
Working at scale to implement soy sourcing policies

Soy Toolkit Discussion
Paper 03.B



Version 1.1



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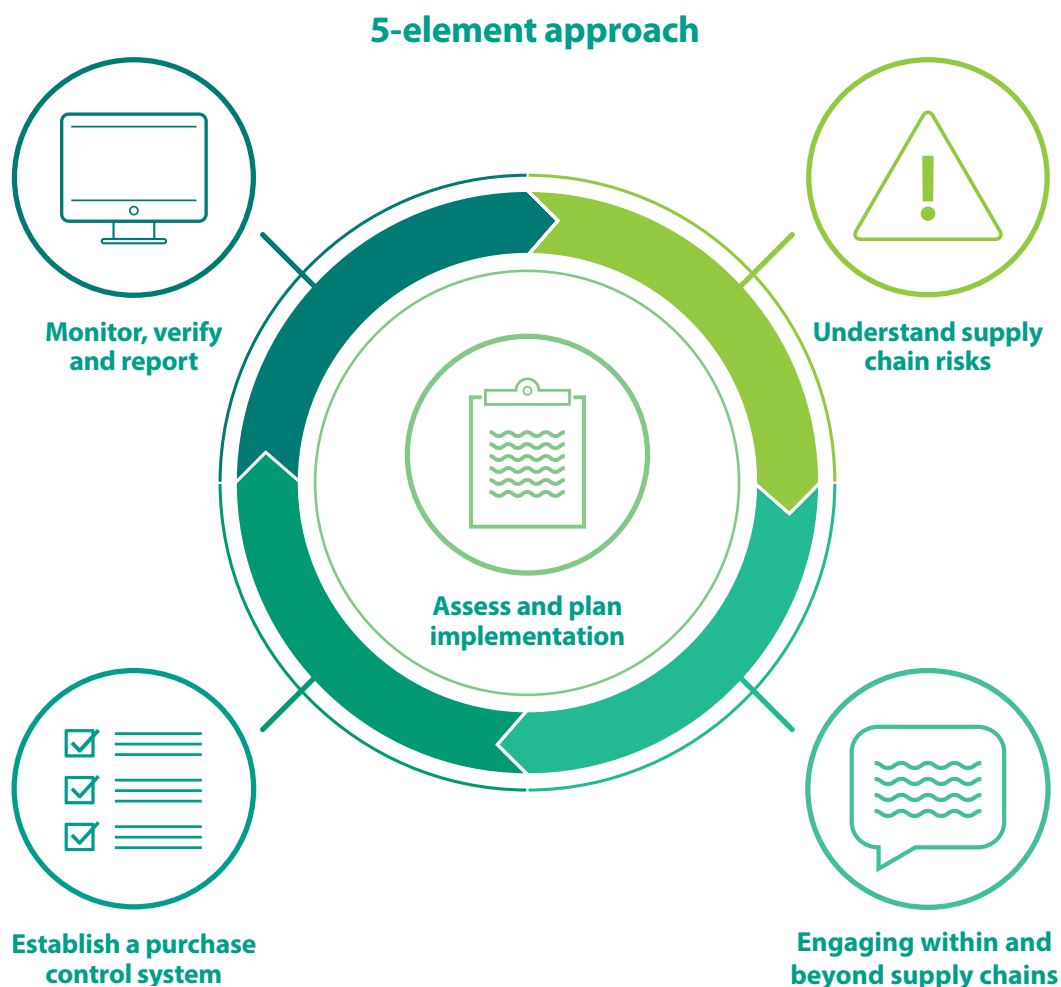


Figure 1: The 5-element approach for sourcing soy responsibly

Key Points

- The purpose of at-scale initiatives is to work collaboratively on complex issues beyond individual supply chains at the appropriate scale of intervention.
- After selecting a landscape to act in, companies should identify and analyse existing initiatives in order to decide which ones help deliver on the company's commitments and how to engage with them.
- The next step is to agree on the company's role and clarify how to take action, monitor & report progress.

Purpose of this Discussion Paper

This discussion paper is part of the Responsible Sourcing Soy Toolkit¹. It provides an overview of how soy buying companies can engage with at-scale initiatives (whether at a landscape or jurisdictional level, see more below) for implementing their responsible sourcing commitments. At-scale initiatives are emerging as means to help companies address the underlying causes of many complex issues, including deforestation and human rights issues. They can be linked with companies' policy implementation efforts and build on multiple stakeholders' actions in a given geography. The paper presents initiatives happening in Brazil, which can cut across more than one element of the Soy Toolkit's 5-element approach.

What at-scale initiatives are and why they are important

Many companies in the soy supply chain have made public commitments to source soy responsibly, which includes acting to tackle deforestation and native vegetation conversion, improve labour conditions with respect to health and safety, and address land conflicts with indigenous and local communities.

There is increasing understanding that complex and structural issues need to be addressed through actions both within and beyond a company's own supply chain², combining different strategies and collaborating with others to promote change and achieve the desired impacts. Some issues have complex underlying causes and can only be addressed effectively through collaboration between different stakeholders, including – for example – across those who have different roles in the supply chain.

At-scale initiatives are emerging as an approach to work beyond the supply chain and achieve change at scale. This approach aims to bring together the relevant stakeholders in a particular region, at the scale of a jurisdiction, a landscape, a watershed, or even a given community that entails multiple farmers and other actors to agree on goals, align activities and share monitoring and verification efforts, as well as costs.

Box 1. At-scale initiatives

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Although there is no standard definition of what an at-scale approach is, it can be considered as initiatives involving multiple actors willing to solve shared complex issues within a particular region or specific to a sector, that cannot be solved simply via individual supply chain actions, but rather through collaborative work at the appropriate scale of intervention.

We recognise the existence of a range of different types of landscape or jurisdictional initiatives that supply chain companies may want to engage with (see Figure 2).



Figure 2: At-scale initiatives include a spectrum ranging from supply shed projects, to jurisdictional or landscape approaches, and national sectoral approaches. See Proforest InfoNote 3: Engaging with landscape initiatives – A practical guide for supply chain companies³.

Landscape or jurisdictional initiatives generally bring together elements of working at scale, participation of government and other stakeholders, agreement on shared goals, mechanisms to ensure accountability and credibility, and alignment of activities among stakeholders.

In addition, we also see supply shed projects and initiatives that are working at scale and that are effective pathways for supply chain companies to implement their commitments to responsible sourcing. These supply shed projects work at scale but may lack the overall coordination or government and stakeholder participation of a landscape or jurisdictional approach.

Sectoral approaches, which work across a range of locations within a single sector or commodity, can also provide a mechanism for achieving impact at scale on issues that are specific to, or best addressed through, the institutions of a sector.

Working at scale to implement soy sourcing policies

As already mentioned, at-scale initiatives have the potential to solve shared complex issues that cannot be solved through individual action. In Table 1, we present some examples of issues related to soy production and sourcing that could be tackled through at-scale initiatives.

Table 1: Social and environmental issues at soy production-level that could be addressed by at-scale initiatives

Issues at production-level	Potential underlying risk factors or root causes	What can be achieved with initiatives at-scale?
Conversion of native vegetation	<ul style="list-style-type: none"> • Low enforcement of legal framework • Legal framework allows conversion • Illegal deforestation 	<ul style="list-style-type: none"> • Increase transparency through better monitoring using satellite imagery • Strengthen law enforcement • Improve legal framework through cooperation with national & sub-national governments • Increase native vegetation connectivity by working across multiple farms • Improving productivity on degraded areas
Land conflict	<ul style="list-style-type: none"> • Presence of local communities without secured land tenure 	<ul style="list-style-type: none"> • Map communities in soy expansion zone and ensure their right to land through collaborative, at scale land use planning
Pesticide intoxication and pollution	<ul style="list-style-type: none"> • Inadequate health and safety practices • Low law enforcement • Poor agronomic practices 	<ul style="list-style-type: none"> • Raise awareness in order to increase health and safety practices across the sector • Strengthen law enforcement • Promote better agronomic practices
Water scarcity	<ul style="list-style-type: none"> • Absence of riparian buffer zones • Large scale deforestation impacting regional hydrological dynamics • Land degradation and desertification 	<ul style="list-style-type: none"> • Preserve and restore riparian buffer zones and link them across individual properties to improve connectivity • Raise awareness of the links between forests, water and production to achieve a zero-deforestation target • Promote climate-resilient and low-carbon agriculture
Local livelihoods	<ul style="list-style-type: none"> • Incidence of poverty • Low access to education • High mechanisation and lack of alternative livelihoods 	<ul style="list-style-type: none"> • Promote shared value • Collaborate across sectors • Support sector wide / landscape wide initiatives to increase productivity and improve incomes and livelihoods

Why at-scale initiatives are important

- To offer buyers a practical way to reduce the risk in a landscape to which they may be directly or indirectly linked
- To facilitate the implementation of responsible production practices at scale, and ensure the risks of poor practices are low across a landscape or jurisdiction
- To provide potential solutions for issues that are outside the control of individual producers
- To offer a platform for public-private partnerships, which can provide support and incentives for change, achieve transformation at scale, and improve long-term governance

What at-scale initiatives look like

There are several initiatives that are working to address environmental and social issues in the soy supply chain at a scale beyond farm-level. In Box 2 we present an example of a jurisdictional initiative in Mato Grosso State in Brazil, that has gained increased visibility lately. This initiative is a good example of what at-scale initiatives look like. In Table 2 we provide a more comprehensive list of existing at-scale initiatives.

Box 2. Produce, Conserve and Include (PCI), a state-level initiative happening in Brazil

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The Produce, Conserve and Include Strategy in Mato Grosso, Brazil, is a jurisdictional approach at state level, the goals of which are to increase productivity of agricultural commodities, while maintaining native vegetation cover and reducing deforestation. Under the umbrella of PCI, there are many on-the-ground initiatives working at-scale, which are presented in their Pitchbook, available at: www.idhsustainabletrade.com/publication/produce-conserve-include-pci-pitchbook/

To highlight examples of how the initiative could help both downstream and upstream companies to implement their responsible sourcing policies, it showcases a set of projects working in different landscapes in the state which offer opportunities for companies to engage depending on their interest and the priority regions they source from.

As the long-term goal of the initiative is to make the state a low-risk sourcing region, by supporting the PCI initiative or the individual projects under the PCI umbrella, companies will promote positive change while pursuing their responsible sourcing commitments.

In the Pitchbook, PCI presents guidance to help companies engage with the on-the-ground initiatives. Some of these initiatives are:

Producing Right Platform: this offers tools to improve the social and environmental performance of farms. It provides transparency on farm-level status for agribusiness companies as they pursue their commitments for responsible sourcing.

Querência +: Querência is one of the leading municipalities in soy production in Mato Grosso, but at the same time it has one of the highest levels of forest deficit on private properties inside the Brazilian Amazon. The project aims to develop the concept of a Sustainable Production Territory by promoting forest restoration while at the same time connecting supply chain companies to producers who meet the program requirements.



How companies can work at-scale

After clarifying what at-scale initiatives are, why they are important and what they look like, it is important to highlight a few steps companies can take to start working with existing, at scale initiatives. The first step focuses on identifying existing initiatives that the company can engage with. The second describes an approach for companies to define how to engage and support the selected initiatives. The third suggests how companies could agree on their role and clarify how to take action. The last step, describes how companies could monitor and report progress on their support to the initiatives.

01 Identify and analyse the existing initiatives

Soy buying companies often source from a large number of suppliers and some of these suppliers might not follow the buying companies' sustainability commitments. Given that resources are limited, prioritisation is often needed and can be achieved through a risk analysis. The results can help to identify areas where more detailed analysis is needed. When assessing geographical risk, the buying company needs to know where, or at least in which region, the sourced product has been produced.

After selecting a landscape in which to act (based on a geographical risk assessment, for example⁴) and deciding that a landscape initiative can help address the key issues in the region, it is important to assess what is already happening on the ground. This step is important to develop an understanding of the local context, identify the relevant stakeholders and map existing initiatives. Once you have assessed existing initiatives you need to decide which ones help deliver your company's commitments. Table 2 provides some examples of at-scale initiatives working on soy and in Box 3 we provide a more comprehensive description of the Soy Buyers Coalition initiative.

Table 2: At-scale soy initiatives in Brazil

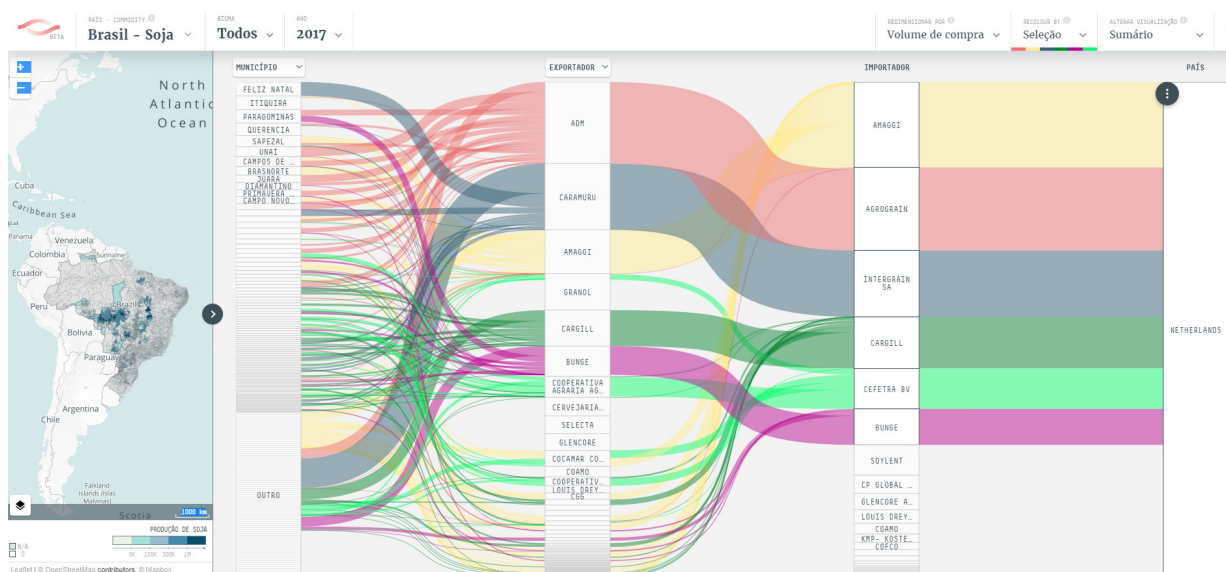
Name of the Initiative	Brief Description	How it helps companies implement their sourcing policies
Soy Moratorium	A commitment of the Brazilian Vegetable Oil Industries Association (ABIOVE) and the Brazilian Association of Cereal Exporters (ANEC) not to trade in or finance soy in areas that were deforested in the Amazon biome after 2008. There is an internationally credible monitoring system to help ensure deforestation-free soybeans are being traded.	<p>For upstream companies: it provides an internationally credible framework and monitoring system to buy and sell soybeans not associated with deforestation in the Amazon biome.</p> <p>For downstream companies: it provides them with a credible and easy to monitor framework to buy deforestation-free soy in the Amazon biome, provided they buy from traders who are signatories and who fully comply with it. For more information:</p> <p>https://agrosatelite.com.br/cases/#moratoria or http://abiove.org.br/en/</p>

Good Growth Partnership	<p>A Global Environment Facility (GEF) funded initiative, that aims to promote sustainability across soy, beef and palm oil supply chains. In Brazil, the production component is led by Conservation International and targets soy production in the MATOPIBA (Acronym for region comprised by the States of Maranhão, Tocantins, Piauí and Bahia) region to, inter alia, provide producers with support to improve production whilst improving conservation practices.</p>	<p>For upstream companies: MATOPIBA is considered the fastest soy expansion frontier in Brazil and the project works to encourage soy cultivation in already converted or degraded lands in the region, as well as improve agricultural practices and implement the Forest Code. Companies supporting this initiative can benefit from resources being driven to support sustainable soy expansion in MATOPIBA, one of the key soy producing regions in Brazil.</p> <p>http://goodgrowthpartnership.com/wp-content/uploads/GGP_Brazil-Project-FINAL.pdf</p>
Xingu Seeds Network	<p>The initiative is coordinated by ISA and act at the Xingu and Araguaia Watershed scale, involving different actors such as rural producers, indigenous populations and environmental NGO's. It promotes the environmental compliance of rural properties to the Brazil Forest Code (FC) through large-scale restoration of Permanent Preserved Areas and Legal Reserve areas, using a low-cost highly effective restoration technique that uses a mix of seeds spread across the restoration area.</p>	<p>For upstream companies: They can prioritise sourcing from producers involved in the project, as they are working to comply with the FC. By doing that companies will source from responsible producers and contribute to enhance the livelihoods of indigenous communities.</p> <p>For downstream companies: By providing financial support for project partners, companies can help the network to scaleup and meet the growing demand for restoration, helping producers to comply with the FC. For more information:</p> <p>https://www.sementesdoxingu.org.br/site/</p>
Cerrado Working Group	<p>Comprised of NGOs, soy traders and downstream soy buyers, the group is working towards a sector agreement among producers, industry, consumer organisations and civil society to stop conversion of native vegetation in Brazil's Cerrado biome.</p>	<p>For upstream and downstream companies: It provides a multistakeholder dialogue platform to agree on and set strategies to tackle native vegetation conversion in the Cerrado Biome. For more information: https://cerradostatement.fairr.org/about/</p>
The Soft Commodities Forum (SCF)	<p>Leading global soy traders convene to improve transparency on traceable soy supply in the Brazilian Cerrado, SCF's first priority region, and promote the most effective approaches to incentivise producers (including financial mechanisms and incentives) to avoid conversion of native vegetation, reward positive production practices and preserve access to key markets</p>	<p>For upstream companies: By improving transparency on soy traceability from the Cerrado, companies will increasingly have better control over their soy supply chain in the biome, contributing to meeting their commitments.</p> <p>For downstream companies: Similarly, companies will increasingly have better control over their soy supply chain when sourcing from the Cerrado Biome.</p> <p>https://www.wbcasd.org/Programs/Food-Land-Water/Food-Land-Use/Soft-Commodities-Forum</p>

Box 3. The Soy Buyers Coalition (SBC): Linking supply chains and providing collective support to on-the-ground initiatives working at scale

The SBC aims to enable downstream soy buyers to collectively support local initiatives in key soy sourcing areas in Brazil that address the conversion of native vegetation.

The initiative convenes retailers and consumer goods manufacturers. For downstream companies it is an important initiative because - by combining efforts of multiple players with low leverage and visibility of the soy supply chain - soy buyers can increase their understanding of where soy in their supply chains is linked to (to a municipality-level), the associated risks that they may be exposed to in these areas and the potential leverage that they may have – as a collective – to support positive activities in sourcing regions, aside from sharing implementation costs. For more information, please refer to: https://www.theconsumergoodsforum.com/news_updates/the-cgf-and-its-members-launch-soy-buyers-coalition/



Picture source: the TRASE platform maps the links between soy consumer countries via trading companies to the municipalities of production. Such information is particularly useful for downstream companies who may want to gauge key areas of risk to which they may be exposed. For more information, please refer to: <https://trase.earth/>

In assessing how well these initiatives fit with company priorities, soy buying companies can begin by clarifying:

- How closely these initiatives match company goals and objectives
- Are the issues they address aligned with company priorities?
- Are there ways of working openly in collaboration with the private sector?
- Is there, or is there likely to be, broad buy-in from other actors in the landscape?
- What are the limitations, challenges and opportunities for company engagement?

For more details on what companies should assess when analysing a landscape initiative, please refer to Box 1 in Proforest InfoNote 3: Engaging with landscape initiatives – A practical guide for supply chain companies³.

02 Define how to engage and how to support the initiative

In defining how to engage/support an initiative there is need to understand the local perspectives, motivations and decision-making, since they may differ considerably from the company's perspective. While a company's primary objective may be to deliver its commitment to source conversion-free soy, which could result in halting soy expansion over native vegetation, a local initiative may be primarily concerned about improving livelihoods which rely on soy expansion. As an example, requests for zero conversion are often beyond national legislation, therefore a potential solution to overcome resistance from producers in expanding production over native vegetation in areas allowed by the legal framework, could be to have some sort of incentive for them. To understand the local context, companies can:

- Research secondary information on online platforms from local and international NGOs working on the region of interest or relevant government agencies. Other global platforms can also provide important information, such as: The Tropical Forest Alliance⁵, Global Forest Watch⁶ and the Produce and Protect platform⁷. They provide some examples of local initiatives.
- Connect and dialogue with a local partner, which can help the company understand the local perspective;
- Map the stakeholders involved and connect with key actors in order to build trust and understand how existing governance works.

Box 4. Important aspects to research locally

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- Understand existing governance, decision-making processes and power relations;
- Identify issues that matter to local stakeholders
- Clarify what support the initiative needs from external sources and what support it might already have.



Working at scale to implement soy sourcing policies

It is important to decide what support your company can realistically bring to the initiative. Will it be monetary resources and, if so, how much? Will it be with human resources? Think through the array of options your company can provide. Those higher up the supply chain are closer to production and aggregation and most probably will have local contacts, infrastructure, technical staff and investment on the ground, meaning they can probably engage in more time-intensive activities. Companies that are further down the supply chain are likely to be more distanced and contributions may be focused on finance, preferential sourcing or communication support. Different ways of engaging may therefore be appropriate for different companies, even in the same landscape.

Table 3: Potential actions to support at-scale initiatives

Upstream companies	Downstream companies
<ul style="list-style-type: none">• Provide expertise, infrastructure, staff or logistical support, including for capacity building and for engaging with national or sub-national governments• Funding specific actions or projects within a particular landscape, as a contribution to the implementation of a broader landscape or jurisdictional initiative	<ul style="list-style-type: none">• Funding to support an initiative, especially as an entry point to engagement• Preferential sourcing from landscapes where progress is being made or other types of procurement-led support, including long-term contracts• Advocacy, communications and sharing experience to provide visibility and recognition of landscape initiatives, and the people driving them• Engagement with those further upstream to also make connections to the initiatives

In order to choose which actions are more appropriate, a company should combine the local perspectives and motivations in a landscape with actions that are aligned with its own objectives and commitments. It is important to have a positive attitude towards working openly and collaboratively with other actors, as well as to the discussion of disagreements across parties with varying interests. In Box 5 we present an example of how a company is engaged with the Produce, Conserve and Include (PCI) initiative in Mato Grosso State.

Box 5. AMAGGI engagement with PCI: An example of how a company can support an initiative

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According to AMAGGI 2018 sustainability report, the company has been involved with PCI strategy as a member and industry representative. It is also part of the Engagement and Communication working group, dedicated to promoting opportunities and engagement strategies of market players, financial institutions and investors, as well as establishing guidelines for project communication.

In 2018 AMAGGI helped to advance the governance structure of the PCI Strategy by contributing to the drafting of the by-laws of the new organisation being created to act as the managerial and financial mechanism of the strategy.

The company also joined the PCI Corporate Action Group, which has the following objectives:

- to facilitate corporate engagement;
- align corporate commitments to a jurisdictional approach in Mato Grosso; and
- be a channel to receive feedback from companies regarding the strategy.

For more information, please refer to the company's sustainability report from 2018:

<https://www.amaggi.com.br/relatorio2018/wp-content/uploads/2019/08/Relat%c3%b3rio-de-Sustentabilidade-2018-AMAGGI.pdf>

03 Agree on your role and take action

It is essential to agree clearly what the company's role should be, based on the needs and objectives of all parties, what the limits to that role are and who they will work with. This step must combine the local perspectives and motivations, as well as the types of support the company or companies can bring, which will have been identified in the previous step. Some important aspects to consider include:

- It may be helpful to work with a neutral facilitator to conduct the dialogue between multiple stakeholders. The companies engaging will have a shared goal, but often have different interests;
- You may need multiple channels of communication as it may be unclear exactly who you need to talk to. For example, it might be useful to map focal points within the main partners involved;
- You may need time to build trust and personal relationships before you can reach an agreement;
- The agreement may need to be revised later as the context changes.

When joining an ongoing initiative, companies should be clear how actively engaged they wish to be. Some companies may wish to be proactively involved in all aspects from priority setting and the identification of interventions to implementing activities on the ground. For others, a more supporting role may be appropriate. It is useful to set out jointly what all stakeholders expect to happen and when, and to align these processes with existing timeframes.

Box 6. Extent of engagement with initiatives

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Companies should be credible and robust in taking responsibility and contributing resources that are commensurate with the scale of their buying but should be realistic about how much they can do in each place. Across the whole supply base, engagement might range from leading some initiatives, to limited or minimal engagement with others, or even deciding not to engage immediately, where a company is already involved with several other initiatives³.

Limited engagement	Support	Participation	Leadership
Where companies need to prioritise, they may decide not to engage actively in some initiatives.	Providing some input for an existing or emerging initiative, such as contributing funding or making offtake commitments, but with limited or no active engagement or responsibility for delivery.	Actively working with an existing or new initiative, providing resources and inputs and playing a role in some components, but with another organisation leading and taking overall responsibility for delivery.	Leading an initiative (directly or through a contractor) and taking responsibility for delivery, including providing or mobilising resources, convening partners, developing approaches, overseeing activities and planning for the long term either alone or together with partners.

04 Monitor and report progress

It is very important to agree and implement a credible approach to monitoring – including monitoring of the process, of progress in delivering goals and on the use of funds. An existing initiative may already have a well-defined monitoring and evaluation (M&E) framework, with relevant indicators to track progress and well-established processes to collect and share data. Where mechanisms for M&E have not been defined, it is helpful to agree monitoring indicators across partners to ensure data collection is collaborative and aligned. Collecting baseline data at the start will allow progress to be measured.

In addition, the company may also need its own review of the effectiveness of engagement with the landscape initiative. If an initiative is not delivering, it may need to consider increasing the company’s involvement or commitment to support greater progress. However, setting clear rules to help decide under what conditions your company should disengage from an initiative can also be useful from the start. Table 4 provides two examples of landscape initiatives monitoring and reporting progress:

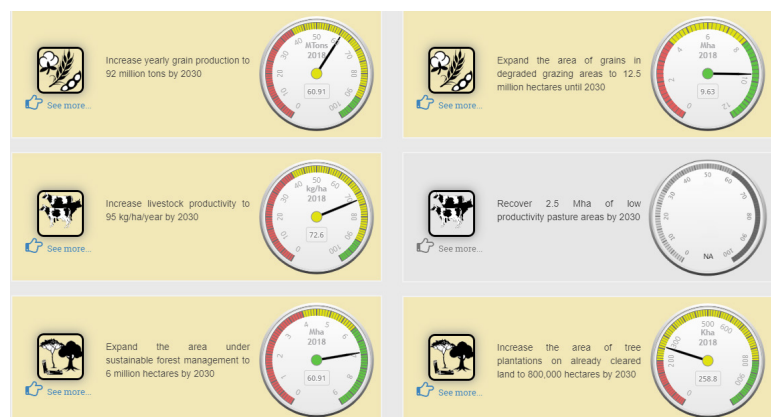
Table 4: Potential actions to support at-scale initiatives

Produce, Conserve and Include example

Provides an example of how a landscape initiative can monitor and report progress over the years. The picture shows an example of the programme’s publicly available dashboard with several indicators to track progress. They categorise the indicators under Produce, Conserve and Include topics and provide information on regional progress.

<http://www.pcimonitor.org/>

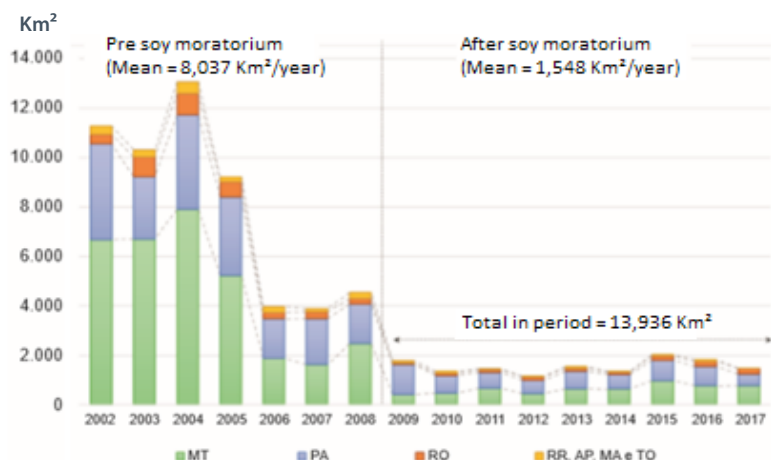
The PCI Dashboard



The Soy Moratorium example

Provides an example of how a landscape initiative can monitor and report progress over the years. The graph shows the progress in reducing deforestation rates (which should be analysed in combination with other initiatives e.g. better law enforcement).

<https://agrosatelite.com.br/cases/#moratoria>



Key Challenges and potential solutions

Despite the increasing understanding that at-scale initiatives are emerging as an effective approach to solve shared complex issues that cannot be solved via individual supply chain actions within a particular landscape, some challenges remain. Key challenges and potential approaches to address them are presented below.

There is a cost to develop and implement at-scale initiatives

It is important to consider supply chain collaboration especially in the case of upstream companies since supporting landscape initiatives may imply costs. As the results expected are going to benefit the actors involved in a given initiative, costs to develop and implement it should be shared among key stakeholders.

Positive impactful results at-scale may take time

As discussed in this discussion paper, tackling complex problems at-scale necessitates collaborative work from multiple actors - often with conflicting interests - so it is crucial to manage expectations regarding what it is feasible to achieve in the short, medium and long term right from the beginning.

Learn more and help us improve

More information is provided in the references and at www.soytoolkit.net

Please also share with us information that will improve this Briefing Note (via soytoolkit@proforest.net).

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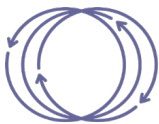
Nicoletta Pavese (Soft Commodities Forum, World Business Council for Sustainable Development).

References

- 1** For an overview of the Soy Toolkit and other briefing notes, visit: www.soytoolkit.net
- 2** For more information on how companies can take action within and beyond supply chains, see Proforest's Agricultural Commodity Responsible Sourcing (ACRES) Briefing Note on: https://www.proforest.net/proforest/en/files/bn13_rsbn_may30.pdf
- 3** For more information on landscape initiatives, see Proforest's InfoNote 3: Engaging with landscape initiatives – A practical guide for supply chain companies: https://www.proforest.net/en/publications/infonote03_engaging_landscape_initiatives_sh.pdf
- 4** For more information on risk analysis and geographical risk assessment see the Soy toolkit "Soy risk analysis: Prioritisation for positive engagement" Briefing Note 2B: <https://www.soytoolkit.net/element2>
- 5** For more information on the Tropical Forest Alliance: <https://www.tfa2020.org/en/>
- 6** For more information on Global Forest Watch: <https://www.globalforestwatch.org/>
- 7** For more information on the Produce and Protect Platform: <https://produceprotectplatform.com/>

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