

REPORT

Stakeholders Consultation in Latin America and the Caribbean

Nature-positive trade for sustainable agriculture supply chains and development

Consultation hosted by the United Nations Environment Programme, in collaboration with the International Trade Center and Cebap Sustentabilidade, as part of the Trade, Development and the Environment Hub (TRADE Hub), funded by the UK Research and Innovation Global Challenges Research Fund.

27-28 March 2023, Sao Paulo, Brazil & Online





Contents

Purpose of this report	3
------------------------	---

The state of play	4
-------------------	---

Agriculture and trade in the world	5
------------------------------------	---

Smallholders and access to finance, a global outlook	6
--	---

Agriculture, biodiversity and trade in Latin America and the Caribbean	7
--	---

Agriculture and trade in Latin America and the Caribbean	8
--	---

Challenges	9
------------	---

Priorities and opportunities	12
------------------------------	----

Existing best practices and initiatives in Latin America and the Caribbean	14
--	----

The way forward	17
-----------------	----

The Vision for Latin America and the Caribbean region	18
---	----

Key enablers to realize the vision for Latin America and the Caribbean region	22
---	----

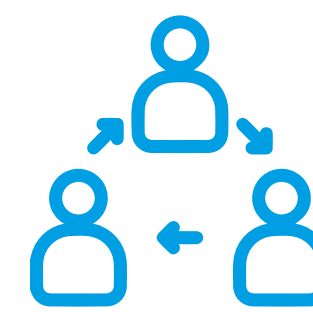
Purpose of this report

This report presents key outcomes from the Stakeholders Consultation in Latin America and the Caribbean.

The consultation convened a diversity of stakeholders from governments, business, smallholders, indigenous peoples and local communities (IPLCs), commodity organizations, civil society, academia and international organizations, who discussed and identified priorities, challenges and opportunities in the region, and provided recommendations for impact-driven and actionable solutions to move towards a sustainable and inclusive nature-positive trading system that supports countries in the region to:



Achieve sustainable supply chains of agricultural commodities

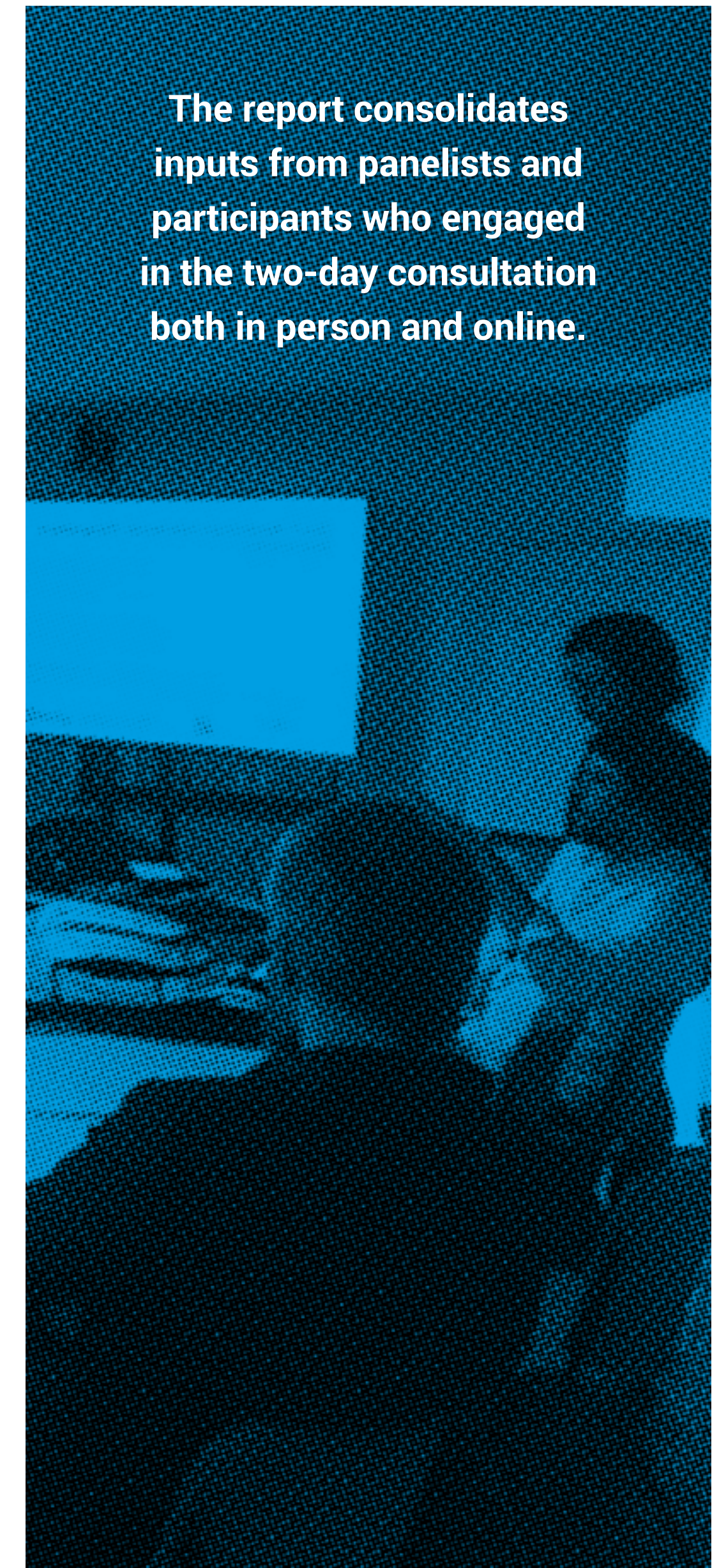


Facilitate market access to all stakeholders in compliance with regional trade agreements such as the AfCFTA, and international agreements such as the Kunming-Montreal Global Biodiversity Framework on biodiversity, and better prepared for changing market regulations e.g. EUDR



Advance national plans for sustainable socio-economic development

The report consolidates inputs from panelists and participants who engaged in the two-day consultation both in person and online.





The increasing demand to fuel a global population projected to reach 9.7 billion by 2050 continues to incentivize agricultural expansion..."

The state of play

Agriculture and trade in the world



25%
of total greenhouse
gas emissions



88%
of global deforestation



Agriculture is the main support for the livelihoods of **more than 500 million smallholders worldwide** – many of whom are women.¹ The sector accounts for **4% of the global gross domestic product (GDP)**.²

Meanwhile, the increasing demand to fuel a global population projected to reach 9.7 billion by 2050 continues to incentivize agricultural expansion, which contributes both directly and indirectly to environmental crises through deforestation, biodiversity loss and greenhouse gas emissions.

According to the Food and Agriculture Organization of the United Nations (FAO), one-third of global farmland has been degraded and, over the past decade, some 13 million hectares of forests annually were converted into land uses. The sector is responsible for **25% of total greenhouse gas emissions** and, between 2000 and 2018, agriculture was accountable for **88% of global deforestation**³, with just seven agricultural commodities – cattle, oil palm, soy, cocoa, rubber, coffee and plantation wood fiber responsible for 26% of global tree cover loss from 2001 to 2015.⁴

The inter-connectedness of all systems in our planet means that intensive agriculture, overexploitation of resources, and climate change are in turn jeopardizing the sustainability of agriculture and ecosystem services, threatening as well global food security.

In 2022, global trade reached a record US\$32 trillion according to estimates by the United Nations Conference on Trade and Development (UNCTAD).⁵ FAO reported that the share of agricultural products in total merchandise trade globally grew from 6.3% in 2000 to 8.5% in 2020.⁶ While some evidence has associated international trade with negative impacts on the environment and uneven socio-economic development within countries; in a transboundary economy where the global GDP is highly dependent on nature⁷, trade can and should also be part of the solution to promote sustainable agriculture systems, which protect biodiversity and facilitate sustainable development.

¹ FAO-UNDP-UNEP “Multi-billion dollar opportunity” report. Accessible at: [A multi-billion-dollar opportunity – Repurposing agricultural support to transform food systems \(fao.org\)](#)

² World Bank Agriculture and Food report. Accessible at: [Agriculture Overview: Development news, research, data | World Bank](#)

³ FAO (2022) “The State of World’s Forests, forest pathways for green recovery and building inclusive, resilient and sustainable economies”. Accessible online at: [The State of the World’s Forests 2022 \(fao.org\)](#)

⁴ University of Maryland / Global Forest Watch 2021

⁵ UNCTAD World Trade Update (2022). Accessible at: [Global Trade Update \(December 2022\) | UNCTAD](#); 7) World Economic Forum: [Nature Risk Rising Report](#)

⁶ FAO. (2020) “Trade of agricultural commodities 2000-2020”. Accessible online at: [Trade of agricultural commodities 2000–2020 \(fao.org\)](#)

⁷ World Economic Forum: [Nature Risk Rising Report](#)

Smallholders and access to finance, a global outlook

Smallholder farms in low-and middle-income countries represent 84% of all farms worldwide and operate about 12% of all farmland.¹

Smallholder farmers face challenges that can range from limitations in market access and agricultural practices, to legal and financial resource constraints, according to the World Bank Group).¹

The lack of these critical inputs can block gains in productivity and income, and thus restricting potential economic and social development. Financing is central for smallholders to unlock these barriers and yet most of them are unable to access financial services. According to the Center for Strategic and International Studies (CSIS), **smallholders in Africa, Latin America, and Asia face a US\$170 billion.**

CSIS reported that microfinance institutions (MFIs) provide the highest amount of formal finance (US\$3 billion) after State banks, followed by social lenders (US\$350 million). These operations are largely concentrated in Latin America with expanding operations in Sub-Saharan Africa.

Development Finance Institutions (DFIs) also provide financing to investment funds that target the agriculture sector. For example, in 2022, the U.S. Development Finance Corporation (DFC) provided US\$50 million in equity to Aqua Capital Fund II. This Fund targets business development for agriculture and food value chains and enterprises in Latin America, focused on improving agricultural yield, water management and job creation, particularly in rural areas.²

Another example is the International Finance Corporation (IFC) of the World Bank Group. IFC support global initiatives for sustainable production of agri-commodities, such as the Global Agriculture and Food Security Program (GAFSP). In developing countries, IFC aims to help smallholders to access markets, financial and technical assistance, and to inputs such as seeds and fertilizers; which also assist farmers to improve their productivity and apply social, environmental and quality standards.¹

The World Bank Group report highlights that unlocking these barriers enable farmers to join global supply chains and contribute to food security, poverty reduction, and economic growth.

\$170bn
funding gap for smallholders in
Africa, Latin America, and Asia

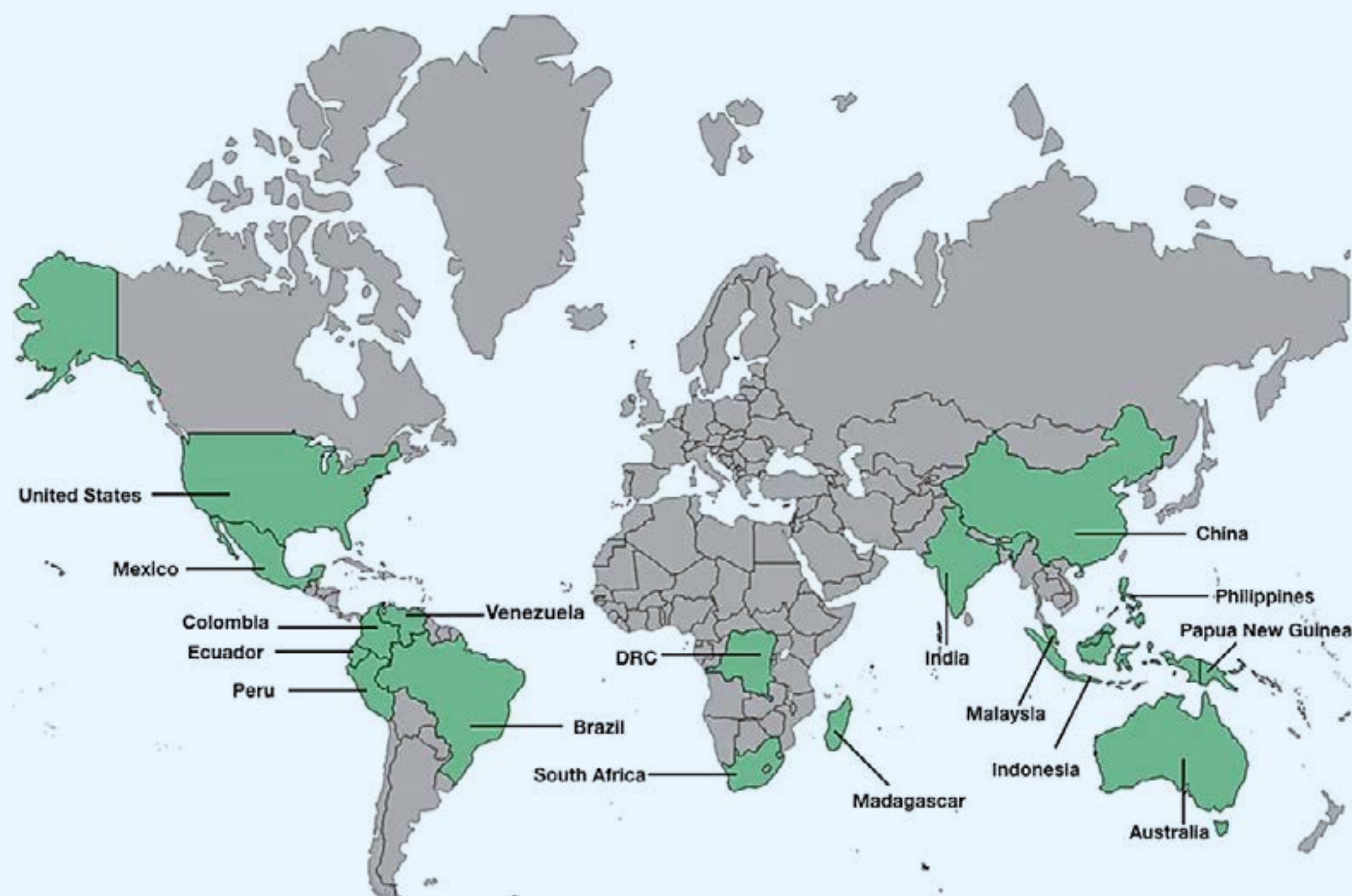


84%
of smallholders
farmers are in Asia and
Sub-Saharan Africa

¹ World Bank Group (2018). Report "Working with smallholders: a handbook for firms building sustainable supply chains". Accessible: <https://openknowledge.worldbank.org/server/api/core/bitstreams/de771b1b-5598-538b-8a80-1cf1adc52f05/content>

² Center for Strategic and International Studies (CSIS) (2022). Article "Access to Finance for Smallholder Farmers": Access to Finance for Smallholder Farmers ([csis.org](https://www.csis.org))





Map showing the 17 megadiverse countries of the world.

Agriculture, biodiversity and trade in Latin America and the Caribbean

Several countries in **Latin America and the Caribbean** are home to **most of the world's biological diversity**. **Brazil**, for instance, hosts 15-20% of the global biodiversity with 120,000 invertebrate species, some 9,000 vertebrate species and more than 4,000 plant species¹; and Colombia holds nearly 10% of global biodiversity within its borders and produces 314 different types of ecosystems.²

The region accounts for **14% of world food production** and **45% of net international trade in agrifood products**, and their agrifood systems account for up to half of total employment, as well as between 30 and 40% of the gross domestic product.³ Brazil is the biggest exporter of agricultural and food products (**USD 79.3 billion in 2017**)⁴ from the region, followed by Argentina (USD 35.0 billion) and Mexico (USD 32.5 billion).⁴

The increase in production and exports in recent years has made the region the world's **largest net exporter of food**.

Some of the **major trade areas** in the region facilitating this trade include the Mercado Comun del Sur, or Mercosur (1991), the Central American Common Market (1961-1975, 1993-present), CARICOM etc.⁵

The **EU is the biggest foreign investor in Mercosur** with a stock of **€330 billion in 2020**, with the ratification of the latest EU-Mercosur agreement, this amount is expected to rise in sectors including agri-food.⁶

Through the agreement, EU and Mercosur have committed to **sustainable forest management**, agreed that the trade deal must support existing **environmental standards**.⁶

Strict unilateral measures for trade could pose a challenge for a sustainable agriculture sector in the region because there is not one regulatory framework suitable for all countries, development needs, and productive systems.

14% of world food production is from Latin America and the Caribbean



¹ UNEP (2019) Article "La biodiversidad de Brasil recibe apoyo 'en línea'". Accessible at: [La biodiversidad de Brasil recibe apoyo "en línea" \(unep.org\)](https://www.unep.org/es/press/2019/01/la-biodiversidad-de-brasil-recibe-apoyo-en-linea)

² WorldAtlas, Article "The World's 17 Megadiverse Countries: The World's 17 Megadiverse Countries - WorldAtlas"

³ FAO (2021) *América Latina y el Caribe es clave para alimentar a 10.000 millones de personas en 2050* | Noticias ONU (un.org)

⁴ OECD. (2019). OECD-FAO Agricultural Outlook 2019-2028. Accessible online at: https://doi.org/10.1787/agr_outlook-2019-en

⁵ Hannan, S.A. (2017). The Impact of Trade Agreements in Latin America using the Synthetic Control Method. International Monetary Fund. Accessible online at: [The Impact of Trade Agreements in Latin America using the Synthetic Control Method \(imf.org\)](https://www.imf.org/en/Publications/Trade/Articles/2017/01/01/impact-of-trade-agreements-in-latin-america-using-the-synthetic-control-method)

⁶ The European Union. (2023). EU-Mercosur trade agreement. Accessible online at: [EU-Mercosur \(europa.eu\)](https://europa.eu/eu-external-action/eu-mercosur-trade-agreement)



Agriculture and trade in Latin America and the Caribbean

Challenges



Certification

- Land tenure and land ownership: The process to legalize land tenure and the disputes over land ownership and rights can be lengthy and costly; and it could also exclude smallholders by not considering their needs and conditions.
- Implementation of sustainable production practices and certification schemes can present a challenge for producers because of associated high costs, lack of training and of technological tools to tackle pesticides, as well as the resources and assistance needed to comply with restrictions and residue limits, e.g. those set by the European Union.
- Low or no-rate of return in the short-term for producers to maintain certifications because costs are high, lack of clear guidelines in regulations about required certifications, and no systematic approach to premium pricing.
- Certification is effective for commodities with strong shelf visibility such as coffee, but less for other intermediate products like soy.



Traceability

- Lack of access to affordable traceability systems, and of public policies that support producers to implement them:
 - Senior producers face bigger challenges because some of them do not have the technological resources, and in some cases not even the basic access to electricity.
 - Maintaining traceability systems can be expensive: costs could reach around US\$ 4,000 per year; and sometimes producers do not know the costs of these systems.
- Lack of transparency about issues such as child labor and land tenure along the agriculture supply chains. In Ecuador, for example, there is no regulation in place to address child labor in cocoa production, which actors in this commodity value chain try to address. In addition, there is a widespread prevalence of informal work and irregular land tenure rights in the cocoa value chain in Ecuador.



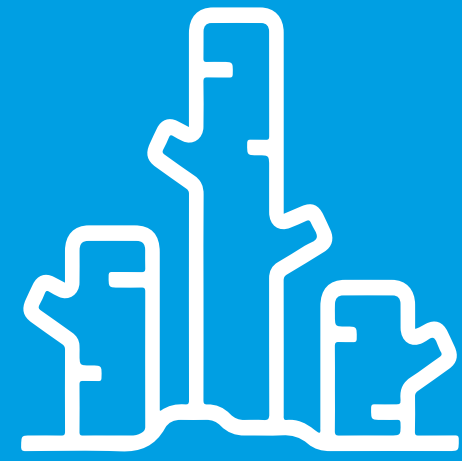
Finance and credit support

- Access to financial support can be a critical barrier for smallholder farmers to increase their crop yields and income¹
- Even though credit can be subsidized in some countries, participants of the regional consultation noted that banks are often unwilling to lend to producers who do not present land guarantees; which is aggravated by the lengthy and costly process to legalize land tenure and settle disputes over land ownership rights.



© Tim Mossholder / unsplash.com

¹ Center for Strategic and International Studies (CSIS) (2022) Article "Access to Finance for Smallholder Farmers": [Access to Finance for Smallholder Farmers \(csis.org\)](https://www.csis.org/analysis/access-to-finance-for-smallholder-farmers)



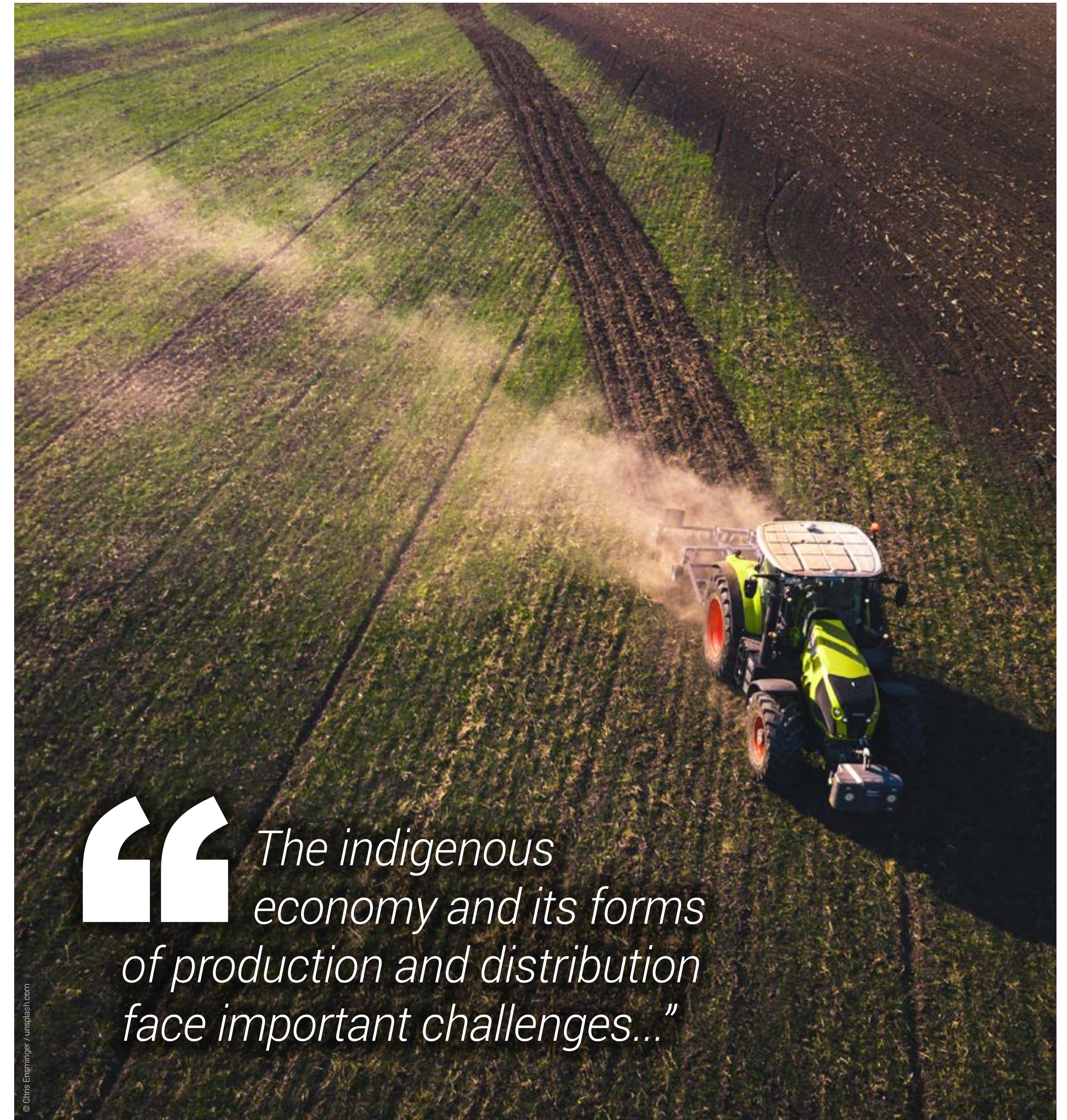
Deforestation in rural settlements

- Deforestation in rural settlements is driven by the lack of alternatives to sustain the livelihoods of producers and exacerbated by the limited availability of formal and stable credit channels, which support farmers to shift to (more) sustainable agricultural production practices.
- Deforestation, in some cases, starts with human settlements. Large agricultural producers buy the land at a very low price, pushing farmers and smallholders away. Forests are then cleared for production, and it becomes too expensive to be re-bought or re-leased by the original owners. Likewise, the loss of forests also results in the loss of the main source of livelihoods for farmers. Therefore, deforestation is not just an environmental issue but also social and economic issues, exacerbated by the lack of access to stable credits and loans.



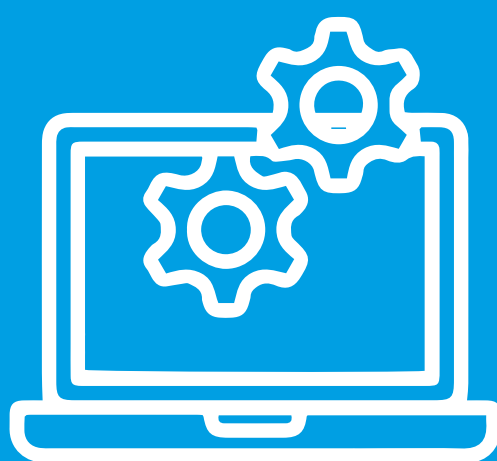
Commercial opportunities for smallholders

- Commercial opportunities for smallholders are hindered by unfair pricing structures, lack of social safety nets, and unequal competition with multinational companies; which restrict short-term opportunities for farmers to commercialize sustainable products.
- The indigenous economy and its forms of production and distribution face important challenges such as their territories used for monoculture practices to produce cacao and coffee, contributing to the loss of biodiversity and water resources, and thus negatively impacting agricultural systems. This contrasts with their economy that seeks food sovereignty, natural resources protection, territorial defense, traditional knowledge with women involved in advising nourishment; and to have policies developed horizontally to break the top-down silo, which protect indigenous communities and facilitate the commercialization of traditional and sustainable products.



“The indigenous economy and its forms of production and distribution face important challenges...”

© Chris Eschminger / unsplash.com



Access to technology

Access to technology can be limited:

- Their accessibility varies depending on the age groups of smallholder farmers and producers because there are different levels of education and resource availability.
- In some instances, developing countries only have access to obsolete technologies.
- There is no robust infrastructure to develop and adopt newer technologies, exacerbated by the lack of capacity building and technical assistance for producers to use technologies.



Compliance with changing and new market regulations

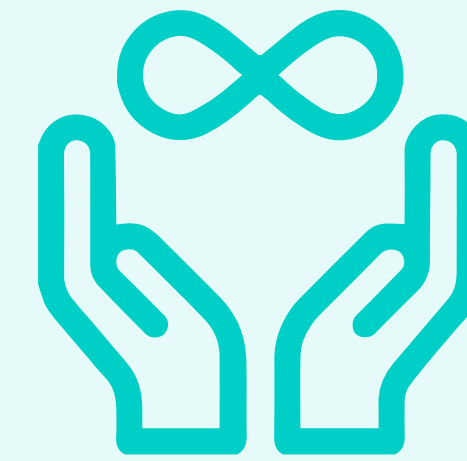
- Due diligence and certification requirements are not always based on co-creation and engagement with stakeholders throughout the process, and thus could not properly reflect and account for the conditions in producing countries. This siloed approach could result in limiting the participation of smallholder farmers in global markets and become a barrier to trade.
- Investment and access to financial support are critical to support smallholder farmers and producers to adopt sustainable production practices; which in turn help them to comply with sustainability-oriented market requirements, such as in the European Union deforestation-free products regulation (EUDR).
- Time is insufficient for producers, and particularly for smallholder farmers, to adapt to new market regulations and the assistance from governments is key to overcome this.
- Reflecting on new market regulations such as the EUDR, stakeholders of the consultation mentioned that producer country governments have a key role in helping smallholders and producers to continue accessing international markets. At the same time, the inclusion of smallholders in the international trade system should be founded on the respect, acknowledgement and recognition of the sustainable production systems and supportive policies already implemented by countries in this region.
- The successful compliance with market requirements for sustainable agricultural systems is dependent on the harmonic and efficient collaboration and coordination among different stakeholders in the sector; which aims to identify synergies, promote knowledge and best practices exchange, and support to scale up successful solutions. The government of Argentina, for example, is already working closely with the private sector to understand and adapt to the changes required to comply with the EUDR and with similar regulations that other trading partners may be developing.



Priorities and opportunities



© Meredith Patrick / unsplash.com



Greater inclusion of women, youth, and Indigenous peoples and local communities (IPLCs)

- Promote and provide **platforms to exchange knowledge and further the understanding of traditional production practices** adopted by IPLCs. This is key to identify and escalate those production systems in the agriculture sector that respect the environment and people and promote a sustainable economic growth.
- **Co-create regional and national strategies for reforestation and carbon management** in collaboration with smallholder farmers, IPLCs, women and youth communities, to ensure their needs and challenges are well-represented and addressed.



Accessible traceability systems

- Make **traceability systems affordable and accessible** by lowering costs through public policy, incentives and enhanced digital access for all producers, including smallholder farmers, IPLCs, women and under-represented communities.
- **Connect producers with available technological tools**, e.g. geographical information systems, and **strengthen the inclusion of women – particularly young women**, in the access and adoption of traceability systems building on the successful cases that already exist in the region.
- **Advance regulations conducive of scaling up best practices and pilot cases** for more sustainable, affordable and accessible traceability systems in agriculture.



Access to credits and financial support

- **Prioritize and include small and medium-sized producers in access to financial mechanisms** set by banks and credit agencies. This will support extending financial resources to rural communities that help producers in their efforts to adopt projects, initiatives and practices for sustainable agricultural production and supply chains.
- Facilitate **payments for ecosystem** services to incentivize the sustainable use of agricultural land, which decouples from deforestation, and instead protects biodiversity and facilitates a sustainable social and economic development for producers, especially those in developing countries.
- Adopt a **carbon management plan** that includes access to credits for producers who sustainably manage and maintain forests. A carbon management plan could help smallholders, family farmers and IPLCs compete with large agricultural producers; however, this should be paired up with capacity building and technical assistance to assist them in maximizing the emerging opportunities and incentivize the uptake of cleaner and more sustainable technologies.
- Provide subsidies and the enabling trade policy environment to support smallholder farmers and producers to accelerate the transition to more sustainable agricultural practices. This is especially important as some governments grant subsidies to large agricultural producers.

“Support extending financial resources to rural communities that help producers in their efforts to adopt projects, initiatives and practices.”



Existing best practices and initiatives in Latin America and the Caribbean



Coffee

- **The Latin American and Caribbean Network of FairTrade Small Producers and Workers** (CLAC) and Fair trade in Latin America focus
 - CLAC work is focused on pricing and increasing revenue of coffee growers, which is achieved through a coffee differentiation program.
 - This program aims to help producers increase their income from premium pricing for sustainable coffee; and campaigns to raise awareness and inform consumers about the program to help support their consumption choices and payment preference for a higher differentiated price for coffee that is produced under the program's framework.
- The Chamber of Commerce of Costa Rica promotes exchange between farmers, co-ops and traders of coffee to achieve '100 percent' sustainability in its production.



Cocoa

- **Ecuador National Cocoa Exporters Association, Anecacao**, (La Asociación Nacional de Exportadores e Industriales de Cacao del Ecuador), is a non-profit association that since 1987 focuses on protecting the well-being and sustainable development of the productive and exporter sectors of the Ecuadorian Cacao.
- Anecacao focuses on:
 - Promoting traceability systems and strengthening the inclusion of women.
 - Supporting improvements in the cocoa value chain to assist Ecuadorian exports to comply with changing and new international market regulations
 - Improve credibility, image and commercial aspects of cocoa producers in Ecuador



The Inter-American Institute for Cooperation in Agriculture (IICA)

- IICA focuses on agricultural development and rural well-being in Latin America, the Caribbean, the United States and Canada, providing technical cooperation solutions in innovation, bioeconomy, climate action, agricultural sustainability, international trade, regional integration, territorial development, family agriculture, agricultural health, food safety and quality, agrifood digitalization, gender equity and youth.
- Under the IICA, Brazil and Costa Rica have collaborated to promote environmental protection in the production of agricultural commodities.
- In 2020-2021, IICA trained 1,200 people involved in the agriculture sector and executed 82 technical cooperation actions in Costa Rica.¹

¹ Agriculture in Costa Rica gains strength and increases technology use in 2021 with IICA support | Inter-American Institute for Cooperation on Agriculture



Development of Non-timber Forest Products (NTFP) value chains in Brazil

- The private sector works with local communities to support diversification of livelihood sources through NTFP value chains such as palm heart extraction, açaí production, differentiation with Pataua and Murumuru, and collection and commercialization of Ucuuba seeds; which diversifies the basket of products made by families and cooperatives.



Beef on Track Program (*Boi na Linha*, in portugues) formally adopted by ABIEC in Brazil in June 2023

- At the Stakeholders Consultation in March 2023, ABIEC, the Associação Brasileira das Indústrias Exportadoras de Carnes (Brazilian Beef Exporters Association), announced their plans to formal adhere to the “Boi na Linha” program, which was created in 2019 by the Institute of Forest and Agricultural Management and Certification (Imaflora) in partnership with the Federal Public Ministry and establishes socio-environmental criteria in the purchase of cattle in Brazil.¹
- Following on this, in June 2023 ABIEC’s Sustainability Director, Fernando Sampaio, formalized the adherence to the Beef on Track program signing a partnership with Imaflora.²
- According to ABIEC, the 16 companies that participate in Boi na Linha represent 63% of the total formal slaughters made in Brazil and 74% of what is done only in the Amazon. With the planned expansion to the 39 associates in the next two (2) years, this would increase to 84% of the slaughters in the Amazon and 80% of the total of the country.
- ABIEC gathers 39 companies of the beef sector and is responsible for 98% of the country’s beef traded in international markets.
- Previous to ABIEC’s action, Febraban, the Brazilian Federation of Banks, announced that they will only grant credit to slaughterhouses and meatpackers that prove that they do not buy cattle from areas of illegal deforestation in the Amazon and Maranhão state. The decision applies to direct and indirect suppliers and is part of a commitment for the beef chain (agreed in February 2020 as a part of Beef on Track Program) approved by Febraban to combat deforestation in the region.³

¹ Beef on Track program, Imaflora: [Who we are – BEEF ON TRACK](#)

² CNN Brazil Online Article (June 2023) “Meat industry formally adheres to the “Boi na Linha” protocol, focusing on environmental criteria in the purchase of cattle”: [Meat industry formally adheres to the “Boi na Linha” protocol, focusing on environmental criteria in the purchase of cattle \(cnnbrasil.com.br\)](#)

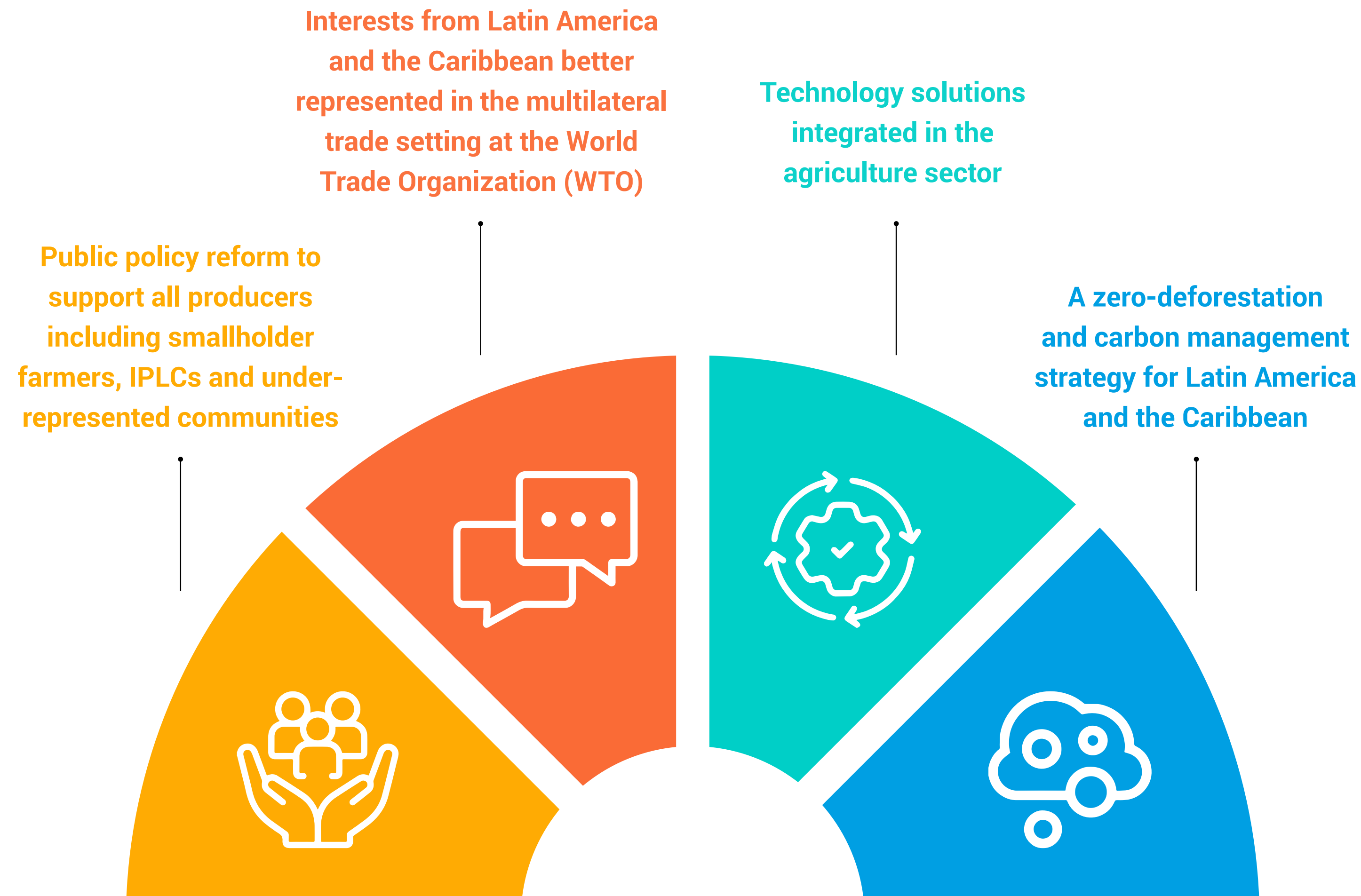
³ Fortune online article (May 2023) “Brazilian banks are denying credit to meatpackers that deal in beef illegally raised in the Amazon rainforest”: [Brazilian banks deny credit to illegal Amazon beef buyers | Fortune](#)



The way forward

The Vision for Latin America and the Caribbean region

Toward a nature-positive and inclusive trade supportive of sustainable agriculture, supply chains, protective of biodiversity and facilitating sustainable socio-economic development.





“Representation of local, traditional and indigenous communities in decision-making...”

Public policy reform to support all producers including smallholder farmers, IPLCs and under-represented communities.

- Fiscal policies are adapted to differentiate between family and industrial farms and smallholder farmers, tailored to their needs, capacities and potential
- Facilitate and promote investment in family farming and incentives for sustainable agriculture production; and reform and repurpose of conventional subsidies in agriculture that do not support a sustainable trajectory of agricultural production
- Sustainable public procurement (SPP): Public procurement has been identified as a market that has the potential to strengthen the development of small-scale farming and thereby promote social inclusion processes. By using their purchasing power to choose goods with a reduced environmental impact, governments can make an important contribution towards sustainability goals at the national and regional level. Networks such as the Inter-American Network for Government Procurement (INGP), a network comprised of directors of public procurement authorities from 34 countries in the region can be leveraged to raise awareness, build capacity and produce knowledge on the relevance of sustainable procurement among policy-makers.
- Voluntary Sustainability Standards (VSS) play a specific and increasingly significant role since they are often integrated into the operationalization of SPP practices, which when combined with trade policy instruments such as free trade agreements (FTAs), preferential trade agreements (PTAs) (GSP measures), market access regulations and export promotion measures can effectively create a market for sustainably produced agriculture goods.



Interests from Latin America and the Caribbean better represented in the multilateral trade setting at the World Trade Organization (WTO).

- Food security, biodiversity loss and climate change are intrinsically linked and present big challenges for the region and trade policies need to be adapted and co-created with all relevant stakeholders, considering the priorities, challenges and opportunities on the ground to successfully address these issues.
- Synergies between national governments and the WTO need to be strengthened to create effective communication channels which help enable a trade and fiscal policy environment conducive of sustainable agriculture and supply chains, contributing to biodiversity-focused multilateral environmental agreements such as the Kunming-Montreal Global Biodiversity Framework, and facilitating a social and economic growth in a sustainable and equitable way.
- Countries in the region should work together to enable a reform in multilateral trade rules so as to allow:
 - Reducing conventional (environmentally harmful) subsidies
 - Enabling subsidies for sustainable agriculture in line with Target 18 of the Kunming-Montreal Global Biodiversity framework

Technology solutions integrated in the agriculture sector.

- Access to and integration of technology services especially for farms in remote locations, which support all producers to enhance the traceability along the agricultural supply chains and assist them in complying with requirements of international market regulations such as the EUDR

A zero-deforestation and carbon management strategy for Latin America and the Caribbean.

- A regional zero-deforestation strategy that enhances multilateral and multi-stakeholder cooperation and dialogue among countries, supported by the development and strengthening of trade policy solutions sufficiently robust and inclusive to help attain zero-deforestation targets, and with clearly defined metrics to measure progress. Such a strategy could comprise of
 - Regional, mutually recognised standards and aligned national deforestation-free production strategies
 - Regional organizations, such as the OAS, the Andean Community, and common markets, may assist countries to create standards or guidelines, for instance, on how businesses should manage and make information available regarding certain commodities and products, how to track them throughout the supply chain, how to facilitate customs cooperation, exchange of information, etc
 - These common standards may trickle down into Latin American countries' national jurisdictions, by being incorporated into domestic law
- A complementary carbon management strategy to provide carbon credits to agri-producers, including smallholder farmers, family farmers, IPLCs, and others, who manage and maintain forests in a sustainable manner could provide the needed resources for IPLCs and smallholder farmers to be able to compete with large agricultural producers.
- Trade policy could be employed more systematically to promote sustainable forestry and deforestation-free value chain strategies





Key enablers to realize the vision for Latin America and the Caribbean region



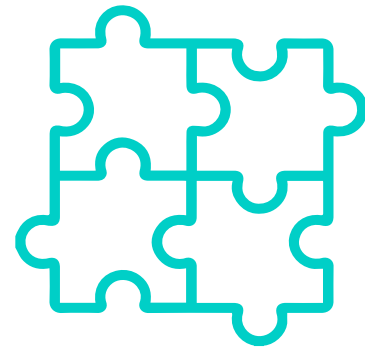
Strengthened inclusion of all stakeholders in the agricultural value chains

- Enhanced knowledge exchange and learning from traditional agricultural production systems and practices, which respect and preserve biodiversity, protect human health, foster social development and facilitate a sustainable economic growth.
- Empowering IPLCs through innovative trade policy solutions (such as through suitable provisions and framework for Intellectual property rights and patenting, and access and benefits sharing) that consider their needs, reduce inequality and power asymmetry.



Enhanced capacity building and technical assistance

- Improved technical support, communication and educational programmes, and technology training to equip all stakeholders with the tools and knowledge to support their participation in international markets, complying with existing regulations and be better prepared for future market changes, with special focus on women and youth.
- Technology infrastructure in place with appropriate monitoring systems and context-adapted benchmarks and metrics.



Cross-regional integration, collaboration and partnerships

- Facilitate the interaction and exchange between all stakeholders across value chains linked to the agriculture sector, including partnerships between technical agencies within and across countries in the region, focused on shaping up together and adopting a 'cooperative' model where useful.
- Leverage existing platforms to support consultative collaboration on developing the proposed regional strategy on carbon management/deforestation free agriculture production
- Develop regional standards and mutually aligned national deforestation-free production strategies together: Regional organizations for example, the Organization of American States (OAS) can play a role. The OAS can coordinate regional agricultural standards for commodities and products driving deforestation. The advantages of consistent agricultural standards across the region include administrative efficiencies, custom cooperation, information exchange, etc. While the OAS is not an economic and trade bloc, it can still enhance each country's bargaining power by conveying to the export market its economic and social constraints related to the implementation of international rules.

Develop progress metrics together - The success of international regulations tackling tropical deforestation depends significantly on regional cooperation and access to reliable information on tracking progress. Regional organisations/platforms may assist countries to create common metrics, on the basis of which businesses can make information available regarding certain commodities and products, how to track them throughout the supply chain, how to facilitate customs cooperation, exchange of information, etc.



Enabling environment for sustainable trade and agricultural supply chains, socio-economic development, in harmony with biodiversity.

- Designing public policies that provide safety nets to vulnerable producers such as through appropriate social security and income support measures to complement trade openness and liberalisation policies.
- Putting in place public policy measures that are supportive of principles such as circular economy, welfare economy, while incentivize attaining social, environmental and economic objectives.

“The success of international regulations tackling tropical deforestation depends significantly on regional cooperation and access to reliable information on tracking progress.”





UK Research
and Innovation

TRADEHUB.EARTH

trade@unep-wcmc.org

unep.org/explore-topics/green-economy/what-we-do/environment-trade-hub

The TRADE Hub is funded by the UK Research and Innovation's Global Challenges Research Fund (UKRI GCRF)

CONTACT: Beatriz Fernandez (beatriz.fernandezhernandez@un.org)

Designed by Alan J. Tait (ajtait.co.uk)