



Six Years of Innovation and Impact (2009-2015)



**Green
Commodities
Programme**

*Empowered lives.
Resilient nations.*

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About the UNDP Green Commodities Programme

We support countries as they seek to overcome the underlying barriers to sustainable commodity production. Creating lasting change where agricultural commodities are concerned is crucial for addressing rural poverty, deforestation, biodiversity loss and climate change. GCP builds on decades of UNDP experience in tackling these global issues. We work in nine countries across seven commodities – managing and advising on over \$100 million worth of UNDP administered technical assistance grants.

Our Focus is On:

- Facilitating a shared agenda for action and investment through National Commodity Platforms. These forums enable supply chain stakeholders to collaborate over the long-term on removing barriers to sustainability and scaling-up efforts nationwide.
- Reforming national policies, legislation and regulations to promote shifts in production practices among farmers, and to enable law enforcers to increase the legality of sourced commodities.
- Strengthening national financial institutions so that more farmers can access the finance needed to adopt sustainable practices.
- Building the capacity of governments to work with the private sector to systemically support farmers. This involves piloting innovations at the landscape level, so that workable solutions can gain traction at a scale that makes a difference.

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"WE THINK THAT GCP IS THE MISSING LINK THAT CAN HELP MAKE PRODUCTION OF CERTAIN COMMODITIES SUSTAINABLE BY BRINGING KEY ACTORS TOGETHER AND WE WANT TO BE PART OF THAT."

– Martin Peter, Head of Economic Development Cooperation, Swiss State Secretariat for Economic Affairs (SECO), in Peru.

Towards Sustainability on a Scale that Makes a Difference

Consumed by billions of people everyday, palm oil, soy, beef and other global commodities are dominant economic forces in many national and local economies. Smallholder farmers produce most of these agro-commodities. If managed sustainably, they have the potential to improve the lives of millions of people, especially those living in rural, often poor, areas. The sustainability of these commodities is also important on a global scale, as today, they are major contributors to deforestation, biodiversity loss and climate change.

Recognizing this, many stakeholders are making important investments towards sustainability. But, the challenge of rolling out change across sectors covering vast areas and hundreds of thousands or even millions of impoverished farmers remains. The key for achieving lasting change on a significant scale is linking ongoing and new efforts with the work of national governments of key producing countries and others along the entire supply chain – from smallholder farmers to global corporations. Through partnership and collaboration at the national level, sectoral transformation can be achieved.

As a trusted development partner, with a long-term presence in more than 170 countries, the United Nations Development Programme

Highlight

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(UNDP) recognized that it could play a game-changing role at the national level to convene diverse commodity stakeholders and help create more enabling environments for sustainable commodity sectors to grow. In 2009, UNDP launched the Green Commodities Programme (GCP) to play this important role in countries where highly traded commodities are important pillars of national and local economies. Today, the focus is on helping a strategically selected portfolio of countries to address the root causes of unsustainable commodity production. This often involves facilitating legal changes and helping to strengthen the systems of government to better enforce laws and support farmers. This approach, in partnership with key stakeholders, has the potential to create long-term structural change. It is also closely linked to and builds on the global UNDP mandate.

GCP is part of a wider UNDP response to the threats posed by climate change, water scarcity, competition for arable land and ecosystem degradation. It has the potential to touch on almost every Sustainable Development Goal (SDG) as it seeks to address poverty, climate change, hunger, malnutrition and unsustainable production and consumption.

Since its inception, GCP has focused on developing the

methodology for setting-up and successfully running National Commodity Platforms. Led by national government, driven by participants and enabled by GCP and its partners, Platforms offer neutral spaces where stakeholders, often for the first time, can come together to develop a shared vision and agenda for action on sustainable commodity production. Specifically, Platforms enable stakeholders to help shape national policies; legal frameworks; improved and enforced land-use planning; increased farmer finance; and national support for farmers to improve their production techniques. Government leadership means that these changes are integrated into national systems, which is essential for shifting entire sectors towards sustainability. When combined with private sector innovation and efficiency there is real potential for sectoral transformation.

Over the past six years, GCP has enabled Costa Rica (pineapple), Indonesia (palm oil), Paraguay (soy and beef), the Dominican Republic (cocoa) and Ghana (cocoa) to set-up National Commodity Platforms and to start addressing sector-wide sustainability issues across seven highly traded commodities.

These National Commodity Platforms have identified key reforms, which as they are implemented, will enable

"AS THE PRODUCTION OF BEEF, PALM OIL AND OTHER HIGH-VALUE AGRICULTURAL COMMODITIES INTENSIFIES THE PRESSURE ON GLOBAL FORESTS, OUR PARTNERSHIP WITH GCP PLAYS A VITAL ROLE. IT STRENGTHENS UNDP'S SUPPORT TO COUNTRIES AIMING TO ADDRESS THE DRIVERS OF DEFORESTATION LINKED TO AGRICULTURAL COMMODITIES THROUGH THEIR NATIONAL REDD+ STRATEGIES."

- Tim Clairs, Principal Technical Advisor, REDD+ Team, UNDP.





“OUR PARTNERSHIPS WITH THE UNDP GREEN COMMODITIES PROGRAMME ARE HELPING US TO GO BEYOND OUR OWN SUPPLY CHAINS TO CATALYZE SYSTEMIC SECTOR-WIDE CHANGE IN COCOA IN WEST AFRICA AND IN PALM OIL THROUGH THE INDONESIA PALM OIL PLATFORM. GCP PLAYS A VITAL ROLE IN BUILDING COLLABORATION BETWEEN COMPANIES, GOVERNMENTS AND THE NON-PROFIT SECTOR IN RAW MATERIAL ORIGIN COUNTRIES.”

– Jonathan Horrell, Director of Sustainability at Mondelez International.



commodity sectors to grow more sustainably. Building on the UNDP mandate, GCP has also supported governments at all levels – national, sub-national and municipal – as well as ministerial, and technical – to shape and start integrating these potentially far-reaching changes. For example, the Indonesia Palm Oil Platform is laying the ground for revising laws that will allow producers and communities to conserve high carbon value forests in palm oil concessions.

A key milestone for National Commodity Platforms is to reach a consensus among stakeholders on long-term **National Action Plans** for specific commodities. Platform members agree on the Plans, making commitments for their collaborative implementation. Plans are institutionalized through legal decree and hence have the potential to significantly influence and change how commodity production is structured and supported in a country.

Achieving sustainability on a scale that matters requires the involvement of stakeholders from small-scale farmers to multinational companies. For this reason, National Commodity Platforms enable the widest possible range of voices to be heard. **Analyzing farmers’ needs** and how national systems need to be reformed to improve support to this often-marginalized group has been a key aspect of the work done through National Commodity Platforms. An example of this approach is about to get underway in the Dominican Republic. Training curricula (developed by a consortium of professional and academic organizations engaged with the National Commodity Platform) will be rolled-out through a new public-private system. Farmers who participate in organized commercial supply chains will gain training through their buyer or processor, while those

who sell through informal networks will receive the support from the Ministry of Agriculture.

As a further step, GCP has **forged partnerships between the public and private sectors** in Ghana, Paraguay and Indonesia to pilot ways in which they can work together to systematically support farmers. In this way, leading companies are able to scale-up their existing work and integrate recognized sustainable commodity practices into their supply chains. For example, a lack of ownership of trees represents a great restriction for agro-forestry development in Ghana. GCP worked with Mondelez International to support farmers to plant and register new trees with the Forestry Commission. At the same time, a new training manual, including best practices on tree planting and tree tenure rights was developed and is now being used by officials to raise awareness among cocoa farmers.

The private sector is an essential player in any sector-wide shift towards sustainability. Since 2009, GCP has also developed significant and meaningful **private sector partnerships** with national and multinational companies at the forefront of integrating sustainability into their supply chains and who seek to contribute on a wider scale. For example, in Indonesia, IKEA was a founding partner for our work on palm oil, while provincial cooperation with large producers, such as Asian Agri, has been essential in reaching out to smallholders. At the same time, ADM and Cargill are lead partners on our work to support soy farmers in adopting sustainable practices in Paraguay.

By participating in Platforms, companies have an opportunity to influence the policy agenda, to

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Meanwhile, with agricultural commodity production increasingly driving **deforestation** in many parts of the world, National Commodity Platforms have also been bringing stakeholders together to design policies, incentives, and pilot tools to address this pressing issue. For example, the Costa Rica National Pineapple Platform is developing innovative technology to monitor forest degradation or loss due to commodities expansion. This system ties land tenancy with the analysis of remote sensing data on gain and loss of forest/ commodities cover. The system will allow law enforcers to identify illegal encroachment of farmland into natural habitat, breaches to forestry law as well as regeneration of forest on farms. Developed with GCP support and in partnership with the United Nations Collaborative Initiative on Reducing Emissions from Deforestation and Forest Degradation (UN-REDD), this tool strengthens the ability of law enforcers to stop illegal encroachment into forests. It will also help farmers to gain rewards for avoiding deforestation through the REDD+ incentives system.

At the same time, GCP has been working with UN-REDD in Papua New Guinea, Côte d’Ivoire, Costa Rica, Paraguay, Peru, Indonesia and Ghana to ensure that agricultural commodities are taken into consideration when national strategies aimed at reducing emissions from deforestation and forest degradation are devised and

implemented.

Partnerships are central to our work and over the past six years, we have also engaged with governments, other United Nations Agencies, non-government organizations, standard setting bodies, such as the ISEAL Alliance and the Roundtable on Sustainable Palm Oil (RSPO), as well as development partners at national and global levels.

We work in close collaboration with the UN-REDD Programme, the Global Environment Facility (GEF), the governments of Switzerland, Norway and Denmark. In particular, we are especially appreciative of our collaboration with the Swiss State Secretariat for Economic Affairs (SECO). This partner was quick to recognize the value of national platforms and have provided vital support for our work, enabling us to strengthen our global methodology as well as our pilots. We are also active members of the Tropical Forest Alliance 2020 and the Sustainable Commodity Assistance Network (SCAN).

This publication captures the key innovations and impacts achieved by the UNDP Green Commodities Programme over the past six years.

Andrew Bovarnick,
Global Head of the UNDP Green
Commodities Programme.

Snapshot: GCP Around the World

By the end of 2015, GCP was working across nine countries, involved in changing the production and supply chain of seven highly traded commodities with the potential to improve the lives of millions of farmers in the countries where we work. These commodities are also crucial on a global scale, as they are major contributors to deforestation, biodiversity loss and climate change.

Honduras

UNDP started work in 2015 to launch a national livestock commodity platform under the leadership of the Ministry of Agriculture. The Platform will be supported and complimented by pilot projects in two of the country's priority eco-regions. These will demonstrate ways that farmers can enhance biodiversity, reduce deforestation and soil degradation, while increasing carbon stocks.

Dominican Republic

The country's first National Cocoa platform was set-up involving key stakeholders. Through the Platform, cocoa stakeholders, including all the major cocoa exporters, have agreed on a 10-year plan to be implemented under the leadership of the National Cocoa Commission. The focus is on supporting farmers to improve their yields and on creating a set of laws and polices to govern the sector's development.

Côte d'Ivoire

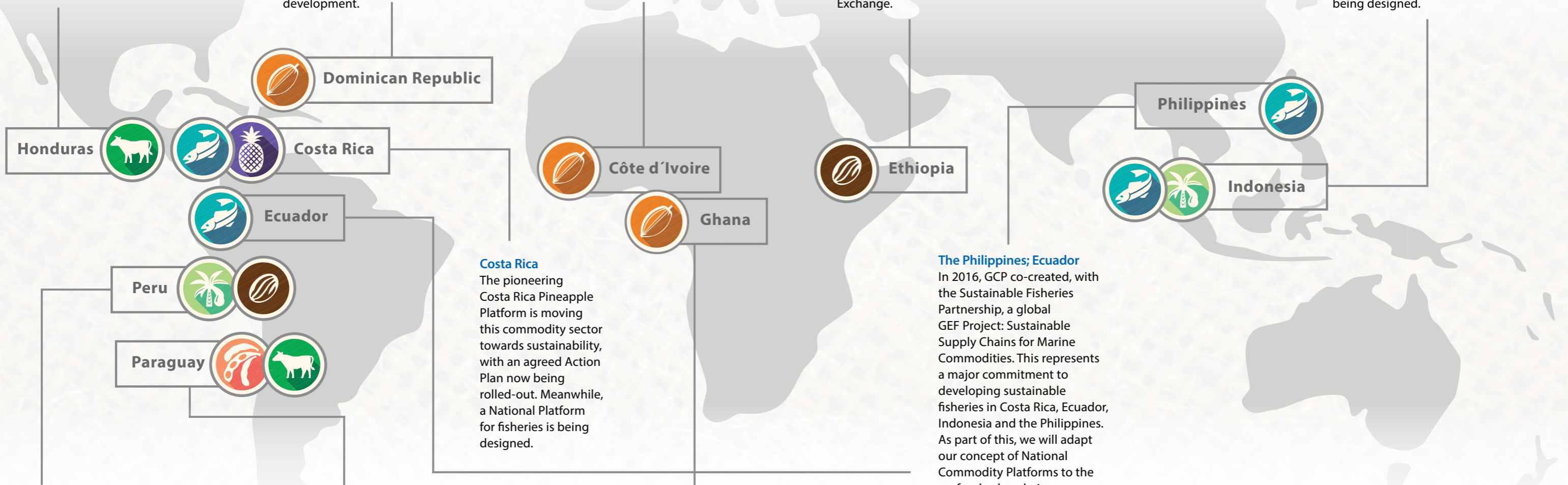
Côte d'Ivoire is committed to transitioning towards zero deforestation cocoa as part of its ongoing REDD+ process. In 2015, GCP responded to a Government request to support this process. GCP assists with the development of the national REDD+ strategy and the engagement of cocoa companies in the process to align public and private sector positions.

Ethiopia

GCP helped design the Ethiopian National Coffee Platform to support the sustainability of this valuable sector. Subsequent institutional changes meant the further development of the Platform was temporary on hold, but it is now being revitalised under the Ethiopian Commodity Exchange.

Indonesia

The Indonesia Palm Oil Platform, led by the Ministry of Agriculture, started bringing key stakeholders together to address complex issues in 2014. A draft National Action Plan Framework is being drafted. GCP also launched a public-private partnership with Asian Agri to pilot sustainability certification for small-scale farmers. Meanwhile, the national platform for fisheries is being designed.



Dominican Republic

Honduras

Costa Rica

Ecuador

Peru

Paraguay

Côte d'Ivoire

Ghana

Ethiopia

Philippines

Indonesia

Costa Rica

The pioneering Costa Rica Pineapple Platform is moving this commodity sector towards sustainability, with an agreed Action Plan now being rolled-out. Meanwhile, a National Platform for fisheries is being designed.

The Philippines; Ecuador

In 2016, GCP co-created, with the Sustainable Fisheries Partnership, a global GEF Project: Sustainable Supply Chains for Marine Commodities. This represents a major commitment to developing sustainable fisheries in Costa Rica, Ecuador, Indonesia and the Philippines. As part of this, we will adapt our concept of National Commodity Platforms to the seafood value chain.

Peru

Widespread consultations informed an analysis of the barriers to sustainability in the fast-growing Peruvian palm oil sector. Meanwhile, a new partnership with SECO got underway in 2015 to support the Peruvian Government in establishing a coffee platform aimed at helping this US\$ 1 billion sector shift towards sustainability.

Paraguay

UNDP is helping the government to address policy reforms at the highest level such as the existing zero deforestation law and regulations. But, most importantly, through the Soy and Beef Commodity Platform, it is forging a major dialogue and building a common ground between the country's relevant government institutions, national and international private companies, key financial institutions and the producers themselves.

Ghana

A partnership between Mondelez International and GCP is demonstrating how farmers can be empowered to adopt good agricultural practices that have the potential to improve farmers' incomes and environments. GCP also helped design and set-up the Ghana Cocoa Platform. In 2016, full responsibility for facilitating the Platform was transferred to the Ghana Cocoa Board.

Note: The boundaries and names shown and the designations used on the map shown below do not imply official endorsement or acceptance by the United Nations.



“RATHER THAN ACTING ALONE, THE GCP APPROACH INVOLVES A POWERFUL PROCESS, WHICH BRINGS EVERYONE TOGETHER, MARSHALING THEIR ENERGY, EXPERIENCE AND EXPERTISE TO FUNDAMENTALLY TRANSFORM KEY COMMODITY SECTORS.”

– Nicolas Guigas, Senior Economist for the Trade Promotion Division at the Swiss State Secretariat for Economic Affairs (SECO).

SECTION TWO

Case Studies: Our Top Six Innovations and Impacts

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- Two** Costa Rica’s Pineapple Industry **Charts a Sustainable Course**.
- Three** The Dominican Republic Launches a Plan to **Improve the Well-Being of Cocoa Producing Communities**, while also Boosting Production by 200 Percent.
- Four** Platform Provides Vital Space for Dialogue as Pressure for **Greater Sustainability Across Indonesia’s Palm Oil Sector** Mounts.
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One

National Commodity Platforms are Now Supporting Entire Sectors to **Shift Towards Sustainable Production** in Five Key Producer Countries

Between 2009 and 2015, GCP supported governments in five countries to set-up National Commodity Platforms to address sustainability issues in pineapple production (Costa Rica), palm oil (Indonesia), beef and soy (Paraguay), and cocoa (Dominican Republic and Ghana).

As part of a neutral organization with a long-term presence in more than 170 countries, GCP was able to bring decades of UNDP experience and expertise in multi-stakeholder and democratic dialogue processes to establish these Platforms. Critically, they are government-led, as without this leadership it is impossible to address many of the systematic underlying causes of unsustainable commodity production in the countries where we work.

We are now using our growing experience and expertise in facilitating National Commodity Platforms to support more governments to set-up Platforms. These include: Honduras (beef), Peru (coffee), Indonesia, the Philippines, Costa Rica and Ecuador (fisheries).

Creating Neutral Spaces for Collaboration

These pioneering Platforms provided neutral spaces at a national level where stakeholder groups, often for the first time, could collaborate and develop a better understanding of the risks and challenges that each other faced.

These processes built bridges, especially between governments and the private sector. They enabled the private sector to influence lasting change beyond their supply chains. And, they also supported governments to rise to the challenges of markets around the world and in their own countries. For example, in Costa Rica the government was able to put in place a systematic national response to the worrying environmental and social challenges resulting from the pineapple industry's rapid growth.

Facilitating Concrete Action Plans that Guide the Shift Towards Sustainability

The ultimate aim of National Commodity Platforms is to reach a consensus among stakeholders on a national response to unsustainable commodity production. This takes the shape of long-term National Action Plans, which are endorsed by government. Strong government leadership means that the needed policies, laws and enforcements systems can be implemented to address the root causes of unsustainable commodity production.

The Action Plans provide valuable frameworks for planning future investments by companies and governments, helping everyone to move forward faster by avoiding the duplication or inconsistency of uncoordinated activities. To date, two National Action Plans have been put forward in Costa Rica and the Dominican Republic. These are the result of analysis carried out by dedicated working groups, followed by widespread consultations with key stakeholder groups. This included regional consultation with smallholders, which represented a unique opportunity for them to actively participate in the development of their sector. These Plans provide an important blueprint for concerted and long-term action that can shift entire commodity sectors towards sustainability.

Building A Vibrant and Growing Community of Practice

As National Commodity Platforms are a new concept and often complex to run, it was important for GCP to support practitioners in Platforms with the opportunity to build their skills. This became a key focus of our work (with SECO support). The GCP team developed a comprehensive curriculum for platform practitioners, based on a thorough assessment of our diverse experiences around the world and identified best practices. Nurturing a growing community of practice,

Highlight

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How National Commodity Platforms Help Shift Entire Commodity Sectors Towards Sustainability

National Commodity Platforms are led by government, driven by participants and enabled by UNDP and its partners. They bring together the widest possible range of stakeholders, including multi-national companies, government departments, traders, producer associations, non-government organizations and small-scale farmers at the national level.

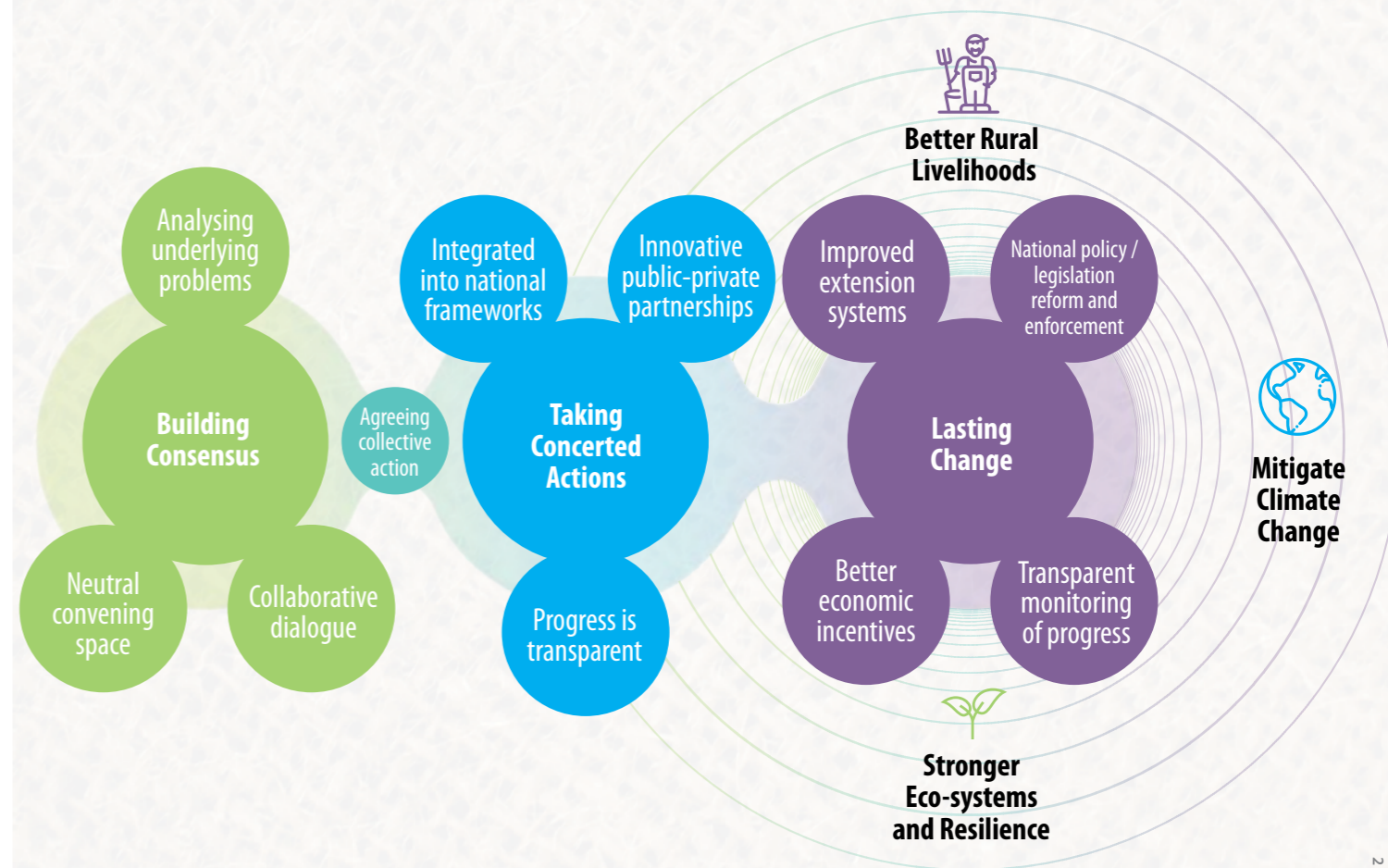


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where platform practitioners can exchange ideas, experiences and collaborate, further supported this. Meanwhile, several exchange tours saw stakeholders travel to another commodity producing country where our platforms are active to share experiences and lessons learned.

To further capture lesson learned and to enable greater cooperation between producer countries, GCP also began designing a global knowledge management system within a major new programme aimed at taking deforestation out of supply chains. This will be implemented in partnership with the Global Environment Facility (GEF) from 2017.





Two

Costa Rica's Pineapple Industry Charts a Sustainable Course



From 2000, Costa Rica's pineapple industry began growing rapidly. By 2012 the country was among the world's biggest exporters of the fruit and the industry was worth US\$800 million to the national economy. Concerns that this pineapple boom had outpaced the government's ability to regulate it manifested when reports of dangerous chemicals seeping into water sources, devastating levels of soil erosion, and labour rights violations surfaced. This created conflict between stakeholders and damaged the country's reputation as a producer.

In 2011, Costa Rica started responding. At the request of the Vice President of Costa Rica, GCP supported the country to set-up the National Platform for the Responsible Production and Trade of Pineapple, jointly implemented by the Ministry of Agriculture and the Ministry of Environment and Energy. Groups that had been at loggerheads, or that had never sat at the same table, were given a neutral and safe space to exchange their perspectives and concerns. A tense and volatile situation gave way to a consultative process, which ultimately engaged 900 people representing more than 50 groups, including big buyers like Tesco and Walmart, small-scale producers, traders and civil society. Together they reached a wide consensus on the problems and a comprehensive Action Plan, charting the way forward.

An Action Plan for Sustainability
The National Action Plan for Strengthening the Responsible Production and Trade of Pineapple in Costa Rica contains 12 sets of activities to be implemented over the next five years, with the ultimate aim of addressing the root causes preventing sustainability in the sector. For example, agro-chemical run-off into water sources is a key issue that the Plan will target. Efforts such as an accreditation scheme for people applying chemicals, new policies, plus better water quality monitoring near human settlements will be rolled out.

Meanwhile, the majority of Costa Rica's pineapple producers are small-scale farmers who will gain support to improve their cultivation practices, making them more competitive and boosting their livelihoods. The Plan also outlines how the government will work with the banking sector and academia to devise financial incentives for farmers who are willing to adopt better practices.

Highlight
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Stakeholders also intend to help farmers branch out into organic production, enabling them to enter new and lucrative markets.

Everyone is Responsible
Overall, this groundbreaking Action Plan details collective efforts between producers, the Government, public agencies, private companies, civil society organizations, research institutions, local communities and consumers. Everyone owns this response, as they were part of devising it. And, in a further innovation, they will also be part of monitoring it through a joint oversight committee made up of government, civil society and business.

The Plan has backing at the highest levels, with the President of Costa Rica, Luis Guillermo Solis, signing a decree making it official in early 2016.

"THROUGH THE PLATFORM WE ARE ENSURING THAT COSTA RICA REMAINS A COMPETITIVE AGRO-COMMODITIES EXPORTING COUNTRY BECAUSE PINEAPPLE PRODUCTION WILL BE SUSTAINABLE AND WE WILL HAVE THE REPUTATION AS A SUSTAINABLE PRODUCER, WHICH MAKES GOOD ENVIRONMENTAL AND BUSINESS SENSE,"

- Luis Felipe Arauz, Cavallini, Minister of Agriculture and Livestock.

Three

The Dominican Republic Launches a Plan to Improve the Well-Being of Cocoa Producing Communities, while also Boosting Production by 200 Percent

Most of the 40,000 small-scale cocoa farmers across the Dominican Republic could significantly improve their yields and livelihoods by adopting better farming practices. At the same time, developing a legal framework to govern the country's cocoa is needed to create an enabling environment for the sector to grow.

A new National Action Plan, endorsed by stakeholder groups along the value chain, seeks to shift the entire sector towards sustainability by addressing these two key issues over the next ten years.

Facilitated by the country's first National Cocoa Platform – led by the Ministry of Agriculture and the National Cocoa Commission – the Plan reflects the views and experiences of more than 300 people. They represent groups operating along the entire value chain, including producers, government institutions, research centers, civil society and aid agencies.

The Public and Private Sectors Join Forces to Systematically Support Farmers

Over the next decade, the Plan aims to put in place an effective national system to help more than 30,000 smallholders increase their yields and livelihoods. This involves the public and private sectors working together to support farmers to adopt good agricultural practices. A consortium of organizations, including professional schools and academic institutions, will develop curriculums, methodologies and needed educational materials to train and support farmers. This will be rolled-out through an innovative system involving

both the public and private sectors. Farmers who participate in organized commercial supply chains will gain training on best farming practices through their buyer or processor, while those who sell through informal networks will receive such support from the Ministry of Agriculture. Efforts will also get underway to set-up localized outlets where farmers can access good quality planting materials, fertilizers and pest-management products.

Meanwhile, responsibilities have also been agreed by different actors to bring a range of public services to isolated farming communities. The aim is to improve the well-being of communities as well as their livelihood options. Without these services and opportunities, the next generation of farmers will continue to abandon cocoa in search of better chances in urban areas.

A Legal Framework to Help the Cocoa Sector Grow

Meanwhile, many different sets of regulations on agriculture, land-use, environmental protection, and rural development are currently governing the cocoa sector. Sometimes these overlap, conflict or leave gaps. Through the Plan, stakeholders will revise these within the next two years, creating a coherent set of laws and policies.

Overall, through the Plan, the Government aims to increase national cocoa production by 200 percent over the next 10 years, providing greater income opportunities for farmers, their communities and the country as a whole.

Highlight

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“WE ARE DELIGHTED TO SUPPORT THE PLATFORM WHICH WILL HELP THE DOMINICAN REPUBLIC TO TAKE OWNERSHIP OF ITS FUTURE IN COCOA AND TO FIND LASTING SOLUTIONS.”

– Cathy Pieters, Director of Cocoa Life Programme at Mondelez International.



Four

Platform Provides Vital Space for Dialogue as Pressure for Greater Sustainability Across Indonesia's Palm Oil Sector Mounts



Over the past decade, sustainability efforts have gained significant momentum across Indonesia's palm oil sector. Private sector led commitments such as the Indonesia Palm Oil Pledge (IPOP), as well as the government's Indonesia Sustainable Palm Oil Standard (ISPO) and a national moratorium on deforestation all demonstrate the growing pressure for greater sustainability across the sector. These need to be reconciled with the government's ambitious palm oil growth plans.

The Indonesia Palm Oil Platform Since 2012, GCP has played a vital convening role to help scale-up sustainability efforts through our development and facilitation of the Indonesia Palm Oil Platform (InPOP), launched in 2014. The Ministry of Agriculture (MOA) leads the Platform, bringing together key stakeholders from across the industry. As the MOA is the ministry primarily responsible for palm oil production in Indonesia, its leadership is fundamental to the success of any sectoral initiative. One of the main aims is for Platform participants to formulate a National Action Plan to shift the entire sector towards sustainability.

By 2015, the Platform was making significant progress on breaking down barriers and encouraging collaboration between groups that had often not worked together before. For example, participants of the platforms represented six ministerial stakeholders, nine private sectors stakeholders, 17 civil society organizations and eight global stakeholders. To date, four technical working groups have explored the key issues of:

supporting small-scale farmers; environmental management and monitoring; governance and mediation; smallholder certification and market access.

Framework For Action

Based on this, the Platform has developed a framework for the country's first comprehensive National Action Plan for Sustainable Palm Oil.

Recommendations within the framework involve redefining land legality permits particularly for smallholders. They also include streamlining certification systems; agreeing on a singular map of forested and productive areas; developing an inter-ministerial definition for Essential Ecosystem Areas with reference to High Conservation Value principles; and defining national and provincial legal requirements specific to land use and business permits for oil palm plantations.

The next steps involve finalising the draft National Action Plan, followed by widespread consultations to gain consensus and commitment to a concerted way forward. This will involve consultations through regional platforms, so that local authorities and producers are also involved in shaping what will ultimately be a national response to an issue of growing concern to people across Indonesia and the world.

Aligning National and International Certification Schemes

Another important area of work for GCP has been to increase alignment between the national ISPO certification scheme and the

Highlight

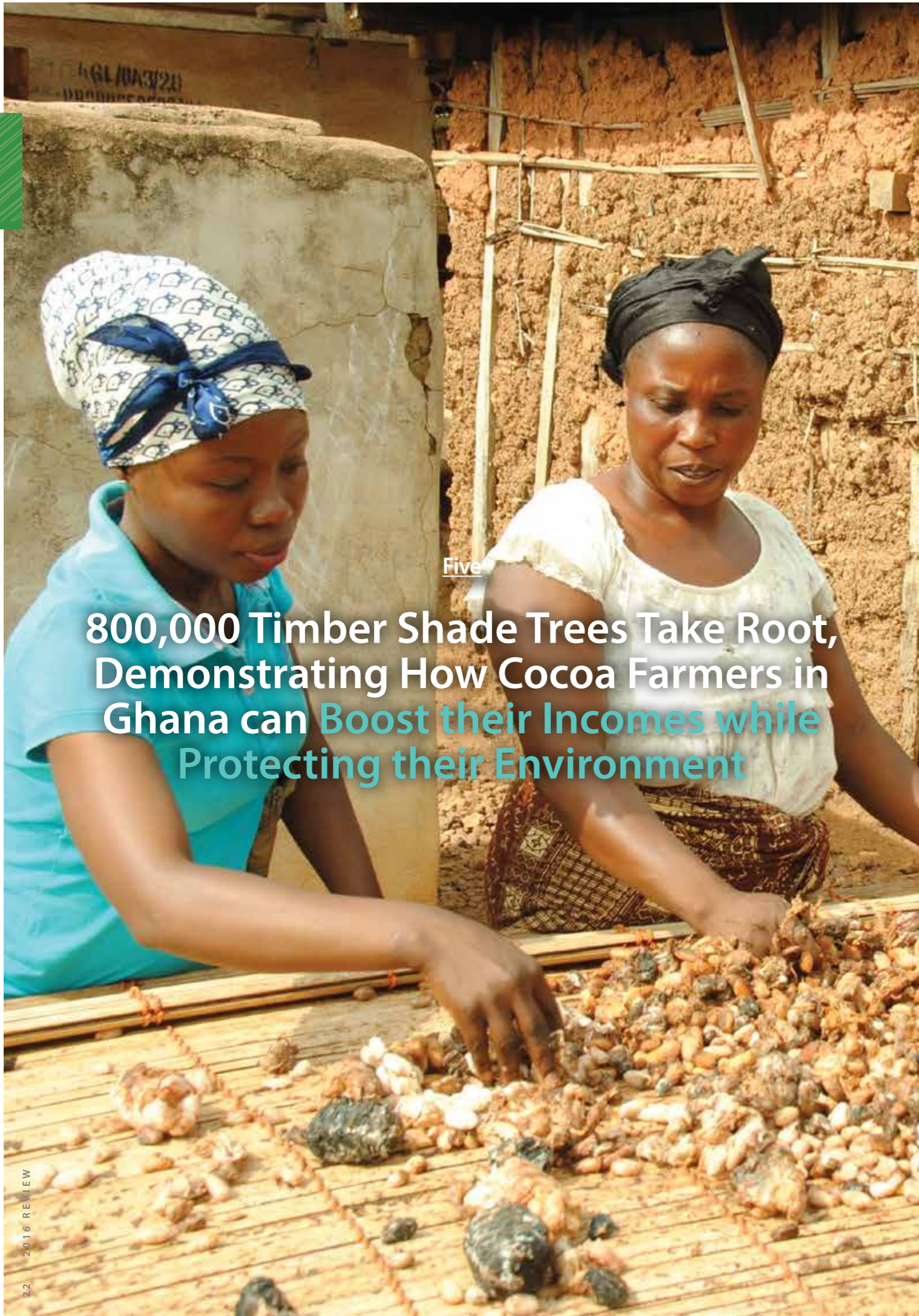
Since 2012, GCP has played a vital convening role to help scale-up sustainability efforts through our development and facilitation of the Indonesia Palm Oil Platform (InPOP), launched in 2014.

international voluntary scheme RSPO. The Indonesian Government developed ISPO in 2011 to reduce the environmental impacts of palm oil and ensure a sustainable product for consumers around the world. The Ministry of Agriculture requires all palm oil companies and mills operating in the country to comply with existing government regulations. On the contrary, RSPO is a voluntary business initiative to which many international stakeholders in the Indonesian palm oil supply chain have signed up to.

As a first step to develop synergies, GCP supported a joint ISPO-RSPO study to identify the similarities and differences between the two schemes. The findings recommend ways for ISPO and RSPO to become strategic partners, rather than competitors. The Report was officially launched in 2016.

THE UNDP SUSTAINABLE PALM OIL INITIATIVE IS ONE OF THE "FEW INDUSTRY-WIDE INITIATIVES ... (WITH) SOME POTENTIAL TO TRANSFORM THE PALM OIL SECTOR"

– Greenpeace, from their 'Cutting Palm Oil out of the Indonesian Supply Chain' Report, 2016.



Five

800,000 Timber Shade Trees Take Root, Demonstrating How Cocoa Farmers in Ghana can Boost their Incomes while Protecting their Environment

Cocoa accounts for 15 percent of Ghana's GDP. Even though global demand for cocoa is soaring, farmers in the world's second largest cocoa producing and exporting country have lacked the skills and resources to invest in their farms or adopt more productive farming techniques. Most Ghanaian cocoa farmers are smallholders and their productivity remains low while poverty levels remain high. Meanwhile, the next generation sees little future in cocoa farming and is increasingly looking for opportunities elsewhere.

Sowing the Seeds of Sustainability

A partnership between GCP and Mondelez International is demonstrating that cocoa farmers will adopt good agricultural practices if they get the right support and understand the benefits. As part of Mondelez's Cocoa Life Programme, since 2014, this partnership has distributed 800,000 economically valuable timber shade tree seedlings. Training was also provided to more than 9,600 cocoa farmers. The idea is to diversify cocoa farms with other types of trees, providing alternative income opportunities and making landscapes more resilient against pests and disease.

The thousands of farmers who have planted the seedlings on their farms are now getting help registering them with the Forestry Commission. This is a critical step in changing farmers' preference for unsustainable sun-grown monoculture because unregistered trees can be harvested by the State at any time under existing policies and laws. This was identified as a key barrier stopping farmers from adopting more sustainable practices.

To date, seedling planting and survival rates are about 90 percent and 95 percent, respectively. This successful pilot also demonstrates how to bring farmers new economic resources at a very low cost.

To integrate these pilot activities into national support systems for farmers, GCP also worked with



"THE PROCESS HAS CREATED AWARENESS ON THE PROCEDURES AND REGULATIONS GOVERNING THE HARVESTING OF TIMBER FROM THEIR FARMS AND HAVE ENABLED THEM TO ASSERT THEIR RIGHTS AND RESPONSIBILITIES."

– Gideon Bredo, cocoa farmer and one of the community representatives involved in the implementation of the CREMA.

the Ghana Cocoa Board to revise and improve the environmental sustainability content of the current training manual. The training manual, as well as education materials on tree tenure rights and forest management for communities, is now being used widely by relevant officials.

Addressing Sustainability Challenges at the Landscape level

Many of the sustainability challenges facing Ghanaian cocoa farmers, such as water contamination, mining, logging and land tenure, must be addressed at the landscape level. In the cocoa producing area of Asunafo North, GCP has started piloting a new way in which communities can collectively manage their natural resources and address some of these wider challenges.

Highlight

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Community Resources Management Areas (CREMAs) bring together key players at the district level. These include: representatives of communities, local authorities and traditional chiefs. CREMAs are legal entities, registered by the Government, with the power to manage their own resources. CREMA communities are able to take decisions to improve land management based on a collective assessment of the local needs.

In 2015, the first CREMA was set-up and is now fully functional. During 2016, the lessons learned from this initial CREMA will be used to help establish more local groups, where stakeholders can identify and build consensus on action to address their specific sustainability challenges.



Six

Stakeholders Come Together for the First Time to Address Sustainability Concerns as Paraguay's Soy and Beef Production Grows at an Unprecedented Rate

In Paraguay, rapidly expanding soy and beef farming is causing environmental concerns. The march of monoculture has also displaced agricultural production by family farmers and indigenous populations, causing social concerns. These industries are however essential as they make up the bulk of Paraguay's export earnings. Making these vital industries sustainable will require stakeholders to build a consensus for action that addresses a vast array of challenges from production practices, equitable land-use to outdated laws governing these sectors.

The First Neutral Forum for Soy and Beef Stakeholders Gets Underway

Through the UNDP/ GEF Green Landscapes Project, GCP supported the Government to set-up the National Soy and Beef Platform in 2015. This is the country's first neutral forum that brings together a wide range of stakeholders, including: small and large-scale farmers, regional and national Governments, line Ministries, NGOs, global commodity buyers, trading companies and financial institutions. Departmental platforms are also being set-up in regional areas. The first of these is in Alto Parana. This regional means of dialogue will be essential for capturing the specificities of each producing area as the Platform shapes a long-term national agenda for action to shift soy and beef production towards sustainability. The Platform has focused on building consensus among stakeholders as to the priority issues that need to be addressed and on identifying and agreeing on the best farming practices that should be integrated across both sectors.

Reaching out to Producers through Partnerships with the Private Sector

The private sector is an essential player in any effort to move soy and beef production towards sustainability in Paraguay. The

country's two biggest soy traders – Cargill and ADM – are now partnering with UNDP/ GEF to extend the use of good agricultural practices among their network of producers. Through these partnerships, UNDP/ GEF will be able to reach close to 90 percent of the medium and large-scale soy producers and bring them up to speed and help them to comply with Paraguay's existing zero deforestation policy and regulations. It also foresees supporting farmers to adopt best practices - such as using live fences, direct sowing of seeds or standards for the manipulation of agro-chemicals - that will enable them to farm soy responsibly and still grow their profits.

Meanwhile, complying with certifications can be costly for farmers. And, too often the banks that lend producers money have neither the knowledge nor the capacity to check whether they are producing sustainably. GCP, through the Roundtable for Sustainable Finance, is assisting Paraguay's major banks - responsible for over 80 percent of the agricultural and livestock loan portfolios – to incorporate environmental standards into their lending procedures and develop new credit lines for producers to finance the changes they need to implement to become certified as sustainable soy suppliers.

Building a More Robust Legal Framework

An effective legal framework, backed by strong monitoring capacities, is vital if sustainability in the beef and soy sectors are to be achieved. A key element of the work has been to entirely review the current legal framework – especially the laws on forestation and reforestation. This is a critical first step in developing a more robust framework. All the key governmental institutions, especially the Secretariat of Environment, have been involved and a consensus on the way forward is being built.

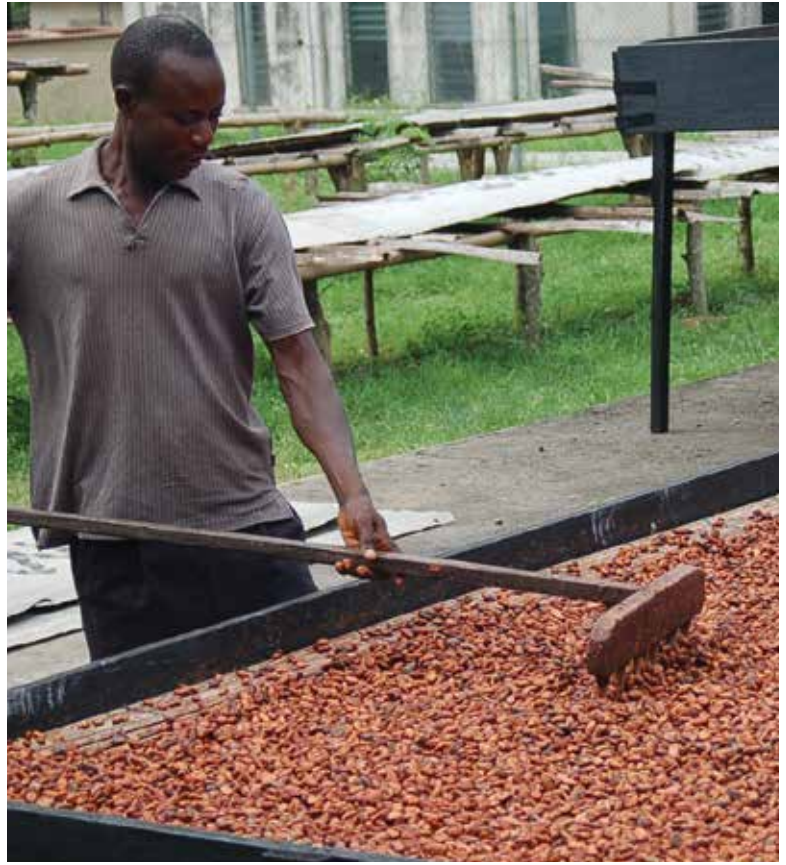
Highlight


Through the UNDP/ GEF Green Landscapes Project, GCP supported the Government to set-up the National Soy and Beef Platform in 2015.



"RESPONSIBLE SOURCING REQUIRES STAKEHOLDER ENGAGEMENT AND LOCAL PRESENCES TO FURTHER UNDERSTAND ROOT-CAUSES TO COMPLEX CHALLENGES. THE OPPORTUNITIES FOR DIALOGUE BETWEEN MULTIPLE STAKEHOLDERS, FROM SMALL-SCALE FARMERS, GOVERNMENT REPRESENTATIVES, TO LOCAL NGOS, WHICH THE UNDP GREEN COMMODITIES PROGRAMME ENABLES, ARE VERY IMPORTANT IN THE DEVELOPMENT OF RESPONSIBLE SOURCING PROGRAMS."


— Lena Pripp Kovac, Head of Sustainability Range and Supply, IKEA of Sweden.



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