Scaling up Sustainable Commodity Production and Trade

Targeted and innovative approaches are needed to implement better agricultural practices, increase supply chain efficiency, combat poverty, maintain ecosystem services and biodiversity and ensure long-term supply of commodities to global markets. Supply chain initiatives, certification programmes (Organic, Fair Trade, RA, UTZ, GAP) and Commodity Roundtables (palm oil, sugar, soy) have made considerable progress in implementing environmental and social standards for better management practices in commodity production, and have been increasingly adopted by many leading brands, traders and retailers. Working with these standards has been key for getting trade and industry involved and creating supportive market dynamics. Now scale up of existing sustainable commodity programs and initiatives to mainstream levels is necessary and this requires looking beyond voluntary standards and certification. Best practice needs to become embedded within country activity in a regulated and planned manner.

To bring about transformational change at scale a structural approach is needed, ensuring that capacity building, regulation, local governance, rule of law, incentive schemes, land rights, infrastructure and basic services enable the commodity sector to thrive in a sustainable manner. National governments and private sector partners need to join forces to establish national programs that benefit business, farmers and supply chain actors. UNDP and its approach to National Commodity Platforms build on and complement the Roundtables to systematize, institutionalize and scale up certification and best practices to achieve transformation of production at a national level.

A Platform Approach – the UNDP Experience

A National Commodity Platform is a mechanism for government, supported by UNDP, to convene and coordinate the public and private sector to promote sustainable production at a country level and to define the country’s sustainability priorities and policies for the selected commodity. A Platform creates a long-term space where the public and private sectors can align, take ownership and develop joint concrete actions to mitigate the negative impacts of commodity production and maximize productivity. Hence, a Platform strengthens a country’s enabling environment for sustainable commodity production through facilitating multi-stakeholder dialogue and providing the expertise and analysis to scale up action in the priority areas for the selected commodity.

Based on their respective responsibilities and expertise, the right set of stakeholders can identify the challenges and “co-create” solutions, resulting in broader ownership, greater trust and understanding between actors, which ultimately lead to the overall adoption of sustainable production and trade of the targeted commodity.

Platform Identification

The identification and selection of value chains is based on a detailed mapping and market assessment of commodities, including quantitative analytics to compare performance in the target country relative to benchmark countries. The focus is on
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agriculture initially but Platforms can be developed for other sectors such as marine commodities or mining. A main requirement for selection of the focus commodity will be strong participation and commitment from the private sector, including large “lead firms”. The duration of a platform is intended to be 24-36 months, after which it is expected to be managed by the local lead institution.

Platform Goal and Objectives

Specific areas for intervention will be determined by the actors participating in the platform and depending on the country or commodity needs. The overarching goal and objectives are as follows:

Goal:
To secure sustainable supply and enhance a country’s competitiveness based on improved environmental and social performance within an agricultural supply chain.

Overall objective:
To institutionalize best practices within the country’s governance and supply chains

Specific objectives:

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<tr>
<th>Stakeholder level</th>
<th>Country level</th>
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<td><strong>Build trust</strong> and strengthen relationships to reduce conflicts and gain consensus across sectors and commodity supply chains;</td>
<td><strong>Identify joint priorities</strong></td>
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<td><strong>Foster participation</strong> that facilitates the contributions of all stakeholders into responsible models of production and trade;</td>
<td><strong>Improve policies</strong>, planning administration and decision making by both public and private sector;</td>
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<td><strong>Increase awareness</strong> of existing agricultural regulations and good practices;</td>
<td><strong>Coordinate</strong> fragmented efforts to promote sustainability to scale and enhance existing initiatives;</td>
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<td><strong>Create ownership</strong></td>
<td><strong>Connect producers</strong>, particularly small producers, to decision makers and markets and credit;</td>
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The deliverables of a National Commodity Platform can include:

1) National Strategy for responsible production and trade of the targeted commodity (includes actions of government, private sector, producers and buyers)
2) Case studies of how leading businesses can play an important role in the transformation of commodity value chains
3) Capacity building program (on both cooperative and government level)
4) Policy reform recommendations (e.g. review legislation for land use planning, ecosystem maintenance, vocational training system, fiscal policy instruments, purchasing policies of buyers).
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Structure and Operation of a National Platform

National Platforms are hosted and led by the national government. For example, in Costa Rica the National Platform for the Responsible Production and Trade of Pineapple is hosted by the Vice- Presidency of the Republic and co-directed by the Minister of Agriculture and the Minister of Environment, and in Indonesia the Vice Minister of Agriculture is launching a National Palm Oil Platform in collaboration with industry partners. State or provincial level Platforms can also be established according to the country’s circumstances.

All cooperatives, organisations, institutions and companies with a stake in a particular commodity supply chain are invited to participate. In order to be inclusive, particularly of small producers, no fees are applied. Funding (public and private) for Platform operation is expected for the duration of the first 3 years of the Platform, after which the government is expected to take over the leadership of the Platform and continue the multi-stakeholder dialogue.

Decisions are made in a manner that optimizes and balances democratic means with the ability to move forward, and are based on rules decided by Platform members. While there is no formal obligation for members to implement any recommendations made, the expectation is that the ownership, trust and alignment created between members throughout the platform process will generate a commitment from the participants to follow through with implementation. Platforms offer an opportunity for increased participation, but they are not a substitute for law-making; decisions pertaining to policy and legislation can be made as recommendations by the Platform members to government for consideration.

National platform staff, supported by UNDP, will coordinate, facilitate and provide technical advice. They will be responsible for keeping participants and relevant stakeholders informed about decisions and how the dialogue process is advancing in relation to the Platform objectives.

National platforms are based on the following principles: neutral, empowerment and social inclusion, multi-stakeholder, strong facilitation, and conflict resolution.

Members

Based on the objectives of a Platform, a wide range of strategic partners will be invited to participate.

| Public Sector | • Public sector institutions (eg Ministry of Agriculture, Environment, Labor, Trade, Education etc)  
| Private Sector | • Buyers, manufacturers, traders, retailers |
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- Private organizations that represent the producers’ interests such as industry associations, chambers of commerce, labor unions, cooperatives, international commodity organizations
- Banking or financial entities that provide financing for production of the selected commodity

**UN related entities**
- IFAD, FAO, UNICEF, ILO, UNESCO, UN REDD
- IFC and WB

**NGOs/CBOs**
- NGOs (international and domestic) involved in the sector in either support or watchdog roles
- Certification schemes and commodity roundtables
- Research institutions and organizations that have developed studies on the impacts of the selected commodity production
- Community organizations from the production landscapes

**Donors**
- Donor governments

The success of a platform relies heavily on key partner participation, building on existing initiatives (e.g., trade and industry associations, roundtables, certification programs and international commodity organizations) and their continuing work towards building sustainable commodity supply chains and markets.

**Meetings - Plenary and task forces**

**Plenary meetings** where representatives of each of the involved sectors participate are held every quarter. All members are invited to Plenary and are expected to attend for consistency. The plenary sessions consist of presentations given by different stakeholders and institutions related to issues discussed during task force meetings and that have a direct relation to defining a model for responsible production and trade. They are an opportunity for stakeholders to voice opinions and reach consensus on key issues.

**Task forces** are smaller committees formed by Platform members who have expertise or a specific mandate regarding a particular issue, e.g., water management. They are convened regularly and report back to the plenary. Taskforces are set up to actively address issues raised in the plenary. In order to aid efficiency, membership is solely for experts in the given area.

**UNDP – a Neutral Broker and Technical Assistance Provider**

As companies increase dialogue with UNDP to discuss problems facing their supply chains, it becomes clear that UNDP can provide much needed expertise in the area of sustainable development. With offices in 166 countries, UNDP is recognized in these countries as a neutral broker, with the capacity to coordinate activity between UN agencies and between Ministries. UNDP’s Green Commodities Facility further extends this role, providing the ability to act as the interface between public and private sectors. UNDP has solid experience in building national capacity and has an extensive team of in-house experts on all aspects of rural development, poverty reduction, gender, governance, natural resource management and low carbon development.

UNDP works with all partners interested in establishment and operation of these Platforms.

For more details on UNDP’s approach to National Commodity Platforms and examples of such Platforms please see [www.greencommodities.org](http://www.greencommodities.org) or contact Andrew Bovarnick at andrew.bovarnick@undp.org.