

# Scaling up Sustainable Soy (SUSS) Partnership

## Key results:

**Production:** producers in the Cerrado landscape adopt sustainable production practices which are free of deforestation, conversion, and human rights abuse.

**Conservation:** Financial institutions and downstream companies support a sector wide agreement for the Cerrado to halt soy-driven deforestation and conversion of nature.

**Social Inclusion:** indigenous peoples and local communities (IPLCs) in the Cerrado landscape are actively participating in landscape governance and deriving economic benefits from nature-based enterprises.

## Justification for support:

Increased sustainability of production and trade in global, agricultural supply chains is key if the targets of the SDGs and the Paris Agreement are to be realized. Accordingly, *A Green and Sustainable World* (2020), *The World We Share* (2021) and the Danish *Action Plan Against Deforestation* (2021) all pledge to strengthen responsible and deforestation-free supply chains for agricultural goods in order to benefit the climate, biodiversity and social conditions in producer countries while also contributing to a reduction of the Danish climate and environmental footprint.

## Major risks and challenges:

- Brazilian Government and producer resistance to sustainability agenda and solutions.
- Global food crisis leads to higher prices, reducing sustainability commitments of demand side/downstream consumers.
- Leakage of deforestation to other landscapes.
- Danish Soy Alliance members/companies does not commit to the suggested sustainability solutions.

**Mitigating measures:** Multistakeholder approach, landscape approach, key knowledge partners involved, strong local grounding of support, inclusion of Danish Soy Alliance/companies.

## Objective

To reduce deforestation associated with the Danish soy supply chain (i.e. ensuring that soy imported to and consumed in Denmark is produced sustainably without causing deforestation that damages climate, biodiversity and ecosystems, and inclusion and rights).

## Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other green/environment
Indicate 0%, 50% or 100%	50%	100%	100%	
Total green budget (DKK M)		30		

## Justification for choice of partner:

WWF DK has a strong track record and relevant experience in working with sustainable market transformation and natural resource management through the landscapes approach. This includes experience in supporting improved production practices, increasing commitment of companies and supply chains, strengthening consumer awareness, piloting innovative solutions and business models, and influencing key financial players. WWF DK also has extensive experience in advocacy and establishing good governance practices by strengthening accountability and transparency.

## Summary:

The project will achieve its objective through the realization of three outcomes related to desirable behavioral change by relevant soy supply chain actors under three headlines, namely: a) production, b) protection/conservation, and c) social inclusion/improved livelihoods. The project's ToC suggests that: if producers in the Cerrado landscape are adequately incentivized and adopt responsible soy **production**; and if financial institutions, policy makers and downstream actors support **conservation** of the Cerrado; and if IPLCs in the Cerrado **included** through active engagement in improved livelihood opportunities and advocacy for rights (including land tenure); then responsible, deforestation and conversion-free soy production will be mainstreamed across the Cerrado, resulting in reduced deforestation and conversion of native vegetation and fewer human rights violations associated with - but not limited to - the Danish soy supply chain.

## Budget (DDK million)

Outcome 1: Production	10.3
Outcome 2: Conservation	7.9
Outcome 3: Social Inclusion	8.1
Inception and admin fee	1.9 and 1.8
<b>Total</b>	<b>30</b>

File No.	2022-18442					
Country	Brazil					
Responsible Unit	GDK					
Sector	Climate Change					
Partner	WWF Denmark					
	DKK million	2022	2023	2024	2025	-
Commitment	30					30
Projected disbursement	10	10	10			
Duration	SEP 2022 to DEC 2025 (40 months including a four month Inception Phase)					
Previous grants	WWF DK Strategic Partnership 2022-2025 (DKK 17 million annually)					
Finance Act code	§ 06.34.01.70 – Climate Envelope					
Head of unit	Karin Poulsen					
Desk officer	Mads Mayerhofer					
Reviewed by CFO	YES: Rasmus Tvorup Ewald					

## Relevant SDGs

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong institutions	 Partnerships for Goals	





PROJECT DOCUMENT

# Scaling Up Sustainable Soy Partnership

Cerrado Landscape, Brazil  
2022-2025

August 17th 2022

Danida Ref. No



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## List of abbreviations

ABIOVE - Brazilian Vegetable Oil Industries Association  
AFi - Accountability Framework initiative  
Alliance - The Danish Alliance for Responsible Soy  
ABRAMPA - Brazilian Association of Environmental Public Prosecutors  
ASM - Amazon Soy Moratorium  
BaU - Business as Usual  
CBEs - Community-based Enterprises  
CBO - Community-Based Organisations  
CFA - Collaboration for Forests and Agriculture  
CfP - Call for Proposals  
CIT-MG - Center for Territorial Intelligence of the Federal University of Minas Gerais  
CMI- Conservation and Market Initiative  
CSOs - Civil Society Organizations  
DAC - Development Assistance Committee  
DAKOFO - Danish Trade Association for the Grain and Feed Industry  
DCF – Deforestation and Conversion Free  
DCHF - Deforestation, Conversion and Human Rights Violations Free  
DE - Danish Chamber of Commerce  
DIEH - Danish Ethical Trading Initiative  
DSK - Danish Federation of Retail Grocers  
EMBRAPA - Brazilian Agricultural Research Corporation  
ENSI - European National Soya Initiatives  
ESG - Environmental, Social and Governance  
ESSF - Environmental and Social Safeguards Framework  
EU - European Union  
FAO - Food and Agricultural Organization  
FIs - Financial Institutions  
GDK - Department for Green Diplomacy and Climate  
GHG - Greenhouse Gases  
GTC - Cerrado Working Group  
HRBA - Human Rights Based Approaches  
IBGE - Brazilian Institute of Geography and Statistics  
IDH - Sustainable Trade Initiative  
IFACC - Innovative Finance for the Amazon, Cerrado and Chaco  
IFRO - Department of Food and Resource Economics  
INGO - International Non-governmental Organization

IPLC - indigenous people and local communities  
ISPN - Institute for Society, Population and Nature  
L&F - Danish Agriculture & Food Council  
LNOB - Leaving no-one behind  
MEL - Monitoring, Evaluation and Learning  
MELP - monitoring, evaluation, learning and planning  
MFA - Ministry of Foreign Affairs  
MOV - Means of Verification  
NGOs - Non-governmental organisations  
NTFP - Non Timber Forest Products  
OECD - Organisation for Economic Co-operation Development  
PCI - Produce, Protect and Include  
PDA - The MATOPIBA Agricultural Development Plan  
PES - Payment for Environmental Systems  
PMG - Project Management Guidance  
QPMR - Quarterly Project Management Review  
RETE - The Brazilian Network for Territorial Development Research and Management  
RTRS - Round Table for Responsible Soy  
SC - Steering Committee  
SCF - Soft Commodities Forum  
SDGs - Sustainable Development Goals  
SIM - Sustainable Investment Management  
SUSS Partnership - the Scaling Up Sustainable Soy Partnership  
TFA tropical forest alliance  
TNC - The Nature Conservancy  
ToC - Theory of Change  
UN - United Nations  
UNEP - United Nations Environmental programme  
VCS - Voluntary Certification Schemes  
VFM - Value for Money  
WRI - World Resource Institute  
WWF BR - WWF Brazil  
WWF DK - WWF Denmark



## 1 INTRODUCTION

This present project document outlines the background, rationale and justification, objectives and management arrangements for development cooperation concerning the DKK 30 million thematic non-government organisations (NGOs) grant from the Department for Green Diplomacy and Climate (GDK) of the Ministry of Foreign Affairs (MFA), Denmark. The proposed project, **Scaling Up Sustainable Soy Partnership (SUSS Partnership)**, is designed to run for the 40-month period from September 2022 to December 2025, including a 4 month inception phase from September to December 2022.

**Our consortium spans the geography, stakeholders and themes required to deliver this Call for Proposal (CfP)'s objectives.** This project proposal is submitted by WWF Denmark (WWF DK) as Lead Applicant representing a consortium that includes two co-applicants: namely the Danish Ethical Trading Initiative (DIEH) and WWF Brazil (WWF BR). This consortium has a strong foothold in the core sectors and agenda that make up GDK's Thematic NGO CfP: *Reducing deforestation and increasing the sustainability of the Danish soy supply chain*. From conservation and development expertise and experience to private sector engagement; from Denmark to Brazil - the consortium behind the SUSS Partnership will leverage decades of experience and longstanding existing partnerships to reduce deforestation associated with the Danish soy supply chain in line with the targets set in the Danish Action Plan against Deforestation.<sup>1</sup>

**Our geographical focus is the Cerrado - the landscape with the largest Danish deforestation footprint.** The SUSS Partnership will focus on curbing conversion of land for soy production in the Cerrado Landscape in Brazil'. This geographic focus is selected due the enormous conservation potential and importance within this biome and due to its status as the main frontier for agricultural expansion - a combination which entails rapid and detrimental biodiversity loss, rampant carbon emissions, and devastating implications for the thousands of local communities, who depend upon the resources of the Cerrado to survive and maintain their livelihoods.

**Indispensable support already secured from key Danish private sector actors.** Reducing deforestation associated with Danish soy supply chains and supporting developing countries with transitioning to low carbon economies is not a typical aim for a development project. The sector-wide market transformation required to reach the objectives set in GDK's CfP, requires active engagement and participation of the private sector. Our consortium has the required ties to the private sector through Danish Alliance for Responsible Soy (members include Arla, Danish Crown and DLG) who have substantiated their support for this project in a Letter of Support (see Annex 4) and ongoing dialogue around co-funding.

**Our design is firmly based on evidence of what works and what doesn't.** The design of the proposed project is fundamentally based on decades of experience gained through multiple approaches and initiatives focused on the conservation and market concerns encompassed in the CfP. The consensus amongst researchers and practitioners is that there is no silver bullet to solving the wicked problem innate in the soy value chain. In our design, we therefore draw on a combination of approaches to leverage strengths and avoid pitfalls in our efforts to effect behavioural change among relevant soy supply chain actors. From this our overall ambition is a sector-wide deforestation and conversation free agreement for soy in Cerrado.

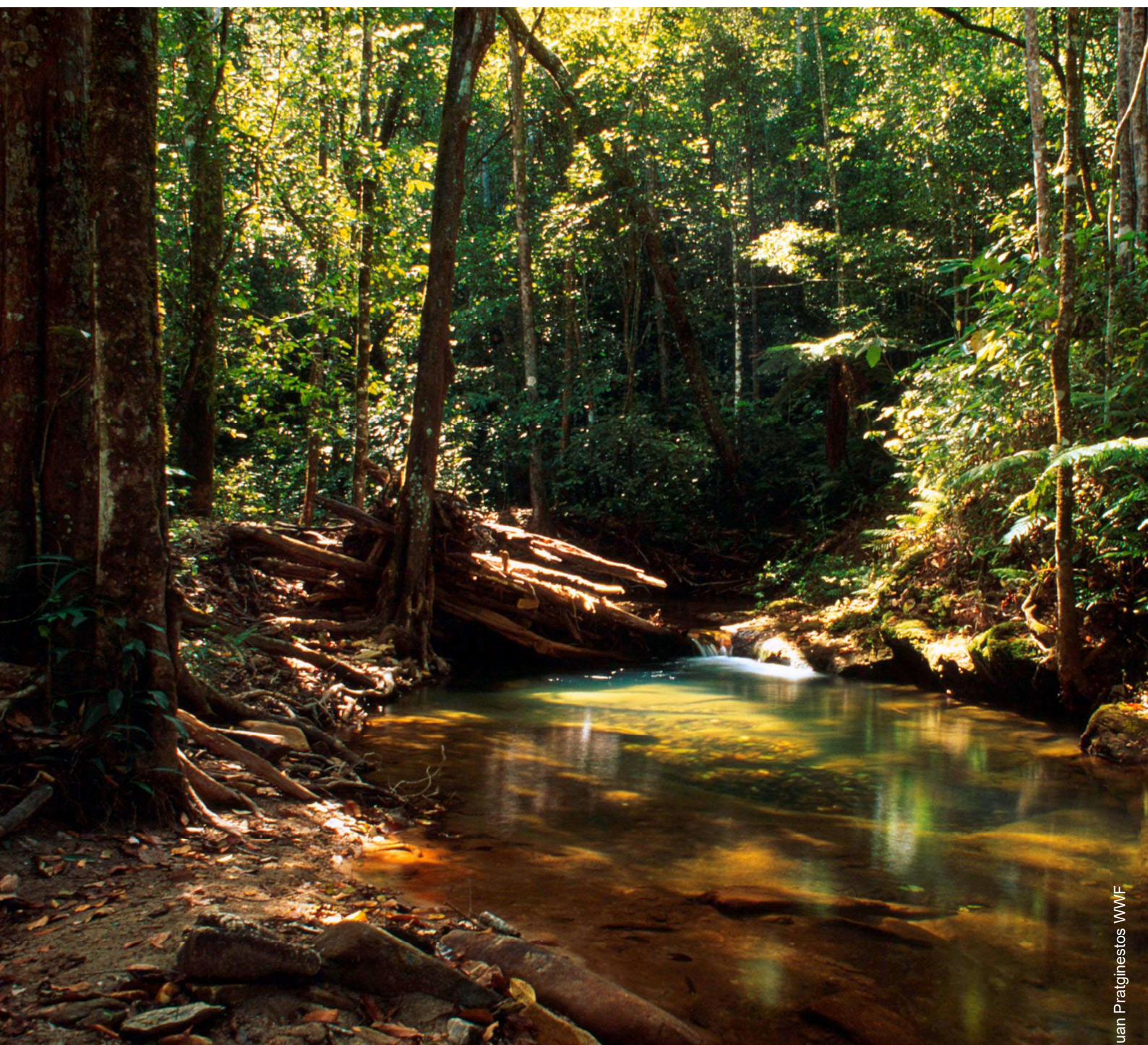
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<sup>1</sup> [MFV 202.1 Handlingsplanen mod Afskovning.](#)



**Localisation and sustainability are at the heart of our project design.** Our project builds on local partners' capacity and knowledge to deliver results and, importantly, we have built large parts of our design on their existing initiatives and approaches. As a result, we will deliver a project tailored to the Cerrado context and inherently sustainable. Local civil society leadership will be further strengthened through our emphasis on knowledge exchanges and capacity building.

**There is historical momentum around the green agenda creating a window of opportunity for the transformation of the soy sector.** Upcoming EU regulations and general momentum around the green agenda from public and private stakeholders render this the opportune moment to rally for a paradigm shift to sustainable soy production - free from deforestation, conversion, and human rights violations. The project proposed below sets ambitious and comprehensive targets to make tangible progress towards this goal over the next three years.





## 2 CONTEXT, STRATEGIC CONSIDERATIONS, RATIONALE AND JUSTIFICATION

This section presents the complex context, our strategic considerations, our ability to deliver the Specific Objective – along with our approach. To cover these points, we outline the context; the problems and needs of the soy value chain to be free from deforestation, conversion, and human rights violations (DCHF) (see def in Box 1); the stakeholders and initiatives involved in this context; and evidence of past and ongoing approaches. Based on this evidence, we account for our ability to address the problem at hand, and how we will approach it with this project.

### Box 1: Definition of DCHF<sup>2</sup>

Deforestation, conversion, and human rights violations free (DCHF) supply chains is in this project synonymous with implementing and monitoring effective commitments on deforestation, ecosystem conversion, and human rights in ethical supply chains in accordance with the core principles of the Accountability Framework initiative (AFi). AFi has become the global reference for deforestation-free supply chains, ensuring alignment between up and downstream companies, as well as demand-side policies and industry initiatives such the upcoming EU law against imported deforestation and the updated European Feed Manufacture's Federation's (FEFAC) soy sourcing guidelines.

There is no blue-print approach to solving the complex and wicked problems addressed within this CfP. The soy value chain comprises multiple stakeholders with power and influence as well as contradicting interests, which adds to the complexity of the supply chain. Within this complexity, there are no silver bullets to achieving a market transformation towards sustainable soy production. Although multiple approaches have been tried, no *single* approach will deliver the needed sector-wide transformation, as each comes with strengths and weaknesses. Evidence points to the need for a combination of approaches custom-fit for the soy value chain and the geographical region in focus.

### 2.1 Strategic, institutional, and operational context

Here we present a summary of the main issues pertaining to political, societal, economic, environmental, institutional, and human rights aspects that are relevant for the project. Our overarching framework for this analysis is the soy supply chain – see illustration in Figure 1.



Figure 1: : the soy supply chain (Source: UK Soy Manifesto ).

<sup>2</sup> <https://accountability-framework.org/the-framework/contents/core-principles/>

**Global soy trade is reliant on Brazilian dominance of production and the Brazilian economy is reliant on soy exports.** As one of the most profitable soft commodities for producers and traders, soy is the second most globally traded food commodity, among others because it is a major ingredient in livestock feed.<sup>3</sup> As economic development is typically accompanied by increased animal protein consumption, soy production is expected to grow rapidly with improved living standards in China and nations across Africa and the Middle East. Brazil is the world's largest soy producer and exporter. Soy is, therefore, by and large the main crop in Brazil; both in terms of area and production volumes. Recent record harvests and the fallout from the US-China trade war that started in 2018 have further secured Brazil's dominance of global trade.<sup>4</sup> Already now, in response to relentlessly growing international demand, the land area dedicated to soy production has grown by more than 200% in 30 years, while production increased by around 500%. OECD-FAO<sup>5</sup> data suggests a need for at least 7.8 million ha. of new land by 2028 - almost twice the size of Switzerland - to grow soy for use in animal feed alone.<sup>6</sup>

**Surging soy demand intensifies pressure on the Cerrado.** While soy production is a crucial pillar of the Brazilian economy, it is, unfortunately, also the second largest driver of global deforestation and natural ecosystems loss.<sup>7</sup> The demand for land, land speculation, and weak landscape environmental governance have resulted in large scale conversion of natural vegetation for expansion of industrial agriculture.<sup>8</sup> This trend is exceedingly palpable in the Cerrado Landscape<sup>9</sup>, where 50% of Brazilian soy is grown.<sup>10</sup> At this point, approximately half of native vegetation in the Cerrado has already been lost and only 19.8% remains undisturbed.<sup>11</sup> It is estimated that 2,000 ha. of natural vegetation continue to be lost daily, resulting in annual losses of an area larger than the Danish Island of Zealand. With soy expansion in Central Brazil and its more recent advance towards the MATOPIBA region (Cerrado area in the states of Maranhão, Tocantins, Piauí and Bahia), the Cerrado is the biome most affected by land use changes caused by agricultural expansion, and is ranked amongst the most threatened biomes in South America.<sup>12</sup> As such, if the growth of soy production is left unchecked, it will lead to detrimental levels of deforestation, conversion and human rights violations - nowhere more acute than in Brazil and the Cerrado.

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<sup>3</sup> According to the [WWF Soy Traders Scorecard](#), 75% of soy production is purposed for livestock feed:

<sup>4</sup> Around 70% of the soy produced in Brazil is exported, and exports have more than doubled in the last decade. In 2018, Brazil exported 99 Mt of soy, accounting for ~42% of all global soy exports. The EU's imports of Brazilian soy reached ~13 Mt and 13% of exports in the same year. Source: TRASE- Soy Yearbook 2020

<sup>5</sup> Collaboration of the Organisation for Economic Co-operation Development (OECD) and the Food and Agricultural Organization (FAO) of the United Nations

<sup>6</sup> OECD-FAO Agricultural Outlook 2019-2028 and WWF's calculation, assuming a baseline of 2020 and factoring in OECD's 8% yield growth for soy by 2028. [WWF Soy Traders Scorecard. 2021.](#)

<sup>7</sup> [WWF 2018. What are the biggest drivers of tropical deforestation?](#) Based on data from FAOSTAT

<sup>8</sup> SOTERRONI, A. C. et al. 2018. Future environmental and agricultural impacts of Brazil's Forest Code. *Environ. Res. Lett.* 13, pp. 1–12. doi: 10.1088/1748-9326/aaccbb.

<sup>9</sup> [PAM/IBGE. \(2019\). Produção Agrícola Municipal – Instituto Brasileiro de Geografia e Estatística.](#)

<sup>10</sup> MapBiomass 2019

<sup>11</sup> [WWF BR 2020 Cerrado Alive](#)

<sup>12</sup> <https://www.wwf.eu/?5709966/Beyond-Forests-Reducing-the-EUs-footprint-on-all-natural-ecosystems>



**National government inaction and expansion policies accelerated deforestation and conversion.** Despite the extraordinary biological and cultural importance of the Cerrado, public protected areas cover only 7.5% of the Cerrado biome (compared with 46% of the Amazon) and, under Brazil's Forest Code, only 20% -35% of private lands in the Cerrado are required to be set aside for conservation. Over the past 30 years The Cerrado has become one of the most active agricultural hubs in the world, producing beef, soy and other commodities to meet increasing national and global demand. While studies show that most deforestation in Brazil is illegal,<sup>13</sup> Brazil's federal administration is not taking steps to stop this trend. In fact, traditional Government-led conservation through protection and law enforcement is unlikely in the current political climate; particularly since soy producers make up a powerful elite whose economic interests are intimately tied to the status quo (see section 2.2 below). The current Government is, therefore, rather fuelling deforestation, conversion, and environmental degradation through dismantling of environmental legislation, as well as stimulating land grabbing and other illegal activities.<sup>14</sup> As a result, 65% to 80% of remaining natural vegetation in soy farms can be legally converted. What is more, several bills, which would weaken environmental protection even further, are currently under consideration in the Brazilian Congress. With conversion of land being more financially advantageous than protection, the Cerrado is in a juxtaposition where the very resources that provide the basis for agricultural productivity are undervalued and threatened.

**Soy production is associated with severe human rights violations against indigenous people and local communities.** The rapid land degradation caused by expanding soy production severely impacts indigenous people and local communities (IPLCs), whose livelihoods depend on natural resources and healthy ecosystems for water supply, food security and climate regulation. Grotesquely, IPLCs do not benefit economically from industrial agriculture.<sup>15</sup> On the contrary, due to weak land tenure rights, pressure on IPLCs' territories has grown with the intense land grabbing by land speculators and large agribusinesses. Soy-driven deforestation is, therefore, associated with widespread social injustices, fuelling conflicts and violation of IPLCs' rights.<sup>16</sup> Against this backdrop, another looming concern is that the significant greenhouse gas emissions caused by land conversion will accelerate desertification of the Cerrado before the turn of the century. Changing rainfall patterns will increasingly impact agricultural yields, compounding threats to IPLCs by jeopardising their (and national and global populations) food security.<sup>17</sup>

**Action to reverse the conversion trend must come from the demand side of the supply chain.** If conversion of land for soy production is not halted, nature and people will suffer unimaginable loss across the Cerrado. At best, this exposes Brazilian exports and the economy to

<sup>13</sup> <https://imazon.org.br/imprensa/mapbiomas-alerta-aponta-que-95-dos-desmatamentos-detectados-no-pais-em-2019-nao-foram-autorizados/>

<sup>14</sup> [Observatorio do Clima 2022. A Conta Chegou: terceiro ano de destruicao ambiental sob Jair Bolsonaro.](#)

<sup>15</sup> [CEBRAP 2022. Champions in production, champions in development? An analysis of socioeconomic indicators in soy production territories in Brazil](#)

<sup>16</sup> [Pastoral Land Commission 2020. Conflitos no Campo Brasil 2020 & Climate Focus 2019 Towards more sustainability in the Soy supply chain: How can EU actors support Zero Deforestation and SDG efforts](#)  
<https://www.climatefocus.com/sites/default/files/20191209%20%20GIZ-%20Soy%20supply%20chain%20consolidated%20study%20clean%20v.7.0.pdf> / The level of threats posed to Brazilian environmentally-focused Civil Society Organisations (CSOs) is underlined by the frequency of lethal attacks on environmental protectors in Latin America as recorded by [Global Witness](#)

<sup>17</sup> [Siqueira, P. et al. 2021. Effects of climate and land cover changes on water availability in a Brazilian Cerrado basin. Journal of Hydrology: Regional Studies, Volume 37.](#)

growing boycott and divestment risks, as seen in recent announcements from European supermarkets.<sup>18</sup> At worst, further destruction of the Cerrado is liable to cause a complete collapse of essential environmental services, compromising the future of all agriculture in the landscape. Given the vested interest of Brazilian market stakeholders to continue the status quo, conservation efforts must be driven by conversion-free requirements in public policies on the consumer end of the supply chain; including by the European Union (EU). The EU is the second largest importer of Brazilian soy, and the Brazilian government is seeking to expand this export with the draft EU-Mercosur trade agreement. On the other hand, the WWF Network has, among others, been advocating for the EU to adopt a due diligence law that would require European importers to identify, prevent, and mitigate environmental, social, and human rights violation risks and impacts associated with soy and beef; i.e. DCHF supply chains. While such legal measures would impact the EU's international trade agreements, including the EU-Mercosur agreement, it would not alone curb soy driven conversion of Cerrado as BaU (business as usual) production can be redirected to feed the growing market in Asia. Therefore, what is most urgently needed for the conservation of the Cerrado is a sector wide commitment to DCHF soy, to be implemented and monitored in partnership with Civil Society Organisations (CSOs) and public bodies.

**Purchasing certified materials can be a complementary measure** alongside this, to support positive environmental and social outcomes in producing regions. **This project will complement and support demand and supply of certified materials that are segregated or identity preserved.** Companies may be taking responsibility for all or part of their own supply chains – but this is not a sufficient contribution towards ending deforestation, conversion and human rights abuses linked with soy and make conversion-free soy the global market norm.

**Denmark is among the top three countries in the EU with the highest deforestation footprint per capita, but progress is challenging despite political will and private commitments.** Soy from South America makes up the highest deforestation footprint and associated emissions for European and Danish imports of agricultural commodities.<sup>19</sup> In fact, it is estimated that Danish soy imports are associated with approximately 6 million tons of CO<sub>2</sub> per year.<sup>20</sup> If taken into account, soy related emissions would represent about 40% of total domestic emissions for the entire agricultural sector in Denmark. Reducing the deforestation, conversion and emissions related to land use change is, therefore crucial to addressing the Danish global climate footprint.<sup>21</sup> Denmark has, in its National Action Plan Against Deforestation<sup>22</sup> as well as several international agreements committed to reducing global deforestation.<sup>23</sup> Even though most actors in Denmark, including the Danish food and agriculture sectors, have rather similar goals for 100% responsible and deforestation free soy by 2025, progress is slow: A recent report from IFRO concludes that 0% of the Danish soy import can currently be considered to be guaranteed responsible and DCHF.<sup>24</sup>

<sup>18</sup> [THE GUARDIAN 2022. Supermarkets drop Brazilian beef products linked to deforestation.](#)

<sup>19</sup> [WWF 2021. Stepping up? The continuing impact of EU consumption on Nature Worldwide.](#)

<sup>20</sup> [IFRO 2020. BOSSELMANN, A.S. Opgørelse over udledningen af drivhusgasser i forbindelse med Danmarks import af sojaskrå og palmeolie](#)

<sup>21</sup> [WWF 2021. Stepping up? The continuing impact of EU consumption on Nature Worldwide.](#)

<sup>22</sup> [FVM 2021 : Action Plan Against Deforestation](#)

<sup>23</sup> New York Declaration on Forests, Glasgow Leaders Declaration on Forests and Land Use, SDG 15, The Paris Agreement.

<sup>24</sup> IFRO 2022a Monitorering af ansvarligt producerede og afskovningsfri landbrugsvarer i Danmark: Tiltag til ansvarlige og afskovningsfri offentlige indkøb.



**Production, demand, conservation, and inclusion in the soy section is inherently interlinked.** The WWF Network has been working for more than fifteen years to stimulate sector-level action among a critical mass of supply chain actors to commit to and implement DCHF soy sourcing at scale. Our approach in this project leverages the current momentum with the private sector. The leadership strategy focuses on enabling partners to work with a critical mass of leading companies, including global and domestic retailers, brands, and traders to help align, strengthen, and expand commitments to DCHF soy.

## 2.2 Stakeholder mapping and analysis

**Reducing deforestation and increasing the sustainability of the Danish soy supply chain is an endeavour that involves a number of stakeholders across the supply chain in Denmark, in Brazil and globally.** In the below section, we present the key stakeholder groups essential to mobilise in this project in order to meet the Specific Objective. This analysis is based on decades of experience working with these stakeholders in Brazil, Denmark and globally.

**Overall, the governance setting is complex with much at stake for almost all stakeholders.** As illustrated in Figure 2, our stakeholder analysis shows that most relevant stakeholders have both high interest and high influence on this issue of deforestation and conversion related to soy. This adds considerable complexity to this project delivering its intended interventions. In short, international actors are (to a certain extent) advocates but are reluctant to take necessary comprehensive action to ensure change. National stakeholders that benefit directly or indirectly from soy production, such as producers and national government, are the main blockers of sector wide transformation and highly influential. External to the supply chain, IPLCs, national CSOs, and international CSOs are the main proponents of a market transformation. Below we outline a brief analysis for each stakeholder group.

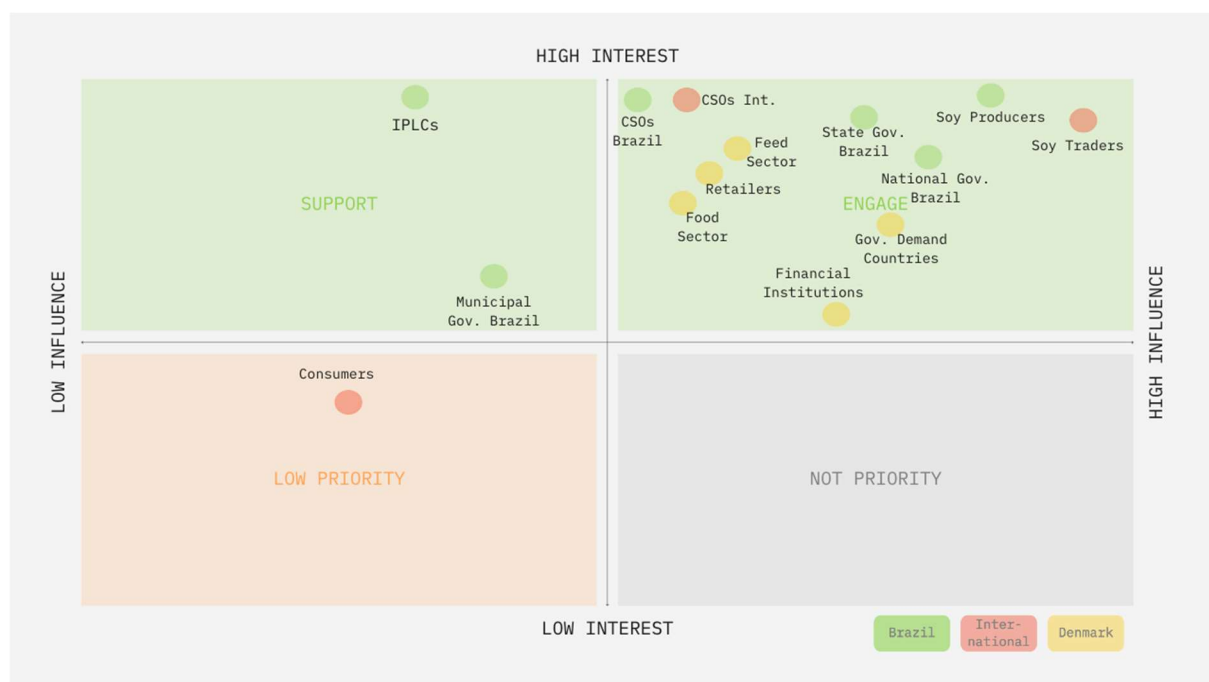


Figure 2: Stakeholder Mapping

## Soy Producers

**The rapid growth of the soy business has brought a shift toward progressively larger farming units which are more competitive in the commodities markets.** In the Cerrado, most soy farms are medium (300-2,000 ha) or large (2,000-30,000 ha).<sup>25</sup> Large landowners and producers are historically part of the country's most powerful elites, with large-scale agriculture generating 25% of Brazil's GDP. Therefore, soy producers hold significant financial and political influence at the highest levels of state and national government - and particularly under the current administration.

**Producers are the main blockers of a sector wide DCF agreement for the Cerrado.** There is widespread resistance among Brazilian producers and landowners to any solution that places constraints on soy production expansion. This is exemplified in the indignation over the proposed EU due-diligence legislation voiced by APROSOJA, the Brazilian Association of Soy Producers.<sup>26</sup> Their main argument is that the Brazilian Forest Code is already very strict if compared to other countries with no conservation requirements in private properties. As such, producers claim that the imposition of criteria that go beyond Brazilian law by consuming markets and countries is an attack to the country's sovereignty. Especially if due compensation for producers' opportunity cost and financial support for transitioning to sustainable practices is not offered at appropriate scale.

## National Government

**Brazil's Federal Government sets, monitors and mediates interests between environmental and agricultural stakeholders.** Fundamental policy frameworks are governed at national level, including the Brazilian **Forest Code** which regulates the conservation of native vegetation in private properties, credit, tax, and tributes associated with conservation and agriculture expansion, land use planning and land tenure policies, including official demarcation of Indigenous territories. Agencies responsible for environmental management (e.g. protected areas, environmental law enforcement, and land use monitoring, IPLCs) operate under the Federal Government in Brazil.

**Under the current administration, Brazil has faced several setbacks in the environmental agenda.** Severe budget cuts to Public Environmental organs have affected the effectiveness of law enforcement; as seen in the lowest number of fines for environmental crime in 20 years. This challenging political environment is expected to intensify up to the end of 2022, when Brazil will hold national elections. A change in government is almost certain according to recent polls, which point to ex-president Lula as the most probable winner.<sup>27</sup> The change in government will, at best, mean increased focus on the environmental agenda and, at worst, only halt the active dismantling of environmental policy seen in the past four years. Regardless of the outcome of the 2022 elections, it is extremely unlikely that national laws will be changed in favour of more protection soon, due to the high political influence of the agribusiness sector. Nevertheless, any improvements in policy implementation and law enforcement are expected to have a substantial impact.

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<sup>25</sup> [WWF 2014 The Growth of Soy](#)

<sup>26</sup> <https://www.correiobraziliense.com.br/economia/2021/11/4965241-proteccionismo-disfarcado-de-protecao-ambiental-diz-aprosoja-brasil-sobre-uniao-europeia.html>

<sup>27</sup> <https://www.reuters.com/world/americas/brazil-poll-shows-lula-gaining-over-bolsonaro-third-candidate-embryonic-2022-01-14/>

## State Government

**The State-level government is responsible for land management and land use regulation.**

Based on national legislation, the State Environmental Secretariats issue licences for legal deforestation and land use change in private areas, monitor and enforce implementation of the Forest Code, manage the Rural Environmental Registry (CAR), and the recognition of traditional territories (beyond Indigenous People).

**Producers are among the political elite of the main soy-producing states.** Due to their high political influence, State level policy tends to be very protective of producer's interests, and corruption is a marked issue. Since legal compliance and transparency are central for advancing sustainability in the soy sector, State level authorities have an important role to play, and can be blockers or enablers of innovative solutions with universal impact across states. The state of Maranhão, for example, as a member of the **Governors Climate and Forests Task Force**, is showing leadership in curbing its high rates of deforestation and conversion.

## IPLCs

**Indigenous and traditional people of the Cerrado have accumulated knowledge and ways of life that promote the conservation of the biome and value its biodiversity.** For this reason, the more than 80 indigenous ethnic groups, along with thousands of traditional communities, are known as the guardians of the biodiversity and waters of the Cerrado. Traditional communities of the Cerrado include descendants of enslaved Africans (Quilombolas); the Gerazeiros; Coconut Breakers and many other culturally distinct groups who have their own forms of social organisation. They rely on natural resources in order to maintain their way of life, using knowledge, innovation and practices that are passed down over the generations. Cerrado IPLCs produce a great variety of crops, fruit and vegetables from their gardens, combined with small animals, cattle and nature-based production, including fruits, nuts, fibres, honey, flowers and handicrafts. These families' livelihoods support the maintenance of a mosaic of landscapes, from conserved native vegetation to different levels of intensification in small-scale productive plots. In this sense, the presence of IPLCs is essential to the conservation of the Cerrado. Despite their deep connection to the landscape, IPLCs are largely excluded from governance fora and community-based organisations (CBOs) have little political influence at local, state, and national levels. IPLCs partner instead with CSOs to advocate for social justice and environmental protection.

## CSOs

**International, national, and local CSOs play an important role in the governance of the Cerrado and advancing sustainability in the soy sector.** CSOs are also the main advocates for Cerrado conservation, IPLCs rights, and a sector-wide transformation of value chains threatening nature and people. Through data generation, technical support, and advocacy, CSOs have supported the development and implementation of mechanisms, policies and initiatives to curb Cerrado conversion, in partnerships with both public and private sector.

**The global presence and coordinated engagement among demand countries renders International CSOs instrumental to increase pressure from national and local CSOs onto Brazil's political and economic elites resistant to change in BaU.** Large international CSOs are active in Brazil and collaborate widely with the many national CSOs focusing on environmental protection and social justice, as well as with Academia. The involvement of Greenpeace and the WWF Network was crucial for achieving Brazil's Amazon Soy Moratorium (ASM), and these two organisations are also leading negotiations with traders under the Cerrado Working Group (GTC).



## Traders

**Traders are at the intersection between producing landscapes and global markets, which provides them with unparalleled influence over production practices at a large scale.** Soy trade is concentrated in a handful of international trading companies. Indeed, only five traders account for more than half of all soy exports from South America.<sup>28</sup> Archer Daniels Midland, Bunge and Cargill, and Louis Dreyfus Commodities from Switzerland (CH) are among the major players in all regions, including China. As soy producers often make forward-sales to traders in return for seed, fertiliser and chemicals, traders have indirect control over large amounts of land and production without having to internalise long-term environmental costs.<sup>29</sup> In Brazil, traders are represented by **ABIOVE**, the Brazilian Association of Vegetable Oil Processing Industry, while internationally, the large traders are organised under the **Soft Commodities Forum (SCF)**.

**The commitments of traders are key in determining how soy is produced and processed further up the supply chain, and also key for downstream soy buyers such as animal feed manufacturers to achieve their deforestation commitments.** The ASM is an example of traders' leadership and collective action with significant impact over an entire landscape. Although the same model could be replicated in the Cerrado, pressure from producers combined with lack of consistent demand for DCHF soy from downstream markets, results in a lack of commitment by traders. As an example, Cargill rejected the sector-wide DCF agreement negotiated through the GTC shortly after announcing the company's Sustainable Soy Action Plan.<sup>30</sup> Despite trader-led initiatives for advancing sustainability in the soy sector, none of the 22 trading companies assessed in WWF's Soy Traders Scorecard<sup>31</sup> are currently showing leadership in tackling deforestation, conversion, and human rights abuse in soy supply chains.

## Financial Institutions

**Financial Institutions (FIs) and investors play an important role in deforestation dynamics.** FIs finance productive activities with high associated deforestation risks (such as grain and cattle production), commodity related infrastructure (such as silos and processing plants) and provide loans to companies exposed to deforestation risks (such as, soy traders, meatpackers and land companies). Although Brazilian and international banks see deforestation risks as a growing concern for their operations, a process to include deforestation risks in their screening protocols in a sufficient manner is still lagging.

**Similarly, Danish pension funds have investments in multinational companies, including global food producing companies, that are linked to global deforestation.** Danish pension funds are therefore also exposed to global deforestation via investments in Danish banks that provide finance for the deforestation-heavy agricultural meat production in Denmark. From the WWF DK yearly investigation of the climate actions of Danish pension funds, we know that these actors want to be more ambitious, but progress is slow. The most recent report (March 2022) confirms that Danish pension funds lack official guidelines and policy for reducing their deforestation exposure.

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<sup>28</sup> [Trase Yearbook 2020: The state of forest risk supply chains.](#)

<sup>29</sup> [Pacheco, P. 2012. Soybean and Oil Palm Expansion in South America: A Review of Main Trends and Implications. Working Paper 90. CIFOR, Bogor, Indonesia.](#)

<sup>30</sup> <https://news.mongabay.com/2019/07/cargill-rejects-cerrado-soy-moratorium-pledges-30-million-search-for-ideas/>

<sup>31</sup> [WWF 2021. Soy Traders Scorecard](#)

## Downstream companies

**All companies<sup>32</sup> that use soy have a role to play in reducing the negative environmental and social impacts of its production.** Within the downstream supply chain actors, a few traders hold immense power in Brazil, as national and international soy buyers depend on them for information about the origin of their soy, including information on associated social and environmental risks. Downstream companies, including Danish companies, can therefore not fulfil their own commitments without agreements and collaboration with the traders - and alone they hold little influence and power. However, through collective action, downstream companies have an opportunity to exert significant influence and change as seen with the UK Soy Manifesto, Retail Soy Group, and the Salmon Industry agreement (see Section 2.3 and Table 2).

**The Danish Alliance for Responsible Soy (the Alliance) is currently the main forum for knowledge exchange and coordination around sustainable soy supply among Danish actors.** The Alliance was co-founded by DIEH and WWF DK in 2019 to advance progress towards responsibly produced soy. Its members include the vast majority of the Danish retail sector; some important global players in the food sector (such as Arla and Danish Crown); feed producer DLG Group, responsible for over 50% of Danish soy meal import; as well as the associations representing these sectors: DE (Danish Chamber of Commerce), DSK (Danish Federation of Retail Grocers), L&F (Danish Agriculture & Food Council) and DAKOFO (Danish Trade Association for the Grain and Feed Industry).

WWF DK, along with labour union 3F, climate think tank CONCITO, as well as non-profit Preferred by Nature are active supporting members of the Alliance. Public sector supporting members of the Alliance include the Ministry of Environment, Ministry of Food, Agriculture and Fisheries and the MFA. Finally, the Alliance is supported by the Department of Food and Resource Economics (IFRO) from the University of Copenhagen. Most actors in the Danish food and agriculture sectors thus seem to have rather similar goals for responsible and deforestation free soy. Many actors refer to private certification schemes a main part of their action plans and to the underlying certification standards for their understanding of responsible and deforestation free soy. Despite the seemingly common understanding of and goals for responsible and deforestation free soy, much uncertainty remains among the Danish actors in relation to the necessary standards and criteria for a responsible soy, the practical changes in procurement policy and supply chain.

## 2.3 Overview of approaches and related initiatives

**A multitude of initiatives are aimed at fostering DCHF supply chains, Cerrado landscape conservation and sustainable soy production in Brazil and elsewhere.** Each initiative is based on different approaches, tools, and targets different stakeholder groups. Most of them build on multi stakeholder collaborations to find durable and scalable solutions to the wicked problem of deforestation and conversion associated with global food systems. This section outlines the main approaches and initiatives relevant to this proposal, and is supplemented by two tables below:

- Table 1 outlines the main approaches and their strengths, challenges, and limitations, along with case examples.
- Table 2 provides an overview of relevant initiatives with descriptions of the most relevant ones and their engagement of key stakeholders.

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<sup>32</sup> Downstream companies include feed manufacturers, product manufacturers, retailers, brands, and food service companies.

**A newly published report and a forthcoming report by IFRO cement (based on evidence) that there is a need to apply a variety of approaches and initiatives at different levels in order to leverage any meaningful sector-wide transformation.**<sup>33</sup> Each approach tends to emphasise different dimensions and goals related to addressing deforestation and forest degradation. Likewise, initiatives have aimed at specific elements such as protecting the human rights of IPLCs, supporting the conservation of biodiversity rich areas and maintenance of environmental services, as well as promoting legal production and trade, sustainable supply chains and responsible finance. However, the need for transformation is profound and the scale is massive. Just the Cerrado, the Brazilian biome most affected by soy, extends over an area equivalent to that of Spain, Portugal, France, Germany, Austria, Belgium, Netherlands, and Denmark together. Furthermore, the integration of forest risk commodities in global value chains adds to the complexity and pervasiveness of the issue at hand. Consequently, no single approach, stakeholder or initiative can solve this problem.

**Two key integrated approaches that merge supply chain and landscape approaches are particularly relevant for this proposal: jurisdictional approaches and biome-wide sector agreement.** Jurisdictional approaches are aimed at tackling deforestation along with achieving sustainable development at sub-national or landscape scales. Biome-wide moratorium are voluntary sector agreements, where soy produced in areas deforested after the established cut-off date for the entire biome is no longer commercialised.<sup>34</sup> These integrated approaches both build on (i) a landscape approaches such as multi-stakeholder initiatives involving CSOs, CBOs, academia and public organs focused on IPLCs rights, land tenure and improved governance, with the double aim of securing Cerrado conservation and social justice; and (ii) supply chain approaches, on the other hand, have a strong focus on transparency, accountability and traceability.

**Of the jurisdictional initiatives carried out in Cerrado, the most prominent is the Produce, Protect and Include (PCI) initiative in Mato Grosso - led by Sustainable Trade Initiative (IDH).** IDH delivers this initiative in partnership with state government and involvement of several stakeholder groups, including producers, international, national, and local CSOs, smallholders and local communities. Building on the PCI model, IDH formalised in November 2020 the Balsas Regional Compact with 12 municipalities, public and private sector signatories and CSOs in Maranhão (part of the MATOPIBA region). The broad stakeholder involvement and consensus at the heart of jurisdictional approaches have the potential to address sustainability across an entire jurisdiction and promote responsible production beyond soy. At the same time, the first analyses of this incipient approach point to potential shortcomings, such as risk of lengthy negotiations and slow progress. To be considered when implementing jurisdictional approaches<sup>35</sup>:

- The high risk of low ambition level and progress due to broad involvement of stakeholders, with considerable representation of local elites.
- Failure to sufficiently involve IPLCs can hamper contributions to local social development.

Furthermore, jurisdictional approaches focus primarily on the supply side, and must therefore be complemented by demand side approaches - similar to other landscape approaches.

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<sup>33</sup> [IFRO 2022a Monitorering af ansvarligt producerede og afskovningsfri landbrugsvarer i Danmark: Tiltag til ansvarlige og afskovningsfri offentlige indkøb](#)

IFRO 2022b A road to Danish import of traceable, responsibly produced and deforestation free soy  
Perspectives of Danish and European stakeholders

<sup>34</sup> [WWF 2021 Deforestation Fronts Report](#)

<sup>35</sup> [WWF 2021. Deforestation Fronts report](#), & ICV Forthcoming



**The ASM, a biome-wide agreement that established a cut-off date of 2006 for soy grown in the Amazon, is recognized as one of the most successful stand-alone measures to curb commodity driven deforestation.**<sup>36</sup> Initiatives working on replicating the AMS for the Cerrado include the Cerrado Manifesto and related activities. Launched in 2017 by more than 60 CSOs, public and private sector members, the manifesto was titled: ‘The Future of the Cerrado in the Hands of the Market.’<sup>37</sup> The proposed solution within this manifesto was a sector-wide DCF agreement, where grain traders collectively adopt a cut-off date of 2020 for soy grown in the entire Cerrado. The sector agreement has been negotiated by CSOs and traders since 2018 through the GTC. In support of the manifesto, more than 150 companies and investors linked to the soy-value chain have signed the Cerrado Manifesto Statement of Support (SoS Cerrado).<sup>38</sup> To be considered when implementing a biome-wide sector agreement:

- The risk of leakages to other biomes; and
- The approach inability to address drivers of deforestation from other sectors.

**While VCS address responsible production beyond deforestation and conversion, their impact at scale is limited, having little or no effect beyond certified farms.** Besides, the low uptake and underdeveloped infrastructure result in high segregation costs for a physical supply of responsible soy<sup>39</sup>. Instead, the small volume of certified responsibly produced soy gets mixed with conventional soy, while companies purchase credits from certified farms as a compensatory measure. Nevertheless, VCS remains an important tool in supporting best practices among producers beyond DCF, related to problematic issues of soy production, such as agrochemicals, soil and water management and workers’ rights and safety. A more detailed analysis of the limitations of VCS for the soy supply chain will follow in Section 2.4 Problems, Needs and Opportunities analyses.

**‘Clean supplier’ approaches, based on the AFi, focus not only on individual companies’ soy supply, but on clean value chains.** The UK soy manifesto is an example of initiative that seeks to cascade DCF commitments up the supply chain all the way down to traders and producers. It does so by identifying ‘clean suppliers’ and supporting the development of suppliers into clean suppliers through credible and aligned commitments in the supply chain, transparency, engagement with high-risk producers, and collaboration. The **Salmon Industry agreement** signed in January 2021 is a benchmark achievement within the ‘clean supplier’ approach within the soy sector. Through collective negotiations facilitated by CSOs, the Norwegian Salmon Industry signed an agreement with traders (CJ Selecta, Caramuru and Imcopa/Cervejaria Petrópolis) on the adoption of a cut-off date of 2020 for their entire operations in Cerrado, including indirect suppliers. The agreement outlines a robust monitoring, verification, and reporting (MRV) system to implement and enforce traders’ DCHF commitment.

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<sup>36</sup> IFRO 2022b. A road to Danish import of traceable, responsibly produced and deforestation free soy Perspectives of Danish and European stakeholders. Forthcoming.

<sup>37</sup> [Cerrado Manifesto 2017](#)

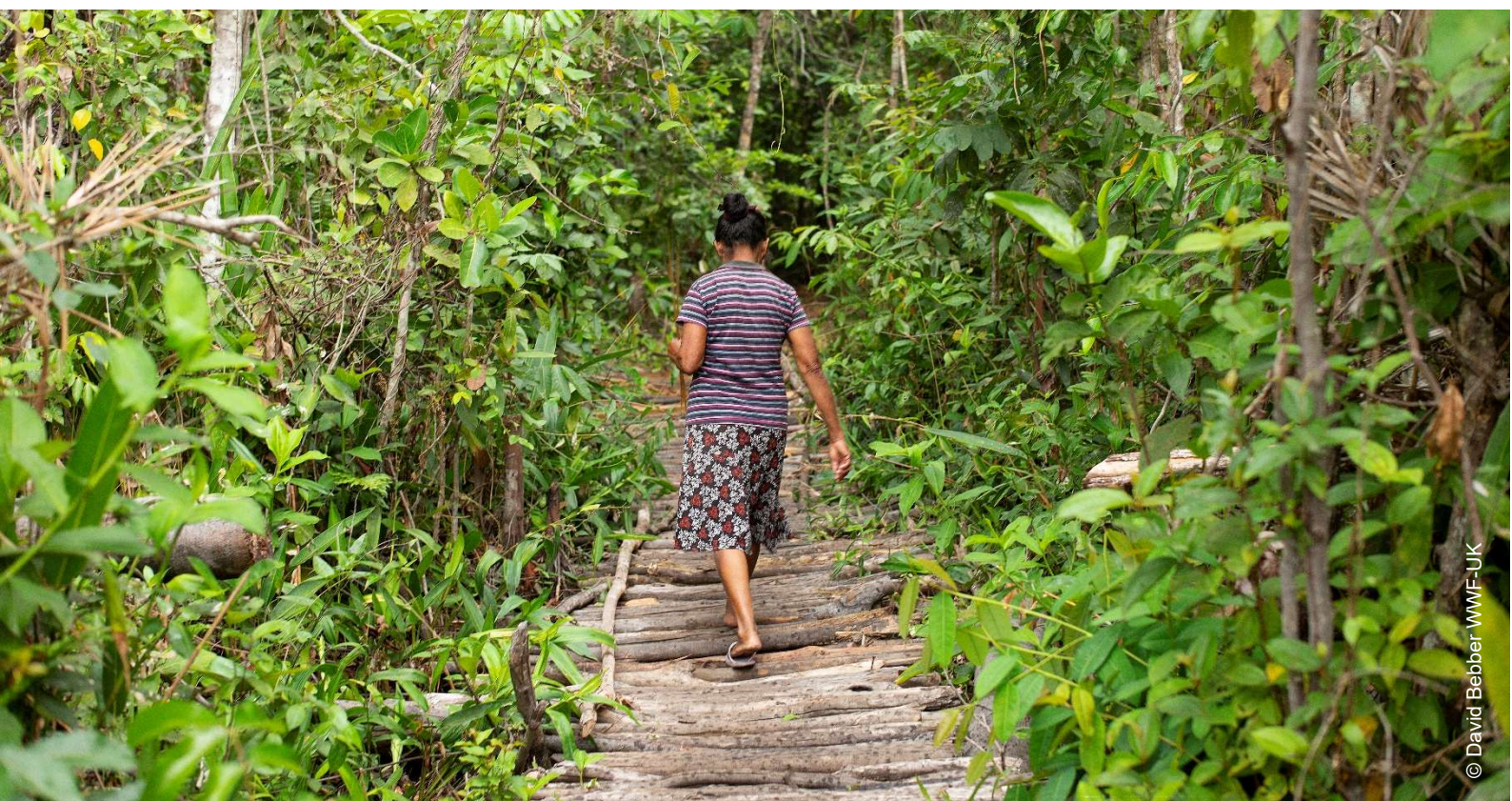
<sup>38</sup> [SoS Cerrado - FAIRR](#)

<sup>39</sup> IFRO 2022b A road to Danish import of traceable, responsibly produced and deforestation free soy Perspectives of Danish and European stakeholders. Forthcoming.

**Advancing responsible finance is a central element within supply chain and landscape approaches.** The criteria and requirements posed by financial institutions on their investees can be catalysts of change at scale. Initiatives such as IFACC<sup>40</sup> - Innovative Finance for the Amazon, Cerrado and Chaco, led by United Nations Environmental Programme (UNEP), the Tropical Forest Alliance (TFA) and the Nature Conservancy (TNC) (see Table 2 for more details) engage banks, private investors, asset owners and other financial institutions to boost financial incentives for producers. Others, such as the Collaboration for Forests and Agriculture (CFA)/Conservation and Market Initiative (CMI), focus on the adoption of deforestation risk criteria across the portfolios of private financial institutions.

**Furthermore, following initiatives are relevant to this proposal, applying landscape and supply chain approaches (detailed in Table 2 below):**

- **A landscape approach** is applied with initiatives such as ‘To no mapa’ (‘I’m in the map’), ‘Tamo de olho’ (We’re watching) and Alerta MATOPIBA work to increase visibility and participation of IPLCs in landscape governance as well as promote accountability in cases of violations to IPLCs rights associated with deforestation and conversion.
- **A supply chain approach** is applied in Voluntary Certification Schemes (VCS), such as the Round Table for Responsible Soy (RTRS) and Zero Deforestation Commitments and ‘clean supplier’ approach, as in the Accountability Framework initiative.



<sup>40</sup> IFACC is an initiative led by UNEP, TNC and TFA. IFACC aims to catalyse innovative finance mechanisms for the expansion of soy and cattle production with deforestation and conversion-free principles in the Brazilian Amazon, Cerrado and the Chaco regions of Paraguay and Argentina. IFACC’s goal is to work with companies, banks and investors to commit by 2023 to a total of USD 3 billion of investment in beef and soy production models that are decoupled from deforestation and conversion of natural habitat.



Table 1: Overview of existing

approaches

Responses to conversion	Approach	Strengths and opportunities	Weaknesses and challenges	Examples of implementation (see details in Table 2)
<b>Securing IPLCs land rights</b>	Landscape Approach; HRBA	Double benefit: nature, & people Landscape Governance	Invisibility of IPLCs and lack of international focus	To no Mapa, Tamo de Olho CBO advocacy
<b>Financial incentives to producers</b> E.g., Payment for Environmental Services (PES) Green bonds	Supply Chain Approach	Important element to support a sector-wide agreement; Potential to deliver at scale; Rewards best practices; Conservation in private farms; Incentives to farmers; Other commodities; Sustainable Agricultural practices beyond conversion and beyond soy	Complex mapping, outreach, and capacity building among producers; Incipient; Substantial investments required	SIM; CONSERV; IFACC
<b>Voluntary Certification Schemes</b>	Supply Chain Approach	Responsible practices beyond DCHF; Reward good practices; If robust: legality	No scale - limited uptake; Does not deliver on DCHF at scale; Predominance of credits (book and claim); No impact out of certified farms; Lacks evidence of impacts; Does not deliver on social inclusion IPLC rights Leakage; Market Segregation High cost of segregation; No impact in new conversion frontiers (cut-off date 2008)	RTRS; Pro-Terra; Donau Soy; Europe Soy; FEFAC Criteria



Responses to conversion	Approach	Strengths and opportunities	Weaknesses and challenges	Examples of implementation (see details in Table 2)
DCHF/clean supplier (AFi)	Supply Chain Approach	Delivers on Due Diligence Regulation; Ensure legal compliance; Effect beyond individual companies supply; Unravel supply chain complexity; Avoid Leakage  Avoid Market Segregation; Incentives to farmers and suppliers	Commitments of varying robustness  Gap in implementation; Strong need for coordination and pre-competitive collaboration from down-stream buyers	Salmon Agreement; UK Soy manifesto; UK Retail Soy group principles for credible soy strategy
Biome-wide DCF Sector Agreement	Integrated Landscape and Supply Chain Approach	Technically feasible; Effective and efficient at curbing; Cost-effective; Aligns with due diligence regulation; Tested; Most effective instrument for reducing soy-driven deforestation so far in South America; Ensure legal compliance (if); Unravel supply chain complexity; Curb soy-driven deforestation; Address land speculation; Local ownership beyond soy farms; Safeguard IPLCs; Avoid market segregation	Lengthy negotiations and political sensitive; Not supported by majority of producers and producing regions/countries; Surge in soy prices shifts power balance - increases influence of producers; Does not apply to other commodities; Risk of leakage to other biomes; Does not address responsible production beyond DCHF; No incentives for farmers and suppliers; Supporting policies are important to enable and	AMS

Responses to conversion	Approach	Strengths and opportunities	Weaknesses and challenges	Examples of implementation (see details in Table 2)
Jurisdictional approach	Integrated Landscape and Supply Chain Approaches	Sustainability addressed across entire landscape; Promote local ownership beyond soy farm; Incentives to farmers and suppliers; Contribute to local social development (if stakeholder groups are fairly represented); Responsible production beyond soy	Lengthy negotiations and stakeholder complexity may slow progress; Low ambition level due to broad; involvement of stakeholders; Risk of appropriation by local elites; Risk of exclusion of IPLCs and CSOs; No commitment to DCHF; Leakage	PCI Mato Grosso & Balsas (IDH)



Table 2: Related initiatives

Name of Initiative	Lead Organisation	Financed by	Description
<b>Accountability Framework Initiative (AFi)</b>	AFi's Steering Group The WWF Network	The Gordon and Betty Moore Foundation, NICFI Walmart	The Accountability Framework initiative (AFi) is a multi-stakeholder initiative, co-founded by WWF, that provides a common framework and principles for commitments on deforestation and ecosystem conversion and human rights in forest risk commodity supply chains such as soy, cattle, palm oil, coco, coffee. It builds on the 'clean supplier' approach, and provides companies with concrete guidelines for operating principles, implementation, supplier management and reporting aimed at cascading the DCFHRVF commitments up through the supply chain. The AFi has become the global reference for deforestation-free supply chains, ensuring alignment between up and downstream companies, as well as demand-side policies and industry initiatives such as parts of the upcoming EU law against imported deforestation and the updated European Feed Manufacture's Federation's (FEFAC) soy sourcing guidelines. Many stakeholders in Denmark, incl. WWF DK and industry actors, refer to the AFi framework and principles as their reference.
<b>Agri Chain</b>	GIZ	GIZ	The <b>GIZ</b> (Deutsche Gesellschaft für Internationale Zusammenarbeit) is implementing the Project <b>Sustainability, and Value Added in Agricultural Supply Chains in cooperation with the Maranhão State from 2019 to 2025</b> . For Brazil, the objective is to increase the sustainability in the soy supply chain and other potential value chains in the federal state of Maranhão, strengthening capacities for local value addition, promoting sustainable farming methods, and fostering global knowledge exchange.
<b>Amazon Soy Moratorium</b>	Multi-stakeholder  WWF Greenpeace ABIOVE Traders	-	Brazil's Amazon Soy Moratorium (ASM) is a sectoral agreement under which commodity traders agreed to avoid the purchase of soybeans from areas that were deforested after 2008. The ASM was first implemented in 2006 following a provocative Greenpeace campaign that called attention to the role of soybean expansion in Amazon deforestation. The agreement was renewed every 1-2 years until 2016, when it was implemented "indefinitely." The objective of the ASM is to eliminate deforestation from Amazon soybean supply chains and there is a general consensus that it has been successful in this respect, as less than 2% of the total soy area in the 2018/19 crop year was non-compliant with the ASM. Furthermore, studies have shown that the ASM significantly contributed to the reduction of overall Amazon deforestation rates.



Name of Initiative	Lead Organisation	Financed by	Description
<b>Cerrado Resiliente Project - CERES</b>	WWF-BR WWF-PR ISPN	EU	Cerrado Resiliente Project (CERES) funded by the European Union was launched in 2021. It aims to strengthen inclusive landscape conservation, valuing a more sustainable and integrated economic model to strengthen those who are the ancestral guardians of the Cerrado: traditional peoples and communities. WWF-BR, WWF-Paraguay and the Society, Population and Nature Institute (ISPN) coordinated by WWF-Netherlands implement the project (~5 million EUR), which will last 4 years and aims to develop climate-smart solutions that can be applied to other savanna landscapes around the world.
<b>CMI / CFA (DCF Implementation Toolkit)</b>	The Gordon and Betty Moore Foundation in partnership with WWF, TNC, NWF (National wildlife federation)	Moore	<p>The Collaboration for Forests and Agriculture (CFA) was jointly launched in 2016 by the National Wildlife Federation (NWF), The Nature Conservancy (TNC), and WWF, with funding from the Betty Moore Foundation, with the aim of transforming zero-deforestation beef and soy production into the global standard. This collaboration resulted, amongst others, in the development of the DCF implementation toolkit, a methodology for implementation of the AFi specifically designed to the Cattle and Soy supply chains.</p> <p>The second, and current, phase of the collaboration is named the Conservation and Markets Initiative (CMI). The initiative builds on private sector engagement and leadership and alignment of capital flows to support DCHVF transition across soy and cattle producing landscapes in South America.</p>

Name of Initiative	Lead Organisation	Financed by	Description
<b>Coalizão Brasil Clima Florestas e Agricultura</b> <b>Brazilian Coalition on Climate Forests and Agriculture</b>	Multi-Stakeholder WWF BR Solidaredad TNC WRI Trase TFA Unilever Marfrig JBS	Santander Cargill Marfrig Natura Amaggi	<p>The Brazilian Coalition on Climate, Forests and Agriculture is composed of <u>more than 300</u> representatives from the private sector, financial sector, academia, and civil society. They join these different voices in favour of Brazil's leadership in a new low-carbon economy, with competitiveness, responsibility, and inclusion. With this in mind, they work to promote synergy between agendas for protection, conservation, sustainable use of natural and planted forests, agriculture, and climate change adaptation.</p> <p>The coalition leverages contributions in national debates for the development of key public policies, economic instruments, and experiences in sectors related to the country's land use. They also take their proposals to COPs and other forums to be presented to international audiences.</p>
<b>CONSERV</b>	IPAM	-	Conserv is a private, voluntary mechanism that compensates rural producers for conserving native vegetation on their property that could be legally deforested.
<b>Danish Alliance for Responsible Soy</b>	DIEH	-	<p>The Danish Alliance for Responsible Soy was launched by DIEH in 2019 together with key stakeholders from the Danish segments of the supply chain. The aim of the Alliance is to ensure progress towards responsibly produced soy by bringing actors together for collaboration and knowledge sharing. The Alliance currently has 12 participating members representing companies and producers directly involved in the soy supply chain. They are required to publish action plans and report annual progress detailing their intended activities for achieving responsible soy supplies. The Alliance also has 11 supporting members from NGOs, public authorities, think tanks and industry organisations that undertake and actively support the alliance by e.g., contributing with professional knowledge and communication.</p>

Name of Initiative	Lead Organisation	Financed by	Description
<b>Ecosocial Productive Landscapes (PPP-ECOS)</b>	ISPN	-	Ecosocial Productive Landscapes (PPP-ECOS) of the ISPN, works through public notices with community organisations to promote environmental conservation combined with the sustainable use of biodiversity, in addition to strengthening food security, generating income, and promoting dignified life in the countryside through dialogues and actions that ensure community leadership in line with the fight against social inequalities.
<b>EMIA Emerging Market</b>	-	-	The Emerging Markets Investors Alliance is a 501(c)(3) not-for-profit organisation that enables institutional emerging market investors to support good governance, promote sustainable development, and improve investment performance in the governments and companies in which they invest. This alliance seeks to raise awareness and advocate for these issues through collaboration among investors, companies or governments, and public policy experts.
<b>ENSI</b>	Schuttelaar & Partners is the secretariat	Currently IDH	WWF DK and DIEH are representatives of the Danish Alliance for Responsible Soy founding members of the knowledge sharing platform of European National Soya Initiatives (ENSI) from Europe including Norway, Sweden, UK, Germany, Netherlands and France. ENSI has jointly committed to work towards the goal of having 100% of the countries' soya consumption produced according to the law and in a way that protects forests and valuable native vegetation (deforestation and conversion free). This is in support of the SDGs and in line with the definitions of the Afi.
<b>German collaboration for Sustainability and Added Value in Productive Chains</b>	CSF - conservation strategy	GIZ	The GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit) is implementing the Project <i>Sustainability, and Value Added in Agricultural Supply Chains</i> in cooperation with the Maranhão State from 2019 to 2025. For Brazil, the objective is to increase the sustainability in the soy supply chain and other potential value chains in the federal state of Maranhão, strengthening capacities for local value addition, promoting sustainable farming methods, and fostering global knowledge exchange.
<b>Good Growth</b>	UNDP in	GEF	The Good Growth Partnership (GGP) convenes a wide range of stakeholders and initiatives to reduce



Name of Initiative	Lead Organisation	Financed by	Description
<b>Partnership</b>	collaboration with CI, International Finance Corporation, UN Environment and WWF		deforestation in three global commodity supply chains: soy, beef and palm oil. Launched at the United Nations New York Headquarters in 2017, the Partnership is funded by the Global Environment Facility and led by the United Nations Development Programme in partnership with Conservation International (CI), the International Finance Corporation, UN Environment, and WWF. In collaboration with the governments of Brazil, as well as civil society and major private sector players, the project aimed to place sustainability at the heart of commodity supply chains. In Brazil, the MATOPIBA region was selected for the “Sustainable Production” axis due to the rapid expansion of soy plantations in recent decades, which occurred twice as fast as other regions in the Cerrado. The implementation was led by the UNDP (USD 6,6 MM). The GGP project was also connected to the Brazilian soy supply chain in the international axis of “Generating Responsible Demand,” where WWF BR with WWF US was responsible for building the capacity of global soy buyers to achieve their sustainability commitments.
<b>GT Cerrado (GTC) (Cerrado Working Group)</b>	The WWF Network Greenpeace ABIOVE	-	Established in 2017 as a stand-alone entity, GTC is the forum negotiating an agreement between producers, industry, consumer organisations and civil society, and establishing an action plan to eradicate deforestation in Brazil’s Cerrado biome. The GTC is composed of industry members, producer organisations, government and financial institutions and Brazilian consumer goods companies and it is led by NGOs, including WWF.
<b>GT Pastagens (Pastureland Working Group)</b>	WWF BR University of Goiás	-	Created in 2019, the GT-Pastagens is currently composed of members from academia (Federal University of Goiás), civil society (WWF BR, TNC and Imaflora) and the private sector (consultancy company Agroicone). The main objective of the GT is to create solutions that subsidise actions and identify opportunities for the rehabilitation of degraded pastures in the Cerrado, both for conservation purposes and for agricultural and forestry production.

Name of Initiative	Lead Organisation	Financed by	Description
<b>IFACC (Innovative Finance for the Amazon, Chaco and Cerrado)</b>	UNEP TFA TNC		IFACC is an initiative that aims to catalyse innovative finance mechanisms for the expansion of soy and cattle production with deforestation and conversion-free principles in the Brazilian Amazon, Cerrado and the Chaco regions of Paraguay and Argentina. IFACC's goal is to work with companies, banks, and investors to commit by 2023 to a total of USD 3 billion of investment in beef and soy production models that are decoupled from deforestation and conversion of natural habitat.
<b>PCI - Balsas</b>	IDH		<p>The PCI Compact of the Balsas Region of Maranhão was launched in 2020. It is a long-term development plan with targets comprising production, conservation, and inclusion. The main objective is to support 12 municipalities into a key sustainable sourcing area for grains and family agriculture products, generating development through the engagement of both public and private local and state actors committed to time-bound targets for implementation.</p> <p>The Compact itself is made up of 37 signatories from the public sector (state and local), private sector, and civil society. The partnership is committed to the transition to the production of sustainable commodities, reconciling the conservation of native vegetation, where one of the main goals is to reduce illegal deforestation, and the inclusion of smallholders and family farmers in order to reduce inequalities.</p>
<b>PCI - Mato Grosso</b>	IDH		Mato Grosso's government and partners from different sectors created the Produce, Conserve, Include (PCI) strategy in 2015. This strategy set ambitious targets for the intensification of livestock production, expansion of conservation of the forest and the Cerrado area, and the improvement of living conditions of smallholder farmers. Goals for 2030, include recovering 2.5M ha of degraded pasture, expanding 3M ha of sustainable forestry, eliminating illegal deforestation (by 2020) and sustaining 60% native vegetation, as well as increasing the internal market share from 20% to 70%. These targets will be delivered through Production, Protection, Inclusion (PPI) Compacts, referred to in Portuguese as PCI - Produzir, Conservar, Incluir. Three PCI Compacts are currently in place in Sorriso, Juruena Valley and Barra do Garças.

Name of Initiative	Lead Organisation	Financed by	Description
<b>Projeto Alerta MATOPIBA</b>	The WWF Network ABRAMPA	GIZ	<p>Project conceived by ABRAMPA in partnership with strategic stakeholders, supported by WWF-Brasil and financed by GIZ on behalf of the German Federal Government, which aims to support the Public Ministry of the Matopiba region in the fight against deforestation, especially in relation to the Cerrado biome, an important heritage Brazilian native.</p> <p>Initially, the project will last 5 months and will seek to strengthen the work of the State Public Ministry of the States of Maranhão, Tocantins, Piauí and Bahia in the fight against deforestation, as well as identify structural issues that will guide future actions to be discussed between the parts.</p>
<b>Rede Cerrado</b>	Presidency is with the National Council of Extractivist Populations (CNS)		<p>Rede Cerrado Association is a network of organisations composed of more than 50 organisations of indigenous peoples, quilombolas, traditional communities, as well as NGOs, which aims to enhance the socio-environmental justice related to indigenous peoples' rights, quilombolas and traditional organisations (<a href="https://redecerrado.org.br/">https://redecerrado.org.br/</a>)</p>
<b>RTRS</b>	RTRS Secretariat supported by an Executive Board	Certification and membership fees	<p>Founded in 2006 in Zürich, Switzerland, the RTRS – Round Table on Responsible Soy Association – is a non-profit organisation promoting the growth of production, trade, and use of responsible soy. It works through cooperation with those in, and related to, the soy value chain, from production to consumption. It does this through: A global platform for multi-stakeholder dialogue on responsible soy and the development, implementation, and verification of a global certification standard. WWF is a founding member and the RTRS certification system is referred to by many Danish actors. RTRS is the first certification system in the soy sector to comply with ISEAL eligibility criteria and become Community Member.</p>



Name of Initiative	Lead Organisation	Financed by	Description
<b>Salmon Industry Agreement</b>	Proterra and WWF BR		Soy traders and suppliers to the salmon industry CJ Selecta, Caramuru and Imcopa/Cervejaria Petrópolis in January 2021, together with standard owner Proterra and WWF Brazil, agreed to a robust monitoring, verification and reporting (MRV) system to implement and enforce a DCHWF commitment by the abovementioned traders covering their whole operations, and not only supplies to the salmon industry. Under this international agreement, no soybean crops produced on land converted after August 2020 will be allowed into supply chains, and the new standards will apply to future purchase contracts.
<b>SBTi Science Based Targets initiative</b>	WRI The WWF Network CDP UN Global Compact		Science-based targets provide companies with a clearly defined path to reduce emissions in line with the Paris Agreement goals. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the WWF Network. The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector, with more than 2,000 businesses around the world are already working with the Science Based Targets initiative (SBTi). The WWF Network led the development of the sector guidance for reducing emissions for companies in the Forest Land and Agriculture (FLAG) value chains, to be launched shortly. All companies with considerable land-based emissions linked to their own operations (Tier 1 & 2) or value chains (Tier 3) must follow the criteria in the FLAG guidance in order to set credible science-based targets under SBTi. That includes alignment to Afi.
<b>SBTN Science Based Targets for Nature</b>	Global Commons Alliance Multistakeholder WWF, WRI	-	It responds to the demand for more methods, guidance and tools to set science-based targets for the whole Earth system. Building on expert-knowledge from more than 45 NGOs, business associations and consultancies, SBTN is developing methods, guidance, tools to set science-based targets for the whole Earth system. SBTN builds on the momentum of the <u>Science Based Targets initiative</u> , and will release the first framework for science-based targets for nature for cities and companies in 2022.

Name of Initiative	Lead Organisation	Financed by	Description
Selo Verde	CIT - UFMG	GIZ	SeloVerde is an open platform developed by the Federal University of Minas Gerais in partnership with the Federal Public Attorney's Office of the state government of Pará. Bringing together satellite-based deforestation monitoring, data on indigenous and conservation areas, environmental embargoes, labor practices analogous to slavery, cattle movement, and the analysis of compliance of the Brazilian Forest Code for each rural property in the state, the platform provides evidence-based information on the cattle and soy supply chains to support environmentally sound agricultural production.
Cerrado Manifesto/ SoS Cerrado	-	-	In 2017, WWF, along with 60 other NGOs and partners launched the Cerrado Manifesto in Brazil calling on companies and investors to take urgent action to prevent the loss of native vegetation, and not to buy soy or beef from recently deforested or converted areas. It produced an immediate response from the private sector, with more than 100 leading global companies and financial institutions currently supporting the Manifesto. Today, WWF is helping to turn these deforestation and conversion-free commitments into concrete action on the ground
Sustainable Soy Trade Platform (SSTP)	-	-	The China-South America Sustainable Soy Trade Platform (SSTP), jointly organised by four organisations (WWF, Solidaridad, TNC and Paulson Institute) seeks to promote the responsible procurement of soy in the Chinese market. The WWF Network is actively participating in this platform and promoting alignment of its soy sourcing guidelines with DCF criteria used by CFT, criteria of the AFI and the Sustainable Meat Declaration
Tackling the Main Drivers of Deforestation and Conversion in Brazil	WWF DE / WWF BR	GIZ	WWF BR and WWF Germany, funded by the GIZ (2 MM EUR), are responsible for implementing the project <i>Tackling the Main Drivers Of Deforestation And Conversion in Brazil</i> from May/2021 – April/2023. One pillar of the project is to enable deforestation-free supply chains to Germany. The WWF Network aims to generate awareness and demand for transparent and deforestation and conversion-free soy at the downstream part of the supply chain in Germany. The focus is to demonstrate that it is possible to source deforestation and conversion-free soy and show how German companies can set and meet effective and credible commitments. Another focus of the project is related to transparency of information regarding deforestation and conversion in the Cerrado, promoting financial mechanisms to increase Cerrado protection and establishing a monitoring platform for state and sub-national policies for skilled advocacy.

Name of Initiative	Lead Organisation	Financed by	Description
<b>Tackling the Main Drivers of Deforestation and Conversion in Brazil</b>	WWF BR	NORAD / NICFI	WWF-Brazil is implementing the project “Tackling the Main Drivers of Deforestation and Conversion in Brazil,” funded by the NICFI. The project was two main focuses. One related to the implementing procurement policies in line with sector wide DCF agreements in the Cerrado and Amazon focused on soy traders. And another focus is on the engagement of financial institutions to incorporate DCF requirements in their financing criteria policies. Project budget is 1,3MM USD from July 2021 – December 2025.
<b>Tamo de olho</b>	RETE UnB		‘To no Mapa’ (I’m on the map) is an initiative launched in 2020, by ISPN, IPAM & Rede Cerrado, aimed at supporting IPLCs in their struggle to uphold their social and land rights. It works through a mobile app that allows Brazilian IPLCs to self-map their territories. The initiative is also connected to the Federal Public Ministry’s Traditional Territories Platform. This platform was developed in partnership with the National Council of Traditional Peoples and Communities (CNPCT) and supported by several governmental and non-governmental entities, with the objective of providing a wide collection of georeferenced data about the areas traditionally occupied by traditional peoples and communities in Brazil.
<b>Task Force on Nature Related Financial Disclosure</b>	-	-	The Taskforce on Nature-Related Financial Disclosures is an international initiative that builds on a model developed by the Taskforce on Climate-Related Financial Disclosures (TCFD). Its mission is to provide a framework for how organisations can address environmental risks and opportunities with the ultimate goal of channelling capital flows into positive action. The Taskforce on Nature-related Financial Disclosures (TNFD) was launched in 2021 and has been given international political support through endorsement by G7 Finance Ministers. Emulating existing recommendations on climate-related risk disclosures from the TCFD, the TNFD will recommend new disclosures for financial services firms and corporates (organisations) that capture nature-related risks, from 2023.



Name of Initiative	Lead Organisation	Financed by	Description
<b>The Collaborative Soy Initiative (CSI)</b>	The CSI is governed by a board, where the WWF Network is a founding member and the NGO representative	-	The Collaborative Soy Initiative (CSI) is a collaborative framework with the vision of 100% conversion-free, sustainable soy production and market uptake, on a global scale. The CSI is convinced that a mix of measures is needed to achieve this goal, including supply chain tools and supplier policies, legislation, and landscape programmes. Mandatory and voluntary measures are both needed in combination to achieve scale and impact with conversion-free sustainable soy. The experience and tools of current voluntary soy sustainability initiatives and robust standards can support and supplement mandatory due diligence and can have an increased effect if synergies are created among them. In return, strong legal frameworks and their compliance are important for voluntary initiatives to succeed and scale up. The CSI informs stakeholders about ongoing actions and builds bridges among initiatives to attain genuine impact.
<b>To no Mapa</b>	ISPNI IPAM Rede Cerrado	CLUA GEF Good Energies Foundation.	Through dialogues between different organisations and communities, as well as the use of communication, information, and mapping technologies, Tô no Mapa (“I’m on the Map”) aims to strengthen the process of making indigenous peoples and local communities (IPLCs) visible across Brazil, thereby supporting IPLCs in their struggle to uphold their social and land rights, to have public policies concerning traditional peoples and their territories drafted, as well as to back other initiatives from associated movements, networks, and organisations. I Tô no Mapa is a free, accessible, and safe cell phone app that allows Brazilian Traditional Peoples, Communities, and Family-scale Farmers to self-map their territories.
<b>UK Soy Manifesto</b>	Efeca (Secretariat function)	Tesco and the WWF Network (Seed funding)	The UK Soy Manifesto is a collective industry commitment to work together to ensure all physical shipments of soy to the UK are deforestation and conversion free (cut-off date of January 2020 at the latest), fully implemented immediately where possible and no later than 2025. Manifesto signatories commit to support the transition to a deforestation and conversion free soy sector by making the following commitments. The Manifesto ways of working and definitions are aligned to the Accountability Framework. The Manifesto has a total of 29 signatories, including all main UK retailers and Danish Crown, and 8 supporters. The content of the manifesto was co-developed across a multi-stakeholder working group including Mighty Earth, Earthworm, Global Canopy, Stockholm Environment Institute, the WWF Network and Tesco, in consultation with wider UK industry.

## 2.4 Problem, needs and opportunities analysis

**Conservation in the Cerrado Landscape is inseparable from the practices of soy Producers.**

Conservation of the remaining natural vegetation in the Cerrado is, at the same time, critical to garner the environmental services on which the people, biodiversity and soy production depend. It is, therefore, also in Producers' interest to transition to sustainable production methods as failure to do so would undermine their own business model. Keeping in mind the intertwined nature of economic, environmental, and social aspects governing deforestation and conversion dynamics in the Cerrado, the problem and needs analysis presented below outlines the particular challenges related to Production, Conservation and Inclusion of IPLCs in this complex context. It draws on evidence and learnings from past experience in working with promotion of sustainable supply chains, including the approaches presented in the previous Section (2.3). In Figure 3, we show the main drivers and stakeholders in the soy value chain and how they influence each other.

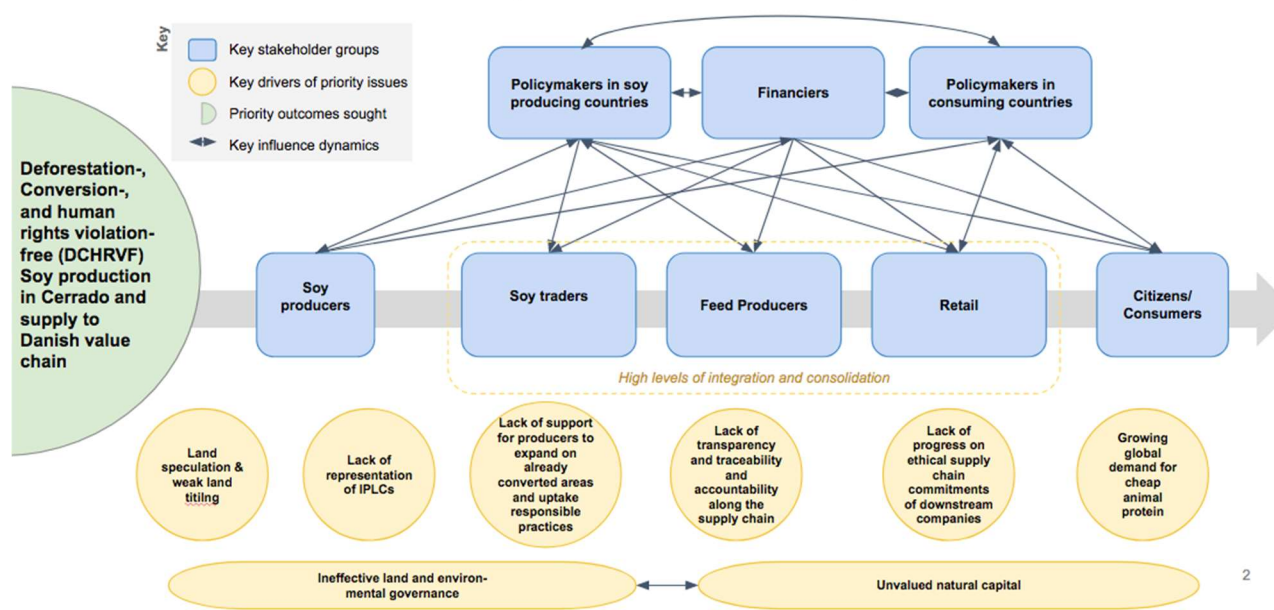


Figure 3: Overview of soy value chain actors and drivers

### Production

**There are compelling arguments for producers to transition to sustainable land use management and low carbon agricultural practices.** Evidence shows that economic growth and forest protection can go hand in hand. In fact, the most recent period of economic growth in Brazil (2004-2012) coincided with the greatest reduction in deforestation rates.<sup>41</sup> A 2019 study found that, in the Cerrado alone, there is enough already degraded land (ca. 38 million ha. beyond currently used land) available to double, and potentially even triple, soy production in the region.<sup>42</sup> This would be enough to meet the growing global demand, without the need for any further ecosystem conversion.

<sup>41</sup> There is sufficient suitable, arable, and already-cleared land - usually degraded and underused - to meet the expected increase in global demand for soy and other commodities in the next 50 years: [Strassburg, B.B.N et al, 2014. When enough should be enough: Improving the use of current agricultural lands could meet production demands and spare natural habitats in Brazil, Global Environmental Change, Volume 28.](#)

<sup>42</sup> Rausch, L. et al. 2019. Soy expansion in Brazil's Cerrado. *Conservation Letters* 12(6)

Nevertheless, the dynamics of agricultural expansion in Brazil are the result of financial flows and incentives that, historically, favour short-term profit over long term sustainability, in an intricate web involving poor land governance, land speculation and perverse financial incentives.<sup>43</sup> Figure 3 illustrates how soy have expanded in Brazil since the early 1970s.

Low land prices on areas of native vegetation, combined with rising land prices after deforestation and the high profitability of soy production result in a scenario whereby degraded and unproductive lands are ‘left behind’ while soy production fields expand to new frontiers, from south to north of Brazil. On the other hand, there are no financial benefits for conserving native vegetation inside private lands beyond the legal requirement stipulated by the Brazilian Forest Code. Instead, the opportunity cost for soy-producers is high as they lose substantial profits from not expanding production. Also, producers have great resistance to adopting sustainable production practices that consider the conservation of ecosystem services in the long term as the deforestation frontier keeps advancing.

In order to transform the current business model among soy producers, there is a strong need for shifting **financial incentives towards the valuation of natural capital, where production practices are free of deforestation, conversion and human rights violations**. Meanwhile, there is a need to push for a market that rewards producers’ best practices on conservation, sustainable resource management, rehabilitation of degraded lands and low-carbon agricultural practices.

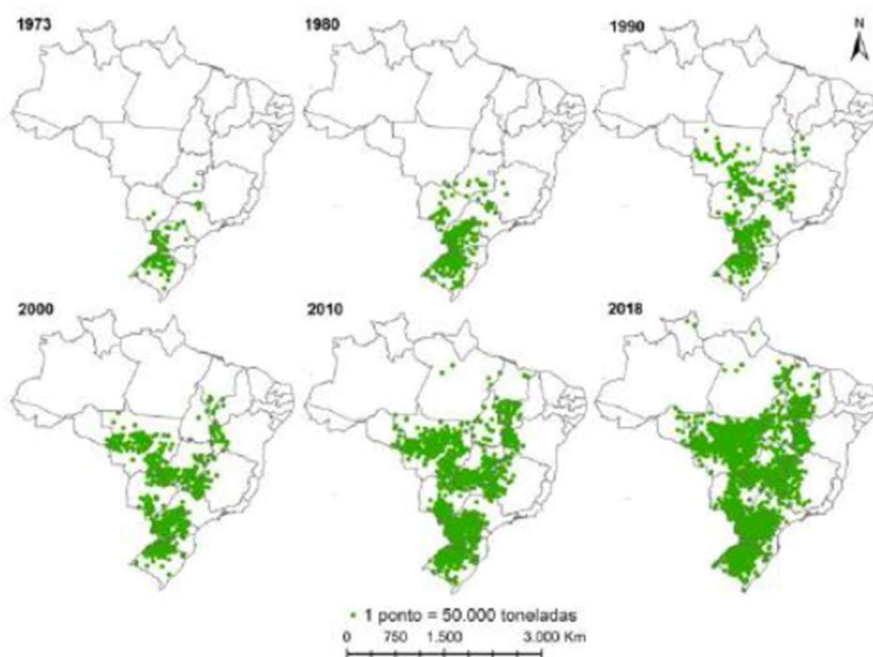


Figure 4: Soy Expansion in Brazil

<sup>43</sup> [WWF 2021. Deforestation Fronts report.](#)



Impending environmental requirements are underway in several key consumer markets, including the EU, UK, and USA, which will pressure Producers to cease encroaching onto native vegetation. Brazilian soy producers and associations are, to a certain extent, well-aware of the need to adapt to the changing market demands. What they lack is adequate financial incentives and technical support on how to access these. **Lack of more attractive and adapted finance incentives is, as such, a major barrier to convince producers to transition to DCHF and low-carbon agriculture.**

On top of the high rates of legal conversion of natural vegetation, illegal deforestation and conversion is rampant. In 2019, it is estimated that up to 94% of ecosystem destruction was illegal, with no accountability for such practices. In fact, in most cases it is not possible to assign responsibility for the deforestation among farmers, companies, and land grabbers. Lack of traceability and transparency in the soy supply chains abets these destructive and illegal practices. Growing pressure from buyers for better traceability of products and numerous national and international FIs demanding DCHF value chains is, however, creating momentum for increasing transparency in the soy sector. Numerous tools have already been developed by companies, governments, banks, and other stakeholders to access information on deforestation, conversion and illegality linked to soy supplies. Unfortunately, poor coordination and lack of integration of these different tools, results in inconsistencies and divergent information which inadvertently challenges credibility of the data. In order for transparency tools to be effective, it is essential that they build on reliable data on legal compliance. Therefore, in order to create bridges with private sector traceability systems, and hold producers accountable for legal and environmental liabilities, there is a need for innovative technological solutions to establish **a mechanism that supports effective commodity traceability and transparency on supplier compliance** – ideally by integrating and enhancing the accuracy of existing tools.

In addition to traceability mechanisms, there are a multitude of initiatives to drive responsible commodity production in the Cerrado Landscape and beyond. There is, however, no **platform for knowledge sharing and coordination**. Collective and coordinated action would, however, substantially bolster the drive for a sector-wide transformation of the soy market.

On the demand side, Danish soy importers are keen to access responsible soy supply chains, but the lack of traceability is, also for them, a major stumbling block to achieving this. Indeed, in report just published, IFRO outline the following as the key challenges that Danish companies face in sourcing traceable, responsibly produced and deforestation free soy:

1. Lack of knowledge and the difficulty of assessing the quality of different standards and initiatives;
2. Lack of knowledge from consumers, making it difficult to promote responsible and deforestation free soy;
3. The documentation for traceable soy; and
4. A limited availability of traceable, responsibly produced and deforestation free soy from the main producing countries.<sup>44</sup>

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<sup>44</sup> IFRO 2022b A road to Danish import of traceable, responsibly produced and deforestation free soy Perspectives of Danish and European stakeholders

The modality of voluntary certification schemes has entailed a number of problems, notably lack of uptake as only 3% of global soy production is certified. Out of 236,245 soy farms in Brazil, only 235 are certified under the main certification scheme, RTRS.<sup>45</sup> The potential of certification to curb deforestation and conversion at scale is, therefore, limited and so voluntary certification schemes do not have the potential to leverage a sector-wide transformation. It does, however, remain an important tool to mobilise first movers who can inspire a critical mass towards a market transformation (as seen in Figure 4). Certification schemes also promote responsible soy production beyond deforestation and conversion, as it is based on best practices for soil, water and biodiversity management, safe handling of agrochemicals, workers safety, respect to human rights and legal compliance. The WWF Network therefore sees certification as one out of several levers that can together generate a sector wide market transformation towards sustainable soy production. **In order to promote the production of responsible soy, members of the Danish Soy Alliance are ready to offer direct support to producers in Brazil to make the transition; what they require is an intermediary to facilitate a coordinated strategy and help broker the relationships to Brazilian counterparts.** *Certification: Past, Present and Future*, p.2. WWF Brief for NET-Meeting, January 2022.

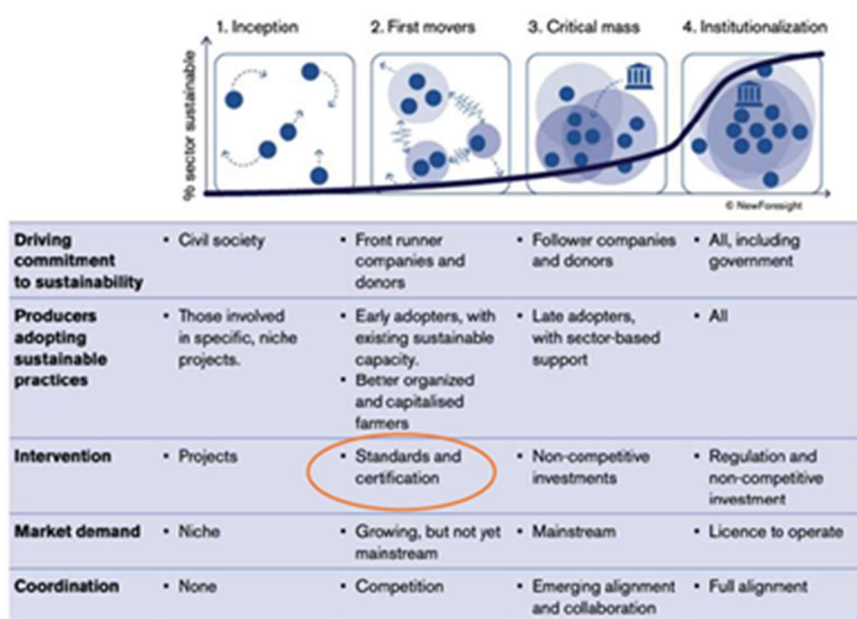


Figure 5': the S-Curve of Markets Transformation<sup>46</sup>.

## Conservation

With over 4,800 endemic plant and vertebrate species, the Cerrado is a global biodiversity hotspot. It also spans three of the largest watersheds in South America, contributing 43% of Brazil's surface water outside the Amazon. Despite its enormous importance for species conservation and the

<sup>45</sup> [Sociedade Nacional da Agricultura 2021](#)

<sup>46</sup> *Certification: Past, Present and Future*, p.2. WWF Brief for NET-Meeting, January 2022.

provision of ecosystem service, it is estimated that 88% of the deforestation risk associated with soy exports comes from soy sourced in the MATOPIBA; the most recent agricultural frontier of the Cerrado. BaU 2050-projections estimate that deforestation will drive ~480 endemic plant species to extinction — over three times all documented plant extinctions since the year 1500. Indeed, recent studies have found that a severe extinction episode is already unfolding in the Cerrado; with plant extinctions projected to be an order of magnitude higher than all global recorded plant extinctions so far<sup>47</sup> (Strassburg et al. *Nature*, 2016). This is, needless to say, a very concerning prospect. This destruction of trees, grasses, and other plants in the Cerrado represents a major source of Brazil's greenhouse gas emissions. Protecting the remaining coherent patches of native vegetation from conversion into large scale agriculture is, therefore, the most urgent conservation need for the Cerrado to preserve biodiversity and mitigate climate change. This would, at the same time, safeguard agricultural production in the mid to long term and preserve the livelihoods of thousands of IPLCs.

Conservation is most likely to happen indirectly through market mechanisms - as a result of pressures for behavioural change among producers and down-stream supply chain actors to adopt DCHF production practices. Actors on the demand side of the supply chain are in a position to exert such pressure economically, through regulation and trade barriers. A study from 2019 indicates that the expansion of a Soy Moratorium to the Cerrado would prevent the direct conversion of 3.6 million ha. of native vegetation to soybeans by 2050.<sup>48</sup> **A sector-wide agreement on DCHF soy production** is, therefore, the most promising, effective, cost-efficient and technically feasible and tested solution for curbing soy-driven deforestation and conversion at the necessary scale and speed – and, in so doing, driving forward conservation efforts. A recent study assessing the effectiveness of different policies on deforestation and conversion concluded that a combination of a biome-wide moratorium with strict market exclusion for non-conformance is the best standalone solution. The same study finds the combination of a moratorium with positive incentives to producers, such as Payment for Environmental Systems (PES) and loans to producers, presents the best result in curbing deforestation and conversion.

While lack of support from politically influential producers for such an agreement translates in political pressure on traders to stick to BaU, pressure on grain-traders from impending requirements from key national and international downstream supply chain actors can shift the incentive balance in favour of a sector-wide agreement on DCHF-soy for the Cerrado. Indeed, as stated above, companies and producers can expect more scrutiny across the supply chain as a result of new legislation and regulations in several key markets which will require down-stream companies to remove deforestation from their supply chains. **Capacity to implement strong consistent DCHF policies is, however, a challenge for Brazilian and Danish companies.** Despite having made public commitments, even the most influential companies are failing to meet zero deforestation targets. This is in part due to lack of capacity to navigate within the high complexity of global agricultural supply chains. The DCF Implementation Toolkit, which is aligned with the AFi, is designed to guide corporations and financial institutions in their efforts to eliminate deforestation & conversion from their supply chains and investment portfolio. Guidance, support, and initiation of dialogue between frontrunner companies would, therefore, help to build momentum for this movement.

Most deforestation and conversion in the Cerrado are carried out in order to "clear" land for soy

<sup>47</sup> Strassburg, B., Latawiec, A. & Balmford, A. Urgent action on Cerrado extinctions. *Nature* 540, 199 (2016). <https://doi.org/10.1038/540199a>

<sup>48</sup> Soterroni, A.C. 2019. Expanding the soy moratorium to Brazil's Cerrado. *Science Advances* Vol 5, No. 7.



production and cattle rearing at industrial scale. This production supplies complex food, feed and biofuel value chains and is financed by FIs, traders and agrochemical companies. As stated above, because FIs provide capital and financial services along soft commodity supply chains, they are indirectly linked to deforestation and conversion and hold enormous influence to transform entire sectors.<sup>49</sup> Therefore, if a critical mass of agriculture/land use oriented FIs were to move away from supporting unsustainable production practices, it would have a significant impact in curbing deforestation and conversion. **While willingness among FIs to incorporate screening criteria related to deforestation risk is there, they require support and guidance to do so effectively.** Using the DCF Implementation Toolkit to guide this transition for FIs is an approach which is gaining traction and so should be leveraged further.

The Danish Alliance for Responsible Soy can both create incentives and provide direct support for responsible production and conservation in the Brazilian soy sector. The Alliance can, likewise, help to drive the behavioural change required by actors across all levels of the European and global soy supply chain to halt soy-driven deforestation and conversion. Being rather new, however, **the Alliance needs to be further consolidated, strengthened, and expanded to have optimal effect in this regard.**

### Inclusion

The impacts of the soy industry extend beyond the environment, reaching into the lives of people living and working in soy sourcing regions. Soy expansion over natural ecosystems is often linked to large-scale land deals for plantation agriculture (i.e. land-grabbing)<sup>50</sup>, which is associated with a series of human rights violations. It displaces vulnerable populations, affects their traditional ways of life and damages the environment, which in turn exacerbates poverty and food insecurity.<sup>51</sup>

The Cerrado Landscape has thousands of traditional and indigenous communities whose livelihoods depend on ecosystem services through practices which go back to ancestral times. **As these traditional communities are the main stewards of the Cerrado and its biodiversity, ensuring their participation and influence in landscape governance is critical for conservation.**

A recent study from FAO estimates that Brazil has at least ten million ha. of unrecognised indigenous and tribal territories. It is, however, hard to determine the exact scale as much of the unrecognised area has not yet been mapped.<sup>52</sup> According to official data from Brazilian Institute of Geography and Statistics (IBGE) and Funai, there are 517 Indigenous Lands in the MATOPIBA region and 83 different indigenous groups in the biome. Although IPLC ties this land goes back

<sup>49</sup> [University of Cambridge Institute for Sustainability Leadership \(CISL\). \(2021\). Banking Beyond Deforestation. Cambridge: University of Cambridge Institute for Sustainability Leadership](#)

<sup>50</sup> European Parliament, Directorate-General for External Policies of the Union. 2014. Addressing the human rights impacts of 'land grabbing'. 19

20 WWF. 2021. Deforestation fronts: Drivers and responses in a changing world. 21

ActionAid. 2017. Impacts of agribusiness expansion in the MATOPIBA region: Communities and the environment. 22 Sax, S. 2021. A new app puts invisible communities in Brazil's Cerrado on the map.

Mongabay, 21 March. 23 FIAN International. 2018. The Human and Environmental Cost of Land Business: The case of MATOPIBA, Brazil.

<sup>51</sup> Grant, E. and Das, O. 2015. Land Grabbing, Sustainable Development and Human Rights. Cambridge University Press.

<sup>52</sup> FAO and FILAC. 2021. *Forest Governance by Indigenous and Tribal People. An Opportunity for Climate Action in Latin America and the Caribbean*. Santiago.

<https://doi.org/10.4060/cb2953en>

generations, many IPLCs in the Cerrado do not have secure tenure over their lands, which renders them and their territories particularly vulnerable to land grabbing and land conflicts. Over the last 20 years, 4,785 land and water conflicts were registered in the Cerrado.<sup>53</sup>

The MATOPIBA Agricultural Development Plan (PDA), adopted in 2015, delimited the region of MATOPIBA for government planning purposes. The Brazilian Agricultural Research Corporation (EMBRAPA - Ministry of Agriculture) presented this as "the great agricultural frontier of today". In this plan, the presence of indigenous peoples and traditional communities was only indicated in territories that at that time were demarcated and titled - a situation of absolute minority of the communities in the territory. In this way, it excluded thousands of indigenous communities, Quilombolas, and other traditional communities in the process of recognition and demarcation. Being locked in this limbo, IPLCs of MATOPIBA have been unable to halt concession of their territories to agricultural expansion, especially soy production.

While soy expansion was envisioned to bring "development" to MATOPIBA, the distribution of benefits and burdens of this process has been highly distorted. In fact, a 2021 scientific paper on the social impacts of soy expansion in the Cerrado do MATOPIBA presents evidence of soy expansion leading to expropriation, exclusion and poverty among the most vulnerable local populations in the region. Additionally, the 2020 Field Conflicts Report (by Comissão Pastoral da Terra) reveals alarming rates of criminalization for involvement in conflicts in Bahia and Maranhão. And finally, the social discrepancies connected with the loss of natural capital, accelerated deforestation, deterioration of water resources, soil degradation and land sub-utilization, are associated with water and food insecurity and climate change. One of the underlying causes to these systematic abuses to IPLCs associated with the expansion of the agricultural frontier and insecure land tenure is the marginalisation of these communities, which are largely under-represented in official registries, mappings and databases.

**A strong civil society-based movement, with capacity to influence decision making and defend their rights, is needed to increase civic space and to reach and influence those with decision-making power.** Groups such as IPCL-women and youth, who generally have less formal power, must gain ownership, participate in governance and benefit in a fair and equitable manner from economic activities in the landscape. The most critical need for IPLCs of the Cerrado is to secure their territorial rights. As this fight is often championed by female leaders, there is a particular need to support and empower IPLC-women in their advocacy for land tenure rights. Focusing support on women also makes sense from a development perspective as strengthening of women's land tenure rights is associated with increased income and participation in household decision-making, including expenditure on food and education.

Lack of comprehensive data and evidence on IPLC rights violations in MATOPIBA is an important barrier for local CSOs to carry out efficient rights advocacy. **A rigorous and comprehensive Human Rights Impact Assessment of the soy value chain on IPLCs in the Cerrado would be a powerful tool to raise awareness on IPLC marginalisation as a result of soy production both locally, nationally and internationally.** Systematic documentation of rights violations associated with deforestation and conversion in IPLC-territories can also help to put an end to prevailing impunity and hold those responsible for the violations accountable and thereby deter further land grabbing, invasion and illegal deforestation.

<sup>53</sup> [Azevedo, J.RN. & Mondardo, M. L. MATOPIBA: from the domain of land and water abuse to the territories of resistance of the traditional populations. NERA 2019.](#)

Communities that are organised around sustainable enterprises are powerful allies for conservation. It is, therefore, essential to actively promote and support their inclusion conservation efforts. By providing IPLCs with avenues for long-term economic benefit tied to conservation, positive outcomes can be generated for both people and nature. Strengthening local enterprises, such as production of non-timber forestry products (NFTPs), involves communities and generates income while positively contributing to conservation. This approach, however, also comes with a number of pitfalls as community enterprises often face significant obstacles such as administrative challenge of establishing a business; lack of capital to get businesses off the ground; and distance from the market and its conditions. **Supporting Community-based enterprises (CBEs) to overcome these barriers and gain access to markets is, therefore, key to ensuring that conservation benefits are equitably distributed, reducing pressure on environmental resources, and securing inclusive and climate resilient livelihoods for IPLC.**

## 2.5 Lead applicant and consortium partners skills and experience

In the below section, we highlight the comparative advantages of WWF DK, as Lead Applicant, as well as DIEH and WWF BR, as consortium partners. In our view, no single organisation possesses the comprehensive experience to cover both the Danish and the Brazilian context. Our consortium, therefore, combines competences and experience tailored to delivering the project's objectives within the geographical area of the Cerrado - as well as manage the complex delivery of this governance project. In Section 7.1, we outline the responsibilities across WWF DK, our consortium partners and other local partners.

**Our consortium partners and other local partners' competencies and experience are also outlined in Annex 5.** All partners involved in the delivery of this project have distinct mandates, experience and technical expertise which spans across the soy supply chain - both in terms of stakeholders and geography. We will leverage this diversity to deliver an impactful project and influence soy supply chain actors to catalyse a sector-wide market transformation to DCHF and responsibly produced soy.

**Our consortium has unique convening power in the Cerrado and across the supply chain.** WWF DK and WWF BR, as part of the WWF Network, are organisations that seek to raise ambitions and targets related to conservation, not through activist demands, but rather through engaging in constructive dialogue and offering technical advice to stakeholders. While this enables us to act as facilitators, conveners and brokers; however, any stakeholder actively pushing an agenda cannot act as a neutral convening partner. Complementing this, DIEH has measurable convening power among Danish demand-side actors. WWF BR is considered an "honest broker" in Brazil, having pioneered landscape conservation approaches (see details below) and, in particular, given its history of working deforestation and conversion and conservation of the Cerrado. With decades of experience in landscape conservation and landscape approaches and a strong network of stakeholders across civil society, government, private sector, knowledge institutions, WWF BR is uniquely positioned to deliver the project goals in this geographical area.

### Lead applicant: WWF DK

**Lead actor on the deforestation agenda, globally and in Denmark.** For more than a decade, WWF DK has been one of the main voices pushing for deforestation-free initiatives in Denmark to ensure alignment among producing and consuming countries and companies in order to achieve broad market transformation for the soy sector. WWF DK is also an active member of the WWF's

European core policy group, which sets the strategy for the WWF Network's facilitation of Together4Forests<sup>54</sup>, which is a coalition of nearly 200 NGOs. WWF DK is also so closely engaged with Danish NGOs such as Greenpeace and Forest of the World and has ongoing dialogue with companies, the Danish Agriculture & Food Council, DAKOFO and IFRO on the matter of ensuring robust EU legislation against deforestation. Our work is also closely aligned with WWF's Global Soy Strategy 2021-2025. WWF DK is an existing recipient of development funds from Danida.

**Existing close collaboration with the private sector on DCHF soy.** Under the Danish Alliance for Responsible Soy, WWF DK, and our consortium partner DIEH maintain close dialogue with corporate stakeholders, providing technical input and knowledge on deforestation dynamics in producing countries as well as advising companies on their deforestation-policies. WWF DK and DIEH also represent the Danish Soy Alliance at the knowledge sharing platform of European National Soya Initiatives (ENSI).

**WWF DK, together with WWF BR, is leveraging the WWF Network's global expertise, experience, and strong mandate in gaining traction on the deforestation agenda and ensuring alignment between national and global initiatives.** Comprised of more than 100 local WWF partners, the WWF Network structure offers immense potential and added value in terms of global reach as it links local community perspectives to international fora and replicates successful approaches. Specifically in relation to DCHF soy in the Cerrado:

- We can leverage the WWF Network's respected presence in the Cerrado and Brazil more broadly. Membership of a global network also positions us to act in a manner that corresponds to the Cerrado's global environmental importance and linkage to international markets.
- The WWF Network's previous engagement within DCHF value chains is indispensable for the broad stakeholder involvement necessary for achieving a DCHF soy value chain. Acknowledging that a major gap in achieving deforestation-free supply chains was the lack of a common international framework, the WWF Network, in partnership with other leading global organisations such as the World Resource Institute (WRI), Rainforest Alliance and Proforest launched the AFi in 2019 (see Table 2 for more details).
- Through participation in various internal fora and working groups, the WWF Network's collaboration and engagement cuts across all elements of the global soy supply chain, enabling a unique understanding of prevalent challenges and solutions. Historically, the WWF Network helped to establish the Round Table on Responsible Soy (RTRS); was involved in initiating the Amazon Soy Moratorium, the [Cerrado Manifesto](#) and the Cerrado Working Group; and is a founding member of the [Science Based Target initiative](#), leading the development of its criteria for the [Forest, Land-use and Agriculture](#) sector.
- The WWF's Soy Working Group's regular meetings facilitate collaboration of all WWF staff involved in responsible soy and enable knowledge exchange across the WWF network. The WWF Network is further represented in a number of initiatives, such as the Collaborative Soy Initiative and the Dairy working group of the SAI (Sustainable Agriculture Initiative) Platform.

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<sup>54</sup> Together4Forests call for a comprehensive set of measures and initiatives, including new legislation, essential to reduce the EU's footprint on the world's natural ecosystems. In 2020 the coalition ensured one million+ submissions from citizens to the EU's public consultation on deforestation to the European Commission calling for robust legislation.



With this proposal, we draw on our established network and partners – including local and international CSOs, academia, alliances, and businesses – many of whom we have worked with previously on this specific agenda.

**We are already positioned to deliver results in partnership with local CSOs.** Our new monitoring, evaluation, learning and planning (MELP) system has been effective in influencing our local WWF Partners' thinking and approach to program management. Indeed, within our existing projects, we are seeing a growing ability in WWF BR to build local CSO capacity and partnerships. Our efforts to improve capacity around social dimensions in conservation – such as gender, indigenous peoples, human rights and poverty – is also yielding gradual changes at both local and the WWF Network levels.

**We understand how to work within corporate partnerships, as we view them as essential to delivering our mission.** WWF DK has a long history of engaging large and transformative private sector partnerships to deliver increased focus on climate, environment and biodiversity. WWF DK's private sector engagement has, in fact, grown substantially in recent years as a result of efforts to re-strategize and build internal capacity in private sector engagement some years back. In FY2021, 50% of WWF DK's total turnover (95M DKK) originated from private partnerships.<sup>55</sup>

**Extensive experience with positively influencing sustainability within the Danish Finance sector.** WWF DK has worked to transform Danish investment patterns to positively influence sustainability. Our annual Danish pension fund report has triggered unprecedented transparency and interest in improving the climate focus of investments; creating exciting opportunities to drive real change moving forward. In relation to this, we reached an important milestone in 2019, as this was the first year that all pension funds responded to the survey underpinning the report - with many actively engaging with WWF DK in relation to the subsequent analysis. Furthermore, as a member of the Forum for Sustainable Finance, we advise the Danish finance sector on sustainability in finance.

**We are a long-standing Danida Strategic Partner.** Our 2022-2025 Strategic Partnership Agreement with Danida falls under Strategic Priority Three on Climate and Green Solutions, which aligns with our organisational strategy. We work with a range of local, Danish, and international partners to deliver programmes that directly support the ambitions set out in the Climate, Nature and Environment section of Denmark's Strategy for Development Cooperation and its Global Climate Action Strategy.

**Organisational capacity to deliver complex projects.** We have experienced rapid growth since 2017, which has brought about an increase in staff over the same period. Our robust economic situation creates space for both deeper engagement and investments in new areas of strategic interest, such as stronger and more in-depth partnership with WWF BR. Importantly, our project pipeline indicates continued growth, meaning that WWF DK will reach a size not previously seen in its 50-year lifetime. The increased turnover has mainly been generated through multi-year partnerships with private sector actors and foundations. In line with our growth, we established strong systems and capacities for project management.

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<sup>55</sup> An example of these, a 20-year partnership with the VELUX Group whereby the company aims to become [Lifetime Carbon Neutral](#) by its 100-year anniversary in 2041 through delivery of forest projects that tackle climate change, halt habitat loss, preserve biodiversity and improve local livelihoods.

**Complementing WWF DK's experience and capacity, our consortium partners offer distinct vantage points and mandates to deliver this project across the sector-wide and geographic scope of the project.**

### **Consortium Partner: WWF BR**

**WWF BR is an independent national office and part of the WWF network.** The SUSS Partnership will be the first formal partnership between WWF DK and WWF BR, who have otherwise been collaborating on the specific issue of deforestation, conversion, and soy for a decade through the WWF networks relevant practices and working groups.

**WWF BR is a consolidated and respected environmental organization in Brazil, living up to WWF INT quality standards, policies, and procedures.** WWF BR has extensive experience implementing large programmes and projects funded by international institutional donors, such as the EU commission, GIZ, US-aid and others. Two concrete examples are given below:

- Gef Pró-espécies project: USD 13.1 million. Develop species conservation strategies in 24 territories, totaling 9 million hectares. WWF BR works on the project as an executing Agency, transferring resources and contracting activities planned to the project. Contractor: Funbio. Term 5 years.
- CERES - Resilient Cerrado: EUR 2.4 million. Support for non-timber products production chain from the Cerrado biodiversity, restoration, rehabilitation of degraded pastures, protected areas, advocacy, and political incidence in the MATOPIBA region (Maranhão, Tocantins, Piauí and Bahia States) and Mato Grosso do Sul State. Contractor: European Union. Term 4 years.

**20 years of experience working within the Cerrado context.** Our local WWF partner in Brazil is engaged with producers' organisations, government agencies, CSOs, universities, communities, downstream companies, and FIs in order to create large-scale incentives for responsible production, increasing traceability and transparency in the value chain as well as strengthening vulnerable communities in the agricultural frontier. WWF BR has more than 20 years of experience in conservation projects in the Cerrado Landscape. In 2017, WWF BR joined more than 60 NGOs in launching the Cerrado Manifesto calling on companies and investors to avoid purchasing of soy or beef produced in recently cleared areas. To date, 130 companies have signed the Statement of Support (SoS). WWF BR was also part of the CFA, seeking to achieve zero conversion in the Amazon and Cerrado.

**The proposed project will form part of and complement existing engagements under WWF BR's landscape strategy *Cerrado Alive Initiative (CAI)*.**<sup>56</sup> This strategy aims to protect and restore the Cerrado, while helping to meet ever-growing demand for agricultural products in Brazil by 2030. It is strongly underpinned by a desire to create a culture and practice of environmental stewardship by using natural resources responsibly and sustainably, and protecting nature and ecosystem services. The CAI strategy integrates landscape conservation, conversion-

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<sup>56</sup> The main donors of the Cerrado Alive Initiative are the EU Commission, Norway's International Climate and Forest Initiative, the Moore Foundation, International Finance Corporation, the GIZ and funds raised by the WWF network (WWF UK, WWF NLD, WWF FR and WWF International).

free supply chains, and sustainable development, and builds on previously successful projects and partnerships. It uses proven methods alongside innovative and interdisciplinary tools and activities to promote environmental stewardship among citizens, communities, corporations, and countries. This is in line with the ambition of this proposal to create structural market transformation by building on already existing experience and well-documented approaches rather than piloting new approaches.

CAIs primary strategic pathways include policy, finance, markets and governance, and land/resource management. The 2030 goals defined in the CAI Strategy are:

- 1) Halt conversion of natural habitat
- 2) Ten million hectares of degraded pasture rehabilitated
- 3) Two million hectares restored to natural habitat
- 4) Seventeen percent of the Cerrado under protection
- 5) 20,000 families benefiting from biodiversity-based products.

**Financing for the CAI strategy comes from two main sources.** One is the WWF network in form of free funds, where WWF BR has the flexibility of allocating funds to the most pressing issues. The other source of resources comes from specific projects financed by public / private donors, with specific objectives, results framework, and reporting requirements, and aligned with the long-term goals of the CAI. All projects are designed to ensure complementarity, synergy and alignment among actions and efforts from different partners and donors. And all projects are regarded as co-funding for the CAI landscape strategy.

**This project will be one of these specific projects nested within CAI supporting the overall strategic impact targets in the landscape, but with objectives, results framework, and reporting requirements specific to DANIDA.** Under this project WWF DK, BR and all partners will comply with DANIDA requirements for technical and financial reporting clearly indicating specific objectives, outcomes and outputs reached within the SUSS Partnership.

Furthermore, in order to ensure successful implementation of the SUSS Partnership in compliance with DANIDA's guidelines and requirements, **WWF DK will provide any needed support to WWF BR.** This will be ensured through: (1) placement of WWF-DK project manager will in Brazil for up to 12 weeks/year and close collaboration with WWF BR SUSS technical team; and (2) Assessment of WWF BR support needs will be carried out during inception phase, with specific focus on compliance with DANIDA's guidelines and requirements, and a plan for support from WWF DK will be developed – see Table 13. Inception Activities and Deliverables in section 7.4 Reporting and stock-taking schedules. For a more details on WWF BR organizational set-up, financial management capacity, strategy and activities see Annex 5. Partner Descriptions & Annex 4. Supplementary Materials (WWF BR Financial Statements from 2020 and 2021 and Annual report 2020).

## Consortium Partner: DIEH

**DIEH is a Danish multi stakeholder platform providing practical solutions to complex problems.** The Danish Ethical Trading Initiative was established in 2008 and has grown into a strong organisation that operates across a range of sectors with more than 100 members. DIEH is a nationwide organisation whose purpose is, through cooperation between different stakeholders, on a non-profit basis, to promote international trade that respects human- and labour rights, environmental considerations and contributes to global sustainable development by strengthening members' efforts in ethical trade. In close cooperation with the private sector, DIEH aims to facilitate companies in their efforts to foster sustainable development in developing countries and growth economies. In 2021, DIEH entered a partnership with the MFA to establish the knowledge centre, academy and alliance for sustainable value chains over the coming years. This partnership is in the core of DIEH's strategic direction and the Alliance, central for this project, is a prominent example of the multistakeholder collaboration that takes place in DIEH. DIEH's capability as an experienced multistakeholder convener is pivotal for the inclusion of the private sector as well as the finance sector in this project.

## 2.6 Strategic relevance to our consortium

**Overall, WWF DK's strategy perfectly aligns with both the specific and development objectives of this call.** The design of this project is also aligned with conservation strategies for both WWF DK and WWF BR as well as DIEH's strategy and vision – see also Table 3 below:

- WWF DK's Conservation Strategy for 2020-2024 is named "Bigger, Bolder and Better - for a nature positive future." It broadly seeks to conserve both nature and nature's contributions to human wellbeing through protecting and restoring natural spaces, ensuring sustainable production and consumption, and promoting a sustainable mindset in politics, business, and the public.
- As noted above, the project is focused on the Cerrado Landscape, which is a priority landscape for the WWF Network. WWF BR leads the network's strategy for this landscape through the Cerrado Alive Initiative. This project will also be a flagship initiative within several of WWF International's crosscutting workstreams, including the Forest, Food and Markets Practices, and provide key contributions towards the WWF Soy Strategy 2021 - 2025, among others. It is, indeed, hoped that the project will inspire similar actions by other WWF Network partners. It has already fostered concrete involvement from our WWF US partners who are providing co-funding to the project's work with strengthening the Danish Alliance for Responsible Soy.
- DIEH's strategy 2021-2023: "Platform for sustainable value chains" presents the vision to create more responsible global value chains and thus contribute to the fulfilment of the United Nations (UN) Sustainable Development Goals. In correspondence, the mission of DIEH is to bring partners together in a trusting dialogue and cooperation - and to create positive change through knowledge sharing, insight, and mutual solutions.



Table 3: Overview of strategic alignment with consortium

<b>WWF Priorities</b>	<b>WWF DK</b> Strategy 2022 - 2025: Bigger, Bolder and Better - for a nature positive future International Forest Strategy Footprint Strategy Sustainable Finance Strategy  <b>WWF BR</b> Cerrado Alive Initiative  <b>WWF NETWORK</b> <a href="#">New Deal for Nature and People</a> DCF ACAI (area of collective action and innovation) Global Grass Lands and Savannahs Initiative WWF Soy Strategy 2021 - 2025 Forest Practice Food Practice Market Practice
<b>DIEH Priorities</b>	<b>DIEH strategy 2021-2023: Platform for sustainable value chains</b> Platform for action Sustainable value chains Innovation in supply chains Dialogue and engagement

## 2.7 Approaches and design

The project proposed with this submission, is designed to address the specific problems, needs and opportunities outlined in Section 2.4 above. Our selection of interventions and approaches leverages past experience of what has worked and what has failed in the specific context of promoting sustainable soy supply chains in Denmark, as well as in Brazil and elsewhere.

### Approaches

**A combination of approaches, specifically suited to the soy value chain in the Cerrado region, is selected to secure the landscape and its people.** The above-outlined evidence and analysis, substantiates our introductory statement that *no single approach will suffice to achieve the Specific Objective of this call* - there is no silver bullet or blue-print approach to solve this wicked problem. We, therefore, choose to combine four approaches across three outcomes based on our extensive experience and understanding of the Cerrado and wider Brazilian context, the Danish context and the soy value chain. The choice of approaches is, furthermore, anchored in our consortium's extensive knowledge and existing engagement across the soy value chain. As such, the project will

apply a combination of strategies pertaining to both landscape and supply chain approaches.

The four chosen strategies for this project proposal are:

- Human Rights based Approach (HRBA): securing IPLCs land rights
- Incentives for sustainable production
- Responsible finance
- DCHF/clean supplier (AFi)

The above-mentioned approaches will be supported by the cross-cutting focus on improved traceability, accountability, and transparency. The chosen combination of approaches is instrumental for supporting the adoption of a sector-wide DCF agreement for the Cerrado, the most prominent solution for sector-wide transformation, as described in Section 2.3 and 2.4.

As outlined above each approach has its strengths and weaknesses. In our Theory of Change (ToC), we leverage the strengths of each approach to achieve a project design which is robust and which can deliver impact at the objective level of the project.

**Further to these specific technical approaches we recognise the need for a multi-stakeholder approach.** The success of our approach-combination will depend heavily on our ability to secure concerted efforts by upstream and downstream actors, national and international CSOs and other key stakeholders - through partnerships and coordination and collaboration with other initiatives. Reducing the environmental damage caused by soy production requires stakeholders across supply and demand sides to systematically strengthen production and sourcing standards, cease all direct and indirect endorsement of production methods that entail deforestation and conversion, and introduce safeguards on soy production in regions such as MATOPIBA.

## Design

**Evidence-based design based on the governance structure of the soy value chain.** Our proposed project design is based on a comprehensive problem, needs and opportunities analysis, spanning the entire soy supply chain and its governance structures (part of which is presented above), as well as the predefined Outcome specifications, the Specific Objective and the Development Objective in the CfPs. This project is designed to bring about change to a complex challenge *at scale*. Success must therefore be understood within this complexity and not through a linear approach. For example, creating more sustainable production practices and securing better social inclusion will both contribute to and leverage the results related to conservation.

Our proposed design is therefore based on three separate but interlinked theories. To achieve the desired changes, as outlined in Section 4, we apply one approach per theory (i.e., per Outcome) – see also illustration in Figure 6 below.

**Here, we highlight where we have applied each approach across the project design** (for an overview see Table 9. Overview of Approaches, Strategies, implementing partners, location of activities & scope, in Section 7.1 Partner and Stakeholder Involvement):

- **Outcome 1** focus on producer behaviour is built on the approach to shift the incentives for producers to adopt DCHF production practices;
- **Outcome 2** focus on down-stream actors' behaviour and centred around implementation of DCHF/clean supplier (AFi) to foster the appropriate conditions that will enable the adoption and active implementation of a sector-wide DCF agreement for the Cerrado; and

- **Outcome 3** works to strengthen the role of IPLCs by securing IPLCs' rights, in particular land tenure rights to empower the custodians of Cerrado to protect their territories and its biodiversity. This is achieved through a HRBA (also aligned with the WWF Network's Environmental and Social Safeguards Framework (ESSF) described in Section 9.)

**In our proposed design, one approach connects the efforts of the other approaches: the biome wide-moratorium /sector-wide agreement.** Given the geographical and sector context, we believe that a sector-wide agreement has the highest potential of affecting a market transformation throughout the soy supply chain - while also having scalability potential. As pointed out above, a sector wide DCF agreement has proven effective for the Amazons to achieve market transformation. In our design, the approaches applied across the three outcomes are key elements to making our overarching approach possible.

**Stakeholder convening at the heart of our design - going across all Outcomes.** The proposed project is designed to build on a multi-stakeholder approach, where WWF DK along with our consortium partners engage public and private stakeholders across the soy value chain - from the production to consumption. And, as outlined in Section 7, involvement of partners is based on clearly articulated roles and responsibilities, and involvement of collaborators and initiatives is based on a thorough understanding of alignment and co-benefits. In Section 7, we also account for how we have included a wide range of Danish stakeholders in the project design. Furthermore, the detailed design outlined in Section 4 and 5 elaborates on how a multi-stakeholder approach will be applied under each Outcome.

**Sustainability by (default) design.** In Section 10, we outline our sustainability considerations in detail, but worth highlighting here is the importance of local partnerships and implementation in our design, which is a cornerstone to sustainability of project activities, as well as the alignment of the project with WWF BR's Cerrado Alive Initiative and DIEH's established and long-term engagement with the private sector in Denmark through the Alliance.

**Furthermore, we address the challenge of leakage to other supply chains.** As mentioned above, this project is nested within the Cerrado Alive Initiative, which broadly addresses conservation concerns in the Cerrado landscape in terms of deforestation related to cattle and soy, thereby mitigating pertinent leakage concerns from this project focusing solely on soy.







Figure 6: Scaling Up Sustainable Soy Partnership overview



**We ensure adherence and alignment to broader aid concepts and design standards as follows:**

- **Through its design, this project has profound alignment with international agenda and agreements.** With a fundamental focus on sustainable food production for climate and biodiversity benefits, the project contributes towards the goals and targets set in the Paris Agreement, the Convention on Biological Diversity & Aichi Biodiversity Targets and the newly issued Glasgow leaders declaration on forests and land use from COP26 to which Denmark and Brazil are signatories. Our work on the soy supply chain will also contribute to the New York Declaration on Forests and the Amsterdam Partnership.
- **Alignment to purpose of Danish development cooperation.** To create a more secure and sustainable world free from poverty, we must address the triple crises of biodiversity loss, climate change and inequality. Both climate change and biodiversity loss have grave consequences on human wellbeing – particularly related to health, food security and livelihoods – and the [Global Sustainable Development Report 2019](#) has warned that if current negative climate and biodiversity trends continue, then the Sustainable Development Goals (SDGs) will not be achieved. Truly sustainable and equitable development therefore must address biodiversity loss, climate change and inequality together - as does this project.
- **Links and synergies to key Danish supported aid instruments:** At a national level in Denmark, the project aligns with new National Action Plan Against Deforestation (Handlingsplan mod Afskovning), the global climate action strategy ‘A Green and Sustainable World’, and Danida’s strategy for development cooperation “The World We Share” under which WWF DK is a Strategic Partner.
- **Incorporation of Danida cross-cutting priorities:**
  - **HRBA:** Reflecting WWF’s role as a conservation organisation and human rights defender, we will work with rights holders and duty bearers to secure tenure rights for IPLCs in the Cerrado Landscape. WWF BR and other local partners have built trust and solid relationships with IPLCs as well as with local and state authorities, and this has positioned them well to bridge and facilitate linkages between rights holders and duty bearers.
  - **Leaving no-one behind (LNOB):** Our engagement under Outcome 3 focuses on areas of high biodiversity value and the communities living around these. These communities are often disconnected from political and cultural centres, lack access to services, experience deeper poverty, are heavily dependent upon natural resources while often lacking legal rights or recognition for equitable access and utilisation of these. Engagements under Outcome 3 will address these underlying issues.
  - **Gender:** Our focus on human rights and human rights violations will help highlight the power dynamics and barriers affecting girls’ and women’s access to, control over and benefit from natural resources and support women and girls’ environmental rights.
  - **Youth:** The meaningful inclusion of children and young people is central to WWF’s mandate. The WWF Network strives to ensure a sustainable planet for the next generation, where their rights and full potential can be realised. We see children and young people as crucial agents of change in shaping and driving agendas and adopting and leading behavioural change that benefits people, nature and the climate.

- **Alignment with Brazilian national strategic priorities.** In Brazil, the project likewise aligns with the objectives, programmes and strategies in the national low carbon agriculture program, “Plano ABC”. At state level, the project will contribute towards Maranhao state newly launched REDD+ strategy, “Sistema Jurisdicional de REDD+ e PSA do Estado do Maranhão.” Table 5 below outlines the full list of strategic priorities positively affected.
- **Adherence to the aid effectiveness agenda:** As outlined in Table 5 below and Section 2.4, the project design is aligned to global agendas and our partners’ strategies. as Implementation also primarily takes place through our local partners in Brazil (see Section 4 and 7 for full details).
- **Compliance with DAC (Development Assistance Committee) criteria:** Given the analysis, collaborative planning, as well as rigorous approaches underpinning this project, as well as the respective mandates, field presence and technical expertise of WWF DK and our consortium partners, this project meets DAC criteria for relevance, impact, effectiveness, efficiency, coherence and sustainability.
- **Mutual synergies and linkages to existing initiatives:** This is integral to our approach and outlined in full in Section 7.1.
- **Our work with private sector actors aligns with and supports a number of environmental agreements.** We will advocate for private sector actors to adopt [science-based targets](#) in line with the Paris Agreement and for financial institutions to sign up to the [Net-Zero Alliance](#).
- **The five SDGs outlined below are seen to have particular relevance to the engagement proposed within this project. Our project design is, therefore, aligned with these goals and the results framework links to relevant indicators of the respective SDGs.** Being a comprehensive and complex approach, our results touches upon more than five SDGs, but to focus the link to the 2030 Agenda, we only outlined the primary links in the table below:

**Table 4: Alignment with SDGs**






SDG	Description of links to specific SDG indicators across five SDGs
	By securing IPLCs tenure rights, we address vulnerable communities’ needs, helping to strengthen community resilience and eradicate poverty (1.1, 1.2 & 1.5). Our project will promote equal rights for access to and control over land and other natural resources, especially for IPLCs (1.4).
	This project is founded on sustainable use of natural resources (12.2) and will influence business practices to support sustainable development (12.6).
	Through advocacy and conservation, this project will enhance climate resilience (13.1), support integration of climate considerations into private and public policies & planning (13.2) and improve climate change mitigation & adaptation capacities (13.3).
	This project includes conservation of freshwater ecosystems (15.1), and efforts to halt deforestation (15.2 & 15.3).
	This project will promote the rule of law at the national and international levels and ensure equal access to justice for all (16.3) and support accountable & transparent institutions (16.6) and participatory & representative decision-making around natural resource management (16.7).

Table 5: Alignment with national, Danish and international priorities &amp; initiatives

Category	Strategic Initiatives
<b>International Priorities</b>	Paris Agreement Convention on Biological Diversity & Aichi Biodiversity Targets Sustainable Development Goals UN Food Systems Summit Glasgow leaders declaration on forests and land use - COP26 Amsterdam partnership New York Declaration on Forests UK FACT Dialogue
<b>Danish National Priorities</b>	Handlingsplan mod Afskovning Global Climate Action Strategy ‘A Green and Sustainable World’ Denmark’s Strategy for Development cooperation “The world we share”
<b>Brazilian National and State Priorities</b>	Low carbon agriculture program: plano ABC Nationally Determined Contribution National REDD+ Strategy (ENREDD +) Governors Climate and Forest Taskforce (Maranhao & Tocantins) Programa Maranhão Verde (Green Maranhao Plan) Sistema Jurisdicional de REDD+ e PSA do Estado do Maranhão





### 3 PROJECT PURPOSE AND OBJECTIVES

**The development objective of the project is:** Climate change mitigation and adaptation, strengthened biodiversity and ecosystems, and enhanced social and economic development

**The specific objective of the project is:** Reduced deforestation associated with the Danish soy supply chain (i.e. ensuring that soy imported to and consumed in Denmark is produced sustainably without causing deforestation that damages climate, biodiversity and ecosystems, and inclusion and rights).

To achieve the specific objective and make a significant and long-lasting contribution to the development objectives, **the vision of the project is:** responsible, deforestation and conversion-free soy production is mainstreamed across the Cerrado, resulting in reduced deforestation and conversion of native vegetation and human rights violations associated with - but not limited to - the Danish soy supply chain. For the Cerrado, reduced deforestation and conversion will lead to a more resilient landscape, with reduced Greenhouse Gases (GHG) emissions, strengthened biodiversity and ecosystem conservation, secured agricultural productivity and improved wellbeing for IPLCs. For Denmark this will mean reduced deforestation footprint and associated GHG emissions from soy import, and the future proofing of Danish companies for compliance with EU due-diligence regulation, and increasing Environmental, Social and Governance (ESG) requirements from investors and consumers.





## 4 THEORY OF CHANGE AND KEY ASSUMPTIONS

This section presents the project's Theory of Change (ToC), outlining the ultimate goal of the project – the Specific Objective – and the strategies we will apply in working towards this. The ToC has been developed in close collaboration with our co-applicants and is founded on the problem, needs and opportunities analysis presented in Section 2, as well as evidence and learnings from existing initiatives. The ToC is presented diagrammatically in Annex 1.

### Specific Objective:

“Reduced deforestation and conversion associated with the Danish soy supply chain.”

**The overall ToC is based on three separate but interlinked theories.** The project's ToC posits that: **if** producers in the Cerrado are adequately incentivized and adopt responsible soy production, free of deforestation, conversion and human rights violations; and **if** financial institutions, policy makers and downstream actors are spurred to support conservation of the Cerrado through a sector-wide agreement on DCHF soy production; and **if** traditional communities, indigenous peoples and smallholders in Cerrado actively engage in improved livelihood opportunities and participate in landscape governance and defence of their rights; **then** responsible, deforestation and conversion-free soy production will be mainstreamed across the Cerrado. This will result in reduced deforestation and conversion of native vegetation and fewer human rights violations associated with - but not limited to - the Danish soy supply chain, ultimately improving conservation across the Cerrado Landscape.

**The three interlinked theories are related to three project outcomes and, only through delivery of all outcomes, will the desired change come about.** This project is designed to bring about change to a complex challenge at scale. Success must therefore be understood within this complexity and not through a linear approach. For example, halting conversion, and thereby conserving the Cerrado, is an urgent need with implications not only for the climate and biodiversity, but also to safeguard agricultural production in the mid- to long-term, and to secure the livelihoods of Cerrado's thousands of IPLCs. Creating more sustainable production practices and securing better social inclusion will both contribute to and leverage the results related to conservation.

**Outcomes are structured around the three key domains of change critical for achieving the longer-term impact; Outcome 1: Production, Outcome 2: Conservation, and Outcome 3: Inclusion.** Together the three Outcomes will secure necessary behaviour change by producers in the Cerrado - a key stakeholder group to deliver a DCHF soy value chain - while strengthening IPLCs' capacity to advocate for their rights and access to land, which will support greater equality and social cohesion within the landscape. Increased momentum of ESG, sustainability initiatives and new supply chain regulations will be utilised as tools and levers to change the behaviour of demand-side actors and FIs, contributing to increased pressure for a sector-wide agreement. Activities that support capacity improvements and knowledge will strengthen national and international efforts for reducing deforestation and conversion in the soy sector across Brazil.

## 4.1 Outcome 1 – Production

**Outcome 1. Producers in the Cerrado adopt sustainable production practices which are free of deforestation, conversion, and human rights abuse.** This is necessary in a context where long-term sustainability of agricultural productivity is at risk due to degradation of the natural ecosystems it is based within, unless a rapid and comprehensive transformation of production practices is secured at scale in the Cerrado. Despite conversion of pastureland being cheaper than conversion of native vegetation (see Section 2.4), producers continue to convert the natural vegetation of the Cerrado due to land tenure structures and lack of protected areas in the landscape. Under this Outcome, we therefore seek to change producers' behaviour and support their transition to full legal compliance, DCHF soy, and more sustainable, responsible and low-carbon agricultural practices. As outlined below, this will be pursued through a mix of positive and negative incentives for producers with a view to reduce practices of deforestation and conversion in direct support of the project's Specific Objective.

**Pathway of change:** The theory underpinning this Outcome posits that **if** financial incentives for conservation for producers is improved across the landscape and its agricultural sectors (Output 1.1), **then** producers will be positively incentivised to adopt sustainable production practices which are free of deforestation, conversion and human rights violations. At the same time, **if** transparency, traceability and accountability is improved within the landscape and across the soy value chain (Output 1.2), **then** producers will be strongly disincentivised to continue practices of deforestation and conversion, and instead adopt or continue sustainable production practices. In addition, **if** soy-sector-specific and coordinated support from Danish downstream companies is facilitated (Output 1.3); **then** this will further support producers in adopting and sustaining production practices which are free of deforestation, conversion and human rights violations. Finally, **if** learning, synergies, collaboration and coordination between related initiatives and stakeholders is enhanced (Output 1.4), **then** the scaling of this approach for sustainable production practices which are free of deforestation, conversion and human rights abuse will be facilitated. Outcome 1 will be achieved through the delivery of four Outputs as outlined below:

**Output 1.1. Producers have strengthened capacity to access finance that supports conservation, rehabilitation, and low-carbon agriculture.** This Output addresses the current lack of financial benefits for DCHF practices, seen through low adherence and resistance of soy producers to shift to DCHF and sustainable practices. Output 1.1 will on the one hand focus on the relevance and accessibility of financial mechanisms for producers, by assisting producers to identify and successfully apply for finance that supports conservation, rehabilitation of degraded land, and low-carbon agriculture. At the core of this engagement is continuous consultation with producers on their preferences, demands, and challenges related to accessing DCF finance, which in turn will inform the adjustment, alignment and integration of existing mechanisms (CONSERV, SIM, RCF) as well the development of new solutions that are effective, relevant and accessible to producers.

**Under this output, WWF BR and one of our local partners, Solidariadad will conduct two sets of activities:** first, a comprehensive mapping of soy producers, and matchmaking between these producers and finance initiatives supporting DCHF and sustainable production practices. The mapping will target soy producers across the MATOPIBA region <sup>57</sup> focusing on producers that

<sup>57</sup> These producers are either engaged conservation practises, such the conservation of Legal Reserves surplus, or in low carbon emission agricultural practises, such as crop rotation, no-till and conservation-tillage systems, soil management, use of biological nitrogen fixation, integration of crop, livestock and forestry, amongst others.

meet DCHF commitments, and will offer outreach, guidance and technical training to support these farmers to access relevant and available finance. The appropriate financial mechanisms for each sub-group of practices will be identified amongst existing and operational initiatives and schemes. Complementing the outreach to farmers, WWF BR will work in collaboration with IFACC to create an *Origination Facility* matching available finance with eligible recipients – the producers. In undertaking this, we will link up with other DCHF-focused finance initiatives to capture learning and build on best practice. We will look to build upon PES mechanisms conducted by CONSERV, from IPAM, and the green bonds of the Sustainable Investment Management (SIM), led by BVRIO (a Brazilian bank), and if gaps in available financial mechanisms are identified, new innovative solutions will also be explored.

**Output 1.2. A mechanism that supports commodity traceability and transparency on supplier compliance is implemented in Maranhão state.** The need to address the gap in transparency and supplier accountability is described in Section 2 – both in terms of legal conversion and illegal land grabbing. Under Output 1.2, we will implement a mechanism that can close this gap, ensuring that relevant information is easily accessible to any stakeholder. Improving traceability is a cornerstone of our strategy, supporting all three Outcomes of the project. Output 1.2 supports and enables several other outputs related to production (Output 1.1), conservation (Outputs 2.1 & 2.2) and inclusion (Outputs 3.1, 3.2). Such a mechanism, developed by the Center for Territorial Intelligence of the Federal University of Minas Gerais (CIT-MG) is very cost-effective compared to existing alternatives and notably has been successfully implemented in the Para State of the Amazon.

**Under Output 1.2, WWF BR and our local partner, CIT-MG, will conduct four key activities.** These activities involve developing a new module of Selo Verde (green seal) platform<sup>58</sup> and collecting the necessary data to complete its design, followed by implementation of beta version in the state of Maranhão<sup>59</sup> and finally promoting implementation at scale throughout MATOPIBA. The development of a new platform for the Cerrado landscape is possible with the technical expertise of CIT-MG, and their established partnership with Maranhão state and its public agencies with legal jurisdiction to collect the information and data<sup>60</sup> required to launch it. WWF BR will complement the technical work by facilitating dialogue with producers and traders to ensure their buy-in and support. Lastly, WWF BR and CIT-MG will in unison actively pursue partnerships with the state-level governments in the remaining three states in MATOPIBA.

**This strategy assumes that anti-deforestation regulatory requirements underway in key consumer markets (EU, UK, US) will motivate Brazilian state-level authorities to adopt this mechanism.** Access to the European market is already an important competitive advantage for soy producing states in Brazil, especially those with high deforestation risk. This is especially true in the states in the MATOPIBA area, given their geographical position closer to ports that supply the

<sup>58</sup> The Selo Verde (Green Seal) is an open-source platform for Brazilian agricultural commodities, that combines georeferenced territorial monitoring with big data from several public registries, achieving universal coverage of all rural properties located in the territory, allowing the analysis of socio-environmental compliance and traceability of the agricultural production of the whole state, and facilitating the liability or compensation for the environmental management of rural properties, creating a mechanism that encourages the entire local ecosystem to operate legally, without land conflicts with indigenous and traditional populations and protected areas. Selo verde has already been successfully implemented in the Para State in the Amazon, and can be assessed here: [Selo Verde \(semas.pa.gov.br\)](https://semas.pa.gov.br)

<sup>59</sup> Maranhão represents the 'MA' in MATOPIBA

<sup>60</sup> Relevant data and information include: tributes, labour contracts, licensing, CAR, land zoning, deforestation, among others.

European market. Selo Verde has already been implemented in the state of Para (with focus on the cattle supply chain), and Maranhao state has demonstrated interest through an ongoing partnership with CIT-UFG and GIZ. Whether regulatory requirements underway in consumer markets will be enough in themselves for the wide-spread adoption of Selo Verde remains to be seen, but the market trend for increasing traceability and supply chain transparency is undeniable and go beyond regulatory requirements, also involving public and private climate strategies (NDCs, REDD+, SBTi). The state-level political situation in Maranhão after the elections in October 2022 is also a factor for the adoption of Selo Verde, but the increasing market pressure to increase transparency in the soy sector is strong.

**Output 1.3. Danish Soy Alliance members are mobilised to support producers and innovative DCHF/responsible soy supply chain arrangements.** In Section 2, our Problem and Needs Analysis identified that there is no agreed-upon model for collective and coordinated support to producers from downstream international companies, even though financial and other types of support to soy producers have been identified as crucial for their transition to more responsible practices. Under this innovative Output, our co-applicant DIEH will work in close collaboration with the Danish Responsible Soy Alliance to develop innovative models for providing joint support from downstream companies directly to soy producers. This will ensure adequate and stable financial compensation, awarding first-mover producers and supporting others to adopt sustainable practices.

**Under this innovative output, DIEH will lead three key activities.** These activities involve facilitating the establishment of a joint pool of RTRS credits, planning and facilitating a study trip to MATOPIBA, and exploring opportunities for the traceable supply of responsible soy from this region to EU and Denmark. As a first step, DIEH will facilitate a joint pool of RTRS credits from Alliance members, supporting producers in the MATOPIBA region on maintenance and uptake of RTRS certification. Aligned to the Danish Soy Alliance criteria for responsible soy, the focus here is to promote responsible production practices beyond deforestation and conversion, by rewarding producers' good agricultural practices<sup>61</sup> and by providing incentives for producers through longer term agreements. Secondly, DIEH will lead the planning and facilitation of a study trip to MATOPIBA, where Alliance members can meet producers and producers' associations in order to explore further steps and innovative models - beyond certification - for increased coordinated support from downstream companies to producers. Thirdly, DIEH will facilitate working groups and dialogue with external stakeholders to map opportunities for establishing traceable supply of responsible soy from MATOPIBA to Europe. The guarantee of uptake of responsible soy among downstream companies (for example, through preferential commercial contracts) will complement direct financial support, delivering a comprehensive improvement of incentives to producers.

**Output 1.4. Lessons on responsible commodity production in the Cerrado have been identified and shared with stakeholders.** There is insufficient coordination in the Cerrado landscape amongst the countless multi-stakeholder initiatives and collaborations applying different approaches to this major and complex societal challenge at hand, hampering sector-wide transformation, as previously stated in Section 2. Under this Output, we therefore seek to increase coordination, learning and knowledge sharing to support and accelerate the uptake and scaling of effective strategies for transforming soy production in the Cerrado.

**Under Output 1.4, WWF BR will deliver two key activities.** These involve convening an annual

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<sup>61</sup> RTRS certification requires good agricultural practises (e.g., water and soil management, pesticide use, worker safety).



conference throughout project implementation, and production and dissemination of knowledge products based on the conference (see Section 7.5 for more on our communications plan). Conference invitees will be required to have an active engagement in the Cerrado landscape related to deforestation and conversion to ensure a high-level knowledge exchange. We expect representatives from national and international CSOs, the national public sector (Ministry of Agriculture, Livestock and Food Supply), State-level agencies, public prosecutors, international donors, national industry and producer associations, soy traders, financial institutions, academia and private sector initiatives.<sup>62</sup>

**There are some key assumptions underpinning Outcome 1.** The Outcome is based on the assumption that, once effective DCF mechanisms are in place, the volume of private and public investment supporting sustainable DCF production practices will increase and achieve the necessary scale. This assumption is based on recent investment pledges from down-stream companies, financial institutions, and governments, such as the SoS Cerrado Manifesto<sup>63</sup> and more recently the COP 26 financial pledge amounting to almost 14 billion USD for halting and reversing deforestation and land degradation by 2030<sup>64</sup>.

**Mitigation measures to ensure sufficient investments** include the engagement of down-stream companies (under outputs 1.3 and 2.1) to commit to collectively support farmers, so the cost burden of DCF production is shared throughout the supply chain - in alignment and complementarity to other international initiatives. A second mitigation measure under output 1.1 is to explore possibilities for integrating DCF financial mechanism with other PES schemes, such as REDD+ and the voluntary carbon market. Private investment in reducing and compensating for companies' GHG emissions, including scope 3, are expected to grow substantially<sup>65</sup>, and several large players in the soy supply chain, including Danish companies, have committed to science-based reduction targets, amongst others through the SBTi. Seizing these investments and channelling them to support and compensate for DCF soy production can therefore become crucial for securing the necessary level of investment to reach a shift in incentives at scale to achieve a sector-wide market transformation.

**The effectiveness of selected strategies assumes that producers' access to finance will be a powerful incentive for the adoption of sustainable production practices** and that increased volumes of finance and long-term commitments from downstream companies will further reinforce and accelerate the uptake of sustainable production practices. This assumption is based

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<sup>62</sup> Invitees will be required to have an active engagement in the Cerrado landscape related to deforestation and conversion to ensure a high-level knowledge exchange. We expect to see representatives from national and international CSOs (such as the WWF Network IDH, WRI, Solidaridad, TNC, CI, IPAM, IMAFLORA, ICV), the national public sector (Ministry of Agriculture, Livestock and Food Supply), State-level agencies, public prosecutors, and international donors (GIZ, DANIDA, NORAD, Moore Foundation, European Union, Critical Ecosystem Partnership Fund), national industry and producer associations (such as ABIOVE and APROSOJA), soy traders (Soft Commodities Forum), financial institutions (Amazon Plan Partners) academia (UFMG, UnB, UFV, University of Copenhagen), and private sector initiatives (Danish Responsible Soy Alliance, UK soy manifesto, Consumer Goods Forum, Soft Commodities Forum, and Sustainable Agriculture Initiative).

<sup>63</sup> <https://cerradostatement.fairr.org/>

<sup>64</sup> <https://www.gov.uk/government/news/over-100-leaders-make-landmark-pledge-to-end-deforestation-at-cop26>

<sup>65</sup> <https://www.mckinsey.com/business-functions/sustainability/our-insights/a-blueprint-for-scaling-voluntary-carbon-markets-to-meet-the-climate-challenge>  
[https://trove-research.com/wp-content/uploads/2021/11/Trove-Research\\_Scale-of-VCM\\_29-Oct-2020-2.pdf](https://trove-research.com/wp-content/uploads/2021/11/Trove-Research_Scale-of-VCM_29-Oct-2020-2.pdf)

on asks from producer groups<sup>66</sup> as well as on evidence (see Section 2) that perverse financial incentives are a major driver of conversion, and thus providing competitive and alternative financial incentives will foster behaviour change among producers.<sup>67</sup>

The ToC also assumes that increased transparency and traceability covering every farm in the territory will increase producer accountability and directly promote legal compliance among producers, including farm inscription under the national Rural Environmental Registry (CAR).

Furthermore, the ToC is assuming that Danish Companies will be sufficiently motivated to invest in the sustainability of their global supply chains and see the added value of a coordinated finance approach, and that knowledge sharing amongst stakeholders will trigger the uptake of emerging promising practices, and promote alignment, synergy and coordination thereby increasing collective impact, which will in turn contribute to change of producer behaviour at scale.

Overall, the Outcome's contribution to the Specific Objective assumes that the scale and pace of adoption of sustainable production practices that are free from deforestation, conversion and human rights violations is sufficient to meaningfully contribute to reduced deforestation and conversion associated with the Danish soy supply chain.



<sup>66</sup> <https://www.reuters.com/article/commods-soja-cerrado-idBRKBN28P2RZ-OBRBS>  
<https://www.reuters.com/article/commods-graos-cerrado-iniciativa-idBRKBN1OD1R6-OBRBS>

<sup>67</sup> In a comprehensive study from 2017, WWF BR identified the financial return from current practises and a lack of access to attractive alternatives, as a major barrier to behaviour change amongst producers.

## 4.2 Outcome 2 – Conservation

**Outcome 2. Financial institutions and downstream companies support a sector wide DCF agreement in the Cerrado to halt soy-driven conversion.** As presented in Section 2, Cerrado conservation is inseparable from the production practices carried out on private land. Conversion must be halted to protect remaining coherent patches of native vegetation to preserve its biodiversity and ecosystem services crucial for people, nature, and the climate. Soy production must therefore only expand to land already cleared for agriculture, and evidence (detailed in Section 2) confirms that this is most appropriately secured through a sector-wide agreement on DCHF soy for the landscape. Under this Outcome, we therefore seek to increase pressure on soy-traders towards the adoption of a cut-off date of 2020<sup>68</sup> for the Cerrado. Such a sector-wide agreement would considerably reduce soy-driven deforestation and conversion, supporting conservation of the Cerrado and directly contributing to the project's Specific Objective. While the interventions undertaken under Outcome 1 indirectly aim to foster and enhance soy producers' support to a DCHF sector-wide agreement (or at least diminish their resistance to this), Outcome 2 focuses on the pressures and incentives that can be created by actors on the demand-side of the soy supply chain for the adoption of a sector-wide agreement that will significantly support conservation of the Cerrado.

**Pathway of change:** the theory underpinning this Outcome posits that the combining pressures from demand side actors is paramount to create sector wide transformation. Therefore, **if** demand-side companies implement DCHF policies aligned to AFi (Output 2.1) **then** this will send clear signals to producers and traders on the need to change BaU. The theory also hypothesise that **if** financial institutions incorporate deforestation risk into their investment criteria (Output 2.2) **then** this will limit access to funding for all supply chain actors without robust DCHF policies and will positively influence financial flows in favour of DCHF production. Finally, the ToC underpinning Outcome 2 posits that **if** the Alliance becomes better able to leverage Danish actors' international influence (Output 2.3), **then** this will add to and amplify pressure on traders and producers to commit to DCHF soy production in the Cerrado. Overall, the theory underpinning Outcome 2 is built on the hypothesis that by targeting different stakeholder groups on the demand side of the market, significant pressure will be placed on traders and producers to sign on to and implement a sector wide DCF agreement for soy production in the entire Cerrado Landscape, which will significantly and positively impact conservation and IPLCs. Notably, interventions proposed under Outcome 2 are embedded in the WWF Network's Soy Strategy, meaning they complement and align with initiatives in other soy consuming countries, as well as with WWF BR's engagement with traders and policy makers. Outcome 2 will be pursued through three Outputs as outlined below:

### **Output 2.1. Key down-stream companies in the soy supply chain have strengthened capacity to implement effective DCHF policies aligned to the Accountability Framework.**

As outlined in Section 2, corporate DCHF policies are currently not adding sufficient pressure on traders and producers to enable sector-wide transformation. This is partly related to the complexity of the soy value chain, but also due to lack of commitment and technical capacity in down-stream companies. Under this Output, we therefore focus on ensuring adequate guidance and training for downstream companies to implement the AFi to promote consistent, credible and transparent uptake of DCHF policies, and specifically to push the *clean supplier* approach following the example of Norwegian salmon industry agreement (described in Section 2). This would have an impact way beyond the Danish soy imports and could be a game changer towards a sector wide agreement.

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<sup>68</sup> meaning that soy grown on land converted after 2020 would no longer be commercialised

**Under Output 2.1, WWF BR and WWF DK will deliver two key activities.** Firstly, WWF DK will train and provide technical guidance to Alliance members to align their DCHF efforts to the AFi, using the DCF Implementation Toolkit methodology.<sup>69</sup> Following this, WWF DK and WWF BR will facilitate a DCHF Hub for coordinated dialogue between Brazilian traders and Danish downstream companies to negotiate commercial agreements of DCHF supply following the *clean supplier* approach. This combination of training and facilitated dialogue with traders will work to strengthen down-stream companies' capacity to implement DCHF policies aligned with the AFi.

**Notably, this approach will have co-benefits for Danish companies.** Implementation of strong, consistent DCHF policies will position Danish Companies well in terms of compliance with the upcoming EU legislation, and potentially improve their access to finance – where the trend is that lending/investment decisions are increasingly linked to companies' ESG and sustainability. Furthermore, land-based emissions are increasingly integrated in corporate carbon accounting frameworks, as seen in the SBTi<sup>70</sup>, hence Alliance members can become front runners here.

**Output 2.2. Financial institutions are supported in incorporating investment criteria related to deforestation risk.** FIs are indirectly linked to deforestation and conversion of the Cerrado through their investment decisions into food, feed, and biofuel value chains, and thus hold enormous potential to influence and transform entire sectors. Through Output 2.2 we therefore focus on creating momentum for private FIs to adopt deforestation risk criteria across their portfolio, with a specific focus on Brazilian banks and Danish Pension Funds.

**Under Output 2.2, WWF BR and WWF DK in collaboration with DIEH will deliver two key activities.** Firstly, WWF DK and DIEH build on their existing strong relations with DANSIF and Danish pension funds<sup>71</sup> to carry out strategic engagement for creating momentum around DCHF finance. In parallel, WWF BR will engage Brazilian banks and international investors to maximise alignment. Secondly, we will provide training and support on the DCF Toolkit Methodology to facilitate these FIs' incorporation of deforestation risk into investment criteria. Secondly, WWF DK and WWF BR will support above-mentioned FIs to establish three DCHF Hubs, intensifying the dialogue between FIs and the companies they invest in for full AFi implementation.

**Output 2.3. The Danish Alliance for Responsible Soy is consolidated, strengthened and expanded.** The complexity of the supply chain renders actions and initiatives around DCHF soy by any individual down-stream company challenging and ineffective. In this Output, we therefore focus on strengthening Denmark's main forum for knowledge exchange and collective action on the soy value chain.

**Under Output 2.3, DIEH will deliver three key activities.** Firstly, DIEH will intensify and strengthen activities with Alliance members, such as dialogue meetings and working groups, to assist Danish actors to become 'DCHF front-runners'.<sup>72</sup> Secondly, DIEH will engage new

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<sup>69</sup> DCF Implementation Toolkit is a methodology specifically developed for companies sourcing beef and soy from South America. Delivered through a series of workshops, the toolkit guides corporations and financial institutions in the process of risk mapping, stakeholder engagement, procurement processes improvements and policies creation.

<sup>70</sup> SBTi's Forest, Land Use and Agriculture (FLAGT) guidance is currently under consultation:  
<https://sciencebasedtargets.org/sectors/forest-land-and-agriculture>

<sup>71</sup> WWF DK has been engaging with Danish Pension Funds for a number of years, supporting them to improve their alignment to the commitments in the Paris Agreement, and have published an annual pension fund report since 2013.

<sup>72</sup> Related to upcoming EU legislation, the Danish national action plan for deforestation, and the Danish green procurement strategy, but also consumer wishes and public expectations on climate action.



potential members to broaden the membership base. Those will include downstream companies not currently participating in the Alliance, as well as new and relevant stakeholder groups, such as the FIs (engaged under Output 2.2) and NGOs, such as IWGIA. This will be complemented by the engagement and alignment of the Alliance with international initiatives for responsible soy (especially on the demand side), including the UK Roundtable for Responsible Soy, the Swedish Risk Commodity Platform, IDH / Source Up, and others. Thirdly, strategic communication targeted at the Danish public and key stakeholders will be delivered to create wider support and awareness of the Alliance.

**There are some key assumptions underpinning Outcome 2.** The Outcome is based on the assumption that FIs and downstream companies are genuinely willing and available to participate in capacity building initiatives, that downstream companies value the co-benefits of robust DCHF policies and that traders are willing to coordinate actions and be transparent with downstream companies.

Firstly, this assumption is based on the targets set by down-stream companies themselves, the Danish government and industry associations (L&F, DAKOFO) to use 100% responsible, DCF soy by 2025. Secondly, the upcoming EU anti-deforestation regulation will add additional requirements for due-diligence and traceability for soy imports, and is also a major driver of change, particularly for soy importers, traders and feed manufacturers. Third several large players in the soy supply chain, including major Danish companies, have committed to science-based reduction targets, amongst others through the SBTi. For most of these companies, such targets cannot be achieved without a significant reduction in land-based emissions, and consequently reductions from deforestation and conversion. As these represent a large proportion of companies' scope 3 land-based emissions, ensuring DCF soy is one the most effective, cheap, and readily available solutions for the achievement of climate targets for companies in the soy value chain and other forest risk commodities<sup>73</sup>. Fourth, an important driver of change for companies at all stages of the soy value chain is access to finance and the increasing requirements from FIs regarding DCF and climate action. Therefore, the focus of engagement with financial institutions in this project (output 2.2) is to establish robust and aligned DCF policies and requirements on their investees at risk of exposure to deforestation and conversion, and as such eliminate deforestation and conversion from FIs investment portfolios. In order to achieve the results set out in outcome 2, the SUSS partnership will focus on all these drivers of change, and any others identified through analysis of drivers of change to be carried out during inception phase in dialogue with Alliance members (see Table 1. Inception Activities & Deliverables).

**The effectiveness of selected strategies to achieve Outcome 2 are also based on some key assumptions.** Firstly, the strategies pursued assume that Danish FIs and downstream companies can add to growing international pressures on producers and traders, and significantly influence them to support a real transformation of the soy sector in the Cerrado. It is also assumed that applied frameworks that shift focus from *clean supplies* to *clean suppliers* are able to trigger and maximise impact all the way up the supply chain. Secondly, with selected strategies it is assumed that by supporting key FIs, we will be able to secure a critical mass of investors that can, through

<sup>73</sup> WWF network is leading the development of the Forest, Land and Agriculture Guidance (FLAG) in the scope of SBTi. FLAG guidance is under adjustment after a public consultation period and will be launched in Q3 2022 <https://sciencebasedtargets.org/sectors/forest-land-and-agriculture#state-of-play>

requirements to investees, contribute to wide sector transformation, as well as create a benchmark for other FIs to follow. Thirdly, the selected strategies are based on the assumption that members of the Danish Soy Alliance will boldly and effectively leverage their influence internationally and push for robust DCHF criteria and policies from policy makers, industry associations (such as FEFAC) and across all levels of the European and global soy supply chain, thereby nudging behaviour change.

**Overall, the Outcome's contribution to the specific objective** assumes that Danish FIs and downstream companies will add to growing international pressures on producers and traders, and significantly contribute to the achievement of a DCF sector-wide agreement for Cerrado which will effectively halt soy-driven deforestation and conversion across the landscape.

**Finally, the effectiveness of selected strategies makes some assumptions about the operating environment** - namely, that increased restrictions by importing countries will put further pressure on traders and producers to accept a sector-wide agreement, and that a likely change in government in Brazil will, at best, strengthen the environmental agenda, and at least, in less detrimental political context, resulting in a more enabling environment for a sector-wide agreement than at present (see Annex 2: Risk Management for detailed analysis of contextual and political risks as well as mitigating strategies).

### 4.3 Outcome 3 – Inclusion

**Outcome 3. Inclusion: IPLCs in the Cerrado are actively participating in landscape governance and deriving economic benefits from nature-based enterprises.** In Section 2, we outlined how current protection of IPLCs' territories is insufficient to halt conversion for large scale agriculture expansion and how high levels of impunity for infringement of territorial rights are at the core of the land-grabbing practices behind soy expansion in the Cerrado, particularly in Matopiba due to the lack of official tenure rights. The main stewards of the Cerrado landscape – its thousands of IPLCs – are facing a two-fold challenge: weak tenure rights hamper their influence in landscape decision-making processes and often result in violent conflict. Adding to this, these communities suffer from poverty and are economically excluded from the benefits of soy production, while conversion of their territories as well as biodiversity loss undermines their livelihoods and their ancestral extractive practices of native Cerrado NFTP – which for many IPLCs are an important source of income that also contributes to Cerrado conservation and the valuation of its natural capital. Nevertheless, severe barriers in accessing markets for CBEs native produce hampers IPLCs resilience and income opportunities, besides contributing to perverse incentives where converted land is more valuable than conserved land covered by natural vegetation.

Outcome 3, is focusing on mitigating the negative impact of Soy production on the IPLCs by strengthening their resilience. In this way it is strengthening the social sustainability of the Soy production. It has a two-fold focus:

First, on supporting IPLCs to enhance their capacity and avenues for active participation in landscape governance and defence of their rights – while at the same time increasing accountability for infringements of territorial rights. This focus addresses the need to enhance IPLC groups' influence and political standing within the Cerrado Landscape, setting the scene for reducing human rights violations within the soy sector in this landscape as well as halting conversion of the last comprehensive patches of native vegetation in the Cerrado, which are mainly found in Matopiba and occupied by IPLCs.

Secondly, we focus on increasing IPLCs resilience through support for improved livelihood and economic opportunities based on traditional NFTP's extractive practices. Although not directly linked to the soy value chain, this focus is crucial for the economic inclusion and empowerment of Cerrado IPLCs, as well as providing direct and tangible benefits for beneficiary communities. Furthermore, focus on livelihood improvement and economic empowerment of IPLCs is also a strategic choice in the project to ensure IPLCs participation and collaboration in governance focused activities.

**Pathway of change:** the underlying theory for this Outcome posits that **if** CBOs that represent IPLCs are supported to map their territories, defend their rights and influence decision making (Output 3.1), **then** they will be better equipped and able to actively participate in landscape governance including key decision-making fora such as municipal state level Council meetings. The underlying theory also posits that **if** evidence-based advocacy around accountability for infringements of IPLCs' territorial rights is undertaken (Output 3.2), **then** IPLCs will have a meaningful channel through which to hold duty bearers and others accountable for rights infringements, thus supporting the defence of their rights. Finally, the theory underpinning Outcome 3 posits that **if** community-based enterprises have increased capacity to access markets and connect with value chain actors (Output 3.3), **then** they will be better placed to derive improved incomes from nature-based enterprises that are in harmony with traditional cultural practices. Thus, while Outcomes 1 and 2 aim at changing behaviours throughout the soy value chain, Outcome 3 focuses on the local people within the Cerrado landscape, improving social inclusion – especially interlinked with demand-side DCHF policies as these capture human rights aspects of local populations. Notably, this outcome will be achieved through the delivery of three Outputs which scale up existing grass-roots initiatives in the Cerrado, as outlined hereunder:

**Output 3.1. Selected CBOs are supported to map their territories, defend their land tenure rights, and to influence decision-making.** As previously outlined, one of the root causes of the fragile situation of IPLCs in the Cerrado is their lack of visibility and influence. Under this Output, we therefore focus on enhancing IPLCs' ability to claim and defend their land tenure rights and to participate in local and state-level governance fora, such as Council meetings at municipal and state level. Under this Output, WWF BR will deliver two key activities in partnership with the Institute for Society, Population and Nature (ISPN) and Rede Cerrado. Firstly, ISPN and Rede Cerrado will lead the collection and utilisation of geo-referenced information on Traditional Territories by scaling up the reach of their existing, successful initiative 'Tô no Mapa' (I'm on the Map)<sup>74</sup> to the MATOPIBA region, and support communities in the state of Maranhão to register in the initiative. This is a necessary step to secure communities' legal rights to their territories. This will be achieved through a participatory mapping process<sup>75</sup> with local CBOs. The mapping will be complemented by development of advocacy strategies led by CBO leadership and women and youth activists. In undertaking this, we will firstly roll-out ISPN's tried and tested capacity building tool, named Cerrativismo, to create agents of change. Secondly, we will seek to improve CBO capacity by

<sup>74</sup> 'To no Mapa' (I'm on the map) is an initiative launched in 2020, by ISPN, IPAM & Rede Cerrado, aimed at supporting IPLCs in their struggle to uphold their social and land rights. It works through a mobile app that allows Brazilian IPLCs to self-map their territories. The initiative is also connected to the Federal Public Ministry's Traditional Territories Platform. This platform was developed in partnership with the National Council of Traditional Peoples and Communities (CNPCT) and supported by several governmental and non-governmental entities, with the objective of providing a wide collection of georeferenced data about the areas traditionally occupied by traditional peoples and communities in Brazil.

<sup>75</sup> The process of participatory mapping also contributes to improving communities' landscape governance and sustainable management of natural resources.

supporting CBOs to design advocacy plans to strategically address the issues and concerns that they have prioritised. It is envisaged that through this improved capacity, CBOs will be more confident and better equipped to participate meaningfully in landscape governance fora.

**Output 3.2. Evidence-based advocacy is undertaken on accountability for infringements of IPLC territorial rights.** As outlined in Section 2, there is currently a lack of systematic and solid evidence on IPLCs’ tenure rights violations which undermines accountability for infringements. Under this Output we therefore focus on providing systematic evidence to hold those responsible for human rights violations accountable. Under this Output, WWF BR, in partnership with The Brazilian Network for Territorial Development Research and Management (RETE), will deliver two key activities. Firstly, as geo-referenced information is a central element in the prosecution against violators of IPLCs rights, we will develop a geo-referenced database for cases of violations of IPLCs land rights in MATOPIBA to strengthen the ‘Tamo de Olho’ initiative.<sup>76</sup> Additionally, a rigorous and comprehensive Human Rights Impact Assessment of the soy value chain on IPLCs in the Cerrado will be carried out and published. This publication aims to shed light - nationally and internationally - on the negative human and social impacts of the current model of soy production. It will be disseminated to targeted international organisations and demand-side companies for the inclusion of robust due diligence requirements on human rights violations associated with commodity production and trade.

**Output 3.3. Community-based enterprises in Matopiba have increased capacity to access markets and connect with value chain actors.** As pointed out in our Problem and Needs Analysis in Section 2, IPLCs currently lack meaningful economic opportunities that are compatible with their traditional ways of life. CBEs in MATOPIBA are increasingly engaging in Nature-based businesses that build on traditional practices and knowledge of Cerrado biodiversity, however challenges in accessing markets hamper the profitability and scalability of their NTFPs extractive activities. Under this Output, we therefore focus on strengthening CBEs’ capacity to access markets and connect with value chain actors in order to provide direct economic benefits for IPLCs – and thereby increase resilience and empowerment of the most vulnerable and least influential populations in the Cerrado.

Under this output, WWF BR and Central do Cerrado, will deliver two key activities. Firstly, drawing on Central do Cerrado’s existing network with Cerrado CBEs, we will deliver capacity building to CBEs working with two specific NTFPs: Babassu Oil & Golden Grass, both traditionally women activities. Focus will be on building capacity for increasing production volume and quality, in accordance with market demands and expectations. Secondly, we will support CBEs in the development of sales and marketing strategies, and facilitate market access through Rede Cerrado own sales channels in Brasília and São Paulo; participation in fairs; and/or by connecting CBEs to potential buyers, such as industries, and restaurants.

**Output 3.3 has an explicit gender focus, to strengthen women’s position within IPLCs.**

Aside from market potential, the potential for promoting gender equality in IPLCs has informed the selection of Babassu as a value chain of focus in the project. Babassu oil is produced by the Babassu coconut breakers (“quebradeiras de coco”), a group of women connected to the babassu palms for traditional livelihoods and cultural identity. Coconut breakers from the states of Maranhão, Pará, Piauí and Tocantins are organised in the Babassu Coconut Breakers Interstate Movement (MIQCB), a prominent social movement to guarantee the rights to land and access to

<sup>76</sup> A collaboration between CSOs, University of Brasília and the Brazilian Association of Environmental Public Prosecutors (ABRAMPA)



babassu palms, as well as the quality of life of rural women. Notably, through engaging with this Movement, the project will not only support improved income derived from Babassu for women IPLCs, it will also contribute to their greater collective and economic empowerment.

**There are some key assumptions underpinning Outcome 3.** This Outcome is based on the preconditions that there is no significant decline in the political environment or shrinking of civic space, that IPLCs continue to be interested in enhancing their influence in the landscape and in improving the profitability of their livelihoods derived from nature-based enterprises. The effectiveness of selected strategies is also based on a number of assumptions. Firstly, it is assumed that CBOs will actively utilise newly acquired capacity in implementing their advocacy plans, and that CBO leaders will be able to effectively use new knowledge and skills to improve their participation in relevant landscape governance fora. Secondly, it is assumed that the raising of civil inquiries and lawsuits continues to be an effective means to improve accountability for human rights and to dissuade further illegal deforestation, land grabbing, invasions, and other human rights violations against IPLCs. It is also assumed that the more systematic evidence on human rights violations will be meaningfully utilised in advocacy - such as advocacy strategies related to EU due diligence regulation - and that its dissemination to national and international stakeholders will trigger more interest and engagement in IPLC human rights violations, resulting in greater external pressure being focused on the soy sector. Finally, the effectiveness of selected strategies for improving IPLCs' livelihoods is based on the assumptions that market demand for NTFPs will continue to grow, that IPLCs will continue to have access to the areas where they traditionally collect Babassu Coconut and Golden Grass, and that these areas are preserved. The Outcome's contribution to the Specific Objective assumes that when Cerrado IPLCs achieve stronger levels of inclusion and better economic opportunities, human rights violations associated with the soy supply chain will decrease and their ability to protect and guard the landscape against further conversion will be significantly strengthened.



## 5 SUMMARY OF RESULTS FRAMEWORK

In this section we present our summary Results Framework. The full Results Framework can be found in Annex 1.

Table 6: Summary Results Framework

Project name	Scaling Up Sustainable Soy Partnership
Project Development Objective	Climate change mitigation and adaptation, strengthened biodiversity and enhanced social and economic development
Project Specific Objective	Reduced deforestation associated with the Danish soy supply chain

Impact Indicator 1	Decrease in annual rate (km <sup>2</sup> ) of Cerrado conversion in the states of Maranhão, Tocantins, Piauí e Bahia (MATOPIBA) by 2025 ( <i>SDG Target 15.1, Indicator 15.1.1</i> )  MOV: PRODES data from INPE (Instituto Nacional de Pesquisas Espaciais)
Baseline	5.511 km <sup>2</sup> (2021)
Impact Indicator 2	Increase in the percentage of verified DCF soy within the Danish soy supply chain by 2025  Means of Verification (MOV): Data from the Monitoring, Reporting & Verification (MRV) system established by the project.
Baseline	0 (IFRO, 2022)

Outcome 1		Producers in the Cerrado adopt sustainable production practices which are free of deforestation, conversion, and human rights abuse	
Outcome indicator 1		Decrease in the proportion of land within Cerrado that is degraded by 2025 ( <i>SDG Target 15.3, Indicator 15.3.1</i> )  MOV: Data published from MapBioma module of Pasturelands Quality (Severe and Moderate Degradation)	
Baseline	Year	2020	56% (27MM hectares degraded of 48MM hectares total)
Target	Year	2025	51%

Outcome 2	Financial institutions and downstream companies support a sector wide DCF agreement for the Cerrado to halt soy-driven conversion.
Outcome indicator 2.a	Increase in the number of actors who have released clear and effective DCF commitments aligned to the Accountability Framework by 2025  MOV: Companies' policies

Baseline	Year	2022	TBD
Target	Year	2025	10 additional Brazilian and Danish companies and/or FIs have adopted commitments aligned with AFi

<b>Outcome indicator 2.b</b>		Increase in the number of Danish companies who monitor, report and verify (AFi) the implementation of their DCF commitments by 2025 MOV: Published company reports	
Baseline	Year	2021	0 companies monitor, report and verify implementation of DCF commitments
Target	Year	2025	3 companies monitor, report and verify implementation of DCF commitments.

<b>Outcome 3</b>		IPLCs in the Cerrado are actively participating in landscape governance and deriving economic benefits from nature-based enterprises.	
<b>Outcome indicator 3.a</b>		Increase in sales revenue of Babassu & Golden Grass sold by community-based enterprises to commercial actors by 2025 MOV: CBE sales records.	
Baseline	Year	2021	TBD
Target	Year	2025	12%

<b>Outcome indicator 3.b</b>		Increase in the number of CBOs represented in Council meetings at municipal or state level by 2025 MOV: Monitoring reports and municipal and state Council meeting attendance records.	
Baseline	Year	2021	<i>TBD. Currently there are very low levels of CBO participation in governance fora such as Council meetings at both municipal and state level.</i>
Target	Year	2025	<i>TBD. There is an increase in the number of CBOs that have participated and have voiced concerns or issues related to rights violations.</i>



## 6 INPUTS/BUDGET

**This section provides an overview of our budget and co-funding, supplementing our detailed budget in Annex 3.** We account for how our budget complies with the guidelines for grant management through Danish CSOs (i.e., ‘Retningslinjer for Tilskudsforvaltning gennem danske Civilsamfundsorganisationer’). Securing Value for Money (VFM) in achieving the intended results is also paramount to our project and budget design processes, covering economy, effectiveness, efficiency, and equity. In this section we have specific focus on the efficiency of our proposed project.

### 6.1 Budget and co-funding

**Compliance with budget guidelines.** In developing our project budget, we have assessed the guidelines provided and ensured adherence to these. Here we highlight key requirements implemented into our budget: a maximum of 20% of the total budget is allocated to activities based in Denmark, and an end-of-project audit following international standards. WWF DK has undergone a formal capacity review to demonstrate capacity to manage financial contributions from Danida in 2018 (see our Danida Capacity Assessment in Annex 4).

**WWF DK and co-applicants have budget allocations related to specific outputs.** The overall budget is shared between the consortium partners WWF DK, as Lead Applicant, alongside DIEH as co-applicant in Denmark, and WWF BR as our co-applicant in Brazil. Our local WWF in Brazil is an independent national office within the WWF Network and is, in this project, responsible for ensuring that the funds in Brazil are spent in compliance with the project agreement and with due consideration to VFM in achieving the results intended. For example, WWF BR has entered a partnership with the local CSO, Solidaridad, who will be allocated a sub-grant of DKK 1.562.500 under Output 1.1. See full description of DIEH and WWF BR’s roles and responsibilities in Section 7.

**We have chosen to hold the 7% administration fee in Denmark,** as we regard all costs of activities carried out by our local implementing partners in Brazil, including WWF BR as activity related. This includes programme support costs, which will be calculated using cost recovery and fair share logic. All programme support costs will be documented and audited.

‘Non-HQ’ budget line ‘A.1.b Direct Activity Costs Non-HQ’ cover staff travel expenses, including placement of WWF DK project manager in Brazil for up to 12 weeks/year.

Budget line A.3.b ‘programme support cost non-HQ’ covers the fair share of WWF International membership fee in accordance to Annex 4, cost categories – for GDK call 2022. WWF DK pays 7% of the entire turn over as a membership fee for WWF International. As the entire budget for the SUSS Partnership will count as turnover for WWF DK, a fair share of the Danida Grant for international membership fee is 7% of the SUSS Partnership budget. We have budgeted with 6% as a A.3.B cost which is below the fair share. This membership fee is only paid in DK as this is where the money “meet” the WWF network. WWF Brazil will not pay any fee to WWF International for this Partnership.

The membership fee directly contribute to the SUSS Partnership through: (1) quality assurance mechanisms, including Project Approval and assessment by WWF INT quality assurance committee; Environmental & Social Safeguard Framework (ESSF), including specific ongoing ESSF assessment for the Cerrado Landscape; involvement of expert technical advisor Jean Francois Timmers (see figure 8. Our Team Structure ); network coordination with other demand-



side initiatives (WWF DE, WWF FR, WWF UK, WWF ); in depth analysis and studies on the upcoming EU anti-deforestation regulation from WWF EPO - European Policy Office. Furthermore, WWF INT delivers several of the resources that ensure national WWF offices operate with quality, efficiency and transparency. That includes WWF network policies & standards, systems & tools for project and financial management; quality assurance mechanisms; staff training in eg. in fraud & anti corruption and social & environmental safeguards; and last but not least, project staff access and coordination with international network practices and working groups, such as the Food, Forests and Market Practice; the DCF ACAI (Area for Collective Action and Innovation) as well the Soy Working Group, formed by WWF offices from most European countries, several producing countries as well as the US and China.

A simple overview of the budget split by Outcome is provided below in Table 7, reflecting the extension of the project from 36 to 40 months in form of Inception Phase (Outcome 0). See Annex 3. Budget for a full overview of the revised budget.

**Table 7: Budget split across outcomes (1000s DKK)**

Outcome	Inception	Year 1	Year 2	Year 3	Total
<b>Outcome 0 - Inception</b>	<b>1,892</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,892</b>
<b>Outcome 1 – Production</b>	<b>0</b>	<b>3,998</b>	<b>3,900</b>	<b>2,886</b>	<b>10,167</b>
<b>Outcome 2 – Conservation</b>	<b>0</b>	<b>2,381</b>	<b>2,741</b>	<b>3,245</b>	<b>7,752</b>
<b>Outcome 3 – Inclusion</b>	<b>0</b>	<b>2,934</b>	<b>2,672</b>	<b>3,182</b>	<b>8,126</b>
<b>7% Administrative fee + auditors fee</b>	<b>132</b>	<b>522</b>	<b>654</b>	<b>654</b>	<b>1,830</b>
<b>Total</b>	<b>2,025</b>	<b>7,975</b>	<b>10000</b>	<b>10000</b>	<b>30000</b>

**Significant opportunity for sizeable co-funding.** A diverse set of private stakeholders are interested in this project and its overall Specific Objective and Vision. We therefore see a great opportunity for co-financing via three channels: direct support to activities of WWF DK (and/or our partners) under this project; in-kind co-financing through Alliance members' time and capacity to strengthen efforts in Denmark; and donor finance for other WWF BR projects in the Cerrado aligned with their Cerrado Alive Initiative.

**Co-funding already secured or underway (see also Table 8):**

- **CAI Landscape Strategy**

As explained in section 2.5, the SUSS Partnership will be nested in WWF BR's landscape strategy CAI, along with projects funded by the EU commission, NORAD, GIZ and the Moore Foundation. All projects nested within CAI are designed to ensure complementarity, synergy and alignment among actions and efforts from different partners and donors. All projects support the overall strategic

impact targets in the landscape (See Section 2.5), and are therefore regarded as co-funding for the CAI landscape strategy. See secured co-funding through these channels in table below.

**Each project nested in the CAI landscape strategy has its own objectives, results framework, and reporting requirements specific to each donor.** In the case of the SUSS Partnership, WWF DK, BR and all project partners will comply with DANIDA requirements for technical and financial reporting clearly indicating specific objectives, outcomes and outputs reached within the SUSS Partnership.

- **Co-funding from Alliance Members**

As a separate initiative under the Alliance, we are seeking 1.5 M DKK over the three-year project period to engage the Danish resource base in support of the project objectives. In the inception phase, we will settle specific agreements with members of the Alliance on this co-funding.

The co-funding from Alliance members will specifically support activities directly related to the SUSS partnership in Denmark. A voluntary financial contribution to the SUSS project from Alliance Members demonstrates additional commitment, raise the level of ambition and secure resources for the necessary demand-side work in Denmark. We expect the co-funding to be provided from the company members with a high stake in the soy sector. To ensure transparency and level playing field, financial donations to the SUSS project does not translate into a privileged role in the SUSS project nor in the Danish Soy Alliance.

Co-funding from alliance members is expected to cover activities supporting the project, such as: (1.) amplifying communication on the SUSS Partnership and on companies' efforts and progress towards DCF Responsible soy; (2.) development and facilitation of a Danish Soy Road Map, setting a collective framework for what Danish actors need to do, how and by when in order to achieve the vision that Denmark use 100% responsible and DCF soy by 2025 and contribute to global market transformation (3.) coordination and technical support for implementation of a Danish Soy Roadmap.

- **Co-funding from Moore Foundation to WWF DK**

WWF DK has secured co-funding from the Moore Foundation and WWF US of DKK 730.000 to offer members of the Alliance technical support to comply with the criteria for DCHF soy in 2022.

**Overall, engagement for further co-funding will continue throughout implementation.**

WWF DK and WWF BR's corporate engagement and fundraising teams specialise in raising funds for existing initiatives. With the political attention and momentum gathering around DCHF soy production, the opportunity for further co-funding commitments is real.

**Table 8: Primary and co-funding overview**

	DKK
Potential MFA-budget	30M DKK
Co-funding secured - CAI Landscape Strategy	EU-Commission (WWF NL): 2.4M € (2021-2024) GIZ (WWF DE): 760.000 € (2021-2023) NICFI/NORAD (WWF NO): 1.1 mi € (2021-2025) Moore Foundation (WWF US): 690.000 € (2021-2023)
Co-funding secured (Denmark)	WWF US/Moore Foundation 0.73M DKK

## 6.2 VfM – Efficiency

**Efficiency is focused on the relationship between inputs and outputs: “how well do we or our partners convert inputs into outputs”?** In the development of our budget, we have made numerous efficiency considerations such as: can we achieve the same objectives and targets while saving on how we manage the activities? Would making savings to how the project is managed risk reducing effectiveness, including sustainability? Would making savings on how the project is managed risk incurring other costs?

**For this project our key efficiency considerations implemented in the budget are:**

- Lean organisational structure with Brazilian national as WWF DK Project Manager.**  
 Our delivery mechanisms have been selected to maximise efficiency by managing sub-grant to DIEH and our local partners, and by WWF DK providing a coordination role across the project’s implementing partners. Furthermore, for the project to run efficiently as a partnership between demand and supply side – and between Denmark and Brazil – we have allocated budget for our WWF DK Project Manager, who is a Brazilian national, to travel to Brazil a minimum of five weeks every year during the three-year project period and lead one out of two annual Steering Committee meetings from Brazil.
- Utilisation of national input.** For example, funds allocated for a sector-wide Human Rights Impact Assessment of the soy value chain (Output 3.2) is to be completed by an external consultant. In line with the ambition to further localization and ensure efficiency, the communication material will be produced in Brazil by Brazilian professionals, based on a manuscript, brief, and close coordination with WWF DK as well as inputs from DIEH.

Furthermore, we do acknowledge that assessment of this project’s efficiency must be continued throughout implementation. We have therefore put in place structures to ensure efficiency, for example:

- Our adaptive management approach to delivery, supported by a strong technical team.**  
 We plan to regularly interact with partners on their requests for changing work plans and budget lines. This is part of our ‘adaptive management approach’ (elaborated on in Section 7)



which requires good oversight of risks and flexibility to move resources into areas most likely to succeed – delivering high levels of efficiency.

- **Planned review meetings and monitoring visits.** We will regularly conduct monitoring visits with partners to assess the level of progress and provide required technical assistance. Such visits complement our Quarterly Project Management Review (QPMR) meetings which look at areas such as progress in line with the budget, work plan, results frame, and theory of change.
- **Clear link between costs and targets strengthens efficiency assessment.** The funding will solely be spent on activities leading to project outcomes and outputs in line with the guidelines. Hence, an assessment of the budget alongside the Result Framework will provide a clear insight into the outcome of our efficiency considerations. For example, DIEH's budget related to the engagement and linkages with the Alliance, including their role as Advisory Committee of the project (see Section 7), is directly linked to clear indicators and targets under Output 1.3 and 2.3.





## 7 INSTITUTIONAL AND MANAGEMENT ARRANGEMENT

This section outlines our approach to involvement of partners and stakeholders, our organisational set-up, Monitoring, Evaluation and Learning (MEL) systems, reporting and communication plans. We have focused on creating partnerships where each partner has a practical role and will deliver the project through a lean organisational set-up to ensure that we deliver proper adaptive management. This will be enabled through our systems for monitoring and learning (MEL). To support our stakeholder engagement and deliver knowledge sharing, we have developed a clear reporting schedule and communication plan.

### 7.1 Partner and Stakeholder Involvement

This project builds on WWF DK and BR's existing engagement within the soy value chain and tested partner and stakeholder involvement – a cornerstone for project success. WWF DK has been an active advocate for responsible soy in Denmark for more than a decade and, following involvement in a working group established under DIEH, WWF DK became a key player in the establishment of The Danish Alliance for Responsible Soy in 2019. Our relationship with key Danish stakeholders is therefore unique. WWF has been working in Brazil for more than [50 years](#) and our local partner, WWF BR, runs dozens of projects in partnership with regional NGOs, universities and government agencies focused on supporting research, legislation, public policy, environmental education as well as conservation projects, many of which aim to stimulate sustainable economic alternatives that involve and benefit local communities. WWF BR has ample relevant experience and relationships to ensure success of this project. This history has enabled us to ensure appropriate partner and stakeholder involvement, as well as the delegation of roles and responsibilities that links to each organisation's strength and experience – as illustrated in Table 10 below.

**Involvement of key stakeholders in the development of this proposal, namely producers and IPLCs**, was ensured through the selection of partners (Solidaridad and ISPN) that have strong local anchorage, long-term engagement, and ongoing initiatives in partnership with producer groups and IPLCs respectively. Moreover, activities were chosen reflecting public positions, asks and demands from producers and IPLC's.

**Producer groups and associations** have long expressed the need for financial compensation for excess legal reserve. The lack of financial incentives for DCF production is, according to farmers themselves, a crucial barrier for the adoption of DCF soy production<sup>77</sup>. The choice of activities for producer engagement was guided by this explicit demand and the accumulated experience of WWF BR and Solidaridad, which has been working on sustainable agriculture for the past 50 years, and specifically on the soy sector in the MATOPIBA region for the last 5 years. Besides developing territorial intelligence to support its intervention strategy for conservation of native vegetation, conversion of degraded land to grain production, Solidaridad set up relevant connections with farmer associations and led farmers in the territory over this period.

When it comes to **IPLCs**, the project builds on previous and ongoing partnerships with Cerrado CBOs directly representing IPLCs (ASSEMA, COPPALJ, Central do Cerrado) and local CSOs with the primary mission of defending IPLCs rights, ensuring social justice and sustainable and

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<sup>77</sup> <https://www.reuters.com/article/commods-soja-cerrado-idBRKBN28P2RZ-OBRBS>  
<https://www.reuters.com/article/commods-graos-cerrado-iniciativa-idBRKBN1OD1R6-OBRBS>

inclusive development, which is the case of ISPN and RETE-UNB.

Finally, to ensure relevance and alignment of proposed activities to producers and IPLCs demands and context respectively, these will be consulted during inception phase and throughout the project period. See Table 13. Inception Activities & Deliverables below.

**The below outlined project governance structure is underpinned by clear roles and responsibilities.** As the Lead Applicant representing the consortium, WWF DK will be responsible for the project management and accountable for delivery of the project. WWF DK will: (i) oversee project management, monitoring, evaluation and learning; (ii) ensure compliance with submission of annual workplans; (iii) deliver budgets and reports in alignment with Danida guidelines; (iv) provide technical support - especially within forest carbon and DCHF value chains; and (v) communicate and provide information to Danish and international audiences. These roles and responsibilities are fully aligned with our local and Danish partners' involvement in the project outlined above in Section 7.1.

**Most project activities will be delivered by local partners in Brazil.** These local partners provide deep contextual understanding and expertise, as well as agile, on-the-ground presence. They will feed into our ongoing management of the project and contribute their insights to ongoing monitoring of the context and risks, as well as actively participate in our bi-annual learning sessions and the Annual Conference (see details under Section 7.3) and contribute to progress reporting. Figure 7 illustrates how local partners will be involved in the delivery of all three Outcomes while the responsibilities of local academia and CSOs are detailed here below: Full partnership descriptions are provided in Annex 5.

1. **WWF BR:** our main local partner and co-applicant will be overall responsible for implementation of project activities in Brazil and will coordinate locally with Solidaridad as well as our other civil society partners and national stakeholders (such as district government and private sector partners). WWF BR will lead: (i) local project oversight, management, and implementation; (ii) linkages to and coordination with local partners and stakeholders, including channelling of funds to partners; (iii) documentation, monitoring and evaluation, and project reporting.
2. **Solidaridad:** is a core local partner. Given their extensive involvement and relations with soy producers in Brazil, they will lead the implementation of Output 1.1. Solidaridad will deliver the project's producer engagement strategy including outreach, capacity building and advice to producers on access to financial incentives for DCHF and responsible soy. Furthermore, Solidaridad will facilitate contact with producers, industry associations and traders under Outputs 1.3 and 2.1.
3. **CIT-UFGM:** is the lead technical partner for implementation of Output 1.2. CIT will leverage their state-of-the-art expertise in territorial intelligence and agricultural value chains in the development and implementation of an innovative traceability and transparency system Selo Verde for Maranhão state.
4. **ISPN:** will leverage their expertise on IPLC's governance and rights as the lead implementing partner of Output 3.1. ISPN will be responsible for local community involvement and capacity building for defending and securing territorial rights, amongst others through participatory mapping of territories.
5. **RETE:** will be the main implementing partner for Output 3.2. RETE will be responsible for mapping and analysing data on land rights violations associated with conversion in MATOPIBA region, supporting IPLCs on prosecution of violators as well as promoting

improvements in socio-environmental policy and law-enforcement among decision makers. RETE will also support the Human Rights Impact Assessment with data access & analysis, and expertise.

6. **Central do Cerrado:** will lead implementation of activities proposed in Output 3.3. Central do Cerrado will deliver capacity building; technical assistance; as well as develop and implement market access strategies to selected CBOs and CBEs in MATOPIBA.

**Partnership with government agencies and public bodies will be mediated by our local partners, UFMG and WWF BR.** UFMG has established a partnership with the Maranhão State to implement a traceability system (see details under Output 1.2 in Section 4) which is the most important state-level government for this project since it is here the highest rates of conversion as well as land conflicts are found. WWF BR has a partnership with the Brazilian Association of Environmental Public Prosecutors (ABRAMPA) to increase accountability for violations of IPLCs territorial rights associated with illegal deforestation (see details under Output 3.2 in Section 4). It is important to note that with our approach centred around a sector-wide agreement, partnerships with municipalities do not provide the scale that we are aiming for with this project. Notably, the political economy of Brazil does not provide a conducive environment for any NGO to partner or engage with national-level government agencies (see more in Section 2).

**Our partnerships in Denmark complement locally anchored implementation.** These partnerships are centred around engagement of the private sector and academia as detailed below:

**DIEH:** our co-applicant and secretariat for the Alliance will be responsible for ensuring a strong strategic and practical connection between the project and the ambitions and actions undertaken by Alliance members. The primary roles and responsibilities of The Danish Ethical Trade Initiative in the SUSS Partnership are:

- **Implementation of outputs 1.3 and 2.3 and support implementation of outcomes 2.1 and 2.2.** Building on the existing work and accomplishments of the soy alliance since 2019, the secretariat will continue to support and **strengthen the alliance** but also **scale up collaboration and action** in Denmark, EU and Brazil. This includes activities such as engaging new stakeholders, strengthening reporting and monitoring of progress among Alliance Members, facilitate study trip, development of collective models for traceable supply flows and Alliance Members support to responsible production in MATOPIBA, such as credit pooling.
- Facilitate and coordinate dialogue with the SUSS Advisory Board (composed of Alliance members) and ensure the **voice, insights and interests of all members** of the Alliance are adequately represented in the SUSS project
- Ensure **coordination, knowledge sharing and feedback loops** between the work streams of the Alliance and the SUSS project including notably the demand-side in Denmark
- Support the **communication** of SUSS progress to current and potential future Alliance members, as well as other stakeholders

**The Danish Alliance for Responsible Soy:** the Alliance's vision<sup>78</sup> fully aligns with the specific objective of this project and is, therefore, a very strategic and influential initiative in the Danish context. Our innovative partnership with the Alliance is substantiated in the Letter of Support seen in Box 2. This partnership will enable progress in a Danish context and expand collaboration and alignment with existing efforts, initiatives and soy traders linked to Danish soy imports. The roles and responsibilities of the alliance members in the SUSS partnership are:

- Members of the Alliance have committed to **act as an Advisory Board** to SUSS on a voluntary basis (as described in Section 7.2) and to pursue the 10 recommendations of the Letter of Support (Box 2) thereby providing guidance to ensure relevance of SUSS project activities to especially the demand-side. Additional technical expertise from Alliance members will be drawn upon on an ad hoc basis as necessary.
- The Alliance will furthermore be the main forum for delivery of capacity building, dialogue and technical support on the implementation of robust DCHF criteria at corporate level (Output 2.1). Beyond soy purchasing companies, DIEH will seek involvement and coordination through members of the Alliance, who can contribute specific expertise and/or bring to bear their sphere of influence (CSOs, Academia, Ministries, and Industry Associations).
- Members of the alliance **are invited to take part** in the development and participation in a number of SUSS project activities, which have been identified by the Alliance members themselves as key to achieve the 2025 vision and their individual targets. These include; study field trip (Output 1.3), regional credit pooling and/or exploring opportunities for traceable and EU regulation compliant soy from the MATOPIBA area (Output 1.3).

We recognise that **members of the Danish soy alliance** have **several key roles** to play in the SUSS project. First of all, they are invited and encouraged to take active part in the SUSS Advisory Board, and in this capacity they will provide recommendations and insights that strengthen the relevance, effectiveness and impact of project activities and ensure that suggested measures and plans are relevant and compatible with actual market realities and/or specific areas of knowledge that each of the Alliance member represents.

The SUSS Advisory Board, is composed of a group of strong organisations and companies who have collaborated within the Danish Soy Alliance for several years. As such we are confident that these leading and knowledgeable actors constitute authoritative voices that will serve and benefit the SUSS project with all its combined expertise and insights.

However, we are aware that individual alliance members may have different types of capital, leverage, opinions and recommendations, as this has always been the case in the alliance. DIEH's role in this project is therefore notably as gatekeeper to / and mobiliser of the alliance and the SUSS Advisory Board. This means that we consider it DIEH's key responsibility to **ensure that all Alliance members** at all times have the opportunity to bring their advice and concerns to the table, that this will be taken into consideration and that a **consensus will be found in case of diverging views**. To ensure clarity, the role and functioning of SUSS Advisory Board will be described in a ToR to be developed together with Alliance Members during the Inception Phase. Furthermore, WWF DK will

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<sup>78</sup> This vision is: All soy imported to Denmark is produced responsibly, including legally produced and does not contribute to deforestation or conversion of other natural vegetation.



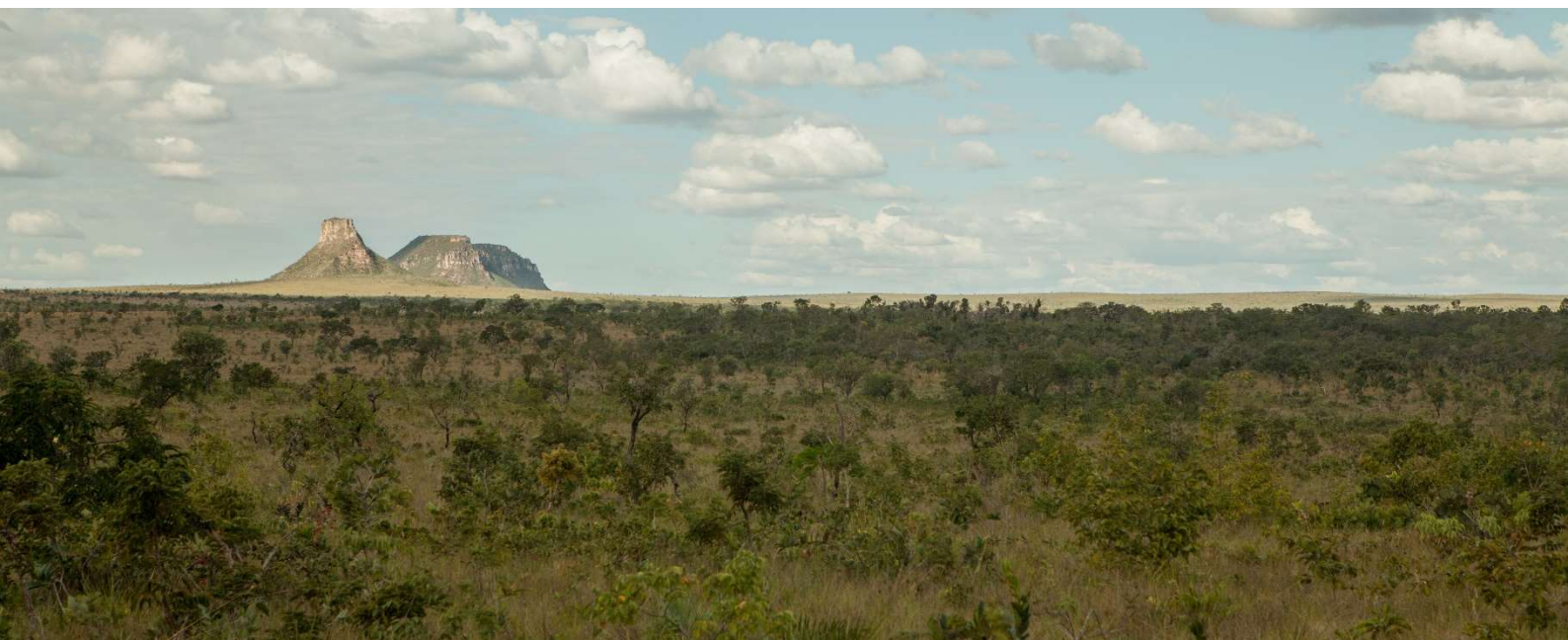
continue to be a supporting member of the alliance on a par with all other members. WWF will consequently be cognisant of own double role and the importance of not presiding or overruling the advisory board.

Alliance members are simultaneously beneficiaries for outcome 1.3 and 2.3, in which they are invited to join joint collaborative actions such as study trip, dialogue meetings, collective models such as regional credit pooling and exploring opportunities for traceable and EU regulation compliant soy from the MATOPIBA area.

Therefore, **we acknowledge double roles for the alliance members in the project.** This is both intentional and beneficial and forms a fundamental part of DIEH's proven approach to facilitating systemic change. Systemic change in complex value chains can only be achieved by true engagement with the parties involved. The value chain actors will need to work on creating new opportunities and changing practices in their daily operations in order to achieve their goals for deforestation-free and responsibly produced soy, and this can only be done through processes and projects in which they have a strong engagement, voice as well as leverage.

Summing up, mitigation measures to minimize and address conflicts of interest between Alliance Members include: 1) Establishing clear structures and agreements within a commonly approved ToR for the Advisory Board, and 2) DIEH continuously facilitating broader dialogue between divergent interests, agenda and perspectives of alliance members.

**IFRO:** is the University of Copenhagen's Department of Food and Resource Economics. They will be a key knowledge and learning partner. Our goal with this partnership is to improve ongoing learning as well as broad dissemination of lessons learnt.



## Box 2: The Danish Alliance for Responsible Soy Letter of Support

17.08.2022



*The Danish Alliance for Responsible Soy recognizes the need for concrete measures to ensure responsibly produced proteins to Denmark. The Alliance's vision is that all soy imported to Denmark is produced responsibly, including legally produced and does not contribute to deforestation or conversion of other natural vegetation.*

With this letter the Danish Alliance for Responsible Soy confirms its commitment to act as Advisory Board for the Brazil responsible soy project led by the consortium consisting of WWF Denmark and the Danish Ethical Trading Initiative, to be funded by the DANIDA's thematic NGO call on *reducing deforestation and increasing the sustainability of the Danish soy supply chain*.

Through several workshops in the Danish Alliance for Responsible Soy during 2021 we have, as an alliance, come to the following recommendations that we will draw upon and pursue as Advisory Board to the project:

- The project brings us closer to the vision of the Alliance
- Focus on MATOPIBA region in Northern Brazil
- Strong link to credit pooling model and other joint efforts to be developed in the Alliance
- Measurable impact on deforestation- and conversion-free soy from MATOPIBA
- Close collaboration and alignment with existing efforts, initiatives and soy traders
- Develop viable approaches to live up to upcoming EU regulations eg regarding traceability (not region-specific)
- Develop incentives for producers to ensure responsible and deforestation-free production is a driver for success
- Alignment with Science-Based Targets
- Broad approach to responsible soy, including social aspects such as workers' and human rights
- Joint communication, reporting and nuanced storytelling about the project activities and general challenges in the soy supply chain

**Our national and international stakeholder and network engagement strategy is focused on learning and knowledge exchanges to facilitate synergies, strengthen coordination, maximise impact, and push market transformation.** With the web of initiatives, organisations, producers, businesses, and other stakeholders in the Cerrado and internationally, we will primarily utilise the Annual Conference organised by the project to engage stakeholders. Our Annual Conference provides an important forum for different stakeholders to engage with our project and share their experience, trials and failures. Lessons will be disseminated to a wider audience – including the broader WWF Network - through a Summary Report. Complementing this approach, we will engage in bilateral dialogue with select stakeholders (see Box 3 below). We also expect to continue to build new relationships with relevant stakeholders as we engage across the soy value chain - an agile stakeholder approach that is very important in a landscape such as the Cerrado.

### Box 3: Overview of planned bilateral stakeholder engagement

**IDH, the Sustainable Trade Initiative**, is the most important DANIDA partner present in Brazil. IDH is engaged with key stakeholders in producing landscapes through their PPI approach (production, protection and inclusion). At a global level they have – together with WWF – contributed to the recently published [UK Retail Soy Groups Deforestation free principles](#) and in 2016 to [The Little Sustainable Landscapes Book](#). IDH has also financially supported DIEH for part of the work related to the Soy Alliance. This project will seek to link up and where possible align with and support initiatives led and funded by IDH through regular knowledge sharing sessions and workshops. Our starting point is to make sure that this project and IDH-led activities are well coordinated and supplement each other. For this we need assistance from MFA, as expressed, to facilitate a dialogue with IDH and Danish stakeholders involved in the SUSS Partnership and other relevant initiatives to explore possibilities for strengthening coordination and collaboration between IDH and the Danish resource base.

Specific activities and collaborations for the SUSS partnership and IDH could be explored further in the inception phase. A few concrete opportunities for collaboration with IDH are listed below:

- Continue and strengthen collaboration through [the ENSI](#) (European National Soy Initiatives) platform where the Danish Soy Alliance is a member and where IDH also participates, for a harmonised and aligned European market demand for responsible and deforestation and conversion free soy with reference to the AFi.
- Investigate potential for replicating WWF and IDH collaboration in the development of the [UK Retail Soy Group roadmap for deforestation free soy production](#) across other sectors countries in Europe, and specifically in the development of a Danish Soy Roadmap. The UK Roadmap presents the principles, practices and steps retail companies need to take in order to ensure DCF soy in their supply chains in alignment with the Accountability Framework.
- Explore opportunities for collaboration in the Balsas region with regards to direct trading of credits and long-term trade agreements/flows between Danish buyers represented in the alliance on the one side, and producer groups working with IDH compact program in the Balsas, on the other side.

**DAKOFO**, the trade association for grain and feed trade in Denmark, currently holds the presidency of the European Feed Manufacturers' Federation (FEFAC). They therefore have a unique platform on which to advocate for a responsible and deforestation free soy, beyond Danish import. The project will engage with DAKOFO via their Alliance membership and bilaterally.

The Danish green think tank, **CONCITO**, is a member of the Alliance and also a knowledge partner of the project. CONCITO has a strategic partnership with the World Resources Institute (WRI) with the overall purpose of leveraging climate knowledge and action everywhere in support of more sustainable development pathways in both developed and developing countries. In the initial phase of the project, we will explore linkages and potential collaboration with CONCITO and WRI's work in Brazil and with Danish demand.

DIEH and WWF DK will continue to participate actively in **ENSI**, a collaborative and knowledge sharing platform of European national initiatives on responsible soy. We jointly represent the



Danish Alliance of Responsible Soy within this forum and we will, via ENSI, ensure close collaboration with other national soy initiatives in Europe. This to further our joint vision of having 100% of our countries' soy consumption being produced according to the law and in a way that protects forests and valuable native vegetation.

**Traders**, as key agents of change, will be engaged through this project primarily under outcome 2, where project partners will facilitate dialogue between Alliance Members and Traders, on how collective DCF requirements for soy supplied to the Danish Market can be met.

In alignment with the AFi (clean supplier approach) Danish downstream companies must negotiate with traders in their value chain the adoption of a 2020 cut-off date for the Cerrado across trader's entire operations and implementing a robust traceability and monitoring system to demonstrate adherence to the cutoff date. It is crucial that requirements and asks are aligned not only among Danish companies, but also across other consuming markets, especially other European countries, including the UK. The project team has therefore an important role in ensuring this alignment, guiding companies towards implementation, and facilitating collective dialogue with traders.

Furthermore, traders will be consulted in the planning and program of Alliance Members study trip to Brazil (output 1.3); invited to dialogue through the ENSI group exchange with Soft Commodities Forum and reached through collaboration with feed importer DLG and feed association DAKOFO. Finally, further opportunities for engagement of traders will be explored with IDH, specially in the framework of the Balsas Compact in Matopiba.





## & scope

Outcome	Approach	Strategy	Output	Lead Partner	Location of activities	Scope
<b>1 Production</b>  Producers in the Cerrado adopt sustainable production practices which are free of deforestation, conversion, and human rights abuse	Landscape & Supply Chain Approach	Positive and negative incentives for sustainable production	1.1 Producers have strengthened capacity to access finance that supports conservation, rehabilitation, and low-carbon agriculture	Solidaridad	MATOPIBA	Producers in MATOPIBA
			991.2 A mechanism that supports commodity traceability and transparency on supplier compliance is implemented in Maranhão state	CIT UFMG	Maranhão	Maranhão
			1.3 Danish Soy Alliance members are mobilized to support producers and innovative DCF/responsible soy supply chain arrangements	DIEH	Denmark	MATOPIBA
			1.4 Lessons on responsible commodity production in the Cerrado have been identified and shared with stakeholders	WWF BR	Cerrado	Cerrado
<b>2 Protection</b>  Financial institutions and downstream companies support a sector wide DCF agreement for the Cerrado to halt soy-driven conversion.	Landscape & Supply Chain Approach	Clean Supplier/AFI	2.1 Key down-stream companies in the soy supply chain have strengthened capacity to implement effective DCF policies aligned to the Accountability Framework.	WWF BR & DK DIEH	Denmark & Brazil	All soy sourcing
			2.2 Financial institutions are supported on incorporating investment criteria related to deforestation risk	WWF BR & DK	Denmark & Brazil	All forest risk investments
			2.3 The Danish Alliance for Responsible Soy is consolidated, strengthened, and expanded	DIEH	Denmark	DK soy sourcing companies
<b>3 Inclusion</b>  IPLCs in the Cerrado are actively participating in landscape governance and deriving economic benefits from nature-based enterprises	Landscape Approach	HRBA	3.1 Selected CBOs are supported to map their territories, defend their land tenure rights, and to influence decision-making	ISPIN	MATOPIBA	IPLCs in MATOPIBA
			3.2 Evidence-based advocacy is undertaken on accountability for infringements of IPLC territorial rights	RETE UNB	MATOPIBA	IPLCs in MATOPIBA
			3.3 Community-based enterprises in Matobipa have increased capacity to access markets and connect with value chain actors	Central do Cerrado	MATOPIBA	IPLCs in MATOPIBA

Figure 7: Mapping of partners and stakeholders in relation to the proposed project

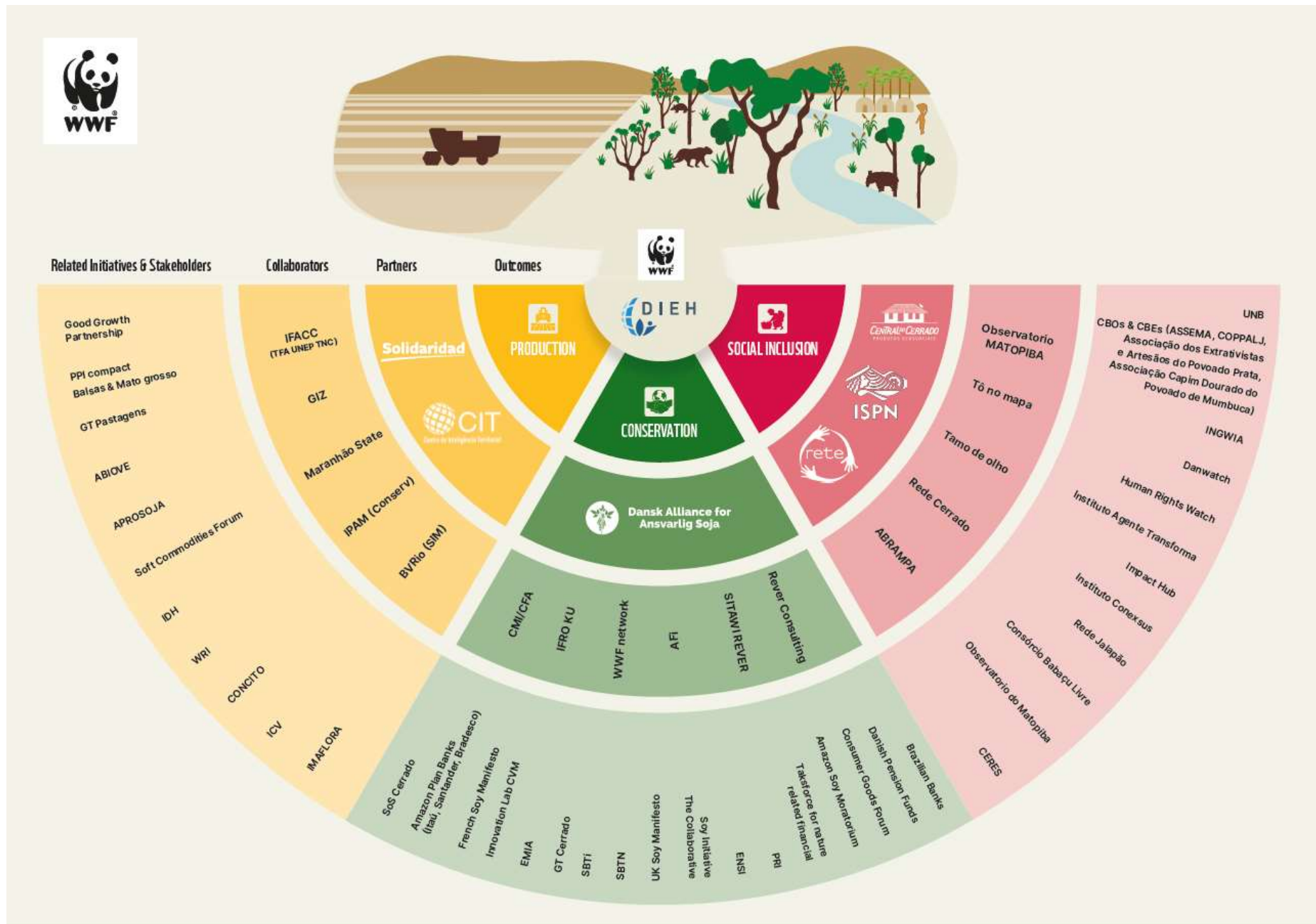


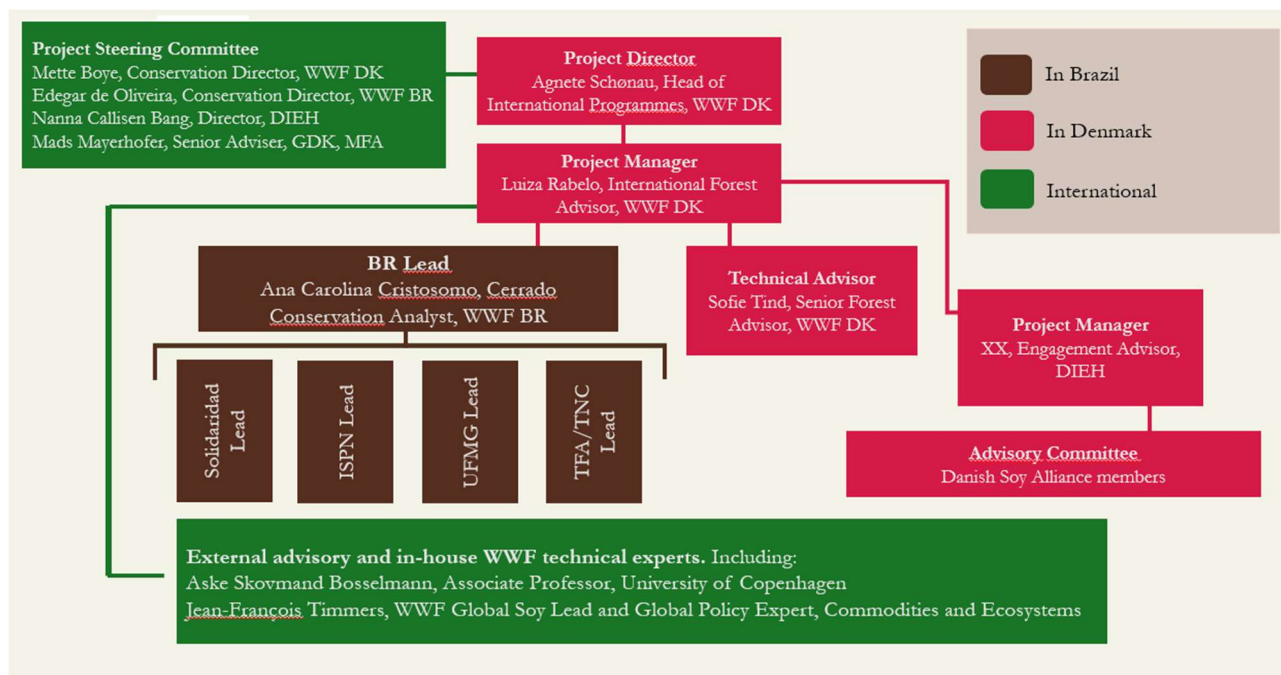
Table 10: WWF DK, WWF BR, DIEH and partners technical expertise and experience

Outcomes, Priority Areas, and Geography									
	Outcome 1: Understand- ing soy producers in the Cerrado	Outcome 2: Understand- ing conservation and biodiversity in the Cerrado	Outcome 3: Understandin g traditional communities, indigenous people, and smallholders in the Cerrado	In-depth experience of the Cerrado and Brazil context	Engaged in existing initiatives in Cerrado	In-depth expertise on Soy Value Chain	Engagemen t of Danish Private Sector	Poverty, rights, and inclusion	Gender
WWF DK	●	●	●	●		●	●	●	●
DIEH					–		●	●	
WWF BR	●	●	●	●	●	●		●	●
Solidaridad	●	●	●	●	●	●		●	●
CIT-UFGM	●	●		●	●	●			
ISPN		●	●	●	●			●	●
RETE		●	●	●	●			●	●
CENTRAL DO CERRADO		●	●	●	●			●	●
IFRO						●	●		

## 7.2 Organisational set-up

A lean governance structure will allow us to adapt and respond to changes in the complex Cerrado context. As noted several times above, given the number of partners and stakeholders involved in the project, it is essential that the team has a lean and flexible management structure to respond rapidly to different needs, underpinned by the necessary back-stopping support and clear reporting lines. Our team structure is presented below in Figure 8.

Figure 8: Our team structure



The governance structure of the project will have five core elements which will ensure solid procedures for monitoring progress and risks, and dialogue with partners at project manager and senior management levels to support adaptive management. These elements are:

- **Our Project Management Team** which consists of the Project Director, Project Manager, BR Lead and DK Lead. They will meet quarterly to oversee implementation and ensure that strategic direction from the Steering Committee (SC) and the Advisory Board is incorporated into the day-to-day management of the project, as well as maintain close collaboration with MFA/GDK.
- **Our Local Delivery Team** which consists of BR lead, who will convene Output Leads from WWF BR and local partners (as shown in Figure 8) and a MEL Advisor from WWF BR. The BR Lead (from WWF BR) will lead the Local Delivery Team and WWF BR will host quarterly project management meetings for the Local Delivery Team focused on monitoring progress and capture learnings.
- **Cross-cutting Stakeholder Management Team** which consists of the Project Director, DK Lead and Engagement Advisor. They will meet quarterly to ensure an aligned stakeholder approach within a Danish and international context including engagement with the financial sector, the Alliance, the WWF Network.
- **Our Steering Committee** which consists of senior management representatives from WWF



DK, WWF BR and DIEH with the potential for key stakeholders to attend on an ad hoc basis. It will ensure buy-in and project transparency, as well as provide overall strategic guidance. The SC will meet twice a year to discuss project progress against the results frame and quality of delivery, reflect on the ongoing learning, monitor risks, advise on the budget, plan for the following year and make necessary recommendations. The Project Manager from WWF DK, and other members of the Project Management Team will attend SC meetings to report on progress and answer any questions.

- **Our Advisory Board** consists of members of the Danish Alliance for Responsible Soy such as ARLA, COOP, Danish Crown, and DLG. The DIEH Project Manager will coordinate and ensure that relevant perspectives, insights and advice from different members in the Alliance will be incorporated in project activities, where possible and aligned with the goals of the project and the Alliance' vision. The Advisory Board will meet quarterly during the regular meetings of the Alliance and through specific Advisory Board Meetings. The Alliance regular meetings provide an opportunity to consult the Advisory Board on specific elements of the project (see details in Box 2 above), and the formal Advisory Board meetings will provide a comprehensive level of feedback to the Project Management Team on approach and progress across the project, including linkages between supply- and demand-side activities.

### 7.3 Monitoring, Evaluation and Learning

**Systematic monitoring, evaluation, learning, and adaptation will be mainstreamed throughout the implementation period.** In compliance with the WWF Network's Monitoring Evaluation and Learning System, the MEL set-up under this project will be built around the project's Results Framework and apply tested structures for data collection and analysis to ensure efficiency and effectiveness of results as well as adaptive management to respond to changes in context or learnings that warrant modifications of our planned activities or our project design.

**Our monitoring approach is based primarily on locally led data collection and analysis.**

WWF BR will lead field monitoring and relevant coordination with partners and stakeholders. As part of project inception, WWF BR and WWF DK will develop a detailed monitoring and evaluation plan that sets out the methodologies, roles, responsibilities, and frequency of data collection in line with the indicators set out in the Results Framework. WWF BR will take the lead in primary baseline data collection for benchmarking project indicators prior to activity implementation (where required). Regular and ongoing data collection – both quantitative and qualitative - will be undertaken by WWF BR and project partners to monitor progress against set indicators. WWF BR will host quarterly project management meetings for the Delivery Team in Brazil to monitor and measure results, as well as share and reflect upon project implementation, challenges, and learnings. Outcomes from these meetings will be shared during QPRMs held between WWF BR, DIEH and WWF DK. These meetings will be important for reviewing matters such as project progress, results, spending, risk, and context.

**WWF DK will complement WWF BR's ongoing field monitoring through specific activities.** As per WWF DK's project cycle management system, QPMR meetings will be held at which the Project Manager and Project Management Team review pertinent aspects of project implementation, including a review of the risk management framework for the project. The QPMRs are supplemented by annual monitoring visits with the aim of providing technical oversight, advice and input on operational issues based on field observations, discussions, and stakeholder meetings. Lastly, WWF DK will commission an end-of-project evaluation in Year 3.

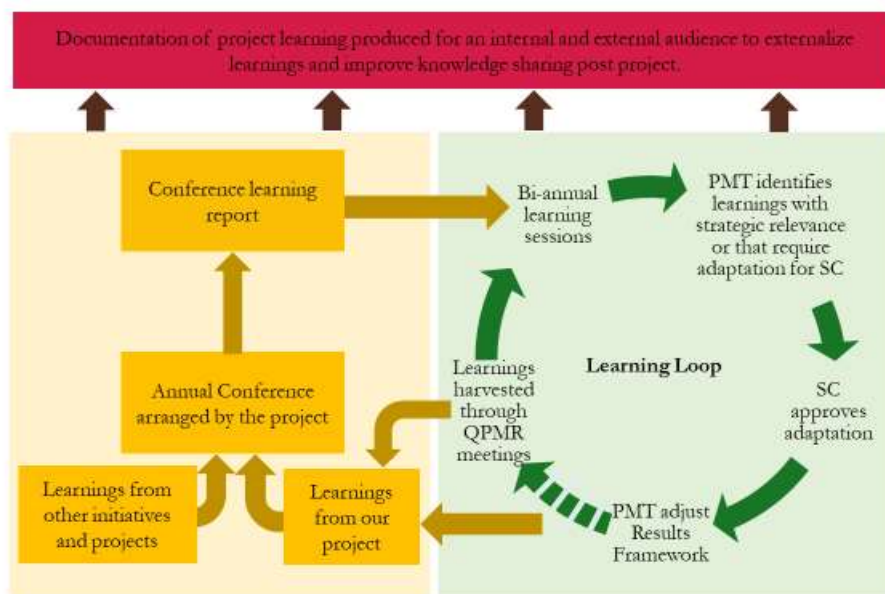
**Knowledge sharing will be facilitated both by our MEL system and our organisational set-**

up. All documentation from technical monitoring, learning sessions and evaluation will be made available to project partners, and our Brazil and DK Leads will ensure knowledge sharing with local partners and our Advisory Board. Our Project Manager, who is Brazilian of origin, will spend extended periods in Brazil throughout the project duration to maintain close cooperation and collaboration, and strengthen knowledge transfers to Danish stakeholders. The timing of these missions will be aligned with the Annual Conference to be held under Outcome 1 as well as SC meetings in order to capitalise on opportunities for sharing learnings and key project insights.

**Our learning strategy focuses on scalability options of existing initiatives and approaches that have proven effective in achieving DCF soy value chains.** It is essential that this project leverages learning from past efforts to achieve a DCHF soy value chain in Brazil. In the same vein, we are adamant that the learning system designed for this project must produce learnings that are applicable beyond this project in order to contribute to the continuous improvement and adaptation of initiatives aimed at promoting DCHF soy value chains and other similar agenda.

**The learning system set up for this project has two core elements – (i) learning through engagement of external stakeholders and their efforts through an Annual Conference, and (ii) ongoing in-house learning through our project management structures.** Figure 9 illustrates how we practically implement learnings into our programming from harvesting of the learnings to adaptation of our Results Framework.

**Figure 9: Our learning system**



**Ongoing learning will happen through our project management structures.** We will implement a simple yet effective learning loop which runs on a bi-annual basis – see Figure 9. Project learning will be facilitated through participatory learning sessions that will be held (online or in the field) with WWF BR and project partners. These learning sessions will capture significant emerging lessons at outcome and output level, which may support improved implementation of the project or be helpful for other projects in and beyond the landscape. This will provide the foundation for the Project Management Team and the SC to assess and decide whether to adapt the Results Frame – or change our approach to certain aspects of the project. Adjustments that

may significantly impact budget allocations will be discussed with GDK in line with applicable administrative guidelines. Notably, some learnings will occur at activity level and will be of minor strategic importance to the project's overall design and approach. In such instances our management will be agile, and adaptation takes place immediately at relevant QPMR meetings.

**We must learn in order to succeed.** We expect a steep learning curve at the outset of the project as we close the knowledge gap around social and inequality impacts related to DCHF soy value chains. Our Human Rights Impact Assessment (see details under Section 5, Output 3.2 and 3.3) will add knowledge and most certainly result in some adjustments to our work. Similarly, context changes over the 3-year implementation period may result in the inclusion of other themes and areas.

**Our in-house learning system is systematically fed learnings from other initiatives and programmes in the Cerrado through our Annual Learning and Knowledge Conference in Brazil** (see full details under Section 5, Outcome 1.4). As the conference is focused on sharing learnings and fostering open dialogue creating it will be a breathing ground for collaboration and coordination and, as such, it will ensure that our project complements existing work in this area. Following the conference, a report will be released capturing main learnings. This document will feed directly into our Learning Sessions, complementing our own project learning.

**Documentation of learnings will take place through semi-annual technical progress reporting and an end-of-project evaluation.** We will have intentional emphasis on capturing learnings and documenting how we adapt accordingly to ensure that we contribute to the international knowledge base on creating DFC soy value chains at scale.

## 7.4 Reporting and stock-taking schedules

**Reporting and stock-taking is an integral part of our project management set up.** In line with the WWF Network standards, WWF BR will prepare semi-annual Technical Progress Reports and quarterly financial reports for WWF DK. The WWF DK Project Manager and Controller will review these reports in line with checklists that are part of WWF DK's Project Management Guidance. These reports will be used to prepare annual progress reports for GDK that will cover key project management aspects such as project progress, learnings, and risk management. The following outlines our proposed reporting schedule.

Table 11: Proposed reporting schedule

Reports	Period covered	Deadline
Inception Report	September – December 2022	31 March 2023
Annual progress report (narrative & financial)	Year 1 (January-December 2023)	31 March 2024
Annual progress report (narrative & financial)	Year 2 (January-December 2024)	31 March 2025
Final progress report (including audited financial reports)	Year 3 (January-December 2025)	30 June 2026

As outlined above, we will have selected stock taking exercises through project implementation. The schedule for these is outlined below:

**Table 12: Proposed stock-taking schedule**

Stock-taking	Period covered	Deadline
Annual Conference Paper Year 1	Year 1 (January-December 2023)	31 December 2023
Annual Conference Paper Year 2	Year 2 (January-December 2024)	31 December 2024
Annual Conference Paper Year 3	Year 3 (January-December 2025)	31 December 2025
End-of-project evaluation	Year 1-3 (July 2022-June 2025)	31 December 2025

**Inception Phase for the SUSS partnership will run from September to December 2022.** An overview of inception activities and deliverables is outlined in the following table:

**Table 13: Inception Activities and Deliverables**

Process		Kick-off meeting consortium partners Week 37/38	Kick-off meeting all project partners Week 38/39	Kick-off meeting Alliance Members Week 40	Inception Workshop in Brazil: all project partners Week 45/46	MFA Inception Visit February 2022		
SUSS: September 2022 – December 2025		Sep 22	Oct 22	Nov 22	Dec 22	Jan	Feb	Mar
Inception Deliverables	Lead	Inception 2022					Implementation: 2023 - 2025	
Partnership Agreements: Consortium Partners	WWF DK							
Partnership Agreements: Local Partners	WWF BR							
PM recruiting: WWF DK, WWF BR, DIEH.	-							
Assessment of WWF BR support needs and development of support plan	WWF DK & BR							
ToR & Governance Model for Advisory Board	DIEH							
Co-funding from Alliance Members	WWF DK & DIEH							
Alliance Members Stakeholder Mapping and analysis of drivers of change	DIEH							
Consultation with key stakeholders (soy producers & IPLCs)								
Activity budget/ budgeted work plan	WWF DK & BR							
MEL Package	WWF DK & BR							
Updated risk management	WWF BR							
Detailed reporting process and timeline	WWF DK & BR							
Inception Report to MFA (all inception deliverables)	WWF DK & BR							



## 7.5 Information and Public Engagement

**Our communication effort builds on established structures to ensure we achieve our goals.**

The purpose of our communication related to this project will be to engage Brazilian stakeholders on the supply side, Danish private sector on the demand side, international networks as well as the wider Danish public on responsible and DCHF supply chains. Fundamental to our ability to effectively reach this diverse target audience will be the fact that together – WWF DK, WWF BR and DIEH – capture them within their existing communication strategies and have therefore already established relationships.

**WWF DK has expertise in engaging the wider Danish public with a strong, well-known, and respected communications brand in Denmark.** WWF DK takes ownership of vital and strategic conservation agendas, including deforestation in [value chains to Danish consumers](#). In fact, WWF DK utilises communications as a lever for thought leadership and our campaigns have proven effective in raising awareness and influencing Danish public attitudes around the biodiversity crisis, the importance of nature conservation, climate impact reduction and more. Our success is derived from communication and public engagement that builds on facts broadcasted with passion. WWF DK has a wide reach on social platforms and a range of public and private partnerships to leverage such communication efforts. Similarly, WWF BR will engage with their national audience and national networks – strengthening existing efforts under the Cerrado Alive programme.

**WWF DK and WWF BR will also leverage and impact the broader WWF Network and its associated partnerships and alliances, particularly in relation to promoting DCHF value chains.** We will engage with relevant national and international fora, where WWF partners participate, to promote the acceleration, scale-up and funding of DCHF value chains. Furthermore, we will leverage the Network's engagement and initiatives within this field (see details in Section 7.1) These efforts will directly support the MFA's intent to promote the adoption of DCF value chains in a Danish and European context, as well as support ambitious national climate plans and the reduction of greenhouse gases as articulated priorities in *The World We Share*.

**Our partner, DIEH, complements the communication strong-holds of WWF through its existing dialogue and engagement with the Danish private sector through its multi-stakeholder platform for cooperation on sustainable value chains.** With over 100 members, DIEH has a wide reach to spread the word and engage with stakeholders external to this project. DIEH deep engagement with the private sector takes place through its stakeholder dialogue meetings (such as those with the Alliance) and round tables on dilemmas, challenges, and opportunities in global value chains – as well as on DIEH's annual conference. This is complemented by communication through SoMe, newsletters, member mails, and training and workshops on ethical trade.

We will use a variety of communication formats to reach and engage different target audiences. The key audiences and our approach are outlined below:

- The **private sector** in focus is primarily **soy-consuming companies in Denmark** through the Soy Alliance, but also the private sector more broadly via our Annual Conference, networks, 1:1 meetings, and LinkedIn communication.
- **Financial Institutions exposed to deforestation risk.** In Brazil, focus will be on banks (asset managers), while in Denmark it will be on Pension Funds (asset owners), building on ongoing dialogue between DIEH, WWF and key players in the sector, e.g. through our Annual [Pension](#)

[Funds Report](#). **Consumers with an interest in green consumption and climate change in Brazil and Denmark** via the video documentation to be distributed for social media (LinkedIn, Facebook and Instagram) and via WWF DK and BR's webpages and newsletters.

- **International and Brazilian Networks** such as [Brazilian Coalition on Climate Forests and Agriculture](#) via their network dialogue, the Annual Project Conference, and 1:1 meetings, and LinkedIn communication.

**Our communication outputs focus on learnings and results, providing the necessary link between communication and knowledge sharing.** Our communication efforts are based on products and activities integrated into our Results Framework (see details in Section 5) with a specific focus on learning, products and activities ensuring that we capture results across the project. Each year, a communication plan will be finalised and approved by the SC. Our draft communications plan across project implementation is outlined below in Table 12.

Table 14: Our draft communication plan

Product/ Activity	Content	Purpose and audience	Communication channel
<b>Short videos capturing the development of the project, its results and learnings</b>	The before, during and after of the project	The visual content will aim to communicate in a nuanced manner the complex problem of deforestation linked to Danish soy import, and the impacts this project will aim to contribute to – followed by the results and learnings achieved through project activities. The ambition is to visualise results and lessons learned and the progress of the project.	WWF and DIEH social media channels
<b>Visual documentation of annual conference (Output 1.4)</b>	Highlighting stakeholders' participation in making the soy value chain DCHF	The visual content will aim to communicate that there is momentum around making the soy value chain DCHF – and now is the time to act both for supply and demand side actors.	WWF and DIEH social media channels
<b>Annual Conference Learning Compilations (Output 1.4)</b>	Compiling learnings from 'the Annual conference on (opportunities and challenges for) sustainable commodity production in Cerrado' summarising the current	The written compilations of learnings will ensure that the outputs of the Annual Conference reaches a broader audience and is available to organisation and stakeholders in their own programming.	WWF: email to conference participants; 1:1 meetings. DIEH: stakeholder dialogue meetings and round tables. All: social media, webpages, newsletters.

Product/ Activity	Content	Purpose and audience	Communication channel
	state of affairs		
<b>End-of-project evaluation report – a lessons learned compilation</b>	Knowledge product with focus on findings during the project and lessons learned (what has worked well and what has not work so well)	A solid knowledge product will be important in terms of our communication and engagement with expert stakeholders and networks, ranging from international NGOs, to local organisations, Danish businesses as well as policy makers. The purpose is to create value beyond the project's direct partners and stakeholders – and the project's lifetime.	WWF: network meetings  DIEH: stakeholder dialogue meetings and round tables. IFRO: participation in academic conferences on deforestation and value chains.  All: social media, webpages, newsletters.
<b>Human Rights Impact Assessment (Output 3.2)</b>	Knowledge product with a focus human rights violations in the soy value chain	A solid knowledge product will be important in term of our communication and engagement with expert stakeholders and networks, ranging from international NGOs, to local organisations, Danish businesses as well as policy makers. The purpose is to create value beyond the project's direct partners and stakeholders – and the project's lifetime.	WWF: network meetings.  DIEH: stakeholder dialogue meetings and round tables.  All: social media, webpages, newsletter.

## 7.6 Anti-corruption measures

**Financial monitoring, risk management and anti-corruption measures are components of WWF DK's standard operating procedures.** WWF DK's systems and tools to ensure good conduct and compliance with industry standards are based on WWF Network policies and standards. These include a whistle-blower policy and complaints mechanisms. All WWF offices must operate in accordance with the Networks' policies on fraud & corruption, which outline clear responsibilities at different levels, as well as pathways for investigation and reporting. All new WWF DK staff and local partners are regularly trained in anti-corruption and must agree to the WWF Network's fraud and corruption policies when entering into contracts. WWF DK's Project Management Guidance – which outlines procedures for financial management and project management – supports the early identification and action on risks related to fraud and corruption.

## 8 FINANCIAL MANAGEMENT, PLANNING AND REPORTING

**This section outlines core elements of our project management set-up, relating to financial management, planning, and reporting.** WWF DK's procedures are consistent across our portfolio of projects and programmes funded by diverse partners and funders and covering an annual turnover of 95M DKK in FY2021. We review our procedures on an ongoing basis to ensure that they comply with the latest requirements from the WWF Network and relevant donors. For this project, our procedures and requirements will specifically ensure adherence to "Retningslinjer for Tilskudsforvaltning gennem danske Civilsamfundsorganisationer".

### 8.1 Financial management systems

**WWF DK's financial management set-up fulfils all Danida requirements.** The minimum requirements pertaining to our project management are based on our WWF Network standards but are adapted when necessary to follow specific donor requirements. WWF DK has secured another Strategic Partnership Agreement (2022-2025) with MFA and our procedures and minimum requirements have thus been recently assessed as meeting the requirements outlined in Danida's Administrative Guidelines.

**WWF DK has established systems and procedures for strong and transparent financial management.** WWF DK has set procedures covering all transactions, accounting, reporting, auditing, and procurement. Within our Finance & Administration Department there is a separation between all job functions, and double approvals are standard practice. The Department prepares monthly income & expenditure reports which senior management review together with project status and pipeline projections. The organisation's liquidity and economic performance – including income, expenditures, and balance with regards to budget – is reported on a quarterly basis to the Board, which has strong financial oversight competencies.

#### Disbursements

**We disburse funds to partners on a quarterly basis to maintain strong accountability.**

Transfers of funds to our co-applicant DIEH and WWF BR will be handled on a quarterly basis and are approved through triple signatures (see Table 13). WWF BR will manage the disbursement of funds to other local partners and undertake the required screening and due diligence, financial oversight and controlling support. All transfers from WWF BR to other local partners are reported to WWF DK, with regular cross-checks undertaken. Local partners report on a monthly or quarterly basis to our WWF BR, who follow WWF Network standards and must submit quarterly financial statements and bi-annual technical progress reports to WWF DK.

Table 15: Disbursement schedule

	January	April	July	October
<b>Documentation Required</b>	Budgeted work plan + Q4 financial statement	Q1 financial statement	Q2 financial statement	Q3 financial statement
<b>Disbursement</b>	Q1 – based on budgeted workplan	Q2 – based on budgeted workplan	Q3 + ½ Q4 – based on actuals Q1+2	½ Q4 – based on actual spending and adjusted Q4 plan.



## Partner procedures pertaining to financial management

### **WWF BR and DIEH have robust systems to support due diligence and financial oversight.**

In undertaking due diligence of WWF BR, WWF DK reviews available Network Performance Overview reports, its Integrity & Ethics Tracker, recent internal audit reports, annual reports, and accounts to assess financial capacity. Collaboration with WWF BR is based on contracts that detail project management requirements, donor guidelines, international audit standards and anti-corruption policies, as per 'Retningslinjer for Tilskudsforvaltning gennem danske Civilsamfundsorganisationer'. Project financial management must align with Network standards and WWF DK's Project Management Guidance (PMG), which includes checklists for reviewing and approving budgeted workplans, financial reports, calls for funds, audit reports, and monitoring financial performance.

### **WWF BR operates in accordance with the Networks' standards and policies, including the policy on fraud & corruption.**

The WWF Fraud and Corruption policy outlines clear responsibilities at different levels, as well as pathways for investigation and reporting. All new staff with WWF DK and WWF BR are regularly trained in anti-corruption and must sign the anti-corruption policy upon employment. Other local partners must agree to the WWF Network fraud and corruption policy and Danida's fraud and corruption statement, when entering contracts with WWF BR, and receive training by the WWF BR to support this. WWF DK cross-checks to ensure this is done on a regular basis.

**Close engagement supports robust procedures.** Overall, WWF DK's Project Management Guidance (PMG) ensures regular checks of WWF BR's financial management by a controller and project managers and supports early detection of irregularities, which is supplemented by similar monitoring by other WWF offices. WWF DK has a solid framework and implementation measures to prevent, monitor and respond to fraud and corruption in our project partnerships.

## Procurement

**WWF DK and our co-applicants maintain a policy that provides for a high level of integrity and avoidance of conflict of interest in the procurement process.** Procurement transactions are conducted in a manner to provide open and free competition, to the largest practical extent. For each product/service procured, a minimum of 3 quotations/proposals are required for price comparison – unless suitable three candidates cannot be identified, in which case a specific justification for the procurement must be approved. Contracts are awarded only to those bids that are responsive to the solicitation and are most advantageous considering price, quality, and other factors – such as environmental sustainability - deemed appropriate by respective selection committee. Contracts are made only with responsible parties who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. WWF BR has a dedicated Procurement and Management Unit to ensure consistently efficient and compliant procurement.

## Work planning

**Work planning will follow WWF's PMG and Annual Planning Process.** To ensure that project implementation commences in a smooth and timely manner at the beginning of each project year (July-June), early planning is undertaken. A detailed annual budgeted work plan will be prepared by DIEH, WWF Brazil and its implementing partners in Q4 of each year, using the Budgeted Workplan template from WWF DK's PMG. The WWF DK Project Manager and Controller undertake a detailed review of the budgeted workplan (using WWF DK's budgeted workplan checklist), and once the budgeted workplan is approved, the first instalment of funds for the following Q1 are disbursed. Importantly, the budgeted workplan links to Outcome and Output targets in the monitoring and evaluation plan for the project.

## Narrative progress reports and financial reports (to MFA/GDK)

**Reporting on progress will take place annually to the responsible unit in MFA, GDK.** This reporting is based on the WWF Network's standard internal semi-annual reporting (Technical Progress Reports) and quarterly financial reporting delivered by WWF BR and DIEH to WWF DK. WWF DK will submit the Annual Narrative Progress Reports with accompanying financial reports to MFA in accordance with the schedule detailed in Section 7.4.

### The Narrative progress report will capture:

- Context updates
- Progress and achievement against results and set targets at output and outcome level, as well as reporting on unintended effects and results.
- Operations and Project Management (including MEL, Lessons Learned, Adaptive Management related to learning, Risk overview and Communications progress and achievements).

### Financial reports will capture:

- Overview of Financial performance
- Updated budget (if necessary)

## Accounting and auditing

**WWF DK follows the accounting standards outlined in the guidance for 'Retningslinjer for Tilskudsforvaltning gennem danske Civilsamfundsorganisationer'.** We will share our Annual Audited Accounts for WWF DK (the full organisation) on 1<sup>st</sup> July each year and adhere to Danish law (Bogføringsloven §10), which states that financial records, agreements, and correspondence of significant importance to the financial records, must be kept for five (5) years counted from the end of the project period. This is standard procedure for all WWF DK contracts, and we require that financial records kept by our partners include original receipts for all expenditure.

**Standard accounting provision for our partners,** covers the following:

- The accounting method must be based on accrued costing. It is allowed to include expenses which are committed (consultancy agreements, audit offers) but not yet paid for.
- Interest earned - if any - can be used for project activities and must appear in the accounts.
- The agreement with MFA/Danida does not allow for management fees or other flat rate fees to cover overhead or other indirect expenses. Hence, all administrative costs can only be covered on a cost recovery basis in line with the WWF Network's guidelines on this.



- The WWF DK's Project Budget is in DKK and is a fixed budget. It is the responsibility of our partners to monitor the budget lines they implement in DKK - where relevant, by converting the expenses incurred in a foreign currency to DKK, and by calculating the actual budget balance to current exchange rates.
- Our partners must maintain an inventory of equipment and supplies purchased under this project (items with a purchase value of more than \$500), provide reasonable maintenance, insurance, and care, and ensure their use for the benefit of the intervention under the WWF DK Project Budget. This register, if not directly part of the accounts, must be reconciled quarterly with the relevant accounts. When submitting final audited accounts, an asset list must be completed and included.
- Our partners may not sell off any larger equipment or supplies (funded by the project) without prior written approval of an authorised representative of WWF DK.

**End of project audit.** As per the guidelines 'Retningslinjer for Tilskudsforvaltning gennem danske Civilsamfundsorganisationer' we will submit one end of project audit. Our local WWF partners must submit an end of project audit report following International Audit Standards, which covers all transfers to local partners. Based on those reports WWF DK will carry out their own end of project audit following International Audit Standards, which will also cover DIEH-led activities in Denmark. The WWF DK audit and accompanying management response will be submitted to MFA/GDK along with the final progress report six (6) months after project closure (refer to Section 7.4).



## 9 RISK MANAGEMENT

**This section outlines our risk management approach and analysis.** WWF recognises that risk management is about balancing risks against opportunities and potential results. Risk management is, therefore, an integrated part of WWF DK's project cycle and is closely linked to our adaptive management. The WWF Network's Risk Management and Quality Assurance Standard outlines requirements and provides guidance and tools for assessing risk and developing mitigation plans covering strategic, financial, people, reputation, fiduciary, environmental and social risks.

### 9.1 WWF Risk Management

**Financial monitoring, risk management and anti-corruption measures are components of WWF DK's standard operating procedures.** WWF DK's systems and tools to ensure good conduct and compliance with industry standards are based on WWF Network policies and standards. Of particular importance to this project is the WWF Network Code of Conduct and associated policies which set clear standards for staff behaviour. The WWF Network's Environmental and Social Safeguards Framework (ESSF) will likewise support the operationalization of social policies in this project. This includes policies on respect for human rights, indigenous peoples' rights, gender & diversity, and poverty & conservation. Mandatory ESSF screening tools are built into WWF's project cycle. Among others, these entail a thorough risk analysis focused on "do no harm" due diligence for both people and the environment. WWF's whistleblower and complaints mechanisms are also an integral part of safeguarding, including supporting measures against fraud and corruption. All WWF offices must operate in accordance with the Networks' policies on fraud and corruption, which outline clear responsibilities at different levels, as well as pathways for investigation and reporting. All new WWF DK staff and local partners are regularly trained in anti-corruption and must agree to the WWF Network's fraud and corruption policies when entering contracts. WWF DK's PMG – which outlines procedures for financial management and project management – support the early identification and action on risks related to fraud and corruption

In line with standard practice, a participatory risk assessment and mitigation planning workshop has been undertaken during the design of this project. Standard risk assessment matrices were used for this workshop and adapted to GDK's framework set out in Annex 2. Project Risk Registers and Office Risk Registers will be put in place during the project inception period and staff will be appointed at country, regional and global levels within the Network to support risk management. These registers are the backbone for systematic risk monitoring as well as reporting on risk and mitigation actions and the escalation of risk management where necessary. On top of these risk registers, WWF DK's QPMR meetings, where the WWF DK Project Manager and the project team review different aspects of the project, include review of risks and mitigation actions to ensure that they continue to serve as effective controls - i.e. generate outcomes that address the risk either in its likelihood of occurrence or impact.

### 9.2 Summary of Risk Analysis and Risk Response

In February 2022, WWF DK facilitated a workshop with counterparts at WWF BR to identify, assess and design mitigating actions for risks associated with this project using the online collaboration platform, Miro.



**Given the Specific Objective of the project, it is no surprise that a majority of Contextual Risks relate to the political context.** Several risks around potential legislative measures were assessed to have both high likelihood and impact as they would counteract efforts to effectuate a sector-wide market transformation to DCHF soy production if adopted. While the instructions in the annex template state that *risk responses are only required for programmatic and institutional risk*, we have identified mitigations for some of the contextual risks. The risk that conversion is not included in upcoming EU regulations, for example, would have important implications on the degree of traction we will see on the DCHF agenda in the Cerrado during the project period. WWF BR, along with the WWF Network, are therefore actively lobbying and advocating at Brussels level for adoption of comprehensive measures that also restrict conversion. Regardless of mitigating actions, residual risks will remain, but opportunities in the current political environment are assessed to outweigh this risk. Additionally, our project management approach will facilitate any necessary adaptive management to adjust project implementation in response to changes in the political landscape.

**Programmatic Risks** identified relate both to the potential for the project to fail to achieve its outcomes and to the potential for the project to cause harm (particularly under Outcome 3). An example of the former is if FIs refuse to support our initiatives due to reputational risk associated with DCHF. While this is a pertinent inherent risk, WWF BR has already engaged extensively over a number of years with leading national FIs, securing their buy-in to this agenda. An example of a “do no harm” risk is if partner CSOs are subjected to violence as a result of speaking out in connection with the project. This is, likewise, an important risk to consider given the high rates of persecution of environmentalists in Brazil. However, WWF BR’s safety and security protocols as well as the project design, which deliberately minimises personal public exposure, substantially manages the risks, bringing the residual risk to a minimum.

Regarding the **Institutional Risks** identified, including risk related to corruption and safety, we likewise find that WWF BR already has a number of measures in place that effectively manage the risks by reducing likelihood and mitigating impacts. The risk of WWF being associated with a government fraud or corruption scandal, is, for example, mitigated by banning any financial engagements with government stakeholders and keeping stringent transparency procedures in all tender and procurement processes.

### 9.3 Risk Monitoring

**WWF monitors risks continuously throughout the project cycle, identifying developments that require action or project adjustments.** As such, risk management can imply changes in outputs, outcomes as well as modalities and partners. As described in Section 7, the Risk Management Matrix is reviewed on a quarterly basis in connection with QPMR meetings.

Learnings harvested at these meetings, including those that emerge from the review of the risk matrix, feed into bi-annual learning sessions and onwards to the SC. As with changes that emerge from learning, risk-related changes required at activity level can be approved ad hoc. Any change that would alter delivery at output or outcome level, however, will require approval at SC level as such changes might affect the intervention logic innate in the ToC? In terms of joint risk management arrangements, risk assessments and responses will be available for assessment by the responsible MFA unit. WWF DK will facilitate any collaboration with partners as required by the MFA/GDK in this connection.

## 10 CLOSURE

**This section outlines our sustainability considerations and exit strategy.** We demonstrate how sustainability is integrated into our project design which we see as a prerequisite for any project aiming to be genuinely sustainable. We also present our exit strategy, focusing on how we will transition out of activities over the project duration. Lastly, we outline the schedule for formal closure of the project.

### 10.1 Sustainability considerations and exit strategy

**Long-term financial sustainability by design.** The Outcomes and Outputs proposed in this project are embedded within WWF BR's Cerrado Alive Initiative; a long term and comprehensive strategy for a resilient Cerrado Landscape, where people and nature thrive. In coordination with the WWF Network, WWF BR has an agile fundraising strategy to support this initiative, which is expected to run at least until 2030. The initiative is currently being implemented with support and funding from the WWF Network and other international donors, such as the EU, GIZ, NORAD, Betty and Moore Foundation and has generally received increasing interest from public as well as private donors. The project is therefore well placed in terms of potential for continued post-project funding.

**Our partnerships and collaborations are built with a view to scaling up existing tools, initiatives and approaches – thereby minimising duplication and maximising continuation of intervention.** We will have a focus on strengthening capacities as locally as possible by investing existing initiatives and collaborations in the Cerrado. We will promote our partners and collaborators' own work and agendas, which they will inherently wish to continue beyond the project period – and possess the technical capability and know-how to deliver such intentions.

**In Denmark, DIEH's engagement and dialogue with the Alliance has no immediate end-date as momentum is expected to grow.** With the upcoming EU due-diligence regulations, the Alliance is expected to become even more relevant post project implementation, as a forum for exchange of experiences and solutions. Through its current strategy, DIEH is committed to continue these dialogues and drive the Alliance, while also exploring avenues to broaden their engagement to other sectors that involve forest risks, such as coffee.

**The Alliance's presence will be complemented by strengthened advocacy for DCHF soy in Denmark to deliver momentum – deepening sustainability.** WWF DK will increase the visibility of DCHF soy supply chains from Brazil among the Danish public during the project period. This will raise awareness of the urgency to address deforestation and conversion among political and corporate actors. On the one hand, the aim is to connect Danish stakeholders to relevant fora so that the work can be continued in their sphere of influence after the end of the project. It is expected that the companies and financial institutions that have engaged with responsible and DCHF soy during the project will continue to deepen their engagement and 'put their money where their mouths are', as well as inspire others to start the same journey.

**Furthermore, there will be global scalability and replicability potential post-implementation due to strategy alignment with WWF BR.** WWF BR engages with downstream supply chain actors in China, the US, and the UK. They will link the results of this project to these contexts – securing sustainability and scalability of the results linked to behaviour change of downstream companies. WWF BR will also use learnings and tools employed for the soy supply chains to tackle deforestation, conversion and human rights violations within the cattle/beef supply chain of Brazil.

**Linked to our sustainability considerations are our preparations for an exit strategy.** Below we outline how we plan to conclude project support while ensuring that longer term activities persevere:

- **Goal:** Develop clear actions for how we will pull out of partner activities while ensuring that they are able to continue.
- **Exit strategies:**
  - **Create local ownership.** The project's partnerships, approach and interventions have been intentionally selected to support a smooth exit and ensure long-term sustainability. Implementing our activities in partnership with local organisations who have a permanent presence in the Cerrado landscape will allow a smooth transition prior to the conclusion of project activities.
  - **Transfer responsibility to local partners.** We will transfer responsibility to our partners before the end of the project – for project-funded activities led by WWF DK. This will ensure that we have time to provide support and transfer the necessary knowledge. Importantly, this will only be the case for a few selected activities.
  - **Support local and Danish partners to fundraise.** Our local partners are continuously seeking further funding for activities under this project. We will support those efforts through learning and strategic insight gathered during project implementation, and by fostering connections to new donors and investors in Denmark.
  - **Explore new funding sources.** With the growing focus on sustainable value chains and international markets' shift towards restrictions on agricultural products associated with deforestation, conversion and human rights abuses, more funding sources will be available. We will, throughout the project lifetime, discuss and consider new funding sources for our work around deforestation as part of our own Conservation strategy.
  - **Establish commitment from demand-side actors.** Demand-side actors' behaviour change drives large parts of our ToC. Sustainability will also be achieved through establishment of financial mechanisms to support restoration, and by ensuring that private sector actors take action to mainstream DCHF commitments. Furthermore, our efforts to increase corporate responsibility and the engagement of "greener finance" will help sustain the efforts of our local WWF partner in Brazil to maintain and restore the Cerrado.

**Transition plan to be designed in inception.** Our sustainability considerations and exit strategy will provide guidance when developing a full transition plan at output level in the inception phase. A tentative outline of such a plan is presented below in Table 14.





Table 16: Outcome-specific sustainability and exit considerations

Project	Sustainability Consideration <i>What will be sustained?</i>	Exit considerations <i>How will we exit?</i>
Outcome 1	The focus on <b>financial mechanisms to support transition amongst producers</b> (Output 1.1) was specifically chosen to create long-lasting impact at scale through their design structures.	WWF BR, DK, and the Network will continuously <b>engage potential investors</b> to increase the volume of finance channelled to sustainable production in Cerrado. Furthermore, WWF DK will leverage its expertise in forest-carbon to explore models for forest carbon finance for the Cerrado.
	The <b>transparency platform Selo Verde</b> (Output 1.2), is ever more relevant in view of the upcoming EU requirements on georeferenced traceability data for deforestation risk commodities. As the only universal, tested, and open-source solution for Brazilian agricultural supply chains Selo Verde is considered an enabling condition for implementation and enforcement of upcoming EU regulation and has attracted attention of interested donors.	Already, WWF BR facilitates ongoing dialogue between CIT-UFGM, State level governments and <b>potential international donors</b> . After the general election in 2022, where a change in power is highly anticipated, WWF BR intends to advocate for national coverage of the Selo Verde platform.
	The <b>models for coordinated support</b> and pooled finance to producers will be relevant post-implementation.	We will look to explore how such models can be <b>expanded to other sectors</b> via DIEH – as well as to continue that support is directed to the Cerrado soy sector.
Outcome 2	The <b>incorporation of deforestation risk</b> by Danish pension funds can be a catalysator for change, as requirements would tackle down to banks and corporations, also beyond the soy sector within a Danish context.	WWF DK and DIEH will continue to <b>engage and support companies and financial institutions in Denmark</b> on the adoption of responsible sourcing and investment beyond the project period.
Outcome 3	Together with ISPN and Rede Cerrado, WWF BR will carry forward the initiatives related to <b>IPLCs rights and governance</b> ('To no Mapa' and 'Tamo de Olho').	If the political scenario is favourable after this year's general election, then WWF Brazil will <b>invest heavily in advocacy</b> for better public policies and law enforcement around IPLCs rights – during and post-implementation.
	With community business, we will promote <b>access to markets</b> and develop management, entrepreneurial and financial capacities, aiming to strengthen social and environmental business.	Developed <b>funding strategies</b> to secure that the experience and results of the project will serve to leverage more support for this topic



## 10.2 Tentative time frame for formal closure

Formal project closure will take place after Year 3 has come to an end. As per instructions formal closure will consist of three steps:

- Closure of Accounts; covering final audit, return of unspent funds and accrued interest and administrative closure by reversing remaining provision to MFA.
- Submission of the Final Report; capturing results, learnings, and reflections - building on the annual reports submitted for the project, the end-of-project evaluation, and the audited accounts.
- GDK's (Responsible Unit's) final results report signed by Head of Department, which in part builds on our final report.

The below outlines the tentative schedule for formal closure of the project:

**Table 17: Closing Schedule**

Formal Closure	Period covered	Deadline
Closure of accounts	September 2022-December 2025	30 April 2026
Implementing partner's final report (including audited accounts)	September 2022-December 2025	30 April 2026
Responsible unit's final results report (FRR)	September 2022-December 2025	30 Juni 2026



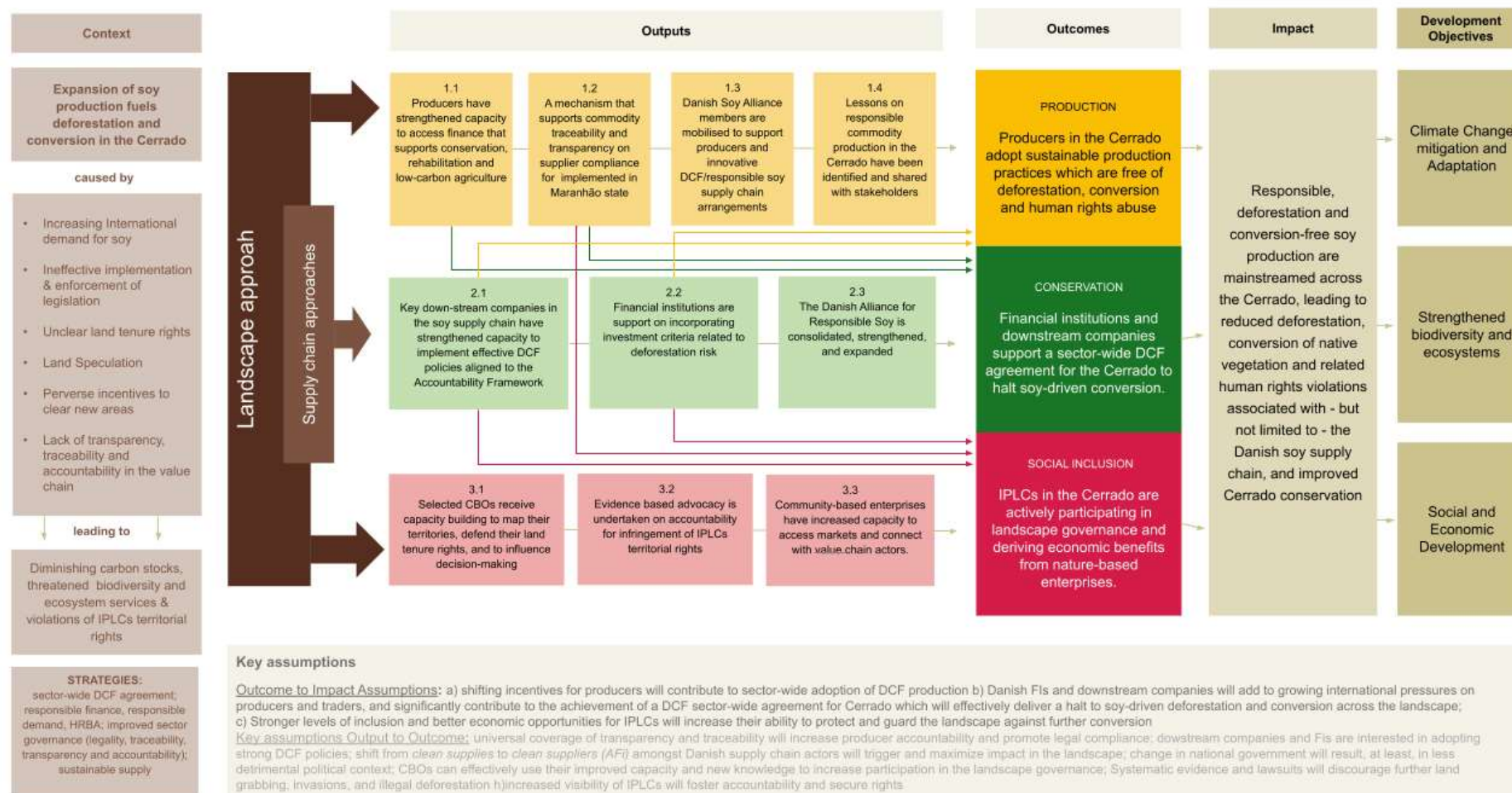


# Annex 1: Theory of Change and Results Framework

August 17<sup>th</sup> 2022

## 1 Theory of Change

### Theory of Change: Partnership for Scaling up Sustainable Soy (SUSS)





## 2 Results Framework

Note: Many of the targets presented in this Results Framework are provisional and will be revisited with partners during the project inception phase.

Project name	Scaling Up Sustainable Soy Partnership
Project Development Objective	Climate change mitigation and adaptation, strengthened biodiversity and enhanced social and economic development
Project Specific Objective	Reduced deforestation associated with the Danish soy supply chain

<b>Impact Indicator 1</b>	Decrease in annual rate (km <sup>2</sup> ) of Cerrado conversion in the states of Maranhão, Tocantins, Piauí e Bahia (MATOPIBA) by 2025 ( <i>SDG Target 15.1, Indicator 15.1.1</i> )  Means of Verifications (MOV): PRODES data from INPE (Instituto Nacional de Pesquisas Espaciais)
Baseline	5.511 km <sup>2</sup> (2021)
Target	TBD during inception phase
<b>Impact Indicator 2</b>	Increase in the percentage of verified DCF soy within the Danish soy supply chain by 2025  MOV: Data from the Monitoring, Reporting & Verification (MRV) system established by the project.
Baseline	0 *
Target	TBD

<b>Outcome 1</b>	Producers in the Cerrado adopt sustainable production practices which are free of deforestation, conversion, and human rights abuse		
<b>Outcome indicator 1</b>	Decrease in the proportion of land within Cerrado that is degraded by 2025 ( <i>SDG Target 15.3, Indicator 15.3.1</i> )  MOV: Data published from MapBioma module of Pasturelands Quality (Severe and Moderate Degradation)		
Baseline	Year	2020	56% (27 MM hectares degraded of 48MM hectares total)
Target	Year	2025	51%



<b>Output 1.1</b>		Producers have strengthened capacity to access finance that supports conservation, rehabilitation, and low-carbon agriculture	
<b>Output indicator 1.1.a</b>		Increase in the number of large-scale soy producers who have adopted DCF commitments and accessed selected financial mechanisms with support of the project by 2025	
		MOV: Field monitoring reports.	
Baseline	Year	2021	Large regional soy producers' leaders are expressing interest in, or are beginning to adopt DCF commitments, however they are not fully aware of the appropriate financial mechanisms available to support this and are not completely convinced of the benefits of DCF financial mechanisms.
Target	Year 1	3	3 large-scale soy producers' leaders are adopting DCF commitments and are accessing relevant financial mechanisms.
Target	Year 2	4	7 large soy producers' leaders are adopting DCF commitments and accessing appropriate financial mechanisms.
Target	Year 3	3	10 large soy producers' leaders have adopted DCF commitments and accessed appropriate financial mechanisms.
Target	EoP	10	A total of 10 regional soy producers' leaders have adopted DCF commitments and have accessed relevant financial mechanisms based on DCF criteria. This is supporting more widespread uptake of DCF soy production.

<b>Output 1.1</b>		Producers have strengthened capacity to access finance that supports conservation, rehabilitation, and low-carbon agriculture	
<b>Output indicator 1.1.b</b>		Increase in the total area (ha) of farms in the Cerrado that are covered by DCF financial mechanisms through project support by 2025	
		MOV: Field monitoring reports.	
Baseline	Year	2021	Large landowning soy producers are resistant to adopting DCF practices, with low awareness and adherence to financial incentives to make the transition to more sustainable practices and DCF production.
Target	Year 1	0	Eligible farms and producers are mapped and engaged. Financial mechanisms have been identified and are being adjusted to farmers needs and preferences
Target	Year 2	6,000ha	Farms covering an area of approximately 6,000ha have been financially supported to adopt DCF practices, and are serving as a centre for dissemination and engagement of other rural producers.
Target	Year 3	11,000ha	Farms covering an area of approximately 11,000ha have been financially supported to adopt DCF practices, and are serving as a centre for dissemination and engagement of other rural producers.
Target	EoP	17,000ha	Farms covering an area of approximately 17,000ha have been financially supported to adopt DCF practices, and are serving as a centre for dissemination and engagement of other rural producers.

<b>Output 1.2</b>		A mechanism that supports commodity traceability and transparency on supplier compliance is implemented in Maranhão state	
<b>Output indicator 1.2</b>		Selo Verde (beta version) is operational in Maranhão state and is accessible to other jurisdictions by 2025	
		MOV: Activity reports	
Baseline	Year	-	Selo Verde is not operational in Maranhão
Target	Year 1	-	Selo Verde beta version is under implementation in Maranhão
Target	Year 2	-	Selo Verde beta version is operational in Maranhão
Target	Year 3	-	Selo Verde negotiations on other jurisdictions are progressing
Target	EoP	-	Selo Verde beta version is fully operational in Maranhão and other jurisdictions have commenced implementation of the beta version.

<b>Output 1.3</b>		Danish Soy Alliance members are mobilised to support producers and innovative DCF/responsible soy supply chain arrangements	
<b>Output indicator 1.3</b>		Increase in the number of companies in Denmark that participate in a collective model to support soy producers by 2025	
		MoV: Annual progress report for the Danish Alliance for Responsible Soy	
Baseline	Year	2022	Companies individually support responsible producers through RTRS credits, and there is currently no operational model for collective support.
Target	Year 1	5	A total of 5 companies are participating in a collective model to support producers.
Target	Year 2	3	A total of 8 companies are participating in a collective model to support producers.
Target	Year 3	2	A total of 10 companies are participating in a collective model to support producers.
Target	EoP	10	A total of 10 companies are providing coordinated support to producers, and more companies are engaged to participate.

<b>Output 1.4</b>		Lessons on responsible commodity production in the Cerrado have been identified and shared with stakeholders	
<b>Output indicator 1.4.a</b>		Number of multi-stakeholder conferences focused on learning and coordination held by the end of 2025	
		MOV: Conference reports.	
Baseline	Year	2022	Coordination, learning and knowledge exchange is scattered among stakeholders engaged in the Cerrado.
Target	Year 1	1	One annual conference focusing on multi-stakeholder learning and coordination is held.

Target	Year 2	1	A total of 2 annual conferences have been held, where learning and coordination between stakeholders in the Cerrado landscape have been facilitated.
Target	Year 3	1	A total of 3 annual conferences have been held, where learning and coordination between stakeholders in the Cerrado landscape have been facilitated.
Target	EoP	3	Main Stakeholders have participated in generating and sharing a growing body of lessons on responsible commodity production in the Cerrado.

<b>Output indicator 1.4.b</b>		Increase in the number of different stakeholders that have participated in learning & collaboration conferences by 2025	
		MOV: Conference participant lists.	
Baseline	Year	2022	0
Target	Year 1	15	15 new organisations participate in a learning & collaboration conference.
Target	Year 2	7	A total of 22 organisations participate in a learning & collaboration conference.
Target	Year 3	8	A total of 30 organisations participate in a learning & collaboration conference
Target	EoP	30	30 different organisations have participated in one or more learning & collaboration conferences and have taken relevant learnings forward in their own efforts and operations.

<b>Outcome 2</b>		Financial institutions and downstream companies support a sector wide DCF agreement for the Cerrado to halt soy-driven conversion.	
<b>Outcome indicator 2.a</b>		Increase in the number of actors who have released clear and effective DCF commitments aligned to the Accountability Framework by 2025 (SDG targets 12.2 & 12.6)	
		MOV: Companies' policies	
Baseline	Year	2022	TBD
Target	Year	2025	10 additional Brazilian and Danish companies and/or FIs have adopted commitments aligned with AFI

<b>Outcome indicator 2.b</b>		Increase in the number of Danish companies who monitor, report and verify (AFi) the implementation of their DCF commitments by 2025	
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		MOV: Published company reports	
Baseline	Year	2021	0 companies monitor, report and verify implementation of DCF commitments
Target	Year	2025	3 companies monitor, report and verify implementation of DCF commitments.

<b>Output 2.1</b>		Key down-stream companies in the soy supply chain have strengthened capacity to implement effective DCF policies aligned to the Accountability Framework.	
<b>Output indicator 2.1.a</b>		Increase in the number of companies trained in DCF toolkit methodology by 2025 (SDG target 12.2 & 12.6 )	
		MOV: Activity & Monitoring reports.	
Baseline	Year	2021	Currently no companies have received training in DCF toolkit methodology, and company policies are not fully aligned to the AFI.
Target	Year 1	8	8 companies have received training in DCF toolkit methodology
Target	Year 2	-	-
Target	Year 3	-	-
Target	EoP	8	8 companies have received training in DCF toolkit methodology and have initiated implementation of the AFI.

<b>Output 2.1</b>		Key down-stream companies in the soy supply chain have strengthened capacity to implement strong DCF policies	
<b>Output indicator 2.1.b</b>		A DCF Hub for dialogue between Danish companies and soy Traders is established and active by 2025 (SDG target 12.2 & 12.6 )	
		MOV: Activity & Monitoring reports.	
Baseline	Year	2021	Currently there are no Hubs in existence and there are limited fora for coordinated dialogue on DCF commitments between down-stream companies and traders.
Target	Year 1	-	Companies receive training and prepare implementation plans to enhance their compliance with AFI.
Target	Year 2	-	The Hub is tested, refined and launched. Companies and traders begin to use the Hub.
Target	Year 3	-	A DCF hub between Danish Companies and Traders has been established and is being utilised for effectively communicating DCF requirements to Traders.
Target	EoP	-	The DCF Hub has been used, and at least one trader supplying soy to a Danish company has committed to 100% DCF across all their operations in the Cerrado with a cut-off date of 2020.



<b>Output 2.2</b>		Financial institutions are supported on incorporating investment criteria related to deforestation risk	
<b>Output indicator 2.2.a</b>		Increase in the number of financial institutions who have received advice and support on deforestation risk by 2025.	
		MOV: Activity & Monitoring reports.	
Baseline	Year	2022	0. Financial institutions currently lack awareness on deforestation risk and do not incorporate this into their investment criteria.
Target	Year 1	3	3 financial institutions have received advice and support on deforestation risk.
Target	Year 2	3	6 financial institutions have received advice and support on deforestation risk, and frontrunners are starting to take action to incorporate these into their portfolios.
Target	Year 3	3	9 financial institutions have received advice and support on deforestation risk, and frontrunners are starting to take action to incorporate these into their portfolios.
Target	EoP	9	9 financial institutions have received appropriate guidance and support for incorporating deforestation risk into their investment criteria. A growing number of institutions have begun to integrate deforestation risk into their investment criteria.

<b>Output indicator 2.2.b</b>		Increase in the number of functioning DCF hubs established by financial institutions by the end of 2025.	
		MOV: Monitoring reports.	
Baseline	Year	2022	0. Financial institutions currently do not place any requirements related to deforestation risk exposure or DCF policies to their clients.
Target	Year 1	1	1 DCF Hub is established. FIs are using this Hub to engage companies in their portfolio and advance DCF implementation.
Target	Year 2	1	2 DCF Hubs are established. FIs are using this Hub to engage companies in their portfolio and advance DCF implementation.
Target	Year 3	1	3 DCF Hubs are established. FIs are using this Hub to engage companies in their portfolio and.
Target	EoP	2	3 DCF Hubs have been established and are enabling FIs to effectively address deforestation risk across their portfolio and advance DCF implementation among downstream companies.

<b>Output 2.3</b>		The Danish Alliance for Responsible Soy is consolidated, strengthened, and expanded	
<b>Output indicator 2.3.a</b>		Increase in the average attendance rate for Alliance meetings and events by 2025 (SDG targets 12.2 & 12.6)	
		MOV: Meeting minutes & event participant registers.	

Baseline	Year	2022	TBD.
Target	Year 1	20%	Average attendance at Alliance meetings and events has increased by 20% compared to 2022 attendance.
Target	Year 2	10%	Average attendance at Alliance meetings and events has increased by 30% compared to 2022 attendance.
Target	Year 3	5%	Average attendance at Alliance meetings and events has increased by 35% compared to 2022 attendance.
Target	EoP	35%	There has been a 35% increase in the average attendance rate for Alliance meetings and events since 2022, and the Alliance has been consolidated and significantly strengthened.

<b>Output indicator 2.3.b</b>		Increase in the number of Danish Alliance for Responsible Soy members by 2025	
		MOV: Membership records.	
Baseline	Year	2022	The Danish Alliance for Responsible Soy has 23 Members.
Target	Year 1	2	The Danish Alliance for Responsible Soy has expanded to a total of 25 Members.
Target	Year 2	2	The Danish Alliance for Responsible Soy has expanded to a total of 27 Members.
Target	Year 3	1	The Danish Alliance for Responsible Soy has expanded to a total of 28 Members.
Target	EoP	5	Membership of the Danish Alliance for Responsible Soy has expanded to a total of 28 Members. New members increase the reach and scope of Alliance's activities, contributing to higher ambition and increased positive impact in the value chain.

<b>Outcome 3</b>		IPLCs in the Cerrado are actively participating in landscape governance and deriving economic benefits from nature-based enterprises.	
<b>Outcome indicator 3.a</b>		Increase in sales revenue of Babassu & Golden Grass sold by community-based enterprises to commercial actors by 2025 (SDG targets 1.1, 1.2 & 1.5)	
		MOV: CBE sales records.	
Baseline	Year	2021	TBD
Target	Year	2025	12%

<b>Outcome indicator 3.b</b>		Increase in the number of CBOs represented in Council meetings at municipal or state level by 2025 (SDG target 16.7)	
		MOV: Monitoring reports and municipal and state Council meeting attendance records.	
Baseline	Year	2021	TBD. Currently there are very low levels of CBO participation in governance fora such as Council meetings at both municipal and state level.

Target	Year	2025	TBD. There is an increase in the number of CBOs that have participated and have voiced concerns or issues related to rights violations.
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<b>Output 3.1.a</b>		Selected CBOs are supported to map their territories, defend their land tenure rights, and to influence decision-making	
<b>Output indicator 3.1</b>		Increase in the number of CBOs' territories registered for recognition as Traditional Territories by 2025 (SDG target 1.4)	
		MOV: 'To no Mapa' registry	
Baseline	Year	2022	91 CBOs are currently registered in To no Mapa.
Target	Year 1	50	50 CBOs will be supported in registering on To no Mapa.
Target	Year 2	-	-
Target	Year 3	-	-
Target	EoP	141	A total of 141 CBOs' territories will be registered for recognition as Traditional Territories, increasing their ability to defend their territorial rights and influence governance.

<b>Output indicator 3.1.b</b>		Increase in the number of CBOs who have designed and commenced implementation of an advocacy plan by 2025 (SDG target 16.7)	
		MOV: Advocacy plans and project monitoring reports.	
Baseline	Year	2022	CBOs have low capacity to carry out advocacy to influence decision makers in favour of IPLCs' rights.
Target	Year 1	-	-
Target	Year 2	10	10 CBOs have been supported to design advocacy plans.
Target	Year 3	10	A total of 20 CBO leaders have been supported to design advocacy plans and have commenced implementation of these.
Target	EoP		20 CBO leaders have been supported to design advocacy plans, and have commenced implementation of these, increasing their participation and influence in landscape governance.

<b>Output 3.2</b>		Evidence-based advocacy is undertaken on accountability for infringements of IPLC territorial rights	
<b>Output indicator 3.2.a</b>		Increase in the number of civil inquiries, lawsuits, and administrative processes on deforestation, conversion or violation of territorial rights in MATOPIBA that are proposed by 2025 (SDG 16.3 & 16.6)	
		MOV: Monitoring reports, documentation of inquiries and/or lawsuits.	

Baseline	Year	2021	Currently 3 civil inquiries/ administrative processes on deforestation, conversion or violation of territorial rights in MATOPIBA have been raised through official channels.
Target	Year 1	6	6 new civil inquiries, lawsuits, and administrative processes on deforestation, conversion or violation of territorial rights in MATOPIBA have been raised through official channels.
Target	Year 2	6	A total of 12 new civil inquiries, lawsuits, and administrative processes on deforestation, conversion or violation of territorial rights in MATOPIBA have been raised through official channels.
Target	Year 3	6	A total of 18 new civil inquiries, lawsuits, and administrative processes on deforestation, conversion or violation of territorial rights in MATOPIBA have been raised through official channels.
Target	EoP	18	A total 18 new civil inquiries, lawsuits, and administrative processes on deforestation, conversion or violation of territorial rights in MATOPIBA have been raised through official channels. Legal prosecution dissuades further violations of IPLCs' territorial rights.

<b>Output indicator 3.2.b</b>		A Human Rights Impact Assessment (HRIA) is published and disseminated by 2023 (SDG target 16.3 & 16.3)	
		MOV: Report is published.	
Baseline	Year	-	While there is a report from Global Witness (2021) on the impacts of commodities traders in the Cerrado, the report focuses on few case studies and uses a narrow framework of analysis and does not offer concrete recommendations to actors across the soy value chain.
Target	Year 1	-	Data collection for HRIA is undertaken.
Target	Year 2	-	HRIA is published and disseminated to national and international stakeholders.
Target	Year 3	-	The WWF Network integrates findings and recommendations from the HRIA into its advocacy strategy on consumer markets due diligence legislation.
Target	EoP	-	HRIA of the soy sector in Cerrado is published, providing a broader and more systematic review of existing rights issues. The report is broadly disseminated and integrated within the WWF Network's advocacy around consumer markets due diligence legislation.

<b>Output 3.3</b>	Community-based enterprises in Matobipa have increased capacity to access markets and connect with value chain actors.
<b>Output indicator 3.3</b>	Increase in the number of new strategic agreements signed between targeted community-based enterprises and commercial actors by 2025



		MOV: Signed agreements.	
Baseline	Year	2022	Community-based enterprises (CBEs) have challenges accessing markets for NTFPs which limits the income derived from their activities.
Target	Year 1	1	1 new agreement has been signed between targeted community-based enterprises and commercial actors.
Target	Year 2	1	A total of 2 new agreements have been signed between targeted community-based enterprises and commercial actors.
Target	Year 3	2	A total of 4 new agreements have been signed between targeted community-based enterprises and commercial actors.
Target	EoP	4	A total of 4 new agreements have been signed between targeted community-based enterprises and commercial actors, resulting in increased income for CBEs.



## Annex 2: Risk Management

August 17<sup>th</sup> 2022

## 1 ANNEX 2: RISK MANAGEMENT

### 1.1 Contextual Risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Political					
EU regulation, currently under development, will not cover conversion of other ecosystems beyond forests and therefore not apply to production in the entire Cerrado Landscape.	Almost certain	Major	<p>WWF advocacy to influence EU legislation:  <a href="#">Together for Forests campaign</a>            Industry Statement</p> <p>The sector agreement that we are trying to reach with this project would mitigate this risk</p> <p>If inclusion of Conversion fails in the first iteration of the regulations, the WWF network will work to include Other Ecosystems when it is reviewed and updated after</p>	<p>Medium</p> <p>If the risk materialises despite WWF mitigation actions, the legislation will limit the uptake of conversion free soy for EU consumers. This could undermine the potential for scale presented by the project and so cause some problems or delays under outcomes 1 and 2.</p>	<p>The EU regulations currently under consideration do not address the conversion of natural ecosystems beyond forests, but it does stipulate a review no later than two years after the law enters into force in order to assess the effectiveness and scope of the legislation, and whether other ecosystems should be included.</p> <p>While the outcome of EU measures will affect the level of traction we will gain from EU stakeholders, the project-aim to achieve a sector-wide agreement for the Cerrado is not</p>

			two years of implementation		limited to the EU and it may in fact pave the way for more comprehensive EU measures in the second iteration.
Amendment to the Brazilian Forest Code reduces the area designated for protection of native vegetation within private properties and change the mechanisms to recovery degraded areas	Likely	Significant	<p>WWF BR carries out advocacy in Congress to counter legislation changes; including by presenting evidence of their socio environmental impacts;</p> <p>WWF is part of the Brazilian Coalition on Climate, Forests and Agriculture which comprises <a href="#">more than 300</a> representatives from the private sector, financial sector, academia, and civil society. The coalition works to influence Brazil's leadership to transition towards a</p>	<p>High</p> <p>If the risk materialises despite mitigation actions, it would undermine conservation efforts in the Cerrado and counter incentives to transition to sustainable production.</p>	<p>The Forest Code, which is the legal framework in Brazil for protection of native vegetation, was reviewed in 2012. It establishes rules for the conservation of native vegetation in private areas, and for recovering degraded areas. Since it was published, there have been several postponements of the deadlines for landowners to register in the Environmental Registry established by the law and start complying with the legal requirements.</p> <p>A reduction in the area designated for protection is possible in the current political</p>



			low-carbon economy while being a strong force in preventing setbacks in the environmental policy.		environment. This would both undermine conservation efforts in the Cerrado and counter incentives to transition to sustainable production.
Producers/associations use their influence to block progress on environmental agenda/sustainability agenda/DCF, reducing incentives to transition to sustainable production methods	Likely	Significant	<p>WWF BR will align with progressive government stakeholders and companies and maintain agility in advocacy efforts by monitoring the political environment and adapting strategy and approaches continuously.</p> <p>Throughout the project, we will work to enhance incentives to transition to sustainable production methods</p>	<p>Medium to High.</p> <p>Resistance to transition to sustainable production methods is very strong among Brazilian soy producers and other influential stakeholders. It is possible that these stakeholders block legislative measures to increase sustainability in soy production despite WWF's advocacy efforts. This would cause delays or reduce potential reach in the uptake of DCF and sustainable production.</p>	WWF's influence over farmers is reduced due to increased polarization caused by the government narrative that environment conservation harms social and economic development, and the incentives to deforesters, miners and hunters. This challenges advocacy efforts with producers to progress on the environmental agenda.

			while creating disincentives to continue business as usual. While advocacy efforts targeted at producers will focus on making a business case for deforestation-free soy production (rather than focusing on environmental concerns related to conversion), the transparency mechanism developed under Output 1.2 will serve as a deterrence mechanism for illegal and unsustainable practices		
Limited adherence of farmers to DCF production undermines efforts to effectuate a sector-wide transition to sustainable production methods	Likely	Major	This project will focus on scaling up compensation mechanisms for farmers in order to diminish resistance to a sector wide	.Medium to high.  It is likely that we will be able to mobilise farmers that are more willing to assume risks to become	While we may succeed in achieving adoption of best practises, we cannot enforce these and so there is no guarantee that producers will abide

The number of farmers eligible to receive financial compensation is too limited to reach a critical mass in support of a wider market transformation			agreement on DCF production. In parallel to that the wider WWF Network and its partners are working on scaling up finance for rehabilitation of degraded pastures/sustainable intensification.	early movers on DCF soy production through our initiatives. While first movers do tend to inspire a critical mass and, in turn, institutionalisation of market transformation	by them or continue business as usual.
Current president Jair Bolsonaro is re-elected in the upcoming presidential elections and the expected favourable changes in the political scenario don't take place during project implementation period.	Unlikely	Significant	<p>WWF-Brazil will keep its activities in progress as much as possible in case the current president remains in power, considering that federal government institutions are not partners in the project and have therefore no direct influence on its implementation.</p> <p>Furthermore, WWF BR will build on the learnings from the</p>	<p>Medium</p> <p>In the unlikely scenario of a re-election of president Bolsonaro, the dismantling of the countries environmental and social organs and legal frameworks could continue for the next four years, in particular if he manages to gather support in the congress and senate.</p> <p>This can lead to increased barriers in achieving support for the</p>	<p>According to most recent election polls, Jair Bolsonaro has very little chance of winning over former president Luis Inacio Lula da Silva. And the level of disapproval to the current administration is very high among the Brazilian population.</p> <p>Electoral campaigns have nevertheless just officially started, and a lot can happen until Brazilians head to the</p>

			past four years with a detrimental political scenario, and will to continue to compensate for lack of federal support by building partnerships with other NGOs, private sector and state-level governments.	adoption of a sector-wide DCF agreement for soy in the Cerrado among key Brazilian stakeholders (soy producers and soy industry associations).	ballot boxes in October 22 <sup>nd</sup> .  Nevertheless, the implementation of specific activities in the SUSS project are not dependent on the federal government and will continue as planned.
President Jair Bolsonaro remains in power after the next presidential elections, either through re-election, or through a military intervention in case of defeat, and imposes limitations on the operations of Brazilian Environmental NGOs, e.g through interruption of international funds transfers.	Unlikely	Major	In case of an imminent risk of interruption of international transfer funds to Brazilian NGOs, transfers of funds from MFA/DANIDA and WWF DK to WWF-BR could be made in advance to minimize negative impacts on project implementation	In the event that Brazilian NGOs get closed, the project activities in Brazil will be suspended, while measures to respond to this situation will be evaluated according to the political scenario.	Since the beginning of his term, Brazil's current far right-wing president Jair Bolsonaro has been severely fragilizing the social and environmental legal framework and institutions, and threatens to limit the operation of Environmental NGOs in case he remains in power.  Despite little popular support and little chances of being reelected - according to all presidential polls to date - Bolsonaro has



					<p>been giving signs that a defeat in the coming elections will be contested, with potential dangerous unrest by his supporters.</p> <p>Furthermore, the country's military has been invited to oversee the elections, and the risk of a military intervention in Brazil is currently widely debated.</p> <p>In the event of a military coup, there is a risk that Bolsonaro will act on his threats to hinder the operations of Environmental NGOs in the country.</p> <p>But in contrast to Brazil's military coup of 1964, Bolsonaro's current coup plots lack the instrumental support from the private sector, the middle class, churches, media, and other significant sectors of Brazilian and international society.</p>
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Market risks					
Surge in soy demand and price due to ongoing global food crisis - due to the war in Ukraine and climatic conditions – which could fuel further expansion of soy fields over native vegetation, as well as challenge down-stream companies capability and willingness to implement DCF requirements on traders and producers.	Likely	Significant	Project team will undertake in depth analysis of this risk and its potential consequences for project activities and objectives during inception phase, especially regarding outcomes 1. Production & 2. Conservation . Mitigation measures will be developed in dialogue with project partners.	Residual risk will be thoroughly assessed during inception phase.	The war in Ukraine has dealt a major shock to commodity markets. the war has disrupted production and trade of several commodities, and price increases come on top of already tight commodity markets due to a solid demand recovery from the pandemic, as well as numerous pandemic-related supply constraints. Grain prices hit record highs in the recent months, including soybeans. Soybean oil saw the largest increase in prices, affecting primarily Argentina. Brazil exports are mainly soybean meal, and prices have been affected not only due to the war, but also by the worst drought in decades in parts of the soybean-producing regions of South America.

Fertilizer supply disruptions affect soy production and price in Brazil.	Likely	Significant	Project team will undertake in depth analysis of this risk and its potential consequences for project activities and objectives during inception phase, especially regarding outcomes 1. Production & 2. Conservation . Mitigation measures will be developed in dialogue with project partners.	Residual risk will be thoroughly assessed during inception phase.	Soy production in Brazil is heavily dependent on imported fertilizers. Fertilizer supply and prices have already been significantly affected by the war in Ukraine, resulting in rising production costs for soy producers in Brazil. There's a risk that global shortages in fertilizers could lead to reduced agricultural yields and production particularly in Emerging Markets and Developing Economies, such as Brazil.
A DCF market agreement for the Cerrado results in leakage of soy-driven deforestation/conversion to other biomes, for example the Chaco in Argentina/Paraguay, where Danish companies also source from.	Possible	Medium	To mitigate the risk of leakage, the project is based on the 'clean supplier' approach (AFi), which works by cascading DCF requirements down the supply chain. Once fully implemented, downstream companies should source exclusively	Residual risk will be thoroughly assessed during inception phase.	The Amazon Soy Moratorium was successful in curbing soy-driven deforestation in the Amazon, but also resulted in leakage to the Cerrado. Thus the risk of leakage is real, especially in a scenario with increasing demand for food and animal protein in particular, now aggravated by the

			from traders that have committed to a cut-off date of 2020 for all their operations, in the Cerrado and elsewhere (unless an earlier cut-off date is established for a given biome, such as the Amazon). Other strategies for mitigating the risk of leakage will be explored during inception phase.		global food crisis due to the war in Ukraine.
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## 1.2 Programmatic Risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
All Outcomes: Management of Stakeholder complexity (incl. between Denmark and Brazil) affects efficiency and impact of the project	Likely	Major	<p>Project managers (PMs) assigned in all organisations</p> <p>Clear designation of roles and responsibilities</p> <p>Lean Steering Committee with representation of all three organisations at management level.</p> <p>Regular meetings and coordination between PMs, including work plan tracking</p> <p>Forum for resolving issues</p> <p>PCM tools followed (kick off meetings etc)</p> <p>Extended visits to brazil of WWF DK PM - including during inception phase of the project</p>	<p>Low</p> <p>The proposed mitigations reduce the likelihood of the risk materialising to unlikely. The residual risk is therefore estimated to be low.</p>	Management of new partnerships both under the consortium, sub-grantees and the complex range of stakeholders involved in this project is key to achieving results of this project. Failing to do so efficiently is therefore also a risk to the project.

Outcome 2: Brazilian Banks /FIs refuse to make public commitments on DCF	Unlikely	Major	WWF BR will leverage the public commitments to DCF production made by two major Brazilian banks to influence and pressure other FIs to follow suit'	Low  This risk affects delivery at output level of the project and so the impact at objective level is minor. Also, having secured public commitments from major FIs already, it is very unlikely that they will backtrack on their commitments. As such, the residual risk is considered low.	In a polarised political scenario, FIs would face elevated reputational risk if they make public commitments in favour of DCF soy value chains. This would undermine our efforts under Output 2.3  However, WWF BR spent two years engaging with two major Brazilian banks. As a result they have already made public commitments, setting an ambitious benchmark for the financial sector as a whole.
Outcome 3: Supported CSO partners are subjected to	Unlikely	Major	Continuous monitoring of the context and risks, including through	Low.	Environmental activists are subject to violence and persecution in Brazil. Our support to

violence as a result of their work under this project			<p>WWF BR's network with CSO partners.</p> <p>Data gathering to map human rights impact and risks at an early stage of the project.. The Human Rights Impact Assessment will be used to bring increased awareness of violence against environmental activists and advocate for protection.</p> <p>Protective measures for CSO leaders will be put in place, such as safety protocols for leaders in situations of threat</p>	<p>The residual risk after implementation of protective measures and stringent protocols in the unlikely case of concrete threats is low as there will be no direct personal exposure for project partners.</p>	<p>their advocacy efforts under Outcome 3 could put them at further risk of retaliation</p>
Outcome 2: Pressures from conservative soy producers cause Brazilian/International grain traders to refuse to collaborate on initiatives aimed at stopping nature destruction caused by soy	Unlikely	Major	Should this risk arise, the project will engage key actors that influence market demand (FIs, companies, and governments) as a way to increase pressure on traders.	<p>Medium - High</p> <p>Even if the political scenario changes, traders will still be able to exert moderate pressure on traders not to engage on DCF soy value chains.</p>	<p>The support of Brazilian traders is key to achieving Outcome 2 of the project. If they are pressed by national stakeholders - incl. the Bolsonaro Government if re-elected and conservative producers -</p>

				While this pressure should be counteracted by the pressure from demand- side as an effect of this project, the residual risk that producers will be reluctant to collaborate remains medium-high.	to acquiesce to nature destruction caused by soy, then we would have greater challenges in entering a sector- wide agreement for DCF soy value chains.  It is, however, seen as unlikely that the Bolsonaro Government will be re-elected and conservative producers will have less political influence under a new government.
Outcome 1: Danish companies chose a segregated model rather than a sector-wide agreement	Unlikely	Minor	DIEH and WWF DK's advocacy among Danish companies will highlight pitfalls and concerns wil relying on Segregation in the longer terms.  Large and influential companies that are member of the Danish Soy Alliance will lead market actors past the Segregation model	Low  Members of the Danish Soy Alliance have the gravitas to influence the Danish market and so, if they lead by example, it is unlikely that a significant amount of influential companies will cling to an outdated model, also for the optics	Without the buy-in of members of the Danish Soy Alliance, our efforts to push for a sector-wide agreement will have less effect



Outcome 1: Companies commit to DCF soy / clean suppliers, but do not implement.	Likely	Major	WWF DK generally takes the approach of offering advice and mentorship to companies that are committed to change in their transition period. We will, equally, be maintaining an open and supportive dialogue with Danish companies working to achieve DCF free soy supply chains	Medium - Low  WWF DK has a proven track record of helping companies realise ambitious public commitments through support and guidance. There may still be some companies whose commitments fail to translate into action but those companies would most likely transition eventually as the market moves away from unsustainable soy sourcing.	Corporate commitments must visibly be backed up by action to instigate a market transformation

### 1.3 Institutional risks

Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Negative media exposure for collaborating with low-committed stakeholders in DCF supply chains causes reputational damage to WWF	Likely	Minor	<p>WWF BR will enter into NDAs with new partners - including rural producers</p> <p>WWF will maintain an advisory role towards companies and other stakeholders involved in this project which should not be construed as endorsement</p>	<p>Medium</p> <p>Despite mitigations, WWF can expect to receive negative media coverage from working with soy producers, traders, FIs and importers; probably short-term national level.</p> <p>WWF is prepared to handle such exposure with transparency and openness.</p>	<p>Based on past experience, WWF can be accused of green washing/ supporting environmental criminals in our work with producers/ land owners under Outcome 1.</p> <p>This may also apply to Danish media vis a vis our work with members of the Danish Soy Alliance</p>
WWF is associated with corruption scandals in Brazil causing short-term national reputational damage	Unlikely	Major	<p>Adhere to WWF due diligence requirements</p> <p>Enter an MoU with State Government setting terms for partnership.</p> <p>All Government partnerships will be solely technical with no resource transfer.</p>	<p>Low</p> <p>If a corruption scandal was to occur, the risk of WWF being associated with it would be minor.</p>	<p>Corruption scandals are common in Brazil. If Government partners under this project are exposed for corrupt practices, then WWF might be perceived to be a culprit by association.</p> <p>This is particularly pertinent to Outcome 2 Selo Verde engagement</p>

			<p>Maintain full transparency in project implementation – including documentation of any procurement process and partnership selections.</p> <p>At a broader level, the Selo Verde initiative in this project (Maranhão) is in fact a scale up of a similar initiative / replication of a successful initiative to increase transparency.</p>		
WWF staff are put at personal risk due to continuous report of deforestation cases and data	Unlikely	Significant	<p>Map, manage and monitor risks to safety and implement any required measures in line with duty of care requirements</p> <p>Adhere to Safety and Security protocols.</p> <p>Ensure that all staff receive safety training and follow safety recommendations</p>	<p>Low</p> <p>The planned responses both serve to reduce the likelihood and potential impact of the risk. As such, they are seen as effective controls that reduce the risk to a low level.</p>	<p>The political environment in Brazil is very tense with strong sentiments against environmentalists - including WWF BR staff. This situation is likely to escalate during elections.</p> <p>As WWF's efforts under this project contradict economic interests of powerful stakeholder groups, WWF staff involved in this project may face retaliation from such groups.</p>







# Annex 3: Budget

August 17<sup>th</sup> 2022

**Programme and project activities**

*Cost category: t.k.r.*

**Outcome 1 Producers in the Cerrado adopt sustainable production practices which are free of deforestation, conversion, and human rights abuse**

	Total	Pct.	Inception	Pct.	Year 1	Pct.	Year 2	Pct.	Year 3	Pct.
<i>Output 1.1 Producers have strengthened capacity to access finance that support conservation, rehabilitation and low carbon agriculture</i>	4.474	44%	0		1.505	46%	1.490	38%	1.479	51%
A.1.a. - Direct activity cost (HQ)	337				116		115		106	
A.1.b. - Direct activity cost (non-HQ)	147				35		56		56	
A.2. - Implementation by local partners	3.656				1.246		1.203		1.207	
A.3.a. - Programme support cost (HQ)	54				18		22		14	
A.3.b. - Programme support cost (non-HQ)	280				90		95		95	
<i>Output 1.2 A mechanism that supports commodity traceability and transparency on supplier compliance is implemented in Maranhão state</i>	4.144	41%	0		1.294	39%	1.944	49%	906	31%
A.1.a. - Direct activity cost (HQ)	315				99		150		65	
A.1.b. - Direct activity cost (non-HQ)	138				31		73		34	
A.2. - Implementation by local partners	3.380				1.071		1.569		740	
A.3.a. - Programme support cost (HQ)	52				15		29		9	
A.3.b. - Programme support cost (non-HQ)	259				78		124		58	
<i>Output 1.3 Danish Soy Alliance members are mobilised to support producers and innovative DCHF/ responsible soy supply chain arrangements</i>	762	7%	0		227	7%	268	7%	268	9%
A.1.a. - Direct activity cost (HQ)	762				227		268		268	
A.1.b. - Direct activity cost (non-HQ)	0				0		0		0	
A.2. - Implementation by local partners	0				0		0		0	
A.3.a. - Programme support cost (HQ)	0				0		0		0	
A.3.b. - Programme support cost (non-HQ)	0				0		0		0	
<i>Output 1.4 Lessons on responsible commodity production in the Cerrado have been identified and shared with stakeholders</i>	786	8%	0		251	8%	265	7%	270	9%
A.1.a. - Direct activity cost (HQ)	59				19		21		19	
A.1.b. - Direct activity cost (non-HQ)	26				6		10		10	
A.2. - Implementation by local partners	642				208		214		220	
A.3.a. - Programme support cost (HQ)	9				3		4		3	
A.3.b. - Programme support cost (non-HQ)	49				15		17		17	
<b>Outcome 1 - Total expenses</b>	<b>10.167</b>	<b>100%</b>	<b>0</b>		<b>3.277</b>	<b>100%</b>	<b>3.967</b>	<b>100%</b>	<b>2.922</b>	<b>100%</b>

**Outcome 2 Financial institutions and downstream companies support a sector wide DCF agreement in the Cerrado to halt soy-driven conversion**

*Output 2.1 Key down-stream companies in the soy supply chain have strengthened capacity to implement effective DCF policies aligned to the Accountability Framework*

A.1.a. - Direct activity cost (HQ)  
A.1.b. - Direct activity cost (non-HQ)

3.615	47%	0		871	47%	1.249	46%	1.496	47%
271				67		97		107	
124				21		47		57	

A.2. - Implementation by local partners	2.949		721	1.008	1.221
A.3.a. - Programme support cost (HQ)	43		10	18	15
A.3.b. - Programme support cost (non-HQ)	228		52	79	96
<i>Output 2.2 Financial institutions are supported in incorporating investment criteria related to deforestation risks</i>	3.374 44%	0	768 41%	1.191 44%	1.415 45%
A.1.a. - Direct activity cost (HQ)	253		59	92	102
A.1.b. - Direct activity cost (non-HQ)	116		18	45	54
A.2. - Implementation by local partners	2.752		636	961	1.155
A.3.a. - Programme support cost (HQ)	40		9	17	14
A.3.b. - Programme support cost (non-HQ)	213		46	76	91
<i>Output 2.3 The Danish Alliance for Responsible Soy is consolidated, strengthened and expanded</i>	762 10%	0	227 12%	268 10%	268 8%
A.1.a. - Direct activity cost (HQ)	762		227	268	268
A.1.b. - Direct activity cost (non-HQ)	0		0	0	0
A.2. - Implementation by local partners	0		0	0	0
A.3.a. - Programme support cost (HQ)	0		0	0	0
A.3.b. - Programme support cost (non-HQ)	0		0	0	0
<b>Outcome 2 - Total expenses</b>	<b>7.752 100%</b>	<b>0</b>	<b>1.866 100%</b>	<b>2.708 100%</b>	<b>3.179 100%</b>

**Outcome 3 Inclusion: IPLCs in the Cerrado are actively participating in landscape governance and deriving economic benefits from nature-based enterprises**

*Output 3.1 Selected CBOs are supported to map their territories, defend their land tenure rights, and influence decision-making*

	2.762 34%	0	822 36%	974 36%	965 31%
A.1.a. - Direct activity cost (HQ)	208		63	75	69
A.1.b. - Direct activity cost (non-HQ)	92		19	36	37
A.2. - Implementation by local partners	2.255		681	786	788
A.3.a. - Programme support cost (HQ)	33		10	14	9
A.3.b. - Programme support cost (non-HQ)	173		49	62	62

*Output 3.2 Evidence-based advocacy is undertaken on accountability for infringements of IPLC territorial rights*

	2.872 35%	0	801 35%	861 32%	1.210 38%
A.1.a. - Direct activity cost (HQ)	215		62	67	87
A.1.b. - Direct activity cost (non-HQ)	97		19	32	46
A.2. - Implementation by local partners	2.345		663	695	987
A.3.a. - Programme support cost (HQ)	34		9	13	12
A.3.b. - Programme support cost (non-HQ)	181		48	55	78

*Output 3.3 Community-based enterprises in Matopiba have increased capacity to access markets and connect with value chain actors*

	2.493 31%	0	687 30%	836 31%	970 31%
A.1.a. - Direct activity cost (HQ)	187		53	65	70
A.1.b. - Direct activity cost (non-HQ)	84		16	31	37
A.2. - Implementation by local partners	2.035		569	675	792
A.3.a. - Programme support cost (HQ)	30		8	12	9
A.3.b. - Programme support cost (non-HQ)	157		41	53	62

<i>Output 3.4 - [insert text]</i>	0	0%	0	0	0%	0	0%	0	0%
A.1.a. - Direct activity cost (HQ)	0								
A.1.b. - Direct activity cost (non-HQ)	0								
A.2. - Implementation by local partners	0								
A.3.a. - Programme support cost (HQ)	0								
A.3.b. - Programme support cost (non-HQ)	0								
<b>Outcome 3 - Total expenses</b>	<b>8.126</b>	<b>100%</b>	<b>0</b>	<b>2.310</b>	<b>100%</b>	<b>2.671</b>	<b>100%</b>	<b>3.145</b>	<b>100%</b>
<b>Outcome 0 - Inception</b>									
<i>Output Inception</i>	1.892	100%	1.892	0		0		0	
A.1.a. - Direct activity cost (HQ)	225		225						
A.1.b. - Direct activity cost (non-HQ)	165		165						
A.2. - Implementation by local partners	1.315		1.315						
A.3.a. - Programme support cost (HQ)	47		47						
A.3.b. - Programme support cost (non-HQ)	140		140						
<b>Outcome 0 - Total expenses</b>	<b>1.892</b>	<b>100%</b>	<b>1.892</b>	<b>0</b>		<b>0</b>		<b>0</b>	
<b>Total outcome-allocated programme/project activities</b>	<b>27.937</b>		<b>1.892</b>	<b>7.453</b>		<b>9.346</b>		<b>9.246</b>	
<i>-of which is</i>									
A.1.a. - Direct activity cost (HQ)	3.594	13%	225	992	13%	1.217	13%	1.161	13%
A.1.b. - Direct activity cost (non-HQ)	990	4%	165	165	2%	330	4%	330	4%
A.2. - Implementation by local partners	21.330	76%	1.315	5.795	78%	7.110	76%	7.110	77%
A.3.a. - Programme support cost (HQ)	343	1%	47	82	1%	129	1%	85	1%
A.3.b. - Programme support cost (non-HQ)	1.680	6%	140	420	6%	560	6%	560	6%
<b>Audit:</b>									
A.7 - Auditor's fee (HQ)	100		0	0		0		100	
<b>Total direct cost (A1+...+A7)</b>	<b>28.037</b>		<b>1.892</b>	<b>7.453</b>		<b>9.346</b>		<b>9.346</b>	
<b>Indirect cost</b>									
B.1 - Admin fee (HQ)	1.830	27%	132	522	31%	654	29%	654	29%
B.2 - Admin fee (local partner)*	0	0%	0	0	0%	0	0%	0	0%
Total admin fee	1.830	7%	132	522	7%	654	7%	654	7%
<b>Total cost</b>	<b>30.000</b>		<b>2.025</b>	<b>7.975</b>		<b>10.000</b>		<b>10.000</b>	
<i>-of which is</i>									
Expenses in Denmark (=HQ level)	6.000	20%	405	1.595	20%	2.000	20%	2.000	20%

*\*As a special condition for this call: if any unspecified administration fee are granted to local partners then it must be included under A.2. for each output and totalled here  
(For larger projects covering activities in several countries, please add extra budgetsheets for each country as well as summary budget sheet)*





# Annex 4: Supplementary Materials

August 17<sup>th</sup> 2022

## 1 Overview of Supplementary Materials

Doc. no.	Document	Purpose
1	Grant letter from DK MFA for the 2022-25 Strategic Partnership period	Confirming qualification of WWF DK as a Danida Strategic partner
2	Capacity Assessment and Review of WWF-Denmark 2018	Documentation WWF DK's completion of a Danida capacity assessment within the last five years to demonstrate its capacity to manage financial contributions from Danida.
3	Memorandum of Understanding - WWF BR and Soledaridad	Confirming that WWF BR and Solidaridad as implementing partners in the project
4	Letter of support: Danish Alliance for Soy	Confirms the Alliance's commitment to act as Advisory Board for the SUSS-Partnership
5	Letter of support: IFRO	Confirms the commitment of the Department of Food and Resource Economics at the University of Copenhagen to be engaged in this project as a sparring and learning partner and provide input on an ongoing basis.
6	Letter of support: Danish Crown	Confirms that Danish Crown look at possibilities for co-financing activities linked to the demand side of the project
7	WWF BR Annual Report 2020	Complementary information on WWF BR implementing and management capacity, financial status and management, as well as organizational set up and current focus areas and activities.
8	WWF BR Financial Statement 2020	
9	WWF BR Financial Statement 2021	

## ANNEX 5

### PARTNER ASSESSMENT

The project was selected as a result of a tender process under the thematic NGO Call for Proposals (CfP) modality. Two consortiums submitted project proposals in response to the CfP. A CfP Evaluation Team consisting of GDK and ELK evaluated the two project proposals based on CfP Evaluation Team Terms of Reference and selected the winning proposal. Other relevant MFA departments and Embassies were subsequently heard in the process of assessing the proposal and the implementing partner. The Committee concluded that the project proposal *Scaling Up Sustainable Soy (SUSS) Partnership* with WWF Denmark as lead applicant fulfilled the criteria and offered the best value for money.

## ANNEX 6

### PROCESS ACTION PLAN - *Scaling up Sustainable Soy (SUSS)* *Partnership*

Action/product	Deadlines/dates	Responsible/involved Person and unit	Comment/status
Approval of Project by the Minister for Development Cooperation	Week 34	GDK	
Signing of Development Cooperation Agreement	31 August	GDK	
Project Inception Phase starts	1 September	WWF	
Project implementation starts	1 January 2023	WWF	





# SUSS Communication Plan

August 19<sup>th</sup> 2022

Product/ Activity	Content	Purpose and audience	Communication channel
<b>Short videos capturing the development of the project, its results and learnings</b>	The before, during and after of the project	The visual content will aim to communicate in a nuanced manner the complex problem of deforestation linked to Danish soy import, and the impacts this project will aim to contribute to – followed by the results and learnings achieved through project activities. The ambition is to visualise results and lessons learned and the progress of the project.	WWF and DIEH social media channels
<b>Visual documentation of annual conference (Output 1.4)</b>	Highlighting stakeholders' participation in making the soy value chain DCHF	The visual content will aim to communicate that there is momentum around making the soy value chain DCHF – and now is the time to act both for supply and demand side actors.	WWF and DIEH social media channels
<b>Annual Conference Learning Compilations (Output 1.4)</b>	Compiling learnings from 'the Annual conference on (opportunities and challenges for) sustainable commodity production in Cerrado' summarising the current state of affairs	The written compilations of learnings will ensure that the outputs of the Annual Conference reaches a broader audience and is available to organisation and stakeholders in their own programming.	WWF: email to conference participants; 1:1 meetings.  DIEH: stakeholder dialogue meetings and round tables.  All: social media, webpages, newsletters.
<b>End-of-project evaluation report – a lessons learned compilation</b>	Knowledge product with focus on findings during the project and lessons learned (what has worked well and what has not work so well)	A solid knowledge product will be important in terms of our communication and engagement with expert stakeholders and networks, ranging from international NGOs, to local organisations, Danish businesses as well as policy makers. The purpose is to create value beyond the project's direct partners and stakeholders – and the project's lifetime.	WWF: network meetings  DIEH: stakeholder dialogue meetings and round tables. IFRO: participation in academic conferences on deforestation and value chains.  All: social media, webpages, newsletters.

Product/ Activity	Content	Purpose and audience	Communication channel
<b>Human Rights Impact Assessment (Output 3.2)</b>	Knowledge product with a focus human rights violations in the soy value chain	A solid knowledge product will be important in term of our communication and engagement with expert stakeholders and networks, ranging from international NGOs, to local organisations, Danish businesses as well as policy makers. The purpose is to create value beyond the project's direct partners and stakeholders – and the project's lifetime.	WWF: network meetings.  DIEH: stakeholder dialogue meetings and round tables.  All: social media, webpages, newsletter.

## ANNEX 8

### QUALITY ASSURANCE CHECKLIST - *Scaling up Sustainable Soy (SUSS) Partnership*

File number/F2 reference: 2022-18442

Programme/Project name: *Scaling up Sustainable Soy (SUSS) Partnership*

Programme/Project period: September 2022 – December 2025 (40 months including a four month Inception Phase).

Budget: DKK 30 million

#### Presentation of quality assurance process:

The draft Project Document (PD) for the project *Scaling up Sustainable Soy (SUSS) Partnership* was submitted by WWF Denmark in response to the thematic NGO Call for Proposals (CfP) on reducing deforestation and increasing the sustainability of the Danish soy supply chain launched by the Danish Ministry of Foreign Affairs in December 2021

The appraisal of the draft PD was conducted as a Danida desk appraisal in May-June 2022 with the aim of providing an independent assessment and quality assurance of the design and documentation of the PD in accordance with Danida's Aid Management Guidelines (AMG), in particular the appraisal guidance note under Guidelines for Country Strategic Frameworks, Programmes and Projects.

The appraisal included meetings with the CfP evaluation team and the department responsible for the programme within the Ministry of Foreign Affairs, Green Diplomacy and Climate (GDK), as well as online interviews with the lead applicant for the project (WWF Denmark), the two co-applicants WWF Brazil and the Danish Ethical Trading Initiative (DIEH) as well as Stefan Emanoil Ilcus, Sustainable Value Chain Adviser at the Danish General Consulate in Sao Paolo. These meetings and interviews contributed substantially to the overall appraisal process.

The appraisal was carried out by Lena Veierskov, Chief Consultant, Department for Green Diplomacy and Climate (GDK), Danish Ministry of Foreign Affairs with support from Hanne Carus, Chief Consultant, Department for Evaluation, Learning and Quality (ELK).

The overall conclusion of the appraisal was that the draft PD was *recommended for approval with only minor adjustments* taking a total of 16 appraisal recommendations into consideration.

☒ The design of the programme/project has been appraised by someone independent who has not been involved in the development of the programme/project.

*Comments:*

☒ The recommendations of the appraisal has been reflected upon in the final design of the programme/project.

*Comments: All 16 recommendations have been thoroughly reflected in the final version of the PD submitted here for approval. Some of the recommendations have been addressed in full at this stage while others have been accepted and will be fully reflected during and immediately following the Inception Phase.*

☒ The programme/project complies with Danida policies and Aid Management Guidelines, including the fundamental principles of Doing Development Differently.

*Comments:*

☒ The programme/project addresses relevant challenges and provides adequate responses.

*Comments:*

☒ Issues related to HRBA, LNOB, Gender, Youth, Climate Change, Green Growth and Environment have been addressed sufficiently in relation to content of the project/programme.

*Comments:*

☐ Comments from the Danida Programme Committee have been addressed (if applicable).

*Comments: N/A*

☒ The programme/project outcome(s) are found to be sustainable and in line with the partner's development policies and strategies. Implementation modalities are well described and justified.

*Comments:*

☒ The theory of change, results framework, indicators and monitoring framework of the programme/project provide an adequate basis for monitoring results and outcome.

*Comments:*

☒ The programme/project is found sound budget-wise.

*Comments:*

☒ The programme/project is found realistic in its time-schedule.

*Comments:*

☐ Other donors involved in the same programme/project have been consulted, and possible harmonised common procedures for funding and monitoring have been explored.

*Comments: N/A*

☒ Key programme/project stakeholders have been identified, the choice of partner has been justified and criteria for selection have been documented.

*Comments:*



☒ The implementing partner(s) is/are found to have the capacity to properly manage, implement and report on the funds for the programme/project and lines of management responsibility are clear.

*Comments:*

☒ Implementing partner(s) has/have been informed about Denmark's zero-tolerance policies towards (i) Anti-corruption; (ii) Child labour; (iii) Sexual exploitation, abuse and harassment (SEAH); and, (iv) Anti-terrorism.

*Comments:*

☒ Risks involved have been considered and risk management integrated in the programme/project document.

*Comments:*

In conclusion, the programme/project can be recommended for approval: yes

Date and signature of Desk Officer: 22/8/22



Date and signature of Management: 23/8/22



