



POLICY BRIEF

Deforestation- and conversion-free supply chains
in a post-2020 GBF • NOVEMBER 2022

Deforestation- and conversion-free supply chains in the post-2020 Global Biodiversity Framework

Summary

The post-2020 global biodiversity framework, which is being negotiated under the UN [Convention on Biological Diversity](#) (CBD), aims to set the course for a nature-positive world by 2030. To get there, not only more and better conservation action is needed, but also action to address the drivers of biodiversity loss. The number one cause of biodiversity decline is the destruction and degradation of natural habitats, including forests, grasslands, savannahs, peatlands and wetlands.

Behind this lies an unsustainable model of production and consumption.

WWF is proposing that [Target 15](#) of the post-2020 global biodiversity framework - through legal, regulatory and policy measures:

- Ensures that businesses and financial institutions avoid negative impacts on biodiversity, halve their footprint on biodiversity and become nature positive by 2030
- Ensures that businesses **implement immediately deforestation- and conversion-free supply chains** as well as
- Regularly monitor, assess, and fully and transparently disclose their dependencies and impacts on biodiversity and set science-based biodiversity relevant targets

One of the most internationally recognized and advanced opportunities to address unsustainable production and consumption is to eliminate deforestation and conversion of all natural ecosystems from supply chains. In recent years, there have been numerous commitments and initiatives from governments, the private sector and civil society to end deforestation and ensure deforestation- and conversion-free (DCF) supply chains.

A strong government mandate on DCF supply chains within the framework of the CBD – a legally binding international treaty – would demonstrate true political leadership, increase accountability and transparency, provide clarity and level the playing field for private sector actions.

The global biodiversity framework offers a unique opportunity to anchor these commitments in international law under Target 15, by governments:

*“(...) taking legal, regulatory and policy measures to ensure that businesses and financial institutions comply with human rights obligations, avoid negative impacts, halve their footprint on biodiversity and become nature positive, and are accountable (...) including by (...) **(c) Implementing immediately deforestation and conversion free supply chains;** (...)”*

DCF supply chains are critical for biodiversity and climate

The climate and biodiversity crises are [interconnected](#): limiting global warming and restoring nature are [mutually supportive, interdependent goals](#). Ending deforestation and conversion is critical to both.

Ecosystems on which the global economy, livelihoods, food security, health and quality of life depend are being destroyed on an [unprecedented scale](#). Global deforestation has been estimated [at 10 million hectares each year](#), and is compounded by the massive conversion of [savannahs and native grasslands](#). This destruction has major irreversible impacts on biodiversity and the climate.

Land-use change is the main driver of ecosystem and biodiversity loss worldwide, [with 75%](#) of the world's land surface already significantly altered. As a result, since 1970, species populations globally have [declined by 69% on average](#). In Latin America, which has seen the most deforestation and conversion, populations have plummeted by 94%.

[Agriculture, Forestry and other Land Use \(AFOLU\) account for 23% of greenhouse gas emissions](#), causing climate impacts that further threaten biodiversity, with potentially catastrophic [feedback loops](#). The [latest IPCC report](#) warns that 18% of all terrestrial species may become extinct with 2°C of warming, and 29% with 3°C. In addition, unsustainable land-use and land-cover change, deforestation and loss of biodiversity [seriously hamper the capacities of ecosystems, societies, communities and individuals to adapt to climate change](#).

Between 2001 and 2015, agricultural commodities contributed to 39% of global tree-cover loss. Taking deforestation and conversion out of supply chains would be a major milestone toward ending ecosystem conversion and destruction. To achieve the global biodiversity framework's ambition of a nature-positive world by 2030, as well as the Paris Agreement's ambition of limiting global temperature rise to 1.5°C, deforestation and conversion of natural ecosystems caused by global soft commodity expansion and trade must stop **immediately**.

Deforestation deadlines cannot keep slipping

During the COP26 climate conference in 2021, 145 leaders representing more than 90% of the world's forests signed the [Glasgow Leaders' Declaration on Forests and Land Use](#). They committed to halt and reverse forest loss and land degradation by 2030, while delivering sustainable development and promoting an inclusive rural transformation. Finance institutions and companies made related sectoral commitments. A [Forests and Climate Leaders' Partnership](#) has been formed to take this work forward.

While these pledges are to be celebrated, promises alone aren't enough. Back in 2010, members of the [Consumer Goods Forum](#) said they would end deforestation in their supply chains by 2020. In 2015, all 193 UN member states adopted [SDG 15.2](#) to halt deforestation by the same date. Instead, 2020 saw global forest loss [increase](#).

To avoid the risk of 2030 becoming the new 2020, we need bold action to halt deforestation and conversion much earlier than 2030. We know [many corporate sector actors are willing to eliminate deforestation and conversion by 2025](#), and leading financial institutions – collectively with over US\$8.7 trillion in assets under management – have [committed](#) to “use best efforts to eliminate deforestation linked to agricultural commodities from their portfolios by 2025.” Other influential initiatives such as the [Accountability Framework](#), [Science-Based Targets](#) and the [Forest Declaration Platform](#) also support a 2025 deadline to end deforestation and conversion.

Hence, **immediate implementation** is critical and a related government mandate under Target 15 would set the needed incentive to accelerate action.

Due diligence legislation is an important first step

Along with voluntary initiatives, major consumer markets – including the [EU](#), the [UK](#) and the [US](#) – are in the process of introducing due diligence legislation to ban commodities associated with (illegal) deforestation. These are significant first steps toward making requirements for deforestation- and conversion-free sourcing, as well as respect for human rights in supply chains the new business as usual. Demand-side legislation may also influence other key commodity markets, such as China, where efforts are being made to set voluntary guidance on green and DCF supply chains, especially for the palm oil and [meat industry](#).

However, current plans need to be [more ambitious](#) and comprehensive. The UK and US proposals cover only illegal deforestation, while the proposed EU regulation doesn't include conversion of other threatened natural ecosystems such as [grasslands and savannahs](#), like the [Cerrado](#) or Chaco biomes. Any due diligence should go [beyond legal compliance](#) and include all deforestation and conversion, as well as [all natural ecosystems](#).

We know how to achieve DCF supply chains right now

Comprehensive guidance is available on how to achieve DCF supply chains. Practical sources include:

- The [Accountability Framework initiative](#)
- WWF's [Guiding Principles and Asks](#) on DCF supply chains, [DCF Toolkit](#) and [Guide for Action](#)
- Industry guidance such as the [commodity roadmaps](#) from the Consumer Goods Forum's Forest Positive Coalition, and the [Retail Soy Group's principles on deforestation and conversion](#).

Deforestation and conversion risk is [concentrated](#) on a small proportion of players and in specific areas, rather than spread across whole supply chains, which reduces the potential costs and technical challenges.

Tackling commodity-related deforestation and conversion needs to go beyond niche markets and embrace large-scale sectoral and regional strategies. Examples already exist of how this can work in practice, including the [Amazon Soy Moratorium](#). A pre-competitive, sector-wide agreement, the Moratorium contributed to a [sharp reduction](#) in soy-driven deforestation in the Brazilian Amazon through traceability, transparency and cooperation.

A few large global traders connect most of the soft commodity trade flows from production sites to consuming markets, and have the tools to remove deforestation and conversion from their supply chains. [Most global traders](#) have already developed their own traceability, monitoring and verification systems, or have business contracts with service providers to [perform these tasks](#) though to date, there has been a critical lack of ambition and [transparency](#).

Last year, ten of the largest global trading companies with a combined annual revenue of over US\$500 billion, launched a [commitment](#) *"to accelerate sector-wide action and to identify opportunities for public-private collaboration to catalyse further progress on eliminating commodity driven deforestation."* But the 1.5°C Roadmap [published](#) during the COP is unanimously seen by [governments](#), [platforms](#), [opinion-makers](#) and [NGOs](#) as not having [sufficient ambition](#) and sufficiently clear milestones to allow [credible](#)

[contribution](#) to a 1.5°C pathway. Traders are urged to adopt decisive policies with clear cutoff dates and milestones, way beyond the collective level of ambition expressed in the Roadmap.

Deforestation and conversion must and can be decoupled from development

The need for socio-economic development has been used to justify deforestation and conversion but this is not the right route to fair, inclusive development. On the contrary, this model is by its nature unsustainable: as well as causing severe environmental impacts, it is associated with widespread social exclusion and even [violence](#). It is urgent – and possible – to [decouple](#) development from any further expansion into natural ecosystems, without undermining food security or local livelihoods.

The switch to DCF supply chains needs to include support for fair, inclusive and sustainable development, particularly for smallholders, and a [just rural transition](#). Solutions include rehabilitating and making better use of degraded land, introducing better management practices, and investing in processing facilities that enable producers to retain more value locally.

Traceability is key to supply chains' progress and is an opportunity

Full traceability to the farm level is a critical component of DCF supply chains and is increasingly achievable. [A recent ClientEarth report](#) shows how the level of traceability required by the EU's proposed deforestation-free regulation is feasible and has already been implemented across different commodity supply chains.

Traceability to the farm level can also protect human rights and prevent invasion of traditional community and Indigenous lands, as well as making producers' progress toward sustainable production more visible. Recent letters from smallholders' associations in [Côte d'Ivoire](#) and [Indonesia](#) and the Cocoa Coalition's most recent [position paper](#) express support for full traceability, and point to it as an opportunity to include smallholders and small companies in supply chains and allow more recognition, direct interactions and fair payment.

COP15.2 offers an unmissable opportunity

Parties to the Glasgow Leaders Declaration, the [New York Declaration on Forests](#) or the [Leaders' Pledge for Nature](#) can demonstrate true political leadership and accountability by incorporating DCF supply chains within the CBD post-2020 global biodiversity framework.

[Target 15](#) offers a unique opportunity to anchor global commitments on DCF supply chains within an internationally binding treaty. This (draft) target aims to spur government actions, including policies, regulations and sanctions that require businesses and financial institutions to disclose impacts on biodiversity along their supply and value chains and follow a rights-based approach. Much of the target is still open, with many brackets, to be agreed ahead of [CBD COP15](#) in Montreal in December. With regards to DCF supply chain, WWF is calling for one small but important addition¹: ***“Implementing immediately deforestation and conversion free supply chains;”***

¹ WWF proposes several other modifications to this target, but these are not directly related to DCF supply chains. See <https://explore.panda.org/cop15#must-haves>

Bringing DCF supply chains into international law for the first time would be a major step forward, helping to align and accelerate the various commitments and initiatives already under way.

DCF supply chains need to be placed within a broader transformation of our food systems, which is addressed in other targets of the global biodiversity framework. These include a clear commitment to apply agroecological principles ([target 10](#)), as well as halving food waste, ensuring everybody has access and adopting culturally-appropriate sustainable and healthy diets and eliminating overconsumption of all materials ([target 16](#)).

Producer countries cannot be left to deliver this agenda alone. International support is needed for producers, particularly smallholders, and must be delivered in a timely, efficient, transparent and easy-to-access manner. New partnerships should be established to facilitate the exchange of knowledge, capacities and resources between and among producer and consumer country actors.

For more information

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