

SUPPLY SIDE ENGAGEMENT

SUSTAINABLE COMMODITY MARKET, TRADE AND INVESTMENT

South America



BIOME CONTEXT – SOUTH AMERICA

Total Amazonia

Area: 843,5M Ha
Forest Area: 628M Ha
Savannah and Nat.Ecos.: 71M Ha
Population: 35.000.000
Deforestation 2021: 2 M Ha. (Bra 73%, Bol.10%
Per.8%, Col.6%)
Cattle accounts for 80% of deforestation
Indigenous Population: 1 M (more than 200
groups/peoples)
Carbon Stocks: 77,6 Gt

Gran Chaco

Area: 82 M Ha
Area Dry Forest: 63M Ha
Population: 9,000,000
Legal Protection: 17,7 M Ha
Indigenous peoples: 14
Total Forest Loss: 27% from original

Argentina, Paraguay

Deforestation 2021: 374,180 has
Population: 4,000,000
Indigenous Population: 254,161
Indigenous peoples: 14
Carbon Stocks Dry Chaco Agr: 4,65 Gt



Cerrado-Brazil

Area: 200M Ha
Area Forest, Wooden Savannah, Forest, other
natural vegetation: 40 M Ha
Population: +25,000,000
Deforestation Accumulated: 93,8 M Ha
Legal Protection: 16,8 M Ha
Indigenous Groups: 83
Indigenous Population: 100,000
Carbon Stocks: 5.5 Gt

SOUTH AMERICA CONTEXT

- High deforestation risk areas with lower institutional presence and governance, lack of livelihoods, low productivity (Weak Technical assistance, financing, incentives, social conflict).
- Smallholder migration to cities, human right issues.
- Domestic and non regulated markets (75% of palm oil for regional, beef and dairy mainly for local consumption in Chaco and Amazon).
- Lack of land rights and information to trace (polygons).
- Legal deforestation in ARG, PAR, BRA (20-80%).



KEY CHALLENGES

Challenges to Accelerate Sustainable Commodity Supply Chain

01

Political Commitment



Political cycles at national and sub-national level does not automatically sustain and/or enhance climate agenda, specifically at sub-national level.

02

Policies & Regulations



It is not about lack of policies and regulations, but rather the need for stronger harmonization of national and regional (sub-national) policies, finances and incentives, and development targets that align with sustainable development goals.

03

Collaborative Governance



The need to have an integrated strategy within a multi-stakeholder context that align with regional-wide green growth goals and objectives; hence, creating stronger enabling environment to scale-up programs and accelerate impact.

04

Innovative Financing Facilities



The need to develop jurisdictional financing facilities that blends philanthropic and commercial investment to cater to the needs of small and medium enterprises with clear link to jurisdictional green growth targets.

RECOMMENDATIONS & DISCUSSIONS



RECOMMENDATIONS

Deforestation is a systemic problem, commitment from producers requires more than legislation



01

Accelerating progress toward reducing deforestation requires intervention in high risk areas, not avoiding them.



02

Sustainability as a rule for financial institutions, investors.



03

Documented cost of no action – food risk, climate change costs, social instability – VS opportunity for action/investment



04

Support producer countries: Smallholder inclusion, productivity, market access



05

Advancing social aspects of sustainability, human rights, land stability



06

Monitoring & traceability mechanisms, polygons, control and command for illegality

POINT OF DISCUSSION

How Can We Advance Collective Action For Deforestation-Free Commodity and Jurisdictional Sustainability

- 01 **Collaborative Governance:** Catalyzing collective action in pursuit of deforestation-free supply chain.
- 02 **Jurisdiction and/or Landscape Financing Instrument:** Sustained financing and mobilize sustainable investment into leading jurisdictions and/or key production landscape.
- 03 **Policy Framework:** Government supports to strengthen the ecosystem for sustainable supply chain development.



THANK YOU



TROPICAL FOREST ALLIANCE