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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Approaches for sustainable and deforestation-free supply chains – cross-learning from palm oil, cocoa and soy - <i>Information from the German delegation, on behalf of the Danish, French, Italian, Netherlands, UK and Norwegian (associated Member) delegations</i>

Delegations will find in Annex an information note from Germany, on behalf of Denmark, France, Germany, Italy, the Netherlands, the United Kingdom and Norway (associated Member) on the above mentioned subject to be raised under "Any other business" at the session of the Council ("Agriculture and Fisheries") on 9 October 2017.

**Info-note from Germany on behalf of The Netherlands, UK, Denmark, France, Italy
and the associated member Norway**

On the agenda item “AOB” for the Council (Agriculture and Fisheries) on 9 October 2017

**Approaches for sustainable and deforestation-free supply chains – cross-learning from palm
oil, cocoa and soy**

1. The Netherlands, Germany, UK, Denmark, France, Italy and Norway as the signatory states of the Amsterdam Declarations would like to draw the attention of the Council to the conclusions of the successful multi-stakeholder conference of the Amsterdam Group „Approaches for sustainable and deforestation-free supply chains – cross-learning from palm oil, cocoa and soy“ that was held in Berlin, 20 June 2017 (see annex). We note with appreciation the outcomes of the conference and find it very valuable for considerations on further work on this important agenda item.
2. In 2015, on the initiative of the Netherlands the two Amsterdam Declarations, i.e. “The Amsterdam Declaration Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries” and “The Amsterdam Declaration in Support of a Fully Sustainable Palm Oil Supply Chain by 2020”, were conducted with the overall goal to lend public sector support to the implementation of existing private and public sector commitments to achieve fully sustainable and deforestation-free agro-commodity supply chains in Europe by 2020. The Amsterdam Declarations bring together a group of European countries inside and outside of the EU that together form a considerable consumer market and are responsible for a large part of global commodity trade with Europe, i.e. the Amsterdam Group.
3. As the Amsterdam Group, we want to (1) Facilitate EU action on Climate, Deforestation and Trade, (2) Stimulate the Global Value Chain approach for agricultural commodities, in particular palm oil, (3) Enhance the dialogue with major consumer and producer countries, (4) Enhance transparency and use of voluntary CSR reporting. The signatory countries invite and actively promote other countries – European and non-European – to join this initiative and adhere to the same commitments.

4. In line with action 1, we would welcome EU-level action to achieve deforestation-free agricultural import and reduce the associated expansion into primary forests of producer countries in order to reach the EU goals on climate change, biodiversity and sustainable development.
 5. Each year the Amsterdam Group will organise an international conference to foster linkages, raise awareness, enhance co-operation with major producer and consumer countries and to facilitate policy developments towards the goals of the Amsterdam Declarations. As chair of the Amsterdam Group, Germany hosted the multi-stakeholder conference of the Amsterdam Group „Approaches for sustainable and deforestation-free supply chains – cross-learning from palm oil, cocoa and soy“ held in Berlin, 20 June 2017.
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Annotated conclusions¹ of the multi-stakeholder conference of the Amsterdam Group:

„Approaches for sustainable and deforestation-free supply chains – cross-learning from palm oil, cocoa and soy“

Berlin, 20 June 2017

Basic statements:

- Commodities and their associated challenges in relation to sustainability and supply chain risks vary greatly; there are differences in supply chains, demand, production and processing, targeted markets, etc.

This statement was a reaction to the generally supported notion of cross-learning underlining that there is also a need for commodity-adapted approaches.

- Certification alone has its limits

This statement expresses the need to also care for the non-certified segment of a raw material supply, for leakage effects and overall land use issues beyond just one certified production unit or one commodity, aspects which are often beyond the control of individual companies.

- Consumers are not only buyers but also agents for change

This underlines the important influential role of consumers in the political debate on sustainable consumption in many consumer countries which often differs from actual market behaviour.

¹ As presented by the co-hosts of the conference, Dr. Stefan Schmitz and Matthias Schwoerer. The conclusions are the outcome of a group work with conferences participants and a panel discussion on jurisdictional approaches.

- Messages are often simplified for means of communication, but realities are much more complex

This was underlined in the context of the discussion on consumers as agents for change and their “willingness to pay”, e.g. to financially reward sustainability certification, often leading to unrealizable expectations.

There is a need for:

1. „Pre-competitive” action / common speed (private sector)

This conclusion was drawn from experience of the private sector, underlining that there are of course limits to collaborative efforts of companies or their associations and initiatives due to competition; but it clearly states that there is a real chance for joint action under certain circumstances.

2. Work with local governments / producing countries

- ensuring ownership
- ensuring better/faster results (e.g. as to certification)

This conclusion was drawn from experiences from all sides, underlining the need to avoid one-sided approaches which often do not fit to local circumstances nor receive necessary support for implementation.

3. Multi-Stakeholder platforms, dialogues, international action at all levels (especially enhanced dialogue on soy)

This conclusion underlines that complex challenges as in the case of deforestation-free supply chains with many stakeholders and actors at all levels need specific structures to facilitate collaborative, harmonised and effective approaches. The Berlin Conference was mentioned as a good example. The specific reference to soy originates in the fact that the Berlin Conference was focussing on three commodities amongst which activities on soy are in an earlier stage compared to palm oil and cocoa.

4. Governments to facilitate action
 - On both sides (consumer and producer)
 - Creating „pull-factors”/conducive environments
 - Helping companies to translate commitments into actions

This conclusion picks up the statement that certification alone has its limits. It stresses that beyond the fundamentally necessary engagement of the private sector, there is the need for government action on both sides to complement and frame these activities or create the necessary enabling conditions. As to the producer countries the need for jurisdictional approaches to create sustainable producing regions for overall sound policies in fields like appropriate land use planning, secure and transparent tenure systems, poverty alleviation strategies and good governance was stressed. Additionally, lessons learnt can be drawn from the respective FLEGT processes. As to consumer countries the use of Public Private Partnerships (PPPs) and commodity platforms as well as the support of sustainable and deforestation-free production through development cooperation were discussed.

5. Involvement of smallholders
 - Empowering / cooperatives
 - Short-term and long-term benefits

This conclusion draws the attention to the fact that in case of many commodities there is a major percentage of the supply originating from smallholder farmers. Policies for a sustainable and deforestation-free production need to take this into consideration in order to avoid negative or even counterproductive developments in rural areas. The jurisdictional approach to sustainable and deforestation-free sourcing regions links farmers with global commodity markets through transparent and traceable supply chains in an integrated manner with inter alia national policies, REDD+ approaches, poverty alleviation strategies etc.. Especially the need for also short-term benefits in the case of small scale farmers was underlined.

6. Work on common definitions and common understanding

This conclusion took up a well-known need and task which exists both between consumer and producer side and between different processes, initiatives or certification standards. It was also stressed in connection with the aim to avoid unrealizable, one-sided demands imposed on producers.

7. Transparency / comparability of labels and monitoring

This conclusion has close links to the former one. The participants stressed that the wide range of existing certification schemes demands full transparency on their comparative quality and their potential for continuous improvement. In this context the need for monitoring of its implementation on the ground and its uptake on the market was also mentioned.

8. More coherent communication (governments, NGOs and private sector)

This conclusion refers to the statement on simplified messages in PR work of the various sides. More coherent and comprehensive messages, that appropriately mirror the complexity of supply chains,, were seen as an important step to enhance the engagement of consumers, especially in the field of certification.

9. EU to play an important role

- EU action plan on deforestation
- Involvement of relevant Council formations

This conclusion refers to the important role of the EU as a consumer region and important actor in global trade with the potential to spear-head developments worldwide. In that context the Amsterdam Group and its potential to influence developments at EU level was also mentioned. The call for an EU Action plan on deforestation specified this conclusion. The hint to relevant Council configurations underlines that the complexity of sustainable and deforestation-free supply chains for agricultural commodities needs the active involvement of many different sectors relevant to deforestation, both in consumer and producer countries. Within the EU this is mirrored by the Council configurations.

10. EU to act not in isolation but globally

This conclusion closes the circle and reminds on the need for action at global or international level which also holds true for the EU.
