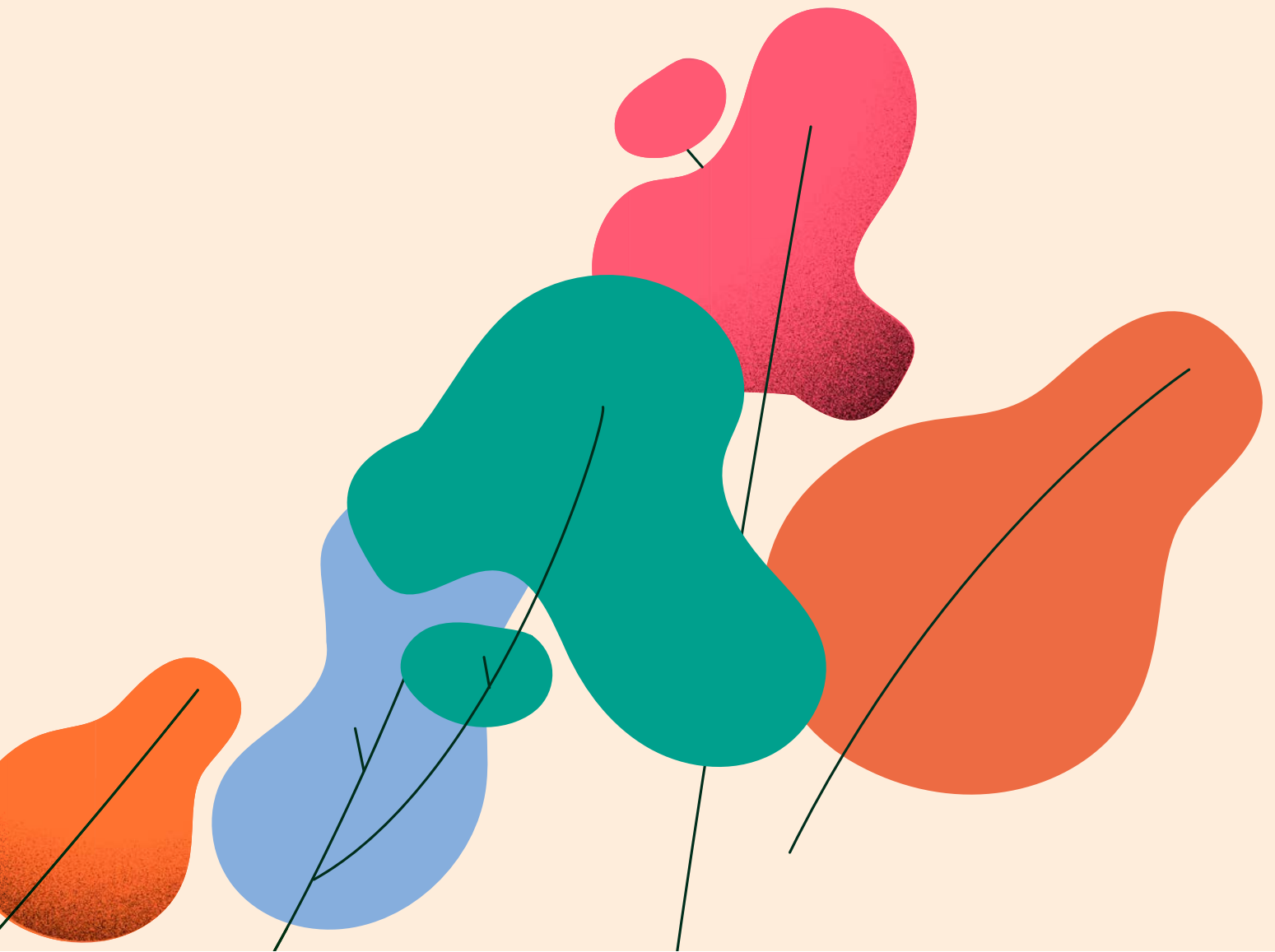


FOREST, AGRICULTURE AND COMMODITY TRADE DIALOGUE

A Roadmap for Action





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A SHARED PATH FORWARD

A joint statement of the Forest, Agriculture and Commodity Trade Dialogue

The purpose of the Forest, Agriculture and Commodity Trade Dialogue is to promote sustainable development and trade while protecting forests and other critical ecosystems

Addressing these issues together is important because they are strongly interlinked, and because the world can achieve urgent and decisive shifts to the benefit of all countries through greater collaboration.

Agricultural commodities are essential to achieving the Sustainable Development Goals, notably by promoting economic development, reducing poverty, contributing to food security, and improving the livelihoods of billions of people. At the same time, expanding areas for unsustainable agricultural production and other forms of land degradation may pose critical challenges to our environment, the sustainability of forests and other important terrestrial ecosystems, as well as increasing emissions, reducing resilience to climate impacts, and contributing to biodiversity loss. Addressing these shared challenges is essential to meeting the goals of the Paris Agreement and the Sustainable Development Goals.

The FACT Dialogue has identified an indicative roadmap of actions set out in a 'Chairs' Statement' on four key and related areas of work which are central to achieving our overall objectives: trade and market development; smallholder support; traceability and transparency; and research, development, and innovation.

We commit to continue our dialogue in an open and inclusive manner, based on our respective national interests, circumstances, and capacities. We will work together to share experiences, find common ground, support implementation, and encourage further ambition in support of our shared aims, respecting and complementing existing multilateral processes. We will meet regularly as Ministers to give direction to this process.

Together, we welcome continued dialogue with all governments, as well as civil society groups and the private sector, as we take forward this work over the years ahead.

This statement is supported by:



Belgium



Brazil



Cameroon



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Colombia



Côte d'Ivoire



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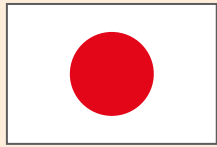
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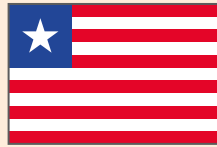
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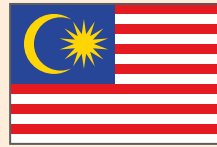
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Liberia



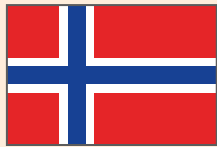
Malaysia



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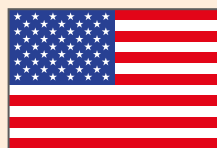
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CHAIRS' STATEMENT

In 2021, participants in the government-to-government FACT Dialogue, informed by a multi-stakeholder taskforce, held discussions on four thematic and related areas: trade and market development; smallholder support; traceability and transparency; and research, development, and innovation.

Informed by the **principles of collaboration**, the four thematic working groups under the leadership of co-facilitators shared ideas, exchanged best practices and discussed actions that countries could take forward in collaboration. Drawing on these the Co-Chairs, the United Kingdom and Indonesia, have identified the actions below for further discussion, development and implementation as appropriate. These actions are non-exhaustive, non-binding and do not apply in all circumstances to all countries.

This is a work in progress with participants expressing their desire to deepen collaboration, through this dialogue, after COP26.



Trade and Market
Development



Smallholder
Support



Traceability and
Transparency



Research,
Development
and Innovation



KEY FACTS

Agriculture, Forestry and Other Land Use (AFOLU) activities accounted for around 13% of CO₂, 44% of methane (CH₄), and 81% of nitrous oxide (N₂O) emissions from human activities globally during 2007–2016, representing 23% of total net anthropogenic emissions of greenhouse gases (GHGs).

TRADE AND MARKET DEVELOPMENT



Issues of trade and markets lie at the heart of the FACT Dialogue. An important priority is to secure and grow market share for sustainably produced agricultural commodities.

Collaboration at the global level is crucial, as both demand and supply sides measures are needed.

The focus of this working group is therefore on how global markets can better incentivise sustainable agricultural and forest commodity production and trade, while supporting jobs and livelihoods, and protecting forests and other terrestrial ecosystems.

Informed by the discussions held between countries, the co-chairs alongside Colombia, as co-facilitators of this working group, identified the following actions for further discussion, development, and implementation as appropriate:

- i. Explore options for how supply and demand-side market and trade policies can be more complementary and mutually reinforcing to better incentivise sustainable production and consumption. This will help to close the existing gaps between production and consumption policies.
- ii. Map how the FACT Dialogue can better support other international processes and fora that address the issues of sustainability in regard to trade and markets.
- iii. Build understanding of common factors necessary for sustainable production in a way that helps establish common expectations among producer and consumer countries. This will draw from experience and existing practice of national and international standards.
- iv. Explore ways to strengthen and broaden international market recognition of national approaches to providing assurance of sustainability. This could build common understanding of consumer interests in sustainable practices, as well as national requirements in producing countries, and facilitate market access.



KEY FACTS

1.6 billion people depend on forests to support their livelihoods, including Indigenous People and local communities, smallholder farmers, and employees of forest-based enterprises.

SMALLHOLDER SUPPORT



Smallholder farmers are central to the aims of the FACT Dialogue. Smallholders produce a material share of global production in many of the agricultural commodities that are sometimes associated with deforestation.

They face challenges relating to climate change impacts, the security and resilience of their livelihoods, productivity, and capacity. As markets move towards higher environmental standards, smallholders also face the risk of exclusion if unable to meet those standards. Scaling-up the support and finance available to smallholders is important to address all of these challenges, but reaching the many millions of small farmers and providing support effectively and efficiently is also a major challenge of logistics and governance.

The aim of discussions under this theme was to consider how to improve conditions for smallholder farmers and support their engagement in actions to reduce deforestation, including through policy reforms and measures to improve security of livelihoods and access markets, support to strengthen capacity and increase productivity in a sustainable way, and measures to improve access to and availability of finance.

Informed by the discussions held between countries, the co-chairs, alongside Ghana and Malaysia as co-facilitators of this working group, identified the following actions for further discussion, development, and implementation as appropriate:

- i. Map and consider existing smallholder support schemes to learn about different approaches, assess the impact of different approaches on sustainability outcomes, identify gaps and begin working on opportunities to strengthen national and international efforts.
- ii. Exchange best practice and identify effective approaches to scaling up support and finance for smallholder farmers (including through national support schemes, public-private partnerships, the private sector, the finance sector, and Official Development Assistance (ODA)). This can include support to increase productivity in a sustainable way, reduce vulnerability and increase resilience to climate change, market shocks and other major risks to livelihoods.
- iii. Improve access to and availability of finance for smallholders, including to support the transition towards sustainable production; and strengthen enabling conditions including through living income, security of tenure, capacity building, training and technical assistance.

TRACEABILITY AND TRANSPARENCY



Traceability and transparency are critical to the aims of the FACT Dialogue. Systems and technologies which enable traceability and transparency provide the basis for certification schemes and assurance of origin.

They support efforts by national governments to apply and enforce laws which underpin sustainable production, efforts by companies to ensure sustainable sourcing of agricultural commodities, and efforts by stakeholders and civil society to enhance accountability. They can also help to create investor confidence.

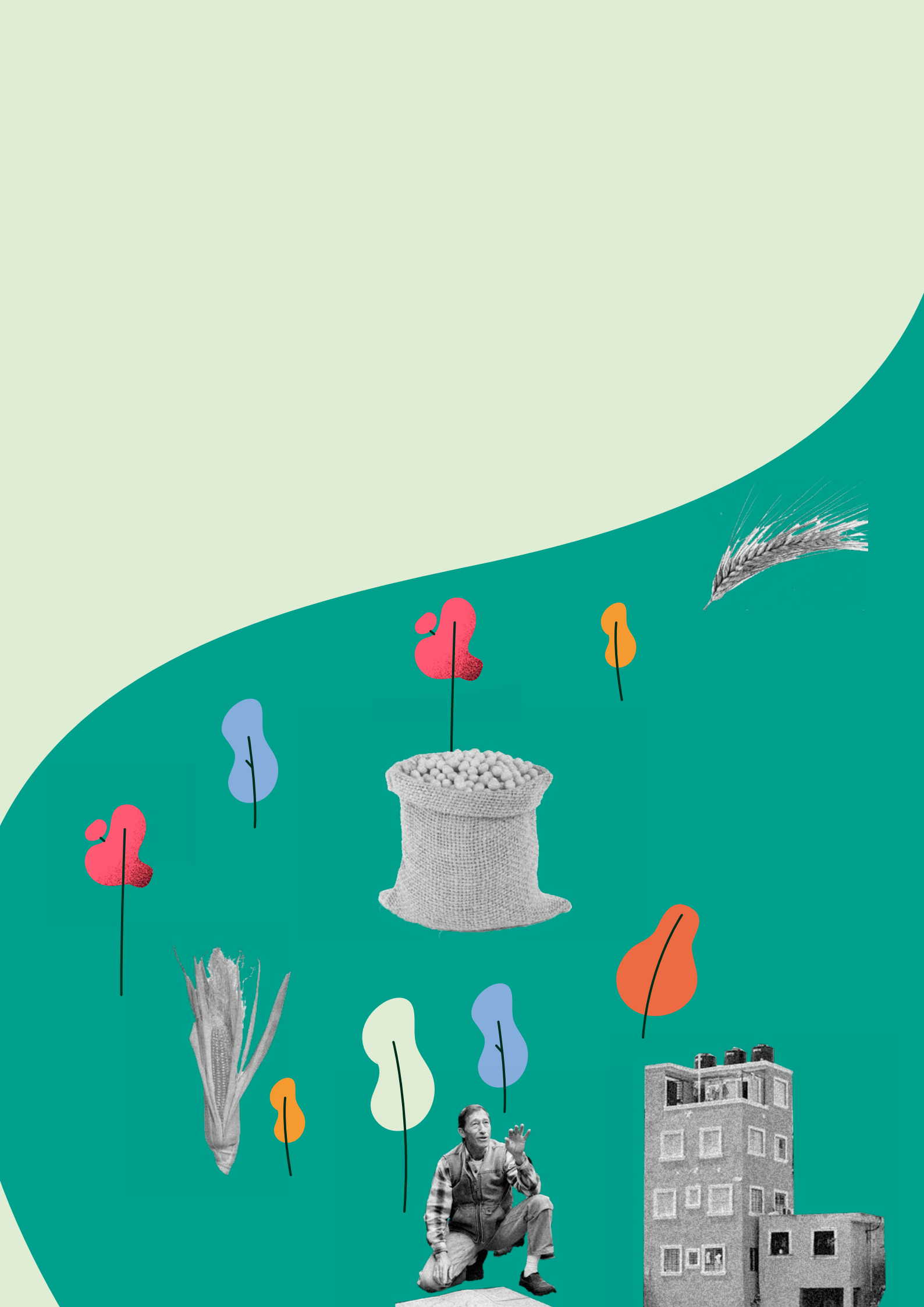
The aim of discussions under this theme was to identify measures and opportunities for enhanced collaboration, drawing on technological developments, digital innovation and institutional strengthening, to facilitate increased trade in sustainable agricultural commodities and enhanced the protection and the sustainable management of forest and other critical ecosystems.

Informed by the discussions held between countries, the co-chairs alongside Ghana, as co-facilitators of this working group, identified the following actions for further discussion, development, and implementation as appropriate:

i. Assess existing traceability and transparency systems and identify the

most significant data gaps that need to be addressed to enable traceability and transparency in international forest and agricultural commodity supply chains.

- ii. Develop a set of guidelines, working with international organisations and building off existing initiatives, that will help to inform national government approaches to data sharing and data management on forest and agricultural production, and commodity supply chains. The intention would be for the guidelines to promote compliance with national laws and policies, and enable better monitoring and protection of forests and other critical ecosystems. They would consider and recognise the importance of existing government and stakeholder commitments, costs, technology, interoperability, and accessibility while protecting vulnerable people. In recognition that countries face different challenges in developing their data systems, and to encourage continuous improvement, the guidelines could also recommend ways for governments to further raise ambition. They would also explore in due course how best to apply the guidelines within the international system.
- iii. Support countries and stakeholders to identify and access funding, technical assistance and capacity building to strengthen traceability and transparency systems and promote interoperability between systems.



RESEARCH, DEVELOPMENT, AND INNOVATION



Research, development, and innovation are needed to support the aims of the FACT Dialogue in a range of ways.

This includes through driving both productivity improvements and intensification in a sustainable way to meet demand for agricultural and forest commodities and, at the same time, minimising expansion of the land area required to grow them; innovations to management practices, such as landscape approaches which balance production with protection; and dissemination of knowledge to support trade and market development, smallholder support and traceability and transparency themes.

The aim of discussion under this theme was to identify how a broad range of research, development and innovation in the agriculture and forest sectors can support the aims of the FACT Dialogue.

Informed by the discussions held between countries, the co-chairs alongside Brazil, as co-facilitators of this working group, identified the following actions for further discussion, development, and implementation as appropriate:

- i. Align our efforts to accelerate innovation in areas most relevant to the objectives of the FACT Dialogue such as sustainable intensification and minimising land expansion, including through oneCGIAR, the Agricultural Innovation Mission for Climate

(AIM4C), and the Global Research Alliance on Agricultural Greenhouse Gasses (GRA), and the coalition in support on Global Action Agenda on Innovation in Agriculture.

- ii. Strengthen capacity of national institutions to undertake and lead research partnerships, and to disseminate and scale best practices among farmers, including through north-south, south-south, and triangular cooperation.
- iii. Identify and disseminate research, development, and innovation to support the aims of the FACT Dialogue, including innovations to management practices, such as landscape approaches which balance production with protection; and dissemination of knowledge to support the trade and markets, smallholder and traceability and transparency themes.
- iv. Invest in and scale up agriculture research and innovation in order to promote more climate resilient low emissions agriculture technologies and practices



KEY FACTS

Forests cover 31 percent of the global land area. Approximately half the forest area is relatively intact, and more than one-third is primary forest.



CLOSING REMARKS

The co-chairs, United Kingdom and Indonesia, are grateful for the participation of countries in the FACT Dialogue and thank them for the positive and collaborative spirit in which these discussions have been held.

The co-chairs also express their sincere thanks to the multistakeholder taskforce for bringing diverse perspectives and expert recommendations to inform the Dialogue.

We look forward to progressing this work together in 2022 and beyond, recognising the importance and urgency of this agenda for all countries.

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At the heart of this statement is a recognition of the scale of the challenge before us, and the responsibility we have to ensure that essential trade in commodities does not contribute to deforestation, land degradation and unsustainable practices.

Lord Zac Goldsmith and
Vice Minister Alue Dohong

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