





# **AGRI-FOOD SUPPLY CHAINS**

#### AND THE BUSINESS CASE FOR LANDSCAPE-LEVEL APPROACHES



# CITATION AND ACKNOWLEDGEMENTS

This brief emphasizes the importance of landscape-level approaches (LLA) for agrifood businesses to achieve sustainable supply chains. LLA involve multi-stakeholder collaboration within a landscape to achieve sustainability goals that benefit nature, people, and businesses.

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### **1. EXECUTIVE SUMMARY**

This brief emphasizes the importance of landscape-level approaches (LLA) for agrifood businesses to achieve sustainable supply chains. LLA involve multi-stakeholder collaboration within a landscape to achieve sustainability goals that benefit nature, people, and businesses. It presents the strong business case for participating in LLA, highlighting benefits that include supply chain risk mitigation and supporting companies' efforts to meet the growing sustainability expectations of their stakeholders. The key messages include:

- Building partnerships with diverse stakeholders like local communities, NGOs, specialized LLA organisations, and local governments is key for the private sector. These partnerships can also benefit from pre-competitive collaboration with other businesses in the same sector.
- The business case for LLA includes benefits like strengthening businesses' social license to operate, increased resilience of supply chains and the effectiveness and cost-efficiency of interventions, generating added value to products through sustainability, and contributing to corporate sustainability goals.
- Improving local livelihoods can help to reduce pressure on agricultural frontiers.
- Strategies that enable fair prices, sustainable intensification, and production diversification can help improve income and thus livelihoods, but there are more factors that can affect livelihoods.
- Effectively communicating landscape contributions helps strengthen partnerships and align the outcomes of LLAs with corporate sustainability targets.
- LLA claims made by the private sector should be backed by commitments, actions, and data. Landscape monitoring can help enhance credibility.
- Real-life examples across different geographies and supply chains illustrate LLAs' adaptability and scalable impact potential.

### 2. INTRODUCTION

This document explores lessons learnt from secondary research, reports, and case-studies. It aims to distil ideas that build a business case for LLA, solutions to common challenges, and widely used strategies.

Its purpose is to work as a call to action to participate in LLA in the context of the planetary climate, biodiversity, pollution, and social inequality crises, providing a concise catalogue of advantages, solutions, and strategies to encourage businesses to act. The authors would like to acknowledge the work of Partnerships for Forests (PFF), the World Wildlife Fund (WWF), the Tropical Forest Alliance (TFA), Global Canopy, the Carbon Disclosure Project (CDP), Conservation International (CI), the Consumer Goods Forum, the International Social and Environmental Accreditation and Labelling Alliance (ISEAL), and IDH Sustainable Trade Initiative, whose work was instrumental in shaping the content of this piece.

This brief introduces landscape-level approaches and their importance in agribusiness, then explores the core problems these initiatives address and the business case for their implementation. It delves into strategies for building strong multistakeholder partnerships, followed by ways to maximize positive impact on local communities and improve livelihoods. Effective communication of landscape-level contributions and their alignment with sustainability reporting are also covered, while some real-world case studies from various geographies and supply chains provide practical examples of these approaches in action. The brief concludes with a summary reiterating key messages, offering readers a concise understanding of landscape approaches in agribusiness.

#### The private sector faces increased pressure to contribute to a naturepositive world by transforming its supply chains and investments.

Societies are waking up to the risks of businesses operating on a planet where the resilience of nature's support systems has worn thin. National policies, international commitments, and consumer choices are reflecting demands for a fundamental shift in our trade systems. As a result, businesses face pressure to advance beyond transactional approaches in their interactions with nature. This is reflected in the emergence of supply chain requirements of voluntary and mandatory corporate disclosure and target setting standards and frameworks (e.g. The European Sustainability Reporting Standards (EC 2023), the Taskforce for Nature-related Financial Disclosures (TNFD 2024), the Global Reporting Initiative (GRI 2024), the Carbon Disclosure Project (CDP 2024) or the Science Based Targets Network (SBTN 2020). Ensuring that these requirements lead to lasting impact entails a comprehensive revaluation and transformation of how companies engage with landscapes and local stakeholders.

Trade must pivot towards prioritizing environmental sustainability and ensuring wellbeing for all by adopting regenerative, fair, and inclusive practices (Kanashiro Uehara 2023). Achieving this requires innovative commitment and action from all actors across supply chains. Landscape-level approaches have gained increased recognition as key solutions that enable action while tackling most of the core challenges of our era such as climate change, food security, poverty reduction, and biodiversity conservation (WWF 2024).

A landscape-level approach (LLA) involves stakeholders in a landscape collaborating to achieve sustainable social, economic, and environmental outcomes.

LLA moves past traditional land management practices, aiming to meet local stakeholders' needs while also considering the goals of others outside the landscape, like national governments or the international community. LLAs are useful in landscapes with diverse resource requirements and multiple interactions and interdependencies regarding their resources and ecosystem services. This approach can offer an opportunity to unify efforts, scale actions, enhance resilience, enable cooperation, attract finance, and facilitate political commitments (Global Canopy 2015 & WWF 2024). The process through which stakeholders work collaboratively in LLAs is known as integrated landscape management (ILM) (Global Canopy 2015).

Thinking at the landscape level allows supply chain actors to advance past unsustainable land management practices driven by profit maximization. It allows businesses to envision a holistic approach of the entire supply chain—from consumption to production—where they can become leaders, enablers, and facilitators of collaborative processes that achieve sustainability goals.

However, there are still challenges that hamper the ability of investors and businesses to apply LLAs at scale. These challenges include lack of awareness of their possibilities and perceived risks that jeopardize the ability of LLA to attract the necessary levels of investment to scale up and maximize their impact (CDP 2022).

### 3. WHAT PROBLEM CAN LLA HELP SOLVE, AND HOW CAN THEY BENEFIT BUSINESSES?

#### Most agrifood supply chains are not sustainable for nature nor people in the long term, which poses a risk for businesses as well.

Current global agri-food trade systems and their links to deforestation, ecosystem service degradation and biodiversity loss (Ortiz et al. 2021) jeopardize the future of production landscapes. Current approaches see commodities extracted through the depletion of biomass and water from landscapes without considering the effects on replenishment cycles and ecosystem services or the impacts this may have for local communities and economies. Certain commodities, like cocoa (Ruf & Schroth 2004), soy (Junior & Lima 2018) or palm oil (Cisneros, Kis-Katos & Nuryatono 2021) are particularly known for their connection to land conversion and deforestation in regions of high biodiversity value. However, almost all agrifood systems have environmental sustainability challenges that jeopardize the survival of their sourcing landscapes. This includes coffee, rubber, rice, maize, cassava (Lambin & Furumo 2023) oilseeds, cereals, vegetables, fruits, and nuts (Pendrill et al. 2019) among others.

In addition, most of the profits and benefits from agrifood economic activity aggregate downstream while farmers often struggle to secure livelihoods that guarantee their well-being. This can leave them with no other option than to try to increase production by expanding onto natural habitat through the agricultural frontier (Miyamoto 2020). While there are efforts to tackle this issue, the agrifood sector generally does not incentivise alternatives to change these conditions at scale. As a result, poverty and socio-economic inequality remain within supply chains. Additionally, landscapes absorb the impact of land use changes driven by the policies and markets that influence farmers' livelihood decisions (López-Carr 2021 & Brooks et al. 2022). This is often referred to as supply chains externalising the real cost of production onto the environment and local communities (Benton 2021).

These trade dynamics also pose a risk to agribusinesses as the continued supply of commodities relies on ecosystem services as well as producer communities (Brooks et al. 2022). As nature and farmers form the foundations of agrifood trade, their long-term well-being is vital for corporate prosperity and the viability of agrifood trade. Thus, a change in the sourcing model is needed to ensure the long-term resilience of supply, and this requires supply chain operators to take responsibility for the landscapes and communities from which they source.

## A range of strategies exist to manage supply chain risk.

Businesses rely on various strategies to mitigate risks in their supply chains. By emphasizing traceability, transparency, and due diligence, companies can identify and monitor potential risks effectively. Additionally, strategies such as diversifying suppliers or vertical integration enable companies to either spread or control these risks.

Diversification entails broadening engagement with suppliers, distributors or partners across multiple entities, geographies, or products to reduce the overall vulnerability of the supply chain. Through vertical integration, a company takes active hold of suppliers and distributors in their supply chains. This integration increases control but may not always be feasible or desirable.

These strategies have advantages and disadvantages. They can reduce vulnerability to specific risks. However, they may not address the interconnected nature of landscape-level impacts from commodity production and trade. Furthermore, market fluctuations caused by buyers changing sourcing locations may significantly disturb farmer businesses and inadvertently contribute to environmental degradation or social inequality in new areas. This is known as leakage, or the displacement of harmful activities from a protected area—or an area where forest conversion to agriculture is limited-to unprotected areas (Villoria et al. 2022 & Cambridge Centre for Carbon Credits 2024). Deforestation and social impacts can be transferred to other regions, whether they are neighbouring (i.e. local leakage) or in other countries (i.e. global leakage). For more information on the social impacts of agrifood supply chains, please refer to the TRADE Hub piece 'Inclusive Food Systems: Business Approaches to Human Rights and Social Responsibility in Supply Chains' (UNEP-WCMC 2024).

At the same time, vertical integration, and individual business interventions in a context where LLAs are viable or already present, may result in missed opportunities to enhance both cost efficiency and the likelihood to achieve desired sustainability outcomes. Landscape-level activities gather key stakeholders around shared goals. This facilitates synergies and the generation of cobenefits, increasing the potential of reaching the targeted results. They also allow for interventions to be embedded in the long term within local governance structures. Moreover, LLAs generate additional cost efficiencies by sharing the investments with other businesses operating in the landscape through pre-competitive collaboration or unlocking additional sources of funding from partners like governments and financial institutions (Consumer Goods Forum, 2022).

By engaging with landscape-level approaches, businesses can act at a scale large enough to tackle diverse challenges and enhance resilience to systemic risks by addressing underlying environmental and social challenges. These may include deforestation, farmland vulnerability to climate change, or impoverished livelihoods.

Along with the case for nature and people, there is a strong business case for companies to apply landscapelevel approaches.

Sustainable landscape management practices generate nature benefits helping to curb biodiversity loss, increasing soil and water quality, and supporting the recovery of ecosystem services (Estrada-Carmona et al. 2014). This also increases the carbon sequestration capacity and emission reduction benefits derived from avoided deforestation. This way, they present a sound case to generate value for businesses by helping them achieve their climate and nature targets simultaneously. Participating in LLAs can offer benefits that range from supply chain risk mitigation and meeting the sustainability expectations of buyers and consumers, to adding value to final products (IDH 2018). Some of the benefits for businesses participating in them are listed in Figure 1.



#### MITIGATING SUPPLY CHAIN RISK AND INCREASING RESLIENCE

By generating sustainable and multi-stakeholder landscape management arrangements that ensure the conservation of landscapes and the well-being of local communities, businesses can ensure resilient systems that minimize risk within their supply chains. This is also a result of improving ecosystem services through ecosystem restoration and conservation, including climate change adaptation measures within land management practices, and reinforcing natural infrastructure that mitigates the effects of extreme weather events like droughts.

#### INCREASING THE EFFECTIVENESS AND COST EFFICIENCY OF SUPPLY CHAIN INTERVENTIONS

By sharing the costs with other private sector actors through pre-competitive collaboration at the landscape level and allowing the participation of other funders like governments and financial institutions, businesses can increase cost efficiency and the likelihood of achieving expected outcomes. Multi-stakeholder collaboration contributes to these benefits.

#### STRENGTHENING BUSINESSES' SOCIAL LICENSE TO OPERATE

By building stronger relationships with local communities and authorities, and providing a platform that builds long-term collaboration and mutual trust.

#### SATISFYING REGULATORY AND VOLUNTARY APPEALS FOR SUSTAINABILITY

By abiding by both regulatory and market-based demands and pressures for responsible sourcing and going a step beyond. LLAs can help tackle supply chain issues like deforestation and improve social impacts in a way that allows for compliance and supports sustainability targets and metrics.

#### DIFFERENTIATING PRODUCTS BY ADDING SUSTAINABLE VALUE

Landscape level initiatives can demonstrate a commitment to long-term sustainability and resilience within the supply chain which can help differentiate products and brands, adding value that appeals to consumers with sustainability concerns and expectations.

#### GENERATING OPPORTUNITIES FOR COLLABORATIVE INNOVATION AND INVESTMENT

By bringing together diverse stakeholders to address shared challenges and pursue common goals that are nature-positive, improve human well-being, and are rewarding for businesses, instead of, LLAs provide an increasingly attractive opportunity that appeals to ethical, sustainability-oriented, and high-integrity investors, as well as internal boards of directors.

#### CONTRIBUTING TO CORPORATE ESG AND SUSTAINABILITY GOALS

By contributing to organisational targets, these initiatives represent a substantial addition to a portfolio of sustainability actions. They can support both climate and biodiversity targets and performance claims.

#### IMPROVING CAPABILITIES TO TRACE SUPPLY CHAINS UPSTREAM

Multistakeholder collaboration allows for improved transparency, data sharing and monitoring across commodity supply chains.

Source: Adapted from IDH (2018); Partnerships for Forests (2022), Consumer Goods Forum (2022) & CDP (2022)

### 4. BUILDING STRONG AND IMPACTFUL PARTNERSHIPS

Landscape-level initiatives offer a collaborative platform for stakeholders to amplify their impact. They manage the landscape, funnel in funds, and deliver on the project's goals.

The multi-stakeholder partnerships that engage in landscape-level initiatives can include companies, NGOs, local, regional, and national governments, local communities, Indigenous Peoples, women associations, technical support partners, funders and financial institutions, and civil society organisations, among others (TFA, 2023). The design process for a landscape-level initiative, shown in a simplified manner in Figure 2, illustrates the steps a company can take to move from interest to action. Overall, the stages include joining a multi-stakeholder group, building a common understanding of risks and goals, developing a joint plan for action, and ensuring that the partnership includes all stakeholders that should be considered. Environmental and social challenges in landscapes transcend geographical boundaries or sectoral efforts, and multistakeholder collaboration facilitates the combination of expertise, resources, and legitimacy needed to tackle these. Landscapelevel initiative partnerships offer holistic and long-term solutions by coordinating actions and investments across different sectors such as agriculture, forestry, water management, tourism, protected area management, and human development. They also help ensure that local knowledge and legitimacy are harnessed and deployed with external support, incentivising the involvement of local communities.

While the diversity of companies, geographies, and commodity and supply chain characteristics make landscape contexts different and universal solutions impractical, certain considerations are widely applicable and worth paying attention to. Figure 3 lists lessons learnt from practitioners on building strong and impactful partnerships. These revolve mainly around the setup of the partnership, its governance structure, the approaches for internal and external communication, the importance of gender considerations, and the value of bringing in experienced mediators.

#### FIGURE 2: THE DESIGN PROCESS FOR A LANDSCAPE-LEVEL INITIATIVE

CREATE OR JOIN A MUTI-STAKEHOLDER GROUP	Having a shared commitment to sustainable production and conservation, establishing ground rules for collaboration and ambitious yet achievable goals.	
BUILD A SHARED UNDERSTANDING OF CHALLENGES AND OPPORTUNITIES	Where all parties align efforts towards common goals through participative approaches and ensuring inclusive decision-making.	
COLLABORATIVELY DEVELOP A FRAMEWORK OR PLAN	Shared accountability is key to guide conservation and economic activities. Targets should aim to be specific, actor-bound, and consider timelines and actions.	
INCLUDE PREVIOUSLY UNINVOLVED STAKEHOLDERS	Expanding the multi-stakeholder group during early implementation can help adjust and revise goals and actions when needed to maintain the relationshipbuilding and negotiation efforts openly.	

Source: Adapted from TFA, WWF & Proforest (2020)

#### HAVING A DECENTRALIZED GOVERNANCE STRUCTURE AND STAYING NEUTRAL AND IMPARTIAL IN THE PRESENCE OF INFLUENTIAL STAKEHOLDERS

By offering participation guarantees to all the actors involved and ensuring the main goals of the partnership stay focused on collective action and benefits. Local governments, large businesses, or other prominent actors may seek to align these spaces with their respective aspirations, which could impact the broader partnerships and compromise their credibility and legitimacy.

#### COMMUNICATING THE VALUE OF COMMUNITY PARTICIPATION WITH CLARITY AND BUILDING CAPACITY FOR EFFECTIVE REPRESENTATION AND GOVERNANCE

Offering tangible incentives and ensuring clarity on who benefits and how are important. Additionally, building capacity within local communities for effective and gender-responsive representation and decision-making, providing support and resources as needed. Participatory forest management strategies can also benefit from co-design.

#### USING DE-RISKING STRATEGIES BY TAPPING INTO THE SUSTAINABLE FINANCE FUNNEL

Project aggregation allows for smaller or higher-risk projects to be pooled together into safer and more persuasive portfolios that can attract investment. Other available strategies are financial backing or risk absorption from governments and international green funds.

### ENSURING THERE IS A COMPONENT WITH A SPECIFIC FOCUS ON WOMEN AND OVERCOMING GENDER GAPS

Research shows that addressing gender equality in supply chains can help boost resource efficiency and sustainability. At the same time, women have less access to land, credit, and training, and benefit less from trade due to their limited involvement in supply chain activities and their overrepresentation in lower-productivity farms across commodities. Therefore, interventions should target historical gender gaps.

#### INVOLVING AN EXPERIENCED MEDIATOR PARTNER

Support from organisations experienced in multi-stakeholder processes and conflict resolution can help facilitate a platform for open and transparent communication and decision-making.

#### COLLABORATING WITH PARTNERS SPECIALIZED IN MONITORING, EVALUATION OR ACCESS TO LLAs

There is a wide array of service providers available to help businesses engage with LLAs. Some examples include Landscale (which enables partnerships to measure the multi-level impacts of their landscape-level initiatives) or Regeneration (a platform that facilitates access to carbon markets through measurement and monetization).

### ENGAGING IN PRE-COMPETITIVE COLLABORATION, SHARING RESPONSIBILITY, DATA AND GOALS

There is a wide array of service providers available to help businesses engage with LLAs. Some examples include <u>Landscale</u> (which enables partnerships to measure the multi-level impacts of their landscape-level initiatives) or <u>Regeneration</u> (a platform that facilitates access to carbon markets through measurement and monetization).

Source: Adapted from TFA, WWF and Proforest (2020); IDH (2018); Partnerships for Forests (2022), Favareto (2021), Watts et al. (2021) & CDP (2022)

#### Private sector investment in landscapes is needed, and LLAs offer a way to channel this investment alongside that of the public sector.

In the long term, a successful landscape-level initiative generates value for nature in the form of conservation and restoration; for local people by ensuring fair and equitable benefit-sharing and promoting their well-being; and for companies by facilitating a longlasting sustainable shift in their supply chains.

The multiple benefits of LLAs offer compelling incentives for various types of donors to support

these initiatives financially. Donors can include development and cooperation agencies, multilateral institutions, foundations, and philanthropic organizations. However, LLAs can aim to achieve independence from donor funding and to build a financially sustainable model that ensures its longterm continuity. While donor funding may be decisive in the earlier stages of a landscape-level initiative, a successful pivot out of it can demonstrate the strength of the partnership to become self-sufficient. Some of the potential sources for investment and income for LLA projects are shown in Figure 4.

#### FIGURE 4: POTENTIAL SOURCES OF INCOME AND INVESTMENT FOR LANDSCAPE-LEVEL INITIATIVES

#### PUBLIC INVESTMENT AND FINANCIAL INSTITUTIONS

Governments and private funds have an incentive to participate in LLAs to advance their own net-zero, biodiversity and deforestation pledges. Additionally, these sources of funding can help a project hedge against risks associated with large-scale landscape interventions or diversify these risks.

#### CARBON AND BIODIVERSITY OFFSET MARKETS

These provide a fee for carbon sequestration and emissions reductions. Carbon credits can be generated through activities such as afforestation and reforestation, avoided deforestation, and improved forest management. These offer income opportunities by compensating for ecological impacts through conservation or restoration efforts in other areas and can also be applied to biodiversity outcomes.

#### PREMIUMS FOR COMMODITIES PRODUCED IN SUSTAINABLE LANDSCAPES

The price of the commodities derived from LLAs can include a premium that aims to compensate the increased costs from greener production and certification incurred.

#### INCREASED PRODUCTION FROM SUSTAINABLE INTENSIFICATION

Practices like crop diversification or technology adoption can facilitate efficient resource utilization that can increase the productivity per hectare.

#### INCLUSION OF OTHER FOREST-BASED ECONOMIC ACTIVITIES

Diversifying local communities' activities through forest-based activities (e.g. Beekeping) can provide additional sources of income. Local communities must be involved in the process of discussing and identifying these soultions.

#### INTEGRATING ECO-TOURISM ACTIVITIES

Involving experiences for visitors that promote conservation while supporting local communities can help attract additional economic activity that can generate direct and indirect employment.

Source: Adapted from Veja (2024); 3PCRL (2024); Consumer Goods Forum (2022); Conservation International (2022); CDP (2022); Partnerships for Forests (2022); TFA, WWF and Proforest (2020) and authors own

### 5. MAXIMIZING POSITIVE IMPACT FOR LOCAL COMMUNITIES

Improving the livelihoods and well-being of local communities is necessary to reduce pressure in the agricultural frontier. Improving local livelihoods can provide attractive incentives to enable local actors like farmers (men and women) to engage in landscape-level initiatives or shift towards more sustainable activities. Figure 5 lists possible activities that can help maximize positive impact for local communities. For a more comprehensive analysis on social impacts and well-being, see the TRADE Hub publication *Inclusive Food Systems: Human Rights and Social Responsibility in Supply Chains*. It is important to consider that improving well-being requires delving past income discussions and into

#### FIGURE 5: ACTIVITIES THAT CAN HELP MAXIMIZE POSITIVE IMPACT FOR LOCAL COMMUNITIES

#### PRICES THAT ALLOW FARMERS TO ACHIEVE A LIVING WAGE

Farming communities must be able to afford a decent standard of living for themselves and their families while taking into account national and local circumstances. Market prices are often insufficient or too volatile to achieve this. Prices paid for commodities can recognise premiums for traceability, certification, or non-deforestation, among others.

#### SUSTAINABLE INTENSIFICATION

Increases farmer income while reducing the need for land through increasingly efficient land management techniques.

#### PAYMENTS FOR ECOSYSTEM SERVICES (PES)

These provide economic incentives for the conservation and restoration of ecosystems. PES schemes involve the payment of a fee to landowners or communities for the provision of ecosystem services such as water regulation or carbon sequestration.

#### PREFERENTIAL SOURCING AND PURCHASE AGREEMENTS

Such agreements can offer income guarantees as incentives for the farmers engaging with a project, however they are not possible in every case and more accessible for larger businesses.

TECHNICAL AND FINANCIAL SUPPORT TO ENGAGE IN ADDITIONAL OR ALTERNATIVE FOREST-BASED ECONOMIC ACTIVITIES

Diversification allows for farmers livelihoods to be more resilient and also provide income support during the the first stages of a project (i.e. before the first benefits from the project can be attained).

#### ACCESSIBLE INSURANCE

Financial instruments also be considered as a method to reduce livelihood vulnerability towards climate change and extreme weather events.

Source: Adapted from ILO (2024); Assouto, Housensou and Semedo (2020); FAO and IPA (2022); LFL (2018); Conservation International (2022); Conservation International (2020); 3PCRL (2024); Partnerships for Forests (2024); STC (2022); Veja (2024); World Cocoa Foundation (2024); Consumer Goods Forum (2022); TFA, WWF & Proforest (2020)

specific issues like demographics and gender. At the same time, the feasibility of these activities varies can vary according to the social, economic, and environmental context.

### 6. COMMUNICATING IMPACT EFFECTIVELY

#### Landscape-level initiatives can be aligned with broader corporate sustainability targets, and these contributions can be integrated into disclosure processes.

As a key starting point, an initiative needs to go beyond individual supply chains to enable landscape action claims. This is supported by the incorporation of a landscape engagement target in the SBTN target setting guidance for companies (SBNT 2024). To effectively communicate landscape-level contributions, the International Social and Environmental Accreditation and Labelling Alliance suggests three possible types of claims (ISEAL 2024).

1. Commitments: Pledges towards specific landscape-level goals, such as reducing deforestation, improving water quality, or supporting the improvement of local livelihoods.

- 2. Actions: Tangible steps taken in integrated landscape management such as investing in landscape restoration projects and developing them or implementing agri-forestry practices. These actions should be directly linked to performance outcomes, showcasing how they contribute to positive changes in the landscape.
- 3. Performance: Achieved progress as a result of integrated landscape management actions (e.g. increasing water quality by 20% over five years). These claims showcase tangible improvements attributable to the actions undertaken. Performance outcomes must be supported by landscape-level baseline data to substantiate progress effectively.

Actions involving multiple partners should be appropriately apportioned, ensuring fair recognition of each contributor's role. Some of the principles for apportioning outcomes include impartiality, alignment with action plans, and transparency.

Landscape monitoring can be considered crucial for providing evidence to ground claims, enhancing effectiveness, aligning performance goals, and ensuring cost-effectiveness (ISEAL 2024). Given the complexity of landscape-level assessments, companies may benefit from partnering with experienced third-party solution providers like <u>Landscale</u>.



### 7. LANDSCAPE-LEVEL APPROACHES IN PRACTICE

#### Real-life examples of landscape level initiatives illustrate how landscape level approaches can be adapted and implemented in different contexts.

Lessons include: (i) the value of LLAs to coordinate and align different interests of supply chain actors within a landscape, (ii) the value of sustainability premiums, (iii) the role of sustainable intensification and diversification practices, (iv) and the added value, scale, and impact of sector-wide pre-competitive collaboration. The cases below were gathered from initiatives across different geographies and supply chains.

The ability of LLA to integrate efforts: The Coalition for Sustainable Livelihoods in Indonesia assessed the cross-sectoral landscape, and found already existing public, private and civil society initiatives aiming to work in economic social and environmental sustainability in two regions of the country. However, many of these efforts were not aligned and were not achieving the desired scale of impact. As a solution, they implemented a LLA by setting up the Coalition. It now enables the conciliation of differing interests over the landscapes through multistakeholder collaboration. Today, it is a platform to facilitate the integrated landscape management across forests in North Sumatra and Aceh for commodities like palm oil, cocoa, coffee, rubber, and timber (Conservation International 2022).

- The value of collaboration at the landscape level to tackle both deforestation and supply chain risks for businesses: As a result of the work of The Cocoa and Forests Initiative in Côte d'Ivoire & Ghana, 85% of the cocoa directly sourced by the participating companies is now traceable to plot level, they have also established sector wide KPIs to measure the impact on deforestation and have provided over 33.1M tree seedings since the beginning (World Cocoa Foundation 2024).
- Income diversification and sustainable intensification for livelihoods: The Partnership for Productivity Protection and Resilience in Cocoa Landscapes (3PRCL) in Ghana focuses on these two strategies as the main mechanism to enhance the resilience of farmer livelihoods (3PRCL 2024).
- Paying farmers premiums for sustainable production, forest protection, or certification: The Partnership for Livelihoods and Landscapes in Western Ghana (PFF 2024) and the responsible rubber sourcing practices by Veja in the Amazon employ these strategies in the cocoa and rubber supply chains respectively (PFF 2024 & Veja 2024). In addition, the Soy Transparency Coalition suggests offering financial support directly to farmers to incentivise good practises. This financial support can be a more effective motivator than commercial penalties to the ability of farmers to switch traders in certain cases (STC 2022).
- Preferential sourcing commitments as complementary measures and not replacements for funding and support: The Coalition for Sustainable Livelihoods also advocates for this approach to help the landscape-level initiative take actionable steps to achieve a sustainable supply base (Conservation International 2020).

### 8. SUMMARY

Businesses must contribute to nature-positive outcomes across their supply chains. Landscape-level approaches are promising solutions to achieve systemic transformations.

They offer holistic proposals to the myriad of challenges confronting agrifood supply chains. This document delved into some lessons extracted from the literature, including case studies and reports. It distils solutions to maximize the likelihood of achieving the desired sustainability outcomes of LLAs.

### **KEY MESSAGES**

#### EMBRACING LANDSCAPE-LEVEL APPROACHES

- Businesses face growing pressure to align their supply chains with nature positive outcomes.
- A shift towards landscape-level initiatives is imperative for sustainable practices and resilience to complement sustainable supply chain strategies.
- Landscape-level approaches offer comprehensive solutions to multifaceted challenges and have solid business cases that incentivise engagement for companies working in the agribusiness sector.

#### **BUILDING STRONG PARTNERSHIPS**

- Multistakeholder collaboration is vital for landscape-level initiatives, and must be genderresponsive, including women groups or associations.
- Diverse partnerships increase the legitimacy of the process and facilitate holistic solutions and resource mobilization.
- Strategies to strengthen partnerships include decentralized governance and involving experienced mediators.

#### MAXIMIZING POSITIVE IMPACT FOR COMMUNITIES

- Enhancing local livelihoods for women and men can generate synergies that increase human wellbeing, reducing pressure on the agricultural frontier.
- Paying fair prices, facilitating sustainable intensification where possible, and sustainable intensification, and diversifying production are key actions to improve well-being and reduce risks for livelihoods.
- Engaging women and providing technical support to local communities is crucial for inclusive and sustainable outcomes.

#### COMMUNICATING IMPACT EFFECTIVELY

- Landscape-level can align with corporate sustainability and ESG targets, contributing to broader climate and nature strategies..
- Claims must be adequately apportioned to contributors and backed by commitments, actions, and performance data. Landscape monitoring and third-party partnerships can enhance the credibility and effectiveness of the process.



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#### ANNEX I - CASE STUDIES AND INITIATIVES CONSIDERED

CASE STUDY	COUNTRY	COMMODITY	DETAILS	VALUABLE LESSONS
Soy Transparency Coalition	Brazil	Soy	Coalition of downstream companies in the soy supply chain that seek transparency in a pre-competitive collaboration effort to make the supply chain more sustainable	Actors further down the supply chain (i.e. traders) have the greatest ability to support sustainable transitions and have deep understanding of it. In this case it was traders. They also use the pre-competitive collaboration angle.
SCALE	Cambodia	Wood	A collaboration between WWF and H&M targets the unsustainable use of wood as fuel in the textile industry, aiming to mitigate CO2 emissions, promote renewable energy, and enhance biodiversity conservation in the Mekong.	Businesses with vision can take responsibility for landscapes in cases of insufficient environmental regulation. SCALE presents a holistic example that seeks to contribute to SDGs, support landscape-level action in a high biodiversity area, improve livelihoods, work towards corporate ESG targets, and promote renewable energy.
Coalition for Sustainable Livelihoods	Indonesia	Various	Seeks to facilitate and promote integrated landscape management across forests in North Sumatra and Aceh for commodities like palm oil, cocoa, coffee, rubber, and timber. They aim to reduce poverty, improve sustainable natural resource management, and drive economic development for the region.	Preferential sourcing doesn't have to replace funding but accompany it. The CSL classifies types of investment businesses can do regarding governance, growth, metrics, and pilots.
Cocoa and Forests Initiative	Côte d'Ivoire & Ghana	Сосоа	It aims for forest protection and restoration, sustainable livelihoods and production, sustainable intensification, and diversification to increase farmers yields and income and reduce pressure on forests (LITERAL)	Wide public-private partnership. Largest association of its type in the world, works sector-wide and pre-competitively to secure sustainable cocoa supply chains.
Soft Commodities Forum	Brazil	Soy	Part of the WBCSD, the Soft Commodities Forum aims to balance nature, environment, and equity to achieve deforestation and conversion-free soy.	The provision of financial incentives for farmers to engage in conservation activities and sustainable production can be accompanied by corporate standards and metrics.
Partnership for Livelihoods and Landscapes in Western Ghana	Ghana	Сосоа	The project will support 10.000 cocoa farmers to sustainable manage approximately 100.000 hectares around the Sui River Forest Reserve.	A successful case of companies paying premiums for sustainable sourcing directly to farmers, generating incentives that allows them to secure responsible suppliers in the long term. In this case a major cocoa trader is providing technical support and interest free loans to help raise farmers productivity, yield, and income.
Partnership for Productivity Protection and Resilience in Cocoa Landscapes (3PRCL)	Ghana	Сосоа	Aims to achieve a deforestation-free cocoa landscape in the Juabeso-Bia region in western Ghana.	LLA can be accompanied from technology for verification, in this case the implementers use remote sensing for forest monitoring so they can ensure deforestation targets.
Veja Rubber	Brazil	Rubber	A clothing company sources responsible rubber for their shoe soles by improving dramatically the livelihoods of rubber tappers and local communities, while ensuring deforestation-free sourcing.	Veja pays 5 times the market price, which includes a bonus for quality and Social and Environmental Services (PSES) which has a dramatically positive impact in local communities. It is also a valuable example of how an LLA can be portrayed in the company's brand identify and ethos.

Source: Adapted from LFL (2018); Conservation International (2022); Conservation International (2020); 3PCRL (2024); Partnerships for Forests (2024); STC (2022); Veja (2024); World Cocoa Foundation (2024)



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