

## **BCA Position Paper**

### **Deforestation**

The British Coffee Association welcomes the actions of the UK Government which have resulted on a recognition that the use of forest risk commodities should be included within the scope of the Environment Bill which is currently progressing through the Parliamentary Process and expected to be signed into law during 2021.

Whilst coffee has not been one of the commodities specifically referenced by UK Govt in promoting the issue of forest risk commodities BCA, and its members, recognise that coffee has both a part to play and an increasingly positive story to tell.

The conversion of forest to farmland is generally recognised as the primary cause of global deforestation where over 8.5 million hectares are removed each year. Studies such as the EU Biodiversity Strategy for 2030 acknowledge coffee as being a small contributor to this statistic. There is however a recognition that the global increase in demand for coffee which, Covid apart, we expect to see continue, will have an increasing impact.

At the same time there is a growing concern that the temperature increases foreseen as part of climate change will have a significant impact on where coffee can be produced. Estimates on the scale of impact vary but the more pessimistic views suggest a cut of 50% in global area is possible over the next 30 years. BCA and its members recognise that one of the consequences of a reduction in the current production area could be increased pressure to remove currently forested area for commodity food and feed production. We therefore welcome the engagement that is already underway globally within the coffee sector and are engaging to ensure the UK coffee industry and its consumer base are part of that programme.

Achieving real and lasting change requires a multi-faceted approach involving both the public and private sector, but an approach which continues to recognise the producer at its heart. Such an approach will involve a combination of voluntary measures, whether that be through certification & voluntary initiatives or the development of private projects and the framing of such approaches within a guiding regulatory structure.

Within the commodity sector there are a number of broad encompassing drivers that can be used to help develop a wider uptake of best practice. These will include crop rotation, targeted input use, soil management techniques and water management approaches. From a coffee perspective the use of agroforestry is a rapidly evolving technique which can be adapted in a number of different ways to both arrest the depletion of forest cover but at the same time deliver on other aspects such as soil and water management.

BCA believes there are a number of actions which need to be considered and which involve a partnership approach between industry and Government and which include the need for close liaison and coordination across the European coffee market as a whole

### **Broadening the scope of trade agreements**

As the UK begins to develop bilateral trade agreements outside the European Union and the European Single Market it is important that sustainability criteria become more centrally established as a component of these agreements. In the continuing absence of a WTO led multi-lateral trade agreement structure it is important the developed countries, including the UK, take the lead in establishing sustainability criteria more centrally within negotiations and agreements. Such a move would inevitably go beyond only the topic of deforestation, potentially encompassing the protection of social rights and the protection of additional natural resources. The use of internationally agreed protocols would underpin agreements, providing legally enforceable structures and thereby providing consistency and clarity for business, from producer to consumer.

Delivering confirmation that these requirements were being delivered could, relatively simply, be engineered into existing certification and verification schemes whether they be voluntary systems or private, individual business, sustainability programmes. A level of consistency and transparency would furthermore allow a clearer message to be conveyed to the final consumer.

### **Building back better – Green Funding**

Moving out of the Covid-19 pandemic there is a strong push, both inside and outside Government, to ensure that as capacity is rebuilt, it is rebuilt on a more sustainable basis. As we see the UK Government's approach to post-CAP agricultural production support; as we see the principles behind the EU Green Deal approach, we start to see much more evidence of green funding and green investment.

At the same time, we hear from institutions such as the World Bank about the lending structures they have in place and the work they are undertaking with National Governments to develop a 'payment by results' approach to delivering greater sustainability.

The UK Government now has the opportunity to take forward some of the principles of its domestic support system and encourage the development of a financial support package for producing countries which focus more on the payment by results concept which would incorporate the concept of due diligence in addition to the requirements for sustainable forest management. At the same time, this approach should be structured to complement existing public-private partnerships and private sector sustainability initiatives.

### **Enabling Regulatory Structure**

The function of regulation should be to establish a level playing field for industry, to set the framework for the delivery of increased supply chain efficiency and to guide businesses to deliver actions on the ground which result in sustainable and deforestation free supply chains. These actions need to accord with developments in origin countries to avoid the displacement of non-sustainable actions or activities – actions which can be delivered through the expansion of trade agreement mandates previously covered.