

Reducing Risk

Landscape Approaches to Sustainable Sourcing

Scoping Study

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Acknowledgements

This report was prepared by the authors on behalf of the Business Working Group of the Landscapes for People, Food and Nature Initiative and with the assistance of a strategic advisory group.

For complete acknowledgements, please see landscapes.ecoagriculture.org/global_review/reducing_risk.

This report is funded by the Gordon and Betty Moore Foundation.

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Correct Citation

Kissinger, G., A. Brasser, and L. Gross, 2013. Scoping study. Reducing Risk: Landscape Approaches to Sustainable Sourcing. Washington, DC. Landscapes for People, Food and Nature Initiative.

Cover Photo

Cocoa farm in Ghana. Courtesy of Rainforest Alliance.

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Landscapes for People, Food and Nature is a collaborative Initiative to foster cross-sectoral dialogue, learning and action. The partners involved aim to understand and support integrated agricultural landscape approaches to simultaneously meet goals for food production, ecosystem health and human wellbeing. The Business Working Group seeks to expand the potential for this innovative approach in sustainable sourcing, test the concept with key commodities or sourcing regions and identify future partnerships. For more information, please visit: landscapes.ecoagriculture.org.

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Introduction

Global challenges related to food security, poverty, climate change, and ecosystem degradation are of increasing concern to the private sector. Farms must increase productivity to produce more food to feed at least 9 billion people by 2050 with nearly all that additional food needed for developing countries, most notably in Africa and in Asia.^{1,2} Persistent problems of management and governance of ecosystem services stem from poor information and institutional failures, with markets often providing the wrong incentives.³ In response to these global challenges, the private sector is increasingly aware of the need to ensure sustainability of their supply chains and manage risks. As such, private sector engagement in integrated landscape management approaches is on the rise. Landscape approaches work deliberately to support food production, ecosystem conservation, and rural livelihoods across entire landscapes.

While sustainability initiatives in agribusiness and the food industry have grown dramatically over the past two decades, much of this work has focused on improving the environmental and social performance of specific farms, forests, and post-harvest operations in corporate supply chains. However, true sustainability often requires a broader focus that includes management beyond the level of individual production units and engagement of multiple stakeholders from the public, private, and civil society sectors. For instance, watershed health, biodiversity conservation and habitat connectivity, access to education and healthcare, land and resource tenure, and many other factors can strongly influence social, economic, and environmental sustainability. To date, private sector actors have not been widely engaged as partners in landscape management initiatives, though interest is on the rise.

Companies are becoming involved in landscape approaches through standards and certification systems. While these systems offer a critical means of providing companies with off-the-shelf standards, criteria and performance metrics, they are often applied at farm- or concession-level scales, and are not designed to apply at landscape scales. This need for tools that can apply at broader scales, beyond the level of individual production units, can also complement company interests to span supply-chains, seeking efficiencies and increased sustainability along the way.

This report shares initial outcomes of a comprehensive global scoping of integrated landscape approaches, exploring the rationales (why) and modes (how) companies use to pursue landscape approaches. The scoping allows us to compare across a range of attributes, including differences among commodity types, types of risks businesses face and opportunities sought, barriers to functionality and success, and critical enabling factors. This scoping report is the first product of the “Building the business case for integrated landscape management” research project, carried out on behalf of the Landscapes for People,

“Landscape approaches work deliberately to support food production, ecosystem conservation, and rural livelihoods across entire landscapes.”

- 1 Food and Agriculture Organization of the United Nations (FAO), 2009. How to Feed the World in 2050. Discussion paper prepared for Expert Forum: 12–13 October 2009, released 23 September 2009.
- 2 Foresight, 2011. The Future of Food and Farming (2011) Final Project Report. The Government Office for Science, London, UK.
- 3 EEB Foundations, 2010. In: Kumar, P. (Ed.), TEEB-The Economics of Ecosystems and Biodiversity (TEEB): Ecological and Economic Foundations. Earthscan, London.

Food and Nature (LPFN) initiative. It is complemented by three in-depth case studies and a synthesis report.

This research seeks to investigate when and how companies should complement a supply chain approach with a landscape approach. This research will also demonstrate, through the in-depth case studies and synthesis findings, what the value proposition of a landscape approach can mean for businesses, and to demonstrate how private sector engagement can be catalytic to or support longer-term management objectives that benefit people, food and nature.

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Objectives

The objectives of this initial scoping of private sector engagement in landscape approaches are:

- a. Identification and inventory of relevant initiatives and companies engaged in landscape approaches. Also private sector sustainability initiatives that have a high potential to be built upon or scaled up to landscape level (Note: given the need for clarity in determining appropriate private-sector landscape approaches, we have placed less emphasis on the latter).
- b. Provide a brief analysis identifying the modes and rationale for business engagement in each instance.

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Methodology

The framing of this scoping assessment was informed by members of the LPFN's Business Working Group, which is focused on engaging business leaders who integrate landscape approaches in their business models. This core group of experts provided initiative case examples, and the authors also solicited input from opinion leaders and practitioners, as well as general notifications sent out on IISD list-servs, the GPFLR discussion Platform on Forest Landscape Restoration, Roundtable for Sustainable Palm Oil (RSPO) discussion platform on LinkedIn, the Food Climate Research Network list serv, and CropLife International's membership. In addition, input was solicited from members of the Strategic Advisory Committee to the LPFN Business Working Group and the LPFN's continental reviews for Africa and Latin America, which used extensive surveys to gather data on landscape approaches and their effectiveness. There were no geographic limits to the information collected for this global scoping, but emphasis was placed on finding examples in developing countries and emerging economies. Results were evaluated against the definitions and criteria for selection described in the next section. From this inventory of >100 initiatives, a sub-group of 27 initiatives were selected based upon generally meeting the definition of a landscape approach.

Definition of Landscape Approaches

This scoping exercise identified that practitioners, businesses and stakeholders have varying degrees of understanding or interpretation of what landscape approaches are. Integrated landscape management is defined by Scherr et al, as “supporting food production, ecosystem conservation, and rural livelihoods across entire landscapes.” These are known under various terms including ecoagriculture, landscape restoration, territorial development, model forests, satoyama, integrated watershed management, agroforestry landscapes, and the ecosystem approach to managing agricultural systems, among many others. While differing somewhat in focus, all of these landscape approaches have five elements in common:

3. Landscape interventions are designed to achieve multiple objectives, including human well-being, food and fiber production, climate change mitigation, and conservation of biodiversity and ecosystem services;
4. Ecological, social and economic interactions among different parts of the landscape are managed to seek positive synergies among interests and actors or reduce negative trade offs;
5. The key role of local communities and households as both producers and land stewards is acknowledged;
6. A long-term perspective is taken for sustainable development, adapting strategies as need to address dynamic social and economic changes;
7. Participatory processes of social learning and multi-stakeholder negotiation are institutionalized, including efforts to involve all parts of the community and ensure that the livelihoods of the most vulnerable people and groups are protected or enhanced.⁴

The term ‘Integrated Landscape Initiatives’ is also used, and refers to a project, program, platform, initiative or set of activities that, a) seeks to improve food production, biodiversity or ecosystem conservation, and rural livelihoods, b) works at landscape scale and includes policy, planning, management or support activities at this scale, c) involves inter-sectoral and/or multi-stakeholder coordination, and d) is highly participatory and supports adaptive collaborative management.⁵

This offers a useful framing of what attributes landscape approaches should include. However, different actors and stakeholders in landscape approaches will have different interests and intentions that guide their engagement and commitment. Many of the attributes above describe public sector, civil society and community interests. However, business and private sector actors will have different motivations and interests, though they will intersect with those of other actors.

“This scoping exercise identified that practitioners, businesses and stakeholders have varying degrees of understanding or interpretation of what landscape approaches are.”

4 Scherr, S., S. Shames, R. Friedman, 2012. From climate-smart agriculture to climate-smart landscapes. *Agriculture & Food Security* 2012, 1:12.

5 Scherr, et al., 2012.

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Criteria for project inclusion in the scoping

Inclusion of candidate initiatives was based on assessing the projects against the following criteria:

1. The initiative must aim to meet the definition of an integrated landscape management approach, as defined above.
2. The initiative must include active private sector participation, however it could be government-, civil society- or private-sector-led. The private sector is defined as business actors or business collaborations, e.g., cooperatives.
3. Sectoral scope: encompasses agriculture (food, fuels, fibre) and may also include forestry.



Results

The projects and initiatives that qualified for selection for inclusion in the scoping of private sector engagement in landscape approaches were further explored to assess the rationales and modes for business engagement. This assessment is based on incomplete information provided by sources (e.g., project partners such as NGO's or research entities, businesses, etc.) and did not involve direct communications with the businesses and private sector actors in most cases. The scoping allows us to compare projects across a range of attributes, including differences between commodity types, regional differences, barriers to functionality and success, and critical enabling factors. This analysis also elucidates ways to include businesses incorporating ecosystem services perspectives in selected landscapes and supply chains.

Rationales and modes for business engagement in landscape approaches

Out of the more than 100 cases surveyed, 27 were selected based on meeting the criteria identified above. From these 27 examples, we identify 9 general rationales for business engagement and 6 modes to put these rationales into practice (see Figure 1). Though our data gathering faced some limitations,⁶ as mentioned above, some general trends could be identified. As the Annex shows, most cases have more than one rationale for business engagement. The most commonly identified rationales are: managing community and operational risks, achieving value chain efficiency and compliance to voluntary standards. The first two refer to business concerns about supplies and sourcing areas. The latter two are generally more focused on supply chain and demand-side or market preference concerns. Businesses view these rationales as risk management, and find ways to mitigate those risks through landscape approaches. These risk mitigation activities (modes) tend to follow a pattern, based on the entry point for engagement, the identified risks and available options to mitigate these risks. In the third section, we explore in greater detail the entry points for businesses to engage a landscape approach. Though we characterize 'partnerships, multi-stakeholder dialogue, planning and management' as a mode, it can also be considered as an enabling condition to a landscape approach, as it occurs to varying degrees in all modes we reviewed.

Rationales for business engagement

R1 Corporate Social Responsibility

Corporate Social Responsibility (CSR) is a form of corporate self-regulation that is integrated into business models, in order to influence a company's per-

6 Note

The initiatives reviewed in the scoping assessment may be biased to the sources, as most information was derived from organisations working on producer support programmes or certification initiatives. We have tried to balance this with information generated from interviews and our own expertise on the subject.

formance in non-financial areas, such as inclusion of social and environmental dimensions in operations, adherence to laws, etc. The most progressive companies embed CSR into core operations—including sustainability as a key business performance indicator and embedding it in core business operations (i.e., giving equal weight to cost, quality and sustainability)—and report on their CSR progress publically. Danone’s Livelihood carbon offset fund provides an example of companies carrying out (a portion of) their CSR intentions.

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R2 Compliance to Voluntary Standards

Voluntary standards are one important tool for sourcing companies (i.e. buyers) to reduce operational and reputational risks, and for producers (i.e. sellers) to reduce operational risks, improve land management and access markets. Though these standards encourage sustainable land practices at the concession or farm level, they sometimes include incentives to improve management at the landscape level. In order to comply with these standards, companies must meet a series of criteria related to land management, land-use zoning and land rights. These have a direct impact on landscapes.⁷ Three of the five cases identified involve high conservation value (HCV) mapping to become compliant for Roundtable for Sustainable Palm Oil certification. Others involve attain-

Rationales
Local community
Operational risks
Investor requirements
Value chain efficiency
Voluntary standards compliance
Corporate social responsibility
Reputational risks

Modes
Carbon finance
Water finance
Value chain approach with ILM elements included
Regional producer support programs
Watershed area management

Figure 1. Rationales and modes of business engagement in landscape approaches

7 Brasser, 2012. From sustainable supply chains to sustainable landscapes. Beagle Sustainable Solutions report to Ministry of Foreign Affairs, Government of The Netherlands.

ment and adherence to the Sustainable Agriculture Network (SAN), UTZ Certified and Good Agricultural Practices (GAP) standards.

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R3 Investor requirements

Sustainability criteria which measure landscape impacts beyond the farm or plant are gradually gaining influence in finance decisions. In the case of Mali Biocarburant SA (MBSA) there is a direct and positive link between investors requirement and the operation of the company. The investors founded MBSA with the mission to develop sustainable biofuel operation with landscape scale benefits. In many other cases investors requirements implies that specific sustainability conditions need to be met before financing is awarded, to decrease the risks of their investments. An example of the impact of these standards is the moratorium on lending to the oil palm sector, which the World Bank announced in 2009. This was triggered by complaints that a group of NGO's brought to the IFC ombudsman. The complaints listed a series of social conflicts between local communities and palm oil companies. An internal audit found that IFC funding of leading palm oil company, the Wilmar Group, violated the IFC's own procedures. It took 18 months of consultations to restart lending to the sector.

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R4 Operational risks: Legal risks

Companies that aim to be present for the long term in strategic sourcing areas have a desire to build up predictable relations with governments. Legal compliance is a criterion that is included in every voluntary standard. As a precursor to certification against such standards, companies work towards legal compliance, including land tenure and land zoning issues. As a result this issue is also covered under "voluntary standards." The Cargill case in Brazil is an example of bringing soy suppliers into compliance with the Brazil National Forest Code. Also in the Grupo Maggi example, legal compliance is a major theme, although it is mainly working towards resource security and therefore classified under that rationale.

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R5 Operational risks: Resource security

Companies that depend on specific commodities and inputs from sourcing regions will seek resource security in order to maintain their supplies. Ensuring resource security is a commonly observed rationale, specifically in cocoa, a commodity that faces global sourcing problems. Smallholder cocoa producers are under-performing at a global scale, leading to reduced quantities and qualities of supply, putting the resource base of leading cocoa companies at risk. As a result multinational companies such as Mars, Olam and many others are investing to improve smallholder production practices at a landscape scale. Though not on a sector-wide scale as in cocoa, similar efforts are being developed in other commodities such as coffee and tea.

Another related operational risk is the presence of 'high-risk agricultural raw materials' in company supply chains. These are inputs and products that carry high social and/or environmental costs, or externalities, with their use. Brand manufacturers, consumer market and demand-side pressure can drive companies that are sourcing high-risk products (or products from 'high-risk landscapes') to reshape their sourcing and supply arrangements. For this reason, we highlight this risk as an operational risk, however we also include it as a reputational risk.

R6 Operational risks: Water security

Water quality and quantity is of great concern to many food and beverage companies, whether used as a direct input (e.g. for irrigation or brewing) or in the supply chain. Water security is an issue that can only be addressed at a landscape level. SABMiller has developed a robust approach, working 'beyond the breweries' in vulnerable catchments to complete water footprints, assess water risks with local stakeholders and sectors, and develop mitigation measures with targets and timelines. Though water security is increasingly a major issue for "thirsty crops" such as sugar cane or cotton, we were unable to identify robust examples of landscape approaches with these commodities.

R7 Reputational risks

Reputational risks can threaten a company's 'license to operate' or 'social license.' The interventions of companies often seek to prevent reputational damage, or mitigate reputational risks. Reputational risks are often harder to mitigate than operational risks and lower the confidence of buyers, the public, governments and investors. The Ecosystem-Based Management approach applied by all major logging companies, government, and aboriginal communities in the Great Bear Rainforest on Canada's west coast were intended to continue the social license to harvest in a globally ecologically-significant rainforest. This allowed timber operators in the region to maintain their global customer base in the US and Europe. Reputational risks are closely linked to operational risks, often triggering changes in operations, such as viable sourcing options, purchasing commitments, and costs.

R8 Local community risks

These are cases where there is direct interest of the company to build up relations with stakeholders in a specific sourcing area, related to the resources processed. The Mondi examples in South Africa are a case in point. Specifically, the New Generations Plantations provide an example of a long-term intervention to resolve a long history of dispute between local forestry operations and environmentalists in a true partnership. Nestlé provides a solid example of proactively supporting farmers, farm workers and communities in key sourcing

“ Though water security is increasingly a major issue for 'thirsty crops' such as sugar cane or cotton, we were unable to identify robust examples of landscape approaches with these commodities. ”

areas as a means to promote rural development, which has direct benefits (and avoided risks) for the business.

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R9 Supply chain efficiency

Companies at the middle or upper levels of value chains often see financial value in supply chain efficiencies. A biomass pelletizing plant's efforts to include smallholders in value-chain efficiency while promoting landscape approach elements offers a strong example. Fair Biomass Mozambique sources agricultural waste flows for pelletization and connects 2,500 farmers to the supply chain. FBM promotes agroforestry techniques and established nurseries, promoting farmer resilience to climate change, and local food security, while simultaneously growing trees for biomass pelletization at the plant in the port of Beira.

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Modes of business engagement

M1 Carbon finance

Carbon finance provides an incentive to reduce greenhouse gas emissions, but can also carry added co-benefits such as biodiversity conservation and support for local land stewards to support integrated landscape management. The regulation of greenhouse gas emissions is an important ecosystem service, and most projects reviewed in the scoping that apply the carbon finance mode seek to avoid emissions from deforestation. The Danone Livelihoods carbon offset fund invests in three main programs that are all at landscape scale: restoration and preservation of natural ecosystems, agroforestry and soil restoration, and rural energy projects that prevent deforestation. In the Guayakí Yerba Mate case in the Atlantic Forest of Argentina, the increase in certified volume is intended to be accompanied by measurable payments for environmental services to smallholders. Starbucks supported development of a forest carbon project in Chiapas, Mexico, as an incentive for farmers to stay with coffee production, while delivering climate mitigation and adaptation benefits. Slow-to-develop carbon markets are delivering less funding to ecosystem service providers than hoped for a few years ago, due to the lack of global commitment to a climate change agreement.

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M2 Water finance

This is a tool related to the watershed management strategy that enables companies to financially contribute to landscape approaches in strategic areas, as exemplified by SABMiller's contribution to a multi-million dollar water fund to protect Bogotá's water sources, while simultaneously securing water for its own operations.

Payment for ecosystem services (PES) approaches are characterized by external beneficiaries of ecosystem services making direct, contractual and conditional payments to local landholders and users in return for adopting practices that secure ecosystem conservation and restoration.

M3 Supply-chain approach with landscape approach elements included

Businesses that apply integrated supply chain management, with landscape approach elements included, seek to mitigate operational risks, while securing inputs and supplies, and long-term security (e.g., sustained yields, stability of supply). The Guayakí Yerba Mate supply-chain approach in Argentina links together climate smart agricultural production of tea, more certified volume, improved direct market linkages, payments for ecosystem services, and preservation of HCV rainforest. Intercropping can be a mode to include landscape elements in a supply chain approach. For example, Mali Biocarburant SA produces biofuels from jatropha planted along the roadside or integrated into existing farming systems, resulting in reduced soil erosion and food crop yields increasing by up to 20% over a 5-year period. Natura has intercropped palm oil with native species such as acai and rose in Brazil, and anecdotal evidence suggests palm oil production has increased by 40% as a result. High-conservation value (HCV) mapping is an often-applied tool to allocate set aside lands in voluntary standards such as Forest Stewardship Council, RSPO, Roundtable for Responsible Soy and others.

Some unique examples exist of voluntary standards being applied beyond the farm-scale, adding landscape approaches. Olam and the Rainforest Alliance are applying the Sustainable Agriculture Network climate module to improve yields, promote climate resilience and better management practices in the cocoa-forests of Western Ghana, and also break the link between cocoa production and deforestation. The Rainforest Alliance and International Trade Centre are working to support Kenyan tea growers to potentially achieve sector-wide certification at a national scale, aligning multiple certification schemes, while better integrating climate change adaptation and mitigation.

M4 Regional producer support programmes

This is a commonly applied strategy for improving smallholder performance at a landscape scale. Regional producer support can encourage better management across all farmers that companies source from, which is critical for companies pursuing certification or adherence to voluntary standards. Starbucks has implemented this approach in Chiapas, Mexico and Sumatra, Indonesia by including landscape scale elements such as increased yields to slow farm expansion into remaining natural forests and protected areas. Their regional producer support, delivered via their C.A.F.E. Practices standard, is encourag-

“Most multi-stakeholder landscape approaches begin with dialogue between various interests with a stake in the landscape, including governments, the private sector and communities.”

ing better management across all participating farmers in the region, whether Starbucks sources directly from them, or via a trader.

In the John Bittar timber/cocoa case two problems could be solved with one strategy. One problem was the encroachment of illegal cocoa producers into the concession of a timber company, creating an obstacle to obtaining FSC certification. The other problem was cocoa producers struggling with poor yields due to poor agricultural practices. The training that accompanied the efforts to become certified against the UTZ standard helped to increase yields and living conditions. Further, the UTZ standard criterion that forbids encroachment into neighbouring forestland helped solve the problems that the timber company faced.

..... **M5 Watershed area management**

A watershed provides a logical biophysical basis for identifying water risks and design of landscape-level interventions to address those risks. The British American Tobacco project in Lombok, Indonesia aims to improve the functionality of a sub-catchment of one of Lombok's watersheds through sustainable landscape management practices that enhance biodiversity and ecosystem services (e.g. pollination and slowing soil erosion), support agriculture and improve livelihoods. A benefit of this approach is the likelihood of cross-sectoral and multi-stakeholder engagement.

..... **M6 Multi-stakeholder dialogue, planning and management**

Most multi-stakeholder landscape approaches begin with dialogue among various actors including governments, the private sector and communities. Dialogue is a precursor to multi-stakeholder planning and management, which can become a landscape approach when the range of actors and scope of landscape attributes are brought into an integrated planning approach. The Great Bear Rainforest example in western Canada demonstrates a negotiated settlement between logging companies, indigenous communities, governments and civil society, which allowed for a redefined approach to logging on 13 million hectares (overcoming strong reputational risks for companies), while setting aside 2.1 million hectares in new protected areas and aligning multiple sectoral and stakeholder interests (including wild salmon fisheries, which depend on forest health). The landscape approach planning and agreements were ratified into law, creating a level playing field for all timber operators, and procedures for adaptive management and refinement of objectives. The landscape approach offered the only solution in this case that would guarantee ecosystem health and stakeholder (aboriginal, community, environmental, government) support for the outcomes.

Findings: Entry Points for Business Engagement

Based on this initial assessment of the modes and rationales for business engagement in landscape initiatives, we offer some preliminary conclusions about why companies engage landscape approaches. Businesses reviewed appear to follow one of three general entry-points to engage a landscape approach:

Companies introduce landscape approaches through their own supply chain interventions

While off-the-shelf certification and standards, criteria and metrics offer important performance measurement and best practices guidance for supply chain interventions, they are often applied at farm- or concession-level scales, and are not designed to apply at landscape scales. In pursuit of stable commodity sourcing and supply chain efficiencies, companies identify additional value in adding on landscape approaches. These follow on certification standards that in some cases include incentives to look at a wider scale of social and environmental attributes. Companies are finding additional value and increased risk mitigation by applying these tools through a landscape lens. While an increasing number of supply chain commitments exist, these in and of themselves do not constitute landscape approaches. Affecting supply chain actors and units through sheer scale can have large-scale impacts, and even bring transformative change in supply chains, across landscapes and producers. However they only become landscape approaches when integrated management occurs beyond the farm-level, often involving multiple sectors and stakeholders, allowing for integrated and long-term planning solutions.

Key questions for further research

- How can companies without strong or well-defined links to sourcing areas, given their role in the supply chain, promote or encourage actors upstream to engage landscape approaches?
- Businesses face a barrier—that of accountability to investors and shareholders on shorter-term financial returns—which makes longer-term investments sometimes difficult to justify to financiers. How can this be overcome? How can the policy environment help provide better incentives?
- Mitigating risks in the production of fast-expanding commodities via landscape approaches is an emergent area. How can landscape approaches apply in areas where crop substitution and switching is common, or in areas under strong expansion and development pressure?

“In pursuit of stable commodity sourcing and supply chain efficiencies, companies identify additional value in adding on landscape approaches to certification and product standards.”

Companies join multi-stakeholder platforms

Companies join multi-stakeholder platforms, such as commodity roundtables, cross-sectoral or community-based dialogues, and find solutions via landscape approaches. These approaches follow a pathway of engagement, usually starting with dialogue and information sharing, leading to value chain rewards, market access, continued license to operate, or a reduction in reputational or operational risk. A critical benefit of these platforms to companies is the likelihood that identifying shared risks with other stakeholders increases the likelihood of partnerships for shared solutions. This carries benefits of potentially leveraging resources and capacity that businesses may not have on their own. Multi-stakeholder initiatives move from collaborations to landscape approaches when the dialogue and planning (at wider scales beyond the production unit) result in modified management practices based on the landscape approach.

Key questions for further research

- Company engagement in multi-stakeholder platforms can have high transaction costs, take time, and at times decrease company control over outcomes. What should the balance sheet include, and what is the net value to companies to engage?
- How can public-private partnerships be promoted, so that companies do not infringe upon government jurisdictions and remits?

Company interventions at the producer level that bring in landscape approach elements

Investments companies make at the production-level, such as producer support programmes across landscapes, can include landscape elements. Producer support programmes implemented at a regional scale offer an interesting strategy to combine certification or management objectives with livelihood improvements while simultaneously combatting sourcing risks. These can be for a single commodity or for a combination of commodities (e.g. cocoa and tea/charcoal), which in both cases often leads companies to define interventions beyond the farm-scale. However, the challenge is that these approaches may not balance tradeoffs at landscape scales, if the primary motivation or rationale is not integrated landscape management, but rather increasing productivity, etc.

Questions arise whether large-scale interventions at the producer scale equate to a landscape approach. For instance, a company reaching thousands of farmers via extension and improved management in the cocoa sector may achieve improvements in bean quality and increased income for farmers, arguably resulting in landscape level benefits. Can scaling up hundreds of interventions at an individual farm level deliver the same benefits as a landscape approach?

Our assessment via the scoping survey leads to a hypothesis that aggregated interventions do not equate to the value of a landscape approach, as key elements may be missing or unconnected. For instance, aggregated interventions at the farm-level across an entire region may not sufficiently address risks beyond the farm, such as water scarcity or labour issues. Thus, producer-level interventions that include landscape elements effectively are often those that include a strong integrated management planning component early on, before identifying solutions.

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Key questions for further research

- What other options exist that are not landscape approaches, and how do they compare? How can a company decipher between the benefits to be obtained via the range of options, and how/when does the landscape approach deliver additional value?
- As when companies introduce landscape approaches through their own supply chains, questions of scale and additionality of value of the landscape approach arise. How can we define the additional value?
- What are the barriers to a landscape approach? How can they be overcome?

Underlying all of the above entry-points is the need to articulate the conditions that should be in place for businesses to develop viable landscape approaches. In many scoping examples, the motivation to go beyond large-scale approaches to full landscape approaches are clearest in examples of a) extreme resource scarcity and lack of substitutes, b) competition between sectors for the same resource, or c) multi-stakeholder and cross-sectoral landscape approaches in which private sector engagement is spurred by reputational or operational risk. The motivation in these examples comes from direct threats to business operations, rather than long-range planning beyond the business unit. Climate change, water risks and community issues are perceived as direct risks, and are on the agenda of many companies reviewed. Further, these are risks that cannot be adequately mitigated at farm-levels. Based on our assessment, while companies identify critical risks and generally can gauge the corresponding financial risk to the company's operations, very few companies reviewed have quantified the value of the benefits to the company of engaging the landscape approach.

Therefore, the next stage in this research is to identify illustrative case studies that will quantitatively demonstrate the value of landscape approaches to businesses. Our goal is to articulate the value proposition of the landscape approach. Without such quantitative evidence, making the case for business engagement is subjective, or based on incomplete measures of value and/or benefit. Thus, this research will further explore how businesses are mitigating risk and finding value in these approaches, and what enabling factors are critical for success. This initiative also seeks to expand the potential for this innovative approach in sustainable sourcing, test the concept with key commodities or sourcing regions, and identify new future partnerships for change.

Annex

Project, Lead Organization	Rationales for Business Engagement									Modes of Business Engagement					
	R1	R2	R3	R4	R5	R6	R7	R8	R9	M1	M2	M3	M4	M5	M6
	Corporate Responsibility	Compliance with Voluntary Standards	Investor Requirements	Legal Risks	Resource security	Water security	Reputational risks	Local community risks	Value chain efficiency	Carbon finance	Water finance	Value-chain approach with LLM elements included	Regional producer support programs	Watershed area management	Multi-stakeholder dialogue, planning and management
Sustainable Tea and Yerba Mate Production, Guayaki															
Livelihoods Fund, Danone															
Fair Biomass Mozambique (FBM)															
Lombok Watershed Management Project, ELI/BAT															
Climate Cocoa Partnership for REDD+ Preparation, Olam/RA															
Mechanisms for HCV Forest and Peatland in Oil Palm Landscapes, PT Austindo Nusantara Jaya/KAL															
Biodiversity and Cocoa Farming, Armajaro															
Pilot Study Increasing Effectiveness of Biodiversity Related RSPO Principles and Criteria, Wilmar															
Applying Sustainable Cocoa, Mars															
Biodiversity Friendly Smallholder Soy in Preferential Markets, Gebana															
Producers for Biodiversity, IFC															
Water Security South Africa, Mondi															
Rare Plant Supply Local Community Cooperative, Yves Rocher															
Technical Advice for Soy Supplier Legal Compliance, Cargill															
Landcare Research, Zespri															
Sustainable Palm Oil Production, Natura															
Regional Water Security, SAB Miller															

Table 1. Rationales and modes of surveyed companies

Project, Lead Organization	Rationales for Business Engagement									Modes of Business Engagement					
	R1	R2	R3	R4	R5	R6	R7	R8	R9	M1	M2	M3	M4	M5	M6
	Corporate Responsibility	Compliance with Voluntary Standards	Investor Requirements	Legal Risks	Resource security	Water security	Reputational risks	Local community risks	Value chain efficiency	Carbon finance	Water finance	Value-chain approach with LLM elements included	Regional producer support programs	Watershed area management	Multi-stakeholder dialogue, planning and management
Great Bear Rainforest, Coast Forest Conservation Initiative															
Ethical Tea Partnership, Twinings, Tetley Group, Marks and Spencer's															
Cocoa Sustainability Strategy and Partnership, Mars															
Sustainable Production of Biofuels West Africa, Mali Biocarburant SA															
Ensuring Best Practices in Cocoa-Agroforestry System for Improved Livelihood and Sustainable Environment, Solidaridad W. Africa															
SAGCOT, Unilever, Syngenta, Kiliobero a.o. Partners															
Climate and Coffee, Starbucks															
Sustainable Forest Mosaics Initiative, Kimberly Clark/Fibria															
Olam Palmoil Certification, Proforest															
New Generation Plantations, Mondi															

Table 1. Rationales and modes of surveyed companies, continued.

Rationale	Explanation	Example Company	Activity
R1. Corporate Social Responsibility	Sustainability is embedded in core business operations as a key performance indicator.	Danone	Livelihoods Fund includes social and environmental principles in investments.
R2. Compliance to Voluntary Standards	Standards include incentives to improve management at landscape level or lead companies to larger-scale approaches, beyond sustainable practices at concession or farm level.	Unilever, RT-REDD	Innovative ideas around jurisdictional certification options (???)
R3. Investor requirements	Investors require specific sustainability conditions to be met before financing is awarded, in order to decrease investment risks.	Mali Biocarburant SA	MBSA has mission to develop sustainable biofuel operations with landscape benefits.
R4. Operational risks: Legal risks	Companies aiming for long-term presence in strategic sourcing areas mitigate risk through legal compliance. Also a criterion of every voluntary standard.	Cargill	Brings soy suppliers into compliance with the Brazil National Forest Code.
R5. Operational risks: Resource security	Companies take management measures for commodities that face global sourcing problems observed rationale (e.g. cocoa) and 'high-risk agricultural raw materials' in supply chains.	Mars	The Sustainable Cocoa Initiative in Côte d'Ivoire principles support growers to ensure long-term supply.
R6. Operational risks: Water security	Companies employ landscape level management of water resources to address water supply scarcity.	SAB Miller	Calculates water footprints, conducts water risk assessment with local stakeholders/sectors, and sets targets and timeline.
R7. Reputational risks	Companies account for and mitigate activities that lower the confidence of buyers, the public, governments, and investors. Reputational risks can threaten a company's 'license to operate' or 'social license.'	Coast Forest Conservation Initiative	Major logging companies, government, and aboriginal communities in the Great Bear Rainforest, BC, Canada employ an Ecosystem-Based Management approach.
R8. Local community risks	Companies are directly interested in investing in community and stakeholder relations	Mondi	New Generations Plantations in South Africa
R9. Value chain efficiency	Companies at the middle or upper levels of value chains often see financial value in supply chain efficiencies.	Fair Biomass Mozambique (FBM)	FBM trains farmers in alternate more efficient production practices.

Table 2. Rationales for engaging in a landscape approach

Mode	Explanation	Example Company	Activity
M1. Carbon finance	Funds from carbon offsetting provide incentives for local land stewards to support landscape approach.	Danone	The Livelihoods Fund invests in three main carbon offset programs all at landscape scale: natural ecosystem restoration and preservation; agroforestry/soil restoration; and rural energy projects that prevent deforestation.
M2. Water finance	Funds specifically for water-related management can mitigate risks in watersheds.	SAB Miller	Contributions to multi-million dollar water fund protect Bogota's water supplies, while also securing water for company's operations.
M3. Value-chain approach with ILM elements included	Incorporation of Integrated Landscape Management elements along entire value chain can mitigate operational risks, while securing inputs and supplies, and long-term security (e.g., sustained yields, stability of supply).	Guyaki Yerba Mate	Tea supply chain links climate-smart agricultural production, greater volume certified product, improved direct market linkages, payments for ecosystem services, and preservation of HCV rainforest.
M4. Regional producer support programs	Decentralized and context-specific activities are a commonly applied strategy for improving smallholder performance at a landscape scale.	Starbucks	Regional producer supports in Chiapas, Mexico and Aceh, Indonesia include the C.A.F.E. Practices standard and elements of climate adaptation and the livelihood landscape approach.
M5. Watershed area management	Watershed level provides a logical biophysical basis for designing landscape scale interventions, with high likelihood of cross-sectoral and multi-stakeholder engagement	The British American Tobacco (BAT)	Restoring and protecting forest within watershed secures company operations.
M6. Multi-stakeholder dialogue, planning and management	Dialogue between various interests with a stake in the landscape, including governments, the private sector and communities, initiates multi-stakeholder driven landscape approach.	Coast Forest Conservation Initiative	Five member businesses in Great Bear Rainforest engage with other stakeholders and implement consensus-built land use agreements.

Table 3. Modes of engaging in a landscape approach

Company	Project	Location
Guayaki Yerba Mate	Sustainable Tea and Yerba Mate Production in the Atlantic Rainforest	Misiones Province, Argentina State of Paraná, Brazil
Danone, Crédit Agricole, Schneider Electric, CDC Climat	Livelihoods Carbon Offset Fund	Africa and Asia
Fair Biomass Mozambique	Fair Biomass Mozambique (FBM)	Sofala, Mozambique
PT Export Leaf Indonesia (ELI), British American Tobacco subsidiary	Lombok Watershed Management Project	Lombok, Indonesia
Olam	Olam-Rainforest Alliance Climate Cocoa Partnership for REDD+ Preparation	Ghana
PT Austindo Nusantara Jaya/PT Kayong Agro Lestari	Carbon Finance Mechanisms for High Conservation Value Forests and Peatlands in Oil Palm-Dominated Landscapes	West Kalimantan and Papua, Indonesia
Armajaro	Biodiversity and Cocoa Farming	Ghana
Wilmar International	Increasing the Effectiveness of Biodiversity-related RSPO Principles and Criteria Pilot	Indonesia, West Kalimantan, and Sumatra, Indonesia
Mars	Applying Sustainable Cocoa Practices through Agroforestry in Community Forest Areas	Southwest Sulawesi, Indonesia
Gebana	Inclusion of Biodiversity Friendly Smallholder Soy in Preferential Markets	Capanema Municipality, State of Paraná, Brazil
IFC; Grupo Amaggi	Producers for Biodiversity	Brazil
Mondi	Water Security	South Africa
Yves Rocher	Rare Plant Supply Local Community Cooperatives	Madagascar
Cargill	Technical Advice for Soy Suppliers Legal Compliance	Brazil
Zespri	Landcare Research	New Zealand
Natura	Sustainable Palm Oil Production	Brazil
SAB Miller	Regional Water Security	Colombia
Interfor, Western Forest Producers, Catalyst Paper, Canfor, BC Timber Sales a.o.	Great Bear Rainforest	Canada
Twinings, Tetley Group, Marks and Spencer's	Ethical Tea Partnership	Kenya

Table 4. Surveyed company project summary table

Company	Project	Location
Mars, Government Côte d'Ivoire, ICRAF, CNRA, Agence Nationale d'Appui au Développement Rural (ANADER)	Mars Cocoa Sustainability Strategy and "Vision for Change" Partnership	Côte d'Ivoire
Mali Biocarburant SA	Sustainable Production of Biofuels in West Africa	Mali
Solidaridad West Africa	Ensuring Best Practices in Cocoa-Agroforestry System for Improved Livelihood and Sustainable Environment	Ghana
Unilever, Syngenta, Kiliobero a.o. Partners	Southern Agricultural Growth Corridor of Tanzania (SAGCOT)	Tanzania
Starbucks	Climate and Coffee	Brazil, Indonesia, Mexico
Kimberly Clark, Fibria	Sustainable Forest Mosaics Initiative/ Forest Dialogue for Atlantic Forest and Pampas	Atlantic Forest, Brazil
PROFOREST	Olam Palm Oil Certification	Gabon
Mondi	New Generation Plantations	South Africa

Table 4. Surveyed company project summary table, continued



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