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End-of-year Report 2021 United Nations Development Programme Green Commodities Programme

National Commodity Platforms to support Sectoral Transformation

Phase II &

Sustainable Commodity Production and Trade: *multi-stakeholder collaboration* for systemic change

Top-up

End-of-year Report 2021							
Reporting period		1st January 2021 –		Reporting institution		UNDP Green Commodities	
		31 I	December 2021			Programme	
Reporting ma	inager	Leif	Pedersen	Date: 16 February 2022			
				(Final Report)			
Key Project D	ata: Nati	onal	Commodity Platfo	rms to sup	port Sectoral Tra	nsformation, F	hase II
Duration of	Current		Phase II	Project	Sept. 2018	Closing date	31. Aug.
project	phase			launch			2021
Budget	Budget	for	USD 426,600 in	Overall	CHF 4.9 M	Overall	CHF 2 M
	reporting		2021 ¹	budget		contribution	
						by SECO	
Key Project D	Key Project Data: Sustainable Commodity Production and Trade: multi-stakeholder collaboration for						
systemic chai	nge						
Duration of	Current		Тор-ир	Project	Sept. 2020	Closing date	31. Aug.
project	phase			launch			2023
Budget	Budget	for	USD 1,623,711 in	Overall	CHF 62.5 M	Overall	CHF 3 M
	reportin	ig	2021 ²	budget		contribution	
						by SECO	

 $^{^{1}}$ Approved ProDoc budget plus carry-over of unspent funds from 2020

² Approved ProDoc budget plus carry-over of unspent funds from 2020

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Part 1. Introduction

This report presents to SECO the progress achieved in 2021 of the two projects: "National Commodity Platforms to support Sectoral Transformation" (Phase II), which ended in August of 2021, and "Sustainable Commodity Production and Trade: multi-stakeholder collaboration for systemic change" (Top-up). The two are separate projects in UNDP's systems due to their separate project documents, budgets and timeframes, but the projects were designed as a continuum, where the top-up extends the Phase II intervention in time until the end of August of 2023 and expands its focus. The current report presents progress of the two projects in an integrated manner: for the Phase II until its closure, and for the top-up until the year's end.

This final report has been updated and adjusted with final expenditure information for 2021, and in response to comments and suggestions received by SECO at the Project Steering Committee meeting held on 3 February 2022. The report is resubmitted together with a response table that provides clarifications on SECO's questions, observations and suggestions, including those received from SECO's missions in Jakarta and Lima.

The global project manager has received inputs from the Green Commodities Programme's global team members, and from the country teams in Indonesia and Peru, and while the text has been edited for readability and uniformity, the report attempts to let the teams' voices come through.

2021 marked the end of Phase II and the first full year of implementation of the top-up, including exciting new activities on project scoping in Malaysia, Ghana and Brazil, and GCP's support to the International Coffee Organization's Coffee Public-Private Task Force. At the same time, the year was marked by the continued effects of the COVID-19 pandemic. While the teams have learned to manage the situation to the degree possible, the limitations in physical events and travel have remained a challenge as has the governments' continued focus on driving short-term economic recovery agenda - sometimes over the long-term focus on sustainable production and environmental protection.

The collaboration between GCP and SECO has now endured for more than six years and made important contributions to sustainability challenges in Indonesia's palm oil sector and Peru's coffee sector. While much still needs to be done to achieve sector-wide transformation, the introduction of multi-stakeholder approaches and collaborative action is surely a game changer. The collaboration has also brought improvements to GCP's methodologies and tools and further strengthened the Green Commodities Community - our space for learning and collaboration. GCP sincerely appreciates SECO's contributions to its work, and looks forward to the continued collaboration, including potentially in new commodities and countries.

Part 2. Progress per component

Due to similarities in design between Phase II and the Top-up some sections of the results framework reporting are overlapping. To avoid repetition some Phase II and Top-up Outputs are reported jointly. Also, while the report has been edited for coherence and accuracy the sections are contributed by their respective teams, and therefore may have some discrepancies in terms of balance and feel.

2.A. INDONESIA

Phase 2 Outcome 1: Joint and coordinated NAP action taken by all major stakeholder groups in Indonesia's palm oil sector, driven and coordinated by a nationally owned palm oil platform structure

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Top-up Outcome 1: Indonesia NAP-SPO actions implemented by stakeholders at national and subnational levels

Even if the National Action Plan for Sustainable Palm Oil (NAP SPO) implementation faced a relatively slow start, challenged by the COVID-19 pandemic, 2021 has been the opportunity to strengthen the basis for an accelerated implementation of NAP SPO and to make evident progress. As of end of 2021, clear contributions were made from public as well as non-state actors towards NAP SPO and replication of the action plan model was observed in jurisdictions outside those where the project intervenes, confirming the role of this instrument as a guiding framework for sustainable development of the palm oil sector. A robust structure, taking over from FoKSBI, was also established and moved to operationalization this year.

This does not mean that 2021 did not come without any challenges. COVID-19 remained a major disruption, generating uncertainty, changing priorities of stakeholders and increasing the difficulty to secure budget and stakeholders' involvement towards sustainable palm oil. The Omnibus law, key project from President Jokowi's mandate, was adopted at the end of 2020 and froze many ongoing processes especially on the policy side, with adjustments needing to be made with this new legal framework. Internal challenges were also faced, with a reform of UNDP policies on human resources and finance, which delayed several recruitment processes of the project. Until September 2021, no travels were allowed and in-person meetings very limited, generating challenges on stakeholder engagement, especially at the subnational level. 2021 has thus been a year of continuous learning, and the project demonstrated its capacity to adapt to this evolving context with virtual means, local partners, and adjustments of processes and activities as needed.

Adaptation to this changing context also was translated into a new structure for the project team to optimize its performance. A new Project Manager was hired in 2021 and while the GEF-Good Growth Partnership project which was co-financing the project team and several activities are coming to an end in the first half of 2022, a reduced team was designed to lead the work in 2022. This revised team structure presented an opportunity to re-think project needs, and a position of Stakeholder Engagement and

Landscape Coordinator was created, with the objective of strengthening private sector engagement and overseeing project implementation at the subnational level.

Even without this position in place, work already kicked off in the Jambi province and Tebo district as part of the project Top up, with support provided on Jambi Action Plan implementation and Tebo Action Plan development. On the farmers support system side, preliminary studies were conducted, stakeholders engaged and a strategy defined, setting the stage for the 2022 work.

Phase II, Output 1.1 Implementation of Indonesia's Palm Oil NAP is facilitated, coordinated and monitored by the FOKSBI team

From NAP SPO legalization to implementation. In this second year of NAP SPO implementation, higher participation from stakeholders and progress made on NAP SPO implementation confirmed an increasing government leadership and stakeholders buy-in on this key instrument to guide the transition of the palm oil sector towards sustainability. Since the legalization of the NAP SPO at the end of 2019, Ministries have allocated budget and are directly contributing to NAP SPO implementation, as captured in the bi-annual NAP SPO Implementation Reports submitted to the President by the National Implementation Team with support from the project. Up to the end of 2021, two reports have been submitted while the third report is under finalization by the Coordinating Ministry for Economic Affairs (CMEA), as the coordinator of NAP SPO implementation. These reports not only demonstrate implementation by the 14 Ministries involved as well as provinces and districts, but also capture contributions from other stakeholders such as private sector actors and NGOs/CSOs, and confirm their increased participation with, for example, 24 companies contributing to NAP implementation as of May 2021, in comparison with 9 at the beginning of 2020. Progress was made on all the areas of the NAP SPO with up to 80% of NAP SPO activities currently under implementation.

A major achievement of 2021 has been the finalization of a comprehensive monitoring system for the NAP SPO. While reporting was facilitated through a simpler system as mentioned above, consultations were held with stakeholders to develop an efficient system including indicators and a process to define yearly targets, while ensuring coordination with all stakeholders involved, from national to subnational level, as illustrated in the infographic below. Development of this tool took longer than expected, given the complexity of this system as well as the COVID-19 pandemic preventing travels and in-person consultations at the provincial level. The tool is currently being piloted as part of third reporting. A training for the National Implementation Secretariat members, Ministry Focal Points, and Implementation Teams of 13 provinces and districts on how to use this system was organized in December 2021, and will be replicated in the coming years for additional provinces and districts.

If a costing exercise for NAP SPO was initially planned, it was not possible to conduct it, due to the specificities of public planning in Indonesia, not allowing multi-year planning. This however did not slow down budget allocation for NAP SPO implementation, which was secured through during Ministries' annual planning. Government's commitment for NAP SPO implementation is not only translated by budget allocation and activity implementation but also led to the appointment of existing public staff as Focal Points for all the Ministries involved, Implementation Team Secretariat staff and technical working group members.

Even though progress was made in 2021, the COVID-19 pandemic generated a significant disruption in 2020 and affected government priorities and budget allocation, which were re-oriented to answer the crisis. The Omnibus law also slowed down several processes such as policy reform and action plan development as alignment was needed with this new legal umbrella. At mid-implementation of the NAP SPO, the project is planning on focusing its efforts to support stakeholders to further accelerate NAP SPO



implementation in 2022, but already initiated discussions on post-2024 to ensure sustainability of this instrument.

Infographic on Coordination of National Action Plan for Sustainable Palm Oil (NAP SPO) implementation and Monitoring, Evaluation and Reporting system. Source: UNDP Indonesia.

A nation-wide effort. The government has the mandate to ensure that the NAP SPO is implemented by the 26-palm oil-producing provinces. To achieve so, the Ministry of Home Affairs (MoHA) developed NAP SPO Implementation Guideline with support from the project, which were enacted through a Minister Circular Letter to the targeted provinces and districts in October 2021. The Guideline provides instructions and guidance to the provincial and district governments on how to develop their Action Plans and multi-stakeholders Implementation Teams. A training module was developed, and an animation video is being finalized to provide technical guidance to subnational governments on how to develop multi-stakeholder action plans. Roll out of the guideline was initiated this year to both provincial and district level governments, which will continue in 2022 with support from the project.

Since the Presidential Instruction was signed in December 2019, the project has continuously worked on engaging stakeholders to encourage their participation in the implementation of NAP SPO. Special efforts were done towards the private sector, given their essential role for a transformation of the system and the financial resources they hold. Through this engagement, the need for specific private sector guidance on how to engage and participate in NAP SPO implementation was identified. As an answer, the project started working on the development of such guidance for producer companies.

Furthermore, active stakeholder engagement driven by the project also resulted in replication of multistakeholder action plans for SPO at the subnational level. To date, a total of 8 provinces and 12 districts adopted or are in the process of developing their action plans.

Phase II, Output 1.2 Capacity of relevant stakeholders strengthened to manage dialogue and stakeholder coordination activities in FOKSBI and engagement in NAP implementation independently

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Top-up, Output 1.1. NAP-SPO implementation and multi-stakeholder collaboration capacity <u>strengthened</u>

While in 2020, the project supported the transition of the National Multi-stakeholder Platform for Sustainable Palm Oil (FoKSBI) towards a National Team and a National Implementation Team as well as the establishment of the National Implementation Team Secretariat, in 2021 efforts were done to ensure the good functioning and operationalization of the Secretariat. The Secretariat is headed by the Director of Processing and Marketing of Estate Crops Products of the Ministry of Agriculture (MoA), who has now taken leadership in the day-to-day operation of this structure, which is composed by representatives from the MoA, CMEA, and MoHA. The Secretariat office, housed at the MoA, is currently being renovated and was equipped with IT related equipment thanks to the project's support, in order to provide an effective working space. The Secretariat office is expected to be an engagement, coordination, and information sharing hub for stakeholders in relation to NAP SPO implementation as well as the sustainable palm oil sector in general. Recruitment of three dedicated staffs to support the Secretariat operational work was initiated but has not been completed due to challenges in finding good candidates as well as changes in UNDP's contractual modalities. Recruitment is currently being finalized and it is expected that the dedicated staffs will be on-board in January 2022.

In addition, the project supported the government in ensuring that a strong multi-stakeholder component remained in this new Implementation Team structure. To do so, multi-stakeholder technical Working Groups (WG)³ were created in 2021 as part of the NAP SPO Implementation Team Secretariat. Currently in the process of being legalized, these WG will be the space for multi-stakeholder dialogue and will play a key role in supporting the Secretariat in the monitoring function of the NAP SPO implementation while providing strategic recommendations to the Implementation Team. Final approval of WGs structure will

³ Three thematic multi-stakeholder Working Groups were established: 1) Data strengthening and smallholders capacity building; 2) Environmental management and dispute settlement; 3) ISPO acceleration and market access improvement.

be embedded in the revised Decree on NAP SPO Secretariat which is expected to be adopted in the next few months. The WG membership will consist of 50% government and 50% non-government actors including private sector, development partners and representatives of NGOs/CSOs.

The project supported the NAP SPO Secretariat in organizing multi-stakeholder thematic meetings, mainly in a virtual way, at both national and subnational levels. The issues discussed were identified by government and stakeholders as key factors hindering the NAP SPO implementation including on ISPO certification, plantation business registration for smallholders ("STDB"), gender, and extension services workers. Such discussions enabled improved communication and provided a constructive space for decision making and problem solving. In addition to these meetings, the project facilitated international webinars including some in collaboration with European based palm oil association. The main objective of these webinars was to promote NAP SPO to increase the international market for Indonesian sustainable palm oil.

The conduct of a training needs assessment for the Implementation Team and Secretariat was also kicked off, despite delays due to the longer process the establishment, recruitment and operationalization of the Secretariat took. Although multi-stakeholder coordination and collaboration improved in 2021 despite COVID-19, breaking silos including within government institutions to reach an organic collaboration across Ministries for sustainable palm oil remains challenging. The capacity building activities are now being planned for 2022, and it is expected that their focus on multi-stakeholder collaboration and systems leadership will strengthen collaboration and coordination.

As for the NAP SPO, the project already started looking at the long-term sustainability its implementation structure. With support from the project, a study looking at the institutional, political and financial sustainability of the NAP SPO implementation structure was initiated in 2021, involving thorough stakeholder consultations. Recommendations will be finalized by the beginning of 2022 and further discussed and socialized with stakeholders to ensure their implementation.

Phase II, Output 1.3 Information collected and disseminated to national and international stakeholders on stakeholder activities and impacts in Indonesia's palm oil sector

Progress was made on the establishment of a Palm Oil Information Center in 2021. As part of the development strategy, a multi-stakeholder workshop was facilitated to identify needs, gather inputs and ensure ownership, and Secretariat members agreed to name this information center "*Pusat Informasi RAN KSB*" (NAP SPO Information Center). Function of this center will be to gather and disseminate information regarding NAP SPO implementation obtained from the monitoring system and other sustainable palm oil related information. The center will be hosted by the MoA, as the chair of the Secretariat. It is expected that the FoKSBI website will transition towards this Information Center, with existing and relevant information from the FoKSBI website that will be moved to the Information Center.

Procurement process to hire a web developer to build the infrastructure of the Information Center had to be re-initiated in 2021, due to feedback received from the Secretariat. The process is currently ongoing, and it is expected that the company will be on-board in Q1 2022. Meanwhile the project is utilizing the FoKSBI website and social media to disseminate information regarding NAP SPO implementation as well as products developed during the year such as a NAP SPO and ISPO infographics.

Phase II, Output 1.4 Enhanced stakeholder dialogue and understanding on the implementation of *national and international certification schemes*

As an effort to support uptake of the ISPO certification, the project conducted a study on implementation and incentives for certification of smallholders, including the facilitation of workshops with stakeholders to gather their inputs while enhancing their understanding on this certification. Results were disseminated to stakeholders in December 2021. The study concluded that ISPO certification for smallholders should be implemented in a planned and gradual manner and needs to involve all stakeholders. Based on the existing conditions, it was acknowledged that smallholders are not complying with many ISPO criteria, although compliance rates depend on the type of smallholders (independent/plasma). For example, if very few smallholders across all the groups have obtained plantation business registration for smallholders (STDB), most of the groups with established partnerships such as plasma and ex-plasma smallholders have a high compliance rate for Good Agricultural Practices (GAPs). Smallholders need higher incentives to be willing to apply for certification, such as premium prices. A more in-depth study on the potential benefits and incentives for the certification for the smallholders identified in the first review is planned to be conducted in the first semester of 2022.

Top-up, Output 1.2: Multi-stakeholder collaboration and farmer technical assistance support systems in Jambi province strengthened

Multi-stakeholder collaboration in Jambi and Tebo. In line with the NAP SPO, the Jambi government independently initiated the development of their Provincial Action Plan (PAP) and Provincial Implementation Team. The PAP was legalized under the Governor Instruction #1/2020 and the Provincial Implementation Team under a Governor Decree. Based on these new developments, the project plan was adjusted to focus on the facilitation of the implementation of the PAP. A socialization of the Jambi PAP was conducted to increase involvement of all stakeholders in its implementation and ensure that palm oil producing districts develop their own District Action Plan (DAP) and Implementation Team. This successfully led to several Jambi government offices including activities from the PAP into their strategic planning and budget, even though more efforts still need to be done in 2022 to mobilize participation from additional stakeholders including government offices. The project also supported the Tebo District government in finalizing its DAP, which by the end of November was ready to be submitted to the Governor Office for legalization. In 2022, the project will focus on stimulating stakeholder participation in PAP and DAP implementation as well as supporting monitoring efforts and strengthening Implementation Teams capacity on multi-stakeholder collaboration.

Despite challenges raised by the travel ban and absence of project personnel in Jambi, coordination with Jambi and Tebo government took place remotely through virtual meetings. If recruitment of a Jambi Coordinator was delayed mainly due to new recruitment policies within UNDP, it is now at final stages and the potential candidate is expected to be on board in January 2022, which will help strengthen the project activities in the province.

Smallholders Technical Assistance Support Systems. In 2021, the project initiated the work on strengthening farmers extension services in Jambi. With the data and information provided by the Estate

Crop and Livestock Office of Tebo District, four initial sub-districts were identified for smallholders' capacity building activities due to their high presence of palm oil plantation and forest areas, as indicated in the map below. It is expected that in a second stage efforts could be scaled up and expanded to additional sub-districts.

A strategic partner to work with in Tebo on strengthening smallholder technical assistance support system was also identified. The contracting process took much longer than initially planned but it is now at the finalization stage, and the organization is expected to be on board by beginning of 2022 to deliver this work under close supervision with UNDP. Once hired, the first step will be the final identification and smallholders mapping in the four sub-districts.

During 2021, the project defined its approach to not only deliver capacity building activities but to strengthen more systemically extension services in the whole district of Tebo. In addition to offer capacity building to four pilot sub-districts, the project will support partnership building and create an enabling environment allowing stakeholders to collaborate and strengthen smallholder support. This will consist in the scoping of a Center of Excellence, which would be a space where smallholders and other relevant stakeholders could meet to share resources around good agricultural practices, and through which training could be delivered to smallholders in partnership with companies involved and supporting the Center of Excellence. In addition, smallholders could benefit from support to access market and complete certifications processes. This approach was discussed with Tebo district government and other key players present in the landscape such as Sinar Mas, Asian Agri, Mondelez, Sygenta, and Unilever, and is well aligned with the Tebo District Action Plan. The use of the Farmers Support Systems Toolkit is envisioned to support the scoping and development of the Center of Excellence.



Initial Identification of Targeted Intervention Area

Tebo sub-districts map with indications on plantations and forested areas. Source: Estate Crop and Livestock Office of Tebo District

Partnerships

In 2021, the emphasis was made on increasing engagement with downstream companies to consolidate their support towards the NAP SPO implementation, while also maintaining continuous engagement with upstream companies. This decision was made due to the key role downstream companies play in the palm

oil sector and building on the fact that most of top-tier palm oil companies have expressed their solid support to NAP SPO implementation. This was reflected in their active participation in discussion and activities related to NAP SPO and their sustainability programme alignment with NAP SPO programme and activities. In addition, several palm oil companies became members of technical Working Groups under the Secretariat of NAP SPO Implementation Team.

One additional entry point to better engage with downstream actors was through the Swiss Business Hub Indonesia and SwissCham Indonesia. Through these connections, the project has been intensively communicating with Syngenta Indonesia, a Swiss-based agribusiness company and member of SwissCham Indonesia, to explore the collaboration opportunities in the district of Tebo.

Furthermore, the project expanded its engagement with other downstream associations or coalitions at the international level, such as the Italian Union for Sustainable Palm Oil and the Polish Coalition for Sustainable Palm Oil. The idea is to convene multi-stakeholder collaboration between upstream and downstream companies – both national and international - as well as with NGOs/CSOs who are part of the palm oil supply chain in Tebo District to develop a joint-initiative in supporting the farmer technical assistance efforts.

Gender

As mentioned above, the Government of Indonesia launched this year a Guideline for developing and implementing sub-national action plans for sustainable palm oil through a Circular Letter signed by the Minister of Home Affairs. The project facilitated the involvement of the Ministry of Women Empowerment and Child Protection (MoWECP) throughout the development process of this Guideline, to ensure gender mainstreaming principles were included in the document. This was an important milestone for gender mainstreaming efforts in the Indonesian palm oil sector because previously MoWECP has never been involved in any discussion related to NAP SPO.

Main gender mainstreaming strategies that are included in the Guidelines are as follows: (1) Implementation Teams at provincial and district levels are required to include the WECP office as part of the team structure; and (2) Implementation Teams are required to conduct a gender analysis in developing the programme and activities of sub-national Action Plans. This progressive decision to explicitly include gender-specific actions in the Guideline is expected to ensure NAP SPO implementation is responsive to gender issues. In addition, the Project is also in the process of facilitating a partnership agreement between the MoWECP and NAP SPO Implementation Team represented by CMEA to strengthen the gender mainstreaming efforts within NAP SPO framework.

2.B. PERU

Phase II, Outcome 2: Joint and coordinated NAP action taken by all major stakeholder groups in Peru's coffee sector, driven and coordinated by a strong and active National Coffee Council

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Top-up, Outcome 2: Peru Coffee NAP actions implemented, and policies and partnership strengthened for sustainable coffee and cocoa production and trade

2021 still showed significant consequences of COVID-19, in addition to the effects of a challenging electoral year in Peru, elements in the project's environment that have affected project implementation. However, the year has also shown significant progress in strengthening the institutional framework of the coffee sector and ensuring the validity of the National Coffee Action Plan (NCAP).

The implementation of the NCAP, which was approved by presidential decree at the end of 2019, has increasingly been systematized, not least due to the creation of the National Executive Coffee Council in February 2021, which is actively supported by UNDP with SECO and GEF resources.

The work of MIDAGRI and other public entities has allowed a better tracking of NCAP implementation, helped identify duplications of efforts, as well as potential synergies. The collaborative approach also allows optimization and prioritization in the use of public budgets through improved decision-making.

A significant advance towards systemic change in the coffee sector is the establishment of the strengthened and amplified Coffee Council, as the leading space for coordination and monitoring of the progress of the NCAP, and for decision-making on priority issues for the entire coffee sector. Within the Council, agreements have been made to improve its own performance, such as strengthening its decision-making structure, developing a monitoring tool with free access, and strengthening visibility by developing an oversight map of the NCAP implementation. The Council has therefore improved its ability to identify advances and challenges in the sector, and to prioritize its attention to challenges in the sector.

Likewise, the drive and willingness shown by the private sector, represented mainly by the Peruvian Chamber of Coffee and Cacao and the National Coffee Board, to promote the wide adoption of the NCAP as a guiding tool for the sustainable development of in the coffee sector, is noteworthy and encouraging. Both the Chamber and the National Coffee Board are active participants in the Coffee Council.

UNDP has supported Peru's participation in international coffee dialogue. With funding support from SECO, UNDP facilitated a Technical Workstream in the International Coffee Organization's 'Coffee Public-Private Task Force' in which Peru's MIDAGRI was an active participant. The topic of the workstream was 'Sector Transformation in Coffee Exporting Countries' which is closely aligned with the support UNDP and SECO have provided to Peru. As the Coffee Council is further strengthened, UNDP hopes that it will adopt recommendations and approaches endorsed by the ICO CPPTF.

The challenges facing the National Executive Coffee Council are great, and it is necessary to continue promoting collaboration and dialogue between actors to ensure collaborative action, including seeking greater involvement of public sector authorities, private sector, civil society and other stakeholders. UNDP is actively supporting the work of the Council, by strengthening its agenda-setting and decision-making

processes, enhancing its monitoring and feedback capacity, its participatory focus including both interinstitutional coordination and public-private partnership building. In addition, the Council plays a key role in ensuring strengthened and binding policy instruments for directing public budgets to priority action to address established priorities effectively.

In addition to its work in coffee, the PPS team (of which SECO forms part) has facilitated the participatory development of the National Plan for the Development of Cacao and Chocolate, as well as a Driving Group that oversees its implementation. UNDP is supporting the creation of a monitoring platform for the implementation of the Plan. In 2022 UNDP will continue to support the implementation of the national plan and the strengthening of the multi-stakeholder institutional structure that will support it. UNDP will also support the identification and harvesting of synergies between the coffee and cocoa sectors, which share important actors and many common challenges. The lessons learned in coffee must also help inform the process in cocoa.

Phase II, Output 2.1 The implementation of Peru's National Coffee Strategy facilitated, coordinated, and monitored by the project team (Incorporates Output 2.1 Top Up: Capacity strengthened for planning, monitoring, and implementation of the Coffee NAP)

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Top-up, Output 2.1 Capacity strengthened for planning, monitoring and implementation of the Coffee NAP

Most of 2021 was heavily affected by the COVID-19 pandemic, which meant remote monitoring of NCAP implementation continued at both national and regional levels. At the national level, it was possible to systematize the advances of MIDAGRI and other public agencies, a process that also made it possible to identify duplications in efforts, as well as possible synergies between institutions. At the regional level, the project team worked hand in hand with the regional coffee roundtables and partners of the central government to develop 10 Regional Coffee Agendas aligned with the Strategic Objectives of the NCAP. This process, which is ongoing, is important as regional governments and other stakeholders are using the NCAP as a guiding and planning framework for the definition of local coffee activity plans.

Regarding the NCAP monitoring tool, after collecting proposals from project partners, it was agreed with the Directorate for Monitoring and Evaluation of Agrarian Policies to develop the NCAP monitoring tool in conjunction with the Information System for monitoring policies of MIDAGRI. This would create a formal link between the NCAP monitoring and the work of MIDAGRI and the National Coffee Council. The development of the tool is contemplated for the beginning of 2022 and will be key to facilitate collaboration and strengthen decision-making.

Two additional tools in place are i) communication materials, including a communication kit that will make it possible to disseminate progress in the implementation of the NCAP to all stakeholders, and communicate the work of the National Coffee Council, and ii) the NCAP Financing Plan, developed in alliance with Winrock International. The Plan proposes a route and makes recommendations to finance and improve implementation of the NCAP.

Likewise, and in coordination with the Sustainable Productive Landscapes (PPS) project, the following activities are being carried out, providing significant added value to the coffee and cocoa value chains: i)

technical assistance to MIDAGRI to incorporate environmental issues into the government's 'competitive funds' program, and other financing programs of the ministry, ii) Adaptation of the 121 MIDAGRI Budget Program "Improving the articulation of small agricultural producers to the market", whose purpose is to operationalize support to agricultural producers with a sustainable approach, coordinating efforts of MIDAGRI and regional and local governments, iii) Roadmap for the financial inclusion of the agricultural producer (cocoa, coffee, livestock).

Phase II, Output 2.2 Multi-stakeholder dialogue mechanisms formalized to ensure participation and coordination of activities in a National Coffee Strategy.

While the NCAP was developed in a participatory manner in a multi-stakeholder platform process supported by UNDP, the challenge to institutionalize the platform under the National Coffee Council persists. UNDP continues to work with national institutions to re-introduce a broad stakeholder collaboration mechanism. However, several developments have occurred in 2021 which have significantly strengthened the mechanisms of multi-stakeholder dialogue and coordination of activities.

The National Coffee Council was significantly expanded into a 'National Executive Coffee Council' and now counts on the participation of all major public institutions that have roles to play in the coffee sector, as well as other stakeholders from the private sector and civil society. The change in composition has significantly improved communication and coordination between key stakeholders. Please see additional information under Output 2.3 below.

As described above, the work of the central government institutions for the collection and systematization of progress in the implementation of the NCAP has led to increased coordination and dialogue with each institution, improving their involvement in and commitment to improved reporting of the actions taken by each institution. This has also strengthened their alignment with the corresponding objectives and strategic actions of the NCAP. This process has also resulted in the identification of opportunities for improvement and potential synergies between the institutions, which will lead to a join analysis to optimize the use of public budgets. This ongoing process occurs within the framework of the NCAP and generates learning in the participating institutions.

In the same way, dialogue capacities have been strengthened through the process to elaborate Regional Coffee Agendas, which are constructed in a participatory way through meetings and workshops in Peru's main coffee regions. The process focused on dialogue and consensus building between the leading institutions and actors in the coffee value chain who are present in each region. Currently, ten regions have prepared their respective agendas. An added value is that this process not only summons the stakeholders of each region but also MIDAGRI, PRODUCE, MINCETUR, DEVIDA, the National Coffee Board and the Federation of Coffee Growers. The GCP team has begun to support the regional technical coffee roundtables to promote the implementation of their respective agendas, thereby also promoting their connection with the NCAP.

The GCP team participated other dialogue events, including as a panelist in the high-profile Coffee and Cocoa Convention, to discuss progress and next steps in the institutional coffee and cocoa platforms. Likewise, the team supported MIDAGRI in their presentation of the NCAP progress during the Expocafé that took place in November.

The strategy to strengthen Peru's institutional framework in coffee is to address issues of common interest and to promote dialogue and consensus towards decision-making and action for a sustainable coffee sector. These are the topics agreed to work with the National Executive Coffee Council:

- a. Strategy for the Promotion of Local Coffee Consumption: This task adds to an effort initiated by the Swiss Cooperation SECO.
- b. Peruvian coffee export promotion plan: This task adds to an effort initiated by SECO.
- c. Analysis of the pertinence, relevance, and feasibility of implementing a National Coffee Institute.
- d. Improvement of statistical and measurement tools and processes in the sector.
- e. Facilitate the process of building coffee production costs.
- f. Address the problem of pests in coffee.

Phase II, Output 2.3 A strengthened permanent institutional arrangement for Peru's coffee sector is set <u>up</u>

To strengthen the institutional arrangements of the coffee sector, in February of 2021 a Multisectoral Commission named 'National Executive Coffee Council' was created through a Supreme Decree. This decree contemplates the strengthening of the original Council, incorporating new ministries (environment, foreign trade and tourism, foreign relations, production), as well as the National Assembly of Regional Governments, the Association of Municipalities of Peru, and ADEX. The Council has held three sessions in 2021 and has prepared a work plan proposal which is being reviewed for its respective adoption by consensus. The project team has supported the process to elaborate the Council work plan through its support to the Council's Technical Secretariat.

The value-added of UNDP's support to the Council includes support to its consensus-building and participatory operating structure, including the platform to monitor progress in the implementation of the NCAP, as well as decision-making to address priorities and gaps in the coffee sector.

The multi-agency, participatory nature of the new Council is illustrated by the establishment of a Council working group to address the issue of coffee pests and diseases. Members of the working group are SENASA, INIA, National Coffee Board, Federation of Coffee Growers, DEVIDA, General Directorate of Agricultural Development and Agroecology.

Top-up, Output 2.2 Public policies and institutional support to sustainable coffee and cocoa production <u>strengthened</u>

The PPS team has facilitated the participatory development of the National Plan for the Development of Cacao Chocolate and supported the Driving Group that guides the process. It has also provided inputs for the creation of a monitoring platform for the implementation of the Plan.

UNDP will support a process to explore an integrated institutional structure for the coffee and cocoa value chains, starting in 2022. The case for strengthened collaboration between coffee, cocoa, and other value chains is strong and increasingly recognized. For example, the approval of the Agrarian Cooperatives Law will benefit growers in many agricultural sectors and is seen as an example of systemic and coordinated response to problems that transcend individual sectors. The Agrarian Cooperatives Law will promote the

incorporation of producers into cooperatives and improve tax systems for organized farmers, among other benefits.

Coordination with MIDAGRI began to provide technical support to update the model of Budgetary Program 121: Improvement of Agricultural Producer capacities, for its effective multilevel execution, incorporating environmentally sustainable practices. This tool will favor coordinated actions in favor of coffee and cocoa chains.

Top-up, Output 2.3 Public-private partnerships established for joint action in the coffee and cocoa sectors

In addition to the partnership building described in sections above, the project team is in the process of hiring an advisor to strengthen public-private partnership building in coffee and cocoa particularly. The team expects to identify numerous collaboration opportunities within the NCAP and the national cocoa plan. A key action will be to elaborate a strategy for increased business involvement in sector governance processes as well as in specific activities identified within the sector plans.

The team will also help establish a monitoring system of private sector actions to promote synergies and reduce duplications: The team will work with the governing bodies to systematize actions and participation of the private sector in favor of sustainable development of the prioritized value chains.

Gender

The team has identified several opportunities to strengthen Gender aspects in the project. GCP's newly developed tool 'Effective Collaborative Action' (ECA), which is going to be rolled out in Peru in 2022, helps strengthen women's role in multi-stakeholder dialogue processes. Also, Gender is an integrated focus in GCPs participatory methodologies to strengthen farmer technical assistance systems, which the team aims to use to support the establishment of coherent technical assistance mechanisms for cocoa and coffee in Peru.

Partnerships

The team has several partnership processes in progress:

SECOMPETITIVO:

- Proyecto "Ruta Productiva Exportadora": The project has a pilot in coffee and is being addressed in the National Coffee Council.
- Proyecto Alianza Café Competitivo y Sostenible: The National Coffee Board and the Peruvian Coffee and Cocoa [Export] Chamber are leading members of the Council, and the following topics (developed within the project) have been presented in the Council and are part of the actions that

will be carried out from the GCP in 2022: a) Strategy for the Promotion of Domestic Consumption, b) Strategy for coffee exports.

GQSP UNIDO/SECO:

• INACAL, as co-manager of the project, is the leader of the Quality component of the Coffee Plan, and the inputs of the project are used. Likewise, it is contemplated to strengthen the actions of the GQSP project in 2022.

Sustainable Productive Landscapes project (UNDP):

- A proposal has been developed to incorporate environmental issues into MIDAGRI funds and financial programs (useful for agricultural products, including coffee and cocoa). This proposal is currently being implemented.
- The GCP identified the need to strengthen the instruments for directing and allocating the budget towards NCAP actions. The PPS team has been supporting the strengthening of the MIDAGRI Budget Program to support agricultural producers. This instrument executes approximately 25 million dollars annually and is useful for the agricultural and livestock chains. Finally, support for this instrument has a strong potential connection with the 'Ruta Productiva Exportadora' initiative and the support platform for agricultural producers (another product of the GCP Top Up).

2.C. GCP GLOBAL

Phase II, Outcome 3: Global support strengthened to GCP Community

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Top-up Outcome 4: Support systems and community learning for sustainable commodity sectors strengthened

SECO's support to the global GCP team has become a backbone, allowing the team to continuously keep developing and implementing improved methodologies and tools to ever more countries, sectors and stakeholders. The support now ranges from landscapes to national commodity sectors to international dialogue process. In the following is outlined results in collaborative methodologies, community learning and exchange, private sector partnerships and communications.

Phase II, Output 3.1 Strengthened methodologies and tools for stakeholder dialogue and action planning developed and implemented

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Top-up, Output 4.1 Multi-Stakeholder Collaboration (virtual or in-person) for Systemic Change (MSCFSC) adopted.

During 2021, a team of FACS/GCP Senior Advisors developed the upgraded methodology of the National Commodity Platforms (NCP) and National Action Plans (NAP) and a series of guidance and communication assets.

The new Guide to Effective Collaborative Action (ECA) has been built on the foundation of 10 years' experience in establishing, running and advising NCPs in more than 10 countries and transforming food and agricultural commodity systems (including palm oil and coffee) by UNDP's Green Commodities Programme. Over the decade of work, GCP has learned that the HOW of collaborative action is at least as important as the WHAT when dealing with transforming agricultural commodity sectors. This evolved methodology sits within GCP's focus on Changing Systems through Collaborative Action - CSCA (formerly known as multi-stakeholder collaboration for systemic change - MSCFSC). The methodology broads the application from focus only on commodity production to the transformation of food systems. The team recognized the tendency to reduce the world into simple models and assume that interventions will have predictable outcomes. The whole systems approach recognizes that the system is made up of multiple, complex, interrelated parts – too complex to ever fully understand. All interventions have unanticipated consequences that cannot be predicted. The GCP approach to system change focuses on 3 interconnected dimensions: individual, collective and system.

The team has conducted a wide review of the existing theories and resources in systems thinking and consolidated the approaches and tools that can best help the Countries where GCP works. In addition, this Guidebook incorporates the results of a GCP-led Co-inquiry Group (in which SECO participated) gathering a small number of leading systems thinkers and practitioners reflecting on how to work more systemically to accelerate progress toward a more sustainable food system. The guide has gone through a peer-review process by three external non-UNDP reviewers, including SECO experts, two UNDP peer-reviewers and high-level review by the GCP Communications team.

The overarching goal of this guide is to support the effectiveness of a wide range of collaborative actions; whether it's a dialogue, a series of dialogues, a multi-year platform or another form of collaboration taking action. The goal is to catalyze transformational ideas and concepts into action on the ground in countries where GCP works. This guidebook aims to provide a guidance to practitioners of existing and future platform and dialogues.

The Guide includes some shifts in the ways of working previously in National Commodity Platforms, in particular: a) the methodology can now be used for single or multiple commodities, whole food systems and across landscapes; b) this methodology works at every spatial scale – locally, sub-nationally, within a jurisdiction, region, nation or even internationally; c) previously GCP's NCPs co-created a NAP which was handed over to government to operate. Now this methodology offers a wide range of options for institutionalization and sustainability. Joint commitments such as land use management plans, new alliances and new projects all represent collaborative action with positive outputs; d) moving from the collective action to Deep Collaboration. Effective Collaborative Action means being so intertwined with others that you cannot see who is doing which parts, you can only see the success of all the whole – of all the collaborating organisations and people.

The upgraded methodology approach things differently through four **Essential Practices** which guide the way GCP works:

- **Building systems leadership** promotes leading alongside, as opposed to in hierarchies that might exclude valuable alternative voices.
- Working with power dynamics is important to evolve the status quo or to deal with unsustainable economic and positional power.
- Working through conflict is needed to overcome differences of opinion or misunderstandings between changemakers in the process.
- **Effective communication** highlights the two-way importance of both communicating and listening effectively in each step of the way.

With these distinctive ways of working as Effective Collaboration Active foundation, four **Building Blocks** have developed, which are fully integrated with **Backbone Support** and **Stakeholder Actions**.

The Guidebook for Effective Collaborative Action is accompanied by a 9 Guidance Notes, <u>curated</u> <u>resources</u> and a series of communications assets that have being produced to make sure the product engages with all its relevance audiences in the most effective way. These assets include: a complete section in the UNDP GCP website in <u>English</u> and <u>Spanish</u>, an explanatory animated <u>video</u>, a <u>blog</u>, an engaging social media campaign in LinkendIn, among others.

A group, managed by a moderator, has been set up on the Green Commodities Community's (GCC) Digital Platform as a collaborative space to learn, discuss, solve problem and network around system transformation.

Roll-out of the methodology

Effective Collaborative Action is central to UNDP's support to countries and partners addressing the root causes and drivers of changing food system. This methodology aims to make Effective Collaborative Action understandable and practical and its application in the context of multi-stakeholder platforms and dialogues for sustainable commodities and food systems. To ensure the outreach of the unique value of this Guidebook, GCP has developed a roll-out plan including an audience-tailored capacity building strategy to ensure the usefulness and usage of the new methodology in GCP's country work and by GCC members. In 2021, the roll out plan has started with discovery sessions that were held in October and November for the GCP team and Global Advisors, UNDP's Regional Leads and Advisors (RTLS and RTAs), UNDP key Country Offices staff and existing NCP teams in Africa, Americas, Arab States, Asia & Europe (Bangladesh, Colombia, Costa Rica, Cote d'Ivoire, Ecuador, Indonesia, Liberia, Mongolia, Peru, Uganda). During the session partners are encouraged to learn more through GCC, which will require membership for the community.

To complement the methodologies, GCP has developed a qualitative outcome monitoring framework, which will allow the programme to identify signals of change which are more or less indicative of systemic shifts, with a focus on the individual and cohort level. The purpose of this tool is assessing effectiveness of Collaborative Action approach, through identifying signals of change and identifying opportunities for further catalyzing (track and empower emerging transformational opportunities). GCP will monitor, as part of its programme-level M&E efforts, GCP-supported Collective Action processes applying this innovative tool. A session to introduce the Signals of Change was held with all the GCP Global Advisors in November.

Phase II, Output 3.2 The Green Commodities Community strengthened with structured learning to optimize team capacity and performance

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Top-up, Output 4.2 Community learning and exchange enhanced.

The Green Commodities Community (GCC) continued to offer national commodity practitioners and global changemakers unique learning, knowledge and experience sharing, and networking opportunities.

The GCC started 2021 with 194 members and it ended 2021 with 263 members representing 113 organizations. GCP expects an expansion in GCC membership as the GEF FOLUR program starts up in 2022 with a target of 350 members by 2025.

Following the acquisition, design, preparation and launch of the new Digital Community (DC) in 2020, the GCC team concentrated its efforts in 2021 on reaching out and registering all members of the GCC. By December 2021, 83% have been registered on the Platform. The DC has been also valuable for connecting practitioners, whose exchanges have increased. New members are continuously brought in and guided through the Platform, and efforts have been carried out to ensure that members are actively engaging in discussion in the live feed, as well as in the public thematic streams and global groups. To increase further the accessibility and interactivity, a mobile App for Android was developed and launched in July. The launch of the IOS version has been delayed to the beginning of Q1 2022.

The DC structure includes 7 sections, among them are the following 6 Thematic Streams *each managed by a moderator:*

- Gender Mainstreaming
- Changing Systems Through Collaborative Action
- Integrated Land Management
- Private Sector Engagement
- Evidence of Effectiveness and Impact
- Sustainable Landscapes and Jurisdictions

In addition, global groups are available to various teams to strengthen their internal communication and integration. Currently, three private group are available: Green Commodities Programme (GCP), Good Growth Partnership (GGP), Conscious Food Systems Alliance (CoFSA) and an open group for the Good Growth Conference 2021 (GGC). Furthermore, plans are to develop more commodity focused groups and as such, discussions are taking place to set-up a Coffee Group with the Global Coffee Platform following the Technical Workstream on "Sector Transformation in Coffee Exporting Countries" which has been supporting the International Coffee Organization's (ICO) Coffee Public-Private Task Force (see section on ICO CPPTF support below).

Due to COVID-19, the Community continued offering online events putting an emphasis on quality over quantity. All events have undergone a thorough quality assurance process and facilitation has been one of the main aspects and added values of the events. In addition, to allow a better participation, interpretation from English to Spanish was offered for the majority of the GCC events in 2021.

The Green Commodities Community delivered a total of 9 events between January and December 2021, with a participation as follows:

Workshop	Date	Total participants	Practitioners	%	Female	%
The Necessary Paradigm Shift: Towards healthy, resilient and sustainable agriculture and food systems (Agroecology)	January 24 th	48	20	41%	27	56%
Connecting Across Commodity Systems Indonesia & Colombia's Jurisdictional Dialogues: Innovative Action Learning	March 4 th	81	32	40%	40	49%
Integrating sustainability standards in international trade to cultivate sustainable production and consumption	April 19 th	38	2	5%	22	58%
From Commitment to Action: A Systemic Approach to Supporting Deforestation Free Commodity Supply Chains	June 17 th	40	14	35%	19	47%
Exploring powerful techniques to boost transformational learning with Sustainable Commodities - Europe, Asia & Africa (Invite-only)	June 30 th	6	3	50%	5	83%
Exploring powerful techniques to boost transformational learning with Sustainable Commodities - Americas (Invite-only)	July 6 th	7	4	57%	6	86%
Building capacity among companies to implement DCF soy commitments: Responsible Sourcing Toolkits	October 13 th	26	7	27%	19	73%
Powering our programmes and projects with evidence & insight: understanding and using Evidensia	October 20 th	23	7	30%	10	43%
Reflecting around effectiveness in landscape interventions: Lessons from piloting the Causality Assessment for Landscape Interventions	November 11 th	25	8	32%	15	60%
Building voluntary monitoring protocol to assess cattle suppliers in the Cerrado Biome	November 17 th	15	2	13%	11	73%

Moreover, major efforts this year focused on the **Good Growth Conference (GGC)**. Two years after global and regional leaders met in Lima and the Peruvian Amazon, the 2021 edition of the GGC brought together once again changemakers from across the Green Commodities Community.

Over five days (24-28 May), 131 attendees from 27 organizations and 34 countries embarked on an interactive virtual learning experience. Five tailored training sessions delivered by top-tier organizations covered the topics of system, community and individual transformation for sustainable commodity supply chains. Participants reflected on the benefits of systems practice, learned the foundations of systems mapping and facilitating collaboration, studied how to work with power and through conflict and explored what it means to be a systems leader in a complex world. In addition, three open high-level panels were good examples of virtually bringing together changemakers across the supply chain, including government officials, executives from multinational companies, farmer representatives from Brazil, Indonesia, Liberia and Paraguay, and members of the Good Growth Partnership, to share and reflect together on what is needed to sustainably transform commodity supply chains.

A **Green Commodities Community Consultation** was launched in May 2021 and gathered community members' feedback through one-on-one interviews and a global survey. A report on key results from the consultation and recommendations for updating the GCC strategy was developed. The consultation revealed among other things that 74% of respondents are satisfied with the Community, and that its greatest benefits are learning from experts and sharing knowledge and experiences with peers. The results of the consultation were used to shape the GCC 2025 strategy.

Phase II, Output 3.3 Global partnerships established with commercial and non-commercial entities, in support of sustainable agro-commodity production and trade

GCP started the year by holding a series of conversations with key private sector partners at a global level, to hear from them what they see as challenges and opportunities coming up in the Food and Ag sector post Covid, and for the coming five years. The challenges they identified reconfirmed GCP's existing understanding of their concerns: the wider food system is broken, farming is not attractive to the next generation, there is growing inequity and less value transferred to farmers, a biodiversity crisis, and weak enabling conditions amongst others. While many of these are pre-existing, they are being exacerbated by Covid and the increasing impacts of climate change and threaten their security of supply as well as reputational risks.

There are many opportunities that companies identified a desire to work on, including restoration of ecosystems and soils, improved use of agroforestry models, strengthened land tenure, living incomes and human rights, and improving coordination in landscapes across different commodities. They saw UNDP/GCP as a partner to tackle the challenges and work on the opportunities, especially as UNDP is seen as a convener of multistakeholder collaboration that is needed to achieve impact at scale. Specifically, they would value GCP support in working more effectively with governments, across different ministries and institutions, understanding the local policies and how they can engage constructively in national processes such as platforms and development of national action plans. They also indicated that GCP support to help link social and environmental issues rather than tackling them in silos, as well as bringing in a wider systemic view for the food and ag sector – what are the big issues and how can they be tackled in a way that will bring about the scale of change needed.

In close collaboration with the Mars Farmer Income lab, and UNDP country teams in Uganda, Ghana, Cote d'Ivoire and Indonesia, a flagship partnership proposal was developed that will focus on creation of public private collaboration at a national or subnational level to leverage the supply chain investments of Mars and AbInBev. Similar dialogues are taking place with IKEA.

A key stakeholder in any multistakeholder collaboration process is the private sector, so as part of the ECA platform methodology upgrade toolkit, new updated materials were developed to support national teams identify key private sector actors, develop a strategy and engage more effectively with companies.

At country level the global GCP team provided support to strengthen private-sector engagement and collaboration:

- Indonesia: ongoing support on links with companies such as IKEA and Unilever; supported the SPOI team to run two webinars in partnership with the GoI providing an update on implementation of the NAP, specifically targeting participation by the private sector, domestic and international.
- Ecuador/Peru/Colombia: worked with the country teams to co-create a learning workshop to share experiences on the "From Commitment to Action" initiative. This gave visibility to the work done in each country and highlighted the need to take a more systemic approach when looking at the context and ways forward to make a reality of deforestation commitments.
- **Peru:** started discussions with the national team regarding support to develop Private Sector strategy, specifically focusing on cocoa, coffee and palm commodities; supported the national team through capacity building workshops to strengthen their use of methodologies for multi-stakeholder dialogue; supported with inputs for TORs for new personnel for private sector and public policy.

Phase II, Output 3.4 Knowledge shared, and awareness increased of commodity sustainability and the value of stakeholder dialogue and collaboration through effective communications to national and international stakeholders.

2021 has seen a significant improvement in the public understanding of the effect of commodity sustainability on climate change and biodiversity. IPCC and IPBES reports stressed the importance of minimising deforestation and improving the sustainability of both smallholder and plantation agriculture. The Food Systems Pre-Summit (July), and the Food Systems Summit (September) featured contributions from UNDP highlighting the need for increased commodity sustainability and the demand for support to countries in organising their National Dialogues leading to National Pathways to more sustainable food systems.

At the Pre Summit, GCP Head Andrew Bovarnick spoke at an Affiliated Event organised by the Swiss Federal Office for Agriculture and the One Planet Network on "Promoting actionable multi-stakeholder collaboration for inclusive and equitable food systems governance at all levels": <u>https://www.greencommodities.org/content/gcp/en/home/media-centre/collaborative-action-to-unlock-food-systems.html</u>

GGP Global Project Manager Pascale Bonzom spoke at a Pre-Summit Affiliated Event on "A New Model for Agricultural Production: Deforestation-free and Conversion-free Supply Chains": <u>https://goodgrowthpartnership.com/the-future-is-deforestation-free/</u>

At the Summit itself, UNDP Administrator Achim Steiner called for a "hard re-boot" for the Food System and stressed the need for a new mechanism to support effective multi-stakeholder collaboration in the National Dialogues:

https://www.undp.org/speeches/un-food-systems-summit-session-carrying-forward-vision-andmomentum-2030

Discussions continue on how the proposed Facility to provide this support can be brought into being.

At COP26 in Glasgow, the World Leaders' Summit on "Action on Forests and Land Use" saw over 100 leaders, accounting for more than 86% of the world's forests, commit to work together to halt and reverse forest loss and land degradation by 2030 in the Glasgow Leaders' Declaration on Forests and Land Use. UNDP, supported by SECO, led the multi-stakeholder processes which conducted 28 governments, representing 75% of global trade in key commodities that can threaten forests, to sign up to a new Forest, Agriculture and Commodity Trade (FACT) Statement. This statement is part of a Roadmap of actions designed to deliver sustainable trade and reduce pressure on forests, including support for smallholder farmers and improving the transparency of supply chains. Announced on the second day of COP26, this achieved significant media coverage.

https://www.factdialogue.org/fact-roadmap

https://www.theguardian.com/environment/2021/oct/15/uk-to-push-plan-to-halt-and-reverse-globaldeforestation-by-2030-at-cop26-aoe

Scheduled communications outputs in 2021 included 3 newsletters from GCP and 2 from UNDP's 'Food and Agricultural Commodity Systems' team (FACS), and continued outputs from the South-South learning conference between Indonesia and Colombia, including an online review and discussion event.

In the context of the Swiss referendum vote on Sustainable Palm Oil, GCP Communications produced a factsheet for SECO's use (attached) outlining the facts.

Both GCP and GGP produced major reports featuring the SECO supported countries: GCP released "Palm Oil, Pineapples and Partnerships – Impact and Lessons from a Decade of Transforming Agricultural Commodities" at a high-level event featuring an interview with Martin Peter of SECO:

https://www.greencommodities.org/content/gcp/en/home/media-centre/10-years-of-impact-and-10-years-to-raise-the-challenge.html

And on video here:

https://youtu.be/blVnJc 3jQ4

GGP produced its Year 4 Highlights Report, launched at an event featuring a wide range of stakeholders:

https://goodgrowthpartnership.com/5-principles-to-transform-commodity-supply-chains-eventhighlights/ The COP26 decision to review NDCs every year (instead of every 5 years) gives us new and more frequent opportunities to increase knowledge and awareness of commodity sustainability and the value of stakeholder dialogue and collaboration.

2.D. PROJECT SCOPING

Top-up, Outcome 3: Opportunities for sustainable commodity production interventions scoped and developed

GCP has worked throughout 2021 on the process to scope out new project opportunities for potential SECO funding. By the end of 2021 several viable project opportunities have been identified and described in concept notes that have been accepted by SECO and it has been agreed to continue the scoping process for 2022, leading to potential funding under a new credit agreement with SECO in 2023.

UNDP has retained an experienced project development consultant who has significantly strengthened GCP's capacity to support country processes and is in the process of hiring national facilitators to support in-country dialogue and co-creation processes. GCP expects to have project designs finalized approximately June-July of 2022, to fit into a larger credit agreement.

Top-up Output 3.1 Potential SECO project opportunities scoped.

UNDP is currently scoping opportunities in three national or sub-national commodity sectors: Palm oil in Malaysia, cattle and soy in Brazil and cocoa in Ghana:

Malaysia Palm oil

The opportunity in Malaysia's palm oil sector focuses on the state of Sabah, which has 1.54 million ha under oil palm production, the second largest in the country, and accounts for 6.2% of the global supply of palm oil. The vision of the Sabah Jurisdictional Certification of Sustainable Palm Oil (JCSPO) initiative is to achieve both Malaysian (MSPO) and international (RSPO) certification for the whole jurisdiction by 2025.

The Sabah jurisdictional approach addresses issues at the administrative level (labor, land tenure, indigenous rights, smallholders' readiness, impacts of oil palm plantations within forest reserves), facilitates better access to premium markets, is cost effective (individual certification can be costly), and increases competitiveness.

Whilst the ongoing and planned projects and programs are making important contributions towards achievement of the objectives of the JCSPO initiative, there has been limited coordination among the initiatives implemented by various donors, private sector enterprises, and civil society organizations, with the individual interventions focused on specific geographies within the state. In other words, there is a need for a more systems thinking approach.

The objective of the project is to accelerate the process of achieving jurisdictional certification of sustainable palm oil production in Sabah through facilitating improved multi-stakeholder collaboration.

This would be achieved through work directly with the Secretariat to the JCSC to deliver capacity building and facilitation of improved collaboration among the existing multi-stakeholder structures of the JCSPO initiative. It would also involve facilitating wider and deeper engagement with the oil palm production sector (upstream sector).

There are also opportunities for South-South cooperation with complementary initiatives in Indonesia, including UNDP GCP activities funded by SECO, e.g., effective implementation of multi-stakeholder platforms, and increased readiness of smallholders for sustainability certification. The ongoing UNDP-GEF project "Strengthening Forest Area Planning and Management in Kalimantan (KalFoR) is operating in the provinces of East and Central Kalimantan – bordering Sabah – and focused on jurisdictional approaches for creating more effective land allocations and management of forest areas with high biodiversity in the context of commodity development. Moreover, one of the landscapes of the approved FOLUR country project in Indonesia is in West Kalimantan – providing an additional opportunity for South-South cooperation.

Brazil cattle/soy

The UNDP Green Commodities Programme led the Good Growth Partnership (GGP) since 2017 with a focus on sustainable soy production in MATOPIBA, in the case of Brazil. Interventions in partnership with Conservation International, WWF, IFC and UNEP targeted supporting specific policy, market and financial incentives towards a sustainable soy supply chain from the MATOPIBA region4. UNDP Brazil together with their implementation partner Conservation International, have focused on the sustainable production aspects of the work with a local presence in Tocantins and Bahia.

GGP is ending its current pilot phase. With SECO support it will move into a new one with a refined strategy to take deforestation out of key agricultural commodities supply chains in selected jurisdictions, focused on "enabling change through aligning incentives and stakeholders". It will seek to:

- 1. Collaboratively develop the optimal incentive package including incentives at all levels (subnational, national and global) using system approaches, including system mapping, creating buy-in and tools that support collaborative action at target jurisdictions and country level.
- 2. Foster collaborative action for the implementation of the incentive packages.
- 3. Scale-up the results and impact achieved at jurisdictional level via disseminating best practices and lessons for replication and uptake nationally and globally.

Brazil's MATOPIBA is still a key target landscape for GGP and this project would not only contribute strategically to GGP's objectives in Brazil but would benefit from GGP's new phase there once funds are mobilized for it. Indeed, GGP would be able to connect the dots with the existing and planned work of all of its partners in Brazil, pulling effective levers of change through market and financial incentives.

A concept note has been prepared for SECO's consideration, and GCP received SECO's go-ahead to keep exploring this option. The concept note is available to SECO in separate documentation.

⁴ See pages 38 to 51 of <u>https://goodgrowthpartnership.com/good-growth-partnership-year-four-highlights-report-</u> 2/.

Ghana cocoa

In April of 2021 GCP submitted a concept idea note outlining a possible intervention focusing on a Ghanaian National Cocoa Platform, and idea which had been discussed with and endorsed SECO's mission in Ghana. However, the situation gradually became more complex as the EU launched a 'cocoa dialogue' series. Even though the EU's approach, which seemed focused on high-level presentations and little interactive dialogue, the process nevertheless occupied a space, and continues to do so. Under the leadership of Anne Schick in SECO's Accra mission, the team engaged the EU and the Dutch embassy to discuss possible collaboration on a platform, but ultimately the EU has communicated that they will proceed alone with GIZ and/or FAO. This is not necessarily the final conclusion in the matter: Both SECO and UNDP believe that national stakeholders, and in particular COCOBOD, should be able to work with whomever they want, and there are also other players in this field, notably the World Bank which will start its huge USD 200 M program in 2022. UNDP has good relationships with EU in Brussels and works to advance a 'Whole UN' approach, and it collaborates closely with FAO as well. SECO and UNDP have agreed to continue exploring but are cognizant of the significant challenges in this space.

Simultaneously, UNDP has continued a discussion with key partners which started in 2020: to support implementation of social and environmental action on the ground by connecting national institutions (many of them with local presence in regions/landscapes), including Ghana's Forestry Commission and COCOBOD with the efforts of private companies who remain key actors in driving change on the ground. The partners, which include the World Cocoa Foundation/Cocoa and Forest Initiative, as well as key companies such as Mondelez, insist that a neutral convener is needed to orchestrate action and forge partnerships and collaboration. GCP and SECO have agreed to explore further, including clarifying against potential overlap with IDH's (SECO-supported) function as the Secretariat of the CFI in Ghana, as well as consultations with key stakeholders. GCP has submitted a short concept note to SECO to support this exploration going forward.

Top-up, Output 3.2 Connect international and local partners to develop joint projects for selected commodity sectors

As part of the initial dialogue process for the scoping process UNDP has interacted with key stakeholders and potential partners in future projects. In all three countries GCP has been working closely with the local UNDP office, which needs to be on board for any national intervention. Moreover, in **Malaysia** the team has engaged with local authorities in Ghana, including the Chief Conservator of Forest in Sabah's Forestry Department, as well as with the FOLUR project design team. In **Brazil**, the team has worked mainly with Conservation International, its partners in the Good Growth Partnership, and which has local teams on the ground. In **Ghana**, GCP has worked closely with SECO's Ghana mission, and interacted with the EU and Dutch embassy for the national platform opportunity - all will be considered key partners if a project intervention is viable - and is currently working to set up discussions with the World Bank and FAO. For the landscape/subnational platform opportunity GCP has been working with WCF/CFI, Mondelez and Ghana's Forestry Commission.

For all three countries the engagement of potential international and local partners will quickly expand in Q1 of 2022.

GCP maintains relationships with several major global commodity buying companies who will be engaged where relevant to explore partnership agreements.

Output 3.3 Transformation scenarios developed with key stakeholders.

UNDP has started preliminary consultations with some key stakeholders, though a more comprehensive stakeholder engagement process and co-creation of transformation scenarios is planned for 2022. To this end, GCP is in the process of hiring national facilitators in Malaysia, Brazil and Ghana. Following SECO's green light for further scoping development in December for Malaysia and Brazil, and, pending a final decision on the approach in Ghana, GCP has developed a tentative workplan for this process which will produce final project proposal for the project opportunities SECO agrees to consider. Further information on the co-creation process going forward is contained in the project idea notes.

2.E. ICO COFFEE PUBLIC PRIVATE TASK FORCE

Following talks in late 2020 with the International Coffee Organization and ICO requests for UNDP support to the ICO Coffee Public Private Task Force (CPPTF), GCP approached SECO to gauge the possibility of funding support. It was agreed that UNDP would accommodate the cost of this work within the existing Phase II and Top-up projects, allocating funding from the projects' global components as well as some unspent funding from the Indonesia and Peru components.



UNDP collaborated with the Global Coffee Platform to design a series of six sessions under the CPPTF's Technical Workstream 3, entitled: 'Sector Transformation in Coffee Exporting Countries' and facilitated the events between 3rd of August and 30th of November. The participatory process had significant participation from national coffee leaders in exporting countries, and it generated interests in national

multi-stakeholder collaborative processes. Planned action for 2022 will build on expressions of interest from several countries, including Honduras, Mexico, Peru, Kenya, Uganda, Papua New Guinea and others, to explore the viability of national processes.

The team discussed progress in the ICO CPPTF process as well as upcoming action planned for 2022 with SECO, ICO, and the Global Coffee Platform on 21 December and SECO subsequently confirmed that the team can continue the process in 2022 as planned.

A summary of the process is presented in Annex 3. A learning report is under development and will be shared in Q1 of 2022.

Part 3. Budget execution

UNDP-SECO Platforms - 2021 Budget Execution									
	Indonesia			Peru			Global - scoping - ICO		
	Budget	Expenditure	Execution %	Budget	Expenditure	Execution %	Budget	Expenditure	Execution %
Phase II	145,800	64,775	44.43%	129,600	108,024	83.35%	151,200	183,062	121.07%
Тор-ир	450,831	111,833	24.81%	372,600	51,616	13.85%	800,280	287,542	35.93%
Total budget/ expenditure	596,631	176,608	29.60%	502,200	159,640	31.79%	951,480	470,604	49.46%
Overall execution							39.35%		

The budget execution during 2021 was as follows:

Note: 1) the budget figures are based on the latest agreed budget, which was adjusted when GCP took on the work with ICO CPPTF. 2) the adjusted budget included significant carry-over of unspent funding from 2020. 3) Execution rates sometimes exceeds budget due to expenditure from carry-over funding.

The budget execution in 2021 was very low, for several reasons:

- In retrospect, the budgets for Indonesia and Peru were unrealistically high due to carry-over from 2020, where expenditure had been heavily limited due to the COVID-19 pandemic. Also, the GCP global team was affected by higher-than-expected carry-over. The budgeting had anticipated a faster return to normal and a more robust expenditure pattern in 2021, which didn't materialize. IF expenditure is compared to original budgets in the approved Project Document the expenditure figures are significantly higher.
- The unexpected endurance of COVID-19 in 2021 prolonged UNDP's travel restrictions, which are still in place, and eliminated the cost of in-person project activities. Some of these activities have been postponed, while others have been carried out virtually at a lower cost.

- In both Indonesia and Peru, local governments have been focused on short-term management of the effects of the pandemic on local economies, as opposed to long-term sustainable production goals. This has delayed some of the project's activities.
- In both Indonesia and Peru, the teams have been expected to reach expenditure targets on large GEF funded projects. This has led the project teams to prioritize expenditure on those projects, and "save" SECO funding for better times.

UNDP has followed SECO's recommendation to manage budgets prudently as opposed to speed up expenditure solely for the purpose of increasing expenditure rates. At the end of Phase II, remaining funding was channeled to the Top-up project upon approval from SECO, and unspent funding from 2021 will be carried over to 2022 and 2023.

At the same time, it should be noted that the project teams have adapted well to the virtual working environment, which has shown new (and cheaper) ways to engage stakeholders.

Below is a more detailed assessment of the project's budget execution:

Indonesia

If planning for 2021 was done taking an optimistic scenario where in-person stakeholder engagement and travels could be re-initiated, the pandemic constrained the project team to conduct most of its activities in a virtual manner. This has influenced the budget delivery which therefore was lower than expected. The pandemic also generated delays in activities implementation, with stakeholders being less available and prioritizing the immediate health concerns over sustainable palm oil. However, mitigation actions were defined to overcome challenges faced through strengthened engagement strategies and local partnerships. In addition, several processes were delayed such as the recruitment of the Jambi Coordinator and the Secretariat staff, the delivery of the capacity building training for the Secretariat, or the farmers extensions services system support in Tebo, which had consequent budget allocated. These delays can be explained by the constantly evolving context and challenges raised by COVID-19, as well as project activities inter-dependencies and new internal UNDP processes. In addition, as UNDP Indonesia implements the SECO-funded project alongside the GEF-Good Growth Partnership in an integrated way, spending GEF budget was prioritized given this project is coming to an end in March 2022. This did not have an impact on the delivery of activities of the SECO-funded project, which could still be achieved through cost-sharing with the Good Growth Partnership while allowing a lower financial charge for the project and efficiency gains. The progress mentioned in the section above also demonstrated that despite the challenges faced, the project still managed to provide a meaningful contribution to support the transition of the palm oil sector towards sustainability.

Peru

During the year 2021 Peru was still hit by the health emergency context. Face-to-face actions, such as workshops, events, work meetings, travel, among others, were stopped, which implied a significant reduction in the use of the planned budget for said activities. Based on this, the project adjusted its actions focusing attention on supporting initiatives of common interest proposed by the members of the Council. In this sense, a significant number of priority issues have been identified to be promoted by the Council, which requires an additional step, which is to arrive at the commitment of contribution and collaboration

between the members, which has been worked on during 2021. These prioritized activities are reflected in the 2022 Annual Work Plan.

In addition to the COVID-related delays the project team also encountered limitations in national institutions due to the institutional crisis after the national elections.

Global

The GCP team's global budget execution has mostly progressed as planned. This includes the project scoping activities as well as the support to the International Coffee Organization's Coffee Public-Private Task Force, both of which are scheduled to end in 2022. Execution rates were satisfactory for Phase II - even higher than budgeted due to funding carry-over from 2021. Execution was lower for the Top-up due to unexpected carry-over.

SECO and GCP agreed that GCP would put global activities on the front burner to enable it to take on the support to ICO. This would result in GCP running out of global SECO funding around March of 2023. in the PSC meeting on 3rd February of 2022 GCP was informed that new SECO funding for a Phase III would be available approximately March - June 2023. UNDP aims to manage project funding to avoid potential gaps between the Top-up project and Phase III.

Annex 1. Progress on results framework indicators

UNDP - National Commodities Platforms Phase II		Indonesia – Peru - Global UR-00847.20.01 -03		UR-00847.20.01 -0	3	
Strategy of Intervention Key Performance Indicators		Means of Verification End of 2020 progress		2020 progress	End of 2021 progress	
Impact	Impact Indicators					
Government and stakeholder of targeted countries have built long- term sustainability of multi-stakeholder engagement in the National Commodity Platforms process (NCP) and coordinate multi- stakeholder actions towards the implementation of National Action Plans (NAP) in both Indonesia's Palm Oil and Peru's Coffee sectors, and sharing successful practices for replication in other agro-commodity sectors around the world.	Increase in export volumes (as a % and in Mio. USD) of sustainable goods (coffee and palm oil) from developing countries NAP in Indonesia and Peru under implementation, including actions under implementation contributing to preventing deforestation <i>BL: NAPs approved</i> <i>Tgt: From 2019</i> <i>national monitoring</i> <i>systems document</i> <i>implementation</i> <i>progress, by project</i> <i>end actions are under</i> <i>implementation in all</i>	Trade Statistics Production statistics Monitoring system data Public budgets and work plans; .	document a indicator. G trade statis the end of F NAPs appro implementa Indonesia a with some of COVID. Mor being estab some delay Peru and In supported g activities m	ved and under ation in both nd Peru - although delays due to nitoring systems are lished but also with s. Teams in both donesia has governments in apping which is a feeding baseline i into the	The team could not demonstrate a direct correlation between the project interventions and this indicator, as many additional external factors influence it. A complex methodology would be needed to be able to assess this indicator, which was not planned as part of the project objectives and activities. The project team remains available for further discussion with SECO on this. NAPs are approved and under implementation in Indonesia and Peru, not only by related ministries but also by stakeholders. For Indonesia, monitoring of NAP implementation is ongoing since end of 2019 and a comprehensive monitoring system was established in 2021. First monitoring reports demonstrate progress on implementation of the five areas of the Indonesia NAP, by both state and non-state actors. For Peru, agreement with MIDAGRI to develop the NCAP monitoring tool within the framework of the agricultural policy monitoring system.	

Joint and coordinated NAP action taken by all major stakeholder groups in Indonesia's palm oil sector, driven and coordinated by a nationally owned palm oil platform structure and stakeholder dialogue and understanding on sustainability certification enhanced	Number of actions in Indonesia under implementation <i>BL: No NAP actions under implementation</i> <i>Tgt: By 2020 at least half of NAP actions have started. By the end of the project at least 75% of actions have started.</i>	Project team records (Annual Report) End-of phase Evaluation Monitoring system data Financing scheme reports documenting income from various funding sources	The legalised NAP is under implementation by relevant ministries, subnational governments, and stakeholders. The 1 st report of NAP has been submitted by CMEA to the President. Due to COVID, approximately 15% of NAP has been conducted. By early 2021, there will the 2 nd report submission.	The NAP SPO is being implemented by mandated Ministries, sub-national governments, and non-state stakeholders. Two NAP implementation reports have been submitted to the President and the third report has been submitted by the Secretariat to the CMEA. Up to the second report,73 activities so around 80% of NAP SPO is being implemented. Government is still struggling with COVID-19 handling which delayed achievements of several NAP SPO implementation targets, and natural disasters forced government to revise their yearly plans especially at the subnational level. Despite these challenges, an acceleration of NAP SPO implementation activities was observed in 2021.
	An implementation monitoring tool documents actions defined in the NAP, and findings inform decision-making in the FOKSBI Monitoring Committee <i>Tgt: By 2019</i> <i>implementation</i> <i>monitoring tool in</i> <i>place and by 2020</i> <i>findings from</i> <i>monitoring system</i> <i>informs decision-</i> <i>making</i>		Kick-off meeting was held in January 2020 by the organisation and development of the framework has been on- going ever since, with consultation to government and other stakeholders. Due to COVID, the work has been extended from the initial plan (July 2020 to become Q1 2021).	The monitoring, evaluation and reporting framework was finalized and started being utilized to develop the third implementation report. The training on the monitoring system for NAP SPO Secretariat members, Ministries Focal Points, and sub-national Implementation Team was conducted in December 2021. The process includes a feedback loop and the facilitation of discussions based on the findings from the monitoring exercise. While the monitoring framework was under development, a simpler reporting system was being supported, which led to the identification of issues to be discussed by stakeholders during multi-stakeholder meetings
	Number of multi- stakeholder dialogue events coordinated by government agencies		In 2020 there have been around 80 multi-stakeholder meetings facilitated.	In 2021 there have been around 100 multi-stakeholder meetings facilitated at both national and subnational levels.

by FOKSBI team		
independently		
BL: NCP events coordinated by project team		
Tgt: 2020 (5); 2021 (10)		
Funding from different sources flows to FOKSBI according to agreed funding plan. BL: Funding from SECO and GEF Tgt: By 2020 at least half of FOKSBI budget from government and other sources	The NAP SPO Implementation Team has been formally established under the CMEA Minister Decree Nr. 229/2020, while the secretariat has also been formally established under the CMEA Deputy Decree Nr. 531/2020. Consultant hiring for Platform Sustainability Study is already on going, while the development of NAP SPO implementation guideline along with funding opportunities for the platform	There is currently no data available on exact budget allocated by each Ministry to NAP SPO implementation and Implementation Team structure, but clear evidence exists on their budget allocation. Indeed, the CMEA allocated budget to fund Secretariat members as well as Implementation Team members. In addition, each Ministry involved provided in-kind contribution through the designation a Focal Point. The majority of the Implementation Team and Secretariat staff are funded by the government, so it is reasonable to estimate that more than half of the Implementation Team budget comes from government.
Number of exchanges	is already on going. MoU drafting is being	Due to the extended pandemic, and budget and focus reallocation by the MoA as well as several system and structure
between different	facilitated between the DG of	updates from both International Sustainability & Carbon
certification	Estate Crops CMEA with RSPO	Certification (ISCC) and Roundtable on Sustainable Palm Oil
scheme/number of	and ISCC respectively, aiming	(RSPO) MoU drafting had to be postponed to 2022. Nonetheless
collaborative actions	for support to smallholders in	the team maintains coordination with both parties and informal
BL: discussion among	certification fulfilment.	discussions were held in Q4 with RSPO and ISCC respectively and
different standard		the MoA. Hence, a MoA - ISCC meeting is planned for February
setter facilitated		2022. In addition, the project facilitated a good understanding
through NCP		of the different certification schemes between dialogue partners, especially through the development of a study on
		incentives for smallholders for ISPO certification. This included
Tgt: By 2021 dialogue		
partners have a good		

	understanding of the different certification schemes			multi-stakeholder workshops and a dissemination of the study results through a webinar and the UNDP SPOI Youtube channel.
Outputs to achieve Outcome 1	Output Indicators			
 1.1. Implementation of Indonesia's Palm Oil NAP is facilitated, coordinated and monitored by the FOKSBI team 1.2. Capacity of relevant stakeholders is strengthened to manage dialogue and stakeholder coordination activities in FOKSBI and engagement in NAP implementation independently 1.3. Information on stakeholder activities and impacts in Indonesia's palm oil sector is collected and disseminated to national and international stakeholders 1.4. Stakeholder dialogue and understanding on the implementation of national and international certification 	Number of formal partnerships (agreements, MoUs, joint activity plans, joint projects) in support of NAP implementation in Indonesia facilitated with stakeholders by the FOKSBI team with UNDP assistance <i>BL: 1 (the Good Growth</i> <i>Partnership)</i> <i>Tgt: 10 new</i> <i>partnership facilitated</i> Establishment of capacity building program for the national institution that will manage FOKSBI: <i>Tgt: In place by 2019</i> <i>and training conducted</i> <i>until end of project</i> <i>phase</i>	Documentation of partnership Monitoring Committee minutes Training records, capacity building events Newsletters and mailing lists Minutes of meetings Documentation of capacity building program Online repository	The existing engagement with private sectors and CSOs/Donors has been maintained and expanded. Additional donors i.e. Global Affairs Canada and UKCCU have been engaged for NAP implementation support. MoU between DG of Estate Crops with RSPO and ISCC are being facilitated by the project. Consultant hiring for Platform Sustainability Study is already on going. NAP SPO Implementation Team has been formed, and the NAP SPO Secretariat has been established formally and located at DG of Estate Crops Premises.	 Several partnerships were facilitated in support of the NAP SPO Implementation. This included partnerships to support development and/or implementation of subnational action plans and partnerships to promote Indonesian sustainable palm oil at the international level and gender mainstreaming in the palm oil sector. These are not limited to, but include: PT BKB with government of South Kalimantan province UNIPALMA and UNDP FORTASBI and UNDP Sawit Watch and government of Bulungan district Sawit Watch and government of Pulan Pisau district Sawit Watch and government of North Kayong district Kehati Foundation and government of West Sulawesi province Kehati Foundation and government of Central Kalimantan province Kehati Foundation and government of Skadau district Kehati Foundation and government of Pasang Kayu district Kehati Foundation and government of Pasang Kayu district INOBU and government of Kotawaringin Barat district CORE (Daemeter, Proforest and 9 companies) and government of Siak district CORE (Daemeter, Proforest and 9 companies) and government of Pelalawan district A training needs assessment (TNA) for the Secretariat and Implementation Team capacity building with a focus on multi- stakeholder collaboration and system leadership is on-going. The TNA is expected to complete in January 2022 and capacity building to be delivered in 2022. The delivery of the training was postponed due to the longer process needed to establish the
schemes is promoted	Establishment of online repository of information, including newsletter dissemination about progress in NAP BL: no systematic information Tgt: online repository in place by 2019 and newsletter disseminated quarterly from then onwards.		Foksbi website is updated regularly, while the development of palm oil information centre is postponed to 2021 to wait to be integrated with the NAP monitoring & evaluation framework.	Implementation Team structure and operationalize the Secretariat. Discussions were held between MoA and CMEA on the management of the online information centre. It was decided that the information system will be managed by the NAP SPO Secretariat and that it will be linked to the MoA information system. The development of this information centre was postponed to 2022 due to the need to first develop the NAP SPO monitoring system, and the request of the Secretariat to re- initiate the recruitment process of the web developer. It is expected that the web developer will be on board by beginning of 2022. In the meantime, FoKSBI website is regularly updated and remains a key source of information on palm oil in Indonesia. Newsletters were sent in 2021 and information efficiently disseminated through social media
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	Number of policy notes and collaborative action organized by the team: BL: all activities from the first phase Tgt: no target set		Booklet and info-brief of the NAP SPO Presidential Instruction have been produced. Policy brief on one- year achievement of NAP SPO implementation will be produced in 2021.	A policy brief on One Year of NAP SPO Implementation and one on Gender (co-funding with GEF) were produced. This means that a total of 4 products have been developed during the project Phase II.
Outcome 2	Outcome Indicators	-		
Joint and coordinated NAP action taken by all major stakeholder groups in Peru's coffee sector, driven and coordinated by a strong and active National Coffee Council	NAP actions in Peru under implementation BL: No Strategy actions under implementation Tgt: By 2020 at least half of actions in National Coffee Strategy have started. By the end of the	Project team records (Annual Report) End-of phase Evaluation Monitoring system data Financing scheme reports documenting	NAP actions are under implementation: the level of progress made by the agencies attached to MIDAGRI has been systematized, and those of the other sectors are in the process of being collected through formal request (MIDAGRI).	After the approval of the PNA-Café via Supreme Decree (Dec 2019), the monitoring of the implementation of the PNA-Café began with MIDAGRI, PRODUCE, MINCETUR and DEVIDA. Later, in February 2021, the National Coffee Council was strengthened, which added new allied institutions. At the moment, the systematized information shows that at least 50% of the PNAC's Operational Actions have been addressed by the responsible entities consulted. The process of dialogue and systematization of progress in the implementation of the PNAC made it possible to identify steps

project at least 75% of actions have started.An implementation monitoring tool documents actions defined in the National Coffee Strategy, and findings inform decision-making in the National Coffee CouncilTgt: By 2019 implementation monitoring tool in place and by 2020 findings from monitoring system informs decision- makingNumber of multi- stakeholder dialogue events coordinated by government agenciesBL: NCC supported by project teamTgt: Secretariat team hired or appointed by 2020	income from various funding sources	Coordinated work with the Office of Information Technology (MIDAGRI) has begun to design the Monitoring Tool for the implementation of the PNA- Café. As a basic input for this tool, MIDAGRI's investment / expenditure has been systematized and assigned to the PNA-Café, and regional agendas are being developed. Workshops with methodologies for dialogue and articulation of efforts were held with the MIDAGRI Sector Work Group, as well as with San Martín and VRAEM for the development of regional agendas. The project team collaborated in the realization of five virtual dialogue events: i) Innovation, ii) International trade, iii) Institutionality, iv) Financing for coffee development, v) Internal consumption.	to follow for the proper follow-up and monitoring of the PNAC. Under this framework, an agreement was reached with the General Directorate for the Monitoring and Evaluation of Agrarian Policies to start the design of the monitoring tool that will talk with the policy monitoring systems managed by MIDAGRI. Design will begin in the 1st quarter of 2022. Events: in 2021 the analysis of the Virtual Coffee Promotion Platform began, a space that seeks to articulate dialogue events and coffee promotion initiatives. The GCP team participated (June 2021) in the Coffee and Cocoa Convention as a panelist in the Institutionality and Governance segment. MIDAGRI presented the progress in the process in the framework of EXPOCAFÉ in November 2021. It was agreed to support MIDAGRI in the role of Technical Secretariat to specify an effective start of activities of the National Coffee Council. As of September, direct support has been provided to the Technical Secretariat.
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	Definition of financial sustainability strategy by NCP BL: none Tgt: By 2020 in place		MIDAGRI launched the Coffee Growing Reactivation Program, directing USD\$ 30 million towards the implementation of the PNAC. PNAC Finance Strategy is being developed and will be presented during Q1	From the end of 2020 and the first semester of 2021, a financing plan for PNAC was developed in partnership with Winrock International. The final version is scheduled for December 2021 and will be a NECC work tool. The work to ensure the financial sustainability of the NCAP will continue within the restructured Council
Outputs to achieve Outcome 2	Output Indicators			
 2.1. The implementation of Peru's National Coffee Strategy is facilitated, coordinated and monitored by the project team 2.2. A permanent multistakeholder dialogue forum is institutionalized and coordinates stakeholder action in a National Coffee Strategy 2.3. A strengthened permanent institutional arrangement for Peru's coffee sector is proposed 	Number of formal partnerships (agreements, MoUs, joint activity plans, joint projects) in support of NAP implementation in Peru established <i>BL: 1 (Sustainable Productive Landscapes projects)</i> <i>Tgt: 8 new</i> <i>partnerships</i> <i>established</i>	Documentation of partnership Monitoring Committee minutes Training records, capacity building events Newsletters and mailing lists Minutes of meetings Documentation of capacity building program	 5 agreements (accumulated since the beginning): -Supreme Decree Approval of PNA-Café -MOU collaboration with Winrock International – PNAC Financing Plan -Sectoral Working Group for the implementation of the PNA-Café -Approval of the Coffee Growing Reactivation Program -Launch of the National Virtual Platform for the Promotion of Coffee 2020 - Workshops for the development of San Martín and VRAEM Regional Agendas. 	 8 agreements (accumulated since the beginning): Supreme Decree Approval of PNA-Café MOU collaboration with Winrock International – PNAC Financing Plan Sectoral Working Group for the implementation of the PNA-Café Approval of the Coffee Growing Reactivation Program Launch of the National Virtual Platform for the Promotion of Coffee 2020 Supreme Decree Creation of the National Executive Coffee Council. Approval of the Agrarian Cooperatives Law. Conformation of the working group to address pests (under the CNEC) underway. Development workshops for ten (10) Regional Coffee Agendas -Process of dialogue and systematization of information with the MIDAGRI Sectorial Working Group and the Multisectoral Group -Accompaniment in the organization and participation in Dialogue events of the Nuestro Café Festival

	Establishment of technical program for institutional capacity building <i>Tgt: In place by 2019</i> National Coffee Council operational with permanent secretariat and formalized multi- stakeholder dialogue structure; <i>Tgt: National Coffee Council operational plan describing</i> <i>structure and</i> <i>operation of the</i> <i>National Coffee Council</i> <i>and multi-stakeholder</i>		 -Process of dialogue and systematization of information with the MIDAGRI Sectorial Working Group -Accompaniment in organization and participation (panelist) in the National Virtual Platform for the Promotion of Coffee 2020 -A proposal for the creation of the Permanent Multisectoral Coffee Commission has been prepared and is in the approval process -A Sectorial Working Group has been formed as the first stage of the construction of the multisectoral / multilevel platform 	 -Strengthening the virtual platform for the promotion of coffee as a space for promoting dialogue in the sector -Support and preparation of the presentation of progress of the PNAC in the Expocafé 2021 -Support to MIDAGRI's participation in ICO sessions: i) From Commitments to Action: Towards Country Impact, and ii) Decent Income in Coffee -Supreme Decree (February 2021) creating the National Coffee Council -The decree incorporates a proposed regulation and dialogue structure (in participatory review and improvement process). UNDP is actively supporting the process to operationalize the Council
Outcome 3	dialogue process Outcome Indicators			
Global support to GCP Community is strengthened and its members increasingly interact.	Second generation NCP and NAP methodologies and tools available for use for every GCP country <i>BL: GCP Community</i> <i>members base</i> <i>practices on GCP</i> <i>guidance developed in</i> 2015-16.	GCP Community annual survey End of Phase Evaluation Progress reports GCC participation records; participation feedback surveys	New MSCFSC methodology developed and most tools updated. Some teams are using updated approaches and tools, but full training process will be rolled out in 2021. There has been a slight delay in the process due to COVID, but overall progress is considerable.	The new methodology, called Effective Collaborative Action (ECA) has been launched and presented to stakeholders world- wide. GCP is hiring a trainer to continue deepening the capacity of platform teams to utilize the methodology.

Tgt: By 2020, all		
country teams of UNDP		
GCP use updated		
guidance developed		
during Phase II		
aannig i nase n		
Growth in GCP Community participation; increase in level of satisfaction from key events as measured by reports <i>Tgt: GCP Community</i> <i>participation has</i> <i>doubled by end of</i> <i>2020; Participators'</i> <i>satisfaction rating</i> <i>increased 10% per year</i> <i>from 2019-2021.</i>	GCC has grown to 194 members. GCP expects that membership will double in the next few years as the GEF's FOLUR program starts up, but GEF project approval processes have been delayed due to COVID so project teams are not yet on board.	GCC has grown to 263 members. 74% of respondents stated that they are satisfied with the Community. Participators' rating satisfaction has increased by approximately 10 percentage points from 2019 (65% of respondents are satisfied with the Community in the GCC Assessment and Thematic Planning Survey 2019).The GEF's FOLUR program start has been further delayed in 2021 so the expansion of the community to include FOLUR members will only start in 2022 with an overall objective to reach 350 members by 2025.
	GCP routinely works with over	Consultation with strategic companies to hear from them what
	a dozen large commodity	they see as the key global issues (challenges and opportunities)
Number of	buying companies (please see	in the next three to five years (especially post Covid), and how
partnerships	details in Part 2, Output 3.3),	GCP and UNDP could be more effective partners to tackle these.
(agreements, MoUs,	either globally or in the	Findings provided input to UNDP and GCP strategy reviews.
joint activity plans,	context of platforms. Some	Flagship partnership proposal developed with MARS Farmer
joint projects) in	have written agreement and	Income Lab, and continued negotiations with IKEA (multi
support of GCP	provide funding whereas	country multi commodity) and Unilever (Indonesia) for
established	others are participating in	partnership proposals. Completion of PS engagement guidance
BL: Existing relationships but no	project activities and coordinating efforts. GCP	and tools for country teams – part of upgraded ECA methodology.
formal partnerships	works in a formal relationship	
	with major conservation	
Tgt: By 2020 at least 5	organizations, including CI,	
global commodity	WWF, UNEP, IFC and FAO.	
	Joint events held with ISEAL,	
	TFA, Proforest and Evidensia.	
		1

	buyers and 3 aid agencies or NGOs		
Outputs to achieve Outcome 3	Output Indicators		

 3.1. Strengthened methodologies and tools for stakeholder dialogue and action planning are developed 3.2. Structured learning to optimize team capacity and performance of the GCP Community are put in place 3.3. Knowledge, and awareness of commodity sustainability and the value of stakeholder dialogue and collaboration through effective communications to national and international stakeholders is shared and increased. 	Development and publication of second generation NCP and NAP methodologies and tools (incl. training material) BL: First generation tool in use Tgt: Second generation disseminated for use by 2019 Number of successful practices towards sustainable agro- commodity production disseminated BL: Learning events conducted ad hoc according to needs and capacity Tgt: From 2019 training delivered to GCP Community according to pre-	Publication Website Meeting records Participants lists Partnership documentation Newsletters; conference agendas Success Stories	In addition to 2019 achievements a full new MSCFSC methodology has been developed with corresponding guidance. This includes updated platform guidance materials, and further guidance materials will be produced in 2021. 12 webinar workshops delivered in 2020 (reduced from originally planned due to COVID - see Part II, Ouput 3.2). Further support to sustainable practices will be deliverd through the GCC's new digital platform and learning groups in 2021.	Guidebook and supporting materials were developed and is available for free download. The materials have been widely disseminated. A presentation to SECO personnel is contemplated for 2022. 9 webinars workshops delivered in 2021 (please see detailed Output 3.2). Lessons learned, resources, knowledge products promoted through GCC's digital and learning platform which includes 6 thematic streams and 4 global groups. As part of Good Growth Conference 2021, 5 tailored training sessions delivered by top-tier organizations covered the topics of system, community and individual transformation for sustainable commodity supply chains in addition to three multistakeholder high-level panels.
	established plan (number of events tbd) Number of newsletters published with information on Indonesia's palm oil sector and/or Peru's		3 quarterly newsletters published in 2020, along with four research papers on the program's results and lessons learned. South-South learning	3 newsletters from GCP, 2 from FACS, and 2 events invitations published in 2021, featuring Indonesia and Peru progress: <u>Deforestation-Free Commodities:5 Routes to Go From</u> <u>Commitment to Action</u> (March 2021); <u>Invitation: Webinar on</u> <u>Sustainable Palm Oil Development in Indonesia</u> (April 6);

coffee sector; number	conference held between	GGC High level Conversations (May 2021):
coffee sector; number of conference presentations of lessons learned <i>BL: irregular coverage</i> of project countries <i>Tgt: At least 4 yearly</i> <i>newsletters from 2019</i> <i>disseminated regularly</i> , <i>two conference</i> <i>presentations per year</i> <i>from 2020</i>	conference held between Indonesia and Colombia.	GGC High level Conversations (May 2021): UN Food Systems Summit 2021 & Good Growth Conference 2021(Jul 2021); UNDP FACS and the UN Food Systems Summit (Jul 2021); Food Systems Summit – The Main Event (Sept 2021) 10 years of Impact and a Forest Pledge at COP26 (Nov 16) Food Systems Pre-Summit and Summit Affiliated Event contributions on multistakeholder collaboration from GCP Head, GGP Manager and UNDP Administrator. TFA FACT COP26 Dialogues supported in newsletters and blogs following successful adoption in Glasgow. GCP 10 Year Report and GGP Year 4 Highlights featured relevant countries and stakeholder collaboration stories.

UNDP - National Commodities Platforms		Indonesia – Peru - Global		UR-00847.20.01 -03	
Тор-и	p				
Strategy of Intervention	Key Performance Indicators	Means of Verification		End of 2021 progress	End of 2022 progress
Impact	Impact Indicators				
Project Objective: Sustainable commodity production and trade facilitated through multi- stakeholder collaboration for systemic change	PO.a Implementation of comprehensive NAPs in Indonesia and Peru create and enabling environment for systemic change Baseline: NAPs in Indonesia and Peru endorsed by the	 PO.a NAP implementation monitoring systems and public documents showing institutional responsibilities PO.b Training plans and Green Commodities 	system was 80% of the I government a National II component legalized. N MoHA as pe leading the	n 2021, the development of a NAP implementation monitoring finalized in Indonesia. Monitoring conducted so far shows that NAP activities are currently under implementation, from both t and non-state actors. The FoKSBI platform transitioned towards mplementation Team structure, including a multi-stakeholder through Working Groups that are in the process of being AP implementation oversight is ensured by the CMEA, MoA and er the National Implementation Team Decree, and the MoA is Secretariat. Even if exact data on budget allocated to NAP action ble yet, NAP SPO implementation reporting shows clear	

ini im Ta en sig inc bu NA im suj sta fur im ov ins	pountries' presidents; itial planning for NAP inplementation arget: By project's and (2023), NAPs show gnificant advance, including public udgets allocated to AP action; inplementation upport, multi- iakeholder dialogue unctions and NAP inplementation versight has been istitutionalized within ational institutions	Community assessments on knowledge and practices.	evidence of public budget allocated to NAP action, as well as contributions from non-state actors. Peru: Through the accompaniment of the Technical Secretariat of the National Coffee Council during 2021, a sequence of periodic meetings has been started, having agreed on a priority work agenda. The main action agreed upon are: working in consensus on the functional structure of the Council, identifying priorities and the path for decision-making, preparing the NCAP situation map and the monitoring tool as a collaborative effort.	
ou co sys (M est Ba ge me too	D.b Capacity to roll ut multi-stakeholder ollaboration for vstemic change VSCFSC) has been stablished aseline: Second- eneration hethodologies and pols are under evelopment		New methodologies and tools launched and presented world-wide in a series of events. GCP is in the process of hiring a trainer to support further internal capacity building for the utilization of the ECA. ECA is built into all new GCP project designs.	
GC uti me too dis rar	arget: By 2023 all CP teams globally tilize new tethodologies and bols, and knowledge is isseminated to a wide ange of partners Outcome Indicators			

Indonesia NAP-SPO actions implemented by stakeholders at national and subnational levels	 1.a Monitoring system documents implementation Baseline: Individual NAP activities are not comprehensively monitored Target: In 2021 a comprehensive monitoring system is operating. By end of project government decision-making is guided by monitoring data of NAP-SPO activities 	 1.a Official monitoring system data 1.b Meeting records showing participation 1.c Multi-stakeholder meeting records; joint work plans or curricula for farmer training 	The monitoring, evaluation and reporting framework was finalized and started being utilized to develop the third report on implementation. This is a comprehensive system, involving and supporting coordination between different actors as well as national and subnational levels. A training on the monitoring system for NAP SPO Secretariat members, Ministries Focal Points, and sub-national Implementation Team was conducted in December 2021. Data collected during simpler reporting exercise conducted so far already led to the facilitation of multi-stakeholder dialogue, and it is expected that the new system established will effectively allow the use of data collected to support decision-making. F	
	 1.b Multi-stakeholder processes are continued under government leadership Baseline: FoKSBI has been discontinued Target: In 2021 government establishes new multi- stakeholder dialogue mechanism that takes over FoKSBI's functions, and meetings are regularly held. 		oKSBI transitioned towards a National Implementation Team through adoption of the CMEA Decree Nr. 229 of 2020, and a Secretariat in charge of the operationalization of the National Implementation Team was established in November 2020 through CMEA Decree Nr. 531 of 2020. In 2021, the Secretariat was operationalized and is currently functional. Three additional staff that will support its daily operation are currently being recruited and are expected to be on board by beginning of 2022. In addition, multi-stakeholder working groups were established, and are in the process of being legalized through a revision of the Secretariat Decree. NAP SPO guidelines developed and circulated by the MoHA are guiding the development of additional action plans and Implementation Teams at subnational level while supporting the transition of subnational FoKSBI towards subnational Implementation Teams. A total of around 100 multi- stakeholder meetings were held at national and subnational levels in 2021.	
	1.c Stakeholders in Jambi province coordinate activities,		A Provincial Action Plan and a subnational Implementation Team were established and legalized in the Jambi province in 2020, so the project focused on supporting its socialization and implementation in 2021 and will	

	including farmer training Baseline: No organized stakeholder coordination or farmer training collaboration in Jambi Target: By 2021 a stakeholder coordination mechanism functioning with equal gender representation. By 2022 coordinated training of farmers, with balanced gender participation		continue to do so in 2022, including ensuring equal gender representation and participation. In Tebo, a District Action Plan was developed in 2021 and was submitted for legalization. These represent an increase in terms of stakeholder coordination and collaboration. Delays were faced on the work related to farmers training system due to the pandemic and procurement issues, but a strategy was defined and a strategic local partner identified. It is expected that most of the activities on improving farmer training collaboration in Jambi will take place in 2022.	
Outcome 2	Outcome Indicators	-		
Joint and coordinated NAP action taken by all major stakeholder groups in Peru's coffee sector, driven and coordinated by a strong and active National Coffee Council	2.a Monitoring system documents implementation of Coffee NAP activities Baseline: Individual NAP activities are not comprehensively monitored; Target: In 2021 a comprehensive monitoring system is operating. By end of project government decision-making is guided by monitoring data	 2.a Monitoring system data and information flow to decision- makers 2.b Public documents defining strengthened institutional set-up; partnership agreements with private cocoa and coffee companies 	Agreements reached with MIDAGRI on developing the NCAP monitoring tool connected to the Ministry's Agrarian Policy Monitoring System. Likewise, agreement achieved to develop this monitoring tool in coordination with the Council to be a working instrument of the platform for decision-making. It will start in January 2022.	

	2.b Institutional set-up and partnerships support implementation of comprehensive sector- plans in cocoa and coffee Baseline: Weak institutional set-up in coffee and cocoa. Few organized partnerships for implementation; Target: Peru's key public institutions effectively coordinate and support actions for systemic change in coffee and cocoa (coffee: 2021, cocoa: 2022). Partnerships with leading national and international coffee and cocoa companies ensure strong support to implementation of NAP actions (2021: 3 partnerships in 2021; 7 partnerships in 2022)		Collaboration between the coffee and cocoa chains (Cooperatives Law) and an ongoing platform (Coalition for sustainable production) have been identified as potential spaces to strengthen in this indicator. It is still under review	
Outcome 3	Outcome Indicators			
Opportunities for sustainable commodity production interventions scoped and developed	3.a Project opportunities analyzed, mapped and presented for SECO decision-making	 3.a Project concept notes and project proposals developed 3.b Written expressions of interest from key stakeholders 	3 project idea notes were formulated and presented to SECO for discussion. Notes for Malaysia and Brazil were cleared for further scoping activity. Situation in Ghana is still being evaluated.	

sectors strengthened	leadership support to commodity sectors Baseline: GCP team provides support based	open-access website 4.b Green Commodities Community's app		
Support systems and community learning for sustainable commodity	4.a Global facilitation network provides systems change	4.a Materials, tools and training plans available on GCPs	Work is ongoing to support teams in the adoption of the new ECA methodology. The team will be further strengthened with a specialized trainer in early 2022.	
Outcome 4	Outcome Indicators			
	project intervention options in other countries and sectors identified through scoping process, in on- going dialogue with SECO; By end of 2022 projects developed for SECO funding 3.b Local stakeholders in potential project countries are informed and supportive of potential project investments Baseline: No dialogue; Target: By end of 2021 positive indications from key stakeholders support potential SECO interventions		Local stakeholder buy-in confirmed in Malaysia and Brazil. Stakeholder buy- in confirmed for landscape/subnational platform in Ghana, but a potential opportunity for a national cocoa platform still does not have confirmed stakeholder buy-in (mainly COCOBOD)	
	Baseline: SECO support to GCP commodities processes limited to Indonesia and Peru; Target: By end of 2021,			

on methodol tools develop through SECC Target: By 20 creates a syst change leade approach tha transformatic capacity on th	wed membership and D Phase I; activities program 121 GCP ems- rship t t builds builds		
4.b Growing membership participation Green Comm Community	in the	GCC has grown to 263 members. By December 2021, 83% of members have been registered on the Digital Platform. New members are continuously brought in and guided through the Platform, and efforts have been carried out to ensure that members are actively engaging. Inactive members have been deleted throughout the year. By 2025, it is expected that the GCC will grow to 350 members.	
Baseline: 175 members	5		
Target: 250 m by 2021. Long targets tbd.			

Annex 2. Annual workplan with budget for 2022

Under development. The AWP and budget will be presented to SECO before mid-January

Annex 3. ICO CPPTF support - overview of the process

TW3 Forum: 'Sector Transformation in Coffee Exporting Countries'

A Journey to collaborative action in exporting countries

In the following is presented a short overview of the participatory process of the TW3 Forum. A report summarizing insights, conclusions and lessons learned will subsequently be available.

The premise of TWS3 Forum

As the London Declaration and the CPPTF recognize the need for comprehensive reform throughout the global coffee sector, no doubt the most daunting challenges are faced by the exporting countries dominated by smallholder producers. While 20-30 years of coffee development work has created some progress and isolated impact, it has rarely led to comprehensive transformation of coffee sectors. To overcome today's problems, and prepare for tomorrow's challenges, producing countries need to pursue significant change. Problems are enormous in scope and complexity and impossible to address for any single stakeholder. But whereas solutions require shared vision among stakeholders and the willingness to take collaborative action, many countries lack effective collaborative spaces to build commitment, collaboration and partnerships.

TW3 Forum set out to explore the path to comprehensive sector transformation through a series of six participatory virtual events, running from 3rd of August to 30th of November, 2021. The events, which had heavy participation from national coffee leaders as well as representatives from leading coffee companies, civil society organizations and development partners, helped shape the focus of the TW3 Forum by selecting themes for further exploration. The combined knowledge and active inputs provided by the TW3 Forum members through the process has informed this proposal to the ICO/ICC.

Hard Truths and Shared Vision

TW3 Forum explored the 'hard truths' facing coffee exporting countries, who face difficult threats to the viability of their coffee sectors. While the threats are often realities out of countries' control, the 'hard truths' can be managed with the appropriate strategies, but they require a clear-eyed acknowledgement and concerted action to overcome.

Hard truths include the behaviour of market prices; the availability of resources to invest and give support to farmers; the questionable viability of some existing smallholder production models; the competition from alternative labour markets which makes it harder to attract young generations to farming; and they include threats of climate change and changes in temperatures and rain patterns, among others.

The participants discussed the importance of articulating a national shared vision for the future of their coffee sectors. The consensus in the TW3 Forum was that coffee sectors should be centred around the profitability and productivity of farmers - especially smallholders, supported by the government and a wider system of connected stakeholders engaged in the development, at scale, of a sustainable coffee sector that regenerates landscapes and soil, delivered with local ownership and buy-in.

Enabling Environment and Scaling Solutions

The TW3 Forum acknowledged the multitude of issues that are part of an enabling environment for sector transformation. Many felt solutions were well understood and documented but remained isolated successes. Hence, the question was not so much the 'what' to do, but the 'how' to scale solutions to achieve lasting impact across sectors. Through research, including the ICO CDR2020, and inputs from participants a total of 13 central issues were identified, of which the participants selected eight for further exploration:



Eight themes selected by TW3 participants for discussion

The eight themes were explored in smaller groups in TW3 Forum sessions 3 & 4. For each theme, a topic expert presented a successful solution, followed by a group discussion of how to bring it to scale. The discussions covered success factors and barriers to scale-up, how to get there, roles and responsibilities in scaling, hybrid solutions, innovative partnerships and gender issues, among others. While each exporting country stakeholders must prioritize their challenges, issues covered in the TW3 Forum are likely to be central for sector transformation everywhere.

It's up to us!

In spite of the technical insights into key issues for sector-wide transformation, the TW3 Forum had a strong process focus on how to achieve sector transformation. Time and again the members reconfirmed the importance of multi-stakeholder approaches:

- No stakeholders can achieve sector transformation alone, but all stakeholders must play their role
- Collaborative processes must build trust and empathy among actors who often quarrel and promote own narrow agendas. Processes must improve participation, facilitation, coordination and effectiveness.
- Stakeholders may be required to take on new roles and responsibilities outside traditional comfort zones, and engage in unfamiliar partnerships.
- Reconfirmation of a strong role for the public sector institutions, though in innovative partnerships with other stakeholder groups.
- Approaches must build on progress already made. They must build on existing platforms, processes, projects and structures, but strengthen them.

From Commitment to Action

In parallel with the six TW3 Forum sessions the workstream facilitators, UNDP and GCP, conducted bilateral outreach to national coffee leaders to understand how the TW3 Forum approach to multistakeholder collaboration for sector transformation resonated with them, and to gauge the interest in further stakeholder consultations at national level. A half-dozen countries have manifested interest in exploring further the viability of a national multi-stakeholder process, and the follow-up meetings to deepen national stakeholder engagement are now being planned.

The TW3 Forum also conducted a preliminary meeting with potential global partners, including global companies and development agencies to discuss partnership building processes in support of national sector transformation. The early manifestation of interest is encouraging, but many steps are still needed to concretize country action. The facilitators will continue to support co-creation of national processes and partnership building into 2022, aiming to reach firm commitment to lead and support processes in several countries by mid-2022.