

What are Landscape Approaches and When do Businesses Choose to Engage?

This paper draws from more than 30 corporate interviews and a workshop sponsored by the Rockefeller Foundation at their Bellagio Center in Italy. The paper was written by Peter Erik Ywema (SAI Platform) and Hal Hamilton (Sustainable Food Lab), with direct input from Anna Swaithe (SAB Miller), Jan Kees Vis (Unilever), and Duncan Pollard (Nestle). The paper also borrows from work by Uta Jungerman and Violaine Berger (World Business Council for Sustainable Development).

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Introduction

Are landscape approaches the next big thing or a passing fad? From the WBCSD to IDH, and IUCN to EcoAgriculture Partners, initiatives are sprouting to promote, learn and encourage companies to get involved. But what's in it for business?

Actually, many companies are already involved in landscape approaches, they may just not know it, or call it that. Water stewardship, jurisdictional approaches, and many large-scale projects involving multiple stakeholders are all landscape approaches.

There is some confusion around the 'business case for landscape approaches'. Some NGO's wonder why the private sector is not (always) involved in landscape approaches. Quite often these NGOs have existing initiatives in mind that struggle to find support and resources. Their unarticulated underlying assumption seems to be: *businesses should take responsibility and participate*. There is lack of understanding of the rules of engagement that determine the willingness and potential of companies to play a role.

This paper aims to shed some light for companies on how to evaluate the potential of landscape approaches, and for non-business organizations to understand the drivers for business participation in landscape approaches.

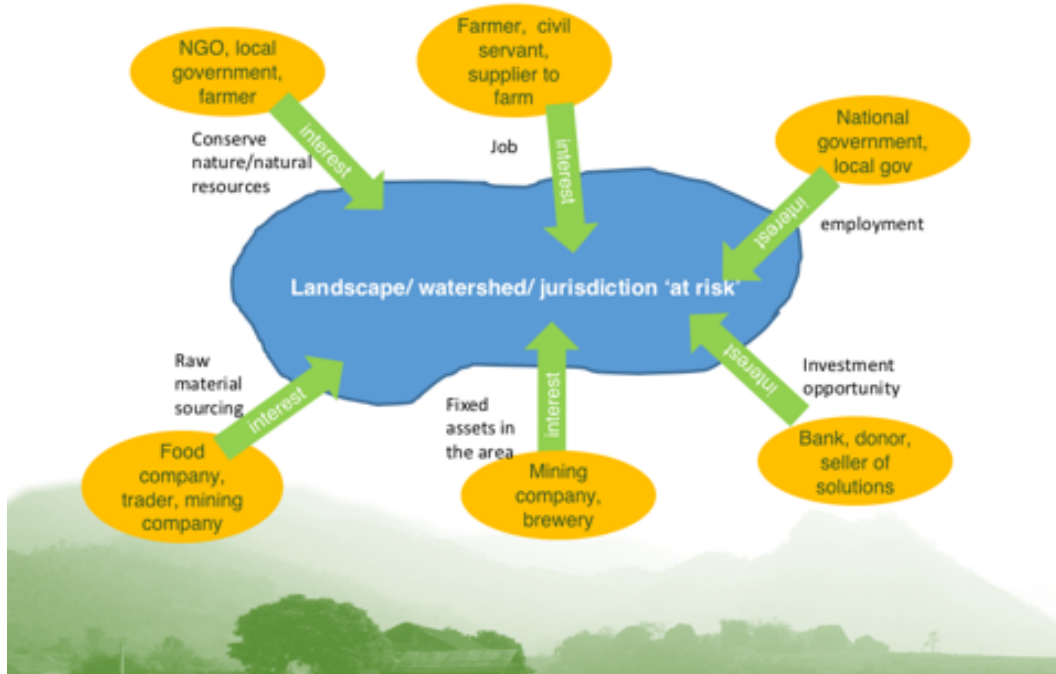
What do we mean by 'landscape approaches'?

EcoAgriculture Partners have identified over 80 names for the concept. Let's just say that for businesses, if you need to think and work outside the fence-line, or beyond the supply chain boundaries, then this may be the approach that a company needs to take. This is especially the case for companies that have bumped into the limits of certification, or have adopted broader corporate goals to create shared value or deliver development outcomes that link to the Sustainable Development Goals. Landscape approaches usually involve many stakeholders with some kind of interest in the landscape. Landscape approaches can have any size, from a community level to the size of a country. In this paper we use the word 'approach' to indicate the widest possible range of landscape *approaches*. When referring to a particular case we use 'initiative'. We refrain from 'project' to indicate that many approaches don't have a formal or temporal project-character.

Who are the stakeholders in a landscape initiative?

There are usually several stakeholders that have their own interests in a particular region. They (and only them, to avoid unnecessary complexity) should be brought to the table and play a role in the design of the initiative, agree on the issues and directions for solutions. It is important to have both a convener with the local legitimacy to attract the relevant stakeholders, and a facilitator with the skills to help diverse players discover synergy among one another. These functions may or may not be performed by the same organization.

Differing Stakeholder Interests



What are the boundaries of a landscape?

The boundaries of a landscape at stake can be defined by bio-physical rules, like watersheds or specific ecosystems, by socio-cultural systems or by regulatory rules, like political 'jurisdictions'. The first usually define the problem(s) while the jurisdictional boundaries tend to include the potential for a (government supported) solution. Sometimes the boundaries of an initiative need to be redefined to come to solutions.

What are typical issues that could benefit from a landscape initiative?

Certification or single party approaches do not always address issues that transcend the boundaries of supply chains or any individual actor in a landscape. Such issues include deforestation, water management, biodiversity decline, and competition for natural resources, as well as some social issues like the lack of a living income. These types of issues typically benefit from a multi-stakeholder, landscape approach that allows for more holistic and inclusive problem solving solutions.

Why and When Companies Decide to Collaborate

The primary business drivers for engagement in landscape approaches are:

- Raw material supply risks, like deforestation related to soy production

- Unmovable assets at risk, like breweries or mines
- Raw material supply volumes, due to dwindling yields
- Public reputational risks around company behavior (supply or operations), like labor conditions at farms
- Market development (new raw materials and/or new products), like special cocoa from Ecuador
- Future proofing the business, like investing, via carbon credits or offsetting carbon emissions

The reasons these goals might make business sense are that companies might need to:

1. **Work with government to improve regulation or mobilize investment** – for example, in the face of water shortage or commitments about deforestation. (Alliances of multiple organizations have more influence than any of them separately.)
2. **Combine Funding** – working with multiple actors towards a common goal can mobilize co-funding, particularly from the public sector and donor agencies.
3. **Ensure long term productivity and manage scarce resources** – when water, land, energy and waste absorption capacities are limited, key players can have greater impact through collaboration.
4. **Enhance stakeholder relationships to retain license to operate** – especially when local communities depend upon a shared resource like water, or where businesses need to be perceived as valued partners in rural development.
5. **Verify impacts to enhance customer and stakeholder confidence** – with certifications and supply programs drawing skepticism from the public due to limited (albeit growing) evidence of impacts, landscape projects can offer both stories and verification of sustainability impacts (although this is still new territory to test).
6. **Practicality and capacity building for farmers and suppliers** – who benefit if they receive only one set of incentives and messages from all of their customers, including all crops in their rotation, and who can benefit from capacity building for improving practices or land use decisions.
7. **Include small as well as large farmers** – in situations where only larger farmers can afford certification, a landscape scope can include all producers in a sourcing region, not all of whom will be direct suppliers (e.g. smallholder farmers in remote areas of a landscape who may typically be excluded as direct suppliers).
8. **Protect embedded assets from being stranded** – when efficiency innovations at manufacturing and bottling facilities aren't sufficient to be locally valued, and shifting location is not an option.
9. **Collaborate across sectors for optimizing trade-offs among them** – for example including pulp-and-paper along with food companies who may all be competing for water resources.
10. **Fulfill corporate sustainability commitments** – because retailers and manufacturing brands with corporate commitments need their supply chain partners and often others in the same areas to help deliver on those commitments.

11. **Access expertise and stakeholder networks** on environmental and social issues which may not exist in the company or industry associations.

Nevertheless, the case for collaboration differs among and within businesses

Companies occupy different places in supply chains:

- Consumer-facing brands have far fewer products than retail and hence greater attention to each one, high exposure to reputational risks and market opportunities, and usually the highest margins in the supply chain. These brands are most likely to be early movers.
- Extractive businesses and those with fixed assets have the strongest business case to collaborate in places around those assets. For example, mining companies are required by governments to plan for restoring the landscape and managing their environmental and social impact around mines. Similarly, beverage companies will frequently invest in water stewardship near bottling plants and breweries.
- Traders and in-country suppliers to multi-nationals generally have slim margins and few reputational advantages from landscape collaborations, unless they have fixed assets to protect from being stranded, or unless their business model includes diverse ingredients from the same region (like Olam, for example).

Within companies, people with sustainability jobs will frequently have quite different performance objectives than people in procurement and other functions. Even in those companies that bonus procurement or manufacturing managers for achieving sustainability objectives, the criteria for pay or advancement are frequently operationalized as boxes to tick rather than impacts to achieve. When everyone in the supply chain becomes accountable to impacts, landscape approaches rise in importance.

Engagement versus alignment?

Landscape approaches are most common and appropriate in regions where (normal) governmental regulation fails or is weak for all kind of reasons. If other stakeholders are able to fill that void satisfactorily, business may just let them do the job. Depending on the intersection of business materiality and the lack of effective action, there are various levels of engagement, from full time and financial support to alignment and publicly voiced support.

What does a good landscape initiative require (at least)?

- Real value at stake for a core set of stakeholder organizations (including government);
- Personal leadership from individuals within the core organizations;
- An “honest broker” convener who can bridge different interests, as well as people with facilitation and project management capabilities who can generate both a long-term perspective and short-term gains;
- Clear goals, an action plan with accountability, and methods to measure progress; and
- Patience and anticipation of new challenges while staying on track.

Entry Points

Entry points for businesses to landscape-level activities vary by region and commodity. The following are examples of drivers for participation in regional collaborations, and these examples are illustrative rather than comprehensive:

Entry point: Changing micro-climate	
Desired outcome:	<ul style="list-style-type: none"> Resilience to changing climate through adaption of farming practices, selection of crops, and land use plans to adapt to changing climate
Existing mechanisms:	<ul style="list-style-type: none"> Training programs, usually aimed at cash crops Climate change mitigation and adaptation company goals
Challenges:	<ul style="list-style-type: none"> Lack of awareness of specific, local risks and suitability of specific farming systems to the micro-climate of the future Few resources to support adaptiveness of whole farming systems Limited risk exposure mapping capability Each company, and each commodity can only provide fragmented solutions
Benefits of landscape approach:	<ul style="list-style-type: none"> Collaborations can access the best science, connect to government to map whole landscapes, and target interventions to specific local needs.
Key elements:	<ul style="list-style-type: none"> Science, multi-stakeholder dialogue, sophisticated land use planning, targeted support for different groups of farmers

Entry point: Social conflict	
Desired outcome:	<ul style="list-style-type: none"> Retain social license to operate
Existing mechanisms:	<ul style="list-style-type: none"> Stakeholder engagement through social platforms One-off engagements and dialogues Aiming for Free, Prior and Informed Consent (FPIC) from vulnerable communities (particularly indigenous peoples)
Challenges:	<ul style="list-style-type: none"> Lack of regulatory framework or jurisdiction. For example, insecurity over land tenure and access rights Competition for same resources Different needs to use land (i.e. industrial use vs. conservation)
Benefits of landscape approach:	<ul style="list-style-type: none"> Creating shared understanding and building trust among all key actors, incl. communities, government representatives, NGOs and business.
Key elements:	<ul style="list-style-type: none"> Shared decision making, development of improved policies

Entry point: Deforestation	
Desired outcome:	<ul style="list-style-type: none"> No contribution to deforestation through corporate supply chain.
Existing mechanisms:	<ul style="list-style-type: none"> Commodity certification which are limited by commodity, i.e. different standards are in place for soy, palm, beef, timber and more Corporate policies on zero deforestation and transparent supply chains
Challenges:	<ul style="list-style-type: none"> Multiple, often conflicting terms and approaches proliferate. “Deforestation-free” may mean different things depending which commodity is being sourced. No clarity on how to effectively implement, measure and monitor deforestation-related commitments. Huge gap between corporate commitments at global level and realities on the ground. Actual deforestation may continue despite commitments, for example: while a company may only source certified commodities, the region where that commodity is sourced may not be “deforestation-free” because other land uses continue to contribute to the problem.
Benefits of landscape approach:	<ul style="list-style-type: none"> Multi-stakeholder land use planning and dialogue can help mobilize additional stakeholders for forest management, use and protection, as well as mobilize investment in land use optimization on productive or degraded land, reducing pressure on forests. Landscape interventions can help identify the set of actions to implement beyond a single commodity stream to ensure deforestation does not occur in an entire supply region. It can help to ensure that any implemented actions do not cause adverse effects on other land uses or users within the same boundary.
Key elements:	<ul style="list-style-type: none"> Multi-stakeholder dialogue, shared definitions and understanding, effective implementation and monitoring

Entry point: Water risks	
Desired outcome:	<ul style="list-style-type: none"> • Secure water supply for production and operations and mitigate risks related to floods, droughts and water quality.
Existing mechanisms:	<ul style="list-style-type: none"> • Water stewardship standards • Water foot-printing • Water efficiency management
Challenges:	<ul style="list-style-type: none"> • Water efficiency in plants, fields and other operations often not enough to ensure long term supply • Competition over water resources with multiple users (e.g. other companies or industrial sectors, agriculture, communities and municipalities) • Risk of water disruption, increased costs for water
Benefits of landscape approach:	<ul style="list-style-type: none"> • Multi-stakeholder interventions at the watershed level can help identify interventions; for example, improved policy and regulation, upstream recharge, and better land use • Multiple company collaborations can help access funding and motivate government intervention to regulate water use
Key elements:	<ul style="list-style-type: none"> • Multi-stakeholder dialogue, shared risk management, policy development