



# What WWF wants from the Forest, Agriculture and Commodity Trade (FACT) Dialogue

## Summary

- Commodity supply chains drive large-scale deforestation and land conversion in various other natural ecosystems, leading to harmful consequences to biodiversity, climate and people. We need urgent global action to address these issues while at the same time securing enough food for all and supporting the livelihoods and protecting the rights of indigenous peoples, traditional populations and local communities.
- The FACT Dialogue offers a platform for countries and stakeholders to work together towards shared global goals of achieving sustainable commodity production systems, eliminating deforestation and conversion of other natural ecosystems, preventing human rights abuses and securing sustainable and equitable development.
- The upcoming 26<sup>th</sup> United Nations Framework Convention on Climate Change Conference of the Parties (UNFCCC CoP26) will be a major milestone for the FACT Dialogue, where the principles and roadmaps for achieving sustainable commodity supply chains will be announced by a coalition of countries.
- WWF asks that the FACT Dialogue delivers tangible results that represent alignment between consumer and producer countries, including time-bound and transparent action plans towards sustainable production and trade. These action plans should include clear timeline and detailed steps to adopt robust policies and legislation to achieve deforestation- and conversion-free supply chains and drive equitable nature-positive economic growth.

## Achieving sustainable Commodities supply chains

Global commodity supply chains are essential for the industry and to feed millions of people around the world, but trade and unsustainable commodity production currently comes at a considerable cost to nature, climate and local people, and our potential to sustain this production in the future. From 2004 and 2017, we have lost an area of forests and other natural ecosystems equivalent to twice the size of the UK (43 million hectares)<sup>1</sup>, only in 24 deforestation fronts across the tropics. About a third of global deforestation and habitat degradation is driven by the production of forest and agricultural commodities<sup>2</sup>, such as soy and palm oil, to meet the global demand for livestock feed, food and other goods. About a quarter of global greenhouse gas emissions comes from land activities including agriculture and forestry.<sup>3</sup> On average, 29-39% of the carbon emissions associated with tropical deforestation from commodity production are embedded in international trade.<sup>4</sup> Habitat destruction, from deforestation and land conversion, has also resulted in massive biodiversity loss, with an average population size decline of 68% in vertebrate species since 1970<sup>5</sup> and has also destroyed the livelihoods of millions of indigenous peoples and traditional populations that depend directly on nature. Thus, if we do not address deforestation and the conversion of other natural ecosystems in commodity supply chains, we will undermine our chances to meet the global climate and biodiversity goals such as the

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<sup>1</sup> Pacheco, P., *et al.* 2021. **Deforestation fronts: Drivers and responses in a changing world**. WWF, Gland, Switzerland.

<sup>2</sup> Curtis, P., *et al.* 2018. Classifying drivers of global forest loss. DOI: 10.1126/science.aau3445

<sup>3</sup> **Mbow, C., *et al.*, 2019: Food Security**. In: Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems [P.R. Shukla, *et al.*, (eds.)]. In press.

<sup>4</sup> Pendrill, F., *et al.* 2019. Agricultural and forestry trade drives large share of tropical deforestation emissions. *Global Environmental Change* 56: 1-10.

<sup>5</sup> WWF and ZSL. 2020. **Living Planet Report**.

Paris Agreement and the Sustainable Development Goals (SDGs). We need to take urgent collective global action to address this problem if we are to overcome the current climate and biodiversity crises and secure the rights and livelihoods of millions of people.

Deforestation and the conversion of other natural ecosystems, such as savannahs and grasslands, are also closely linked with the emergence and spreading of new zoonotic diseases<sup>6</sup>. Eliminating all new deforestation and conversion is critical to mitigating the risks of devastating new pandemics.

**WWF's vision:** Deforestation and conversion of other natural ecosystems is eliminated, agricultural and forestry commodities are produced and consumed sustainably, without harm to nature, while securing the rights and livelihoods of local communities and indigenous peoples.

**WWF's goals:** By 2030, to end all deforestation and conversion and restore 350 Mha of forests and other natural ecosystems.

## What is the FACT Dialogue?

The Forest, Agriculture and Commodity Trade (FACT) Dialogue is a government-to-government dialogue co-chaired by the UK and Indonesian governments. It has so far brought together 24 countries<sup>7</sup> to tackle the issues around commodity supply chains. This is the main initiative of the COP26 Nature campaign and the first to bring together producer and consumer countries to collectively develop solutions for issues around global supply chains in a context of a climate COP. The FACT Dialogue participating countries will announce a package of principles and actions to achieve sustainable supply chains and trade at the UNFCCC CoP26. This initiative is a direct response to recommendations made by the Global Resource Initiative (GRI) Taskforce – an independent task force set up by the UK Government to advise on measures to reduce the UK's footprint overseas - which has asked for an open and inclusive dialogue, to mobilise collective action around supply chains, prioritising support to at-risk landscapes.<sup>8</sup>

The FACT Dialogue was officially launched in February 2021 and will continue beyond CoP26, for at least the next five years. In parallel to the government discussions, the FACT Dialogue has a multi-stakeholder track led by the Tropical Forest Alliance, which is convening stakeholders. The outcomes of the multi-stakeholder discussions feed into the government-to-government discussions.

The FACT Dialogue participating countries have agreed on key principles for the dialogue in April 2021 and will engage in working groups starting this May, which will cover the following themes: 1) Trade and Markets Development, 2) Transparency & Traceability, 3) Smallholder Support, and 4) Research, Development & Innovation. Roadmaps for action with clear implementation plans will be developed by each working group and announced by a coalition of FACT countries at CoP26.

## What does WWF want from the FACT Dialogue?

WWF welcomes the UK Government's initiative to convene the FACT Dialogue. By influencing the FACT Dialogue, we can contribute to shaping action towards halting deforestation and conversion of

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<sup>6</sup> WWF's 2020. **COVID19: Urgent call to protect people and nature.**

<sup>7</sup> List of countries **supporting the FACT Dialogue:** Belgium, Brazil, Colombia, Côte D'Ivoire, Democratic Republic of Congo, Denmark, France, Gabon, Ghana, Indonesia, Italy, Japan, Liberia, Malaysia, Netherlands, Nigeria, Norway, Paraguay, Peru, Republic of Congo, Republic of Korea, Spain, United Kingdom, and Uruguay.

<sup>8</sup> For more details check the **GRI Taskforce report.**



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other natural ecosystems, mitigating climate change, and securing as well as reinforcing local peoples' rights and livelihoods.

WWF asks the FACT Dialogue to:

- Be transparent and inclusive, ensuring effective participation of all relevant producer and consumer countries and stakeholders
- Contribute to renewed momentum and action to deliver on commitments and measures already in place to eliminate deforestation, land conversion and human rights abuses from supply chains as soon as possible, while preserving and restoring natural ecosystems and securing the rights and livelihoods of local communities and indigenous peoples. These include but are not limited to the Paris Agreement, New York Declaration of Forests, the SDGs, CBD and the Leaders' Pledge for Nature
- Develop clear and aligned time-bound action plans for countries to adopt robust policies and binding legislation to achieve sustainable commodity supply chains at the global level, integrating actions in consumer and producer countries, including:
  - Consumer countries should adopt policies and legislation to increase demand for sustainable products and stop the trade and financing of companies and products that are linked to deforestation, conversion of other natural ecosystems and human rights abuses, including binding due diligence legislation on imports and finance, public procurement standards, tax incentives, elimination of harmful subsidies, tariffs, higher environmental and human rights safeguards in trade, etc.
  - Significant scaling up of public and private finance to enable producer countries' fair and inclusive transition to sustainable production, alongside strengthening and upscaling conservation and restoration efforts, enabling fair nature-based development pathways.
  - Ensuring effective mechanisms to deliver finance pledges on the ground, by securing aligned standards and clear guidelines, as well as capacity building, strong governance, and transparency.
  - Producer countries should strengthen environmental legislation, and guarantee their effective enforcement, as well as implement land-use policies and incentives to ensure the protection of forests and other natural ecosystems and promote inclusive, fair and nature-based development pathways.
  - Countries should urgently prioritize and facilitate the formalization of Indigenous Peoples and Local Communities rights to land and resources, including recognition of customary and collective tenure rights; This should include the provision of technical support and resources, including quality data, to enable their own documentation.
  - Countries should work in cooperation to strengthen forest and other ecosystem governance in producer countries and establish robust land cover monitoring systems that are publicly available to support full traceability of all forest and ecosystem risk commodities and transparency of their supply chains.
  - Adopting common and accepted definitions, criteria and indicators aligned with the Accountability Framework.
- Include a common transparent framework for monitoring and verification of agreed targets.



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