

Zero deforestation supply chains: promoting sustainable cocoa



Marisa Camargo - University of Helsinki and Isilda Nhamumbo - IIED

FAO WORLD FORESTRY CONGRESS 7-11 SEPTEMBER, 2015



SCOPE AND MAIN OBJECTIVES

1. The problem

- Agriculture commodities (beef, cocoa, soya) account for 80% of deforestation
- Population growth and expansion of middle class will contribute 70% increase in food demand by 2050
- REDD+ has yet to engage private sector actors at scale to significantly reduce emissions

How to increase productivity and production while conserving and restoring forests?

2. The opportunity

Global efforts to build a green economy

Bonn Challenge supporting restoration of degraded land

Zero-deforestation Supply Chain commitments from Industry

Growing pressure for businesses to internalize externalities

Countries getting ready for REDD+ including addressing the big drivers of deforestation and forest degradation

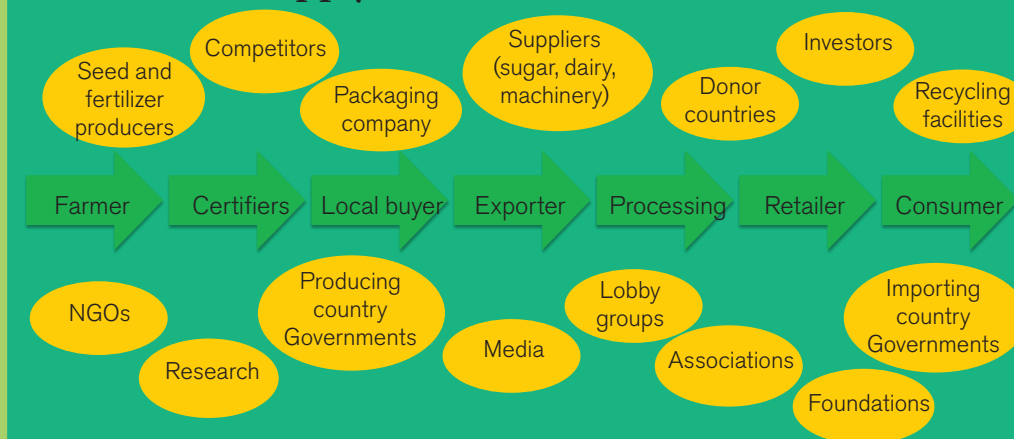
Increased awareness of investors and consumers

3. The context

- Increasing demand for cocoa
- Cocoa smallholders scattered in the landscape
- Benefit-sharing: Farmers receive 3% of chocolate bar price
- Little research on agro-ecology and agroforestry potential for sustainable cocoa production
- Cocoa not alone in the landscape (competing LUs)
- Climate change impacts on cocoa growing area
- Farmers dependency in 1 commodity
- Aging cocoa trees
- Low-productivity, lack of TA, little access to credit
- Aging farmers, little interest of new generations

INNOVATIVE APPROACH/RESULTS

4. Chocolate supply chain



Several actors along the chocolate value chain benefit from cocoa.

They need to share responsibilities, costs, risks and promote more equitable distribution of benefits, e.g. empower farmers, and increase income

All actors generate negative externalities

GHG emissions from deforestation, but also transport and manufacturing - cumulative impact is substantial.

Actors need to promote in-setting = internalise both supply chain externalities and the costs of sustainable production



5. Landscape approach

- Cocoa productivity depends on resilient ecosystems
- Deforestation is a big problem and solutions must include
 - > Restoration and promotion of agroforestry systems and agroecology that provide balance between agriculture matrix, and environmental services for human wellbeing
- Climate change mitigation and adaptation activities have larger multiplier effect if implemented in larger landscapes or jurisdictions
- Need to build synergies between industry initiatives (CSR efforts with farmers), and development agencies' projects (e.g. ODA to develop capacity) for larger impacts.

CONCLUSIONS/LESSONS LEARNED/WAY FORWARD/WHY IT MATTERS

6. Conclusions/Recommendations

Zero-deforestation 'Plus'

- To include restoration, increase productivity through sustainable land use, but also safeguards lessons developed under REDD+ on rights, livelihoods and benefit sharing.

Work at landscape level

- Provide more holistic analysis of the challenges and linkages
- Adopt integrated approaches to effectively address the cross-sector nature of drivers of deforestation
- Bring together several actors to develop cross-sector planning
 - > International institutions should identify and build innovative platforms (e.g. capitalize on Forest Investment Program) and leverage funding
 - > Governments to set up monitoring, reporting and verification systems
 - > Private sector to pay the bill and develop efficient processes and partnerships to reduce emissions along the value chain

Benefits for companies include:

- Internalise externalities - contributing for a more sustainable supply chain including supporting actions by smallholders;
- Spend sustainability budgets not only to 'green image', but to secure sustainable supply of commodities; showing investors their commitment to sustainability and 'preparedness' to future regulations;
- Improve corporate image towards consumers;
- Tighten the relationship with other supply chain actors;
- Address climate related risks.



Part of the inclusive REDD+ initiative implemented by IIED with support from UK government