

Deforestation



New Solutions for an Elusive Problem

Tropical deforestation is a massive environmental problem... but for companies looking for ways to hit their sustainability goals, it's also a huge opportunity. The key to success? Don't try to go it alone. Collective action between government and corporations can preserve forests on the scale of entire landscapes and reduce greenhouse gases.

Deforestation: big opportunity for environmental benefits

Deforestation is a major driver of greenhouse gases globally, accounting for about 15 percent of emissions each year. The main culprit? Agricultural commodities in the global shopping cart. Just four commodities—beef, soy, pulp and paper, and palm oil—account for much of the impact. Halting deforestation from just these top four would remove [about 1.7 gigatons of greenhouse gases from our atmosphere each year](#). This is more than all of the emissions produced by Japan, or the equivalent of over 350 million cars.

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Many supply chain companies have seen the need to reduce deforestation in value chains and have made commitments to source deforestation-free commodities. [But fewer companies have been able to operationalize these commitments](#)—a recent report indicates that only half of the companies that have commitments [publically report on progress toward those goals](#). Beef, the commodity associated with the highest amount of deforestation, is also the product with the fewest corporate commitments.

The lack of effective action is evident on the ground. Brazil made progress in reducing deforestation drastically from 2005-2014, in part due to valuable contributions from the private sector; but in more recent years, [deforestation has increased across the country](#). Indonesia paints a bleak picture as well: [deforestation rates have steadily risen since 2003 and aren't slowing](#).

What does this mean? Deforestation is a problem that no one company can solve on its own. Just cleaning up one supply chain will not stop leakage of deforestation commodities to other, less responsible buyers. It is time for companies to stop working in silos and start engaging with governments and other corporations to solve the problem at scale. By working alongside partners, companies can amplify their voices and catalyze landscape improvements, all while reducing financial and environmental costs.

The New Solution: Jurisdictional Approaches

An emerging opportunity is in engaging jurisdictions in reducing deforestation across an entire landscape. Rather than going farm-by-farm to ensure sustainability—which is likely to lead to [islands of "green" in a sea of deforestation](#)—a jurisdictional approach allows companies to work with government to create entire regions that are improving along deforestation and productivity metrics.

This is valuable for many reasons:

1. The costs of monitoring compliance are reduced and shared among governments, corporate actors, and other stakeholders;
2. It reduces the risk of leakage of deforestation impacts from one farm to a neighboring farm;
3. It works across all commodities that drive deforestation rather than solely through certain agricultural products; and
4. It protects the rights of landholders and indigenous communities.

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A Roadmap for Corporate Action

Companies have a vital role to play in curbing deforestation, not only in their own supply chains but across the landscapes from which they source. This roadmap will help you get started on a journey toward scalable solutions that impact your bottom line and the planet in meaningful ways.

1. Commitment

Publically commit to use jurisdictional approaches as a tool in your corporate supply chain toolbox. This public commitment will help you garner a reputation as a leader and will bolster public sector action to improve governance.

This commitment can be as simple as a promise to engage with government-led initiatives to reduce deforestation, such as the [Mato Gross Produce Conserve Include Strategy](#) and the jurisdictional RSPO effort in Central Kalimantan. Or you may choose to commit to [invest strategically in sourcing from jurisdictions that are seeing improvements in deforestation rates](#).

2. Collaboration

Work alongside government, NGOs and other companies to engage more deeply on this topic. A collective of actors could work on:

- **Encouraging governments to create and enforce strong forest laws.** Companies can praise governments that are doing well, and encourage others to follow these best practices.
- **Catalyzing improved productivity.** Farmers often deforest because it is cheaper to simply occupy and clear new areas than to invest in sustainable production. However, partners have seen significant productivity gains and greenhouse gas reductions through connecting farmers and ranchers to technical assistance for improved profitability.

A collective of company actors could work within jurisdictions to connect growers with financial and technical assistance to make these critical improvements. Leaders in this space include the Government of Norway, The Sustainable Trade Initiative (IDH) and Althelia Ecosphere.

- **Incentivizing forest protection.** About [88 million forest hectares are susceptible to legal deforestation in Brazil](#), and that number could increase dramatically if protected areas or indigenous territories are opened up for development. Growers who could legally deforest their land need incentives NOT to. A collective of companies could work together with NGO partners and government to help solve this challenge.

3. Monitor and track performance

Transparent monitoring of progress toward deforestation goals is a vital piece of understanding supply chain risk. Working together, [companies can create pre-competitive tools for robust tracking of outcomes](#). They can also encourage government to share publically available information for more transparent monitoring.

4. Communication

Communicate publically about your successes—and your challenges—by using case studies, blogs, social media, and other opportunities.

Action Steps:

1. Commit to use jurisdictional approaches to meet corporate deforestation targets.
2. Join multi-stakeholder processes, like the PCI Initiative in Brazil, to learn more from the ground and add your voice to the table.
3. Engage in collective action with other companies around governance, productivity and protection.

Join us on this important journey

EDF is ready to collaborate with you in this new solution for scalable deforestation reduction and greenhouse gas benefits. [Contact us](#) for more information.

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EDF + Business

Forging solutions that benefit both business and nature

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