

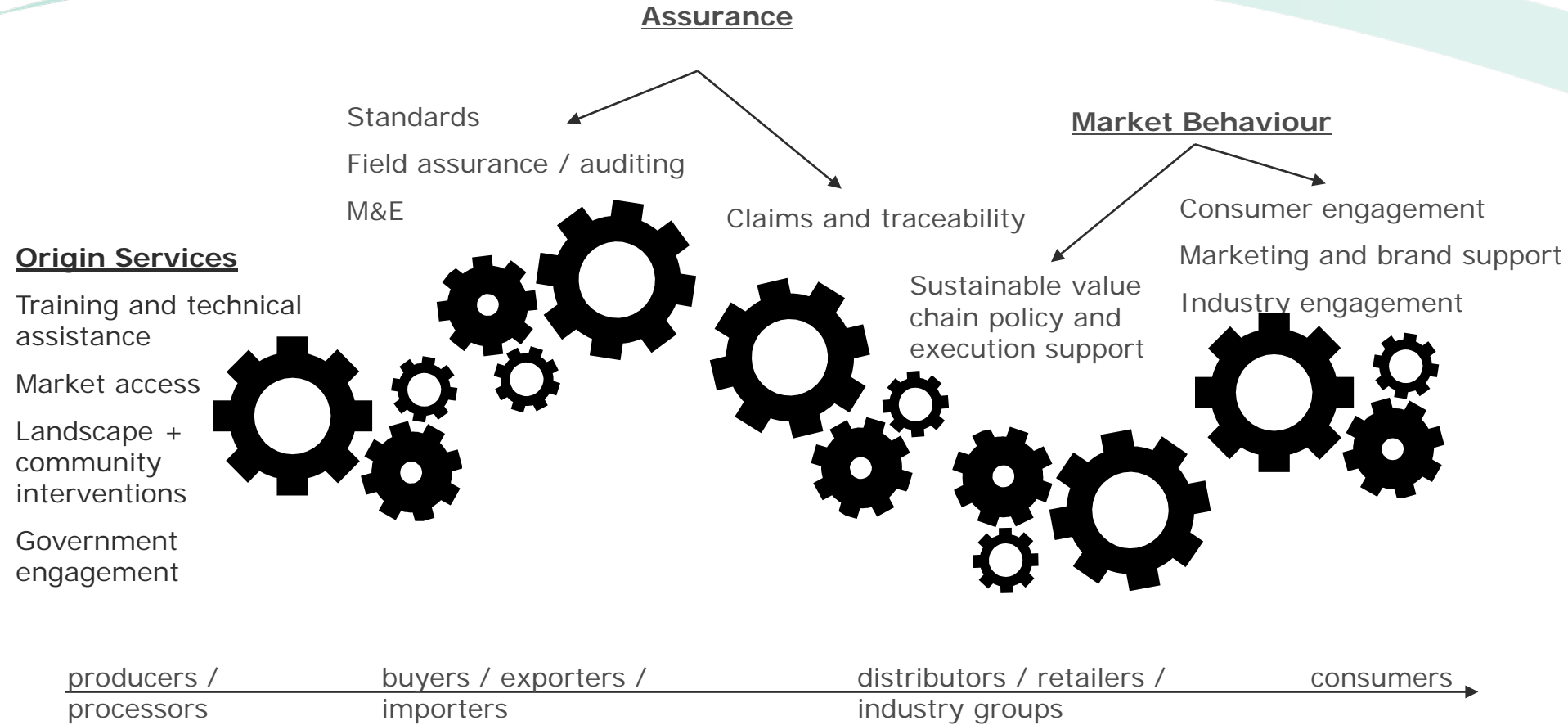
Market Models for Sustainable Land Management

Green Economies & Creating Conditions for Growth
Congo Basin Forest Partnership June 2015

Edward Millard



A VALUE CHAIN APPROACH



MARKET DRIVERS OF SUSTAINABILITY I. RISKS

1. Supply Risk

- Climate change
- Young people leaving
- Lack of visibility of supply chain
- Quality control

2. Reputation Risk

- Scrutiny from NGOs
- Attacks in media/social media
- Consumers more informed

3. Legislation Risk



Greenpeace
campaign 2010



Documentary 2012



MARKET DRIVERS 2. BUSINESS OPPORTUNITIES

1. Improved productivity, quality and reliability
2. Cost saving from innovation
3. Acquire leadership in industry
4. Boost employee satisfaction and retention
5. Public finance available (PPP)



Certified farms non-certified

Study of cocoa
productivity Cote
d'Ivoire 2012



MOVING SUSTAINABILITY TO BUSINESS STRATEGY

- No longer marginalized as CSR
- KPIs set on social and environmental impact
- Collaboration and transparency across supply chain
- Investment in knowledge transfer and capacity building
- Making public commitments



“Businesses that address both the direct concerns of citizens and the needs of the environment will prosper over the long term. We need to build new business models that enable responsible, equitable growth that is decoupled from environmental impact”.



COMPANY COMMITMENTS TO SUSTAINABLE SOURCING



A photograph of a dense, lush green forest. The scene is filled with various types of trees and thick undergrowth. The lighting is natural, suggesting an overcast day. The text is overlaid on the image in white, bold, sans-serif font.

WHAT COMPANIES ARE SIGNING UP TO

SUSTAINABLE LAND USE

- Forests Protected
- Hunting, trading or selling wildlife prevented
- Water bodies protected from untreated waste
- Buffer zones along rivers, streams and lakes

SAFE & HEALTHY LIVING & WORKING CONDITIONS



- Eliminating prohibited agrochemicals
- Safe application and storage of agrochemicals
- Conserving water
- Managing waste
- Access to health care & education
- No child labor



HOW ARE THEY GOING TO DO THAT?

Certification as Business Strategy brings:

I. Recognition, reward and market access for producers



2. Credibility and sustainability endorsement for brand



ENABLING CONDITIONS ARE NEEDED

STRENGTHENING THE VALUE CHAIN

- Increase management of resources by local populations
- Upgrade management skills
- Create value added products from forest resources
- Develop responsible tourism
- Facilitate supply chain linkages
- Support access to finance

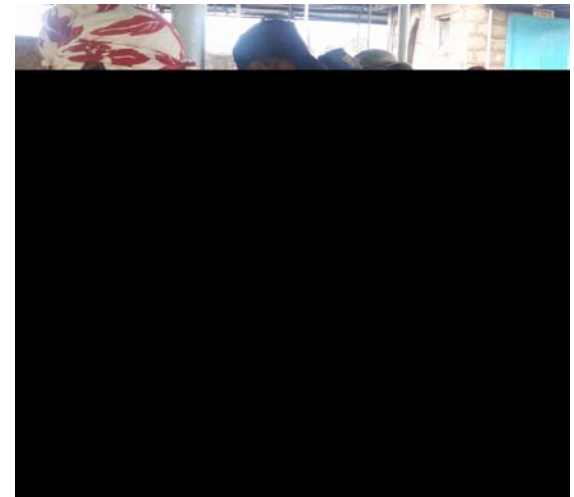


BUILDING SOCIAL CAPITAL

- Promote gender equity
- Strengthen producer groups
- Encourage business service providers
- Foster entrepreneurship

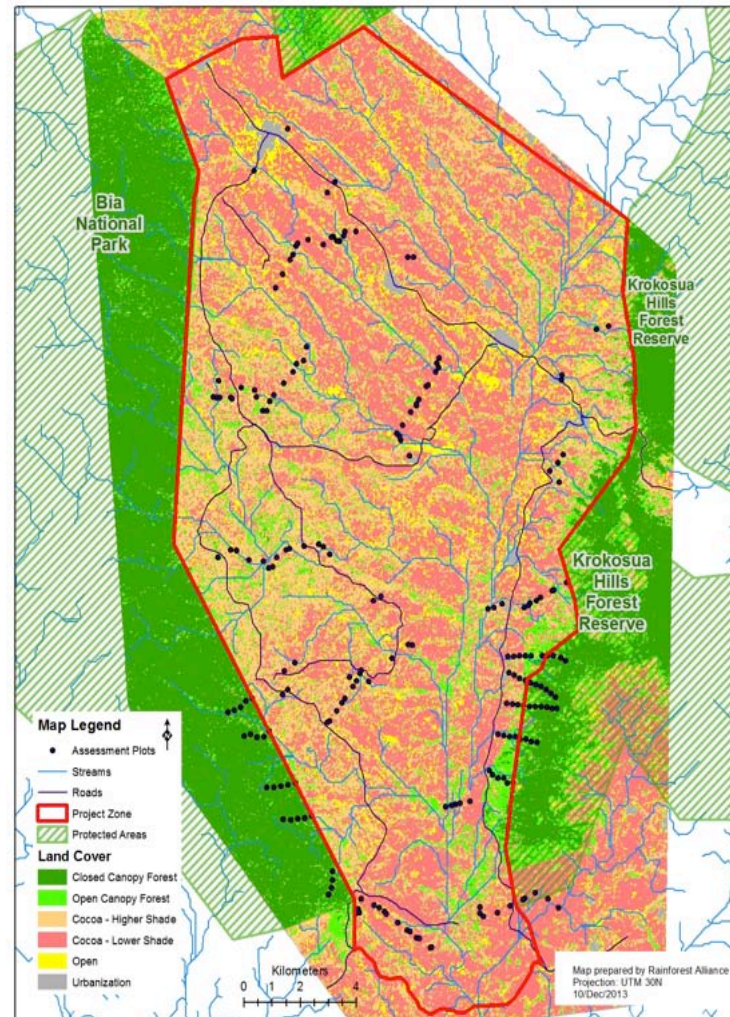
MANAGING THE MARKET

- Monitor corporate behaviour
- Make certification more accessible
- Build interest in emerging markets



ADDING VALUE FROM CERTIFICATION & CARBON

- Land types stratified using satellite imagery, supplemented with data gathered in 200 sampling plots established in the various land use types identified
- Stratification of cocoa system enables management of shade tree stocking densities
- Cost efficient methodology for quantifying C stocks on smallholder farms



BUILDING A GREEN ECONOMY

