



Strategy AD Partnership

1 December 2016

I. Introduction

This document describes the follow-up of the two Amsterdam Declarations from the Conference on EU and Global Value Chains on 7 December 2015 in Amsterdam.

The Amsterdam Declarations are signed by Denmark, France, Germany, Italy, Netherlands, Norway and United Kingdom (per June 2017). Signatory countries actively promote other countries – European and non-European – to join this initiative and adhere to the same commitments.

II. The Amsterdam Declarations: goals and main actions

The overall goal of these Declarations is: *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.*

1. "Declaration Towards Eliminating Deforestation from Agricultural Commodity Chains with European Countries" ([link](#))

Summary: In support of the Declaration we:

1. Will help the private sector meet their goals of eliminating deforestation;
2. Encourage more companies to set deforestation commitments and join initiatives;
3. Invite more companies to voluntarily report on CSR and their carbon footprint;
4. Promote multi-stakeholder partnerships, working coherently on supply chain instruments, landscape approaches and climate change instruments;
5. Invite the EC to foster partnership initiatives by Member States;
6. Encourage implementation of the EU trade strategy with regard to responsible supply chains;
7. Encourage integration of the elimination of deforestation in current dialogues and (trade) agreements with producer countries;
8. Support policy options and a roadmap towards an EU Action Plan on Deforestation.

2. "Declaration in support of a Fully Sustainable Palm Oil Supply Chain by 2020 ([link](#))

Summary: Supports the private sector commitment for a fully sustainable palm oil supply chain by 2020 (European Sustainable Palm Oil (ESPO), signed by eight national and three European sector organisations), by:

1. Encouraging the further improvement of standards for sustainable production of palm oil
2. Promoting a European multi-stakeholder dialogue including the Commission and Member States to identify bottlenecks and opportunities in the public and private spheres to achieve the 2020 goal
3. Encouraging European companies to implement the OECD Guidelines for Multinational Enterprises and the forthcoming FAO-OECD Guidance for Responsible Agricultural Supply Chains
4. Inviting and encouraging European companies and countries to align and engage with the ESPO Commitment and the national action plans for implementation in their home country
5. Promoting further outreach in support of sustainable production in major producing countries
6. Promoting engagement of major consumer countries like India and China in the debate on sustainable production and trade
7. Promoting monitoring of progress on the 2020 commitment

The signatories intend to merge the follow-up of both declarations in one coherent and open process (see also chapter VI) together with the European Commission, signatories and other interested States and relevant stakeholders.

III. Roadmap to reach the goals: main strategic lines

The Amsterdam Declarations bring together a group of European countries that together form a considerable consumer market and are responsible for a large part of global commodity trade with





Europe. As sustainable global value chains are a shared objective, we can together be more influential in policy processes through our common and individual policy and diplomatic networks. We work together with other European countries through the European Union. Many of us have established good contacts with important producer countries like Brazil, Indonesia and Western African countries. Denmark and Norway have also a special relationship with the United States and other Nordic countries (Finland, Iceland, Sweden) as reflected by the U.S.- Nordic Leaders' Joint Statement of May 2016.¹ The United States and the Nordic countries will also collaborate to facilitate private sector efforts to eliminate deforestation from the production of commodities such as palm oil, pulp and paper, cattle and soy. We also work together with the United States in the Tropical Forest Alliance (TFA) 2020 on deforestation-free supply chains.

The main commodities to be tackled at the various levels are selected by the signatory countries according to their relevance for each strategic line. The Amsterdam Declarations mention important commodities such as beef & leather, palm oil, paper & pulp, soy, and cocoa. From a EU consumption perspective, cocoa, palm oil and soy need currently special attention, whereas beef & leather, coffee, paper & pulp, and rubber may be addressed, also through integrated ("landscape") initiatives in producing countries or when discussing the role of other consumer regions in the framework of multilateral and bilateral dialogues. Our governments' involvement is however not only based on market share but also meant as a signal to boost sustainability in the market. As the palm oil sector is relatively organised, has an advanced understanding on minimum requirements for sustainability (RSPO or equivalent - as stated in the Amsterdam Declaration of the national initiatives) and is facing considerable public pressure on its environmental and social impact, this value chain has our special interest.

A first important element of the roadmap is to extend the number of countries signing up to the Declarations, the follow-up process and its goals to include all major players in the European arena. Similarly, we would welcome a close cooperation with the Commission services with the engagement of all relevant Directorate Generals, particularly DG's Trade, DEVCO, GROW, CLIMA, ENV and AGRI. The Amsterdam process welcomes endorsement by other relevant parties, such as the Consumer Goods Forum.

Four main strategic lines with a limited number of strategic goals have been defined. As each of these goals entails an extensive process and numerous stakeholders, we intend to use existing initiatives and networks as much as possible.

1. Facilitate European and EU action on Climate, Deforestation & Trade:

Deforestation from agricultural commodities should be more closely linked to discussions on the implementation of the Paris Climate Agreement, the CBD Strategic Plan for Biodiversity, the new EU Trade Policy and the Sustainable Development Goals (SDGs). At the level of the EU various forest-relevant processes are on-going. The intention is to support the development of further European and EU action along the lines described below. This can be done along two lines: (1) as much as possible collectively engaging with the responsible DGs of the Commission to link the reduction of impact of value chains on deforestation to EU climate, forest, biodiversity and trade action, and (2) to prepare common lines for Council conclusions and other formal means.

- a) *Forest-related:* (i) FLEGT: build on the Council Conclusions on forest law enforcement, governance and trade of 28 June 2016; learn from the evaluation of FLEGT and EUTR; assess what it means in terms of approaches for other commodities. (ii) Engage with the COM on the recommendations of the current feasibility study on an EU Action Plan on Deforestation. Both processes are closely related. Co-operation with all relevant DG's (AGRI, CLIMA, DEVCO, FISMA, GROWTH, TRADE) will be facilitated through DG ENV as proposed by the COM.
- b) *Trade-related:* Engage with the COM (TRADE and AGRI) on strengthening and as appropriate implementing sustainability enhancing and deforestation preventing measures in on-going and future trade negotiations in line with the new trade strategy by DG TRADE (Trade4All, particularly chapter 4). Of particular importance in this context should be the nexus between the trade regime and large land deals/ land grabbing (see section 4.2.5 Trade4All) as well as public accountability. Opportunities for dialogues on certain agricultural commodities might arise for example in bilateral free trade agreements to be

¹ <https://www.whitehouse.gov/the-press-office/2016/05/13/us-nordic-leaders-summit-joint-statement>. See the section on climate change adaptation and forests.





established with Indonesia, Mercosur, Philippines and in the future India, Thailand and Malaysia. A recent example is the joint-communiqué of the President of the European Commission and the President of Indonesia, making specific reference to a Voluntary Partnership Agreement on FLEGT and enhanced cooperation on sustainable palm oil. Any proposal needs to be in line with WTO-requirements.

2. Stimulate the Global Value Chain approach for agricultural commodities, in particular palm oil:

- a) Palm Oil: (1) Expand the number of countries supporting the Amsterdam Declaration on palm oil. Priority countries are those with national sector organisations committed to ESPO; (2) Follow up on the Council Conclusions on Global Value Chains of 12 May 2016; (3) Strengthen the capacity of national sector organisations and support as far as feasible their national implementation plans (ESPO); (4) explore policy support options i.a. with policy makers from Europe and the Commission; (5) help establishing and take-up of credible monitoring systems; (6) hold an annual multi-stakeholder dialogue; (7) reach out to major consumer and producer countries outside Europe; (8) continue dialogue on minimum requirements for sustainability in palm oil production.
- b) Other commodities: Advance through public-private partnerships on the production side as well as the consumer and market uptake side. Explore with signatory countries, voluntary sustainable trade initiative and frontrunner value chain stakeholders how to identify organisational capacity in commodity value chains (other than timber and palm oil). Learn from the palm oil case but also look at the processes on-going for cocoa, coffee and soy and other commodities; promote cross-learning, harmonised terminology and common understanding of sustainability requirements especially related to avoiding deforestation.
- c) Work with producer countries toward integrated landscape approaches: Build upon on-going experiences and initiatives (such as IDH-ISLA, IUCN SUSTAIN, Althelia Climate Fund and Bio Carbon Fund initiative) to integrate landscape approaches and private sector value chain initiatives (incl. climate mitigation and adaptation) to make commodity chains sustainable and deforestation-free and promote inclusion of all stakeholders in a landscape, such as smallholder producers.

3. Enhance the dialogue with major consumer and producer countries:

Besides a dialogue within Europe and with partner countries such as the USA, an effective dialogue is needed with other consumer or producer/consumer countries, like Brazil, China, India, Indonesia, etc. Countries show increasing awareness and interest to adhere to eliminating deforestation as part of the implementation of their INDCs for the Paris Climate Agreement. This action line can benefit from existing initiatives by NGOs and WEF/TFA2020. Following a visit of a Chinese delegation to the Netherlands in June 2016, a study tour for Chinese companies and officials to Indonesia can be organised (end 2016).

4. Enhance transparency and use of voluntary CSR reporting:

The main subjects are:

- a) *Reporting on Forest & Carbon Footprint*: Engage with frontrunner large companies and branch organisations to stimulate the use of voluntary CSR reporting or other forms of reporting for a look at impacts on forests. Monitor forest-related elements of CSR reports. Engage in EU discussions on voluntary CSR reporting.
- b) *Tracking voluntary commitments*: Commitments are already being monitored through various initiatives such as the Forest 500 (by GCP) and Supply Change (by Forest Trends). Extending talks with and invitations of meetings to such initiatives will promote awareness about them and cross-learning but also help analysing the general picture.
- c) *Tracking and tracing*: various initiatives exist that could be built upon such as the Transformative Transparency Platform. Promoting an exchange of lessons-learned can help progress and avoiding duplication of efforts. Scientific market analyses will be promoted to better understand the market behaviour, especially the interdependencies between commodities and potential leakage effects. Care should be provided to enhance cooperation with producer countries through organisations/initiatives supported by the signatories and their diplomatic contacts.

Deliverables by 2020

The Amsterdam Declarations do not define specific targets, deliverables and milestones but rather take a process-oriented approach – changes we would like to happen - and focuses on efforts in





making on-going initiatives successful and effective on a larger scale. Measuring progress in sustainable trade and eliminating deforestation in a quantitative manner can only be done by underlying initiatives and through general trade and development figures and for example reported through the New York Declaration on Forests. Specific attribution to the Amsterdam Declaration will be difficult although we can assess sustainable trade with our countries. In relation to the above-mentioned strategic lines the following general deliverables (changes) can be identified. By 2020,

1. Impact of European agricultural commodity supply chains on deforestation has been reduced.
2. Similar commitments in other commodity areas such as cocoa, coffee and soy to avoid deforestation are triggered and related initiatives are on track. Lessons-learnt exchange with the palm oil initiative has been promoted.
3. Sustainable production initiatives, i.a. through landscape-level approaches, in major producer countries are established/on track.
4. Constructive dialogues with major producer/consumer countries, supporting sustainable production avoiding deforestation, are established.

IV. Governance, co-ordination unit and budget

The Amsterdam Declarations have set a commitment to 2020 and therefore entails a five-year timeframe.

Governance

The Amsterdam Declarations support not just one initiative but rather adopts an approach to strengthen various processes that can contribute to the two 2020 goals. To that effect we intend to enhance synergy among sustainable development, trade, climate change, deforestation and consumer markets by influencing developments and bringing together existing initiatives.

The signatory countries govern the process. Every 6 months a Coordination Meeting will be organised and hosted by one of the signatory countries. In the meantime, communication will be organised via mail and teleconferences. The convening role rotates as mutually agreed, taking advantage of emerging opportunities. Physical meetings will preferably be organised back-to-back with other international meetings and conferences relevant to the objectives.

Once per year – in June – a multi-stakeholder meeting will be organised.

Co-ordination unit

The Netherlands has been kick-starting the process in the framework of its EU presidency first half 2016. Each signatory country is expected to appoint at least one main contact person. The relevant DG's of the Commission are cordially invited to do the same. The UK has kindly offered to mobilise some coordination capacity under one of its programs, which would be welcomed.

Key functions of a coordination unit:

- Facilitate communication between signatories and other stakeholders
- Organise annually the multi-stakeholder meeting (2017, 2018, 2019 and 2020)
- Support the organisation and agenda of the coordination meetings
- Prepare documents for events and technical support if and when necessary.

Budget

While there might be some limited budget mobilised for the coordination unit, the principle is that signatory countries and other stakeholders carry their own cost of participation. As the convening role is rotating, convening parties are invited where possible to cover meeting costs, such as meeting rooms and catering. There will be no program budget for the implementation of projects.

(Inter)national events

The signatory countries will also make use of upcoming (inter)national events 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.

