

# Sustainable Commodity Initiatives: can they strengthen land rights and food security?

side-meeting during the 2011 World  
Bank Conference on Land and Poverty

Washington DC, April 18, 2011



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## Part I: Land Rights and Food Security Issues in Commodity Initiatives

# Selected Voluntary Standards



Initiative	Start	Objectives	Members
Forest Stewardship Council FSC	1993	responsible forest management by standard setting, certification, etc.	social/indigenous, environmental, economic
Roundtable on Sustainable Palm Oil RSPO	2004	advance the production, procurement and use of sustainable palm oil products by standard development, stakeholder inv.	growers, processors, manufacturers, banks, env. NGOs, social NGOs
Better Cotton Initiative BCI	2005	make cotton production better for producers, the environment and the textil sector.	producers, retailers/brands, suppliers, manuf., civil society
Roundtable on Responsible Soy RTRS	2006	encourage responsible soy production = reduce social and environmental impacts by standard development, stakeholder inv.	Industry, Trade, Finance, Civil Society
Better Sugarcane Initiative	2006	ensure that current and new sugarcane production is produced sustainably	growers/producers, processors, end users, intermediary, civil society.
4C Association Coffee	2002 /2006	beneficial situation for producers, workers, rural communities, trade & ind., cons., environment	producers, traders, industry, civil society
Roundtable on Sustainable Biofuels	2008	sustainable production of biofuels	multi-stakeholder organisation with 11 chambers
RTFO Metastandard (Biofuels)	2006	scheme developed in the framework of the UK's biofuels policy	not a membership organisation

# Palm Oil: RSPO Principles



1. Commitment to transparency
2. Compliance with applicable laws and regulations
3. Commitment to long-term economic and financial viability
4. Use of appropriate best practices by growers and millers
5. Environmental responsibility and conservation of natural resources and biodiversity
6. Responsible consideration of employees and of individuals and communities affected by growers and mills
7. Responsible development of new plantings
8. Commitment to continuous improvement in key areas of activity



# RSPO Criteria (on land rights)

- 2.1 Clear evidence of long-term forest use rights to the land (e.g. land title, customary rights, or lease agreements) shall be demonstrated.
- 2.2 Local communities with legal or customary tenure or use rights shall maintain control ... over forest operations unless they delegate control with free and informed consent to other agencies.
- 2.3 Appropriate mechanisms shall be employed to resolve disputes over tenure claims and use rights. .... Disputes of substantial magnitude involving a significant number of interests will normally disqualify an operation from being certified.
- 6.4 Any negotiations concerning compensation for loss of legal or customary rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.



# Land Issues in Voluntary Standards (Finance)



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Initiative	Start	Bio-diversity	Use Rights	Indigen. People	Food Security	Reference
UNEP Finance Initiative	1992	Yellow	Red	Red	Red	
Global Compact	2000	Red	Red	Red	Red	
Equator Principles (EP)	2003	Yellow	Green	Green	Red	IFC Performance Standard 5
Principles for Responsible Investment (PRI)	2005	Yellow	Red	Red	Red	
GRI	2000	Green	Red	Red	Red	
Private sector sustainability rating agencies, e.g. DJSI	1999	Yellow ?	Red ?	Red ?	Red ?	

# Land Issues in Voluntary Standards (Commodities)



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Initiative	Start	Bio- diversity	Use Rights	Indigen. People	Food Security	Reference
Forest Stewardship Council FSC	1993	Green	Green	Green	Red	
Roundtable on Sustainable Palm Oil RSPO	2004	Green	Green	Green	Red	
Better Cotton Initiative BCI	2005	Green	Green	Yellow	Red	
Roundtable on Responsible Soy RTRS	2006	Green	Green	Green	Red	
Better Sugarcane Initiative	2006	Green	Green	Green	Red	ILO Conventions
4C Association Coffee	2002 /2006	Green	Yellow	Yellow	Red	
Roundtable on Sustainable Biomass	2008	Green	Green	Green	Green	
RTFO Metastandard (Biofuels)	2006	Green	Green	Green	Green	



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## Part II: Private Sector Driven Change of Public Policy



# Public Responsibility – Private Sector Pressure

- Land rights and food security issues are the ultimate responsibility of governments, not of the private sector
- Private sector driven (supply chain) initiatives can trigger positive change in public policy / enforcement:
  - especially in weak public governance environments.
- Current commodity initiatives (FSC, RSPO ...)
  - started as company – NGO initiatives, and developed into private sector – NGO coalitions (next slide)
  - which was a sensible model for the take-off phase,
  - but will have to include governments to become effective,
  - especially with regard to issues related to land and above the single project level (landscape):
    - High Conservation Forests
    - Land rights
    - Food security

# Private sector initiatives as a trigger for public regulation (examples)

## Single Company Projects



competitive benchmark setting innovation

## Industry Self Regulation with stakeholder participation



1990-2005

2005-...



non-competitive consolidation

## National, International regulation

government policies EU, Indonesia, ...

forest policies

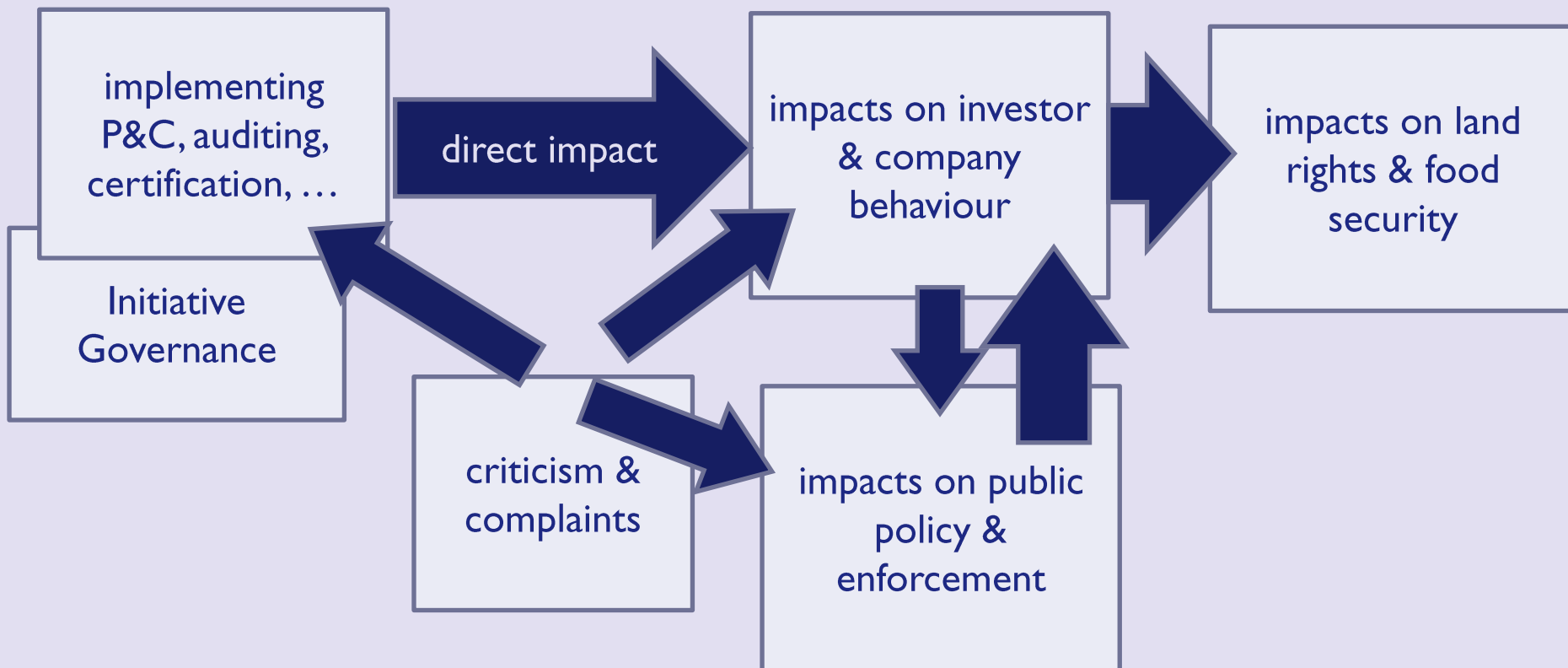
inclusion in public policy

# Sustainable Commodity Standards – direct and indirect impacts



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## Part III: From Theory to Practice The Lessons Learned

# From Theory to Practice

- Most commodity initiatives are still theory. Practice is limited:
  - Around FSC and RSPO useful practices have developed;
  - RTRS (soy), BSI/Bonsugro, BCI (cotton), RSB (biofuels) are still largely in the paper phase.
- Important lessons can be learned from:
  - FSC & RSPO on land rights issues;
  - RSB on food security (in the near future).
- The proliferation of standards
  - does not serve any legitimate interest,
  - is a waste of resources
  - and should therefore be avoided.
  - Existing and future commodity initiatives should build on the same set of principles for land rights and food security issues and fully take into account the lessons learned in FSC, RSPO and RSB.

# Four Questions

1. Does it make sense to include land rights & food security criteria in sustainable commodity standards?
2. What changes on the ground can be demonstrated as a (direct) result of applying land rights and food security criteria in commodity standards?
3. What effects on public policy and their enforcement can be demonstrated?
4. How can a common denominator for land rights and food security related criteria in different initiatives be defined?

# Q1/Q2: impacts (example RSPO – land issues)



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- direct impacts are still modest
- recent conflicts / complaints etc. (IFC – Wilmar, etc.) have put the issue higher on the agenda
- change in company policies can be observed
- impacts on public policies are developing on different levels

# Q3: common denominator for land rights and food security criteria

- There is no reason to assume that the issues are completely different for different commodities. Similar situation: social compliance initiatives & ILO conventions, see next slide.
- FSC and RSPO lessons are a basis for land rights related criteria / implementation
- RSB should play a pioneering role with regard to food security issues
- Implementation of land related criteria requires involvement of public + private sector and increased transparency, see last slide.

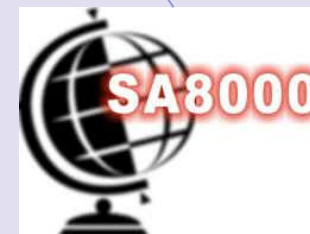
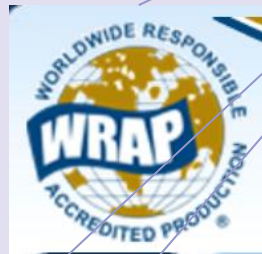


# Many Business and Stakeholder Initiatives – one central reference



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# Land Transparency Initiative

- What is it?
  - a mechanism to create transparency about large scale land transactions for agriculture;
  - an agreement on the items to be transparent about
  - a global multi-stakeholder organisation owning the initiative + national implementations
- Who should be involved?
  - primary signatories (not unlike EITI) are private sector investors/operators and governments
  - civil society stakeholders play a watchdog role.
- What platforms to use?
  - not to be linked directly to either RAI or Voluntary Guidelines. They both lack critical acceptance.
  - use existing platforms with high standing among all relevant stakeholder groups.



# More Information

- See discussion paper:
  - R. de Man, ‘Land Issues in Voluntary Standards for Investments in Agriculture – a Discussion Paper’, submitted to the 2010 conference.
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