

Moderators' Summary of the International Symposium on the Promotion of Deforestation-Free Global Supply Chains to Contribute to Halting Deforestation

International Symposium on the Promotion of Deforestation-Free Global Supply Chains to Contribute to Halting Deforestation was held on 23-24 January 2018 in Tokyo, Japan under the auspices of Forestry Agency of Japan, Food and Agriculture Organization of the United Nations and the International Tropical Timber Organization.

A total of 350 participants representing a wide variety of stakeholders were brought together to: promote better understanding of the implementation status of the global zero-deforestation commitments; facilitate wider publication of good practices including by the private sector in Japan toward the achievement of SDGs and Aichi biodiversity targets; and provide opportunities to scale up zero-deforestation activities by a wide range of sectors toward the shared goal of halting deforestation by 2020.

Major points discussed by the participants in the course of the two-day symposium included the following:

- (i) Deforestation-free global supply chains **play a critical role in achieving many of the Sustainable Development Goals (SDGs)** including SDG1 (no poverty), SDG2 (zero hunger), SDG8 (decent work and economic growth), SDG12 (responsible consumption and production), SDG13 (climate action) and SDG15 (life on land), to name but a few, as well as **the Aichi Biodiversity targets 5 and 7** concurrently.
- (ii) **The goals set out in the New York Declaration on Forests** (inter alia, to support and help meet the private-sector goal of eliminating deforestation from the production of agricultural and forest commodities such as palm oil, soy, beef and timber and pulp products by no later than 2020) provide good reference for the implementation of zero-deforestation commitments.
- (iii) Acknowledging the importance of actions by both supply and demand sides, the private sector doing business in Japanese market, one of the biggest economies in the world, as well as Japanese enterprises doing business abroad should take necessary measures in a flexible manner to **establish procurement policies** that

aim to enable the present and future generations to lead a sustainable and comfortable life and **continue to disclose information concerning the implementation status thereof** while paying due attention to the potential risks of their commodities becoming the driver of deforestation on the supply side.

(iv) Efforts should be made to **build capacity for establishing and operating verified legal and sustainable supply chains**, otherwise demand-driven approaches could rather give rise to negative consequences by preventing smallholders and local communities from competing in high-value markets. It should however be noted that some producing countries have recently improved their national forest monitoring systems to unprecedented levels of biophysical accuracy and comprehensiveness in line with their REDD+ strategies.

(v) Businesses and institutions of every scale, from multinational industrial giants to small and medium sized businesses or farming cooperatives, are able to contribute to deforestation-free global supply chains more effectively by **joining forces in platforms and consortiums** since environmental challenges in business activities should be addressed in a collective and transparent fashion rather than a competitive manner.

(vi) Efforts should be further made to **develop and disseminate innovative tools in order to improve the market transparency** including through building more robust traceability systems, enhance the credibility and reliability of procurement policies being undertaken by the private sector and even raise the bar of their sustainability standards. In this context, remote sensing technologies are expected to become more instrumental in at least identifying the production sites where the movement of commodities through supply chains start.

(vii) Every stakeholder involved in the supply chains of commodities that have potential risks of placing pressures on forest ecosystems should be aware of the fact that commitments to zero-deforestation and disclosure of their implementation status are increasingly **linked to worldwide Environmental, Social and Governance (ESG) investments**. Furthermore, several global platforms are now established to track progress on the implementation status of certain companies toward their zero-deforestation commitments and even give ratings to each of those listed companies in a transparent and objective manner based on the findings from their disclosure reports as well as the results of individual

questionnaires. Under such circumstances, the importance of proactive approaches cannot be overemphasized given that the ESG investment movement will have bigger impacts on business activities in the years to come.

(viii) **Finance and investment sectors** can also urge those stakeholders to make transformational changes toward sustainable production and consumption by leveraging deforestation-free commodities and associated supply chains while focusing more on environmental, social and governance aspects in their investment portfolio.

(ix) While the primary responsibility of promoting deforestation-free supply chains rests on the private sector, the public sector should also play an active role to this end. In this regard, **private and public partnerships** should be further strengthened by making concerted efforts and implementing government policies for the purpose of informing and scaling up deforestation-free global supply chains.

(x) In order to boost initiatives of private companies aiming to promote deforestation-free supply chains, it is imperative that **awareness of Japanese consumers is raised** on the underlying causes of deforestation and its impacts on the economic, social and environmental aspects of sustainability, while acknowledging the costs necessary for the verified procurement of deforestation-free products as well as the overall costs of deforestation.

(xi) While deforestation-free global supply chains are promoted by agricultural and other commodity sectors, particular attention should also be paid to the importance of **addressing forest degradation** given that forest degradation is now thought to be a bigger contributor to CO₂ emissions than deforestation and that sustainably sourced forest products will rather provide fundamental solutions for environmental, economic and social sustainability.

(xii) Taking into account the intrinsic nature of trade-offs between the goals of safeguarding forests and achieving food security given the trend of ever-increasing global food demand, it is important to take an inclusive approach in promoting deforestation-free global supply chains **in line with land use policies** established in a way that is well-coordinated among all stakeholders at appropriate jurisdictional levels of each country.

(xiii) It was further underlined that there is a need to explore the possibility of

pursuing coherent and coordinated approach among large importing blocks to allow exporting countries to act more efficiently while avoiding fragmentation and leakage.

(xiv) This summary of the outcomes of the International Symposium is expected to **feed into the ongoing international dialogues on deforestation free commodity supply chains**, including the International Conference on Halting Deforestation and Increasing Forest Area – from Aspiration to Action which will be held in Rome in February 2018 under the auspices of the Collaborative Partnership on Forests.

Participants concurred that the symposium was successful in raising the profile of the zero-deforestation initiatives among Japanese stakeholders and stressed that further actions are needed, building on the outcome of the symposium. In this regard, participants requested the Forestry Agency of Japan to continue to play a catalytic role in facilitating the follow-up to the symposium by keeping track of the progress being made by various actors, strengthening collaboration with other ministries and departments concerned and providing opportunities on a regular basis to share the updates and identify what further actions are needed.

It was also emphasized that wider participation of producer countries in the future dialogues should be enhanced in light of the complementary roles of producer and consumer sides.

The symposium was moderated by Ms. Mikako Awano, Founder and CEO of SusCon Japan and Mr. Hiroyuki Suematsu, Director General, Industrial Science and Technology Policy and Environment Bureau, Ministry of Economy, Trade and Industry of Japan.

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