SEI STOCKHOLM ENVIRONMENT INSTITUTE

GCP GLOBAL CANOPY PROGRAMME

SUPPLY CHAIN TRANSPARENCY NETWORK

STATE OF PLAY

JANUARY 2017

In the interests of transparency:

This document does not claim to be an exhaustive resource on supply chain transparency initiatives. Synthesis is based on information provided by organizations behind each initiative. There may also be a bias towards initiatives better known by the authors. This is very much a working document and we look to the transparency community to work together in helping fill gaps, rectify errors, draw new insights, lessons and ideas and make this work part of a living, evolving process.

We would be grateful for your comments or inputs to Andréanne, at a.grimard@globalcanopy.org

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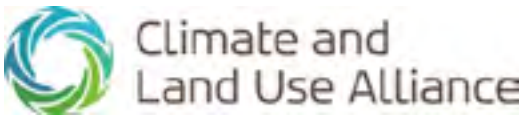

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1. EXECUTIVE SUMMARY

Background

Recent years have witnessed an unprecedented rise in commitments by private and public actors to bring a halt to the widespread deforestation and environmental degradation associated with agricultural expansion across the tropics. To help address this challenge many organizations have stepped forward and contributed to the development of new and rapidly evolving supply chain information platforms, decision support processes and research initiatives.

These diverse initiatives have improved our understanding of how supply chains function, helped identify the environmental and social risks associated with different commodities and regions of production, and have contributed towards the development of more robust approaches to assessing the performance of different supply chain actors. Last but not least, it has also helped identify opportunities for positive action.

But in order to maximize the impact of these individual initiatives, it is vital that we take stock of the advances, opportunities and barriers identified to date, to better connect and align complementary initiatives and build potential synergies.

Ultimately, we believe that effective assessment and monitoring of the performance of both places and actors is vital to realizing a deforestation-free economy can only be achieved by working together more effectively to:

- enable interconnectivity, sharing and synthesis of existing data sets and insights
- identify and collaboratively address the significant information and knowledge gaps that remain
- make actionable information accessible to relevant supply chain actors to foster the delivery of positive outcomes

Achieving this requires the development of a stronger community of practice of organizations working to enhance supply chain transparency. This can facilitate knowledge exchange and help fast track the use of this information and interconnectivity between emerging platforms to improve the governance of commodity supply chains across the tropics.

This report has two objectives. First, to describe the supply chain transparency landscape by synthesizing initiatives' commodity and geographical coverage, data sources, target audiences and outputs. Initiatives are also described individually in Annex 1. The second objective is to identify ways by which our collective work could be brought together more work effectively in order to accelerate impact.

The supply chain transparency landscape

The desire for greater supply chain transparency has fueled a diverse range of initiatives and organizations. In this report we divide the work to date between:

1. **Dedicated supply chain information platforms** or systems that encompass work by specific initiatives or entire organizations to make available (publicly or privately) information on the sustainability impacts, linkages and performance of forest-risk commodity supply chains
2. **Supply chain transparency "enablers"**, encompassing the work of organizations that offer a mixture of approaches, conceptual frameworks and bespoke solutions for mapping and understanding supply chains and their sustainability implications

Taken together we refer to this combination of information sharing and enabling work as the evolving landscape of supply chain transparency.

While many initiatives are global in scope, a majority focus on Brazil and Indonesia, the two countries with the highest net deforestation and the largest commodity exporters by volume. There is less coverage of countries where deforestation rates are fast rising (e.g. many African countries, Paraguay) or on major consumer markets like China and India who are key importers of palm, soy, timber and leather hides.

Soy, palm oil, and livestock – the three largest drivers of tropical deforestation – are the commodities most covered by initiatives. Given livestock is estimated to account for almost 60% of agriculture-driven deforestation, it is under represented given only 50% of initiatives work on livestock. Other commodities covered by transparency initiatives include sugarcane, rubber, tea, fruits (bananas, mangoes, pineapple), flowers, spices, coconut, cashew, tobacco, stone, charcoal, and fish.

Most initiatives covered by this report cite lack of data as the primary obstacle limiting the effectiveness and expansion of their work. It remains difficult and expensive to obtain data on many segments of the supply chain, in particular with regards to the location and production of producers and investors' ties to upstream supply chain actors. By working together as a community, we can share and compile data to overcome this barrier. Other opportunities for collaboration include co-developing methodologies and indicators to assess actor performance and risk, identification and development of effective partnerships and aligned efforts and engagement with key supply chain actors and stakeholder groups.

Requests for case studies of initiatives' impact on deforestation revealed that most evidence remains anecdotal and we still lack an understanding of how increased transparency reduce deforestation and improve supply chain sustainability. Therefore, there is an urgent need to better monitor the effectiveness of different forms of information related to im-

pacts, connections and performance. Impacts may be limited by the insufficient demand for sustainable commodities and the lack of business models which reward supply chain transparency and deforestation-free products.

Next steps

There is a strong appetite for deeper collaboration across the supply chain transparency community that makes up this evolving network. There is willingness to share data, identify concrete collaboration activities around specific geographies and/or commodities, and to develop a better understanding about how different kinds of supply chain information can support improved governance and deliver concrete sustainability outcomes.

Concrete next steps were identified by the members of the network on both operational and substantive fronts. These include developing a mission statement, annual meetings and regular webinars, a functional listserv, and a paid project manager. Collaboration on a collective state of supply chains annual report was also called for, as well as the creation of a seed fund to incubate projects which have a common good component for the community. A communications group would provide a designated spokesperson, and share talking points on the importance of supply chain transparency and related emerging issues. Last but not least, efforts should be made to align our efforts to increase supply chain transparency in emerging and domestic markets, such as India, China, Brazil and Indonesia.

2. MAPPING THE SUPPLY CHAIN TRANSPARENCY LANDSCAPE

With growing public awareness of the links between commodity supply chains and deforestation, as well as private sector commitments and public efforts to address deforestation, the number of initiatives aiming to enhance supply chain transparency have multiplied over the last few years as shown by Figure 1. The vast majority of supply chain transparency initiatives reviewed for the purposes of this report appeared in the last few years, clearly demonstrating that this is still an incipient field.

Yet, the organizations and initiatives that make up the Supply Chain Transparency Platform are diverse. We've identified two basic categories distinguishing between their primary focus, which is either:

- To compile and disseminate supply chain information (publicly or privately) on the sustainability impacts, linkages and performance of forest-risk commodity supply chains
- To enable the work of third parties, whether through generalized approaches, conceptual frameworks and bespoke solutions to map and understand supply chains and their sustainability implications

Amongst the first group it is possible to broadly distinguish different kinds of initiative or information platform that provide (i) geospatial data on the environmental and social impacts associated with different production regions, (ii) data on actual supply chain linkages between production regions and different kinds of downstream actors, and (iii) data on the performance of different supply chain actors, including score-card approaches measuring the performance of specific companies, self-declarations and footprint calculators that provide modelled estimates of sustainability impacts for commodities and products.

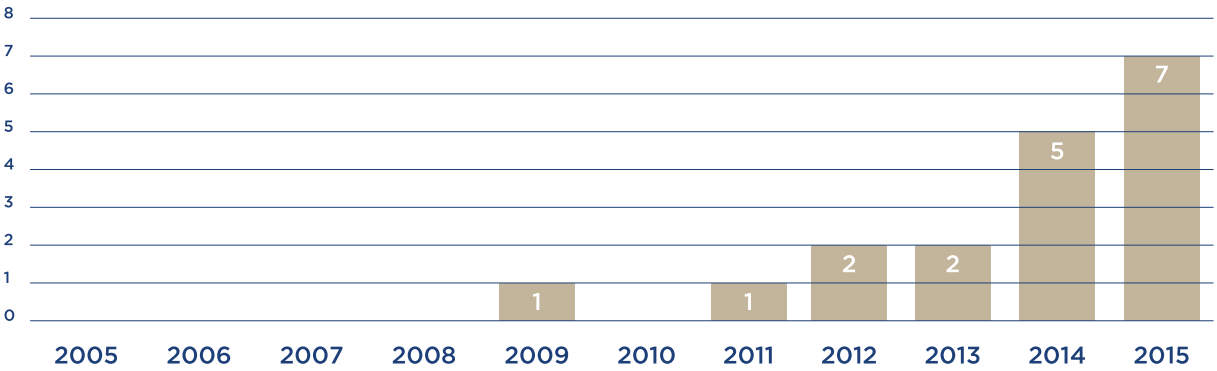


Figure 1. Number of supply chain transparency initiatives created over time

Table 1 provides a general appraisal of how different initiatives that make up this network fit into this basic typology, helping to identify broad brush differences in who uses and collects the data, differences in the pathways of influence and key limitations. There are substantive differences in the levels of motivation for different types of initiative, with scorecards being among the most popular, reflecting perhaps their high visibility for companies and relative simplicity. Other types of information system quickly come to dominate as there are strong incentives to snowball efforts. A prime example of this is

Global Forest Watch, which now represents a partnership that brings together a wide range of data providers. The compilation of supply chain linkage data is driven particularly by private sector users who have a clear demand to understand their own supply chain. Extremely few initiatives provide data that spans all three categories of information – impacts, linkages and performance, each of which are needed to comprehensively assess the sustainability of a given supply chain. are strong incentives to snowball efforts. A prime example of this is Global Forest Watch, which now represents a partnership that brings together a wide range of data providers. The compilation of supply chain linkage data is driven particularly by private sector users who have a clear demand to understand their own supply chain. Extremely few initiatives provide data that spans all three categories of information – impacts, linkages and performance, each of which are needed to comprehensively assess the sustainability of a given supply chain.

TYPE OF SUPPLY CHAIN INFORMATION	TYPE OF INFORMATION SYSTEM	DESCRIPTION OF INFORMATION	EXAMPLE INITIATIVES WITH A PRIMARY FOCUS ON DIFFERENT TYPES OF DATA	WHO PRODUCES THE DATA?	WHO PRIMARILY USES THE DATA?	PATHWAY OF INFLUENCE AND INTENDED IMPACTS	LIMITATIONS AND UNINTENDED CONSEQUENCES
Impacts	Environmental and social impacts	Geospatial and remote-sensing data, crowd-sourced information	GFW, OSAS	Mostly NGOs	NGOs, companies, researchers, governments	Risk profiling and management	Unconnected to downstream supply chain actors
Linkages	Traceability data linking actors to places and the sustainability risks associated with those places	Trade data, Bills of Lading, Customs data, public and private supply chain logistics data, chain-of-custody certification	Wilmar´s Open Palm, Known Sources, BV Rio, Trase, Geotraceability, Sourcemap, Terras	Mostly private providers	Private traders and buyers, investors, consumer groups	Risk profiling and management, sourcing decisions, building coalitions of supply chain actors	Information is often confidential and private, limited to specific companies and other actors
Performance	Scorecards of companies and governments	Sustainability commitments, policies	ZSL´s SPOTT, WWF Oil Palm Scorecard, F 500, Supply Change, Behind the Brands, Rural Horizons RAN Snack 20 Scorecards, Trase	Mostly NGOs	NGOs, journalists	Accountability, ranking to reward leaders and shame laggards	Often limited to policies and management activities rather than direct measures of impact and performance, limited coverage of commodities
	Self-disclosure	Privately disclosed data	CDP	Private companies and investors in collaboration with NGOs	Investors, companies	Risk management, annual monitoring of progress	Dependent on voluntary contributions, opaque methodology
	Footprint calculators	Modelled estimates of sustainability impacts embedded in commodities and products	Chatham House, Trase, Carbon Trust	NGOs	Governments, journalists	Raising awareness	Often coarse-grained

Table 1. Supply Chain Transparency Initiative Typology

Commodities coverage – now and by 2020

The commodities most covered by initiatives are palm, soy and livestock. This corresponds to the three main drivers of deforestation although not proportionally. As the first driver of deforestation, livestock is under represented with 50% of initiatives working on livestock. The high rank of palm oil may reflect the higher number of campaigns as well as the high visibility of the forest fires. The number of initiatives covering soy, livestock, timber, pulp and paper, and coffee is set to grow.

Other commodities covered by they include sugarcane, rubber, tea, fruits (bananas, mangoes, pineapple), flowers, spices, coconut, cashew, tobacco, stone, charcoal, and fish.

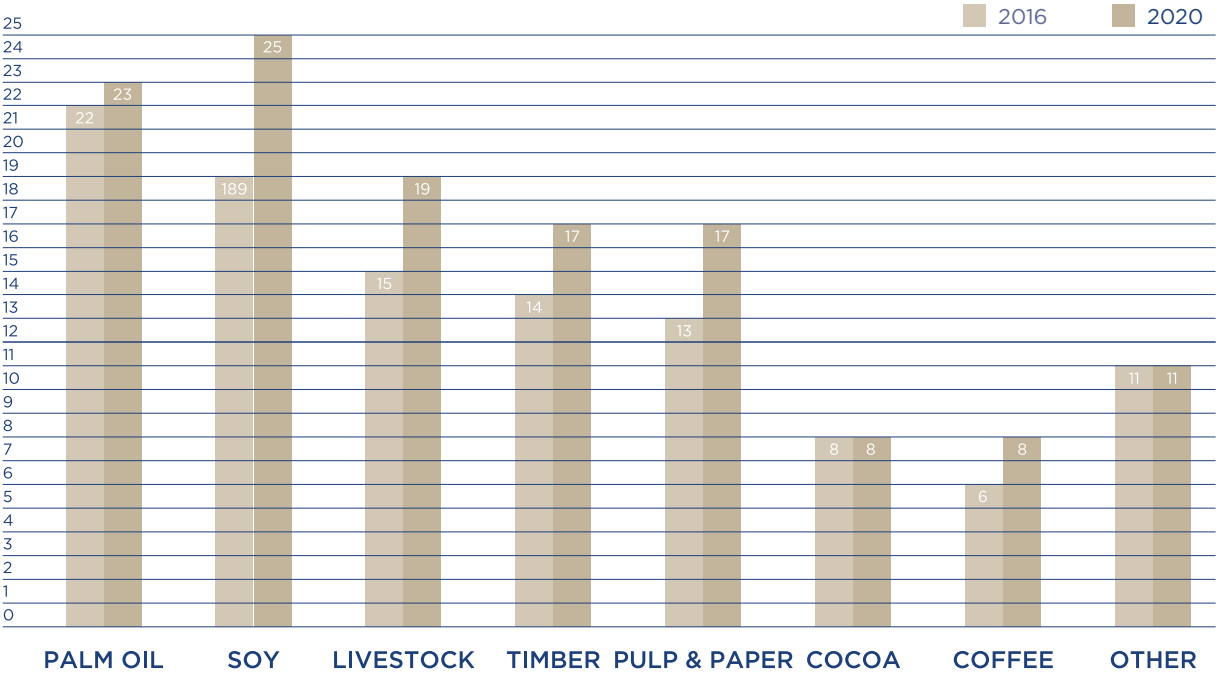


Figure 2. Number of initiatives covering each commodity - now and by 2020

Questions raised by the findings for SCTN

- Is it (a) desirable and (b) feasible to increase coverage of commodities?
- Does that correlate against needs of supply chain actors? How could we find out demand for transparency information for different commodities – for now and for 2020?

Consensus emerged that we should focus on top four drivers while simultaneously expand our work on other commodities.

It was also noted that deforestation is rarely caused by a single commodity, but often the result of interplaying dynamic factors in specific area: e.g. timber, soy, cattle and land speculation in Brazil. Therefore, many members thought that we should focus on geographies rather than commodities. We need to develop dynamic tools so they can respond to different drivers as they change.

Geographical coverage - now and by 2020

Brazil and Indonesia are the focus of most initiatives (19 and 15 respectively out of 34 initiatives). This raises concerns about the risk of leakage to other geographies where there is less transparency. For example, only 10 initiatives are present in other South American countries and Africa, where players might expand under less scrutiny.

Despite being the most important importers of palm oil and soy, China and India are not explicitly covered by supply chain transparency initiatives, despite being included in the 11 global initiatives. Only one initiative explicitly mentions India and only one explicitly mentions the extension of their work to China by 2020.

Only two initiatives aim to go global. Sharp increase in Liberia (1 to 4), most likely associated with the current and announced expansion of palm oil cultivation in the country as well as increased civil society activity (both local and international. Beyond Liberia, there is a general increase of the initiatives' coverage planned in Africa by 2020. but mainly outside of Congo Basin where most forests lie.

Questions raised by the findings for SCTN

- Is it desirable to extend geographical coverage of transparency initiatives?
- How can we as a community ensure that the transparency tools, and capacity, to cover other geographical areas as quickly as possible?
- Resolution versus reach – what is the right balance? Who are the users of different products at different scales?

Participants pointed out the need to address not only deforestation hotspots, but also consumer markets linked to those hotspots, including domestic consumption. The to extend efforts to monitoring consumer goods companies in India and China was also emphasized, given they import larger proportion of the big four commodities than North America and Europe Union markets.

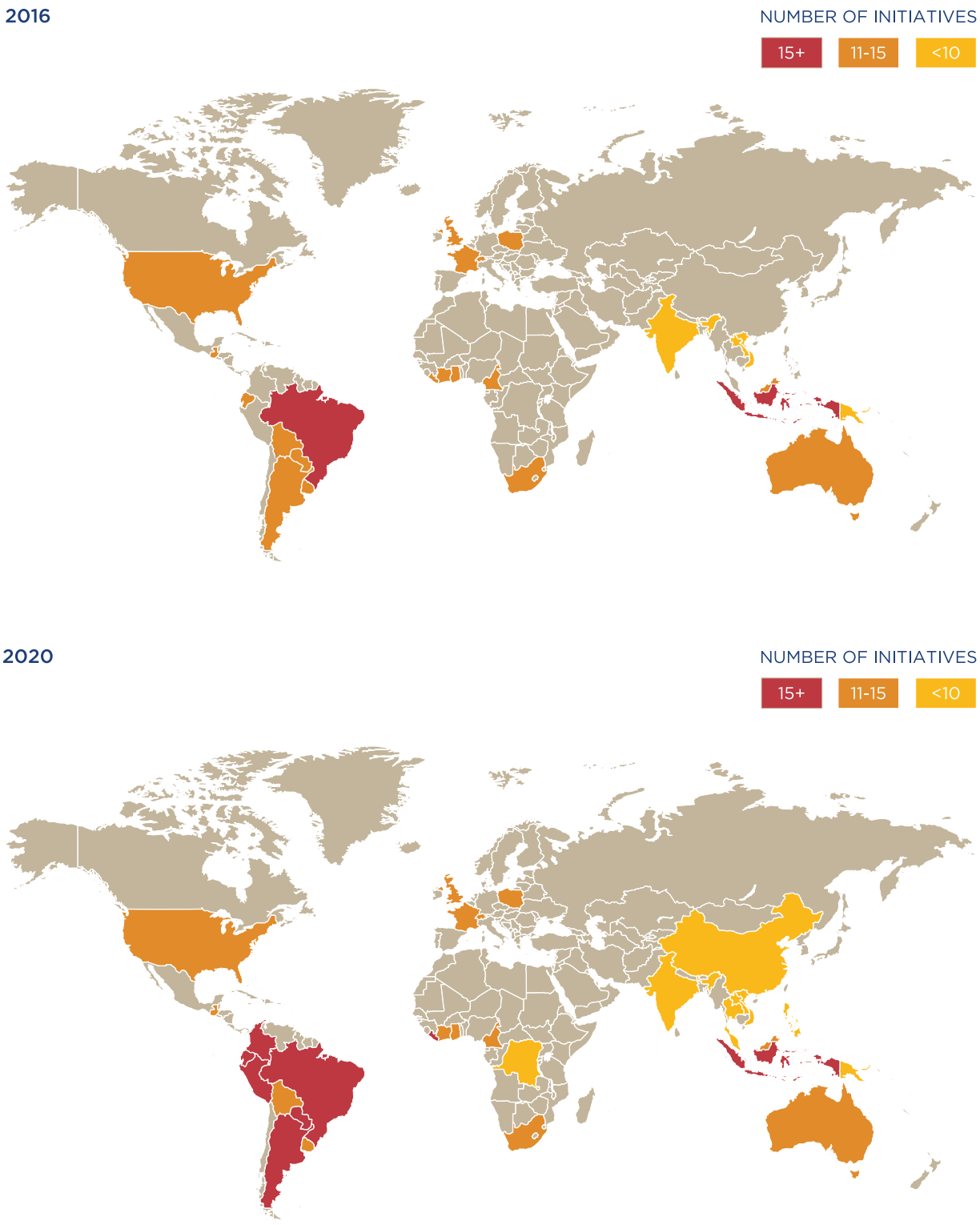


Figure 3. Geographical coverage of transparency initiatives - now and 2020

Supply Chain Actor focus

Different initiatives focus on different segments of the supply change. The diagramme below shows the distribution of initiatives along the supply chain. As a whole, the range of supply chain transparency initiatives look into the commitments – and to a lesser extent the implementation – of all actors along the supply chain. Although only 12 out of 30 initiatives cover the entire supply chain. On average, they target between 3 and 4 actors inside the supply chain.

Figure 4. Number of initiatives focusing on different supply chain actors

Questions raised by the findings for SCTN

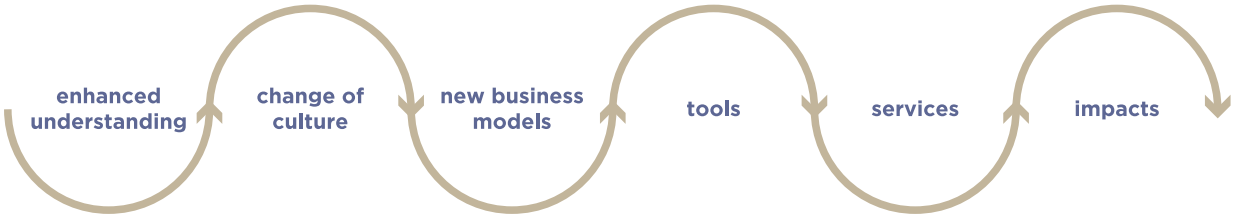
- Do we have any blind spots as a community? How can we ensure the information collected by some initiatives is fed into others? Is there duplication of information being collected?

Very few initiatives are able to provide visibility all the way upstream to producers, especially smallholders. As a community we also lack visibility on input providers including financiers, seed and feed companies. We also lack the ability to generate information on preproduction stages and actors involved, e.g. land grabbing and land clearing. More blind spots remain in complex supply chains, such as palm oil derivatives and cattle.

Although we have visibility on each actor along the supply chain, we have much less visibility on the linkages between those actors, include nodes of transportation and degree of fidelity/strength of relationships between those actors.

Duplication of information gathered by community is often due to non-disclosure agreements with private sector actors on one hand, and the different angles taken by different initiatives. Duplication of data, offers some upsides, as it can offer a way to validate data. The community expressed a desire to improve information sharing, and to coordinate asking data from downstream actors. Participants agreed that building consensus on hotspots and priority actors, and at what point greater supply chain transparency/direct attribution offers diminishing returns. This would allow prioritization of efforts and coordination among network initiatives.

Map of intended outputs



The above map of intended outputs shows that we need a range of initiatives – none is going to get us where we need to be on its own. Only two initiatives are working towards building new business models.

Questions raised by the findings for SCTN

- Are we missing anything? e.g. is there a necessary output that we need that no one is working on. Is there duplication of work?
- Are we checking with actors/users whether this is needed? What are the relationships between the different initiatives?
- How can we supply chain information help contribute to new business models promoting sustainable production?

Members agreed on the value of engaging with target audiences and monitoring whether we are reaching them and how they are using our tools. Testing assumptions and iterating quickly could help ensure we develop more useful products. Members also agreed that a mapping of different initiatives would be useful to understand how initiatives can plug into one another and reduce duplication of labor going forward.

Primary audiences

All the initiatives presented here offer valuable insights and decision relevant information for a wide range of users groups but many also have a particular focus on specific audiences and user groups. This may vary according to the specific data generated.

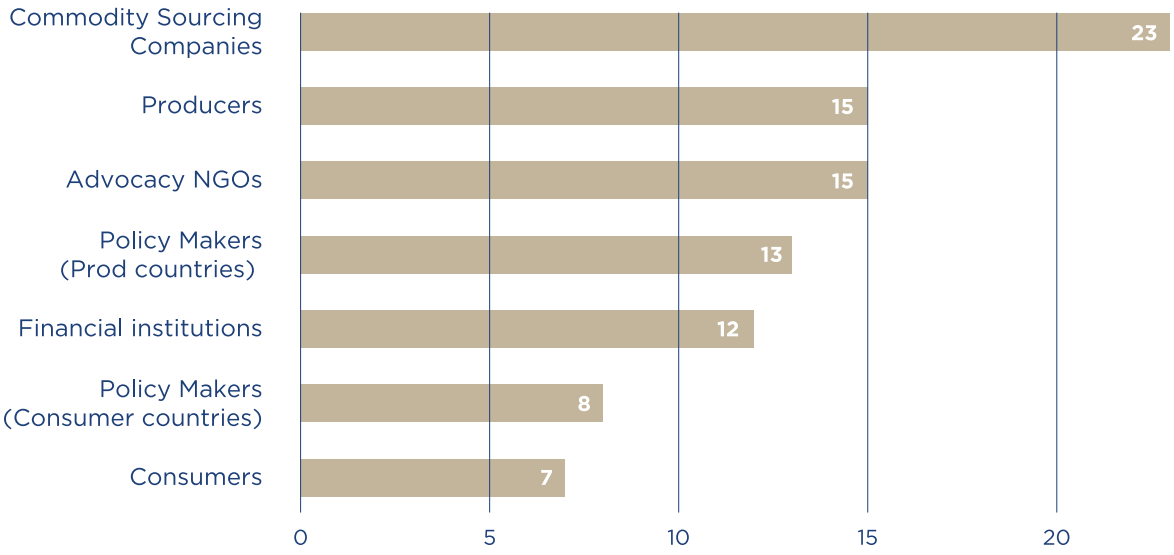


Figure 5. Number of initiatives targeting each audience

Other audiences include local communities and NGOs, international development institutions, and academia. Unsurprisingly, most initiatives targeting advocacy NGOs also target commodity sourcing companies. The large majority of initiatives targeting end consumers also target commodity sourcing companies. All initiatives targeting policy makers in consuming countries also target those in producing countries.

Questions raised by the findings for SCTN

- Are we targeting the right stakeholders?
- Who should we target to increase demand for deforestation-free/sustainable commodities?
- Can we change the way we target them?

Participants agreed that it was not worth the effort to address end consumers since they are so diverse, and may not understand the complexity of information offered. It was flagged that some of the target audiences are intermediaries rather than the direct targets (e.g. activist NGOs to influence downstream buyers). Participants agreed that more attention should be given to investors.

Participants pointed out that there would be value in differentiating between different types of commodity sourcing companies if this exercise was done again – as that category encompasses very different actors and associated needs. They also pointed out the need to differentiate between different types of policy makers, for example differentiating between national and subnational.

Sources of data

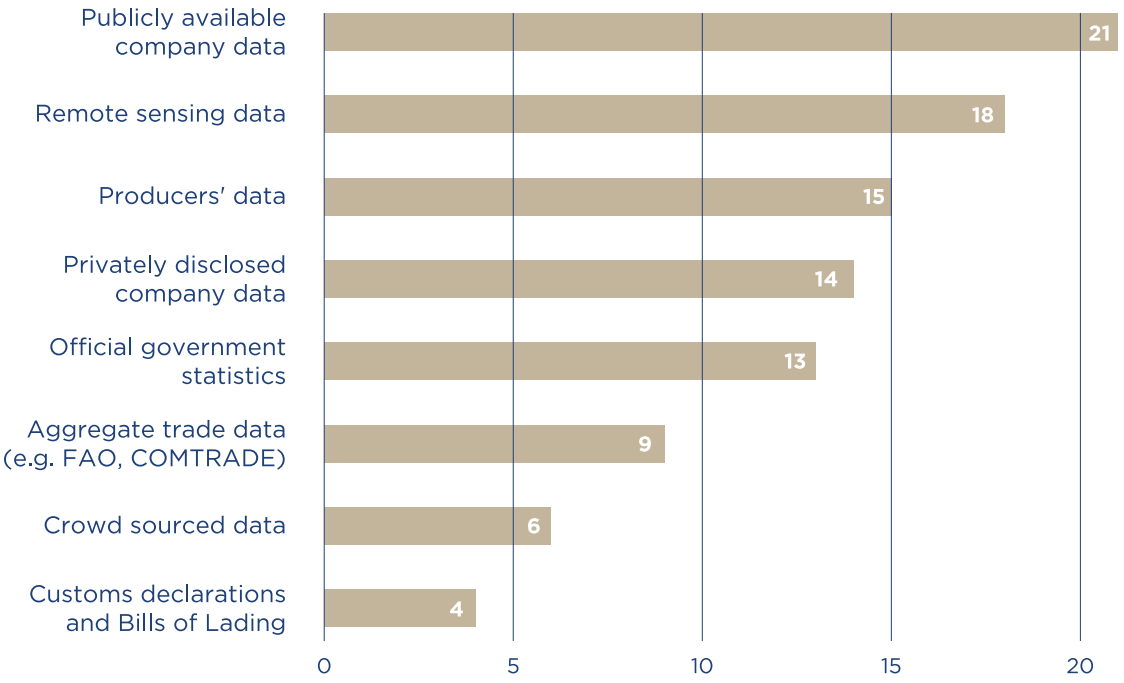


Figure 6. Number of initiatives using different sources of data

An average of four data sources are used by initiatives. The most prevalent combination of data sources is the combination of publicly available company data, remote sensing data and official government statistics. And privately disclosed data, publicly available company data and remote sensing data.

Discussion

Interoperability between initiatives is highly desirable and has the potential to enhance initiatives' effectiveness although it does require an upfront time investment. Two related needs were identified:

1) Create a database/map of databases and data owners
Identify pre-existing efforts to do so (e.g. ITTO) and associated failures and successes. Then we should identify the most efficient way to collate all our data should be identified. Existing platforms could be used to host this data – e.g.: geospatial data with GFW, traceability data with Trase, company information with Supply Change. Any such effort should control for data quality, e.g. by differentiating between reviewed and non-reviewed sources of data.

2) Develop data standards/naming conventions
We need to develop data standards – e.g. on company names or digit codes for names, location etc – and develop standardized typologies – e.g. what does the term 'retailer' mean.

3. OPPORTUNITIES FOR THE NETWORK

During previous network meetings, members of the evolving Supply Chain Transparency Network expressed a strong appetite for increased collaboration on multiple fronts. There is widespread consensus that the work of most initiatives is highly complementary with little risk of redundancy.

Many of the barriers to the work of different initiatives are the same (Figure 1). The most common cited barrier is the lack of information and data, as well as a lack of standardization across commonly used sources of data (see Annex 10). This barrier is layered and multi-faceted. For example, the lack of fine-scale and comparable spatial data on land tenure and concessions hinders a more detailed understanding of geo-spatially defined rights and responsibilities. In addition, there are particular challenges in understanding the involvement of smallholders, the finance sector and companies that have yet to adopt sustainability commitments, and hence the opportunities and risks associated with them. Other initiatives commonly cited barriers relate to a lack of collaboration with government authorities and uptake by end-users and other practitioners, which in turn may relate to insufficient demand for more sustainable commodities.

In order to overcome these barriers, initiatives in the network identified four key opportunity areas for future work:

1. **Sharing and compiling data, tools, and capacity needs**
2. **Co-develop methodologies and indicators to assess actor performance and risk**
3. **Identification and development of effective partnerships, and**
4. **Aligned efforts and engagement with key supply chain actors and stakeholder groups.**

Figure 7. Obstacles to development of supply chain transparency initiatives

1 Sharing and compiling data, tools and capacity needs

Accessing data can be difficult and costly, and there is often duplication and even multiplication of efforts to gather and process it. Initiatives could join forces to open up access to data that is currently unavailable. Collaborative efforts across practitioner organizations can bring greater influence to bear on key data providers (including companies and governments). Once data obtained, the community can identify ways to share data effectively. The idea of a central clearing house for data sharing was discussed to allow for cost-efficiency and innovation. Such a central clearing house could also provide a forum for connecting users around requests and offers. It was suggested that linking REDD data to supply chain data would be helpful for a range of actors in helping identify synergies between private and public sector agendas. Also, it was noted that some duplication of data collection and interpretation is desirable for validation.

Participants mentioned existing "clearing houses" which could be built upon, including Ecosystem Marketplace, Global Forest Watch and The Landscapes for People, Food and Nature web portal. However, confidentiality of many data points makes most organizations prefer bilateral case-by-case exchange of data. Beyond a web clearing house, some saw the potential to dock several of the tools being developed together to create different forms of "meta tools" to answer the multiple needs of the community. To advance any efforts to bring data together, it was agreed that common data nomenclature should be developed and typologies. This is a proposed seed project for the network.

Amongst those needs is the one to broaden the scope of commodities, geographies and actors covered, to avoid reallocation of deforestation from one set of commodities to another, or from one geography to another as discussed in terms of 'leakage'. Another need is to include indirect sources – especially for the cattle ranching industry – in transparency initiatives. Last but not least, members of the community also flagged the need to include information from communities and other actors on the ground given land use decisions are made at the local level.

2 Co-develop methodologies and indicators to assess actor performance and risk

Initiatives are often born in isolation and fail to connect to each other, partly due to institutional and funding dynamics. Network members identified a need to align where appropriate as well as opportunities to divide up work to maximize coverage. For example, there is a lack of understanding of how public commitments on deforestation translate into impacts on the ground. By working together, we could develop common baselines and methodologies for assessing actor performance and risk to increase efficiencies and legitimacy. A meeting held in Barcelona in September was a first step towards building consensus around principles to assess actor performance and risk. Questions discussed included: (i) how to link different impacts to supply chain actors, (ii) different options for determining the total risk that can be associated with a given supply chain sector/actor, (iii) spreading risks and responsibilities across different stages of a supply chain, and (iv) how to measure performance (see Annex 3.) A major outcome of the meeting was agreement by participants on creating a decision tree to inform when and how to use different risk approaches. Building off of models proposed by Davis et al. in their 2014 publication on attributing carbon emissions, the group identified the need for similar decision processes to inform the allocation of risk to supply chain actors. Additionally, conversations revealed the importance of including time considerations, such as amortization periods, in any risk approach, to ensure uniform accounting of when deforestation risk applies.

3 Identification and development of effective partnerships

It was also agreed that we could foster concrete opportunities for collaboration among a subset of transparency initiatives around pilot projects with a common political and operational strategy in order to learn by doing. For example, several member initiatives author annual scorecards focused on assessing companies within a particular commodity. However, these scorecards may cover the same commodity, using different methodologies without a clear understanding by the companies being assessed on how they differ. While full alignment among the methodologies may be unnecessary, the initiatives can identify the common elements to more clearly

communicate to companies the categories upon which they will be assessed, as well as how the scorecard methodologies differ. With more time and resources, these initiatives can identify the substantive overlap and develop scorecard strategies that reduce this redundancy. Such collaboration, resulted in successful division of labor, in the Marine/fish scorecards.

4 Aligned efforts and engagement with key supply chain actors and stakeholder groups.

There is desire for an active exchange among initiatives about underlying theories of change, assumptions, intended impacts and strategies to reach that intended impact. This could take the shape of a meta framework theory of change to illustrate how transparency and traceability information can support positive sustainability action across commodity supply chains from producers to end consumers. This would facilitate the identification of gaps, synergies, and how our different initiatives fit together and how we can work together.

In addition, most transparency initiatives lack clear strategies or mechanisms to produce change on the ground or to reward supply chain transparency and actors producing zero deforestation or sustainable palm. This is linked to a reported low rate of engagement with key target audiences to co-develop the tools and check on uptake and deployment of transparency information.

In addition, we need to better understand and work together to mitigate risks such as leakage and potential perverse impacts of increased transparency. For example, increased transparency could lead companies with zero-deforestation commitments to disengage from jurisdictions with high deforestation. These jurisdictions might be able to continue selling their products to less discerning markets. In that scenario, transparency would have helped certain actors meet their commitments, but would not have succeeded in reducing deforestation. Last but not least, it is important that high deforestation risk areas are not divested from, but rather supported in the transition to sustainable economic development. This is important in order to ensure economic opportunities to local populations and achieve desired impact. First, if we simply divest from problematic areas, less scrupulous actors may continue to invest in deforestation and agricultural expansion into forests

4. ALIGNING SUPPLY CHAIN TRANSPARENCY INITIATIVES

In order to maximize the impact of these individual initiatives, more aligned thinking and action is required: the challenge of supply chain complexity and opacity is too great to be addressed in silos. It is therefore vital that we take stock of the advances, opportunities and barriers identified to date, and better connect and align complementary initiatives and help build potential synergies.

Complementarity across initiatives

Through the Supply Chain Transparency Network, members shared success stories of collaboration where different initiatives offered complementary expertise on a common area of work. One salient example of this is creating a database of palm oil mills. FoodReg initiated a project to collect location data on palm oil mills within the supply chains of major palm oil traders. At the same time, Global Forest Watch was seeking to host geospatial data on palm oil production such as through concession maps and mill locations. Together these two organizations recognized their common interest, and different resources that combined enabled the creation of the first ever palm oil mill dataset. FoodReg provided the raw data through their contracts with palm oil traders, and Global Forest Watch led the data cleaning and hosting to make the database publically available. The partnership avoided each initiative duplicating efforts by working in isolation, and ultimately led to a valuable database that more quickly, and at less of a cost.

In Indonesia, Greenpeace and TFT played complementary roles to address links between palm oil and deforestation. Following Greenpeace's campaign highlighting the links between Nestlé and GAR's operations to deforestation, TFT started working with Nestlé to map its palm oil supply chain, and identify the greatest risks of deforestation. Later, TFT and Greenpeace collaborated with GAR to develop the 'High Carbon Stock' (HCV) forest concept and methodology, and a Forest Conservation Policy. TFT worked with GAR to map and protect HCS and HCV forest and peatland in their concessions, and to implement principles of free, prior and informed consent (FPIC) in dealing with local communities.

Obstacles to Alignment

Barriers to alignment among supply chain transparency initiatives can occur for multiple reasons, from differences in geographic and commodity focus, the complementarity and compatibility of data and tools, and the purpose for which they were intended. But even in cases where there is a high level of potential complementarity between initiatives confusion around language and terminology can often present a significant barrier.

A fundamental element of the work of many supply chain transparency initiatives is an effort to understand the risk that supply chain actors face from environmental and social impacts on the ground. However conversations centered on risk quickly revealed confusion over what is meant by the term. Some initiatives measure risk as the occurrence of impacts within an actor's supply chain, for example, a soy trader has deforestation risk if soy farmers supplying them are clearing land. Other initiatives would refer to risk only in the future sense: the likelihood that impacts will occur later in time. In this interpretation, supply chain actors would analyze what the potential risk to their supply chain is if they were to source from a new area, or from a new supplier. To further complicate definitions, what elements are included in assessing risk is far from clear. Many initiatives limit risk to

talk about deforestation, others to deforestation and 'related-impacts' that may include impacts on water, carbon, and biodiversity, where others are exclusively talking about reputational risks or financial risks. The lack of clarity on how to define and interpret risk has posed a major obstacle to greater alignment among the initiatives, especially for initiatives proposing risk tools for the private sector. Another example is the differing definitions of High Carbon Stock areas.

Another area of dissonance among initiatives rests in the requests to the private sector particularly regarding the disclosure of supply chain information. Representatives of the private sector expressed frustration at getting ad-hoc information requests from the civil society community, especially when these requests pertained to information that had already been shared with another initiative. For example, in an effort to advance transparency in commodity supply chains, major traders are being asked by a number of different initiatives to disclose their first tier suppliers. For traders willing to support these efforts, they are often sharing this information a handful of different times to different parties since the initiatives are not aligned on who has this data and how to best share it. Even more frustrating to private sector actors is the lack of alignment on what they are being asked to disclose. For example, one initiative may say that a company does not need to disclose the size of their land bank, only to have another initiative request this information a few months later saying it is expected disclosure. Given the number of initiatives working on disclosure – such as CDP, ZSL, Ceres, GFW, and many others – the need for a common data set of information disclosed by traders and other supply chain actors is necessary across commodities. Although this data is used for different purposes, the initiatives are likely to have greater success in achieving company disclosure if the ask is put through only once, instead of repeatedly, and in an ad hoc manner.

5. DEVELOPING THE SUPPLY CHAIN TRANSPARENCY NETWORK: Next steps

The Supply Chain Transparency Network unites similar yet often isolated initiatives that are working towards the common goal of deforestation-free supply chains by harnessing decision relevant information on the sustainability impacts, linkages and performance of supply chain actors and production landscapes. By building strategic alignment and coordination in key areas, the SCTN will increase the ability, speed and strength of the civil society community to advance a deforestation-free economy. Without this bespoke effort, we risk delays and inefficiencies in decoupling commodity production from widespread environmental and social impacts.

In order to realize the multiple opportunities offered by the SCTN, and to thereby maximize each initiatives' impact, concrete steps need to be taken and prioritized. Below are suggested objectives and deliverables put forward by members of the community during the Marrakesh meeting in November 2016.

Operational

Low hanging fruits

- **Mission statement**
  Develop mission statement for the Network to clarify our mandate and membership (initial volunteers: GCP and Solidaridad)

- **Email list serve**
  Revive existing email list to share events, publications, launch of tools and webinars (currently managed by GCP)

- **Meetings**
  Organize in-person annual meeting and quarterly/semi-annual meetings (via webinars or on the back of other gatherings, e.g. TFA 2020) (initial volunteers: WWF and RA)

Conditional on funding

- **Project manager**
  Fundraise and pay a project manager to manage the community and associated projects (currently hosted by GCP and SEI)

Substantive

Low hanging fruits

- **Annual State of Supply Chains Report**
  Coordinate Annual State of Supply Chains Report - with annex with list of organizations and initiatives, and second annex on data produced or used by them – (initial volunteers: Dr Patrick Meyfroidt, Solidaridad, NWF, GCP and SEI)

- **Communications**
  Formalize communications group, including:
  a. designated spokes people and/or experts group to become resource for media
  b. a Google Doc to collate joint talking points on importance of supply chain transparency and related emerging issues, e.g. and whether companies should exit from jurisdictions and landscapes with high deforestation and alternatives available to them (initial volunteers: ZSL & GCP)

- **China**
  Explore opportunities to align our work on China and develop co-strategies to increase supply chain transparency, including as a first step identifying organisations working on SCT in China, and available data (initial volunteer: WWF)

Conditional on funding

- **Seed Fund**
  Create seed fund to incubate small common-good projects aiming to advance supply chain transparency. Early projects could include, e.g.:
  a. Naming and data conventions (initial volunteer: Dr Robert Heilmayr, University of California)
  b. Convening scorecards

6. ANNEX 1- SUPPLY CHAIN INFORMATION PLATFORMS

1. Information platforms on supply chain impacts

1 Global Forest Watch Commodities

World Resources Institute

What is the demand driver for transparency information and who is the main user community?

From national and local governments, to civil society organizations, and business, Global Forest Watch provides users with the ability to assess the status and quality of forests world-wide.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Global Forest Watch uses cutting edge technology and analysis to provide the most timely and precise information about the status of forest landscapes worldwide to empower people everywhere with the information they need to better manage and conserve forest landscapes. GFW Global Forest Watch Commodities builds on the ground-breaking platform of GFW but with a specific focus on companies who buy and sell major commodities that impact forests, such as palm oil, beef, soy, and wood pulp. GFW Commodities is free to use and follows an open data approach in putting decision-relevant information in the hands of companies who want to minimize forest-related risks in their supply chain.

What is the intended impact of the initiative?

The platform aims to aid companies in implementing zero-deforestation commitments by monitoring and analysing commodity-driven deforestation, and to draw attention to inaction by private sector laggards.

What is holding back the effectiveness of this work?

Global Forest Watch Commodities does not intend to be a traceability platform, per se, yet the effectiveness of forest data hinges upon the ability of companies to have visibility into their supply chains. While many companies aim to achieve full traceability, the cost of mapping all supplier properties may not be justified at a global scale. Significant – and perhaps adequate - transparency is achievable through the strategic linking of forest and land use data with trade data and company-provided information. For example, the GFW Palm Oil Mill Risk Assessment Tool uses traceability to the mill point to help prioritize and maximize the impact of company efforts. But to fully leverage Global Forest Watch data to monitor forest impacts and progress towards zero-deforestation commitments companies need fuller traceability to the farm level, or at minimum property-level data. Additionally,

the effectiveness of GFW Commodities hinges on private sector interest in addressing deforestation-related impacts of commodity production. In many commodity sectors, the drive for zero-deforestation supply chains is still largely absent.

What is your vision and roadmap to 2016? and to 2020?

In 2016, Global Forest Watch Commodities aims to expand its offering to better address the needs of the soy sector, as well as to build improved analytical functionality across commodity sectors that puts easy-to-use, decision-relevant information on forest conversion in the hands of key stakeholders. Over the coming year the site will add improved forest change data for Brazil and Paraguay, and incorporate this data into the custom analysis. The site will also undergo a redesign to improve usability and better integrate GFW data streams with external supply chain platforms. Some proposed changes include a user log-in system to save uploaded data and create an analysis dashboard featuring key deforestation indicators.

2 Observatorio Socio Ambiental de la Soja (OSAS)

SOCIO ENVIRONMENTAL SOY OBSERVATORY

What is the demand driver for transparency information and who is the main user community?

The main objective of OSAS is to produce, organize and present quality information so as to influence, through technical knowledge, the policies of land-use planning and environmental management related to soy production of the member countries (Argentina, Bolivia, Paraguay and Brazil). It also seeks to effectively influence the public and private policies of the buying countries, mainly those of the European Union (EU).

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

The Observatory is mainly organized on a virtual platform that manages and transmits information in different formats (scientific publications, interactive web maps, annual reports, short notes, news, etc.). It consists of an organized repository of information from each member country that help to develop academic and graphic tools, both for formal and public dissemination that intends to facilitate communication and exchange between partners, stakeholders and general public. The Observatory works by monitoring four main issues related to soy expansion: Loss of natural environments, inadequate use of agrochemicals, Land tenure, and Impacts and legality.

What is the intended impact of the initiative?

- *Enhance the links among different actors related with soy cultivation and commerce in Argentina, Brazil, Paraguay and Bolivia.*
- *Achieve a close and periodic contact among the NGOs that form OSAS*
- *Generate opinion based on qualified and trustworthy information for NGO, private institutions and governments.*
- *Convert the OSAS web page in an important source of information related with soy cultivation and commerce in South America*

What is holding back the effectiveness of this work?

- *Limited data or when data exist restricted access even to public data sets*
- *Difficulties in contacting or getting the private sector interested*
- *Insecure funding*
- *Difficulties in making the web page more visible*

What is your vision and roadmap to 2016? and to 2020?

OSAS main objectives for 2016 and 2020 are:

- *Keep the web page active and increase its visibility*
- *Link the web page with "on ground experiences" about land use planning on sustainable landscapes and corridors.*
- *Obtaining other sources of financial support (besides the one we have today)*
- *Involving more institutions specially from the private and academic sectors*

2. Information platforms on supply chain connections

1 Imazon and Terras

What is the demand driver for transparency information and who is the main user community?

The demand driver for transparency information for the agribusiness value chain comes from different sectors. The NGO and grassroots sectors have played key roles direct or indirectly connecting agribusiness industries to social and environmental illegal activities. For example, supermarket, restaurant chains, and soy producers had been connected to illegal deforestation and near slavery conditions in the Brazilian Amazon. As theses connections became irrefutable, governmental authorities have put more pressure to charge supply chain when associated with social and environmental illegal activities, and made the supply chain sign agreements to change their source of supply to deforestation free zones. Consumers are also becoming more acquainted about their choices, and more recently agribusiness industries have recognized their contributions to social environmental problems and are perfecting and implementing responsible sourcing policies. Transparency of information is essential for all these sectors; especially for the agribusiness and forestry supply chain image and marketing competitiveness. This is the case because transparency requires collecting and analyzing data about origin, quality, management practices and efficiency in resource use, which are relevant for businesses decision-making.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Imazon's envisioned a higher demand for independent monitoring of social and environmental indicators and for services on land management and traceability of agriculture and forestry products. On the monitoring side, Imazon has collaborated in many fronts to improve its independent monitoring systems. Notably, the collaboration of Imazon with Google inspired the creation of Earth Engine platform [for remote sensing and spatial analysis at planetary scale]. Earth Engine has increased the access to up-to-date imagery data sets and cloud computing for quickly extract and analyze environmental information. Secondly, Imazon has contributed to build capacity of dozens of organizations in Brazil and in other countries to use its software built on Google Earth Engine technology. On the service demand side, Imazon has contributed to the development of Terras App Solutions [hereafter Terras] - a startup company that builds and offers land management, risk monitoring and traceability solutions to the agribusiness value chain. Therefore, these initiatives are meeting the demand for independent and transparent information from Imazon side, and for affordable information technology solutions to connect the agribusiness supply value chain through Terras

What is the intended impact of the initiative?

Imazon's monitoring systems and Terras's solutions will work synergistically to connect the agribusiness supply value chain with zero deforestation zones. Imazon will monitor and quickly inform stakeholders about deforestation threats in agriculture zones. Terras will offer free and affordable services to connect the agribusiness supply value chain and improve land productivity. The expected impact is a large-scale adoption of these solutions by the supply value chain to reduce the risk of doing business linked to deforestation.

What is holding back the effectiveness of this work?

Funding from foundation for independent forest monitoring is becoming scarce affecting directly Imazon's capability to offer more advanced and precise information about forest threats. Terras also needs investments to accelerate the development of its platform and services, specially free services for smallholders, and to push the increase of its user base to a level whereas the adoption of traceability and land management solutions have no drawback. In addition, the agribusiness sector has a long history of not sharing information among its supply chain- this can be overcome by showing the benefits of sharing information across the supply chain. Finally, Internet accessibility in rural areas has to improve to allow producers to participate and interact more easily with the supply value chain.

What is your vision and roadmap to 2016? And to 2020?

In 2016, Imazon will update and replicate its Earth Engine based forest monitoring platform in Brazil, and Terras will have successfully completed commercial pilot projects with potential to be expanded across the country. By 2020, Zero Deforestation Zones (ZDZs) will be established in the Brazilian Amazon throughout significant contributions of Imazon's independent and transparent forest-monitoring information and Terras traceability and land management services will connect the supply chain to the ZDZs. More importantly, consumers will have easy access to transparency information about the source of agriculture products.

2 Known Sources

FoodReg

What is the demand driver for transparency information and who is the main user community?

In the case of the transparency initiative KnownSources, the main demand driver is the advocacy NGO community, which is pressing brand name companies and large producer-traders to make commitments to responsible palm oil sourcing and to publish information on how they are progressing in the fulfilment of these commitments.

The main user community for the transparency information is also this advocacy NGO community – acting as a representative of the concerned general public. In addition, sustainability departments of individual companies are an intermediate community for the information.

What is the particular way this initiative is meeting the stated demand (i.e. the particular value proposition)?

The particular value proposition of KnownSources is that it provides empirical measurement of key sustainability indicators (KSIs) in the supply chain of specific companies. It does this as a trusted third party, collecting confidential business information but only passing on enough information to meet transparency goals.

KnownSources also collates and validates information about production sources, thereby ensuring the underlying validity of sustainability indicators and avoiding duplicated efforts by companies all seeking to do the same identification and evaluation of the sources which feed their supply chain.

What is the intended impact of the initiative?

It is intended that KnownSources provides dependable and comparable measures of the progress of the producers, traders and buyers of palm oil towards fulfilment of their responsible production and sourcing commitments. This will include measurement of compliance with no deforestation commitments.

What is holding back the effectiveness of this work?

Companies do not like to see information published which portrays them in a negative light. They also are sometimes uncomfortable with independent transparency initiatives, since this reduces their ability to 'relax' the measures when

they feel the need to do so.

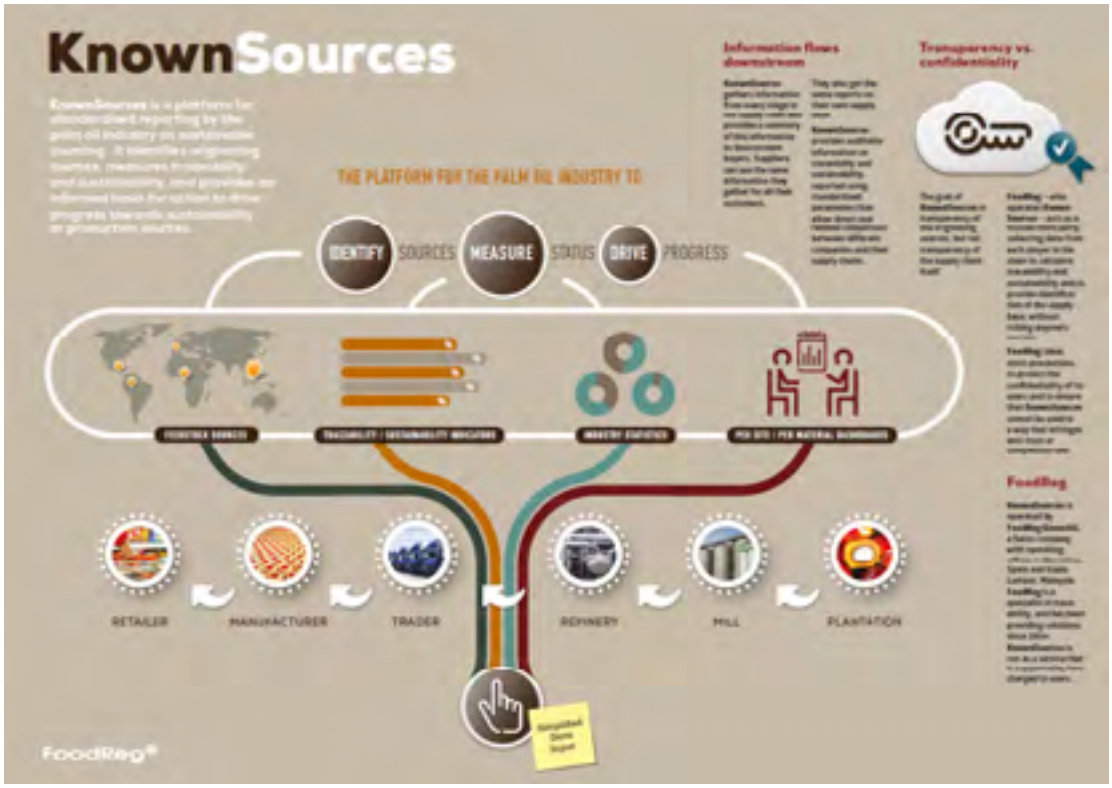
It is difficult to establish a sustainable business model for operation of the platform. A subscription scheme has been put into place, but it is unclear whether enough companies will pay the subscriptions to make the initiative economically viable.

What is your vision and roadmap to 2016? And to 2020?

KnownSources wishes to complete its database of production sources (in particular of palm oil mills) by the end of 2016. The KnownSources roadmap for 2016 is to collect enough information from palm oil mills, combine it with traceability on the platform, and produce a rich set of KSIs for all participants.

Also during 2016, KnownSources will publish a global sustainability dashboard which will show aggregated key sustainability indices for the industry, based on empirical data collection.

The vision for 2020 is to establish a strong level of traceability to palm oil growers (plantations and smallholder groupings), utilising data from the growers to produce key sustainability indicators measured from on-the-ground information in place of based on the intermediate level of palm oil mills.



3 Responsible Commodities Trading Hub
BV RIO

What is the demand driver for transparency information and who is the main user community?

Recent commitments to low deforestation supply chains, timber legality, biofuel requirements, and sustainability standards, together have the potential to increase demand for responsible commodities and to reduce deforestation at unprecedented levels.

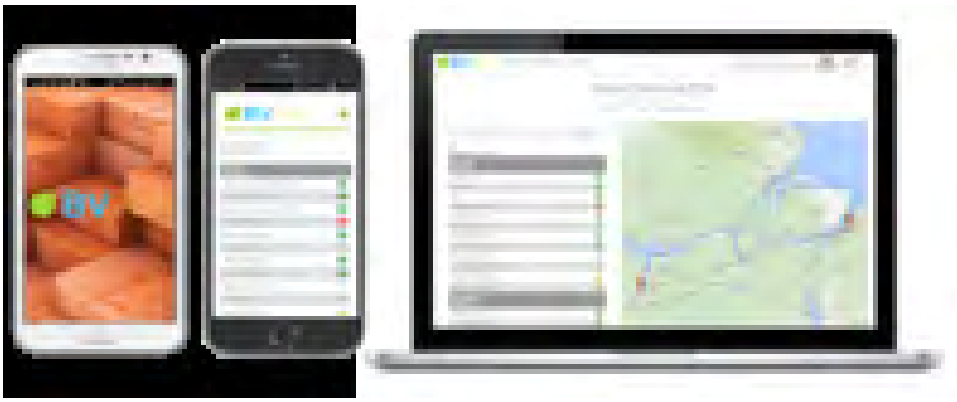
There are, however, a series of constraints preventing the scaling up of the markets for responsible commodities. One of the key barriers refers to the imperfections of their pricing mechanisms, where lack of market transparency leads to imperfect information, affecting the growth of these sectors. According to the State of Sustainability Initiatives Review 2014 (ENTWINED, IDH, IIED, FAST, IISD, 2014), "even the fact that the mere absence of clear data or understanding of the market benefits of such investments can reduce the stimulus to invest." Producers complain about the apparent low demand for their products, and about the difficulty to deal directly with Buyers that value the sustainability differential of their products. Buyers have the same difficulty in finding sources of sustainable products in large enough volume, as there is no single focal point or market place for sustainable products.

An additional challenge to promoting the adoption of sustainability standards relates to the difficulties in verifying the supply chain of these products, to ensure that they are indeed derived from sustainable and legal sources. There is a need for a streamlined approach to facilitate the trading of traced responsible commodities.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Based on the successful application of BVRio's Legal Timber Trading Platform, BVRio aims to adapt this tool for the markets of agricultural commodities, in order to create a Responsible Commodities Trading Hub, a multi-market negotiations platform for sourcing legal and/or sustainably produced forest and agricultural products. This would be an efficient and effective tool for providing transparency, efficiency and liquidity to catalyse and accelerate the growth of responsible commodities markets in tropical countries.

BVRio's Legal Timber Platform relies on a Timber Legality Verification Tool (available at desktop, Android and iPhone apps) to screen all the 'production points' (forest logging operations and sawmills) of timber products of the Amazon. This verification process starts with the analysis of documentation provided for the



Brazilian government's DOF and Sisflora Systems (document of origin of timber products). Information gathered is crosschecked to detect any inconsistencies with internal and external databases, including satellite imagery analysis (including analysis from WRI's Global Forest Watch, and Brazilian NGOs Imazon and ICV) and official databases of infractions of environmental legislation, slave labour, illegal deforestation, environmental infractions, and tax compliance. Each consignment of wood products is verified according to its chain of custody, estimating the probability of risks related to social and environmental infractions. The system is based on big data analysis and has already conducted more than 1 billion crosschecks of data. Databases are updated daily - the more the system is used, the stronger its predictive capacity.

What is the intended impact of the initiative?

The creation of a global Responsible Commodities Trading Hub, operating at both the forestry and agriculture sectors in parallel with the involvement of a wide coalition of actors promoting these markets, should result in a significant increase in transparency, helping to increase demand and supply of deforestation-free commodities. This, in turn, should result in the reduction of deforestation, with resultant benefits in terms of carbon storage and biodiversity conservation.

What is holding back the effectiveness of this work?

One of the key barriers for assembling a Sustainable Commodities Hub is the difficulty in assembling data sets that enable comprehensive analyses. Organisations that work with commodities supply chains are having to devise innovative strategies to gather data or model the likely flows of commodities around the world.

There is an opportunity, therefore, to consolidate the existing information in a way that comprehensive data sets are assembled, amplifying the analytical capacity of individual organisations.

4 TRASE

SEI and GCP

What is the demand driver for transparency information and who is the main user community?

The platform is useful for anyone that may be linked to forest-risk commodity supply chains, and is seeking opportunities both to mitigate risks and increase sustainability.

It provides actionable information to:

- *Investors who want to make more sustainable and lower-risk investments*
- *Retailers, importers and others striving to meet deforestation and other sustainability-related commitments, and de-risk their supply chains.*
- *Producers who want to understand their links to global trade and end consumers*
- *Producer-country governments who want to promote sustainable production, reduce poverty, and monitor the activities of producers and exporters.*
- *Consumer-country governments who want to understand and manage their country's socio-environmental footprint, and make sustainable procurement decision*
- *Sustainable trade watchdogs and advocacy groups, monitoring progress towards sustainability commitments and seeking to identify more actors exposed to supply chain sustainability risk.*
- *Consumers and consumer groups interested in more sustainable consumption.*

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)

Transformative Transparency charts a middle path between country-level footprint analyses and bespoke, commodity-specific traceability systems, providing both a comprehensive overview of flows of a commodity from a jurisdiction of production (e.g. municipalities, districts) to consumer countries, and sufficiently fine-grained information to link individual supply chains to specific local actors, conditions and risks (e.g. water scarcity, deforestation risk).

Some key benefits of Transformative Transparency are:

- *Cost-efficient*
- *Responsive*
- *Comprehensive*
- *Standardized and comparable*
- *Publicly accessible*

What is the intended impact of the initiative?

A step change in accountability across sectors, remove a key information barrier to

the implementation of zero-deforestation commitments by 2020, and enable cost-effective monitoring of ongoing compliance.

What is holding back the effectiveness of this work?

We are currently in the inception phase of this work, and developing a strategy and fundraising platform for a dedicated team and consortium to 2020. The initial platform demonstration was first developed for COP 21, and the main barriers we see looking forwards are: i) purchase of trade data and navigating restrictions on use in an open-access platform, ii) fine-scale sub-national data on trade-flows and commodity consumption to improve understanding and reduce uncertainty, iii) development of strong public-private partnerships to explore and illustrate real potential of the platform

What is your vision and roadmap to 2016? and to 2020?

To 2016
Launch a public-facing platform at COP 22 in November 2016.

To 2020

i. *Coverage of about 20-25 key countries accounting for some 70% of all trade of key forest-risk commodities from the tropics, subtropics and other key regions;*
ii. *Integration with other platforms to deliver state-of-the-art assessment of impacts and risks linked to different actors along a supply change. This will include estimates of annual native vegetation clearance, land-based emissions, biodiversity, water scarcity, socio-economic indicators (indigenous rights, smallholder conditions, rural development) and governance*
iii. *Comprehensive decision-support tools and progress monitoring and benchmarking assessments for traders, jurisdictions of production and investors;*
iv. *Continuous monitoring of global hotspots and performance of key actors and jurisdictions, including the publication of annual lists for monitoring progress and benchmarking*
v. *On-the-ground pilot work leveraging insights from the platform*

With potential for further expanding capabilities (e.g. to include fisheries and specific non-farming commodities, or GHG emissions from the transport sector etc.) contingent on end-user needs and the availability of funding.

Demonstration platform available at: https://ttp.sei-international.org/. Global trade in Brazilian soy, with trade-flows for production of the whole country coloured by different municipalities of production, illustrating connections between municipalities of production, traders, shippers, importers and country of import. Detail on Chinese imports is shown in the pie charts

3. Information platforms on performance of supply chain actors

1 Behind the Brands

Oxfam

What is the demand driver for transparency information and who is the main user community?

It's only possible for companies to be held truly accountable if they are honest about the nature and impact of their work. The Behind the Brands scorecard assesses how committed companies are to disclosing where they source their products and raw materials and under what conditions, as well as examining their lobbying practices, tax disclosure and how they enforce their requirements on suppliers.
We assessed publicly available information on the policies and commitments of the 'Big 10' food companies towards the sourcing of agricultural commodities from developing countries. The user community; our supporters, communities impacted by respective supply-chain activities and, interested stakeholders such as investors, companies, governments, consumers, other civil society organizations, academics.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Behind the Brands is an Oxfam campaign to change the policies and practices of some of the world's biggest food and beverage (F & B) companies in relation to their agricultural commodity supply chains, to help bring about a world where everyone always has enough to eat. We've looked at the biggest food companies' policies on issues from water to women, the way they expect their suppliers to behave on these issues, and what they do to measure and improve their impact on every worker and farmer who makes their ingredients. After 3 years of campaigning supporter pressure is making a difference. People have taken over 700,000 actions demanding more from the Big Ten companies and their scores are starting to improve – but all of them still need to do more to make the global food system work for all.

What is the intended impact of the initiative?

The policies of big food and beverage companies drive how food is produced, the way resources are used and the extent to which the benefits trickle down to the marginalised millions at the bottom of their supply chains.
Oxfam's Behind the Brands campaign aims to provide people who buy and enjoy these products with the information they need to hold the Big 10 to account for what happens in their supply chains. Oxfam believes that no company is too big to listen to its consumers that that companies will adopt stronger social and environmental policies and practices. Many of the Behind the Brands companies have made significant new commitments to improve social and environmental standards in their vast supply chains. But the companies must now ensure that their suppliers actually change their practices in line with the commitments made.

And to accelerate the transformation towards a more sustainable food system, the companies must go further and adopt new business models in their supply chains to ensure that more of the power and the value reach the farmers and workers who produce their ingredients.

What is holding back the effectiveness of this work?

In the interests of transparency, we have only assessed publicly available information in the Scorecard which relates to the policies of these companies on their sourcing of agricultural commodities from developing countries. Where companies have relevant policies we have encouraged them to disclose these. We could not assess actual practices on farms and exactly how the Big 10 use their power to shape the behavior of their suppliers, because that information is not publicly available.

What is your vision and roadmap to 2016? and to 2020?

The past three years have seen companies in the food and beverage sector take on progressive social sustainability commitments. Across the sector these ambitious and far reaching supply chain commitments which now need to be secured and implemented in practice – roadmaps help us to hold companies accountable to their commitments. Tackling complex supply chains will require a shift not only in the practices of the Big 10 but also the practices and business models of their largest traders and suppliers. As companies increase their upstream focus and seek to implement respective supply chain commitments on land, gender and climate in practice, Oxfam will be both monitoring and engaging up to 2020.

2 Climate Advisers

Climate Advisers brings together globally recognized thought leaders on climate and energy, forests and lands, and sustainable development. We specialize in breakthrough ideas informed by a deep understanding of complex policy and political challenges.

What is the demand driver for transparency information and who is the main user community?

Lack of financial transparency in the agricultural products sub-industry enables practices that fuel deforestation. Well-intentioned shareholders lack sufficient information to channel their investments to companies with transparent supply chains, and reformers inside major companies lack the information needed to find and end deforestation. Opaqueness enables corporate behavior such as self-dealing, corruption, exploitation of forest-dependent communities, and other activities.

Climate Advisers online 'day-lighting' activities illuminate and provide transparency to these financial and governance business concerns.

Main users are investors, analysts, civil society, journalists, law enforcement, and the public.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

The pilot project launched in 2016 shined a spotlight into the financial and governance issues in SE Asian palm oil sector by combining policy, advocacy, and financial expertise with the incredible depth of information available in the world's largest financial databases, and with cutting-edge data visualization tools. In doing so, we created interactive maps allowing users to hone in on the relationships and financial transactions of special interest.

The pilot project uncovered and mapped institutional concerns where companies and their subsidiaries and joint ventures are non-compliant with:

- *Laws*
- *Government regulations and policies*
- *Corporate policies*

What is the intended impact of the initiative?

This pilot project allows civil society, investors, journalists, law enforcement, prosecutors, and the general public to see visually these concerns. Key impacts are in two categories.

Industry-level:

- *Is the sector addressing current legal requirements regarding palm oil expansion, size of land bank, smallholder sourcing, and foreign ownership?*
- *Is the sector addressing legal requirements regarding anti-competitive practices and collusion?*

Company-level:

- *What interlocking relationships exist among managers, corporate boards, regulators, and investors that may give rise to conflicts of interest and other ethical issues?*
- *What major financial transactions have occurred among a group of specific parties?*
- *Are companies adhering to their no deforestation policies?*

What is holding back the effectiveness of this work?

The project can easily expand through coordinated larger-scale funding to drive the broader and deeper results describing transparency of financial and corporate relationships globally. Similarly, the project expanded at scale from a pilot to pan-tropical commodities linked to deforestation would improve global financial analytics and support corporations who have made no deforestation commitments in achieving them.

What is your vision and roadmap to 2016?

Our vision is to expand analysis of the financial characteristics, governance structures, and investments of any company financing deforestation globally. We will address:

- *Industry-level systemic and company-specific idiosyncratic financial risks for corporations in the agriculture supply chains that drive deforestation.*
- *How these risks can be accurately priced.*
- *The interlocking relationships that exist among managers, corporate boards, regulators,*
- *and investors that may give rise to conflicts of interest.*
- *Public accountability by identifying media stories around conflicts of interest for*
- *journalists and law enforcement to investigate further.*
- *Communication techniques to inform portfolio managers and analysts how to use the tool.*

3 CDP Forests

What is the demand driver for transparency information and who is the main user community?

CDP works on behalf of institutional investors to incentivise global companies to measure and disclose their deforestation risk information. Our 2016 forests information request has been sent to over 850 global companies in high impact sectors on behalf of 365 signatory investors to the program with $22 trillion in assets.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Through an annual online disclosure request companies report in a standardised, comparable and comprehensive way. Progress against these indicators is measured year on year.

What is the intended impact of the initiative?

Through CDP's forests program, we work with companies to reduce deforestation and improve understanding of related risk. CDP believes evidence and insight is vital to driving real change and we use the power of measurement and information disclosure to improve the management of environmental risk. We then put this information at the heart of business, investment and policy decision making.

What is holding back the effectiveness of this work?

Participation and leverage to get Chinese and Indian companies involved given their high impact on the issue.

Companies not having all of the information they need with regard to their supply chain – e.g. traceability/mapping – this means that the 'Response' that the company takes to deforestation risk cannot always be as well informed as it needs to be. Many investors not having policies in place deal with deforestation. deforestation being one risk of many (even just in environmental field) they consider.

What is your vision and roadmap to 2016?

CDP works to transform the way the world does business to prevent dangerous climate change and protect our natural resources. We see a world where capital is efficiently allocated to create long-term prosperity rather than short-term gain at the expense of our environment. We hold the largest collection globally of self-reported climate change, water and forest-risk data. Through our global system companies, investors and cities are better able to mitigate risk, capitalize on opportunities and make investment decisions that drive action towards a more sustainable world. www.cdp.net

4 Forest 500

Global Canopy Programme

What is the demand driver for transparency information and who is the main user community?

The rankings can be used by companies to benchmark their performance against others in their sector.

Civil society can use the Forest 500 to more effectively target and engage with companies and financial institutions most exposed to risks associated with deforestation.

Financial institutions can utilise the Forest 500 to focus their attention and engagement on companies in their lending/investment portfolios that play a major role in commodity supply chains driving deforestation, allowing them to mitigate potential risks.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

The Forest 500 is the world's first rainforest rating agency. It identifies and ranks the most influential companies, investors and governments in the race towards a deforestation-free global economy. By objectively identifying and ranking the 500 powerbrokers that have large-scale influence over forest risk commodity supply chains, the Forest 500 holds companies, investors, and governments accountable for their actions. The results and insights from the Forest 500 indicate shortcomings and gaps in powerbrokers' commitments, highlighting where greater action is required to achieve overarching deforestation commitments. Specifically, the Forest 500 assesses 250 companies, 150 financial institutions, 50 jurisdictions, and 50 other powerbrokers, each selected based on their exposure to forest risk commodity supply chains.

What is the intended impact of the initiative?

This project will contribute to reduced global trade in these illegal FRCs by delivering a step-change in accountability among key market actors driving deforestation, and increased demand for legal and sustainable FRCs. Specifically, it will strategically target, assess and engage 'powerbroker' companies, financial institutions and governments, increasing pressure on them and improving their capacity to improve both policies and performance.

What is holding back the effectiveness of this work?

- *Lack of standardised information regarding the role of powerbrokers in commodity supply chains.*
- *Lack of aligned communication around key issues and how different transparency initiatives complement one another.*
- *Lack of alignment in what companies are asked to achieve by civil society.*

What is your vision and roadmap to 2016? and to 2020?

The Forest 500 ranking and analysis will be repeated annually until 2020, to help inform, enable and track progress towards deforestation free supply chains. Identification of powerbrokers will be undertaken biannually to ensure the most important companies, financial institutions and jurisdictions are ranked. The Forest 500 team will also develop a methodology that allows the implementation of company and financial institution policies to be assessed and ranked.

5 Kepo Hutan: A Mapping Platform

Greenpeace

What is the demand driver for transparency information and who is the main user community?

We call it the "Kepo Hutan" (Curious About Forests) map platform. Greenpeace has gathered mapping data from various sources, digitised it into shapefile format and loaded it into an interactive online map tool. This tool will enable local communities, civil society and all other stakeholders to monitor and prevent fires.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Greenpeace's "Kepo Hutan" map platform is different from other platforms such as WRI/Global Forest Watch because no other interactive online map platform provides the same extent of land tenure ("concession") data that Greenpeace does.

Greenpeace is launching this mapping platform to support the President's efforts on One Map and the measures he announced to protect forests and peatlands.In 2011, the GoI made a promise to Indonesia to publish the One Map. Five years on and the Government of Indonesia has just released a new regulation to 'accelerate' this initiative, with a full map available by the end of 2019, nearly four years from now. The legislation does not state in what format the maps will be made available. Greenpeace believes this is too slow – the public interest to share the data now is too great. Ministries should publish the data they have and invite all interested stakeholders – communities, experts, companies, and ministries – to work together to correct errors, improve the data and resolve land conflicts.

Until the government meets its commitments to publish the One Map, Greenpeace will continue to press for access to this public information in the public interest.

What is the intended impact of the initiative?

We aim to put this information in a place easily accessible by the public, and set an example for the kind of transparency we expect from the government and companies. GP is committed to maintaining the map as long as it serves a useful purpose. We will be looking at further data sources as they become available, and invite the public to improve the map by sharing with us new maps, and submitting advice on correcting any mistakes they believe to be found in the current maps.

To save the forests, we need to know what's going on in them – but the national government is refusing to be transparent about who controls forest land where, and

what they're doing with it. We need everyone to be "Kepo" – curious about forests, before they're all gone.

What is holding back the effectiveness of this work?

With the publishing of this tool, Greenpeace wants to set a constructive and definitive example of how make publishing maps is useful to public. Even though Greenpeace has released these maps, we are pressing for the government to ensure accurate, up-to-date maps are made publicly available. Our maps are based on data which is several years old, so the government must release the most recent maps so fires and deforestation can be tackled effectively.

What is your vision and roadmap to 2016? and to 2020?

Greenpeace has a global goal of zero deforestation by 2020. In addition to the goal of zero deforestation by 2020, we want to see deforestation stopped and reversed, more forests then than now, and communities at the heart of solution.

6 Landscape Accounting Framework

Conservation International

What is the demand driver for transparency information and who is the main user community?

- *Sub-national governments, landscape managers, producers and their partners – need to evaluate progress towards sustainable landscape goals a) to improve strategies and actions, and b) to communicate to and build support from local, national and international stakeholders*
- *Land-use investors and commodity sourcing companies – want to understand and potentially report on status and trends on key indicators of progress towards sustainable landscapes goals in jurisdictions where they are already involved*

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

- *Evaluates and monitors the status and trends in key indicators that collectively characterize landscape sustainability through a series of simple graphs, charts, statistics and maps that are easy for all stakeholders to understand and use.*
- *Highly adaptable and enables stakeholders to identify and monitor the most relevant goals and indicators for sustainability in the context of their landscape, organized under key themes including natural capital, production systems, governance, and human well-being*
- *A structured data management platform allows users to draw from publicly available data sets to populate a series of dashboards that can be easily adapted to produce graphic evaluation and communications materials to assess progress, build support and strengthen strategies and actions to meet the sustainable landscape goals.*
- *Progress on priority indicators is summarized in a Landscape Sustainability Index in the form of a multivariate two-dimensional radar chart.*

What is the intended impact of the initiative?

The tool aims

- *To enable stakeholders, including governments, producers, and civil society and private sector organizations, relevant to land-use in a sub-national jurisdiction to identify goals and indicators for a sustainable landscape, and to monitor and evaluate progress towards the goals.*
- *To provide easy access to information a) to assist the landscape management and to improve effectiveness of strategies and actions, and b) to build support for their implementation among local, national and international stakeholders*

What is holding back the effectiveness of this work?

- *Developed and piloted so far in Peru (San Martin) and Indonesia (North Sumatra) and seeking opportunities to develop and apply more broadly.*

What is your vision and roadmap to 2016?

- *Developing guidance for users and demonstrating use in further sites in Indonesia, Liberia, Brazil, Madagascar and Guyana in 2016 and 2017.*

7 Landscape Sustainable Production Standard
VCS

What is the demand driver for transparency information and who is the main user community?

The Landscape Standard will demonstrate how landscape-wide assessments can be linked to international demand for sustainable supply chains (eg, Tropical Forest Alliance 2020 and New York Declaration commitments for zero deforestation commodities or preferential finance based on sustainability results), with targeted finance and incentives scaling up the impact of sustainability efforts on the ground. The main users would be stakeholders in landscapes applying LS (eg, producers, civil society and government), as well as demand-side actors such as consumer goods companies and investors.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

See above. In addition, LS will provide a means for assessing incremental improvement in large-scale sustainability (social, environmental and economic) over time. This will help demonstrate progress towards commitments, such as zero-deforestation, as well as provide companies a means to assess the risk profile of a landscape which will help spur preferential sourcing for, and investment in, sustainable landscapes.

What is the intended impact of the initiative?

The development and application of LS will help maintain critical ecosystems and reduce emissions from deforestation while meeting local and global food production and sustainable development needs of commodity-producing countries. Impacts will vary by landscape but all include the following:
Climate change mitigation:
- *Emissions from the agricultural and forestry sectors, including deforestation and degradation are reduced by addressing unsustainable agricultural production at the landscape scale*
- *Climate change mitigation is scaled up through finance and market incentives catalyzing the development and replication of climate-smart agricultural production models*

Climate change adaptation:
- *Increased resilience of the communities in each of the pilot countries, by stabilizing food production, maintaining ecosystem services, and increasing and diversifying income*
- *Agricultural practices improved, enhancing productivity, soil fertility, water*

quality and availability, thereby sustaining crop productivity in face of climate change

Biodiversity conservation:

- *Development, promotion and replication of landscape-scale forest-restoration and zero-deforestation agricultural production models that do not harm but enhance biodiversity and ecosystem services*

What is holding back the effectiveness of this work?

There are currently no frameworks for assessing broad sustainability at landscape scale. While farm-level certifications are, and will remain, important, they are not able to assess broader impacts (outcomes) at scale or address issues such as water quality and availability or deforestation, which require a landscape-wide approach and monitoring framework.

What is your vision and roadmap to 2016? and to 2020?

LS will be developed and piloted between now and 2020. By the end of 2020, we expect to have several pilot landscapes assessed against LS, with concrete linkages to demand and finance that can demonstrate the value and potential of landscape-wide approaches.

8 NYDF Progress Assessment

Climate Focus

What is the demand driver for transparency information and who is the main user community?

The New York Declaration of Forests (NYDF) includes the ambitious target of ending natural forest loss by 2030. Endorsed by more than 130 governments, companies and NGOs, the NYDF is the first declaration of its kind to invite and bring together major actors from the public and private sectors, and civil society to commit again forest loss. Of the 10 goals of the NYDF, Goal 2 focuses on the role of the private sector to eliminate deforestation in its supply chain driven by the production of four major agricultural commodities. Specifically, Goal 2 aims to "Support and help meet the private-sector goal of eliminating deforestation from the production of agricultural commodities such as palm oil, soy, paper and beef products by no later than 2020, recognizing that many companies have even more ambitious targets"

Without continued evaluation of the progress towards meeting its goals, the NYDF risks becoming part of the large number of declarations that are made, publicized, and forgotten. The NYDF Progress Assessment draws on the tracking and transparency efforts of other institutions. Its added value is to bring together intelligence and data from different initiatives, create a platform of cooperation, and elevate transparency to a higher level by a coordinated outreach and media strategy.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

The objective of the NYDF Progress Assessment is to contribute to achieving the ten goals set out in the NYDF through the provision of information and the strengthening of collaborative momentum that led to their adoption. To achieve this objective, the initiative will pursue three strategies:

- *Tracking Progress: the initiative will establish an information platform that monitors and assesses progress towards the NYDF.*
- *Coalition Building: the initiative will create and strengthen the network of reputable organizations that support the initiative.*
- *Communication: the initiative will enhance its visibility through an effective, multifaceted communications strategy.*

The NYDF Assessment addresses one of the shortcomings of the NYDF: the lack of an organized follow-up.

What is the intended impact of the initiative?

The NYDF takes an integrated look at protecting and restoring forests, transforming supply chains of major economic sectors impacting forests, and improving forest livelihoods, governance, and tenure of forests at a global level. The NYDF combines goals expressed in the context of a number of individual pledges and agreements, such as the Bonn Challenge, the Aichi Biodiversity Targets, REDD+, climate and forest financing pledges, and supply chain commitments.

The objective of the NYDF Progress Assessment is to contribute to achieving the goals set out in the NYDF through the provision of information and the strengthening of collaborative momentum that led to their adoption.

What is holding back the effectiveness of this work?

The NYDF encompasses both qualitative and quantitative goals, which in many cases are not narrowly defined and do not set a specific date for its accomplishment. The lack of data required for measuring the progress in many goals, is probably the biggest challenge for tracking progress effectively. Collaboration between the research institutions and civil society organizations integrating are network is essential to curve this challenge.

Another challenge is that the NYDF loses momentum. This could happen if pressure on key stakeholders (public or private) to assume commitments is not enough to engage new signatories. The NYDF could also lose momentum if current signatories fail to fulfill their pledges.

What is your vision and roadmap to 2016? and to 2020?

We will work continuously on the enhancement of our assessment framework, and thus our information platform. The NYDF Assessment will produce an annual report tracking progress on all goals, however we will zoom into one goal (or set of related goals) in each report and provide in-depth background information and analysis on that goal. Along with the previous, this project will set the base for a strong network of civil society and research institutions around the NYDF that will drive the initiative forward, enhancing both the credibility and impact of the information presented. We also aim to ensure that the data and analyses carried out are made available to and used by the organizations best placed to influence public and private sector actors.

9 Palm oil scorecard

Greenpeace

What is the demand driver for transparency information and who is the main user community?

Two years ago, many consumer goods manufacturers, retailers, and grower/traders adopted 'No Deforestation, No Peat, No Exploitation' policies. We wanted to understand how consumer goods manufacturers were progressing towards achieving that commitment -- to find out which companies were on track, and which were failing to keep the promises they'd given. And, importantly, we wanted to engage our supporters who, two years prior, had made their voices known to the companies.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

We sent a survey to 14 global brands, and analyzed progress in three key areas: how they were implementing their 'no deforestation' policies via sourcing, how their policies and implementation drive transparency through the supply chain, and the role each played in palm oil industry transformation. Companies' overall score was a blend of the three areas, weighted towards overall the progress each company was making towards buying deforestation-free palm oil.

What is the intended impact of the initiative?

Demonstrate to our supporters that sourcing palm oil is still a risk; drive supporters to believe that they need to take action to be part of the solution
Communicate our objective expectations for all consumer companies to companies, stakeholders and supporters.
Help us answer our supporters' questions - e.g.: 'does the company have anything meaningful to show for the two years it has spent implementing its policy?'

What is holding back the effectiveness of this work?

Resource capacity is a consideration for all of our advocacy work.

What is your vision and roadmap to 2016? and to 2020?

Greenpeace has a global goal of zero deforestation by 2020. In addition to the goal of zero deforestation by 2020, we want to see deforestation stopped and reversed, more forests then than now, and communities at the heart of solution.

10 Palm Oil and Soy Scorecards

WWF

What is the demand driver for transparency information and who is the main user community?

One of WWF's strategies to stop deforestation and forest degradation (and conversion/degradation of other habitats such as grasslands and savannah's) is to work with companies and financial institutions linked to supply chains to 'exclude deforestation' and other unsustainable practices from their supply chains. WWF's international focus is on critical commodities such as palm oil, soy, beef, timber, pulp&paper, but locally focus can be on other commodities (coffee, cacao e.g.). We work with sectors (via platforms as CGF, Round Tables as FSC, RSPO, RTRS, BCI) and via one on one engagement with key companies to urge them to commit to 'sustainable products' (including 'zero deforestation') and to act by only sourcing sustainable products. We also ask companies to be transparent about their commitments and results, and have successfully lobbied to include the need for members of the RSPO and RTRS to publicly report in the bylaws of these round tables. To measure progress and to push companies to be transparent we are issuing scorecards two yearly. For palm oil since 2009, with a growing number of companies/ countries (http://palmoilscorecard.panda.org), for soy since 2014, currently only companies from 9 European countries. http://soyscorecard.panda.org/ Similar initiatives are WWF's Paper Environmental Paper Company Index: http://epci.panda.org/ , the Cotton Ranking Report (with PAN UK and Solidaridad): http://wwf.panda.org/wwf_news/?269290/ Top%2Dbrands%2Dfailing%2Don%2Dcotton%2Dsustainability and WWF's assessment of the CGF companies: Slow Road to Sustainability (june 2016): http://wwf.panda.org/wwf_news/?269970/ WWF%5Freport%5Fslow%5Froad%5Fto%5Fsustainability

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

For each scorecard we develop a methodology, with standard questions, and some that apply to the specific situation. Questions and scores are therefore partly comparable, but also include a scoring of companies on specific issues. Main items are: public commitment to 'responsible soy/palm oil', specific commitment to Soy Moratorium or 'no deforestation' (in case of soy), membership of the RTRS or ProTerra, actual purchase of certified material. In all cases we push for public data, including annual reporting to the RSPO, RTRS. The answers are scored, and companies are rated.

What is the intended impact of the initiative?

By making companies' commitments and progress transparent, and scoring/rating them, we intend to push them further on their road to responsible and 'deforestation free' supply chains. Extra intended impact is the push for transparency, as (by giving points to it) we strongly encourage the companies to publish data on websites etc and (public) annual reporting to RSPO and RTRS.

What is holding back the effectiveness of this work?

Companies are not always willing to respond to questionnaires (in 2016 for soy 1/3 'non respondents'). Lack of resources to expand to all geographies. Low awareness of media and public on the issue, esp for embedded soy.
One additional issue for soy is the fact that companies are ignorant on their soy footprint via feed, or are only limiting their soy commitments to direct soy use (in human food), 'forgetting' about the in most cases significantly higher soy use in animal feed for the animal products they are using. (some other transparency initiatives have failed to see this, and given some bad performers 'good' scores).

What is your vision and roadmap to 2016? and to 2020?

We intend to continue with scorecards, at least in 2018 and 2020, if funds can be secured. We will keep working with companies on 'no deforestation' commitments and implementation. At the same time we will continue working on other strategies, such as supporting Soy Moratorium, working with Round Tables, and local/national work on landscape level, such as lobby for good legislation and implementation, best management practices, protected areas, etc.

11 Palm Oil Key Performance Indicators Coalition

CERES and Packard Foundation

What is the demand driver for transparency information and who is the main user community?

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Investors and advocacy organizations both pushed for companies to make robust no-deforestation, no-peat, no-deforestation palm oil (NDPE) commitments, and an unprecedented wave of commitments followed. Now, companies are beginning to report on progress. This is where the rubber hits the road in terms of implementation. Company reporting to date is highly anecdotal and non-comparable. While a wave of first-mover companies increased transparency with respect to their supply chain (names of suppliers, mills, etc.), there has not been a concerted effort to level the playing field and make transparency the norm.

Therefore, investors and advocacy organizations, with support from the Packard Foundation, are collaborating to develop common reporting guidance for companies on their NDPE commitments. Organizations in the Steering Group include: Greenpeace, WWF, WRI, RAN, Oxfam, Green Century Capital Management, TFT, Daemeter Consulting, FoodReg, Conservation International and others. The reporting guidance includes expectations related to grievance mechanisms, mapping, assessments, FPIC and other key elements of company implementation.

The aim is for the reporting guidance to fold into existing reporting and evaluation platforms (such as the RSPO ACOP, CDP, ZSL's SPOTT Scorecard, Global Forest Watch), rather than be its own new platform. The reporting guidance is currently being revised and is set to be released in November 2016.

What is the intended impact of the initiative?

To drive meaningful reporting and transparency - and thereby implementation - on palm oil commitments. And to do so with a broad coalition of groups such that companies have clear common guidance.

What is holding back the effectiveness of this work?

We haven't released the reporting guidance yet, so I'm going to decline to comment until we have a clearer sense of companies response.

What is your vision and roadmap to 2016? and to 2020?

We have not yet developed a follow-up plan for post-November 2016, though we have been thinking and talking to participants in the steering group and beyond about needed activities. Recommendations are welcome.

12 Sustainable Landscape Rating Tool

CCBA

What is the demand driver for transparency information and who is the main user community?

1. *Investors seeking business opportunities related to land use, and commodity sourcing companies considering engagement or expansion in a jurisdiction – keen to identify jurisdictions likely to help them meet sustainability goals, and concerned about investment risks related to policy, legal, governance and other enabling conditions*
2. *Sub-national, national, and international governments – seeking to support development of key enabling conditions in sub-national jurisdictions to facilitate private sector investment and transition to green growth*
3. *Sub-national governments, landscape managers, producers and their partners – need to diagnose and address key enabling conditions and communicate progress to attract investment and support*

What is the particular way that the initiative is meeting the stated demand (i.e. the particular value proposition)?

- *provides a due diligence framework to unpack and understand key enabling and governance factors likely to affect sustainability and posing a risk for their investment*
- *identifies priorities for public investment to develop enabling conditions for private sector engagement*
- *communicates progress with respect to enabling conditions for sustainable land use to attract investment and other support*
- *provides diagnosis to identify key indicators and baseline conditions to be monitored to track progress towards sustainable landscape goals – for example using the Landscape Accounting Framework*

What is intended impact of the initiative?

The tool aims:

- *To identify key enabling conditions for sustainable landscapes, particularly related to policy and governance, and draw support to strengthen them.*
- *To promote investment and commodity sourcing to support sustainable landscapes to enable them to deliver significant climate, community and biodiversity benefits*

What is holding back the effectiveness of this work?

Seeking supplementary funding for further development of the tool and partners to pilot the tool at jurisdictional level

What is your vision and roadmap to 2016?

Scoping, outreach and development of initial framework in 2016. Testing and roll out in 2017.

13 Resource Trade Database and Embodied Environmental Impacts

Chatham House

What is the demand driver for transparency information and who is the main user community?

The volume of natural resources traded globally has increased over 60% since the turn of the century, reflecting and reinforcing new economic and geopolitical realities and bringing new environmental and social challenges – as well as opportunities. Patterns of resource use and trade are key to realising countries' and people's potential to achieve many of the SDGs, but they also have serious environmental impacts such as climate change, deforestation, water scarcity, soil erosion and the loss of biodiversity. Analysis of resource trade and its environmental, social and political implications is currently held back by the lack of publically available tools to assess global and regional trends for many commodities. The provision of improved data on resource trade and associated environmental dynamics will be of particular value to national policy-makers in developing effective policy responses, and to non-governmental actors holding public and private actors to account.

What is the particular way that initiative is meeting the stated demand? (i.e. the particular value proposition)

To improve understanding of global flows of natural resources, Chatham House has developed a database tracking bilateral trade in natural resources and resource products between more than 200 countries and territories since 2000. With more than 16 million data points the database covers the weight and value of trade in over 1,300 different types of natural resources and resource products – including agricultural, fishery, and forestry products, fossil fuels, metals and other minerals. It allows for a detailed examination of new and growing resource-related dependencies among countries and regions, and flows of resources through global value chains. The database is based on International Merchandise Trade Statistics, collected by national customs authorities and available through UN COMTRADE. The Chatham House database provides a resource-based hierarchical taxonomy and a robust method for assessing the reliability of, and reconciling the differences between, importer and exporter reporting.

We are in the process of bringing the database online, via a queryable interactive platform. Through a user-friendly interface and innovative data visualisations, lay and experienced users of our site will be able to quickly and intuitively grasp the volumes of trade both at a very detailed level and at more aggregated resolutions. We are supplementing the core trade data with measures of the volumes of land, water, and greenhouse gases embodied in trades, to permit greater appreciation of

the environmental significance of global resource dynamics. Country profiles will provide a dashboard of environmental, socio-economic, governance, and resource-dependence indicators to situate resource trade in a broader sustainability context.

Through developing a series of interactive narratives on the same site we hope to leverage this data and to work with others to bring greater transparency and understanding to specific resource-related pressure points and hotspots.

What is the intended impact of the initiative?

To increase policy-makers', journalists', and advocates' awareness of the trends and environmental implications of international resource trade, and to equip them with the tools and data to develop their own fields of enquiry.

What is holding back the effectiveness of this work?

To gain detailed and accurate assessments of resource-trade environmental impacts, particularly with respect to land use and deforestation risk, we are seeking to both develop the database's capabilities in tracing multilateral supply chains, rather than simply bilateral trade, and to develop our understanding of the linkages between sub-national resource production/extraction locations and international resource trade.

What is your vision and roadmap to 2016? and to 2020?

2016: The web platform that will enable analysis, visualization, and communication of resource trade dynamics and environmental impacts will be launched, featuring case studies on the land uses associated with specific resource trades.

2020: The platform is further expanded to include deforestation and environmental risks in a broader range of commodity trades and showcases innovative and important resource-trade research by Chatham House and others. It is widely recognised and used by civil society and decision-makers as a go-to resource, empowering them to conduct their own analyses, research, and advocacy, leading to greater accountability and more informed decision-making related to resource trade.

14 Rural Horizons

Solidaridad

What is the demand driver for transparency information and who is the main user community?

The demand driver for transparent information in the context of Rural Horizons is the buying company. In order to deliver on their public commitments to source sustainably, the private sector has to first understand and then support relevant improvements in the sustainability performance of the farmers in their supply chain. At the same time, governments but also producer groups themselves and surrounding stakeholders have a direct interest in the shift towards more sustainable farming practices, when looking at social and environmental impacts in the landscape or in response to global issues such as climate change mitigation.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Rural Horizons was developed in 2010 as a supplier engagement strategy, based on a process of stepwise continuous improvement of farmers sustainability performance. Rural Horizons guides farmers in a stepwise apporach via legal compliance towards a performance compatible with the required certification standard of the buying company. In 2013, 4 major buying companies and 10 leading producer organizations in 6 different commodities started to roll out Rural Horizons in Colombia, Brazil, Paraguay, Ghana and South Africa. In total reaching out to 3000 farmers and covering over 1,000,000 hectares of cultivated area at the end of 2015.

What is the intended impact of the initiative?

Rural Horizons is an expert system to support continual improvement of agricultural production. The system is made for farmers, for their associations and for buying companies. It provides farmers with tools to improve their practices step by step and at their own pace. It provides associations with information to target technical assistance and find support. It provides buying companies with detailed data to assess risks and support a step-by-step approach towards high quality supply. Rural Horizons is the alternative to traditional channels of extension services or the one-way traffic of providing information to an auditor for certification, because it has the ability to structure, store and share information with peers and steer towards real performance and improvement needs – which benefit both the producer as well as buyer.

What is holding back the effectiveness of this work?

Cost effectiveness

What is your vision and roadmap to 2016? and to 2020?

Rural Horizons has been developed by Solidaridad with the support of many partners that range from multinational companies to smallholder cooperatives. The challenge is now to further professionalize Rural Horizons to bring it to scale in a cost effective manner. Solidaridad is looking at the existing commodity programmes of cocoa, livestock, palm, soy and sugarcane to bring Rural Horizons to scale and reach a large number of farmers in respective sectors, especially in those areas with high social and environmental risks associated to commodity production and where a clear quality and productivity gap exists.

15 Sustainable Palm Oil Transparency Toolkit (SPOTT)

ZSL

What is the demand driver for transparency information and who is the main user community?

Transparency is an essential component of responsible business; vital for stakeholders to understand, monitor and address the socio-environmental risks of company operations. Corporate transparency requires reporting on: corporate structure and operations; commitments and policies to socio-environmental best practice; how commitments are being operationalised; and progress and the impacts of implementation.

Financiers (and other stakeholders) require transparent information to address the potential risks associated with a company; to ensure socio-environmental risks are being effectively monitored and managed. Transparency supports constructive engagement with companies and enables financiers to use their influence to incentivise improvements in business practices. Increasing corporate transparency is particularly important for commodity sectors associated with high risk and the potential to cause adverse social and environmental impacts. SPOTT supports increased transparency in the palm oil industry, with a specific focus on upstream operations.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

By providing regularly updated assessments of 50 of the largest palm oil producing companies worldwide against a framework of socio-environmental indicators, SPOTT supports companies to adopt better practices and increase the public availability of information. SPOTT provides resources and guidance, as well as an interactive map to facilitate monitoring. SPOTT enables financiers and other stakeholders to monitor and manage the socio-environmental risks they are exposed to through their relationships with palm oil companies, and to undertake informed engagement to support increased transparency and responsible business practices.

What is the intended impact of the initiative?

SPOTT aims to present an agreed framework for transparency and socio-environmental best practice. SPOTT aims to identify the major influencers (financiers and buyers) of companies and provide them with the information needed to inform their decision making and engagement activities; to incentivize responsible

business. In this way and by increasing transparency, SPOTT has the ultimate goal of supporting companies to adopt better practices to eliminate negative social and environmental impacts, in particular on biodiversity in areas of high environmental value.

What is holding back the effectiveness of this work?

The main challenges to the effectiveness of this work include the need to increase uptake of ESG processes by major financiers capable of influencing companies featured on SPOTT, particularly those in SE Asia. In addition, the ability to verify implementation of company commitments and to assess whether socio-environmental risk is truly being addressed is hindered by the poor availability of standardized data on company operations, for example accurate concession site data. Finally, to increase the effectiveness of this work, there is a need to align different initiatives calling for improved socio-environmental practices.

What is your vision and roadmap to 2016 and 2020?

By the end of 2016, we will have increased the ability of SPOTT to verify the implementation of company commitments. We will have refined the SPOTT indicator framework to reflect agreement and alignment among initiatives on requirements of companies in terms of socio-environmental best practice and transparent reporting. This includes the scope and content of company commitments, metrics for reporting on implementation, and guidance on where and how this information should be communicated. By 2020, SPOTT will cover at least one additional commodity sector, and the key influencers of SPOTT featured companies will have been engaged, with 50% adopting the SPOTT approach to engagement and incentivising improvements.

7. ANNEX 2 - SUPPLY CHAIN TRANSPARENCY ENABLING ORGANIZATIONS AND INITIATIVES

1 Food Fw

What is the demand driver for transparency information and who is the main user community?

We are two steps away from ultimate drivers (self-regulation/institutional shareholders/consumers). Our main user communities are large food & beverage businesses and their smaller suppliers, particularly logistics operators.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Enabling smaller supply chain players to invest in sustainable technologies, including transparency ICT, supported by downstream corp customers' procurement/finance function

What is intended impact of the initiative?

Accelerated uptake of sustainable supply technologies

What is holding back the effectiveness of this work?

Buyers' / Supply managers' KPIs

What is your vision and roadmap to 2016? and to 2020?

Our plans to December are to continue recruiting innovators and investors to our platform, focused on 1. energy, waste and water reduction solutions and 2. information solutions which extend ERP reach into smaller scale producers and transporters.

To 2020 we want to see some substantial collaborations between European and Asian businesses and technology/ICT implementations underway in producer/ logistics clusters.

2 Geotraceability

What is the demand driver for transparency information and who is the main user community?

Typically, better data on smallholder location and situation for companies with large SH supply bases to be able to make better informed decisions on, e.g. providing extension services, training, certifying, supporting productivity improvement, assessing investment impact, targeting interventions, proving provenance to customers etc.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

The GeoT process involves working with the supply chain stakeholders, typically farmer to mill, and developing data capture, mapping and surveying capacity, traceability software systems and SH productivity improvement tools. The data is stored on our web platform and, if the client choses, can be shared with downstream customers, certification schemes, NGOs, Government etc.

What is the intended impact of the initiative?

Better integration of smallholders in international agri-commodity supply chains by providing better data on their location and situation. It is also intended to use the power of software to extend the reach of traditional extension services for SH.

What is holding back the effectiveness of this work?

Achieving scale requires disproportionally large upfront investment and for companies to be firmly committed. Once significant scale is achieved the incremental cost of adding additional SH/mills etc becomes negligible whilst the benefits of having the entire supply base in an electronic system continue to grow

What is your vision and roadmap to 2016? and to 2020?

Continue to be the world's leading provider of smallholder specific software tools and services, to assist our target commodity sectors in transforming to a more sustainable and inclusive models with better data and analysis.

3 Imaflora

What is the demand driver for transparency information and who is the main user community?

We are two steps away from ultimate drivers (self-regulation/institutional shareholders/consumers). Our main user communities are large food & beverage businesses and their smaller suppliers, particularly logistics operators.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

Enabling smaller supply chain players to invest in sustainable technologies, including transparency ICT, supported by downstream corp customers' procurement/finance function

What is intended impact of the initiative?

Accelerated uptake of sustainable supply technologies

What is holding back the effectiveness of this work?

Buyers' / Supply managers' KPIs

What is your vision and roadmap to 2016? and to 2020?

Our plans to December are to continue recruiting innovators and investors to our platform, focused on 1. energy, waste and water reduction solutions and 2. information solutions which extend ERP reach into smaller scale producers and transporters.

To 2020 we want to see some substantial collaborations between European and Asian businesses and technology/ICT implementations underway in producer/ logistics clusters.

4 ProForest's Responsible Sourcing Approach

What is the demand driver for transparency information and who is the main user community?

Originally NGOs and the public demanded greater transparency from business and governments on commodity supply chains. Increasingly downstream companies also need greater visibility of their supply chains and to a certain extent, supply chains of others, for implementing their responsible sourcing commitments and for identifying effective ways to collaborate with others.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

There is a growing number of tools, technologies and approaches that promote greater transparency. These are not often well understood or fully utilised by companies. Proforest's Responsible Sourcing Approach provides companies with practical advice on how the existing tools, particularly those with multi-stakeholder involvement, can be used in practice. Some example of tools that we support companies to use includes the GFW, SPOTT and the IDH TWG platform for information sharing on site verification assessments.

The IDH TWG aims to provide a forum for palm oil buyers/producers to share experiences and collaborate in developing transparent, traceable and sustainable palm-oil supply chains. It was formed because many palm-oil buyers are using site assessments to verify compliance with responsible sourcing policies on the ground at mills and plantations. As these assessments have proliferated, the risk of duplication and audit fatigue has emerged. There is also an opportunity for actors in the supply chain to share assessment results, thereby accelerating progress towards sustainable palm-oil production. Meanwhile, there is ever-greater pressure from NGOs and communities to understand what site assessments involve and what assessment teams find.

What is the intended impact of the initiative?

We work with companies to support implementation of responsible sourcing commitments through: 1) developing policy commitments, 2) traceability and supply chain mapping 3) risk assessment and prioritisation, 4) engaging suppliers and producers and 5) monitoring and reporting. For each step, we collaborate and support existing tools and systems where appropriate.

Proforest was commissioned by IDH to conduct work for the TWG on greater standardisation and transparency in palm-oil site verification assessments. We

are currently piloting the outputs of this work: a standardised field checklist, site assessment methodology and reporting template, with our clients.

What is holding back the effectiveness of this work?

1. *Tools are often not fully integrated with each other or into companies' internal sustainability systems.*
2. *It takes time to develop openness and trust among palm oil buyers and producers when sharing experiences and information.*
3. *Need for reporting metrics that are more realistic and less quantitative, e.g. recognising critical long-term efforts/investments being made by companies that may not yield results in the short term (eg. jurisdictional approaches, smallholder support projects).*
4. *Engagement with smallholders – remains a big challenge. Many companies do not have the capacity or expertise to engage with 3rd party suppliers. Focus is needed on building local capacity to support/implement improved practices and practical solutions are needed that reflect local socio-economic and legal realities, including: financing for avoided deforestation, landscape scale projects*
5. *Reconciliation of government agendas and legal frameworks in producer countries with private sector commitments*

What is your vision and roadmap to 2016? and to 2020?

Promote greater collaboration/integration of existing transparency tools and greater uptake by companies and practitioners.

Continue engaging with companies and practitioners for the further refinement and improvement of tools

Engage with other landscape stakeholders such as communities, smallholder groups, local government and other companies.

5 Accountability Framework for a Sustainable Sourcing that Halts Deforestation

Rainforest Alliance

What is the demand driver for transparency information and who is the main user community?

Over 300 corporate commitments to eliminate deforestation from commodity supply chains hold great promise to transform business-as-usual into a new paradigm of sustainability. The greatest limitation is the lack of clear, consistent, scalable, and widely-accepted frameworks for implementation. There is no widely accepted framework to verify that products, processes, or producers do not contribute to the loss of natural forest, outside of existing certification systems.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition?)

To address this critical 'implementation gap', RA and partners will develop a practical, structured mechanism—the Accountability Framework—to help companies and governments robustly implement and credibly monitor, verify, and report on deforestation-free and sustainability commitments. The Accountability Framework will consist of three components:

1. *Broadly-applicable set of guiding principles that will provide a clear, mutually agreed guidance on acceptable norms for developing, implementing, and verifying sustainability commitments.*
2. *Global implementation mechanism that will elaborate sets of procedures, tools, and best practices to provide an accepted basis to operationalize guiding principles in production landscapes and supply chains.*
3. *Regional implementation mechanisms will provide more specific or differentiated procedures, tools, and best practices to operationalize guiding principles in different contexts (i.e., jurisdictions or commodities)*

The Accountability Framework is not envisioned as a new certification scheme to be overseen by a single organization. Rather, it provides a common language, approach, governance, reporting and communications framework that may be applied through a whole range of different mechanisms, including independent assurance of corporate policies, supply chain initiatives, government-funded projects and PPPs, and others.

What is the intended impact of the initiative?

Wide application of the framework supports the documented achievement of key sustainability outcomes (including large reductions in deforestation) on at least XX million hectares by 2020 and XX million hectares by 2030. Consistency in implementation and reporting ensures that efforts of individual companies and governments collectively help fulfill broader targets (e.g., the New York Declaration, the SDGs, and jurisdictional sustainability initiatives) and support sector transformation through clear information and consistent signals to companies, financiers, and policymakers.

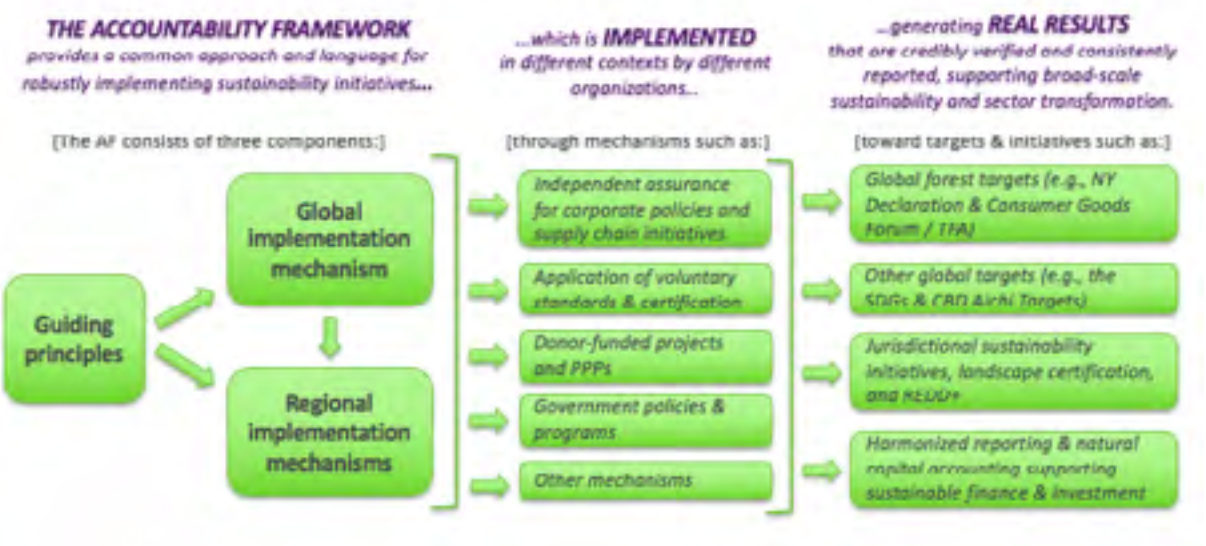
What is holding back the effectiveness of this work?

Securing funding to kick-start the initiative. Fragmented, multiplicity of initiatives impedes alignment.

What is your vision and roadmap to 2016?

Convene a stakeholder engagement process to develop draft guiding principles

Proforest was commissioned by IDH to conduct work for the TWG on greater standardisation and transparency in palm-oil site verification assessments. We



6 The Forest Trust

What is the demand driver for transparency information and who is the main user community?

Combined demand from civil society such as NGOs (environmental and social) as well as businesses. On the business front, the downstream is particularly active in trying to get visibility on what is going on in their upstream supply chain. Some upstream producers are also proactively embracing transparency (GAR, APP etc.) to reassure their downstream customers and to help them to work with local NGOs and stakeholders.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition) ?

We are a Membership based organization. We have five main values we work by and expect our members to adhere to in our relationship: Truth, Respect, Courage, Humility, and Compassion. Member companies make a strategic commitment to constantly innovate and turn supply chain responsibility into a source of value for both business and society. Membership is always focused on an ambitious commitment and measurable progress that clearly moves the company towards responsible sourcing of raw materials.
We work together on a change journey that follows the 'Values, Transparency, Transformation and Verification' model.

What is intended impact of the initiative?

The objective of this vision is to have companies that are identifying their core values and setting them down in policies (eg. Zero deforestation policies). We then move on a journey towards obtaining traceability along the supply chain and identify environmental and social risks in the different nodes. We then act to transform practices that destroy forests, exclude communities and exploit workers, to root them in responsible production. The last step is independent third-party verification of transparency and transformation. This allows members, consumers, NGOs and others to trust that reported achievements are real.

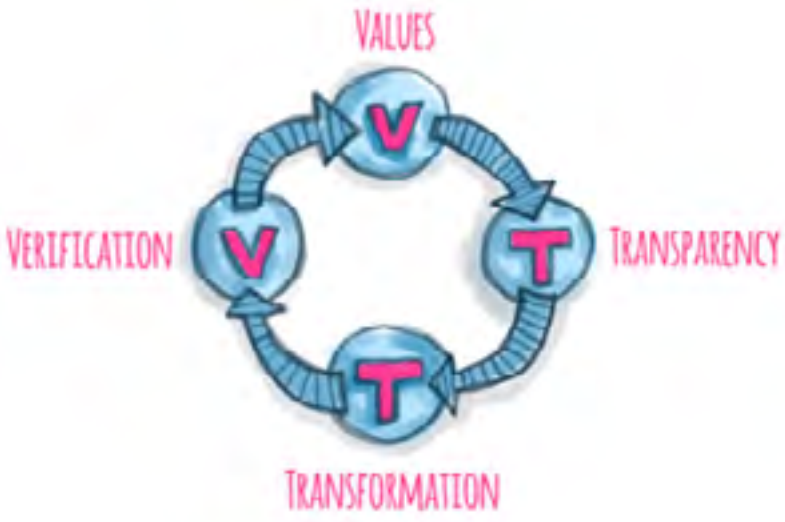
What is holding back the effectiveness of this work?

Many different blocking points in the effectiveness of this process. For example, national governments can block this process when they commit to secrecy on industrial activities in their country (e.g. declaring that sharing plantation boundaries is illegal) or intentionally block transformation initiatives (e.g. declaring

zero deforestation implementation illegal). In these cases, innovative companies are stuck between two pressures, the government on one side and NGO and commercial pressure for change on the other. This often creates tense and politically complicated situations in which progress towards responsible production is complicated.

What is your vision and roadmap to 2016?

Member companies make a strategic commitment to constantly innovate and turn supply chain responsibility into a source of value for both business and society. Membership is always focused on an ambitious commitment and measurable progress that clearly moves the company towards responsible sourcing of raw materials.



7 TRANSITIONS

What is the demand driver for transparency information and who is the main user community?

After being first requested by NGOs, the demand for transparency information is currently driven by corporates who are the end-users of commodities or their derivatives, supplied by complex chains. Service providers who are acting as trusted third-party on behalf of companies to collect and monitor supply chain data are to date one of the main user community of that transparency information.

What is the particular way that initiative is meeting the stated demand (i.e. the particular value proposition)?

In the case of Transitions, as the basis of our philosophy we believe that one solution for increasing transparency, defined and imposed by a single player to the whole supply chain, cannot be efficient. Our approach is indeed focused on using stakeholder engagement as a leverage to identify, share and overcome the barriers to transparency and sustainability. Through consultations, workshops and collaborative tools designed with suppliers, producers, civil society organizations and experts, it is possible to build a common understanding on the constraints and opportunities of each party, and therefore agree on a fair balance of responsibility and commitment towards transparency.

What is the intended impact of the initiative?

Through transparency on the players and the sourcing areas for specific supply chains and commodities, our aim is to identify hotspots, that is to say areas bearing high environmental and social risks, where corporates have the most impact but can also have a great leverage for transformation towards sustainable landscapes. To achieve that transformation, a diverse scope of options, new models and operational solutions will have to be co-constructed and tested with stakeholders: our role as Transitions is to facilitate this co-creation dialogue.

What is holding back the effectiveness of this work?

To progress on transparency, we believe that service providers such as Transitions should overcome competition and mutualize their means to facilitate the access to relevant data and sources of information. They could also work together to seek alignment and/or complementarities on their methodologies and thus avoid the duplication of efforts.

What is your vision and roadmap to 2016? And to 2020?

Our work in 2016 will focus on creating more links and opportunities for collaboration with those organizations in order to deliver the positive impact we are all looking for.

8. ANNEX 3
MINUTES FROM PAST SUPPLY CHAIN TRANSPARENCY NETWORK MEETINGS

1. MINUTES NAVIGATING SUPPLY CHAIN TRANSPARENCY WORKSHOP

Oxford, April 13th, 2016

After briefly introducing 20 supply chain transparency initiatives, participants discussed: (i) feedback on "Navigating Supply Chain Transparency Initiatives" document (ii) the case for a community of practice on supply chain transparency (iii) their hopes and considerations for the community of practice and (iv) potential next steps. Key points of this rich discussion are briefly summarized below:

Feedback on synthesis document

The following suggestions were made in view of the document's revision over the course of 2016:

- Map initiatives' entry points throughout supply chains (e.g. if they are relevant to producers, traders, consumer good companies, retailers etc.).
- Map initiatives' current and planned geographical reach.
- Identify the data and knowledge gaps to better understand what is missing from individual initiatives, as well as from the community of practice generally
- Need to understand what assumptions are made in theories of change for different initiatives, how different initiatives align regarding such theories and whether there is an evidence base to support key assumptions.

The case for a community of practice

There was very strong support from participants about the value of further developing a community of practice of organizations working on supply chain transparency, to share data, ideas and opportunities. A number of participants emphasized caution in being overly ambitious at the start of this process. Some of the key arguments for developing the community of practice included:

- **Data:** Accessing data can be difficult and costly, and there is often duplication and even multiplication of efforts to gather and process it. Data could be shared through a central clearing house to allow for cost-efficiency and innovation. Such a central clearing house could also provide a forum for connecting users around requests and offers of key datasets. In addition collaborative efforts across practitioner organizations can bring greater influence to bear on key data providers (including companies and governments).
- **Coverage:** Need to cover additional commodities and geographies. If we don't broaden the scope of commodities and geographies, then we will be reallocating deforestation from one set of commodities to another, or from one geography to another. We can do more together.
- **Impact:** Different supply chain transparency initiatives work to address different information gaps and help inform different decision making processes. There is a lot of untapped potential in finding ways for different initiatives and types of transparency information to more closely interconnected, helping support more longer-lasting and larger-scale impacts.
- **Managing risks:** Need to better understand and work together to mitigate leakage

and potential perverse impacts of increased transparency. For example, increased transparency could lead companies with zero-deforestation commitments to disengage from jurisdictions with high deforestation. These jurisdictions might be able to continue selling their products to less discerning markets. In that scenario, transparency would have helped certain actors meet their commitments, but would not have succeeded in reducing deforestation.

Considerations for developing a community of practice

- Setting up a "data base of data bases" is difficult in practice, especially due to the lack of standardization of statistics. We should assess what level of standardisation is feasible and desirable.
- As a community, we should define key target audiences, to actively engage them and integrate their feedback into the development of tools
- Need to include information from communities and other actors on the ground given a lot of land use decisions are made at the local level.
- It was recognized that collaboration will likely emerge organically between actors with shared geographies, commodities, data or funders – and cannot be controlled or mandated centrally.
- The sustainability of the tools themselves needs to be considered and might hinge on the quality of the data and not only current, but also future, user groups.
- There is still insufficient demand for sustainable commodities. Therefore, we need to think through carefully, how can we leverage different forms of transparency data to increase demand across different sectors (including private, finance and government)?
- Important to be explicit about the transparency of the data itself and its quality.
- Linking in REDD data to supply chain data would be helpful for a range of actors and help in finding synergies between private and public sector agendas.
- In order to inform the usefulness of the transparency data and tools we generate, we should leverage usage statistics of diverse supply chain transparency initiatives websites
- It is interesting to investigate why such a community of practice has not emerged before, or if prior attempts have failed in order to avoid same pitfalls was flagged.

Potential Next steps

Potential outputs of collaboration

- Based on the shared desire to share data and resources, the idea of a clearing house for the community was discussed. The clearing house could become a resource for both (i) people working of transparency initiatives and (ii) end users. It was flagged that portals often fail because users lack incentives to use them, they fail to consider user needs, and are not used on a daily basis. The suggestion of using existing platforms such as Twitter, Facebook, or LinkedIn was floated to test whether people made use of such a community. Participants mentioned existing "clearing houses" which could be built upon, including Ecosystem Marketplace, Global Forest Watch and The Landscapes for People, Food and Nature web portal – although we could start with something much simpler than that.
- Beyond a web clearing house, some saw the potential to dock several of the tools being developed together to create different forms of "meta tools" to answer multiple needs of the community.

Increasing impact of data and tools

- Integrating data from supply chain transparency initiatives on Bloomberg terminals was mentioned as an opportunity to into the hands of decision-makers.
- In addition, the tools and their findings can be disseminated by leveraging existing networks (e.g. UNPRI, CERES etc.).

2. BEYOND PIECEMEAL TRACEABILITY: evaluating the impacts of agricultural supply chain actors at scale

Barcelona, 27th- 28th September 2016, Barcelona

European Forest Institute

Participants

- Agrosatelite: Bernardo Rudorff
- BV Rio: Pedro Moura Costa
- CDP: Rafel Servent
- EFI: Thomas Sembres, Alessandro Trevisan, Andrew Haywood, Tessa Dunlop
- Global Canopy Programme: Sarah Lake, Xavier Andrillon, Niki Mardas
- Stockholm Environment Institute: Toby Gardner, Javier Godar, Steve Fick, Magnus Benzie
- Université catholique de Louvain: Patrick Meyfroidt
- University of Bonn: Jan Börner
- Vizzuality: David Gonzalez
- WRI: Ryan Sarsfield

Meeting report

The aim of this workshop was to improve and build alignment among approaches for linking supply chain actors to the environmental and social impacts of commodity production, and identify ways to achieve this transparency at scale and advance the transition towards more sustainable economies.

The discussion touched upon five main topics, taking the deforestation issue as a practical case of interest to all the participating organizations:

- Linking impacts (e.g. deforestation) to causes
- Mapping (current and future) risks
- Sharing risks across different stages of a supply chain
- Analyzing actor performance
- Monitoring policy effectiveness (including the leakage issue)

Cross-cutting considerations for assessing risk and performance of agricultural commodity supply chain actors

- Risks of letting data availability and data choices define agendas, how to avoid such lock-in dynamics
- Legality merits attention as a priority focus and outcome, and distinct from broader measures of sustainability
- The zero deforestation agenda can be constraining/restrictive, especially when it opens

controversy around legal/illegal and zero/zero net deforestation

- Discussion about responsibility and blame is a second-order concern and complicates efforts to develop robust ways of assessing first order association with sustainability impacts
- Need to consider ways to re-interpret risk scores as measures of opportunity –credit scores even – especially given the profound risk of any assessment and monitoring system serving only to create a twin-track system where the "good guys" move out of "bad areas" and leave a vacuum of good governance in the places where such investment is most sorely needed.
- There are fundamentally different types of risk, each of which may be best served by different indicators and assessment approaches, including reputational, legal and operational risks
- Measures of risk and performance need legitimacy amongst user groups if they are to be effective, with different users often requiring different approaches, and the same user requiring different approaches depending on the stage they are at in a decision making process (e.g. profiling of risk versus measuring direct accountability).
- There are clear trade-offs in using a "traffic-light" approach to measuring risk exposure/association versus using a more continuous scale. Thresholds between categories (e.g. red/yellow/green) are partly arbitrary and if multiple metrics are used the same categorization can often be achieved by different means
- Achieving an appropriate balance between the aggregation and disaggregation of different dimensions that make up a risk score depends on the user in question, whether that user has an interest in improving the approach used to calculate risk, and where they are in the supply chain – with users higher up the supply chain often being better served by more aggregate measures, and users closer to the impact by more disaggregated measures that can be more accurately aligned to different mitigation and response measures.
- It is a fundamentally different research and policy challenge to assess risk exposure, and draw inferences about differential responsibility, across different actors in the same stage of a supply chain (e.g. traders) versus actors who occupy different stages in a supply chain (e.g. producers, traders, retailers). Recalling at the same time that many actors who benefit from the production or trade of agricultural commodities are not directly involved in the handling of commodities themselves

1 Linking impacts to causes

Focal question:

How can we confidently associate known environmental (and social) impacts in regions of production to downstream supply chain actors (including traders and consumer facing companies)?

Challenges

1. How can impacts at territorial level (e.g. deforestation) be linked to a certain commodity using crop-specific land-use expansion and land conversion data?
2. How can the link be made to a particular company to that area given limitations in the spatial resolution of supply chain data, especially for bulk commodities like soy, and the fluidity of both land ownership and sourcing patterns?
3. How can impacts be linked to a discrete time-frame in which those impacts occurred and what is the most defensible way to treat and interpret historical deforestation? That includes deciding on appropriate amortization period and cut-off date, recognising that this is a normative choice, and that a range of options is perhaps necessary to provide the most robust decision support.

Insights and options

1. There are three fundamentally different approaches for associating supply chain actors to production impacts, such as deforestation, with each approach serving a fundamentally different purpose (the same user may have a need for all at different stages in a decision process; and while the performance of territories is what ultimately matters in a sustainability agenda, the performance of actors is seen as a means to this end):
    a. Territorial or jurisdictional assessment that is not concerned with accountability or attribution of responsibility but instead with providing information for scanning or profiling the risks (e.g. reputational risks) and opportunities of being associated with a given production region, e.g. when making new sourcing decisions (as a downstream buyer) or identifying potential areas of concern (as a government). From a buyers perspective information on territorial risks and performance for an entire country or sector (e.g. Latin American soy) can be invaluable for informing sourcing and investment decisions. From a government perspective the

same information can quickly identify those actors associated with areas of particular concern, as well as areas that are showing improvement.

b. Commodity-specific assessment that is focussed more on demonstrating accountability of – depending on data availability - specific sectors or actors (e.g. compliance with an agreed standard like the soy moratorium) and assessing changes in the performance of specific actors over time. Here the impact is tied directly to the commodity of interest, and reducing as much as possible the uncertainty in the sub-regions and time periods within which a given actor, such as a soy trader, is active.
    i. Association of deforestation and other impacts to a given commodity can also be adjusted using data on changes in yield over time, identifying how exports of, e.g., soy can increase without an increase in the area of soy.
    ii. Link of deforestation to a particular crop, like soy, with a distinct footprint signature in satellite data, can be improved based on size of deforestation patches. Distinguishing between smallholders versus industrial crop areas can also provide useful information to refine risk assessments.
    iii. Beyond the assessment of the direct commodity driver of deforestation is the issue of underlying drivers of deforestation. This is about understanding mechanisms of cause-effect that influence the direct causes of deforestation, including underlying drivers such as transportation infrastructure planning. Empirical observations linking different actors to different spatial-temporal patterns of environmental change can provide a rich source of hypotheses for deepening our understanding of the factors that shape supply chain dynamics and determine the effectiveness of governance interventions.

c. Actor-specific assessment: attributing deforestation impacts to a specific actor requires property level data that is commonly not available.
    i. Option to use data on sourcing properties contributed voluntarily by companies, but the transaction cost for platforms like Trase to do this is huge, unless the burden of proof can be shifted to companies sufficiently that they pay much of this cost themselves (to “take themselves out of the picture”).
    ii. Alternatively, when property level data is not available, the actor-specific assessment can be based on statistical analysis to see whether the actor contributed to significant positive/ negative changes in its key sourcing territories (association rather than attribution of impacts). This approach is suited for large operators that source from multiple places (see section 4).

2. There are a range of options for determining the total risk that can be associated with a given supply chain sector/actor, determined by

two main choices, regarding:

   a. Different amortization periods (including zero), depending on both importance placed on past deforestation (governance choice) and importance given to indirect land use change, or ILUC (longer amortization period conferring more weight to ILUC). An alternative approach is to use a weighted recentness index, which is currently being trialled in GFW´s soy risk model. Past deforestation is a critical issue for perennial crops like oil palm that only enter into production several years after planting and hence any possible deforestation that may have occurred then.
   b. Cut-offs for specific amnesty or threshold dates, policy prescribed, e.g. Soy moratorium (which could be open ended to include all historical deforestation). Cut-off dates are commonly used by the private sector for certification. The risk with future cut-off dates (e.g. the Zero Deforestation commitments set an implicit, ultimate, cut-off date at 2020) is to generate perverse incentives to deforest more before that date.

3. Different metrics can be used to measure the deforestation due to a given commodity, e.g. soy, embedded in a supply chain, including:-
   a. Ha of deforestation, or natural vegetation conversion, with a caution against the use of tree loss and tree gain data together to create net deforestation.
   b. Ha of deforestation / tonne soy exported (deforestation intensity)
   c. Scaled measure of ha deforestation / ha of municipality area (greater dilution effect in larger areas)

1. Different metrics can be used to measure the efficiency and dominance of that commodity, including:-
   a. Ha soy / tonne soy exported (hard to interpret due to use of same land for multiple crops in cycles)
   b. Scaled measure of dominance of total agricultural production

2 Mapping (current and future) risks

Focal question:

What approaches are best suited to allocate different types of impacts and other indicators to downstream actors?

Challenges

1. What kind of methods and visualization techniques are appropriate to link different types of impact and other geographic information to downstream supply chain actors, including quantitative cumulative measures such as deforestation and land-based GHG emissions, non-cumulative scaled-indices such as water scarcity, and qualitative or categorical measures such as organic/non-organic modes of production?
2. What would be a more unified and consistent approach for linking actors to different kinds of impacts, noting that different actors are sensitive to different kinds of impact?
3. How to treat and consider expected and future deforestation?
4. Impact and performance measures can be associated to all steps in a supply chain, not just the production regions, posing a challenge for how such measures can be combined/normalized to assess the impacts and performance of the entire chain, and not just the production landscape
5. There is a general bias towards assessment of risks and performance of production sites

Insights and options

1. There are at least four types of geographic indicators that are of interest/relevance to downstream actors and those assessing supply chain sustainability
    a. Social and environmental impacts
        i. Specific to the production activity of interest
        ii. General, regarding the condition of the wider territory
    b. Actor behaviour (often related to performance), e.g.
        i. Agricultural performance, efficiency, responsible practices
        ii. Environmental compliance, interventions
    c. Governance measures (related to enabling and disenabling conditions)

    d. Territorial characteristics
        i. Intensity of land-use, crop diversity
        ii. Ecosystem type
        iii. Infrastructure
2. There can be substantial unintended consequences in how information pertaining to different impacts is used
    a. Two main choices of response – move elsewhere versus stay and invest, the former of which carries the risk of precipitating a twin-track system and generating leakage.
    b. There is an opportunity to support more nuanced decision making by providing information that is more tailored to the actors and governance conditions of a specific territory of interest
3. Value of predictive models reflecting likely hotspots of future deforestation (risk) based, e.g. on patterns of infrastructure development and expansion, to encourage actors (e.g. investors) to adopt preventive measures.
4. Future expansion of commodities and treatment of commodity suitability maps
    a. Recognized that Go-NoGo mapping (e.g. TNC´s RTRS mapping) is fraught with difficulty. Existing attempts have often failed (to be useful or relevant to producers and other actors) as they don´t take into account the contextual factors, including social and political factors that actually shape decisions. I.e. it is impossible to model future behaviour.
    b. Demarking Go areas confers substantial responsibility. Information offered by platforms like trase should be relevant to multiple rural development opportunities and not just the expansion of a single commodity.
    c. There is a valuable exercise in contrasting and reconciling scenarios of future commodity demand with the constraints imposed by different sustainability commitments, identifying shortfall/barriers to delivery

3 Sharing risks and responsibilities across different stages of a supply chain

Focal question:

What are the most robust approaches for linking production impacts, the risks embedded in those impacts, to actors occupying different stages of a supply chain?

Challenges

1. What would be a good approach to calculating and reporting on risk exposure for actors far removed from production regions (e.g. importers, traders) and that have myriad, dilute connections to many regions and other actors?
2. How to deal with the challenge of "over-dilution" with responsibility for impacts in a given place being attributed and shared across so many actors that no one actor feels sufficiently associated to engage?
3. How to resolve the tension between strength of association to an impact (e.g. highest for producers) versus sharing the costs of addressing the impact across multiple actors versus the transaction cost of engaging multiple actors? This tension is revealed in the theory of change of many actors engaged in efforts to improve the sustainability of supply chains, with many placing a strong focus on one group (e.g. producers, or traders).
4. How to account for the fact that many actors feeling "squeezed" by demand for sustainable produce downstream while having a limited supply sustainable production upstream, with prices often not being redistributed effectively to deal with the fact that some actors bear a disproportionate cost of improving the sustainability of production practices?
5. How to address the effects of cross-contamination where a given supply chain actor is associated with unsustainable practices in one production region but not the region where a shipment of particular interest was sourced from, i.e. how to balance the assessment of the sustainability of a shipment and/or the sustainability of an actor?
6. Many actors benefit from the production and trade of a given commodity but are not involved in the supply chain directly, e.g. governments and companies providing inputs (e.g. seed, fertilizers): how can they be most effectively engaged?
7. How to deal with the fact that there are no readily available datasets that provide systematic coverage of the flow of traded commodities between importers and manufacturers and retailers?

Insights and options

1. A case can be made for a differential distribution of responsibilities for addressing supply chain impacts based on
   a. Differential benefits? (e.g. monetary; which types of actors manipulate a large portion of the added value)
   b. Differential agency? (e.g. dominance of a given actor or supply chain step in processing the material throughput of a given commodity)
2. Distributing responsibility for sustainability action to actors across a supply chain is valuable because
   a. Exposes role of hidden classes of actors (e.g. shippers, port authorities)
   b. Engages broader set of actors to share cost and responsibility
   c. Helps identify potential leverage points / targets / pressure points
3. Use of mitigating factors to adjust the impacts that an actor may be associated with based on the practices and behaviour of that actor downstream (e.g. certification measures, productivity data, information showing the nature of suppliers smallholders versus large-scale, etc.), and risks of this approach – including the fact that they are only available to actors who have the influence and power to access them.

4 Analyzing actor performance

Focal question:

How can the different measures of impact, and the risks embedded in those impacts, be aggregated to assess changes in the performance of supply chain actors?

Challenges

1. How to overcome the difficulty of tracking the performance of a given actor committed to zero deforestation over time without having the data on its exact sourcing locations (that will never be available at scale and for a significant proportion of a sector) ?
2. Can the likelihood that companies will deliver on their zero deforestation commitments be assessed by projecting year-on-year changes in the amount of deforestation in the (shifting set of) regions that they source from against the target year of their commitment (e.g.2020)?
3. Over what time scales should performance be measured, and how to assess whether progress towards a target is satisfactory?
4. How to assess performance of a given company that is involved in the production and trade of multiple commodities, given differences in commitments?
5. How to deal with the masking effect of domestic market, and the leakage from exports to domestic markets following increased exposure of export markets, e.g. to soy moratorium (which is driven by concerns of export market)?

Insights and options

1. Given difficulties of assessing actor performance over time when lacking property level data (i.e. to assess "deforestation free soy" – the magic metric buyers want to have) we need to develop proxy performance indicators, e.g.
   a. Correlate relative dominance of a given company with the performance of the places they are connected to …. Are regions where company A sources more than 80% of their trade doing better than regions where company A is absent or responsible for less than 20% of their trade
   b. Proportion of soy traded from regions that have zero or a very low deforestation rate (conservative measure)
   c. Proportion of soy traded from regions that have a declining

relative deforestation rate (slightly less conservative measure)

   d. Use a measure of deforestation intensity (ha/tonnes of soy exported) to account for improvements in productivity and soy yields (versus expansion)

2. Beyond assessing proxies of change in performance, it is important to understand differences in company strategies and the factors that drive company behaviour, including:-
   a. Relative stickiness of companies relationship to a given place (and given suite of other supply chain actors) … given typical management conditions of a given place
   b. Understanding these relationships can help qualify the factors that underpin a company's performance, … and extent to which longer-term relationships are being developed with a given place, versus a strategy of delivering improved performance by changing sourcing patterns (with fundamentally different consequences for net impacts at scale)
3. Many soy farms are really chicken factories, need to map chicken factories …
4. Opportunities to link company disclosure platforms like CDP to empirical performance assessments

5 Monitoring policy effectiveness

Focal question:

How do we assess the effectiveness of an intervention, and causal attribution of change in performance due to a given intervention?

Challenges

1. Many theories of change of market intervention on supply chains trace impacts to producers but fail to consider what can happen beyond that point … and the myriad types of leakage and other displacement effects that can occur, including
   a. Activity leakage following an intervention – people moving away, resulting in land-use displacement
   b. Market leakage following an intervention – actors elsewhere expand and intensity production
   c. Rebound effects following improvements in productivity – increased investment in region due to increased profitability
   d. iLUC following profitable LU replacing less profitable LU which then replaces native habitat

Insights and options

1. It is much more feasible to look at the effects of a given cause rather than the multiple causes of a given effect. In other words studies that seek to understand the diverse drivers of deforestation are much less insightful than studies that seek to disentangle the relative effect of a given driver (e.g. government intervention of interest).
2. Leakage effects and the risks of leakage are inherently of more interest to actors who have interest and responsibility for multiple supply chains or an entire sector, so governments and investors. But also for supply chain companies that have made commitments to have a net positive impact (i.e. to avoid localized benefits being offset by displaced impacts elsewhere).
3. An annual reporting and assessment exercise such as the one proposed by trase should include tracking of key indicators of leakage and leakage risk, e.g. infrastructure investments, migration patterns in response to major interventions, including the link between leakage and displacement effects and consumer countries as well as companies.
4. A valuable research exercise would be to set null models of the

expected migration routes of sourcing companies, e.g. in response to cheaper land and labour, and in response to stronger and weaker patterns of legal enforcement, and then over time track response of data to models and relative importance of push-pull factors in shaping spatial-temporal dynamics of sourcing companies.

Priorities for future work

1. Improve articulation of strategic questions to provide signposts for ongoing research and practice around supply chain sustainability
2. More standardised frameworks for assessing the link between actors and impacts, including treatment of different levels of data availability, priorities (e.g. for specific impacts, importance of historical impacts) and the position of actors in a supply chain
3. Move towards more consistent adoption of common indicators and metrics of those indicators, and identification of indicators in need of testing
4. Adoption of more consistent language regarding impacts, risks, and responsibilities
5. At a later stage in 2017, engage with a group of users/decision makers, public and private, to reflect on the usefulness and attractiveness of the proposed approaches and metrics.
6. Integration of multiple data visualization platforms, including through interoperability, user entry points, stages of decision support, use of open data, data builders and data downloads
7. Start thinking about the main performance indicators/main outline of an annual assessment exercise (related to the particular issue of progress towards the 2020 commitments to end deforestation in global supply chains).

SUPPLY CHAIN TRANSPARENCY NETWORK

November 7-8th 2016, Marrakech

Background

In the wake of intensified international efforts to reduce deforestation and increasing corporate commitments to zero-deforestation supply chains, a growing number of organizations have stepped forward to develop supply chain information platforms, tracking systems, models and decision processes. GCP and SEI have convened an informal community of practice to facilitate knowledge exchange and help fast track the use of this information and interconnectivity between emerging platforms to improve the governance of commodity supply chains across the tropics.

Supply chain transparency initiatives are identified as those whose primary focus is the compilation and dissemination of information relating to supply chains, and the ways in which private, public and civil society actors are connected to, and help shape the sustainability of forest landscapes.

Following meetings in Paris (December 2015) and Oxford (April 2016), network members met on November 7-8th with the following objectives:

- Deepen understanding of each other's initiatives, building on an advance input to the meeting from participating initiatives that helps map their purpose, contribution and potential.
- Identify key information and knowledge gaps that hamper the work of different initiatives, and where synergies and complementarities may lie (e.g. data-sharing, model development and research, user applications and communication)
- Identify opportunities where concerted action by a strong coalition of transparency initiatives can deliver major benefits for the community and our collective effort to support zero-deforestation commitments (e.g. access to public and private data; media engagement, geo-journalism and data literacy)
- Work towards a common roadmap for action around supply chain transparency in 2017 and beyond to 2020
    - What can and does the community want to jointly accomplish in 2017? And by 2020?
    - How can we advance towards a more coherent and stronger theory of change?
    - What are our most effective ways of interacting and collaborating (e.g. list-serve – now in place, webinars, calls/working groups/bilateral meetings, etc.)?

TAKING STOCK OF SUPPLY CHAIN TRANSPARENCY INITIATIVES

Day 1 – November 7th

Commodities coverage

Report's findings

The commodities most covered by initiatives are palm, soy and livestock. This corresponds to the three main drivers of deforestation although not proportionally. As the first driver of deforestation, livestock is under represented with 50% of initiatives working on livestock. The number of initiatives covering soy, livestock, timber, pulp and paper, and coffee is set to grow between now and 2020.

Other commodities covered by they include sugarcane, rubber, tea, fruits (bananas, mangoes, pineapple), flowers, spices, coconut, cashew, tobacco, stone, charcoal, and fish.

Discussion

Participants were asked to discuss whether it was preferable to focus efforts on the big four drivers of deforestation or to extend efforts to additional commodities. Participants were at first evenly split between the two options. Consensus then emerged that we should do both simultaneously: focus on top four drivers while simultaneously expanding our work on other commodities.

It was also noted that deforestation is rarely caused by a single commodity, but often the result of interplaying dynamic factors in specific area: e.g. timber, soy, cattle and land speculation in Brazil. Therefore, many participants thought that we should focus on geographies rather than commodities. We need to develop dynamic tools so they can respond to different drivers as they change.

Geographical coverage

Report's findings

Brazil and Indonesia are the focus of most initiatives (19 and 15 respectively out of 33 initiatives). This raises concerns about the risk of leakage to other geographies where there is less supply chain transparency. For example, only 10 initiatives are present in other South American countries and Africa, where players might expand production into forests under less scrutiny.

Despite being the most important importers of palm oil and soy, China and India are not explicitly covered by supply chain transparency initiatives, despite being included in the 11 global initiatives. Only one initiative explicitly mentions India and only one explicitly mentions the extension of their work to China by 2020.

Only two initiatives aim to go global. Between 2016 and 2020, there is significant growth of initiatives' presence in Liberia, Argentina and Paraguay, associated with the current and announced expansion of palm and soy cultivation, respectively. It can also be linked to increased, local and international, civil society activity in those countries. Beyond Liberia, there is a general increase of the initiatives' coverage planned in Africa by 2020. But mainly outside of Congo Basin where most forests lie.

Discussion

Participants pointed out the need to address not only deforestation hotspots, but also consumer markets linked to those hotspots, including domestic consumption. The to extend efforts to monitoring consumer goods companies in India and China was also emphasized, given they import larger proportion of the big four commodities than North America and Europe Union markets.

Supply Chain Actor Focus

Report's findings

Different initiatives focus on different segments of the supply change. As a whole, the range of supply chain transparency initiatives look into the commitments – and to a lesser extent the implementation – of all actors along the supply chain. Although only 12 out of 30 initiatives cover the entire supply chain. On average, they target between 3 and 4 actors inside the supply chain.

Discussion

Very few initiatives are able to provide visibility all the way upstream to producers, especially smallholders. As a community we also lack visibility on input providers including financiers, seed and feed companies. We also lack the ability to generate information on preproduction stages and actors involved, e.g. land grabbing and land clearing. More blind spots remain in complex supply chains, such as palm oil derivatives and cattle.

Although we have visibility on each actor along the supply chain, we have much less visibility on the linkages between those actors, include nodes of transportation and degree of fidelity/strength of relationships between those actors.

Duplication of information gathered by community is often due to non-disclosure agreements with private sector actors on one hand, and the different angles taken by different initiatives. Duplication of data, offers some upsides, as it can offer a way to validate data. The community expressed a desire to improve information sharing, and to coordinate asking data from downstream actors. Participants agreed that building consensus on hotspots and priority actors, and at what point greater supply chain transparency/direct attribution offers diminishing returns. This would allow prioritization of efforts and coordination among network initiatives.

Target audiences

Report's findings

All the initiatives presented here offer valuable insights and decision relevant information for a wide range of user groups but many also have a particular focus on specific audiences and user groups. This may vary according to the specific data generated.

Other audiences include local communities and NGOs, international development institutions, and academia. Unsurprisingly, most initiatives targeting advocacy NGOs also target commodity sourcing companies. The large majority of initiatives targeting end consumers also target commodity sourcing companies. All initiatives targeting policy makers in consuming countries also target those in producing countries.

Discussion

Participants agreed that it was not worth the effort to address end consumers since they are so diverse, and may not understand the complexity of information offered. It was flagged that some of the target audiences are intermediaries rather than the direct targets (e.g. activist NGOs to influence downstream buyers). Participants agreed that more attention should be given to investors.

Participants pointed out that there would be value in differentiating between different types of commodity sourcing companies if this exercise was done again – as that category encompasses very different actors and associated needs. They also pointed out the need to differentiate between different types of policy makers, for example differentiating between national and subnational.

Intended outputs

Report's findings

Initiatives' outputs can be seen to contribute to enhanced understanding of supply chains and their impacts, a change of culture and behavior in companies, investors and governments, new business models, tools, services that ultimately result in impacts (see annex 4). The below "map of intended outputs" highlights the interdependency of supply chain transparency initiatives and that we need a range of initiatives – none is going to get us where we need to be on its own. It is worth noting that, according to the survey, only two initiatives are working towards building new business models.

Discussion

- Are we missing anything? e.g. is there a necessary output that we need that no one is working on?
- Is there duplication of work?
- Are we checking with actors /users whether this is needed?
- How can we supply chain information help contribute to new business models promoting sustainable production?

We need to monitor whether we are reaching target audiences and the users of our tools. We are often preaching to each other rather than our target audiences. We should iterate more quickly and test assumptions faster. It is useful to have a mapping of different initiatives to understand how initiatives can plug into another one.

Open sessions

Participants were invited to suggest topics they want to discuss with other participants (e.g. a specific opportunity, gap they're hoping to fill, problem they're struggling with).

Open session 1

Where is direct driver attribution an absolute need and what can we do when it is not achievable?

Where direct attribution is not feasible or desirable, attribution to geographical areas or sectors or business model can be a useful alternative. For some products, such as palm oil derivatives, attribution is not so useful because buyers switch suppliers daily. However, attribution to the business model, e.g. spot trading, can help identify solutions such as longer term contracts and developing partnerships with producers in high risk areas.

Clarity on where we need attribution is needed in order to prioritize geographies and commodities. The group identified circumstances that made attribution most useful:

- High degree of local competition
- High fragmentation of supply chains
- Potential substitution of sourcing area
- Low fungibility and resulting high fidelity to suppliers

The factors determining the success of non-attribution were also discussed. It was agreed that alternative levers such as governance, access to credits, e.g. black listing of municipalities in Brazil, can be effective in replacing attribution.

It might be useful to develop a "mega chart" for the network that lists commodities, places, who are the financiers, who buys from it, who is linked, what's the level of deforestation. We could have one repository of all information we do have, and we could therefore better prioritize, and divide and conquer to fill priority information gaps.

Open session 2

How can we move towards measuring actual implementation of commitments in a standardized way?

We are biased on collecting certain types of (existing) data, rather than the data we need. For example, collecting data on commitments is easy. Different classes of information that we should collect to better understand implementation of commitments and their impact are: (i) commitments, (ii) activities to implement, (iii) impacts, (iv) baselines, and (v) role and position.

Open session 3

How do we monitor usage of information and our impact?

Participants stated that successful mainstreaming data (e.g. get data on Bloomberg) would be an important measure of impact.

Three potential entry points for monitoring impact were identified:

1. Companies
2. Top-down view, e.g. NYDF report
3. Landscape as locus of gathering data and information

It was stated that we should probably map information we have on companies, and aim to coordinate our communication with them, especially for information requests.

Open session 4

Company scorecards

There is a lack of alignment (and transparency!) among scorecard methodologies causing many to ask why companies rank differently in various scorecards, how the methodologies differ, what assessments are based on (disclosed information or other information), and how scorecard's intentions/theories of change differ.

Currently a lot of the scorecards focus on commitments and what is included may not be a full reflection of a company's actions. For example, if a company policy mentions the Amazon, it does not necessarily mean it will only undertake efforts in the Amazon.

Going forward it was recommended that scorecards compare apples with apples – e.g. packers and packers, retailers and retailers, as different actors across supply chain face different challenges.

We also need to examine the assumption behind scorecards that they will be picked up by media to increase consumer pressure on companies. But if idea is to pressure laggards, Northern media may not be very effective in impacting companies operating in the producing countries and BRICs.

World Café

Different initiatives hosted discussions on the challenges and/or opportunities they face. The following learnings came out of those conversations:

Supply chain transparency is used to assess how companies are progressing on sustainability agenda, identify best practices, and allows for more nuance than the binary certification system.

Participants called for more granularity on deforestation commitments. For example, existing initiatives should differentiate whether a company's zero deforestation commitment is limited to a certain biome (e.g. Amazon), or a certain commodity (e.g. palm oil), by-products (e.g. leather), and direct suppliers.

Some organizations desire additional data points. Participants debated whether it was useful to ask for more metrics when people are already underreporting on the existing ones (e.g. RSPO annual reporting). We also should question whether we should collect data that we are not currently collecting. We need to increase the transparency of our own databases and find ways to facilitate data sharing and inter functionality.

We need to ensure our tools provide decision-relevant information to actors and we need to test that often. Most initiatives can't track end users and use proxy metrics to understand who uses their tools e.g. webinar attendees, newsletter sign-ups, one-on-one conversations and Google analytics. We also need better communicate on the ability of the tools developed to each other and our target audiences.

The tools need to simultaneously reward best in class and expose those not making progress. We want more companies to announce and implement commitments, and this now requires more naming and shaming. Until now, advocacy organizations such as Greenpeace and RAN, have taken the lead on pressing companies to adopt zero deforestation commitments. Some participants suggested that a wider set of organizations could get involved in utilizing the info they generated by supply chain transparency to press for greater commitments and faster implementation.

ROADMAP

Day 2 – November 8th

Data gathering and use

Interoperability between initiatives is highly desirable and has the potential to enhance initiatives' effectiveness although it does require an upfront time investment. Two related needs were identified:

1) Create a database/map of databases and data owners

Identify pre-existing efforts to do so (e.g. ITTO) and associated failures and successes. Then we should identify the most efficient way to collate all our data should be identified. Existing platforms could be used to host this data – e.g.: geospatial data with GFW, traceability data with Trase, company information with Supply Change. Any such effort should control for data quality, e.g. by differentiating between reviewed and non-reviewed sources of data.

2) Develop data standards/naming conventions

We need to develop data standards – e.g. on company names or digit codes for names, location etc – and develop standardized typologies – e.g. what does the term 'retailer' mean.

Impact – what kind of collaborative work can help improve impacts on the ground?

Given that initiatives' theories of change are very diverse, it is difficult to align operationally. It might be better to undertake complementary work rather than try to force coordination. It will be hard for transparency initiatives to reach producers, so best bet is to target traders and other intermediaries. One of the ways in which increased supply chain transparency can lead to impact on the ground, is to facilitate a sharing of the costs along supply chain members which has been very difficult till now. Ways to do so should be piloted in specific areas where we could test different applications and combinations of our tools and services to best achieve impact on the ground.

NEXT STEPS

In the workshop's last session, participants suggested next steps they wanted the network undertake. All participants voted on suggestions made. Following the vote, participants then discussed each option and consensus developed over the following operational and substantive next steps.

Operational

Low hanging fruits

- **Mission statement**
  Develop mission statement for the Network to clarify our mandate and membership (initial volunteers GCP and Solidaridad)

- **Email list serve**
  Revive existing email list to share events, publications, launch of tools and webinars (currently managed by GCP)

- **Meetings**
  Organize in-person annual meeting and quarterly/semi-annual meetings (via webinars or on the back of other gatherings, e.g. TFA 2020) (initial volunteers: WWF and RA)

Conditional on funding

- **Project manager**
  Fundraise and pay a project manager to manage the community and associated projects (currently hosted by GCP and SEI)

Substantive

Low hanging fruits

- **Annual State of Supply Chains Report**
  Coordinate Annual State of Supply Chains Report - with annex with list of organizations and initiatives, and second annex on data produced or used by them – (initial volunteers: Dr Patrick Meyfroidt, Solidaridad, NWF, GCP and SEI)

- **Communications**
  Formalize communications group, including:
  a. designated spokes people and/or experts group to become resource for media
  b. a Google Doc to collate joint talking points on importance of supply chain transparency and related emerging issues, e.g. and whether companies should exit from jurisdictions and landscapes with high deforestation and alternatives available to them (initial volunteer: ZSL & GCP)

- **China**
  Explore opportunities to align our work on China and develop co-strategies to increase supply chain transparency, including as a first step identifying organisations working on SCT in China, and available data (initial volunteer: WWF)

Conditional on funding

- **Seed Fund**
  Create seed fund to incubate small common-good projects aiming to advance supply chain transparency. Early projects could include, e.g.:
  a. Naming and data conventions (initial volunteer: Dr Robert Heilmayr, University of California)
  b. Convening scorecards

List of Participants

1. Alessandro Trevisan, EFI
2. Andréanne Grimard, GCP
3. Boris Patentreger, Transitions
4. Chris Eves, ZSL
5. Craig Mills, Vizzuality
6. Lizzie Schueler, WWF
7. Franziska Haupt, Climate Focus
8. Javier Godar, SEI
9. Jeff Hayward, Rainforest Alliance
10. Tony Ripley, DECC
11. Katie Minderhoud, Solidaridad
12. Lisandro Inakake de Souza, Imaflora
13. Lucy Cullinane, EFECA
14. Niki Mardas, GCP
15. Patrick Meyfroidt, Université Catholique de Louvain
16. Peter Graham, Climate Advisers
17. Richard King, Chatham House
18. Robert Heilmayr, University of Hawaii
19. Ryan Sarsfield, WRI
20. Sarah Lake, GCP
21. Siobhan Kenney, ZSL
22. Stephanie Roe, Climate Focus
23. Stephen D'Onofrio, Supply Change
24. Stephen Fick, SEI
25. Thomas Sembres, EFI
26. Naomi Swickard, VCS
27. Toby Gardner, SEI
28. Sabina Voogd, BothENDS