



## **FOLU India CREST Partners Meeting July 24, 2024 Hybrid**

### **Insights from the Round the table overview of CREST partners' activities on related topics**

- Insights shared by FOLU India
  - FOLU India had initiated projects, two years back in four landscapes stage where there is better understanding of the issues from the farmer's side, the problems from the sustainability side, both in terms of material and energy and furthermore, agriculture doesn't stop with the farm gate and there are issues related to both the input side and the output side to ensure that the supply chain robustness and resilience
  - Forthcoming Food Systems Summit of which CREST is co-curating session at the CEEW pavilion
  - Budget-related insights were also shared given application that were related to the agriculture sector
- Insights shared by IDH
  - Focus continues to be on working with businesses to ensure that their supply chain becomes more sustainable
  - Ensuring engagement with companies on a one-on-one basis and then getting them to come together to participate in the various landscape programs which we run for responsible sourcing
- The second edition of the SUTRA Summit is going to held on 17 and 18 October, 2024 which is a platform that is being offered for all companies to share opportunities and challenges in areas of responsible sourcing and while the focus continues to be the small holder and thereby there is a focus on ensure living wages as well as regenerative agriculture climate smart regime in the agricultural landscapes
- The SUTRA Summit is also an opportunity for stakeholders to share the stumbling blocks, for example, the entire race to net zero, which in turn informs scope three emissions reduction and which is getting affected because companies don't have an understanding of how to do that
- IDH is also vigorously pursuing companies to come into a pre-competitive collaboration mode so that we could work with them to run projects on the ground

### **Insights shared by WWF India**

- We have certain priority commodities, which are mostly forest risk based. So we are commissioning a study to understand how these commodities are traded in the international market and how their footprint might be hidden to the Indian stakeholders because the supply chains are so complicated
  - We are sort of trying to get a baseline data and uh we have uh we are on the final stages of commissioning this report which will include multiple commodities to generate more data in the space and accordingly
- We have been actively working on palm oil responsible sourcing and trade and we are engaging policy makers by presenting them with recommendation and we have had meetings with the

central government to include sustainability into the national principles of domestic production and we are having bilateral conversations with the businesses to have that agenda on the table.

#### Insights shared by WRI India

- There has been a lot more focus on the domestic supply chain issues.
- Focus on livelihoods opportunities from the food sector in relation to the perspective on land restoration economy including supply side issues
- Past on the Climate Smart Forest Economy Program for Bamboo with Centre for Responsible Business
- Running the Land Accelerator South Asia which sort of helped in building capacities for farmer producer organization and the startup ecosystem.
- Realisation that there is a gap in the ecosystem viz. financing to help support models, which can help promote the land-based economy and there is the existence of a parent fund: Harit Bharat Fund which helps in supporting in this regard
- Working on Food Loss and Waste.
- Exploring the conditions of how agroecology and the landscape approaches can be combined, respectively through production systems and restoration

#### Insights shared by Centre for Responsible Business

- Natural Capital Evaluation
  - Centre for Responsible Business (CRB) has partnered with The Capitals Coalition to create awareness and further the understanding of the Natural Capital Protocol Principles and Framework via a Continuing Professional Development (CPD) course.
  - The mode of delivery for creating awareness is via Capacity Building on Natural Capital targeting businesses thereby equipping businesses for improved business decision-making
- Oilseeds Program
  - This program aims to promote regenerative agricultural practices in the vegetable oil supply chain.
  - This will be achieved via strengthening engagement with relevant actors including via a pilot, targeting 35,000 smallholder farmers and workers in Madhya Pradesh to demonstrate regenerative practices.
  - CRB's role includes sensitizing the private sector and help identify policy dimensions to create incentives for promotion/adoption of regenerative agriculture in the sector.
- ACRE Alliance: Transforming Cotton & Textile Industry
  - The Alliance of Cotton And Textile Stakeholders on Regenerative Agriculture or ACRE aims to enable collaboration among the cotton and textile sectors through the promotion of regenerative agriculture.
  - This Alliance is a collaboration for which CRB, Solidaridad Asia and regenagri have collaborated and it was officially launched via the Nagpur Declaration in November 2022.
  - The Call to Action of this platform entails partnering with relevant stakeholders to support the adoption of cotton produced via regenerative agriculture in India

#### **Discussion on possible future pathways of CREST**

- As far as CREST is concerned, we should be cognizant of the value proposition both for the domestic and also for the import export markets
- There is a need to develop credible and updated data on areas which strengthen our case in forums like WTO, EU is very important and should be seen as a systemic issue to be tackled.
- There is a need to be able to identify certain critical areas or issues on which (policy-related) positions should be developed by India can be developed together with or by credible government institutions.
- There is a lot of development especially with the legislations that are being driven by the European Union member countries and it was put forward that could this be an area for CREST to explore be it in collaboration with local regulators or other stakeholders

- Some points that that could shape the discussion in this regard:
  - Possibility to act as a conduit to help respective stakeholders better understand these legislations , given that there are doubts or even lack of information and there is certain amount of worry among stakeholders about how to deal with them, given implication on the ability for responsible sourcing.
  - Possibility to work with Directorate General of Foreign Trade or APEDA, who can be approached collectively by CREST, who could possibly be on the lookout for stakeholders on capacity building vis-à-vis legislations via producing papers, seminars and workshops
  - Suggestion to select a perspective vis a vis the legislations, for example, 1) looking at it from a smallholder perspective or other intermediaries such as value chain suppliers, thereby leading to a pathway that provide information building exercise; 2) the strategic value CREST can provide over and above others 3) the choice of commodity or commodities, which can be selected based on criteria such as trade angle, at vulnerabilities in the supply chain among other

### **The interest of private sector vis-à-vis race to Net Zero**

- The conversation between WBCSD and FOLU India is on-going given that there is interest on sustainable sourcing landscapes by Global Secretariat
- It was shared as a possible area of consideration that companies in India are really struggling to find their benchmark for setting SBTi-aligned targets
  - In this regard, the companies are unable to set the benchmark and their targets amidst the lack of availability of emission factors, at least for the major crop systems and livestock systems.
  - In terms of the conversation of scope 3 emissions in relation to target setting, it was suggested that a pilot be conducted in India, whereby a couple of landscapes can be established to understand how reduction operations can be directly beneficial to the farmers and environment in those sourcing landscapes.
- Suggestion that when it comes to aligning with SBTi targets on a national level, there is a requirement of involvement of ICAR or some other such government stakeholders on board and in this regard, there is a possibility to initiate a programmatic approach to identify the emission factors and set an India specific emission factor identification/benchmark in order to help private companies set the SBTi targets more scientifically

### **Need for involvement of private sector was highlighted**

- It was also shared that when initiating the private sector engagement, there is a need to approach the level of stakeholders within the hierarchy who are who can influence the CEO level to ensure that emission targets take on a scientific approach
- Given that the private sector is an integral part of CREST related activities, however, the fact that we don't involve the private sector in the CREST Partners meetings thus far, it was put for discussion about expanding this network to the private sector and in this regard,
  - It is important to note that the engagement strategy with the private sector is tough to navigate given the need to involve decision-makers the real people whose thoughts are translated into strategy decisions
  - It was suggested that CREST can be more independent, making it as a brand rather than having absolute control over that institution by the founders
  - Importance of ensuring that upon expansion of CREST, what is the value addition that will occur; with expansion, it is expected that awareness will be created, however, it is expected that it's easier to do larger engagement, conversations, etc but there may be limitations when it comes to implementing activities such as pilots

### **Discussion of the FOLU India CREST co-hosted session at ISS 2024**

- Discussion on this year's theme of the conference
  - Given the various developments happening especially at the international level, there is renewed thinking about creating new systems of how sustainability especially sustainable supply chain value chain related conversations are being driven
  - The theme envisions touching upon balancing of the trade-offs, looking at leveraging the opportunities and of course ensuring that we don't sort of fall into the trap of what is not working and hence the emphasis on pitfalls
  - Possible session themes:
    - Focus on the interests of smallholders and sustainable livelihoods, the importance of nature and biodiversity and so on and so forth.
    - Bring the trade community and the sustainability communities together so CREST can provide either a platform or opportunity for these two communities to come together and engage.
    - Suggestions: one is to wait for a couple of weeks as we advance talks/discussions with WBSCD and second is to take on a commodity-centric focus such as on coffee or any other commodity

### **The importance of selecting a commodity was further highlighted**

- Adopting a commodity-specific approach is important given the diversity of the commodities otherwise, it's not possible to draw any significant conclusion for use, you know, at a policy level or a at the private sector strategy level.
- It also opens up the opportunity for interacting with commodity specific association/s and then accordingly, bring in the scientific or technical institution for support
- The benefit of choosing a commodity is that it encourages participation in tables / settings where decisions are made then a commodity specific approach may need to be embraced
- Prioritisation of a commodity can be achieved via developing a prioritisation matrix based on issues of importance, which can include the following:
  - Value or the quantity of cost.
  - Alternative sources of supply
  - Issues at the point of origin
  - Eco-fragility of farmers
  - Impact of the crop on the point of origin
- In terms of commodity, there was a discussion on coffee and the corresponding challenges and opportunities surrounding it:
  - Suggestion to guide the coffee board and the government as CREST into arriving at a particular position which is not so extreme but tries to be more reconciliatory in the short term as well as long term vis a vis EUDR regulation
  - Coffee commodity stakeholders are looking for some direction vis-à-vis EUDR from the government and hence suggestion to get together a policy directive from the government stating what is the final stand is and what is the planned approach on the international trade agenda
  - It was shared that the Coffee Board is also coming with its own Coffee Guidelines with a partner exploring whether it is possible to participate in that process of formulation of guidelines.

### **Action Points:**

- Dr. Jayahari to revert back in case the on-going conversations with WBSCD significantly progress and given that it may inform the FOLU India CREST co-hosted session at the India and Sustainability Standards Dialogues and Conference 2024
- To pencil in respective calendars regarding the FOLU India CREST co-hosted session the India and Sustainability Standards Dialogues and Conference 2024, which is going to take place between 16:30 and 18:00 on November 14, 2024 at India Habitat Centre, New Delhi
- Working on a prioritization matrix based on the discussion from today's meeting which will be circulated with partners for their inputs and comments