



Rainforest Alliance's Position on Halting Deforestation and Achieving Sustainability in Agricultural and Forestry Supply Chains

Cause for optimism | forest conservation in the spotlight

From 2000-2012, the expansion of commercial agriculture and timber plantations destroyed more than 50 million hectares of tropical forests – more than seven hectares a minute – with dire consequences for biodiversity, climate change, and the rights and livelihoods of forest peoples.¹ But this crisis has also sparked a bold response aimed at halting commodity-linked deforestation. In 2014, more than 80 companies, governments, and indigenous groups signed the New York Declaration on Forests, pledging to halve natural forest loss by 2020 and halt it by 2030. And the Consumer Goods Forum has committed to help achieve zero net deforestation in the supply chains of its 400+ member businesses by 2020.

Now is a critical moment to pause and consider how this attention to “deforestation-free” sourcing can support the broader goal of protecting Earth’s natural ecosystems while sustaining a growing population and supporting equitable development. As deforestation-related commitments and claims proliferate, there is the risk of confusion, greenwashing, and the loss of precious time. But, if these commitments are fully honored, effectively implemented, and strategically augmented, they can contribute to sustainability at unprecedented scale. How can we collectively set ourselves on the right path?

Defining the goal | focus on outcomes for people, production, forests, and other ecosystems

If the ultimate goal is to protect forests and address the major impacts of commodity production, does it suffice to make company supply chains deforestation-free? The answer is no – for two important reasons. First, without strong complementary efforts to increase the productivity of existing farm and forest lands, restore degraded lands, and equitably govern rural landscapes, surging commodity demand will continue to drive forest destruction. This destruction will merely be shifted to those producers, companies and jurisdictions that are not adhering to deforestation-free commitments. Second, there is now strong consensus that it is not acceptable to sacrifice one set of conservation or development objectives for another. Production and sourcing strategies that fail to address critical issues such as community land rights, worker wellbeing, water scarcity, pesticide toxicity, and destruction of non-forest ecosystems can hardly be considered lasting solutions. Some of the new initiatives address subsets of these issues but many address few or none of them.²

We advocate for commodity production and sourcing to be guided by the goals of: i) conserving forests and other natural ecosystems; ii) protecting the rights and wellbeing of communities and workers while delivering meaningful livelihood improvements; and iii) producing food and fiber more efficiently and with less waste. This concept of “sustainability” has been effectively defined, implemented, and communicated to stakeholders over more than two decades through agricultural and forestry sustainability standards. It can also be implemented outside the context of these standards, by establishing comparable sets of goals, good practices, and performance indicators. A robust sustainability framework can benefit businesses through improved risk management, increased productivity and efficiency, and stronger consumer loyalty and stakeholder relations.

Toward an effective and lasting strategy | five pillars of success

Deforestation-free commitments are an important step toward reaching the preceding goals. Here, we suggest how these commitments can be rigorously implemented (pillar 1) and complemented by additional initiatives and outcomes necessary to achieve lasting progress (pillars 2-5). For companies, these pillars can define a path of stepwise progress – beginning with efforts to address the worst negative

impacts of commodity production, and then moving toward strategic investments and collaborations that generate net benefits for productivity, risk reduction, livelihoods, and ecosystems. Governments, producers, local communities, and NGOs also have important roles to play in achieving these outcomes.

- 1) **Deforestation-free sourcing is clearly defined, rigorously implemented, and mainstreamed, particularly for high-risk commodities.** Different definitions of 'deforestation-free' abound. Improved clarity and consistency is critical in three key areas: a) what constitutes 'deforestation'; b) whether commitments address gross deforestation or net deforestation; and c) what to do when producers or jurisdictions do not comply with deforestation-free frameworks. Rainforest Alliance invites alignment around the following approach, which we believe offers a clear, credible, yet realistic framework for forest protection. This approach can continue to be refined through future collaboration to define key implementing details and methodologies.
 - a) **Definitions:** 'Deforestation' is the conversion of primary or secondary natural forest into agricultural production areas, tree plantations, or other land uses.³ Sustainably managed selective logging of natural forests does not constitute deforestation. Likewise, *de minimis* forest conversion that has little ecological consequence is a sometimes-necessary practical reality and is generally not considered as violating deforestation-free policies.⁴
 - b) **Deforestation-free vs. "no net" deforestation:** Concepts of "no net deforestation" are problematic as commodity production and sourcing policies. First, as there is rarely real equivalency between natural forests lost in one place and regenerated forests or plantations in another, "no net" in practice can substantially diminish forest resources over time.⁵ Second, to apply "no net" approaches across entire supply chains would require accounting, oversight, and long-term governance of forest loss and gain that are likely to prove infeasible. Instead of "no net" approaches, we advise companies to set policies and targets to strongly curtail *gross* deforestation related to commodity production.⁶ "No net" policies may be appropriate for governments that seek to balance development and conservation by accommodating multiple land uses while maintaining rich forest assets.
 - c) **Addressing past deforestation and tradeoffs:** Deforestation-free sourcing is achievable in most places. However, in some areas, recent deforestation may violate cut-off dates. Elsewhere, sovereign governments or community rights-holders in high-forest countries may prioritize crops or plantations over forest protection in the interest of food security or economic development. These scenarios fall outside deforestation-free frameworks, but it is essential to address them constructively. Recent deforestation should be remedied by resolving any remaining social conflict or land tenure disputes, and by mitigating past forest loss in the context of an overall landscape conservation strategy. If forests are proposed for conversion, clear land-use plans must be defined to protect key ecosystems (e.g., High Conservation Value areas and Intact Forest Landscapes), respect community rights, and ensure that any conversion generates measurable gains for local livelihoods. Commodities produced under such scenarios must be excluded from deforestation-free claims. Further work is needed to develop separate mechanisms to define, verify and recognize responsible activity in such situations.

With clear definitions in place, commitments can be implemented, monitored, and reported in a robust and transparent way.

- 2) **Additional safeguards are respected.** Safeguards define a minimum standard of acceptable behavior – not only to protect people and ecosystems but also to mitigate business risk, set policies, and screen prospective investments. In addition to avoiding deforestation, key safeguards include protecting other natural ecosystems (particularly those supporting High Conservation Values); ensuring free, prior and informed consent (FPIC) of local communities;

respecting basic human rights; avoiding severe pollution or over-exploitation of water resources; avoiding labor violations; and protecting workers and communities from harmful chemicals.

- 3) **Production systems use land, water, and other resources more efficiently.** Demand for food and forest products will continue to grow in the coming decades, even if efforts to reduce food waste and guide consumers toward more sustainable purchasing choices are effective. To meet this demand without further large-scale conversion of natural ecosystems, producers must achieve greater harvests from existing production areas. In this context, a safeguards-oriented (“do less harm”) approach to food and fiber production is not enough. Rather, pro-active initiatives are needed to increase productivity while drastically reducing burdens on water use, chemical use, runoff, and greenhouse gas emissions per unit produced. Substantial productivity and efficiency gains are possible on many plantations and most smallholder farms, where producer support programs, participatory learning, clear land rights, and better access to inputs, finance, and information can yield triple dividends for producers, buyers, and the environment.
- 4) **Forests and natural resources are effectively governed.** Deforestation has long been fueled by poor governance, manifested as illegal activity, corruption, unclear or inequitable land tenure, and conflicting authority over forest resources. By contrast, solidifying or re-instating forest ownership by legitimate rights holders, including local and indigenous communities, can support forest conservation, reduce conflict, and enhance social development. With clear rights, communities are better able to manage standing forests as economic assets and realize multiple benefits, including from sustainable logging, commercialization of non-timber forest products, increased value-added processing, and markets or funds for conserving ecosystem services.
- 5) **Degraded lands are restored for productivity and ecosystem health.** So-called degraded lands, which under-perform ecologically and economically by virtue of their prior history of use, are abundant worldwide. Fortunately, these lands can often be restored to productive crop or forestry systems, ranging from second-growth forests to oil palm plantations to smallholder farms growing diverse food and cash crops. In fact, degraded land could accommodate much of the foreseen growth in demand of some major commodities.⁷ To realize this potential, restoration methods that have already been demonstrated technically to succeed must now be brought to scale through supportive government policy, land use planning, improved mechanisms to resolve land tenure issues, training and extension, and increased access to investment capital. In other cases, degraded lands would be better restored to natural ecosystems to protect environmentally sensitive areas, create wildlife corridors, or furnish clean water or other ecosystem values.

What it will take to get us there | key areas for action

Achieving the above results will require a range of activities and investments on the part of many different actors. To ensure that these many efforts add up to a broader sustainability solution, it is important to identify some common operational principles to guide action. Here, we identify four key action areas for the private sector and governments. For our part, the Rainforest Alliance is expanding its programs, services, and partnerships in each of these areas to support companies and governments to achieve demonstrable progress for responsible sourcing and sustainable land use.

- **Send a consistent message that the goal is sustainability, not just halting deforestation:** Deforestation-free production and sourcing is a critical step, but addresses only one segment of most companies’ risk management needs, and only one dimension of most stakeholders’ expectations for responsible business practices and rational land use. Business and consumer markets must continue to prioritize products with broad sustainability credentials rather than shifting to those with the single deforestation-free attribute. Likewise, sustainability leaders should continue to be recognized and supported as they drive innovation. For instance, many

companies are already pursuing strategies to deliver ‘net positive’ impact for communities and ecosystems at commodity points of origin. Systems of performance monitoring, verification, and claims appropriately communicated to consumers and stakeholders can support these efforts by quantifying positive impacts and helping companies derive greater value from sustainability leadership. **Key actions:** *define sourcing policies that recognize a hierarchy of performance – from basic safeguards to net positive benefits – and achieve time-bound progress toward higher sustainability performance levels. Collaborate to develop common metrics that offer consumers, buyers, and other stakeholders clear yardsticks to gauge performance.*

- **Be accountable and transparent:** Claims related to halting deforestation or achieving other sustainability outcomes will be publicly accepted only when they are effectively implemented, monitored, and reported. This requires clear policies, targets, and performance indicators; robust product traceability systems; and public reporting on company operations and key outcomes. Third-party assurance remains the most credible approach to validate results, and is essential for substantiating deforestation-free claims or in other high-risk situations. Furthermore, assurance systems must be credibly defined and structured: for instance, certification systems generally provide clear assurance policies, evaluation criteria, public disclosure requirements, and oversight to ensure audit quality. Assurance conducted outside the context of certification can adapt these elements to increase credibility. **Key actions:** *commit to – and implement – adequate traceability, transparency, public reporting, and credible assurance as part of responsible or sustainable production, sourcing, or jurisdictional management initiatives.*
- **Engage producers as allies:** Supply chain management approaches that impose top-down mandates without due regard the priorities or constraints of producers and local communities are neither equitable nor likely to succeed in the long-term. In contrast, a broader view of sustainability – addressing improvements in productivity, efficiency, and community wellbeing – can engage producers in generating shared value and mutual benefit. Throughout the tropics, small- and large-scale producers have already developed locally-adapted solutions to improve productivity and natural resource management. The most effective and respectful approach to drive sustainability at the field level typically involves reinforcing producer priorities and capacities with strategically designed external support, resources, and tools. **Key actions:** *create a positive value proposition for producers – especially smallholders – to drive sustainability improvements. Invest in sustainable intensification of primary production and increased efficiency of processing. Increase collaboration among government, companies, and NGOs to furnish producers with critical training, support, and access to information and inputs.*
- **Increase public and private sector collaboration:** Public policy (e.g., environmental regulations and land-use zoning) and private governance (e.g., company initiatives and voluntary standards and certification) are now functioning in increasingly synergistic ways. Further collaboration to align these sets of policy instruments and initiatives is essential to achieve progress at full scale. **Key actions:** *governments should establish or expand incentives or requirements for sustainable production and trade practices. Companies should support efforts to institute deforestation-free land use and respect for legitimate community land rights as standard legal requirements – for instance by engaging in landscape planning processes or supporting government legislation with these aims.*

An invitation for engagement

As society works to address the grand challenge of accommodating the needs of nine billion people while maintaining a habitable and biodiversity-rich planet, there is not only space for – but a critical need for – many different strategies and solutions that address the specific circumstances of different commodities, localities, and companies. The Rainforest Alliance has been devoted to addressing this challenge since the early 1990s, helping to build two pioneering sustainability standards (the Forest Stewardship Council [FSC]

and Sustainable Agriculture Network [SAN]) that now reach 190 million hectares and 1.3 million producers, while supporting farmers and forest communities in their efforts to create sustainable and profitable production systems. Thousands of companies already rely on FSC and SAN certification to implement and credibly demonstrate responsible sourcing. Today, we are working to define the next generation of voluntary sustainability standards and systems, building producer capacity on the ground, helping businesses derive greater value from sustainability investments, and working with innovative partners and companies to manage entire supply chains and landscapes toward measureable sustainability outcomes. We welcome your collaboration to implement these exciting initiatives.

For more information, or to join the Rainforest Alliance in **Halting Deforestation and Achieving Sustainability in Agricultural and Forestry Supply Chains**, please contact Richard Z. Donovan at rdonovan@ra.org.

¹ Forest Trends. 2014. Consumer goods and deforestation: an analysis of the extent and nature of illegality in forest conversion for agriculture and timber plantations, http://www.forest-trends.org/documents/files/doc_4718.pdf.

² A. Fishman. 2014. Understanding 'deforestation-free'. The Forest Dialogue Background Paper, <http://theforestdialogue.org/dialogue/scoping-dialogue-understanding-deforestation-free-udf>.

³ Natural forests are forests with a largely native species composition and natural structure, including regenerating forests that exceed a defined threshold of age and/or aboveground biomass, but excluding fallows managed as long-rotation or swidden agricultural systems. Frameworks such as the High Carbon Stock (HCS) method are being actively developed and tested to formalize definitions and thresholds, but further work is still needed.

⁴ A *de minimis* impact or risk is one that is too small to be of much consequence. This concept is used in fields of law, public policy, and risk assessment to avoid the unreasonable application of policies based on trivial or incidental triggers. In the case of forests, *de minimis* conversion refers to forest conversion that is of little ecological consequence because it is small scale (e.g., <1% cumulative extent within a management area) and affects forests of unexceptional quality (e.g., no harm to High Conservation Values). Exact thresholds can be defined in the context of specific policies or standards. For instance, the FSC standard defines rules to address the types of small-scale changes to a forest mosaic that can occur in even a well-managed forestry operation.

⁵ S. Brown and D. Zarin. 2013. What does zero deforestation mean? *Science* 342: 805-807.

⁶ Although we advocate that policies focus on curtailing gross deforestation, we recognize that some companies have already adopted "no net deforestation" policies. If "no net" policies are adopted, they should set quantitative targets for gross forest conversion and for restoration, for instance by: a) using credible tools (e.g., HCV, HCS, and FPIC) to define no-go areas for forest conversion; b) establishing criteria for identifying and implementing forest restoration areas to compensate forest loss; c) not using tree plantations to compensate loss of natural forest; and d) publicly disclosing forest conversion and compensation areas to ensure transparency and substantiate "no net" claims.

⁷ B. B. Strassburg et al. 2014. When enough should be enough: improving the use of current agricultural lands could meet production demands and spare natural habitats in Brazil. *Global Environmental Change* 28: 84–97. Also, B. Gingold et al. 2012. How to identify degraded land for sustainable palm oil in Indonesia. World Resources Institute working paper, <http://www.wri.org/publication/how-identify-degraded-land-sustainable-palm-oil-indonesia>.