Scaling up Sustainable Agricultural Commodities

Andrew Bovarnick, UNDP
STAP, GEF Mainstreaming Workshop
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Global drivers influencing agricultural commodities

• Global demand and trade is driving commodity production and expansion

• Market demand for sustainable product is growing but still limited (RSPO 10% 2011)

• Increasing demand domestically and in markets where sustainability is not yet important

• Voluntary market based initiatives – standards, certification important but are only one tool

• Market (demand) signals to farmers need to be combined with producer country (supply) drivers (governance)
Producer Country Drivers and Barriers: Habitat encroachment

- Agricultural land expansion due to:
  - Policies, development plans and fiscal incentives promote expansion
  - Weak enforcement of protected areas and land use plans
  - Legal frameworks often do not recognize HCVs
  - Low productivity and resource degradation
  - Insufficient market demand, safeguards to internalize and exclude deforestation free product from purchasing policies and agreements
  - Leakage and migration
Producers Country Drivers and Barriers:

- Low productivity is key as part of the win-win. Underlying reasons:
  - High numbers of smallholders with limited education, inputs, technology
  - Farmer training is expensive: companies cannot finance support to all farmers
  - Weak government extension services perpetuating low productivity
  - Limited access of farmers to financial services for investing in new practices
What is needed in producer countries

- Root Cause Analysis to identify structural supply side problems
- Government engagement – policy, legal, land use planning and enforcement
- Package of incentives – e.g. certification, PES, loans;
- Capacity building to strengthen national delivery systems for farmers
- Public - Private sector alliances (PPPs) to implement joint action
Not so new so how to achieve – differently

• Sectoral and supply chain solutions need buy in and cooperation

• Process becomes key
Barriers to dialogue and coordination

• Negative impacts have led to conflict
• Lack of data fuelling debate
• On the ground projects work in isolation and do not share lessons or feed into policy improvement
• Public and private sector actors do not effectively work together
• REDD+ and commodity worlds not yet working effectively together
National Commodity Platforms Led by Ministries

1. Regular Plenaries support relationship building and national consensus
2. Technical working groups focus on priority themes eg deforestation
Mondelez CocoaLife Partnership

- Mainstreaming governance and environmental sustainability into $400m corporate commodity programme

- Advise on global policy and strategy

- Ghana: COCOBOD with objective is to create the institutional systems, tools and policies to conserve forests, buffer zones and corridors and incentivise cocoa farmers to adopt environmentally friendly best practices

- Establish National Cocoa Platform in DR
Indonesia Palm Oil: Ministry of Agriculture

- Strengthen the operations and transparency of the national certification for palm oil ISPO and align with RSPO

- Increase the quantity and quality of extension workers employed by the MoA to support smallholders

- Encourage Ministry of Forestry changes to land allocation through redefining land use categories

- Land use planning and facilitate land swaps

- Strengthen connections between REDD+ programmes and payments to palm producers to conserve forest

- Establishment of a National Platform for Sustainable Palm Oil and three Provincial Platforms
UNDP Green Commodities Programme

In-house expertise support UNDP country offices and projects, pilot innovative approaches and global corporate partnerships
The mainstreaming journey continues