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COLLABORATION FOR FORESTS AND AGRICULTURE

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THE CFA

In 2015, the Gordon and Betty Moore Foundation launched its Forests and Agriculture Markets Initiative, a five-year project that works to help transform Deforestation/Conversion Free (DCF) beef and soy production into the global standard for these consumer goods. At the centre of this initiative and of great importance to ensure its objectives are achieved, the Collaboration for Forests and Agriculture (CFA) was jointly launched in 2016 by the National Wildlife Federation (NWF), The Nature Conservancy (TNC), the World Wildlife Fund (WWF), the Gordon and Betty Moore Foundation and a range of other strategic partners.

THE CHALLENGE

By 2050, global demand for food will grow significantly, further increasing pressure on forests, oceans and other critical ecosystems. The expanding demand for finite resources and supply chain activities with frequently unknown risks of a financial, operational and reputational nature create significant challenges for companies, as well as their creditors and investors.

THE CONTEXT

Agriculture is responsible for an enormous global ecological footprint: it takes up almost 40% of the earth's surface not covered in ice, uses around 70% of all extracted freshwater, is responsible for nearly 30% of global greenhouse gas emissions (GHGs) and half of all deforestation. All signs seem to indicate that these figures are set to increase even further over the coming decades.

THE SOLUTION

Since 2013, the Gordon and Betty Moore Foundation has been supporting projects that aim to combine food production with conservation of the environment. For this purpose, the Collaboration for Forests and Agriculture (CFA) was designed for leading organisations that have the joint capacity to define standards and outline incentives to producing zero-deforestation and conversion beef and soy.

EXPECTED RESULTS

The focus is to achieve solid commitments to zero conversion of all natural ecosystems by the leading companies that buy, distribute and process soy and beef in the Amazon and Cerrado regions in Brazil, and in the Gran Chaco region spanning Argentina and Paraguay. In other words, the aim is to eradicate the deforestation and conversion caused by the supply chain for these commodities, without this being displaced, by 2021.



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The Role of WWF-Brasil

In the Collaboration for Forests and Agriculture (CFA) context, WWF-Brasil was responsible for coordinating the private sector engagement and alignment capital work for Brazil's strategies, leading the beef, soybean and demand working groups and engaging financial sector, namely private and public finance institutions, as well as the finance value chain.

In order to report on the progress toward the CFA's key objective - Deforestation/Conversion Free (DCF) production in beef and soy supply chains - WWF-Brasil presents its management review of the results achieved from March/2016 to February/2018.

THE BRAZILIAN TEAM HAS BEEN IN CHARGE OF ACTIVITIES REGARDING VARIOUS STRATEGIES:

- 1) Private Sector Leadership (PSL) led by WWF;
- 2) Transparency led by TNC;
- 3) Aligning Capital led by WWF and
- 4) Cross-cutting elements led by NWF.

In all strategies where WWF-Brasil was involved, there was a collaboration of strategic partners which will be described in this report.

In general, the first two years of the project were very intense in a sense that a project development team was created, and a governance structure among Core Architects (CA) was established and the engagement with Strategic Partners (SP) was enhanced. Along these initial steps that sought to create favorable conditions to develop the project, WWF-Brasil also focused, alongside the CAs and SPs, on:

- **Defining the engagement strategy for PSL and starting the role out of the strategy, making a reasonable number of TIER 1 and TIER 2 companies aware and willing to work with the CFA. In order to do this, the reality tours in the Amazon and Cerrado proved to be a significant tool;**
- **Supporting the creation of the process for the 4.2. sub outcome, including initial engagement with companies and platforms to collect initial reactions to the aspirational goal;**
- **The Cerrado agenda: after the first round of engagement with companies it was clear that there was no interest to implement any commitments at the biome - the "Cerrado Manifesto" and the response from companies were crucial to create some tension and get this topic in the top of the discussion list in the sectors;**
- **Providing alignment among partners with complementary expertise. The Aligning Capital strategy is a good example of how this can be a strong way to work together and promote the desired change;**
- **Building alignment around CFA strategies with help from the WWF Network and other partners and platforms. This allowed us to achieve a better engagement at international level and the work carried out in Europe (including Russia) and China should be highlighted.**

We get to the end of the 2nd year of the project with robust enabling conditions among partners and core architects in Brazil, with strong commitments from demand companies, now including Cerrado, and with a dialogue with producing companies in Brazil and their platforms (GTS/GTC, GTPS, ABRAS, G6).

On the other hand, we still have resistance from producing companies to move towards CFA's aspirational goal in the Cerrado. The challenge of this next phase will be how to overcome this resistance and get companies to move on the agenda.

The first two years: highlights and outcomes

Private Sector Leadership

As for the PSL strategy, the first effort was to define the priorities for TIER 1 and TIER 2 companies and the platform to be engaged in the international and domestic markets. Below you can find a list of target companies.

TIER 1

	BRAZILIAN SOY TRADERS	BRAZILIAN MEATPACKERS	INTERNACIONAL DEMAND SIDE	BRAZILIAN DEMAND SIDE
TOTAL	7	3	50	13
WHO	ADM, Amaggi, Bunge, Cargil, COFCO, LDC e Abiove	JBS, Marfrig, Minerva	<p>China: Wilmar/ADM, COFCO</p> <p>Europe: Avril, Bel, Casino, Elior, FrieslandCampina, IKEA Food, Lactalis, Nestle, Savencia, Sodexo, Superunie, Arla, ICA, Colruyt, Meat Import Zandbergen, Coop Group, MIGROS, Asda, Nutreco, Ahold Delhaize, M&S, Tesco, Unilever, Carrefour, Danone</p> <p>USA: Amazon, Bimbo, CONAGRA FOODS, Doctor's Associates, Hormel, Nestle Purina, Pepsico, Sysco, Target, Kroger, YUM! Brands, ADM, Bunge, Cargill, Costco, General Mills, Kellogg, Kraft Foods, Mars, Tyson, Burger King, McDonald's and Walmart.</p>	<p>Retailers: Carrefour, Grupo Pão de Açúcar (GPA), Walmart</p> <p>Restaurants: Arcos Dourados (McD)</p> <p>Brands: MARS, Mars Pet Care, Danone, Unilever, Nestlé, Nestlé Purina Pet, Kellogs*</p> <p>Feed Industry: Brasil Foods (BRF), JBS Foods (Seara)</p>



TIER 2

	BRAZILIAN SOY TRADERS	BRAZILIAN MEATPACKERS	INTERNACIONAL DEMAND SIDE	BRAZILIAN DEMAND SIDE
TOTAL	5	17	35	24
WHO	Algar Agro, Caramuru, Multigrain, Agrex and Granol	Frigol, Mercurio, Xinguara, Agra, Rio Maria, Frialto, Naturafriq, Mataboi, Masterboi, Barra Mansa, Plena Alimentos, Frigon, Boi Brasil, Frisa, Frigotil, Fribal and Frivasa	<p>Chile: Cencosud AS, Falabella SACI and SMU SA</p> <p>China: CityShop, JD.COM, Shangri-la, VANGUARD, XIBEI, ALIBABA, CP Group China, Tongrenshen, Well Hope Xiangchi, ChuYing/ Truein, ChinaGrand Farm, Hopefull Group, Jiusan Group, Mongolia Kerchin, NEW HOPE, ChinaSinograin Oils, ChinaWen's and ChinaYongDA Food</p> <p>Europe: Agrifirm, Auchan, Louis Dreyfus, METRO, REWE, FORFARMERS, Nando's and Henkel</p> <p>Russia: Azbuka Vkusa, Lenta, X5 Retail, Dixy Group and Magnit</p>	<p>Retailers: Cencosud, Zaffari, Condor Super Center, Comper (Grupo Pereira), Lider, Y. Yamada, Dia % and Makro*</p> <p>Restaurants: Habib's, BFFC (Bobs, Pizza Hut, KFC, Doggies), International Meal Company, Burger King BR, Giraffas, Grupo Trend Foods (China in Box and Gendai), Grupo Trigo, Halipar (Grileto and Montana Express) and Subway *</p> <p>Caterers: Sodexo, Sapore, GRSA</p> <p>Feed Industry: Aurora</p> <p>Association: ABRAS, IFB e ABPA</p>

In the scope of international demand, the presence of WWF's global soy lead in our office along with our expertise in global multisectoral engagement helped us to achieve a very strong and explicit engagement of 63 global consumer goods companies and 64 Chinese meat companies, to source only conversion free soy and beef from Cerrado and other regions. It also helped to put the Cerrado at the center of international attention, and strong awareness on the need for action by companies, as well as soy as a top global issue.

Focal points were mobilized in each market and helped to identify and rate TIER 1 and TIER 2 companies, as well as a specific engagement strategy for each context. In total were 123 companies prioritized and 85 selected for engagement, 50 rated as TIER 1 and 35 as TIER 2 in Europe, Russia, China, US and Chile.

Two major highlights of this work are the Cerrado Manifesto and The Chinese Meat Declaration.

The Manifesto for the Brazilian Cerrado is an unprecedented event for the biome coming from the Brazilian civil society (over than 40 NGOs), being WWF-Brasil one of the leaders of this movement and projecting the Cerrado to a global agenda. This initiative received a statement of support signed by 63 global retailers and brands, with high profile launch by COEs in London with HRH Prince of Wales in October 2017, and specific agenda at the WEF Davos meeting in January 2018.

The Chinese Meat Declaration was signed by the China Meat Association (11K members) and 64 leading meat companies from the country. Mobilization of Chinese market was done in close cooperation with Solidaridad-China and TNC for the soy traders and feed industry.

Key platforms & associations were engaged at international level, including RTRS, FEFAC, FEDIOL, China Sustainable Soy Trade Platform, China Meat Association and China Sustainable Retailers' Roundtable, amongst others. Also, a Retailer & brand summit in London on Cerrado Manifesto and CFA's role in its implementation.

WWF offices mobilized for WWF-US subcontracting Etante - which has a deep knowledge of European, Russian and US Retail sectors - to support their engagement. Subcontracted Etante and BSR helped to consolidate the list and strategic information on markets, monitoring and reporting progress in each market, developing protocols for internal diagnostics and development of roadmaps for achieving deforestation/ conversion free (DCF) supplies. Etante also technically supported the Cerrado Manifesto signatory companies to expand the number of supports and discuss implementation, structures and plans.

As for the domestic demand (under strategy sub outcome 1.1.3), 37 buyers were selected for engagement, 13 of which rated as TIER 1 and 24 as TIER 2 in Brazil. Throughout 2017, working groups and workshops were held by WWF-Brazil, assisted by REVER and Amigos da Terra as partners, to present CFA's objectives to those companies and warn them about the needs for having Cerrado and Chaco, besides Amazon, included in their purchase policies as an urgent matter. Approximately 11 TIER 1 companies joined the effort, which represents 183% of the milestone set. In different levels of engagement, we can highlight companies such as McDonalds/ Arcos Dourados and Walmart Brazil, which accepted to be "Champions" of the cause and are going to help influence and engage other companies.

Key platforms & associations were also contacted, including ABRAS (Brazilian Supermarkets Association), IFB (Brazilian Foodservice Institute) and ABPA (Brazilian Animal Protein Association).

The TIER 2 companies are more challenging due to their structures and positions in the market. oftentimes, these companies are far away from main demanding and conscious consumers, which prevents the pressure for changes or environmental awareness from becoming drivers. This must be overcome in phase 2.

Also, as for the domestic demand, the first version of the Report Card was developed - a step-by-step guide to help companies implement a well-structured supply chain management, specially related to D-free commitments.

The sub strategy outcome 1.2 brings the challenge of engaging soy and beef industries to the DCF supply chain. Since the same thing happened to the demand side in 2017, there was time to select the priorities for TIER 1 and TIER 2 companies. Also, obtain a better understanding of production, socioeconomic conditions in Amazon and Cerrado to address a path to deforestation/conversion free in the beef and soy chains through studies developed by strategic partners as IPAM and Imaflora. In addition, working groups were set up to have a broad discussion on the beef strategy including meatpackers, civil society and a consultancy partner (NatCap).



As for the soy strategy, a specific forum integrated into Soy Working Group (GTS in Portuguese) was created, which was named Cerrado Working Group (GTC in Portuguese) to address specific topics regarding the conversion of natural vegetation in this biome. In the soy sector, 12 companies were targeted, of which 7 rated as TIER 1 and 5 as TIER 2. The achievement surpassed the goal set in 2017 by 233%, which represented 7 TIER 1 companies engaged in one of those levels.

As for the beef sector, 20 companies were targeted to be engaged in D-free commitments, 3 rated as Tier 1 and 17 as Tier 2. In this first phase of the CFA, all the Tier 1 companies were reached out, which represented 300% of the goal set in 2017.

The Working Group for Sustainable Livestock (GTPS) - Brazilian beef roundtable, was an important partner in the beef strategy (sub outcome 1.3.2) as a platform, which represents complete beef supply chain. Supported by WWF Brazil, GTPS was able to launch the GIPS web platform, a guide for sustainable beef indicators, which is available at www.gips.org.br and, designed its capacity building program.

Other action taken in CFA phase 1 project was to engage priority feed companies to have them advised by PSL team about Deforestation and Conversion Free (DFC) in supply chain agreements. Those companies were approached to be engaged in zero deforestation commitments in sourcing soy from monitored areas in Amazon, Cerrado and Chaco avoiding deforested area. There were 3 companies engaged in 2017.

Reality Tours

Finally, yet importantly, we highlight the reality tours carried out with IPAM in areas of pressure such as the state of Pará (for the Amazon biome) and Matopiba region (for the Cerrado). In total, there were 4 trips (2 during the Tropical Forest Alliance in 2017) and 50 people participated in all. We realized that it was significant valuable to put these decision makers in direct contact with the local actors of the soy and meat production in those biomes.

CHECK THE IMAGES AND TESTIMONIES OF SOME PARTICIPANTS:

“Understanding the dynamic between the meat packers and producers, how monitoring issues can interfere with the lives of producers and what this really means for meat packing plants is essential. This will help me to relate this to my everyday job working with our associates”

BIANCA NAKAMATO, sustainability analyst for the Brazilian Beef Exporters Association (ABIEC).



Field trip on livestock in Pará (Amazon) in November 2017



Field trip during the TFA2020 on soybean in Maranhão and Piauí (Cerrado) in March 2017.

“Government, enterprise and NGOs need to take decisive action so that this beautiful area of South America is not completely destroyed by soy production and cattle-rearing. We need to find ways of balancing economic production with the needs of the people who live here”

RACHEL BACKER, from NGO “The Forest Truth.

“It’s important to provide this kind of experience to the private sector so that large companies can start looking into this situation again and appreciate the relationship between grain production and the communities that live in surrounding regions, in this way seeking a greater balance”

LUCAS PASCHOAL, supervisor of commodities for BRF.



Field trip on soy in the Cerrado of Matopiba in October 2017.



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Another field trip during the TFA2020 in Pará (Amazon) in March 2017.

“I learnt a lot on these visits. Seeing the social and environmental challenges that the Cerrado is facing has been fundamental. It is the responsibility of the whole market to seek solutions to resolve this problem”

RODNEY SNYDER, supervisor of commodities for BRF.



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Exclusive field trip with Walmart in May 2017 on the Cerrado biome

“We are a long way from the reality in the field, which is a serious problem as all the decisions are made in the big cities. Immersing ourselves in the problems experienced by the people who live here really makes you see things differently. I may never have had this chance to see such serious and commonplace social problems that are now almost seen as banal by wider society. This has been an excellent opportunity to raise awareness among decision-makers”

RAFAEL BRUGGER, Agronomy engineer for Caixa Econômica Federal

OUTCOMES

DEVELOPMENT AND LAUNCH OF THE COMPANY ENGAGEMENT LEVEL GUIDANCE, COMPOSED BY 6 LEVELS:

- L0 No expression of interest yet;
- L1 Awareness;
- L2 Exploration;
- L3 Integration;
- L4 Commitment;
- L5 Leadership

The guidance will allow a much more effective engagement management, with clear evolution through the buy-in stage, where there is a need to involve other areas beyond sustainability teams. It also allows identifying and using correct approaches and materials for each stage, by defining target audiences.

OUTCOMES 1.1

Sub-Outcome - 1.1.1

Target International T1 and T2 buyers and platforms commit to only source from Playstation/Conversion-free (DCF) beef and soy supply chains from the Amazon, Cerrado and Chaco (except China which is covered by 1.1.2).



ENGAGEMENT LEVEL OF TIER 1 COMPANIES

No expression of interest yet: Avril, Bel, Casino, Elixor, FrieslandCampina, IKEA Food, Lactalis, Nestle, Savencia, Sodexo, Superunie, Amazon, CONAGRA FOODS, Doctor's Associates, Hormel, Nestle Purina, Pepsico, Sysco, Target, Kroger and YUM! Brands

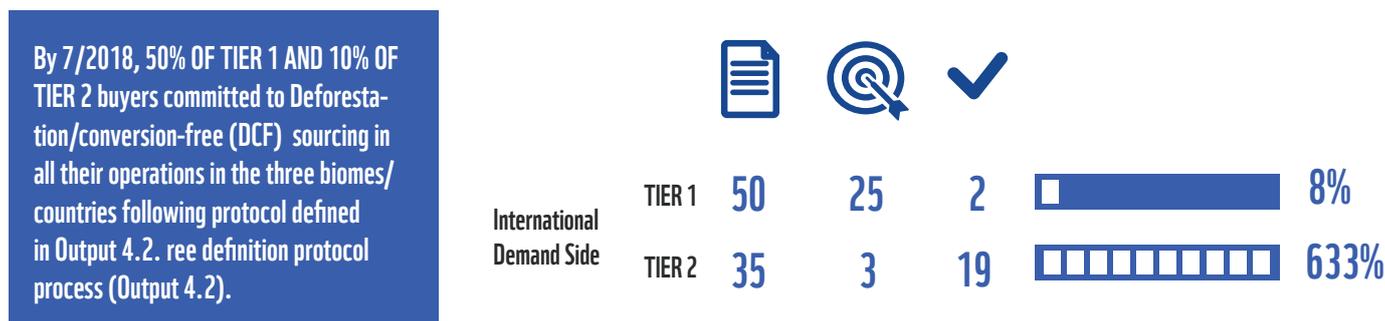
Awareness: Wilmar/ADM, Arla, ICA, Colruyt, Meat Import Zandbergen, Carrefour, Danone, Bimbo, ADM, Bunge, and Cargill

Exploration: COFCO, Coop Group, MIGROS, Asda, Nutreco, Costco, General Mills, Kellogg, Kraft, Foods, Mars and Tyson

Integration: Ahold Delhaize, M&S, Tesco, Unilever and Burger King

Commitment: McDonald's and Walmart

It's important to highlight that 62 companies signed the Cerrado Manifesto Statement of Support (SoS) and 64 companies signed the Chinese Sustainable Meat Declaration.



ENGAGEMENT LEVEL OF TIER 2 COMPANIES

No expression of interest yet: Cencosud SA, Falabella SACI, SMU SA, CityShop, JD.COM, Shangri-la, VANGUARD, XIBEI, Agrifirm, Auchan, Louis Dreyfus, METRO, REWE, Azbuka Vkusa, Lenta and X5 Retail.

Exploration: ALIBABA, ChuYing/Truein, CP Group China, Grand Farm, Hopefull Group, Jiusan Group, Mongolia Kerchin, NEW HOPE, Sinograin Oils, Tongrenshen, Well Hope, Wen's, Xiangchi, YonDA Food, FORFARMERS, Henkel, Nando's Chickenland Ltd, Dixy Group and Magnit.

It's important to highlight that 62 companies signed the Cerrado Manifesto Statement of Support (SoS) and 64 companies signed the Chinese Sustainable Meat Declaration.

Sub-outcome 1.1.3

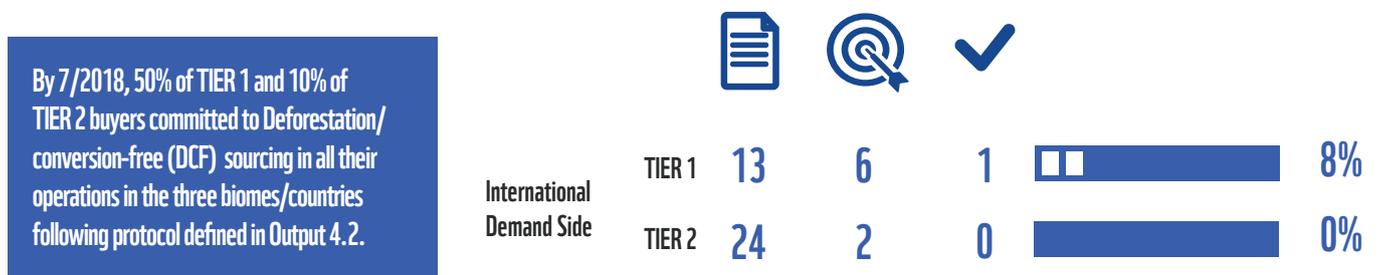
Target Regional (Brazil, Paraguay, and Argentina) buyers and platforms commit to only sourcing deforestation-free soy and beef from the Amazon, Cerrado and Chaco.



ENGAGEMENT LEVEL OF TIER 1 COMPANIES

- No expression of interest yet:** Unilever and Nestlé;
- Awareness:** Mars; Mars Pet Care; Nestlé Purina PET; JBS Foods (Seara) and Kellogs
- Exploration:** Danone and Brasil Foods;
- Integration:** Carrefour; Pão de Açúcar (GPA) and McDonald’s/Arcos Dourados
- Commitment:** Walmart – BR

It’s important to highlight that 62 companies signed the Cerrado Manifesto Statement of Suport (SoS) and 64 companies signed the Chinese Sustainable Meat Declaration.



ENGAGEMENT LEVEL OF TIER 1 COMPANIES

- Commitment:** Walmart – BR

OUTCOMES 1.2

Sub-outcome 1.2.1

Tier 1 and Tier 2 meatpackers and soy traders and trade associations commit to only sourcing deforestation-free beef and soy from the Chaco (Argentina and Paraguay) and Cerrado.



ENGAGEMENT LEVEL OF SOY TRADERS

- Exploration:** Bunge, ADM, Cargil, Amaggi, COFCO, LDC and Abiove

ENGAGEMENT LEVEL OF BRAZIL MEATPACKERS

- Awareness:** JBS
- Integration:** Marfrig and Minerva

OUTCOMES 1.3

Sub-outcome 1.3.2

Tier 1 and 2 meatpackers demonstrate meaningful progress in the implementation of deforestation-free commitments all the way to cow-calf operations in the Amazon, Cerrado and Chaco, resulting in an increased supply of deforestation-free beef from all three biomes in domestic and international markets.

By 7/2018, indicators that address Deforestation/Conversion-free (DCF) made available by regional beef roundtables aligned with G4 and GTFI criteria/commitments.



Sub-outcome 1.3.3

Tier 1 and Tier 2 beef and soy buyers demonstrate meaningful progress in sourcing only deforestation-free beef and soy from the three target geographies.

By 12/2017, priority feed and animal protein producers sourcing soy from target biomes identified, engaged and aligned with ongoing dialogue.



ENGAGEMENT LEVEL OF TIER 1 COMPANIES

- Awareness:** JBS Foods
- Exploration:** BR Foods
- Integration:** Nando's

Besides that good achievement, is important to highlight that 62 companies signed the Cerrado Manifesto Statement of Support (SoS) and 64 companies signed the Chinese Sustainable Meat Declaration.

ENGAGEMENT LEVEL OF TIER 2 COMPANIES

- Awareness:** Aurora

Transparency

WWF lead the CFA sub-outcome 2.1.3 of the Transparency strategy as this suboutcome is the link between the Transparency and the PSL strategies. Main work was focused on providing guidance on technologies and tools, which are available to monitor sources of production, allowing targeted companies to demonstrate robust transparency in the implementation of D-free commitments, and to measure reductions in deforestation across the beef and soy sectors in the target biomes.

During the first phase of CFA, the focus was on understanding the different systems and players in place, their potential and the existing gaps for CFA to shape the tools under development based on current initiatives in different countries. The diversity of initiative reflects different business models and monitoring methodologies were evaluated such as the Soy Moratorium pre-competitive collaboration among traders and civil society; the direct suppliers monitoring system for cattle in Brazil with lack of harmonization among meatpackers; the role of the government as reflected in the official Argentinian traceability mechanism – SENASA; the potential use of the official documents CAR (Registry under the new forest code) and GTA (document of animal transportation) to improve current systems in Brazil.

Based on those studies, CFA engaged with the private sector to understand how to improve current systems where they exist (like in the Amazon) and to discuss what would be appropriate in the biomes without a monitoring system in place (such as the Cerrado). It was also important to understand the possible business models that could be implemented. At the same time, a group of meatpackers and retailers met in Brazil (G6) to discuss a harmonization process for the Amazon, starting a discussion on pre-competitive collaboration to be explored by CFA.

The engagement with the companies also helped to promote and give feedback to the tools and systems under development such as Mapbiomas. Companies in Brazil were already using official data from Prodes for the Amazon, but they were lacking a tool for the Cerrado. Even if there is still a way to go, by exposing companies to Mapbiomas, the potential of the tool was highlighted over different meetings.

We reached the end of the first phase with good information to keep working with the monitoring tools, based in the studies developed, evaluation of different systems and discussions with key actors. This leaves CFA in a good position to use this information to shape the tools under development; develop business models and guidance's on systems aligned with the definition coming from the sub-outcome 4.2; and engage companies to implement better and/or new monitoring systems – key to PSL strategy.



In partnership with Imaflora and Agrottools addressing transparency, studies were developed seeking similarities, differences, and gaps in current TIER1 meatpackers' monitoring systems, besides evaluating monitoring systems benchmarked and harmonized in the beef chain.

Two more analyses were developed for the beef chain: Challenges and opportunities for monitoring indirect suppliers - Evaluation of proposal "A" of the working group on indirect suppliers (GTFI) and The Biological Zero Point (PZB in Portuguese). Both analyses brought gaps and challenges to have indirect suppliers monitored. For soy chain, the analysis had identified VDF monitoring systems and tools for soy traders to use to verify the source of soy from direct and indirect suppliers.

OUTCOMES

A critical mass of target companies demonstrate robust transparency in the implementation of Deforestation/Conversion-free (DCF) commitments, resulting in measurable reductions in deforestation and conversion across the beef and soy sectors in the target geographies.

OUTCOMES 2.1

Sub-Outcome - 2.1.3

Tier 1 and Tier 2 meatpackers and soy traders effectively monitor their supply chains for Deforestation/Conversion-free (DCF) beef and soy from direct to indirect-suppliers in all three biomes using harmonized

<p>By 3/2017, similarities, differences, and gaps in current Tier 1 meatpackers' monitoring systems and workplans identified, and specific recommendations for improvements made.</p>	<p>Report containing the similarities, differences and gaps in current meatpackers' monitoring systems.</p>	<p>0</p> 	<p>1</p> 	<p>1</p> 		<p>100%</p>
<p>By 4/2017, Deforestation/Conversion-free (DCF) monitoring systems and tools identified for soy traders to use to verify deforestation-free soy from direct and indirect suppliers.</p>	<p>VDF monitoring systems and tools will be identified for soy traders to use to verify VDF soy from direct and indirect</p>	<p>0</p> 	<p>1</p> 	<p>1</p> 		<p>100%</p>
<p>By 3/2017, similarities, differences, and gaps in current Tier 1 meatpackers' monitoring systems and workplans identified, and specific recommendations for improvements made.</p>	<p>VDF monitoring systems benchmarked harmonized</p>	<p>0</p> 	<p>1</p> 	<p>1</p> 		<p>100%</p>
<p>By 12/2017, business model developed for bringing Deforestation/Conversion-free (DCF) programs to scale.</p>	<p>Beef production chain Evaluation of the Biological Zero Point - PZB</p>	<p>0</p> 	<p>2</p> 	<p>2</p> 		<p>100%</p>
		<p>0</p> 	<p>1</p> 	<p>1</p> 		<p>100%</p>



Aligning Capital

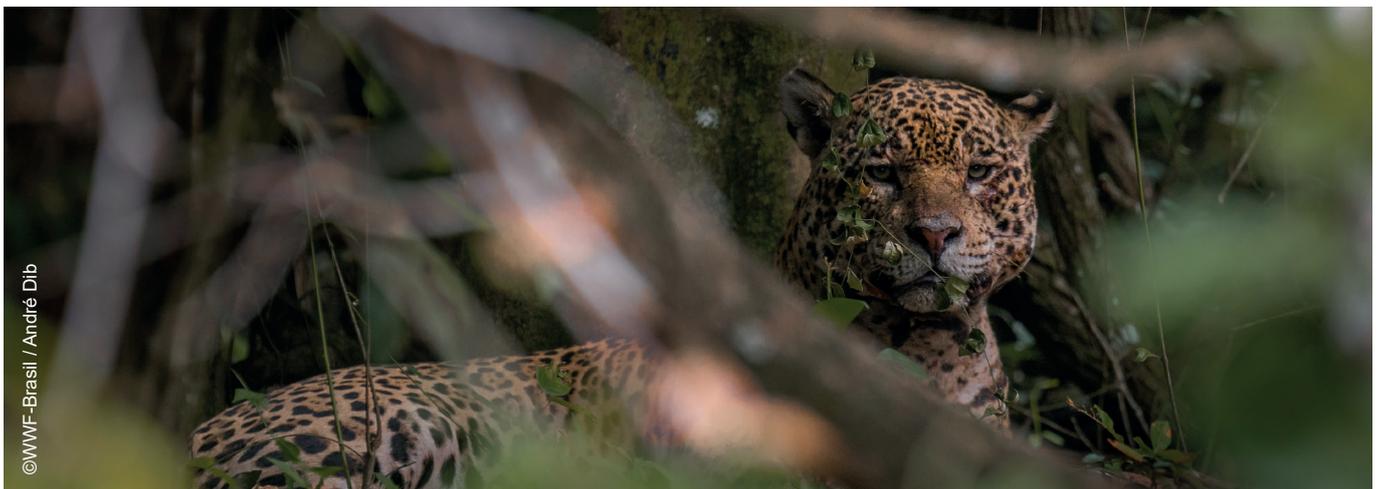
WWF leads two CFA Aligning Capital (CFA/AC) outcomes, related to private/public finance and value chain finance. In Brazil, initial engagement with private financial institutions (FI) revealed the existing barrier to discuss the zero deforestation and conversion. FIs are very formal and legal institutions, which rely on the argument “if my client has the legal right to convert a land for agricultural production (with the adequate license), we as a funding provider can’t do much and, even if we deny helping them, the client can just go knock on the next door”. National banks did not adhere to BEI nor SCC. Therefore, we chose to discuss risks, opportunities and tools that could help banks avoid unwanted risks.

CFA/AC leveraged from CFMI and many activities were used to discuss, present and promote both initiatives, starting from the MoU with Febraban, the CFA/CFMI launching at May’s Coffee with Sustainability; the workshop with the leading banks and Febraban to present the results of the tools and database mapping to identify deforestation and conversion risks in the banks’ loans portfolio.

Through our partnership with Febraban, we engaged FIs to join CFA/PSL Reality Tours (Soy/Matopiba and Beef/Amazon) with participants from Rabobank and Caixa Economica Federal. We also promoted a meeting with FIs, Febraban, soy traders and the Soft Commodity Forum (SCF/WBCSD) to discuss shared views and opportunities on zero deforestation and conversion financing and production. We also held a bilateral meeting, with Banco do Nordeste/BNB - an important regional bank acting in the northeast region (which houses the Cerrado).

On the public finance part, we opened important channels and started to pave a road to build relationships and trust with key public institutions. This was accomplished through several engagement meetings with specialists from the Ministry of Finance, Ministry of Agriculture, Ministry of the Environment, BNDES, Brazilian Central Bank and Banco da Amazônia, Banco do Nordeste, Banco do Brasil, and we organized a workshop where we discussed the proposals for the Rural Credit Manual.

With our strategic partner Agroicone, we elaborated the proposals throughout the year and by presenting them to different audiences, we were able to work on improving them with the feedback received. The final versions of the proposals were presented and debated in a workshop we promoted with more than 12 institutions and 25 people. This group indicated that four out of the seven proposals were more likely to be incorporated in the Rural Credit Manual by the regulator. The ministries accepted to consider the proposal, taking them forward. Due to this work, the Ministry of the Environment invited WWF and Agroicone to join the PLANAVEG Consulting Chamber.



The sub outcome 3.2.1 seeks to identify the impedance of input companies on soy productions and engage those companies to adopt environmental risks analyzing on commercial loans.

The Sitawi report “Financial flows for soybean production in the Cerrado of Brazil” showed that 16,3% of the total financing of this chain is made by input companies.

A series of visits was initiated, supported by Agrosecurity, to demonstrate the role of these companies in the expansion of agricultural frontiers and, consequently, in deforestation and conversion.

Meetings with TIER 1 companies (Monsanto, Bayer, BASF and Syngenta) were held with Sustainability and Finance departments. All four companies agreed that the risk of financing deforestation and conversion is an issue that must be acknowledged and should be incorporated into their processes once



Part of the financings made by these companies is made through structured debt securities, called CRAs (Agribusiness Receivables Certificates). We saw an opportunity to use the CRA as a platform to engage Input Companies, Traders, Securitization Companies and other agents proposing a Green CRA with D-free commitments. This pilot operation is being built with the assistance of Felsberg Attorneys, Agrosecurity and Gaia SEC. The issuance of a R\$300 million bond is expected to occur in September 2018.

The Sub-outcome 3.2.2 was postponed to the next project cycle. The economic and political crisis in Brazil, especially due to allegations of corruption and irregularities in meat companies, has increased the uncertainty of loaners, leading to a preference for short term liquidity. Soy bean traders also expressed no interest in this type of mechanism. We will try a different approach to finance the soy expansion over degraded pasture land in 2018/2019).



OUTCOMES

A critical mass of financial institutions (FIs) channel a meaningful increase of capital toward deforestation-free-related practices in target geographies

OUTCOMES 3.1

Sub-Outcome - 3.1.1

Finance from private FIs shifts in support of deforestation-free production in Brazil, Paraguay and Argentina as the opportunities and risks are articulated.

<p>By 4/2017, private financial institution risk management strategy surrounding deforestation and conversion developed with critical buy in by banks, FIs and relevant associations in Brazil.</p>	Strategy developed				0	1	1		100%	
<p>By 4/2017, private financial institution risk management strategy surrounding deforestation and conversion developed with critical buy in by banks, FIs and relevant associations in Brazil.</p>	Report (Financial flows by Sitawi)				0	1	1		100%	
<p>By 7/2017, evidence that Deforestation/Conversion-free (DCF) finance best practices are being shared across regions initially from Brazil to Paraguay.</p>	Workshop (Febraban)				0	1	1		100%	
<p>By 12/2017, Febraban commits to engage their members in discussion to support Deforestation/Conversion-free (DCF) production and at least two financial institutions in Febraban sustainable finance WG commit to shifting towards deforestation-free production</p>										
Signing of a collaboration agreement (MOU) with FEBRABAN					0	1	1		100%	
Critical analysis and recommendation of effective deforestation/conversion and risk management (FGV report)					0	1	1		100%	
Workshop on deforestation/conversion tools to discuss preliminary results					0	1	1		100%	
Febraban's commitment to engage their members in discussion to support Deforestation/Conversion-free					0	1	1		100%	

Sub-Outcome - 3.1.2

Public finance and credit in Brazil, Paraguay and Argentina shifts towards deforestation-free production as the opportunities and risks are articulated.

By 5/2017, Brazil public finance strategy developed including engagement of a senior consultant/advisor, meetings with key public finance actors, and development of strategy with ministries.

					
Strategy developed	0	1	1		100%
Strategy for public banks and development financial institutions engagement	0	1	1		100%
Engagement meetings are held with the main public financial institutions and the main ministries to discuss CFA proposal to move away from devorestation in public credit	0	1	1		100%

By 6/2017, partnership study on WWF - Banco do Brasil work completed and documented in a shareable case to document progress of a major FI in collaborating with conservation issues.

					
Report on sustainability tools from WWF Brasil and Banco do Brasil	0	1	1		100%

By 7/2017, at least two public FIs agree to participate in CFA work in Brazil either via partnership with Febraban, other FI industry group, or direct bi-lateral engagement.

					
#FI agree to participate in CFA meetings and/or workshops	0	2	2		100%

By 12/2017, at least one target ministry indicates support for Deforestation/ Conversion-free (DCF) supply chains and commits to address DCF risks and opportunities

					
#Ministries	0	1	3		300%



OUTCOMES 3.2

Sub-Outcome - 3.2.1

Input suppliers, traders and feed manufacturers drive Deforestation/Conversion-free (DCF) production by linking deforestation-free requirements to finance or in-kind access to inputs (e.g. seed or fertilizer) or markets (e.g. trader financed production or market demand).



*Monsanto's contact was made through Rodrigo Santos, South America CEO and not with the financial arm as the others.

Considering Tier 1 Companies: Syngenta, Monsanto, Bayer and Basf

Sub-Outcome - 3.2.2

Time-bound commitments to sourcing more sustainable production by major buyers used to buy down the risk of investing in Deforestation/Conversion-free (DCF) production.

This outcome was postponed to the next project cycle. The economic and political crisis in Brazil, especially allegations of corruption and irregularities in meat companies, has increased the uncertainty of lenders, leading to a preference for liquidity in the short term. Soy bean traders also expressed disinterest in this type of mechanism. We will try a different approach to finance soy expansion over degraded pasture land in 2018/2019.





Cross-cutting Elements

As for the Cross-cutting strategy, WWF-Brazil lead two components, the design of an engagement strategy for PSL and the process of Deforestation/Conversion-free (DCF) protocol development.

Based on a market analysis conducted by Informa, WWF convened the working groups on soy, beef and demand to design a corporate engagement strategy. The strategies were built based on the contribution from CAs and SP on top of what was already happening in Brazil and the platforms that were already in place. This strategy allowed CFA to build common actions among CA's and SP's, identifying T1 and T2 companies, key platforms to engage and to influence, defining a contact for each company.

The Deforestation/Conversion-free (DCF) protocol process was led by Proforest. In Brazil, we supported this process from its creation. We engaged the University of Wisconsin in a study of land pools considering different scenarios to support the discussion. This study was key to see that it is possible to halt the conversion of natural vegetation while the increasing demand for soy and beef is met. The study also allowed us to understand what the tradeoffs regarding Conversion were – Free, Deforestation – Free, legal compliance. In order to support the development of the protocol, we also arranged for a meeting among CAs to set the basis for the process.

As the protocol process was implemented and the first aspirational goal was released. WWF, along with CAs and SPs, used the document and its content to engage companies, platforms and civil society around this goal. A good level of alignment was reached with most of the stakeholders agreeing to focus on non-conversion of natural vegetation –defining the path and milestones to achieve this is the major challenge.

As this topic is the most challenging and sensitive in the CFA and in the agenda, the process was slowed down by a lot of redisussion of core elements, uncertainty and questioning to the process lead by Proforest by CAs and the challenge of aligning this process with the corporate strategy.

OUTCOMES

A critical mass of financial institutions (FIs) channel a meaningful increase of capital toward Deforestation/Conversion-free (DCF) related practices in target

OUTPUTS 4.1

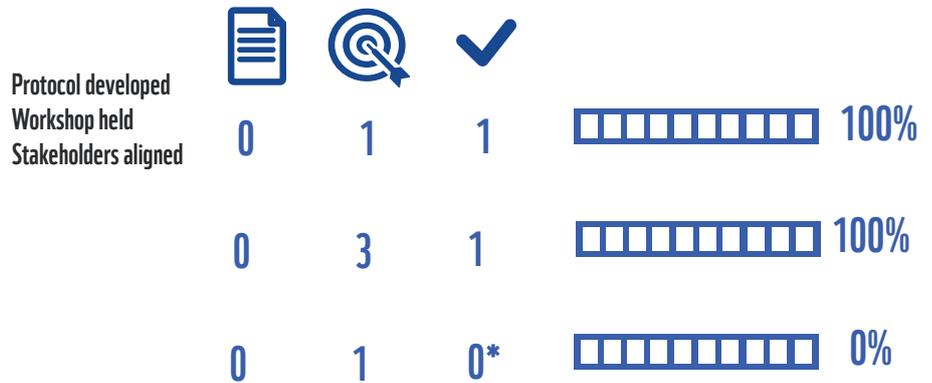
By 2/2017, comprehensive analysis of beef and soy markets and value chains carried out.	Report (FNP Informa)	0	1	1		100%
By 5/2017, draft priority company list—refining/defining Tier 1 and Tier 2 companies by commodity and by biome—and engagement strategy developed, vetted and agreed by CFA co-architects, strategic partners and invited stakeholders.	List of companies	0	1	1		100%

OUTPUTS 4.2

By 12/2016, benchmark analysis of Deforestation/Conversion-free (DCF) definitions carried out; coalition of stakeholders identified.



By 12/2017, Deforestation/Conversion-free (DCF) purchase protocol developed; alignment workshops held; stakeholders aligned around protocol.



*Protocol is under approval to be submitted to stakeholders

THE FIRST TWO YEARS

One of the biggest challenges in the CFA is probably its biggest strength. It was a challenge to build an alignment among so many organizations and perspectives: among core architects, inside the organization, with strategic partners and among different decision spaces within the project.

The communication process was not very effective and the decision process/mandate not very clear. A lot of energy was spent building this alignment, which slowed down the process several times. On the other hand, when the collaboration and alignment worked, it was possible to perceive the strength of such initiative. As the case of the creation of Cerrado Working Group, the Cerrado Manifesto and the strong alignment and partnership among the Aligning Capital implementing partners.

The challenge for the next phase is to adapt the management of the initiative and the communication to be sharper without losing the power of bringing together the key organizations working in the agenda, avoiding that CFA loses the convening and alignment power.

FOR THE NEXT YEARS

Based in the challenges for the next phase and the proposed budget for the next 3 years, we are restructuring the team, bringing people with complementary expertise, needed in this next phase, and redefining the allocation of staff according to the priority, need and capacity.

Once the redefinition of the initiative, ongoing at international level, is completed, we will also adapt our working structure to the new scenario.

ANNEXES

ANNEX 1 - DELIVERABLES BY SUB-OUTCOME

SUB-OUTCOME 1.1.3 - Target Regional (Brazil, Paraguay, and Argentina) buyers and platforms commit to only sourcing deforestation-free soy and beef from the Amazon, Cerrado and Chaco.

AGREEMENT /GRANT #	DELIVERABLE	DESCRIPTION	CONSULTANT /GRANTEE
DJ09	<p>Product Design 5.1.1 – 5.1.2:</p> <ul style="list-style-type: none"> Project Introduction and alignment between partners (Project structure and timeline) <p>Product Design 5.1.3 – 5.1.6:</p> <ul style="list-style-type: none"> CFA draft Report Card and Companies prioritization 	<p>Organization of the project's timeline, main milestones and distribution of roles and responsibilities among the CFA Demand Side Working Group (WWF Focal Point; Amigos da Terra and Rever). Also, development of the first version of the Report Card - a step-by-step guide to help companies implement a well-structured supply chain management (specially, related to d-free commitments) and definition of a long list of key T2 demand side companies (retailers, restaurants, caterers, brands, feed industry) to be engaged.</p>	REVER
DJ09	<p>Diagnostic:</p> <ul style="list-style-type: none"> Benchmark of company practices Target list of companies Interview protocols and interviews conducted Diagnostic presentation including CFA Issue Matrix tool 	<p>Deeper prioritization of companies based on market share, influence and already existing deforestation/sustainability commitments, reaching a total of 21 T2 demand side companies. Then, benchmarking of leader companies both from WG1 (retailers, restaurants and caterers) and WG2 (feed industry). The diagnosis analysis of the prioritized companies was done using the conducted benchmarks and interviews with 5 companies and 2 platforms.</p>	REVER
DJ09	<ul style="list-style-type: none"> Working Group Proposal Alignment between all working group members: Implementation proposals to the biggest CFA challenges (timeline and milestones) 	<p>Based on the results of the diagnose analysis, development of a proposal to address the issue in working sessions to be held together with companies. 3 sessions defined: 1) Creation of urgency, 2) How to deal with two main challenges companies face while addressing deforestation and conversion (how to make deforestation a supplier evaluation criterion and a commercial attribute) and 3) Definition of a path to minimize the risks associated with deforestation.</p>	REVER
DJ09	Working Group Sessions:	Due to T2 companies' reality and challenges creating sustainability	REVER

	<ul style="list-style-type: none"> • Finalized Adjusted Material Kick-off • Finalized Adjusted Material Session 1 • Finalized Adjusted Material Session 2 	urgency internally, the agenda intended for the working sessions had to be adapted to focus more on awareness as a first step.	
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SUB-OUTCOME 1.2.1 - Tier 1 and Tier 2 meatpackers and soy traders and trade associations commit to only sourcing deforestation-free beef and soy from the Chaco (Argentina and Paraguay) and Cerrado.

AGREEMENT/ GRANT	DELIVERABLE	DESCRIPTION	CONSULTANT/ GRANTEE
DJ11/DJ17	Analyses on socioeconomic conditions in Amazon and Cerrado	This activity is targeted at understanding socioeconomic pathways for zero deforestation and further analyzing the relation between socioeconomic indicators, land use conversion patterns and agricultural expansion.	IPAM/IMAFLORA
DJ11/DJ17	Study the economics for soy and beef production in Amazon and Cerrado	This activity aims at understanding the conversion impacts on land availability and production profitability by taking into account indicators, such as agricultural productivity, land value, expansion patterns and local suitability for agricultural.	IPAM/IMAFLORA
DJ11	Second phase of Matopiba expedition with ONGs GTS members, covering Tocantins	The objective of this activity was to conduct a qualitative approach on the ground to gather data, information and perceptions on the social, economic and environmental impacts of soy expansion in Matopiba from different relevant actors (large producers, smallholders, rural workers syndicates, large farmers associations, multiple government agencies, university researchers, indigenous leaders, Comissão Pastoral da Terra and civil society institutions).	IPAM
DJ11	Multi-stakeholder Seminar about Cerrado conversion	The seminar was designed to raise awareness on the land use patterns of Cerrado, bringing different sectors together (academia, consumers, producers, government, industry, civil society, associations, indigenous peoples and family farmers leaders) to discuss how to move forward in reconciling production and conservation in the biome.	IPAM
DJ13	Workplan	Deliverable organized the advisory work supporting the PSL Beef Working Group engagement strategy.	NatCap

DJ13	PSL Beef engagement strategy report	This deliverable brought a first analysis on the advances and challenges on meatpackers engagement, evaluating the the Beef WG performance and the preliminary visits to the meatpackers.	NatCap
DJ13	Draft 1- PSL Beef "Roadmap" for effective implementation of commitments	Inside the Beef WG we decided to contribute to the development of the CFA Roadmap by Proforest, and through this deliverable we tried to hold a first exercise for the meatpackers, All the work was aligned with Proforest.	NatCap
DJ13	Updated workplan PSL Beef	PSL Beef WG identified the necessity of an updated workplan because the complexity faced on meatpackers engagement.	NatCap
DJ13	PSL Beef engagement strategy - updated report	This deliverable help to understand the advances and challenges been faced in the meatpackers engagement.	NatCap
DJ13	Structuring coodenating beef engagement + demand side workshop	For beef the Workshop was held for T1 Meatpackers looking for an effective engagement in some strategic process from CFA. We agreed with two T1 companies (Marfrig and Minerva) on specific actions related to 4.2 Process; evaluation of impact on their suppliers; and also technical discussions on monitoring Cerrado Commitment.	NatCap
DJ13	Report on engagement results for PSL Beef + demand side	This deliverable aims to resume and present the results of the engagement in Phase 1; discuss setbacks and challenges faced; and recommend adaptations and new approach strategies for the 2 nd phase of engagement – The "Buy in" Phase.	NatCap
DJ17	Analyses on socioeconomic conditions in Amazon and Cerrado to understand the pathways to zero deforestation, linked with 4.2 scenarios. In partnership with Ipam.	This study brings different scenarios related to zero deforestation agreements in Amazon and Cerrado biomes.	IMAFLOA

SUB-OUTCOME 1.3.2 - Tier 1 and 2 meatpackers demonstrate meaningful progress in the implementation of deforestation-free commitments all the way to cow-calf operations in the Amazon, Cerrado and Chaco, resulting in an increased supply of deforestation-free beef from all three biomes in domestic and international markets.

AGREEMENT/ GRANT	DELIVERABLE	DESCRIPTION	CONSULTANT/ GRANTEE
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DJ07	GTPS web platform under development and capacity building program designed	GTPS / GIPS web platform available in www.gips.org.br , and capacity building program designed. Even with all technical setbacks faced by GTPS in the beginning of the contract, described in the technical reports, GTPS reached what was expected.	GTPS
DJ07	GTPS capacity-building program implemented in stakeholders, among GTPS member's associates. + 2000 producers and 500 technician in the phase 2	Capacity building program developed and implemented through strategic partnerships with Universities, SENAR (National Service of Rural Learning), Agroconsult, and Imaflora) Developed videos and infographics to support capacity-building activities. 250 technicians trained through 10 events, including banks (Banco do Brasil), private rural assistance, and SENAR. These technicians reaching 2.500 producers. Through Universities partnerships is already defined the training activities for 500 students.	GTPS
DJ07	First phase of GTPS web platform dissemination done. GIPS web platform is implemented and a solid base of technicians is able to reach up to 2,500 producers, generating a solid database	During the first phase strategic partnerships were also established with members of GTPS and key stakeholders, to support the GIPS dissemination in scale. Were 40 meetings that brought to the dissemination phase these partners: <ul style="list-style-type: none"> - "Novilho Precoce Producers Association" - "Novo Campo Project" – ICV - "Do Campo a Mesa Project" – TNC - "Mais Inovação Project" – SENAR MS - "Neutral Carbon Beef Project" – Embrapa Beef Cattle. - "Export Trace Beef Producers" – SBCert - "Terra Cert Producers". - Agroconsult – "Rally da Pecuária. By these partnerships GTPS will disseminate GIPS in scale for more than 3.000 producers to generate a solid indicators database.	GTPS

DJ07	Written Final Report	<p>The Final Report was delivered in January 31st with the Financial Report, also presenting the workplan for the final phase of the Contract. The report was approved, and disbursement released for GTPS</p> <p>A complementary technical report will be delivered with the final financial report planned for March 15th, to allow GTPS to receive the last disbursement of 5%.</p>	GTPS
DJ07	GIPS web platform integrated to the main GTPS Programs – “Intensification Program” and “Responsible Sourcing Program” at least 6 different programs using GIPS platform to monitor and report performance.	<p>GIPS web platform available in www.gips.org.br, and already integrated to the GTPS Programs.</p> <p>The following 04 programs are already using GIPS in their performance evaluation: Novo Campo Project; Novilho Precoce Platform; “Mais Inovação Project”; Neutral Carbon Beef Project.</p> <p>Arcos Dorados / Mc Donald’s Co. also communicate that will use GIPS in their supply chain management.</p>	GTPS
DJ07	Hold an evaluation of the potential contribution of the GTPS web platform monitoring system to the monitoring of the CFA meatpackers commitments	This evaluation will be presented in the “complementary” final report to be delivered by March 15 th .	GTPS

SUB-OUTCOME 2.1.3 - Tier 1 and Tier 2 meatpackers and soy traders effectively monitor their supply chains for deforestation-free beef and soy from direct to indirect-suppliers in all three biomes using harmonized monitoring systems.

AGREEMENT/ GRANT	DELIVERABLE	DESCRIPTION	CONSULTANT/ GRANTEE
DJ06	VDF monitoring systems benchmarked, harmonized.	This deliverable became a kind of technical publication focus on give detailed and specific information on monitoring systems.	IMAFLORA
DJ06	Business model developed for bringing VDF programs to scale.	For this deliverable was produced business models focus in some solutions regarding the Beef Indirect suppliers monitoring challenge. Imaflora held a Concept Test and evaluated two possible solutions; the Zero Biological Point (ZBP) a very innovative solution already not applied on the field, but with an incredible interest of some key stakeholders; and the CAR + GTA solution brought through the GTFI. This kind of analysis could contribute to the future discussions for a possible solution of the Indirect suppliers challenge	IMAFLORA
DJ12	Ponto Zero Biologico description	<p>Ponto Zero Biológico Tool, was pointed for some key stakeholders as a very innovative tool on monitoring indirect suppliers that needed more information and understanding, because still a concept not applied on the field.</p> <p>Agrotools agreed in evaluate their tool and develop a business model through a joint work with Imaflora, to evaluate the adherence of the concept with the real possibility to be applied in scale.</p> <p>Agrotools gave all the technical assistance on describe the concept, present all the information and</p>	AGROTOOLS

		<p>technology related to the tool for Imaflora, and gave all the advisory to support the development of the business model.</p> <p>This first deliverable presented described the concept and potential of the tool.</p>	
DJ12	Business model for Ponto Zero Biologico	This deliverable was done in partnership with Imaflora, that held all the third-party analysis of the tool through a Concept Analysis, and with all the technical support of Agrottools design the Business Model.	AGROTOOLS

SUB-OUTCOME 3.1.2 - Public finance and credit in Brazil, Paraguay and Argentina shifts towards deforestation-free production as the opportunities and risks are articulated.

Agreement /Grant #	DELIVERABLE	DESCRIPTION	CONSULTANT/GRANTEE
DJ14	WWF Brasil- external Banco do Brasil partnership report on sustainability approaches and tools, as per the approved workplan, contributing to sub-outcome 3.1.1 and 3.1.2	The report produced highlights the structure, objectives and results of the Programa Água Brasil. It catalogued the tools developed and makes an analysis, which focus on potential for replication, implementation challenges, benefits for the client and for the bank's risk management. The report was approved by BB and can be shared.	GESTÃO ORIGAMI

DELIVERABLES SUB-OUTCOME 3.1.2 - Public finance and credit in Brazil, Paraguay and Argentina shifts towards deforestation-free production as the opportunities and risks are articulated

AGREEMENT	DELIVERABLE	DESCRIPTION	CONSULTANT/GRANTEE
DJ14	WWF Brasil- external Banco do Brasil partnership report on sustainability approaches and tools, as per the approved workplan, contributing to sub-outcome 3.1.1 and 3.1.2	The report produced highlights the structure, objectives and results of the Programa Água Brasil. It catalogued the tools developed and makes an analysis, which focus on potential for replication, implementation challenges, benefits for the client and for the bank's risk management. The report was approved by BB and can be shared.	GESTÃO ORIGAMI
DJ14	Brazilian Central Bank (BACEN) and Brazilian National Bank of Social and Economic Development (BNDES) policy analysis, sustainability and engagement recommendations- as per the approved workplan	This report systematized a set of key information from two pretty important actor in the public finance sector. It helped to identify critical information for the engagement strategy.	GESTÃO ORIGAMI
DJ14	Final third report- external report on the implementation and impacts of the Brazilian sugar cane and palm oil zoning policies- as per the approved workplan	This report helped us to understand the process of the zoning policies implementation for two important agricultural products. The report showed that the zoning proved that there is a huge amount of land suitable for agriculture expansion, with no need to degrade new lend (convert natural vegetation). Therefore, from a technical point from view it would be great to have it for soy/beef. Nonetheless, there is not a political favorable scenario to do so.	GESTÃO ORIGAMI
DJ15	Map of public policies and regulations: summarizing the main policies and regulations identified	This report helped to design the strategy for public finance engagement. To have a general view on what are the policies and regulations that could be influenced to promote changes in the short-term.	AGROICONE
DJ15	Strategy for public finance engagement: summarizing the strategy for public finance engagement process in Brazil in two	This report focused on the strategy to engage key actors in the public sector, namely, the Ministry of Finance and	AGROICONE

	levels: rulemaking and operational policies	Agriculture. The adopted strategy was to make the possible changes in the short-term for the Rural Credit, to promote productivity increase without deforestation and with restoration	
DJ15	Interviews with public banks for engagement operational policies level: with key takeaways from initial round of interviews	This report highlights the key takeaways from meetings with key actors (FI) that operates the Farm Bill resources to their clients (Banco do Brasil, Banco da Amazônia, Banco do Nordeste, BNDES)	AGROICONE
DJ15	Inputs for policy makers rulemaking level: inputs for policy makers	After the first round of interviews (with FI and policy makers) to present the initiatives, the proposed changes and collect elements for their improvement, the proposals were systematized in the report.	AGROICONE
DJ15	Workshop: Conduct and facilitate a workshop with public banks (operational policies) and policy makers (rulemaking) with the following objectives: engagement, findings presentation and feedback	On January 31 st we conducted an WS at Brasília (headquarters of Banco do Brasil) with around 25 people from 12 organizations (government – 3 ministries and 1 secretary, the regulator, 3 public financial institutions and the development bank to present the final version of the proposals to the Rural Credit and to collectively identify the ones that had more chance of success. Four of the seven had the green light to proceed.	AGROICONE

SUB-OUTCOME 3.2.1 – Input suppliers, traders and feed manufacturers drive deforestation-free production by linking deforestation-free requirements to finance or in-kind access to inputs (e.g. seed or fertilizer) or markets (e.g. trader financed production or market demand).

Agreement /Grant #	DELIVERABLE	DESCRIPTION	CONSULTANT/GRANTEE
DJ19	<p>1: A detailed report about the progress of the Activities and next steps to implement the Transaction.</p> <p>2: A report detailing the progress of the activities related to the Transaction and eventually some feedback received from the producers and other participants of CRA operations.</p> <p>3: A report describing the final structure of the outlined requirements to ensure the deforestation free in the Transaction and the role of the WWF in this process</p>	<p>Felsberg Advogados was hired to provide legal advice on the structuring of the Green CRA pilot, construction of environmental criteria, contracts management and compliance with CVM (Brazilian SEC) regulations.</p> <p>All products from Felsberg are reports on how these activities happened.</p>	FELSBERG ADVOGADOS
DJ22	<p>Report describing existing barriers to target producers</p> <p>Report on meetings with input companies</p> <p>Final report describing findings and challenges on <i>the engagement process</i></p>	<p>Agrosecurity consulting was contracted to assist us with the contact and engagement of the input companies and in the Green CRA mechanism modeling. All Agrosecurity products are reports describing how these activities occurred.</p> <p>We have established contact with: Input Companies Tier 1: Monsanto, Bayer, BASF, Syngenta Input Companies Tier 2: Mosaic, UPL, Nufarm, Nidera Seeds, Nidera Fertilizers, Fertilizantes Tocantins Financial Institutions: Gaia Sec (Partner), IFC, Deutsche Bank, Rabobank, &Green Fund and Farm Investments.</p> <p>All Tier 1 companies have agreed to adopt socio-environmental credit risk management when appropriately trained.</p> <p>The Green CRA Pilot are gathering formal commitments at this moment</p>	AGRO SECURITY

ANNEX 2 – OUTCOME TABLE

DUE DATE	ACT/IND	DESCRIPTION
12/2020		Sub-strategy Outcome 1.1. Securing demand side commitments: Target international and domestic retailers and brands¹ that source beef and soy from the target geographies commit to only source deforestation-free product in alignment with deforestation-free protocol defined in Output 4.2.
12/2020	Sub-outcome 1.1.1	<p>Target International T1 and T2 buyers² and platforms commit to only source from deforestation-free beef and soy supply chains from the Amazon, Cerrado and Chaco (except China which is covered by 1.1.2). (WWF)</p> <ul style="list-style-type: none"> By 7/2017, 50% of Tier 1 buyers are committed to the deforestation free definition protocol process (Output 4.2). By 7/2018, 50% of Tier 1 and 10% of Tier 2 buyers committed to deforestation-free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2. By 7/2019, 70% of Tier 1 and 30% of Tier 2 buyers committed to deforestation-free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2 By 7/2020, 100% of Tier 1 and 70% of Tier 2 buyers committed to deforestation-free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2 By 12/2020, all priority demand-side companies committed to deforestation-free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2.
12/2018	Sub-outcome 1.1.2	<p>Target Chinese buyers, retailers and crushers commit to sourcing deforestation-free soy from the Amazon, Cerrado and Chaco (TNC)</p> <ul style="list-style-type: none"> By 12/2016, China Soy Working Group on Sustainability (CSWGS) committed to sourcing CAR-registered soy and requiring Tier 1 trader companies to implement broader deforestation-free commitments.

¹ Target retailers and brands will be identified in corporate engagement strategy defined as part of Output 4.1 by May 2017.

² Target retailers and brands and their countries of origin for engagement will be identified in corporate engagement strategy defined as part of Output 4.1 by May 2017.

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> By 12/2017, all China members of CSWGS commit to and implement a “zero illegal deforestation” policy for Brazil By 6/2018, CSWGS commit to soy sourcing in accordance with the global timelines and plans developed by Tier 1 traders in 1.3.1, including a commitment to zero-deforestation prior to 12/2020. By 12/2018, deforestation-free soy sourcing agreements with timelines negotiated through the CSWGS in partnership with Tier 1 soy traders and target Chinese soy importers.
12/2020	Sub-outcome 1.1.3	<p>Target Regional (Brazil, Paraguay, and Argentina) buyers and platforms commit to only sourcing deforestation-free soy and beef from the Amazon, Cerrado and Chaco. (WWF)</p> <ul style="list-style-type: none"> By 7/2017, 50% of Tier 1 buyers are committed to the deforestation free definition protocol process (Output 4.2). By 7/2018, 50% of Tier 1 and 10% of Tier 2 buyers committed to deforestation free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2. By 7/2019, 70% of Tier 1 and 30% of Tier 2 buyers committed to deforestation free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2. By 7/2020, 100% of Tier 1 and 70% of Tier 2 buyers committed to deforestation free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2. By 12/2020, all priority demand-side companies committed to deforestation free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2.
12/2020		<p>Sub-strategy Outcome 1.2. Securing supply-side commitments: A critical mass of meatpackers and soy traders³ that source beef and soy from the target geographies commit to only source deforestation-free product in alignment with deforestation-free protocol defined in Output 4.2.</p>
12/2020	Sub-outcome 1.2.1	<p>Tier 1 and Tier 2 meatpackers and soy traders and trade associations commit to only sourcing deforestation-free beef and soy from the Chaco (Argentina and Paraguay) and Cerrado. (WWF)</p> <ul style="list-style-type: none"> By 7/2017, 50% of Tier 1 companies are committed to the deforestation free definition protocol process (Output 4.2).

³ Initial targets mentioned in footnote 1 will be refined and complemented as part of Output 4.1 by Dec 2016.

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> • By 7/2018, 50% of Tier 1 companies committed to deforestation free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2. • By 7/2019, 70% of Tier 1 and 30% of Tier 2 companies committed to deforestation free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2. • By 7/2020, 100% of Tier 1 and 50% of Tier 2 companies committed to deforestation free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2. • By 12/2020, all priority processing-side companies committed to deforestation free sourcing in all their operations in the three biomes/countries following protocol defined in Output 4.2. •
6/2018	Sub-outcome 1.2.2	<p><i>Amazon Soy Moratorium scope expands to relevant uncovered regions (such as settlements and non-forested areas that are not covered by PRODES) and indirect suppliers. (TNC)</i></p> <ul style="list-style-type: none"> • By 6/2017, ASM members commit to expanding the area under monitoring to include additional municipalities and land use designations (i.e. settlements). • By 12/2017, ASM members commit to incorporating more robust criteria and indicators into the monitoring to strengthen the credibility of conservation results in the Amazon. • By 12/2017, governance structures for ongoing monitoring (including financial arrangements) are identified and agreed upon between ASM members and stakeholders. • By 6/2018, the standards agreed under outcome 4.2 formally adopted in the indefinite agreement. • By 6/2018, potential application of the ASM model in other regions assessed and disseminated.
12/2020	Sub-outcome 1.2.3	<p><i>Tier 1 and Tier 2 meatpackers commit to only source deforestation-free cattle, including their indirect suppliers, from the Amazon biome. (NWF)</i></p> <ul style="list-style-type: none"> • By 3/2017, terms of the G4 Cattle Agreement clarified, revised and agreed upon by 100% of Tier 1 meatpackers. • By 6/2018, 80% of Tier 2 meatpackers committed to deforestation-free sourcing consistent with revised G4 Agreement. • By 1/2018, 100% of Tier 1 and 80% of Tier 2 meatpackers committed to working towards a sector-wide solution for indirect suppliers through the GTFI. • By 12/2020, 100% of Tier 1 and 80% of Tier 2 meatpackers committed to deforestation-free sourcing that incorporates their indirect suppliers in all of their operations in the Brazilian Amazon biome.

DUE DATE	ACT/IND	DESCRIPTION
12/2020		<i>Sub-strategy Outcome 1.3. Catalyzing commitment implementation: A critical mass of supply chain actors including soy companies, beef aggregators, slaughterhouses, feed and animal protein producers and buyers, and target retailers⁴ demonstrate meaningful progress in the implementation of deforestation-free commitments through their supply chains according to deforestation-free protocol defined in Output 4.2 and credible industry scorecards and stepwise approaches.</i>
12/2020	<i>Sub-outcome 1.3.1</i>	<p><i>Tier 1 and 2 soy traders demonstrate meaningful progress in the implementation of deforestation-free commitments in the Amazon, Cerrado and Chaco, resulting in an increased supply of deforestation-free soy from all three biomes. (TNC)</i></p> <ul style="list-style-type: none"> • By 12/2016, global working group to operationalize commitments formed with key civil society stakeholders and the Tier 1 traders. • By 6/2017, GTS develops joint plan for implementation in the Amazon. • By 6/2017, tracking of progress initiated followed by progress reports every six months. • By 12/2017, complementary global implementation plans developed by Tier 1 traders, including specific timeframes and work plans for eliminating direct and indirect deforestation from soy supply chains in the Amazon and Chaco. Key Tier 2 traders actively engaged. • By 12/2017, first export of verified CAR-registered, illegal-deforestation-free soy shipped to China, using mass-balance approaches. • By 12/2020, 100% of Tier 1 soy companies and 50% of Tier 2 soy companies in the Amazon and Cerrado, and 100% of Tier 1 and 25% of Tier 2 soy companies in the Chaco, sourcing only from direct and indirect deforestation-free suppliers according to adopted deforestation indicators.
12/2020	<i>Sub-outcome 1.3.2</i>	<p><i>Tier 1 and 2 meatpackers demonstrate meaningful progress in the implementation of deforestation-free commitments all the way to cow-calf operations in the Amazon, Cerrado and Chaco, resulting in an increased supply of deforestation-free beef from all three biomes in domestic and international markets. (WWF)</i></p> <ul style="list-style-type: none"> • By 7/2017, beef roundtables formed in Argentina and Paraguay. • By 6/2018, roadmap developed for effective implementation of commitments by meatpackers across all biomes/countries (aligned with 4.2 process).

⁴ Target retailers will be defined as part of Output 4.1.

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> By 7/2018, indicators that address deforestation made available by regional beef roundtables, aligned with G4 and GTFI criteria/commitments. By 12/2018, 30% of Tier 1 beef companies sourcing only from direct and indirect deforestation-free suppliers according to adopted deforestation indicators. By 12/2019, 60% of Tier 1 and 15% of Tier 2 beef companies sourcing only from direct and indirect deforestation-free suppliers according to adopted deforestation indicators. By 12/2020, 100% of Tier 1 beef companies and 50% of Tier 2 beef companies in the Amazon and Cerrado, and 100% of Tier 1 and 25% of Tier 2 beef companies in the Chaco, sourcing only from direct and indirect deforestation-free suppliers according to adopted deforestation indicators.
12/2020	Sub-outcome 1.3.3	<p><i>Tier 1 and Tier 2 beef and soy buyers demonstrate meaningful progress in sourcing only deforestation-free beef and soy from the three target geographies. (WWF)</i></p> <ul style="list-style-type: none"> By 12/2017, priority feed and animal protein producers sourcing soy from target biomes identified, engaged and aligned with ongoing dialogue (WWF)⁵ By 6/2018, roadmap developed for effective implementation of commitments (aligned with 4.2 process). By 12/2018, deforestation-free purchasing protocols disseminated and adapted by Tier 1 and Tier 2 retailers through sector associations, platforms and roundtables according to protocol defined in Output 4.2 By 12/2018, 30% of Tier 1 retailers sourced only deforestation-free beef and soy. By 12/2019, 60% of Tier 1 and 20% of Tier 2 retailers sourced only deforestation-free beef and soy products. By 12/2020, 100% of Tier 1 and 50% of Tier 2 retailers sourced only deforestation-free beef and soy.
12/2020		<p><i>Sub-strategy Outcome 2.1. Data, science & monitoring: Critical mass of meatpackers and soy traders adopt efficient and effective monitoring tools for tracking deforestation in their supply chains.</i></p>

⁵ Tool design will address multiple agronomic, economic and conservation factors.

DUE DATE	ACT/IND	DESCRIPTION
06/2018	Sub-outcome 2.1.1	<p><i>Market players and civil society have open access to accurate baseline land use and cover maps at a scale relevant for analysis and decision making, greatly improving the understanding of land use in all three biomes. (TNC)</i></p> <ul style="list-style-type: none"> • By 12/2016, expert technical working group established and the host institution(s) for mapping system identified. • By 6/2017, mapping methodology defined. • By 6/2018, accurate high-resolution (30m) baseline maps created for each biome and made publicly available.
06/2019	Sub-outcome 2.1.2	<p><i>Market players and civil society have open access to annually updated, publicly available monitoring system created at a scale relevant for company supply chain monitoring, greatly improving transparency and monitoring of land use and cover change in all three biomes. (TNC)</i></p> <ul style="list-style-type: none"> • By 6/2017, current biome-level monitoring systems are assessed by technical working group created in sub-outcome 2.1.1, and the host institutions for monitoring and alerts are identified. • By 12/2017, the monitoring methodology defined and agreed. • By 12/2018, an online platform is created and tested to make datasets publicly available and linked to relevant global datasets/tools (i.e. Global Forest Watch) • By 6/2019, the monitoring system made publicly available on the online platform, and the process for annual updates is established.
12/2020	Sub-outcome 2.1.3	<p><i>Tier 1 and Tier 2 meatpackers and soy traders effectively monitor their supply chains for deforestation-free beef and soy from direct to indirect-suppliers in all three biomes using harmonized monitoring systems. (WWF)</i></p> <ul style="list-style-type: none"> • By 3/2017, similarities, differences, and gaps in current Tier 1 meatpackers' monitoring systems and workplans identified, and specific recommendations for improvements made. • By 4/2017, deforestation-free monitoring systems and tools identified for soy traders to use to verify deforestation-free soy from direct and indirect suppliers. • By 12/2017, deforestation-free monitoring systems benchmarked, harmonized. • By 12/2017, business model developed for bringing deforestation-free programs to scale.

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> By 12/2018, 100% of Tier 1 and 80% of Tier 2 meatpackers implement deforestation-free monitoring and traceability systems (based on revised G4 Agreement) for direct cattle suppliers in the Amazon. (NWF) By 12/2020, 80% of Tier 1 and 40% of Tier 2 meatpackers implement deforestation-free monitoring and traceability systems (based on revised G4 Agreement and GTFI plan) for indirect cattle suppliers in the Amazon. (NWF) By 12/2020, 80% of Tier 1 and 40% of Tier 2 meatpackers implement monitoring systems (based on revised G4 Agreement and expanded GTFI plan) for cattle in the Cerrado that include both direct and indirect suppliers. (NWF) By 12/2020, Tier 1 (100%) and Tier 2 (15%) meatpackers implement monitoring and traceability systems (including indirect suppliers) for cattle in the Chaco.
12/2020	Sub-outcome 2.1.4	<p><i>Impacts on deforestation resulting from deforestation-free commitments/implementation are robustly assessed and market players are informed. (NWF)</i></p> <ul style="list-style-type: none"> By 6/2017, and annually thereafter, assess CAR accessibility and its impact on property-level monitoring to garner private sector support for complete access to CAR data - a prerequisite for information about property-level deforestation and impact assessments in Brazil. By 11/2017, and annually thereafter, assessment of the impacts of the ASM quantified and published, including corporate-relevant materials and recommendations. By 11/2017, and annually thereafter, assessments of the status of the G4 implementation released and published, including corporate-relevant materials and recommendations. By 11/2017, and annually thereafter, best practices assessed with relevant stakeholders and recommendations for improvements in commitment design implementation made. By 12/2017, agreement achieved (among key stakeholders) on development of a system for measuring the impacts of deforestation-free commitments in the Cerrado and Chaco. By 12/2018, these ASM and G4 assessments expanded to indirect suppliers and other meatpackers.
12/2020		<p><i>Sub-strategy Outcome 2.2. Verification and disclosure: Critical mass of retailers, brands, and soy traders and meatpackers credibly verify and publicly disclose level of compliance with deforestation-free commitments.</i></p>
12/2020	Sub outcome 2.2.1	<p><i>Retailers, brands, and Tier 1 and 2 soy traders and meatpackers employ accredited auditors and publicly report on deforestation free procurement performance (down to individual property level) using deforestation-free standard developed in Output 4.2. (NWF)</i></p>

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> • By 06/2017, cross-company/NGO workgroups formed for soy and beef sectors. • By 04/2017, completion of assessment of past beef audits. • By 02/2018, agreement on robust audit standards for soy and beef. • By 06/2019, Tier 1 (100%) soy traders and meatpackers adopt accredited audit standards in all geographies. • By 12/2020, Tier 2 (50%) soy traders and meatpackers adopt accredited audit standards in all geographies.
12/2020		<p><i>Sub-strategy Outcome 2.3. Decision support tools: Critical mass of retailers, brands and meatpackers and soy traders manage their supply chains to reduce deforestation risk and capitalize on production efficiencies</i></p>
12/2020	<p><i>Sub-outcome 2.3.1</i></p>	<p><i>Tier 1 and 2 companies make investment and operational decisions utilizing a spatially explicit decision support system that allows beef and soy market actors to identify sustainable deforestation-free intensification opportunities on already cleared land and avoid high-risk areas for deforestation-free production⁶ - a territorial sourcing tool. (TNC)</i></p> <ul style="list-style-type: none"> • By 12/2016, design group established for a soy decision support system and key design parameters are agreed. • By 2/2017, design group established for a beef decision support system and key design parameters are agreed. • By 6/2017, the first version of the soy decision support tool launched online for Cerrado and Amazon. • By 12/2017, the first version of the beef decision support tool launched online for Cerrado and Amazon. • Starting 12/2017, map identifying risk and sustainable intensification opportunities in Amazon and Cerrado at municipal, sub-municipal and supply shed levels published annually. • By 12/2017, the soy decision support system formally endorsed by ABIOVE. • By 12/2018, the beef decision support system formally endorsed by ABIEC in Brazil. • By 12/2018, soy and beef decision support tools launched in Chaco. • From 2019 on, the impact of Tier 1 and 2 companies' use of the decision support systems on supplies of deforestation-free soy and beef documented.

⁶ Tool design will address multiple agronomic, economic and conservation factors.

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> By 12/2020, correlations between volume of deforestation-free production and municipal risk/opportunity analyses identified.
12/2020		<p><i>Sub-strategy Outcome 3.1. Private and public finance: Target FIs shift a meaningful percentage of capital available to primary processing and production linked to deforestation-free production, legality and land saving practices.</i></p>
12/2018	<p><i>Sub-outcome 3.1.1</i></p>	<p><i>Finance from private FIs shifts in support of deforestation-free production in Brazil, Paraguay and Argentina as the opportunities and risks are articulated. (WWF)</i></p> <ul style="list-style-type: none"> By 4/2017, private financial institution risk management strategy surrounding deforestation developed with critical buy in by banks, FIs and relevant associations in Brazil. By 5/2017, clarity around key sources of finance along the agriculture value chain and potential areas of leverage. <i>Information to be used by CFMI Sub-strategies 1.1 and 1.2.</i> By 7/2017, the Paraguay Sustainable Finance Roundtable members commit to implement risk tools to screen investments (e.g. Global Forest Watch). By 7/2017, evidence that deforestation finance best practices are being shared across regions initially from Brazil to Paraguay. By 7/2017, engagement strategy for Private FIs in Argentina developed, including previous meetings with key players (using the financial flow mapping as input). By 12/2017, an additional relevant bank joins the Paraguay Sustainable Finance Roundtable. By 12/2017, Febraban commits to engage their members in discussion to support deforestation-free production and at least two financial institutions in Febraban sustainable finance WG commit to shifting towards deforestation-free production By 12/2018, investments shifted by FIs toward deforestation-free production.
12/2018	<p><i>Sub-outcome 3.1.2</i></p>	<p><i>Public finance and credit in Brazil, Paraguay and Argentina shifts towards deforestation-free production as the opportunities and risks are articulated. (WWF)</i></p> <ul style="list-style-type: none"> By 5/2017, Brazil public finance strategy developed including engagement of a senior consultant/advisor, meetings with key public finance actors, and development of strategy with ministries. By 6/2017, partnership study on WWF - Banco do Brasil work completed and documented in a shareable case to document progress of a major FI in collaborating with conservation issues.

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> • By 7/2017, at least two public FIs agree to participate in CFA work in Brazil either via partnership with Febraban, other FI industry group, or direct bi-lateral engagement. • By 7/2017, Review of financing structure and policies of public FIs in Paraguay finished. • By 7/2017, engagement strategy for public FIs in Argentina developed, including previous meetings with key players and regulators (using the financial flow mapping as input). • By 9/2017, Paraguay public finance strategy developed including meetings with key public finance actors, and development of strategy with ministries. • By 12/2017, at least one target ministry indicates support for deforestation-free supply chains and commits to address deforestation-free risks and opportunities • By 12/2018, new public finance policies support Forest Code compliance and provide rural credit for deforestation-free compensation mechanisms in Brazil. • By 12/2018, agricultural subsidies support deforestation-free production to meet climate smart targets and shift public sector finance investments.
12/2019		<p><i>Sub-strategy Outcome 3.2. Value chain finance: Target market players within and along the value chain shift finance in support of legal, land saving and deforestation-free production as a result of economic incentives and conditionality.</i></p>
12/2018	<p><i>Sub-outcome 3.2.1</i></p>	<p><i>Input suppliers, traders and feed manufacturers drive deforestation-free production by linking deforestation-free requirements to finance or in-kind access to inputs (e.g. seed or fertilizer) or markets (e.g. trader financed production or market demand). (WWF)</i></p> <ul style="list-style-type: none"> • By 4/2017 role of input suppliers and traders in financing value chain identified as part of financial flows mapping exercise (3.1) • By 7/2017 engagement established with financing arm of at least 2 seed companies with goal of inclusion in sustainability and risk management toward zero conversion of ecosystems. • By 12/2017 at least one seed company agrees to adopt sustainability and risk management strategy around financing in Brazil • By 12/2018, at least one input supplier or trader finances only deforestation-free producers.
12/2019	<p><i>Sub-outcome 3.2.2</i></p>	<p><i>Time-bound commitments to sourcing more sustainable production by major buyers used to buy down the risk of investing in deforestation-free production. (WWF)</i></p> <ul style="list-style-type: none"> • By 7/2017, FIs (commercial lenders and public FIs) engaged based on business case findings from CFMI.

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> • By 12/2017 significant work on long term contracting as a risk mitigant for financial institutions is established including: <ul style="list-style-type: none"> ○ Developing common language and basic conventions for long term contracts between producers and buyers. This work to be completed in coordination with FIs ○ Initial testing of long term contracts within a deforestation free sourcing and financing transaction • By 12/2018, first example of buyer commitments that results in investment/finance of deforestation-free production • By 12/2019, piloting of other tools for public and private FIs (e.g., insurance, side selling, first loss, loan guarantees) developed to buy down the risk of deforestation-free investments in coordination with Sub-outcome 3.3.
12/2019		<p><i>Sub-strategy Outcome 3.3. Innovative mechanisms: Key soy and beef stakeholders explore and implement new models and mechanisms that bring additional capital to bear in order to scale deforestation-free practices</i></p>
12/2019	<p><i>Sub-outcome 3.3.1.</i></p>	<p><i>Innovative financial and business model concepts attract new, or unlock existing, capital to transform the soy and beef sector in target geographies toward deforestation-free. (TNC)</i></p> <ul style="list-style-type: none"> • By 2/2017 five to seven priority opportunities in Brazil are <u>identified</u> for deeper development and teams are in place, with appropriate partners, to advance the opportunities • By 8/2017 five to seven priority opportunities in Brazil are <u>developed</u> into concept term sheets with outcomes, theories of change, strategies and partners. The opportunities are reviewed with partners and vetted with experts, buy-in among the relevant stakeholders is increased and there is consensus around the most promising opportunities, leading to the selection of at least two of these opportunities to advance. • By 8/2017, initial ideas for new models are scoped for Paraguay and Argentina, and initial opportunities are identified. • By 2/2018 at least two opportunities, out of the 5 to 7 developed, in Brazil are developed into business plans, and partnerships are structured to test, implement and/or scale (depending on the stage of the opportunity) • By 12/2018, new models explored and deployed in Paraguay/Argentina based on lessons from Brazil.

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> By 12/2019, innovative finance approaches to scale up deforestation-free cattle and soy are refined and expanded.
12/2016		<p><i>Output 4.1. Develop corporate engagement strategy in agreement with CFA partners. (WWF)</i></p> <ul style="list-style-type: none"> By 2/2017, comprehensive analysis of beef and soy markets and value chains carried out. By 5/2017, draft priority company list—refining/defining Tier 1 and Tier 2 companies by commodity and by biome—and engagement strategy developed, vetted and agreed by CFA co-architects, strategic partners and invited stakeholders.
12/2017		<p><i>Output 4.2. Establish credible and broadly accepted standard deforestation-free protocol that addresses sourcing of agricultural commodities, particularly beef and soy from all the target geographies. (WWF)</i></p> <ul style="list-style-type: none"> By 12/2016, benchmark analysis of deforestation-free definitions carried out; coalition of stakeholders identified. By 12/2017, deforestation-free purchase protocol developed; alignment workshops held; stakeholders aligned around protocol By 6/2018, protocol publicly launched and purchase contract language developed for target geographies demonstrating harmonization of deforestation-free commitment terms broadly achieved, globally and regionally (Brazil, Argentina and Paraguay), via consensus among relevant NGOs, associations and companies, and including standard definitions of forests, habitat loss and deforestation, transparency, legal compliance and safeguards to avoid leakage.
12/2020		<p><i>Output 4.3. Develop robust business cases for retailers, brands, meatpackers, traders and producers in the beef and soy supply chains and disseminate it broadly (TNC)</i></p> <ul style="list-style-type: none"> By 3/2017 existing business cases, tools and approaches are identified; priorities and interests of key actors¹³ in the value chain are assessed; business case tools and an approach are developed which are tailored to the needs of CFA; and the tools and approach are tested through the development of three initial, high-level business cases By 5/2017 the priority business cases are identified for the Amazon Beef commodity-biome, and for the Aligning Capital strategy. By 12/2017 the priority business cases are identified for the remaining CFA commodity-biomes (i.e. Cerrado soy, Paraguay Chaco beef, Argentina Chaco beef and soy) and CFA strategies (PSL, Transparency) By February, 2018, at least two business cases completed for Amazon Beef and Aligning Capital By December 2018, at least five additional business cases completed for the other commodity-biomes and strategies.

DUE DATE	ACT/IND	DESCRIPTION
12/2020		<p><i>Output 4.4. Develop and implement coordinated and targeted communications strategy for CFA. (NWF)</i></p> <ul style="list-style-type: none"> • By 1/2017, targeted communications strategy developed, including a framework for workplan development that will explain soy and beef supply chains, deforestation-free challenges, opportunities and progress, and elevates concern about habitat loss, globally and in the key CFA geographies, and how it is impacted by supply chains⁷. • By 12/2016, outreach and education plan and tools for partners to use with different audiences developed for elevating the importance of forests and market approaches, including the Cerrado and the Chaco, and explaining the CFA bodies of work and progress. • By 8/2017, communications platforms launched, including a multi-media web site. • By 3/2018, and annually thereafter, communications strategy and relevant work plans are reviewed, and updated, as appropriate, to optimize the execution of CFA communications work.
12/2020		<p><i>Output 4.5. Document and broadly disseminate the lessons learned from CFA as well as similar initiatives (NWF)</i></p> <ul style="list-style-type: none"> • By 6/2017 system developed for analyzing reports and other forms of information on CFA work, as well as that of related initiatives, to identify aspects of success/failure. • By 8/2017, database built and protocol developed for organizing content bringing together relevant information/reports from CFA architects, and from other partners and potential partners from related initiatives, collated and organized. • On an ongoing basis, lessons obtained and database updated.
12/2020		<p><i>Output 4.6. Implement credible science-based advocacy to motivate leading supply chain actors and laggards to take action and improve transparency. (NWF)</i></p> <ul style="list-style-type: none"> • By 5/2017, advocacy strategy⁸ developed through meetings with key partners and stakeholders, to ensure appropriate roles for CFA partners, implementing partners and role-players (sub-grantees and contractors), with specific plans to be updated iteratively, in line with CFA progress. • On an ongoing basis, Information on performance of Tier 1 & 2 companies from all the above CFA outcomes regularly collated to identify key leaders to demonstrate best practices and laggards as outreach targets.

⁷ Strategy will be developed with outside expertise (PR firm, leading media partners) based on audience analyses, optimum use of existing vehicles and engagement of CFA co-architects and partners.

⁸ Built on existing relationships with Tier 1 and Tier 2 companies, retailers, brands and investors.

DUE DATE	ACT/IND	DESCRIPTION
		<ul style="list-style-type: none"> • On an ongoing basis, outreach and advocacy conducted, including production of materials such as scorecards and websites (building on existing vehicles), which employ accurate and updated quantitative and qualitative measures of performance (with quality control and oversight provided by NWF). • On an ongoing basis, tools developed as needed to enable all CFA partners to build upon advocacy outreach and link these efforts to Outcomes 1.1 and 1.2, in order to support adoption or improvement of policies and their implementation.
		<p><i>Output 4.7. Develop and implement Monitoring and Evaluation (M&E) plan. (NWF)⁹</i></p> <ul style="list-style-type: none"> • By 8/2016, M&E plan drafted with milestones for implementation. • By 4/2017, M&E plan fully developed and approved. • On an ongoing basis, M&E plan updated by strategy coordinators.

⁹ This output will be led by NWF but implemented in close coordination with WWF and TNC.