

TFA EU DEEP DIVES

SESSION ON COUNTRY BENCHMARKING & LANDSCAPES

Opportunities for landscape and jurisdictional approaches
in the context of the EU Deforestation-free Regulation

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In recent years, a growing number of supply chain companies (especially downstream companies) have begun engaging and investing in landscape or jurisdictional approaches linked to their supply chains as a form of pre-competitive action to address root causes of deforestation (and other environmental or social issues) that individual companies are unable to address on their own. This shift away from companies only managing their own supply chains is in line with good practice guidance, for example, from the Accountability Framework and global policy frameworks, such as REDD+. However, the product-based Due Diligence focus of the EU Deforestation DD regulation has led many stakeholders to ask questions about how it relates to landscape and jurisdictional approaches.

To support the implementation and enforcement of the regulation, the European Commission has proposed the use of a country benchmarking system that will categorise countries or parts of countries into three risk levels – low, standard and high – taking into account deforestation and forest degradation linked to the relevant commodities alongside criteria related to the countries’ engagement in fighting deforestation and forest degradation¹.

The European Parliament has since put forward an alternative amendment for Article 27, requesting that the identification of low and high-risk countries should take into account information provided by operators, NGOs and third parties, including indigenous peoples, local communities and civil society organisations; **and whether the national and sub-national jurisdiction has developed jurisdictional approaches with the meaningful engagement of all relevant stakeholders.**

¹ [Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the making available on the Union market as well as export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation \(EU\) No 995/2010](#)

This document therefore aims to provide an overview of what landscape/jurisdictional approaches are and how they may provide a useful tool for operators and other parties in the context of the proposed EU Deforestation-free Regulation.

1. INTRODUCTION TO LANDSCAPE AND JURISDICTIONAL APPROACHES

Private sector engagement in landscape and jurisdictional approaches is rapidly increasing. The Consumer Goods' Forum [Forest Positive Coalition of Action](#), consisting of 21 leading manufacturers and retailers, has identified engagement in production landscapes a key component in its roadmaps to attain sustainable commodity production. TFA and Proforest supported the Coalition in developing its [Landscape Strategy](#), published end last year. Other industry platforms, such as the Soft Commodities Forum and the Action for Sustainable Derivatives (ASD) are also delving into landscape engagements, with the latter recently launching its collective [Impact Fund](#).

This section aims to provide an overview of what are landscape/jurisdictional approaches, what are the different elements constituting such approaches, as well as provide a couple of examples of current landscape and jurisdictional initiatives.

1.1. What are landscape or jurisdictional approaches?

Several terms are being used to describe a variety of similar, but not identical, approaches. These include landscape initiatives, jurisdictional approaches and territorial approaches.

CDP distinguishes landscape and jurisdictional approaches in the following way²:

Landscape Approaches: involve a collaboration of stakeholders within a landscape to advance shared sustainability goals and reconcile and optimize multiple social, economic, and environmental objectives across multiple economic sectors and land uses.

They are implemented through processes of integrated landscape management, convening diverse stakeholders to develop and implement land-use plans, policies, investments and other interventions.

Jurisdictional Approaches: types of landscape approach to advance shared sustainability goals where the landscape is defined by administrative boundaries of subnational governments and the approach is implemented with a high level of government involvement.

² <https://www.cdp.net/en/articles/forests/the-value-of-landscapes-and-jurisdictional-approaches-to-achieving-sustainability>

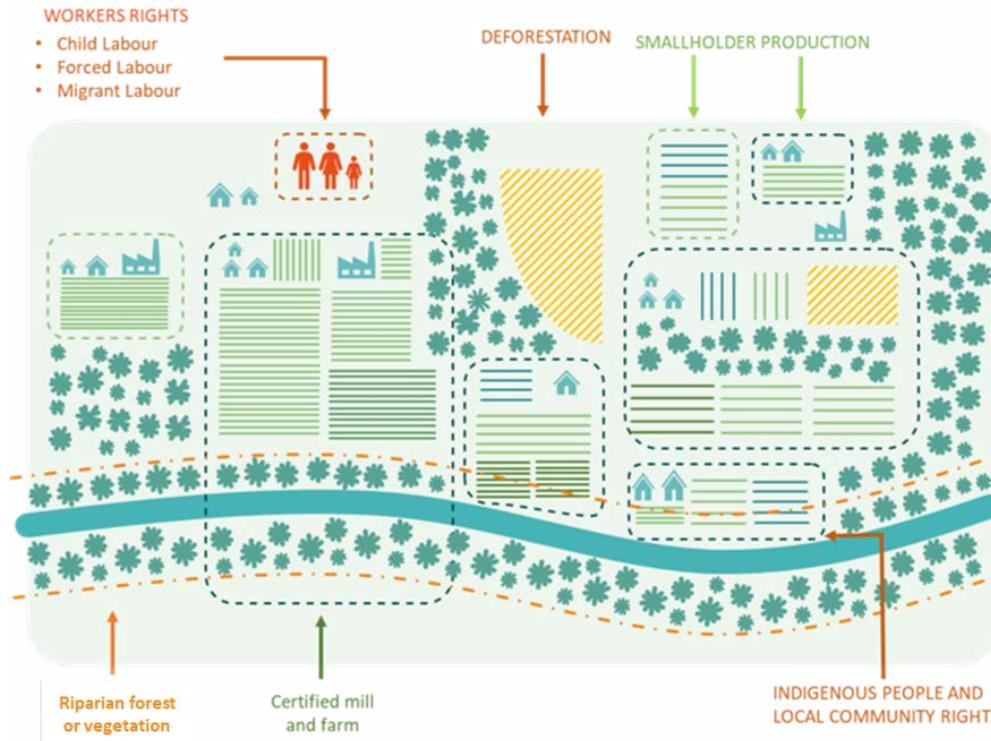


Figure 1. Source: Proforest

These initiatives all aim to bring together the relevant stakeholders in a particular region, at the scale of a jurisdiction or landscape, to agree goals, align their activities and share monitoring and verification

1.2. Elements of a landscape or jurisdictional approach

A variety of different landscape and jurisdictional initiatives are being developed. They generally combine most or all of the following elements³:

- » Development and implementation at the scale of a jurisdiction (ie. local or national government) with a focus on the performance of the whole landscape.
- » Participation of government together with other stakeholders such as civil society groups, communities, private sector companies and farmers.
- » Shared goals developed together by the stakeholders on the ground
- » Alignment of the activities and inputs of different stakeholders (eg. incentives, enforcement and planning) to increase effectiveness.
- » Accountability to provide credibility and assurance including long-term governance, monitoring, transparency, communication and verification.



Figure 2. Schematic overview of the elements of most landscape or jurisdictional initiatives. Source: Proforest

3 Proforest Responsible Sourcing and Production Briefings 02 - Introduction to landscape or jurisdictional initiatives in commodity agriculture

Such approaches are necessarily complex, because they require multiple stakeholders to collaborate in innovative ways to address difficult issues grounded in law, politics, governance, culture and business practice.

However, there is a growing consensus that despite the challenges there is huge potential for this more integrated approach to have significant positive impacts by working beyond individual supply chains to strengthen land use governance and monitoring, and bring efficiency by sharing costs, for example, of traceability and monitoring efforts.

Landscape or jurisdictional initiatives are being developed by different groups for different purposes. This is important because it affects the goals, direction and outcomes of the initiative. The specific characteristics of participation, goals, alignment of activities and accountability all determine what an initiative is likely to deliver.

Outcomes will depend, for example, on:

- » Which stakeholders participate and their roles: this is likely to influence the effectiveness of the approach and its credibility with internal and external stakeholders. the degree of government engagement, and inclusion and empowerment of other stakeholders are particularly important.
- » The goals of the approach: these may vary from a very specific goal, such as reducing deforestation or eliminating child labour, to wider goals like delivering a range of responsible sourcing commitments, and even very broad goals such as accelerating implementation of the Sustainable Development Goals (SDGs).
- » The alignment of activities and inputs: this may vary from a loose association, where different groups work individually towards a common goal, to a genuinely integrated approach where issues identified through one activity or group are addressed by another.
- » The type and extent of accountability: this depends on what the initiative is used for. In general, more robust and credible accountability is also more costly and complex, so it is important to be clear what is needed and why. Where a high threshold of credibility is necessary, higher costs are justified; in other cases, a lower threshold with much lower costs may be adequate.
- » The scope of the initiative: some landscape and jurisdictional approaches aim to deliver agreed goals for 100% of a landscape or jurisdiction (e.g. 100% of the area Deforestation Free by a target year), whereas others may focus on a smaller scope, such as the subset of the landscape where one commodity is produced.

Although there is much overlap, there is also considerable variation in the characteristics of different landscape and jurisdictional initiatives. There is no single 'correct' approach. However, the approach significantly affects the outcomes, so practitioners and users of these initiatives must be clear what they want to achieve and whether the characteristics of an approach will deliver their needs. There are also a number of global and regional frameworks working to define and provide assurance of good practice in landscape approaches, such as SourceUp and Landscape.

2. OPPORTUNITIES FOR THE USE OF LANDSCAPE/JURISDICTIONAL APPROACHES IN THE CONTEXT OF THE EU DEFORESTATION REGULATION.

In its current form, there are concerns that the regulation will not prevent deforestation, but rather divert deforestation from the European market, as companies will be incentivised to move their sourcing to larger production units and lower risk areas that deforested prior to 2020 and disincentivized from investing or engaging in activities driving change at forest frontiers where resources are most needed to tackle deforestation and support rural communities. Some of these unintended consequences are articulated in papers for example from Trase⁴, IDH and Proforest⁵.

These papers makes the case for supporting sub-national jurisdictional level actions where local authorities, farming communities and commodity buying companies are involved and aligned. This can deliver sustainable land management and stronger forest protection that covers all standing natural forest (which is often outside of current supply chains in many contexts) and commodities irrespective of where they are consumed, and where EU consumption can create market pull for shared responsibility of supply chain companies to support on the ground activities for action to achieve zero-deforestation.

2.1. Opportunities

Companies that commit to responsible sourcing must ensure that responsible production practices are implemented across their entire supply base. This may include hundreds or even thousands of producers in multiple locations, often sourced via intermediaries leading to weak or dynamic supply relationships⁶. Landscape or jurisdictional initiatives may support the implementation of responsible practices at scale, and provide the opportunity to proactively engage before deforestation happens and protect remaining forest which often lies outside of current supply chains⁷. In the absence of this proactive approach, deforestation for tree crops especially, may only be linked to suppliers several years after it happens when the crops mature and enter the market, and buyers do their due diligence on the new supplier.

Managing supply chain risk: Many companies that implement responsible sourcing use risk assessments to identify countries or regions where there is a high risk of production practices that do not meet their requirements – for example, countries where deforestation rates are high. In these areas, suppliers often need to provide evidence that individual producers manage the issues responsibly, which can be difficult and costly.

- » Landscape or jurisdictional initiatives that successfully target these key issues can provide a mechanism to assure buyers that the risks are low for all producers within the initiative area, saving time and effort for both producers and supply chain actors.

4 [Trase Insights - Strengthening the EU regulation on deforestation-free products](#)

5 EU regulation on deforestation-free products Recommendations for a forest positive Impact – Proforest / IDH

6 [Trase Insights - Action needed to address indirect sourcing 'blindspot'](#)

7 Proforest Responsible Sourcing and Production Briefings 03 - [Implementing responsible sourcing – using landscape or jurisdictional initiatives](#)

Addressing complex issues: Some responsible sourcing commitments – such as eliminating deforestation practices in a region – can only be achieved with the involvement of multiple stakeholders including governments, communities and civil society as well as producers (large and small).

- » Landscape or jurisdictional initiatives provide a framework for partnerships to address these issues and to create local ownership and governance to tackle these issues, which cannot be resolved by individual producers alone.

Where there is a high risk that ‘business as usual’ production includes unsustainable practices, a landscape or jurisdictional initiative can provide assurance that producers within this area meet responsible sourcing commitments.

For example, in a country with high rates of deforestation, a state jurisdictional initiative that delivers low deforestation rates provides an assurance that sourcing from that state is compatible with companies’ responsible sourcing commitments.

Finally, agricultural commodity supply chains have multiple tiers already within producer countries, with each direct supplier, in turn, buying from dozens to hundreds of indirect suppliers. Generally speaking, it is simpler for companies to identify, engage with, and exert influence over their direct suppliers, with whom they have contractual relations, than actors more than one tier removed from them. In commodities such as palm, cocoa and beef, the proportion of commodities that are indirectly sourced is often hugely disproportionate to the proportion of directly sourced products (see Figure 3). Unfortunately, deforestation and related risks are often higher in precisely the parts of the supply chain over which companies have the least visibility.

In their paper, Ermgassen et al.(2022)⁸ argue that “by having a lens larger than a specific supply chain and incorporating all actors and land uses within the focal area, landscape approaches offer the potential to “internalize” systemic challenges such as hard-to-trace indirect or illegal sourcing and the drivers of deforestation over which supply chain-focused approaches have limited reach, such as speculative land clearing”.

In order to meet their intended impact, landscape approaches require buy-in from farmers, financial commitment from companies, and support from local or national government. The business case for sustainable commodity production can be made at a local level by including a strong focus on the welfare of local communities alongside the monitoring of sustainability risks such as deforestation. Companies can provide financial incentives through “jurisdictional sourcing” efforts, where they commit to preferential sourcing from verified sourcing areas—jurisdictions that implement time-bound landscape conservation plans.

8 [Ermgassen et al. Sci. Adv. 8 \(2022\)](#)

In a joint position paper, IDH and Proforest⁹ highlight that the inclusion of jurisdictional-level action under the proposed EU Deforestation-free Regulation would offer an opportunity to address key risks associated with the regulation such as:

- » Diverting risk to other markets
- » Lack of reward for progress towards deforestation-free
- » Incentivising exclusion of high-risk areas
- » Losing leverage to improve conditions in high-risk areas
- » Disincentivising purchasing from smallholders

Instead, they offer an opportunity to incentivise action to achieve deforestation-free products and forest restoration by sourcing companies and by producer countries. This would most effectively be achieved if done at sub-national jurisdictional level where local authorities, farming communities and commodity buying companies are involved and aligned. This can deliver sustainable land management and stronger forest protection that covers all commodities irrespective of where they are consumed, and where EU consumption can create market pull for stronger and faster action to achieve zero-deforestation.

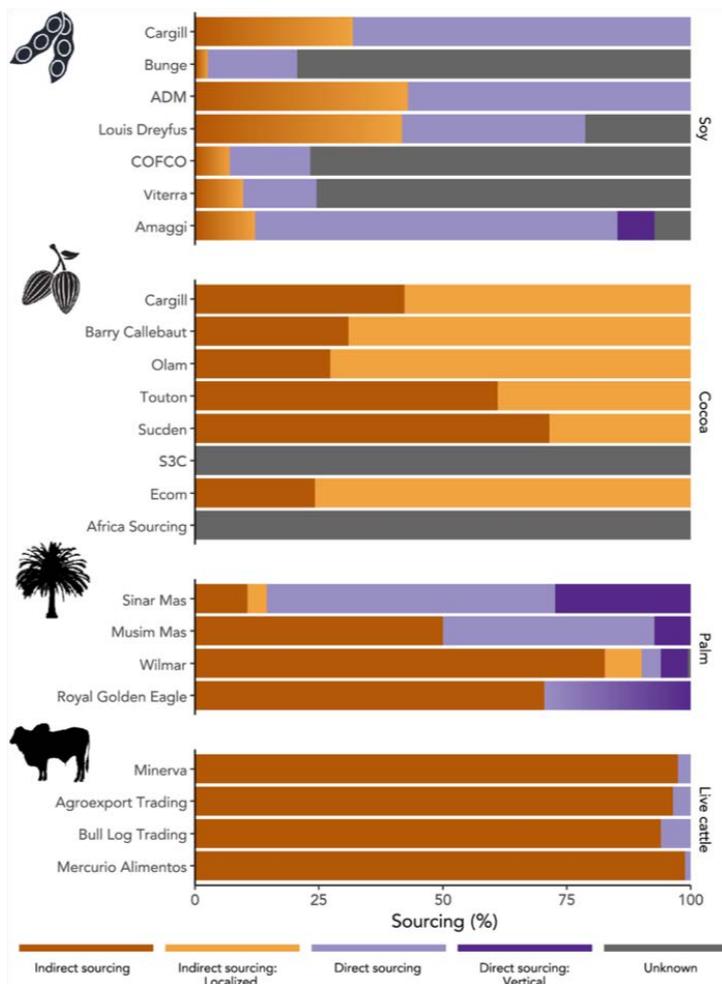


Figure 3. The proportion of commodities that are indirectly (orange) and directly (purple) sourced by major traders exporting soy from South America, cocoa from Côte d'Ivoire, palm oil from Indonesia, and live cattle from Brazil. Source: Figure 3. in [Ermgassen et al. Sci. Adv. 8 \(2022\)](#)

9 [EU regulation on deforestation-free products Recommendations for a forest positive Impact – Proforest / IDH](#)

2.2. Examples of landscape/jurisdictional initiatives

Smallholders mapping in Seruyan, Indonesia¹⁰

SIPKEBUN (which stands for Information and Performance Monitoring System for Sustainable Plantations in Bahasa) was developed by Institut Penelitian Inovasi Bumi (INOBU) in collaboration with the Ministry of Agriculture, the provincial and three district governments of Central Kalimantan. It is an online system that integrates data and maps of all oil palm growers: from industrial scale estates to independent smallholder farmers. For the first time, the Indonesian government will be able to monitor online all oil palm growers and identify growers who are farming sustainably, and those who are clearing forests or burning their lands. SIPKEBUN also enables the government to know who is growing oil palm, where they are growing it and how they are growing it.

SIPKEBUN also offers a powerful tool for governments to support smallholders to farm legally, productively and profitably. The system can help smallholder farmers to get cultivation registration letters. The data stored within SIPKEBUN enables local governments to streamline the process for issuing cultivation registration letters to smallholders. This data is also a stepping stone for initiating processes for issuing land certificates to smallholders. SIPKEBUN enables local governments to understand how smallholders are farming, which enables them to more effectively target interventions for improving the productivity and profitability of smallholder oil palm plantations.

As such, by building a strong database, the government can know the actual problems faced by regions so that the planning and decision making processes related to the programs for developing palm oil and other plantation commodities can be properly implemented.

District-level use of Terpercaya indicators to support relevant data collection, Indonesia¹¹

Terpercaya is an inclusive, legitimate and nationwide system that tracks sustainable palm oil and defines district sustainability at scale across Indonesia. Measuring the sustainability performance at the jurisdiction level can accelerate impact at scale, promote efforts to resolve land tenure issues, and help ensure the inclusion of smallholders and indigenous peoples.

The Terpercaya jurisdictional sustainability indicators were designed taking into consideration the following considerations:

- » Legality: indicators should align with legal frameworks and policies, thus building on national priorities rather than imposing an alternative system and an additional burden.
- » Legitimacy: indicators should be developed through multistakeholder consultation to ensure relevance to key target groups: central Government, district governments, the private sector, trading partners, civil society and consumers. For credibility, they must use objective, independently verifiable data.
- » Scale: indicators should be appropriate to measure sustainability across all local jurisdictions. Availability of data for regular tracking and efficient data collection methods should be a key consideration.

¹⁰ <https://www.tropicalforestalliance.org/en/news-and-events/news/press-release-sipkebun-supports-indonesian-government-achieve-sustainable-palm-oil-plantations>

¹¹ [Lessons learnt from the Terpercaya Initiative](#)

- » Mutual benefits: indicators should align with the SDGs to reflect values held by both producer and consumer countries.
- » Supportiveness: outcome ('good') and process ('progress') indicators should be combined to underpin a stepwise approach aimed at incentivising progress instead of categorising current outcomes.
- » Complementarity: indicators should supplement product-based sustainability certification by covering the entire jurisdiction, that is, all forest areas and all producers, including smallholders

Terpercaya captures the complexity and regional diversity of palm oil production across the whole of Indonesia to reliably communicate district level sustainability, particularly to the EU market. Additionally, in light of Terpercaya's development as an Indonesia-EU collaboration, the system presents opportunities to provide information at the jurisdictional level in the context of anticipated EU regulation on commodities associated with deforestation and forest degradation. As a low-cost system that draws on 'big data' while requiring minimal human resources, Terpercaya could present an efficient way to inform on trade in legal and sustainable agricultural commodities.

Developing a deforestation-free climate-resilient sustainable cocoa landscape, Ghana¹²

The Asunafo-Asutifi Landscape is one of the major agro-commodity production landscapes in Ghana that is noted for cocoa production and accounts for about 10% of the national cocoa output. Forest is a significant feature in the landscape, accounting for 32% of the land area. As with most agro-commodity production landscapes, deforestation caused by agricultural expansion into forests, and logging (both legal and illegal), is high in the Asunafo-Asutifi landscape.

The overall goal of the Asunafo-Asutifi landscape programme is to establish a Landscape Governance Structure in collaboration with key landscape stakeholders and a consortium of private sector companies to implement a Landscape Management and Investment Plan to:

- » eliminate deforestation risk;
- » adopt and implement climate-smart cocoa production standards;
- » deliver cocoa agroforestry models including tree/carbon stock enhancement in the Asunafo-Asutifi landscape;
- » deliver improvement in landscape-wide smallholder livelihoods; and
- » address key landscape environmental and social challenges, using appropriate tools and approaches in the cocoa sector and through multi-stakeholder collaboration.

¹² [Developing a deforestation-free climate-resilient sustainable cocoa landscape: process and approach](#) - Proforest

The approach and shape of the intervention design phase activities were informed by the following three guiding principles:

1. leveraging existing initiatives;
2. defining common objectives, goals and interventions between existing initiatives; and
3. focus on providing solutions to key sustainability challenges and incentives for smallholder producers, to help improve their livelihoods and ensure their inclusion into sustainable supply chains.

Baseline assessments were conducted to ensure that the resulting comprehensive management and investment plan for the landscape covered not only agriculture commodity production and how it affects forest cover, but also other socio-economic and environmental aspects of the landscape

2.3. Limitations

Landscape or jurisdictional approaches take time to deliver and are not a panacea, and they are not always the right approach for delivering responsible sourcing commitments. There are still many situations where responsible producers are located in a landscape or jurisdiction where there is no consensus around common goals, and no desire by other actors to align activities.

In these situations, tools such as certification or company programmes focused on individual producers are likely to more quickly and effectively help buying companies meet the Deforestation DD regulation requirements, and over time may provide the foundation for further change at scale.

Furthermore, stakeholders engaging with the EU regulation have expressed concerns about the complexity and diversity of landscape and jurisdictional approaches which make it challenging to agree clear, verifiable criteria for law makers to assess progress and performance.

3. CONCLUDING REMARKS

In summary, despite the limitations we highlighted, the opportunities for using landscape approaches to support implementation of the EU Deforestation Regulation lie in their potential to manage and mitigate risks within one's supply chain, at a scale which goes beyond direct suppliers. As such, landscape or jurisdictional initiatives that successfully target deforestation can provide a mechanism to assure buyers that the risks are low for all producers within the initiative area, saving time, resources and effort for both producers and supply chain actors.

Importantly, landscape or jurisdictional initiatives provide a framework for partnerships to address deforestation issues and to create local ownership and governance to tackle these issues, which cannot be resolved by individual producers alone.

Ultimately, when sourcing from a country classified as high-risk via the EU's country benchmarking mechanism, a state jurisdictional initiative that delivers low deforestation rates may be able to provide some assurance that sourcing from that state is compatible with companies' responsible sourcing commitments and as such may be part of their tools to implement due diligence.

4. ADDITIONAL RESOURCES

- » Implementing responsible sourcing – using landscape or jurisdictional initiatives – Proforest
- » SourceUp website
- » LandScale website
- » ISEAL resources: Jurisdictional and landscape approaches
- » TFA Jurisdictional Approaches resource hub
- » IDH Landscapes webpage
- » Introduction to landscape or jurisdictional initiatives in commodity agriculture – Proforest