Cleaning up global supply chains & tackling illegal conversion

Momentum through Paris

MegaFlorestais, 16 April 2015 Penny Davies



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Strange bedfellows

- Endorsed by -
- 27 governments
- 34 world's largest companies
- 16 indigenous peoples organisations
- 35 NGOs & research bodies

FORESTS

New York Declaration on Forests

Action Statements and Action Plans

Provisional copy



New York Declaration focuses on action

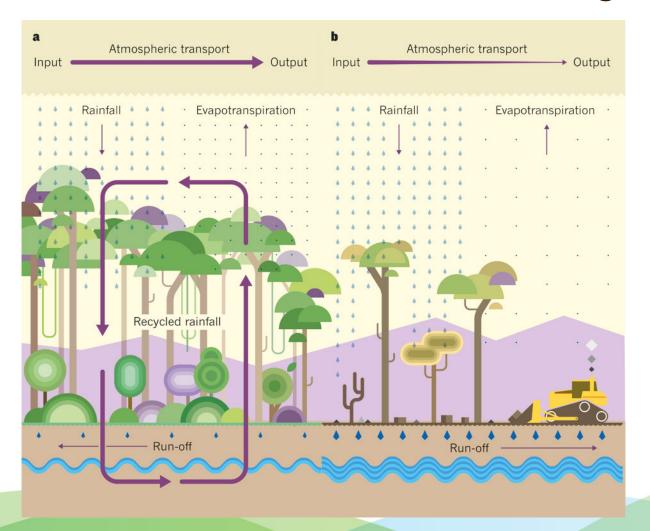
10 actions, including

- End natural forest loss by 2030
- Reduce deforestation from other economic sectors by 2020
- Eliminate deforestation from private-sector supply chains of agricultural commodities
- Forest governance, transparency, rule of law
- Recognize land & resource rights of indigenous peoples





Rainforests are world's sweat glands

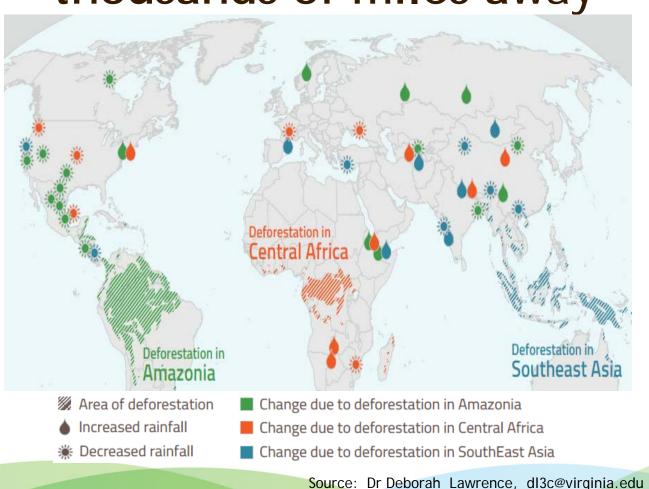


Deforestation affects food production in the Amazon

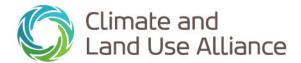
- Pasture productivity declines by 28-33%
- Cattle production becomes unviable in some areas
- Soy yields drop by 25% in half the Amazon & 60 in a third
- Rainy season is delayed by 2 weeks
- Deforested areas get warmer and drier

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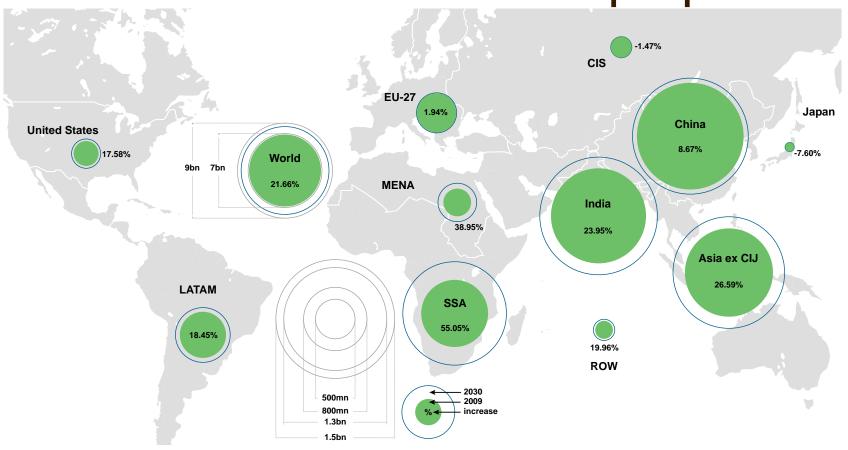
Deforestation affects food production thousands of miles away

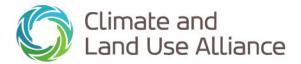




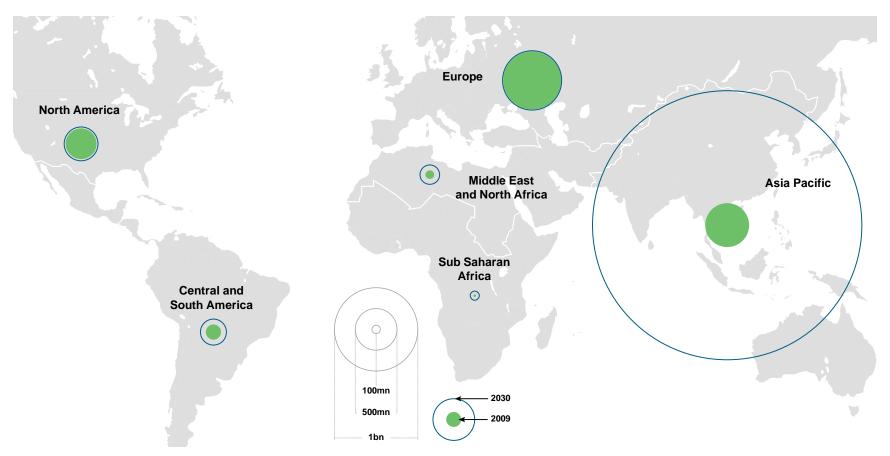


6 billion to 9 billion people





Size of the middle class in 2009 & 2030

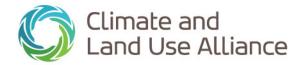


Source: McKinsey, World Economic Forum

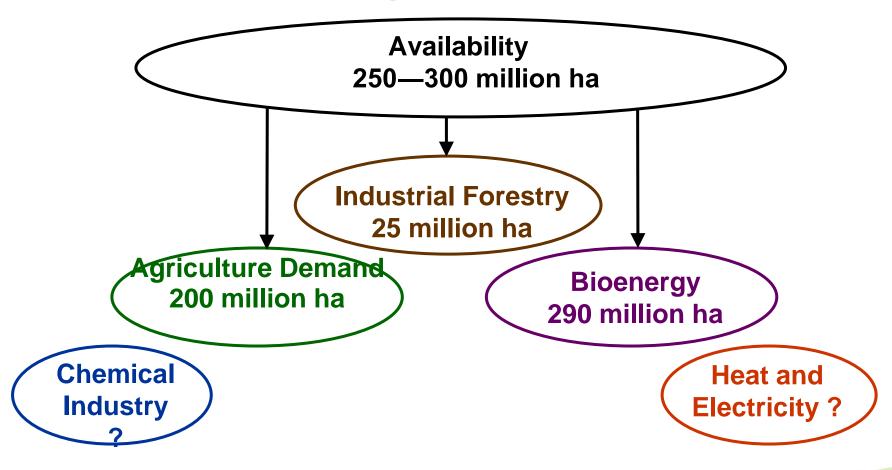


Forests in the hot seat

- Food -70% increase needed
- Fodder -dietary upgrade more meat
- Fuel –8 million to 2 billion cars
- Fiber -3-fold increase
- Feedstock ?



Increased competition for land



Source: www.climateandlanduse.com

In one example, a major

Indonesian forest fund lost

\$5.2 billion to corruption

throughout the 1990s.

these species depend on.2

on forests to support

their livelihoods.3

vehicles every year.

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Commercial agriculture drives 71 percent of tropical deforestation



Climate and Land Use Alliance, Disrupting the Global Commodity Business, September 2014.

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Consumption of deforesting commodities



Tropical deforestation due to





illegal conversion for commercial agriculture



illegal conversion for commercial agriculture for export

Source: http://www.forest-trends.org/illegal-deforestation.php;
http://www.climateandlandusealliance.org/en/Global_Commodity_Business/

Cascade of Corporate Commitments to Zero-Deforestation Palm Oil

Top-Tier*

	Nestlé announced the first orestation commitment
wilmar	December 6, 2013 ¹
HERSHEY'S	December 18, 2013
Kelloggis,	February 14, 2014 ³
Golden Agn-Resources Ltd	February 28, 2014 ⁴
MARS	March 12, 201/ ₂ 5

SAFEWAY (3) March 25, 2014

March 24, 2014⁶

© May 1, 20148

№ PEPSICO May 26, 20149

A terrera

Mondelēz June 4, 2014 10

Cargill July 29, 201411

Grade August 1, 2014¹²

Second-Tier

Unilavar	December 11, 2013
L'ORÉAL	January 30, 2014 ¹⁴
3-5 DELARGE	February 17, 2014 ¹⁵

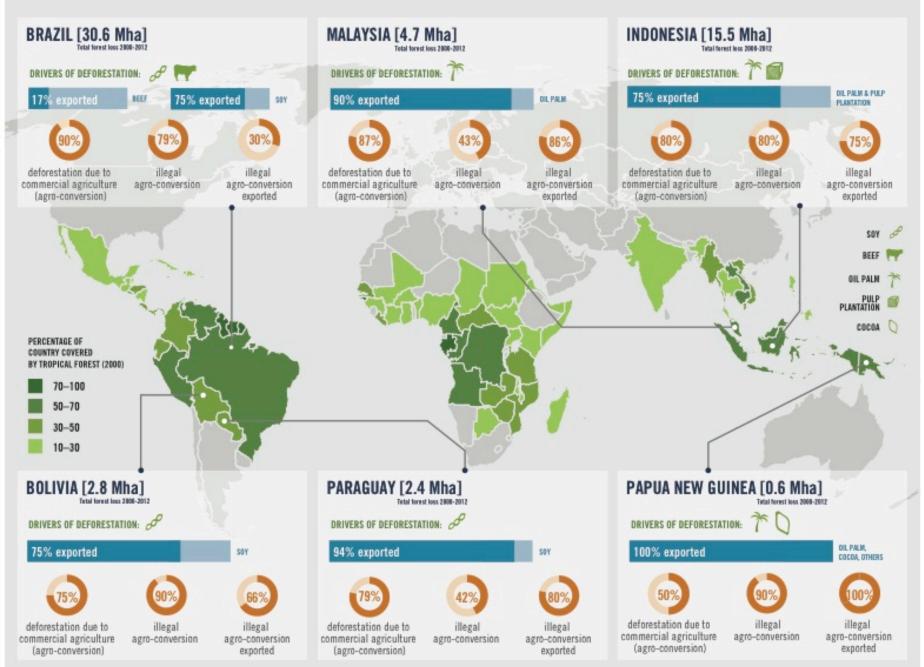
Cérélia February 21, 2014¹⁶
Orkla March 20, 2014¹⁷

© COLGATE-PALMOLIVE March 24, 2014¹⁸

P&G April 9, 2014¹⁹

May 23, 2014²⁰

August 18, 2014²¹



<u>Source: http://www.forest-trends.org/illegal-deforestation.php;</u>

Types of illegality

Issue of license or permits

- Corruptly issued, fraudulently obtained
- Clearance without all or some permits
- In contravention of long-held customary rights
 Clearance and operations
- Outside concession or in protected areas
- Using fire
- Contravening environmental and social safeguards







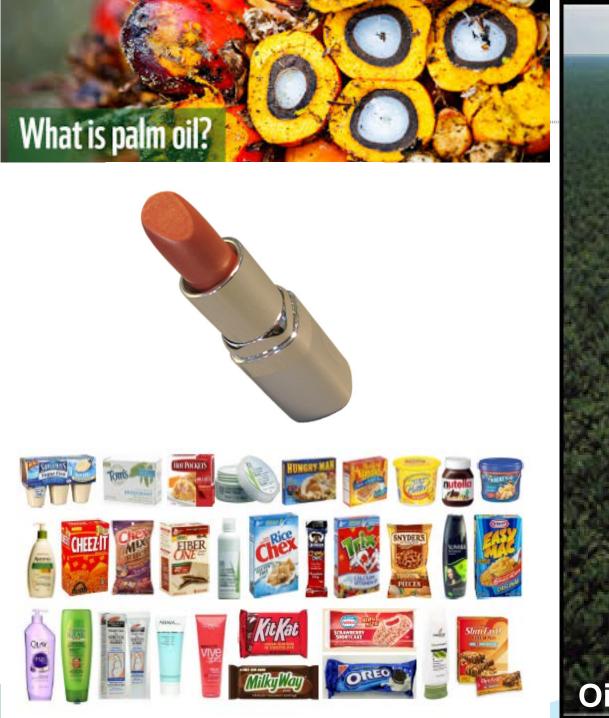








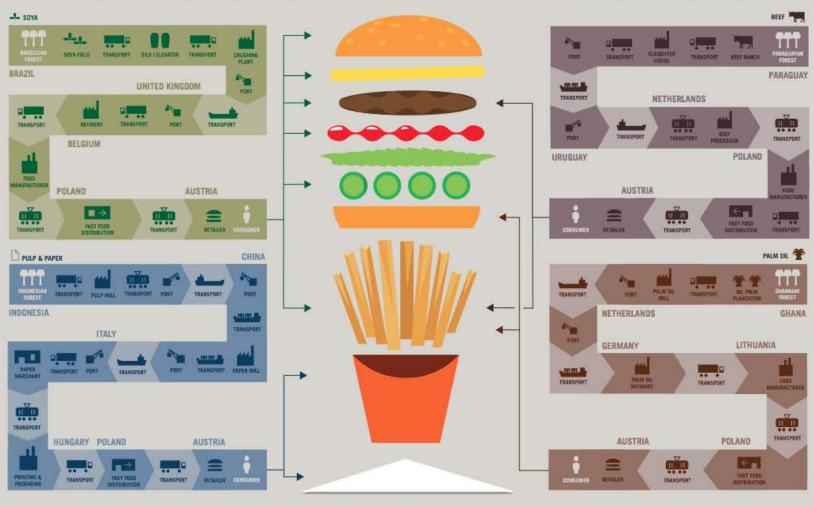






FROM FOREST TO FOOD: A SUPPLY CHAIN HYPOTHESIS

THIS GRAPHIC INDICATES THE COMPLEXITY OF HYPOTHETICAL GLOBAL SUPPLY CHAINS THAT COULD LEAD FROM TROPICAL FORESTS TO A FOOD PRODUCT PURCHASED IN AUSTRIA.



HAS BEEN USED IN BEEF PATTIES (ALSO THROUGH ANIMAL FEED) AS SOYA PROTEIN OR SOYA FLOUR AND IN THE BUN, SAUCE & CHEESE AS LECITHIN, HAS ALSO BEEN USED IN SAUCES, PICKLES AND FRENCH FRIES AS SOYABEAN DIL.

HAS BEEN USED IN PATTIES AS GROUND BEEF AND IN FRENCH FRIES AS COATING OR AS FRYING FAT (TALLOW).



THE OIL HAS BEEN USED IN THE BUN AND HAS ALSO BEEN USED PALM DIL AS FRYING DIL IN FRENCH FRIES.



HAS BEEN USED IN PACKAGING AND IN NAPKINS.

What are voluntary company pledges?

- A public roadmap
- Traceability of suppliers (tier 1 to tier 4)
- Specifications for suppliers
- Contractual obligation in purchasing agreements
- Contract penalties for non-compliance
- Independent third party monitoring

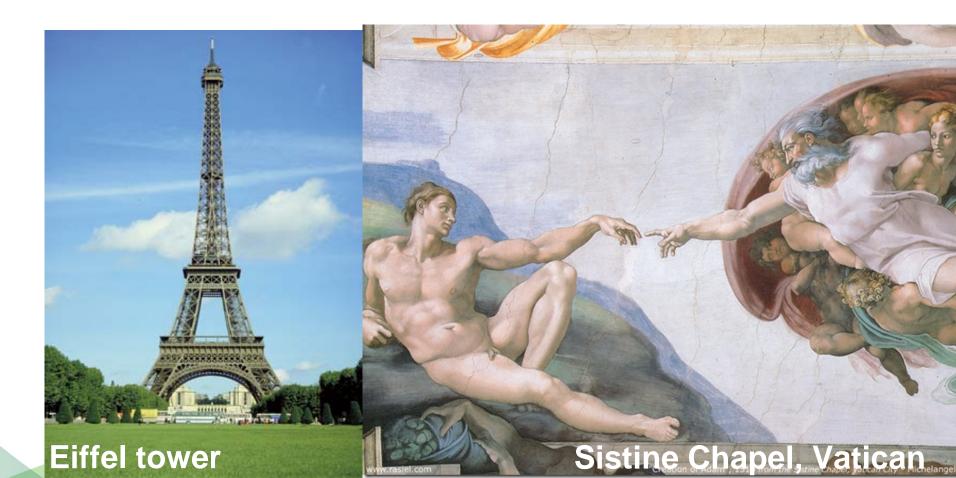
What can governments do?

Responsible governments

- Reward good business
- Clean up dirty business
- Reduce risky business
- Actions on both demand & supply side

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A defining moment?





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Thank you!