

Agricultural Commodities: Impacts and Opportunities for Change

4th – 8th November, 2019 London, UK



Partners































Royal Botanic Garden Edinburgh



International Institute for Sustainability

























































Funders







The UK Research and Innovation Global Challenges Research Fund (UKRI GCRF) Trade, Development and the Environment Hub is working with over 50 partner organisations from 15 different countries. The project aims to make sustainable trade a positive force in the world by focusing on the impact of the trade of specific goods and seeking solutions to these impacts.

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Executive Summary

This report presents the outcomes of the UK Research and Innovation Global Challenges Research Fund (UKRI GCRF) **Trade, Development and the Environment (TRADE) Hub** 'Agricultural Commodities: Impacts and Opportunities for Change' meeting held in London on the $4^{th} - 8^{th}$ November 2019.

The meeting provided an opportunity to convene leading experts to discuss the state of knowledge and scientific and policy needs to measure and mitigate the impacts of global agricultural commodity chains on nature and people, particularly in developing countries.

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Background

Trade in agricultural commodities could become an engine for inclusive economic growth and poverty reduction. Yet, to date, exploitation of wild resources and land conversion for agriculture – in DAC regions and others - has led, and continues to lead, to severe environmental degradation and biodiversity loss, placing in jeopardy the successful implementation of the Sustainable Development Goals (SDG's).

The TRADE Hub's intractable challenge is to overcome the longstanding tension between economic growth driven by trade in agricultural commodities, and the associated biodiversity and related social impacts that often accompany this trade. A failure to address these impacts will exacerbate the ongoing biodiversity loss crisis, and ultimately undermine medium and long-term economic prosperity at local, regional and global scales.

Our research vision is to provide the data, analyses, ideas and partnerships to accelerate the transition to a sustainable global trade system that reduces impacts on biodiversity and people, increases the social benefits of wildlife use and agricultural production, and fulfils the SDG's mission to "leave no-one behind". Our hub will develop new and long-overdue areas of cross-disciplinary science to analyse, understand, and increase the traceability and transparency of impacts for sub-national, national and global trade flows. It will also, and by using a model of co-design, facilitate collaborations among research groups and private and public sector institutions working on trade within and across continents, and between DAC countries and the UK. These collaborations will enhance the relevance, and promote the uptake, of our research, supporting decision-makers at all scales to develop and implement relevant policy and regulations. The scale of the challenge and time-frames associated with transitions in a complex trade system mean that large-scale impacts are only likely to be realised after the end of the hub. A key outcome will thus be to ensure that significant capacity and momentum is built across our partnership to continue the work on public policy and industry engagement well into the future.

Day 1: Biodiversity, Social Development and Trade

Leads: James Vause (UNEP-WCMC) and Elena Antoni (UN Environment)



The aims of the day were to outline the challenges to achieving sustainable trade, and the existing and potential solutions including the role of biodiversity and social change metrics and indicators in trade related policy, and the role of international environment and development policy. This was based on the TRADE Hub's scoping work carried out by internal and external partners.

Morning session – Influencing the positive and negative impacts of agricultural commodity trade

Presentation: Policy and Public Sector

Menti question and answer session

Figure 1: Why aren't global markets delivering socially just, environmentally sustainable trade?



Figure 2: Who do you think the most important actors are with regard to improving the outcomes and trade for people and biodiversity?

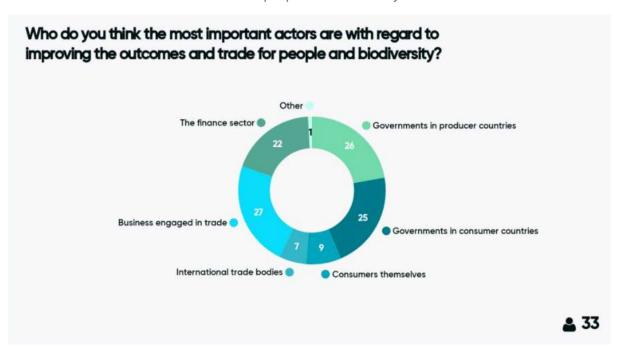


Figure 3: What is the biggest problem the world needs to tackle in order to improve the outcomes of trade on biodiversity and people?

Land use planning.	Traceability, transparency and	Fully accounting for the cost o	
cana use pianning.	accountability	natural capital in the production of commodities.	
Overconsumption of animal			
protein	Include environment in WTO and make it seem like a trade advantage for all nations	Poverty among households in rural areas of the tropics	
Political economy			
	Understand biodiversity in the correct context for supply chain	Geographic transparency – publish shapefiles of source areas.	
Scaling down international guidelines to local levels	natural capital needs to be accounted for in trade	linking overseas development aid, trade and biodiversity los	
Reducing consumption	Value externalities	Short termism in investment decisions and lack of regulation	
Transparent supply chains	Unfair power relationships in the supply chains		
		Better definition and enforcement of property right:	
Large-scale commodities are excluding local communities from land and access to	selling the idea that we need to buy less?	(Develop and) Use a measure of the biodiversity impacts of commodities trade to influence trade, govt and financial decision making.	
resources		Embed biodiversity measures	
Enable businesses to understand what is meant by	Economic benefits accrue mainly at the retail end of the supply chains	alongside other corporate measures of business success	
"biodiversity"	#INEQUALITY	secure livelihoods for rural people	
Measurement of biodiversity impacts beyond just the broad metric of deforestation			
reduce consumption	International cooperation in delivery of sustainable consumption	Equity issues	
easure and value changes in not only natural pital by all those capitals that affect wellbeing ith regards conservation scenarios		Implementing policy	
	Lack of effective traceability to link impacts with responsible actors and also reward sustainable practices	commitments on the ground!	
Corruption		lack of	
	short term selfish thinking and lack of political will to create	transparency/knowledge	

What do you think the TRADE Hub's biggest opportunity is?

- Providing solutions for countries/businesses seeking to establish sustainable supply chains (e.g. supporting implementation of French due diligence requirements on environmental and social impacts, feeding into development of EU discussions on reducing its environmental footprint.)
- Regulating for disclosure of financial and private sector impacts and require mitigation and minimum standards.
- Finding ways to integrate biodiversity in trade agreements so helping to ensure that future FTAs do not have adverse impacts on the environment and society.
- Help to show the true price and cost of commodities that correctly value biodiversity and ecosystem impacts and ensuring costs can be fairly absorbed across the supply chain.
- Analysing national legal frameworks to explore whether promoting legal compliance would bring about positive impacts on biodiversity (e.g. to take approach of VPAs and FLEGT as done for timber).
- And a major challenge was identified as: To remember that consumption leads to destruction, inevitably, and that sustainable trade might be a beautiful term but not achievable if we do not talk about consumerism and affluence.

Afternoon session: Barriers and opportunities to making trade more sustainable

The afternoon session went into depth on what can be achieved to make trade more sustainable through trade and trade-related rules, agreements, and policies, among broader policy frameworks that equally affect trade impacts and trade flows. Participants considered what trade-related instruments, institutions, and policies should we consider that might catalyse change or prevent it, and what barriers and opportunities might we face and come across?

Group work allowed participants to discuss what trade institutions and policies may catalyse change or prevent it, and how. Guided with pre-prepared questions, seven groups formed to focus on different agricultural commodities, policies and regions (Appendix A).

Day 2: How to Strengthen Corporate Action

Leads: Sharon Brooks (UNEP-WCMC), Cath Tayleur and Julie Sigles Robert (Cambridge Institute for Sustainable Leadership (CISL))



Businesses, including finance institutions, play a pivotal role in the way in which agricultural production and trade takes place. Many companies and banks are aware of the risks they face from negative social and environmental impacts and are developing mitigation strategies, setting bold commitments, and leading and joining multi-stakeholder initiatives. Despite these efforts, international and national commitments have not been met and significant challenges remain in measuring, disclosing and managing impacts. However, business cannot work alone and the need for private-public co-operation is required for transformational change on the ground.

The focus of day 2 was to gain insights from private sector experts on the most relevant barriers and levers for the Trade Hub to address to drive impact in the corporate and finance context. The day also identified key opportunities for Trade Hub research to create scientific tools and evidence to support uptake of more sustainable strategies for agricultural production and trade by the private sector.

Morning session: Barriers and opportunities for corporate action to foster sustainable trade

The desired outcome for the morning session was for The TRADE Hub to have a clearer impact pathway for how to drive change in relation to working with the private sector.

Menti question and answer session

Figure 4: Which Trade Hub commodities are most pressing in terms of sustainability (social issues)?

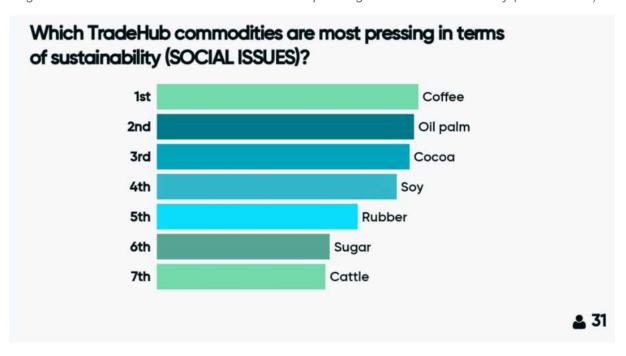


Figure 5: Which Trade Hub commodities are most pressing in terms of sustainability (biodiversity issues)?

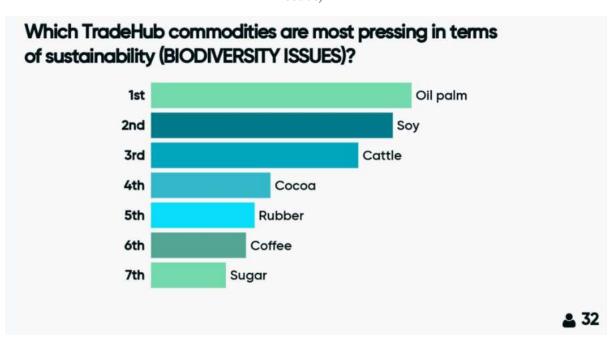


Figure 6: What do you think our top three barriers are?

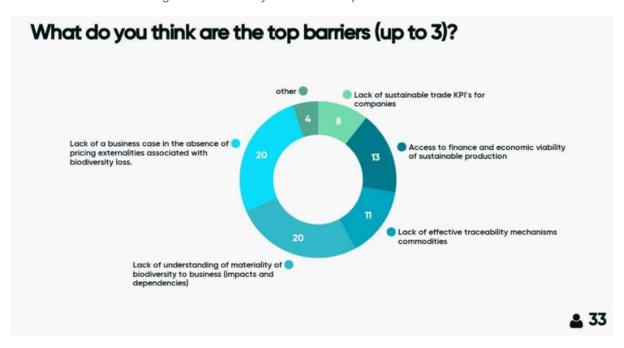
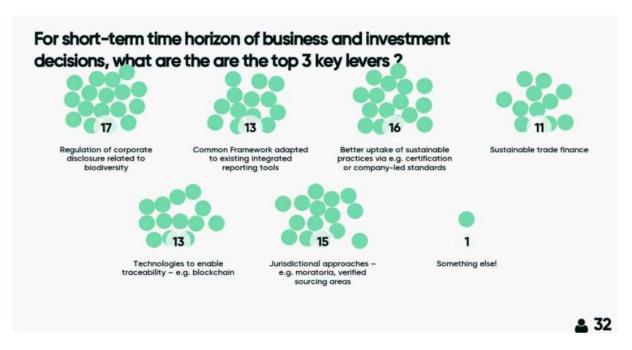


Figure 7: For short-term horizon of business and investment decisions, what are the top three key levers?



Presentation session

Presentations set out the challenges businesses face in adopting sustainable biodiversity strategies for agricultural trade at scale, and examining the landscape of existing initiatives that are working on these challenges.

The commercial challenge and opportunity in transforming supply-chains (Cath Tayleur, CISL) What action the corporate sector is taking (Sharon Brooks, UNEP-WCMC)
The adoption of corporate commitments in biodiversity conservation: barriers and enablers (Julie Sigles Robert, CISL)

Afternoon session: Working sessions with business and initiatives to identify how their needs align with and can contribute to Trade Hub research.

Outcome: The Trade Hub research teams are better informed as to how their research can be applied by the private sector.

Group 1:

• Discussed comparability of metrics. Should we be using the same ones for commodities and countries? The consensus was yes if possible.

Group 2:

- Social metrics are very difficult, what do you measure? What do we mean when we say livelihood, empowerment, resilience, good quality of life, etc.? There is no clear metric there yet.
- Costly to assess social impacts if you want to know about every farmer and non-farmer affected by your business. It is costly to keep doing in house surveys.
- We need quantitative and qualitative assessments if people have seen change in the supply chain, and not just at farmer level but also at area level.

Group 3:

- We can learn from climate change and carbon mitigation, but biodiversity and livelihood is more complex due to lack of metrics.
- Which metrics can private sector companies use? Policies can be aligned to enable companies to work in a sustainable way, taxing goods that come in which have been 'unfriendly'.
- How do we avoid leakage of stringent policies to avoid firms moving to countries that are less strict, such as by attempting to avoid EU/Western policies?
- What industries will thrive in a world where we reduce social and environmental impacts?

Group 4:

- If a company is investing in good practices what are the benefits/risks?
- Businesses care about the next 1-3 years, possibly 10 years for larger companies.
- Metrics can't only focus on biodiversity, must consider social, ecosystem services, financial yield, etc.

Feedback from private sector attendees

• Biodiversity is not on peoples' radar as much as other issues such as climate change, so it is important to consider how to approach this.

- Who do you want to target the people already trying, the people in the middle, or the laggards?
- Does it fall on the consumer? For example, the media and consumer pressure drove the current plastic challenge change.
- Need to have a clear brand of what the aims are, not trying to reinvent the wheel but can bring initiatives together.

Day Three: Measures to Inform Transformational Solutions

Leads: Chris West, Jon Green (Stockholm Environment Institute) and Marije Schaafsma (University of Southampton)

The diversity and extent of different metrics present a significant barrier to their effective use. The aim of the sessions was to identify how the Trade Hub can overcome the barriers to appropriate use of metrics so that they communicate the positive impacts of agriculture, and direct actions to address the negative impacts of agricultural commodities and accelerate corporate and government action.



Morning session: Presentation sessions

Measures to inform transformational solutions (Chris West, SEI)

Making sense of metrics and models – Biodiversity (Jon Green, SEI)

Linking global drivers of agricultural trade to on-the-ground impacts on biodiversity (Jon Green, SEI)

Social-economic impacts of trade (Marije Schaafsma, University of Southampton)

Global impacts of UK Consumption (Lawrence Way, JNCC)

Living income for Trade Hub (Ken Giller, Wageningen University)

Scenarios for biodiversity and trade: overview and examples (David Leclère, IIASA)

Menti question and answer session

Figure 8: How do you class your level of knowledge on today's topic of metrics and measures for sustainable trade?

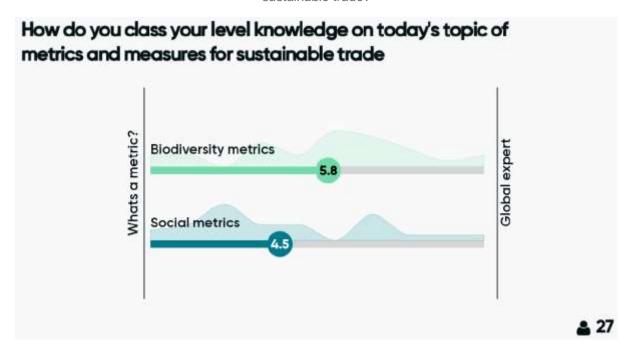


Figure 9: Where should we be targeting our work?

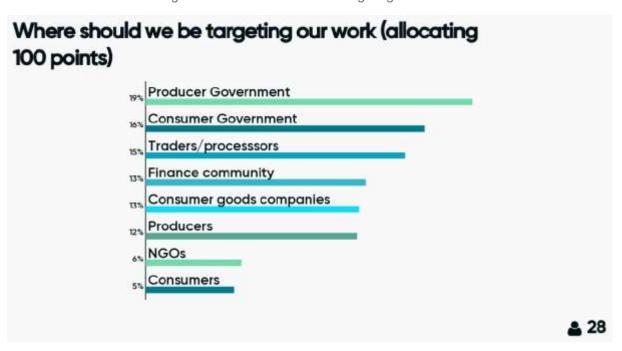


Figure 10: The Trade Hub will seek to bring together and compare multiple approaches to biodiversity measurement. How important is it that we include..

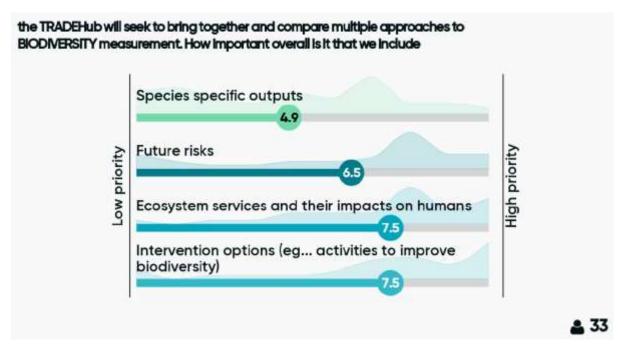


Figure 11: The Trade Hub will seek to bring together and compare multiple approaches to biodiversity measurement. How important is it that we include..



Afternoon session: Group discussions

What is the overall scope of social and biodiversity metrics that should be measured for achieving the objective of sustainable global trade?

- Direct and indirect land cover is important. If sourcing from a certain area who does that push out, and in turn whom do they push out?
- Risks of future change. What are the plans for changes in infrastructure and the impacts on biodiversity?
- Dependencies e.g. on water and links to land cover.
- Ensure the metric is fit for purpose who will use it and for what? It should be realistic for the user and not too expensive or difficult.
- Social metrics living conditions, fair distribution of benefits.
- Need indicators that account for social impact across population, we cannot rely on commonly used GDP or increase in overall income.
- Need forward looking metrics, different metrics for different audiences.
- Need metrics to capture basic needs and issues around land rights.
- An indicator of charismatic species to target consumers.
- Must have confidence in the indicators. If people respond to them will things move in the right direction?

How are metrics or measures of impact 'operationalised' across different parts of the trade system?

Discuss in 'stakeholder' groups. Think about:

- What sort of biodiversity and social data are most useful to the level that the table represents?
- What decisions do we ultimately want to support with these data/metrics?
- What sort of data is already available for use? Is this fit for purpose? Where are the gaps?
- What resolution or granularity of information is required for effective decision making at this level?
- What are the biggest challenges?

Financial investors

 Legality is different in different places. An outcome of the Hub could be to define a standardised minimal standard for biodiversity positive agricultural production.

Producers

- Provide information on market prices, climate risks and predictions, risks of losing biodiversity, access to capabilities and capacities, information of where to buy (e.g. livestock owner buying feed), and what markets they can access.

Traders and processors

- Certification, regulation and upstream pressures are incentives for traders.
- A lot of business data is confidential = barrier.
- Ecosystem services are more visible risks to traders.

Non-governmental organisations (NGOs)

- Local NGOs know better what is going on in their particular situation. We can provide
 the link for them to the global supply chain to think about responsibilities and routes
 to changing the status quo.
- International NGOs are thinking far into the future.

Feedback from Jon Green, Chris West, and Marije Schaafsma

The session was really useful in understanding the various needs of potential stakeholders. From thinking about the high-level needs of policy makers, where spatial resolution and very specific information on impacts is less important than consistency and responsiveness of an indicator to show the "direction of travel"; through to the needs of NGOs, businesses and scientists, for whom understanding specific impacts in specific places is important in determining what actions to take. The relative importance that participants gave to thinking about scenarios and future risks, as well as about producing solution-oriented outputs has also been a key outcome in thinking about our next steps.

We are now undertaking a set of analyses to compare biodiversity metrics across different contexts to better understand how they complement one another, and how the information

that they provide differs between contexts - for example, under what conditions are they more similar/different.

While the workshop participants provided clear support for the Hub's emphasis on the distribution of benefits and costs in the value chain, we will also ensure that our activities on measuring social impacts provide further understanding of how such impacts are linked to different interventions in the value chain that NGOs, governments and companies could undertake (see Figure 11).

A key 'ask' for many is that we must have confidence that if users respond to the metrics that the indicator will be responsive enough to show that. Another message coming out of the workshop was a clear need for alignment with existing frameworks where possible, and consideration of interfaces with climate, deforestation and natural capital agenda. We will work with partners and stakeholders to ensure that outcomes from the project align with and support such frameworks, rather than duplicate them.

Days 4 and 5: Partners Meeting

Menti question and answer session

Figure 12: What are our thoughts after the past 3 days?



Figure 13: What is encouraging me about the opportunities we can build on?



Figure 14: Ideas for improving external communications.

My ideas for improving external communication about TRADEHub (eg branding, messaging to audiences)

more targeted to specific audiences, specific countries, specific crops, specific knowledge products, Let's get our internal house in order before we warry about this. Once we have a clearer vision this would be easier to accomplish: Short targeted communications within different business-related journals and platforms Engage David Attenborough highlight expertise of our group - both in context (i.e. country hubs) and content (experts) Simplify to an extent without Diverse, multi-discliplinary losing complexity range of actors with different perspectives and differnent ideas Webinars, short communications, update Use the templates provided meetings? I think not including consumers is a missed apportunity. There is a lot of power that can come from targeting them. Print off leaflets and share Get my organisation to promote the Trade Hub with other organisations Simple 'position pieces', 'problem/solution statements', clear 'examples' of our work (or future work) and relevance for audiences, also need to start building relationships with Journes Pick some core topics we want to say things on and then use our research to develop thoughts, messages etc Having websites and info brief that relevant at different levels (national and global) have a key slide deck with main messages and existing data that we can all draw on in our public outreach organize targetted outreach events at major conferences (e.g. COPs) Identify and actively engage so called "boundary partners". This workshop may have been a start

Figure 15: Questions and ideas about internal project communications.

What questions do you have about how we are organising ourselves in TRADEHub (eg internals comms between WP, meetings, online working, webinars etc)?

internals comms between WP, meetings, online working, webinars etc)? How do we most effectively communicate preliminary results of research to ensure we generate impact among policy-makers and business? This is hard. There are no simple solutions. People have to commit to communicating about their work to others and make time for it, it would be great for the central team to do a bit more synthesising, bridge building in the beginning. how does this matrix of WPs and country teams work? who will do what? wants to do what? Can we have more frequent Practicalities around engaging contact with work package Running some carbon free conferences? see for example [https://www.unsdon.org/news/2019/06/13/outcomes-from-the-e-conference-on-nutrition-sensitive-agriculture] with focus countries coordinators? Regular contact between womp comms and a comms person from each package/country. Content visible on partners websites not just the Hub/worns website. More times for each country sometimes finding it difficult to locate things through basecump (e.g. agendar for this meeting) or to know which events discussions I should be participating in share their backgrounds and progress within TRADE Hub There is a lot of overlap between work packages, we might be better looking at products across WPs, with the WP just being used to group people by skills/interests? Basecamp is hit and miss in terms of internal susecomp is his and miss in terms of internal communications... it doesn't reflect scape of what's going on. Create a monthly newsletter which requires each group/cluster to give a short 'memo' on what they have done this month & plans for the next? Do partners use basecamp? How to best link the science with the impact WPs and make them mutually reinforcing.

What risks I see for TRADEHub

wanting to do too much / not being able to do what is new, novel, additional or needed Diverging paths. Research not tied to real-world outputs. Not enough oversight/coordination. Lack of communication.

failure to link different groups' agendas to produce coherent outcomes groups treating other groups work as black box approaches to generate results failure to engage with trade policy/policyrrakers on their own terms

Trying to do too many things

Timelines for research and generating impact

Lack of engagement with the right people

Lack of synergy among work done by partners

Overlap among work done by different partners

more confusion in metrics

Too many complex problems to produce clear, standardised global answers A lat of facus on initial stages of the project, little or not time for capacity building/case study elements towards the end of the project

I see a risk of disengagement from partners who may have a lot of other projects on their plate

Risk of lack of focus

Risk of too many opinions and no decisions

Funding

Lack of defined work plans

Less of focus so that difficult to make measurable outcomes and impacts

It does lots of things that are interesting in a disaggregated fashion, but doesn't bring them together to help understand how change can be delivered at a larger scale.

Not having a clear impact

Trying to do too much.

Focusing too much on aligning with what others are doing

That it becomes a multitude of smaller disjointed sub-projects That we loose sight of the ultimate goal(s) at the project

to not be able to agree on focus and concrete results

to match academic interest with real world needs

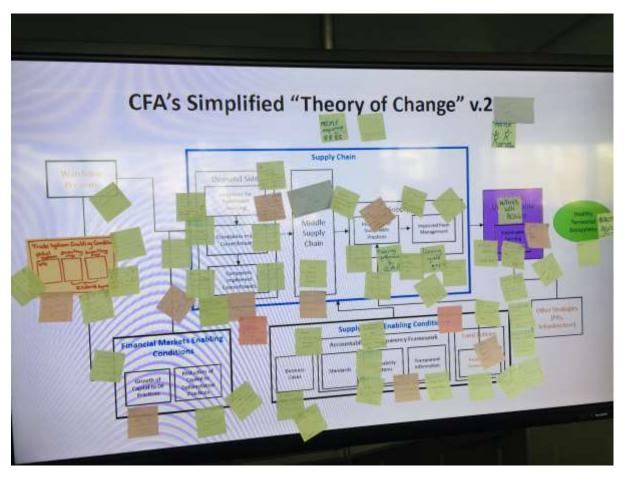
to try to do everying

to get stuck in certain workpackages while waiting for clearer focus in other work packages

to stay at the intellectual level

System diagram activity mapping

We also looked at an overall set of theory of change diagrams for the agricultural commodities work of the TRADE Hub. Example diagrams are presented below and in Annex A.



For working diagram see Appendix A.

Capturing the change you are trying to drive.... what is your focal commodity / region? (reminder of trade hub coverage >>>) What does a better world look like and what What does the world look like now (in your are the key things which have changed from chosen context)? How is trade driving loss of What are the key barriers to the present day delivered this? biodiversity / social inequity (and why)? change (at the moment) 2020 2021 2022 2023 2024... ...2030 (SDGs achieved) Mapping the moving baseline - how is the knowledge / enabling environment in which commodity trade happens evolving / likely to evolve and where are the opportunities? What policy processes will the hub need to engage with? When are the key windows to influence? Who are the key people / organisations the hub will need to engage with? What work is already ongoing? When are key results expected What is happening in the wider world that will change incentives / capacity of policy makers / businesses / financiers to engage with the agenda around sustainability and trade? 4 What research / knowledge products are needed to empower policy makers to deliver Please * TRADE hub priorities change in the environment described above What are the options and priorities within is there a role for consumers? If so, Are there ways that importing and Are there trade offs or synergies How do the varying incentives Thinking through the those to catalyse change? (focussing on how can this be mobilised? exporting countries can work across different sectors (including between social and environmental those which encompass a need for together to deliver mutual interests finance, business and from objectives and how can these be transition research input) in biodiversity and social equity? international trade regulations) balanced? interact to influence the value chain?

Appendix A

CFA's Simplified "Theory of Change" v.2

