standards for best management practices for beef supply chain in Paraguay.

For Brazil, IFC will continue strengthening their collaboration across the palm oil, soy and beef supply chain’s layers. They will reinforce their focus on systemic change with a virtual workshop in Paraguay during which the key levers to accelerate change towards sustainability in the Chaco beef system will be identified. Besides, the publication of two knowledge products on the integrated supply chain approach and private sector engagement will increase knowledge on the effectiveness of such approaches to bring system change. Capacity building of commodity practitioners will continue through the Green Commodities Community demand-driven learning programme which will culminate at the 2021 Good Growth Conference, and the launch of a digital learning platform.

The reach of Evidensia will be expanded with improved engagement from the private sector and policy-makers and the site’s content will be enhanced with more thought-leadership pieces from researchers and webinars.

4. Adaptive management & knowledge sharing

Next year, the Good Growth partners will continue strengthening their collaboration across the palm oil, soy and beef supply chain’s layers. They will reinforce their focus on systemic change with a virtual workshop in Paraguay during which the key levers to accelerate change towards sustainability in the Chaco beef system will be identified. Besides, the publication of two knowledge products on the integrated supply chain approach and private sector engagement will increase knowledge on the effectiveness of such approaches to bring system change. Capacity building of commodity practitioners will continue through the Green Commodities Community demand-driven learning programme which will culminate at the 2021 Good Growth Conference, and the launch of a digital learning platform.

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GOOD GROWTH PARTNERSHIP
Working across production, financing and demand, the Good Growth Partnership convenes a wide range of stakeholders and initiatives to reduce deforestation and enable sustainable development in three global commodity supply chains: soy, beef and palm oil.

Launched at the United Nations New York headquarters in 2017, the Partnership is funded by the Global Environment Facility, led by the United Nations Development Programme and implemented in collaboration with Conservation International, the International Finance Corporation, UN Environment and World Wildlife Fund.

In partnership with the governments of Brazil, Indonesia, Liberia and Paraguay, as well as civil society and major private sector players, together we aim to place sustainability at the heart of commodity supply chains.