



SOY_{ON} TRACK

Webinar Monitoring, Reporting and Verification – Presentation of the Soybean On Track Program in Argentina

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Introduction

The webinar “Monitoring, Reporting and Verification – Presentation of Soybean On Track Program” for companies and other players in Argentina who could benefit and become inspired by the possibility of establishing a soybean purchase monitoring system in the Argentine Chaco, is part of the **Soybean On Track Program** aimed at anchoring the social and environmental commitments of soybean production. This event was part of the program's goal to engage other South American countries, such as Argentina and Paraguay.

The engagement process with local players in Argentina began in November 2020 through online meetings with important entities in the country, such as the Fundación Vida Silvestre and The Nature Conservancy.

The report in question refers to the webinar for relevant Argentina-based companies and players which took place on 9 February from 10 AM to 11:30 AM through the Microsoft Teams online platform.

In addition to the organisers, 22 people attended, including 11 representatives of 5 leading Argentine soybean market traders, as well as the co-president of Vision Sectorial del Gran Chaco Argentino (ViSeC). A list of participants and their respective institutions is attached.

Purpose of the Webinar

The purpose of this webinar was to present to traders, demand companies, NGOs and other important players in the Argentine soybean chain, initiatives developed by Imaflora in Brazil, to show other regions an alternative path for the development and/or improvement of protocols to ensure greater transparency throughout the supply chain.

These tools are:

- 1) Audit Benchmark for Commitments of the soybean supply chain.
- 2) Soybean On Track Platform, a transparency, compliance and accountability program for monitoring, verifying and reporting commitments undertaken towards zero deforestation in the soybean chain.

Presentation

The webinar began with a presentation by the webinar organisers, Imaflora, Rever Consulting, the Fundación Vida Silvestre (FVS) and The Nature Conservancy (TNC). Then, Imaflora introduced itself to the audience in Argentina, commenting on the work developed both in Brazil and Argentina.





Figure 1 – Opening screen of the webinar.

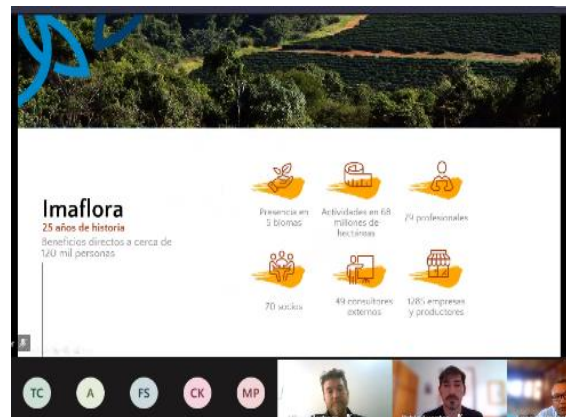


Figure 2 – Imaflores presentation.

In turn, FVS gave an overview of the deforestation and conversion situation in the Gran Chaco region of Argentina over the past 45 years, by presenting:



Figure 3 – Contextualising the Chaco.

- A brief contextualization of the Chaco, highlighting endemic species, indigenous peoples and traditional communities living in the Gran Chaco and the importance of preserving this biome, also with reference to the issue of climate change and ecosystem services.
- An animated map of the progress of deforestation in the Gran Chaco between 1976 and 2015, also relating it to greenhouse gas emissions in Argentina (around 14%).
- The legal framework underlying deforestation in Argentina, the Forest Law and the loss of more than 3.5 million hectares.
- A trend study for agricultural and cattle-ranching expansion and potential gains involved in taking up the fight against deforestation and conversion in the business whilst maintaining the level of expansion of soy and cattle expected up to 2028. It also showed that a decline in deforestation is not linked to a drop in yield, but rather introduces potential positive impacts linked to a decrease in greenhouse gas emissions, maintenance of ecosystem services and biodiversity. As the concept of deforestation and conversion, ranging from legal deforestation to zero deforestation and conversion,



becomes more restricted, the maintenance of biodiversity and reduction in emissions increases.¹



Figure 4 – Study of Trends regarding deforestation.

After FVS presented the Chaco deforestation context and the trend study, the floor was given to REVER Consulting, who explained how the private sector has been dealing with the challenge of zero deforestation and conversion through the Accountability Framework (AFi) and Deforestation and Conversion-Free Operational Guide. The following was presented:

- Basic principles addressed by AFi and how it relates to the creation of ethical chains, which includes addressing deforestation and conversion in the company's sourcing processes.
- Deforestation and Conversion-Free Operational Guide: the development of the AFi as a sustainable supply chain management tool, considering actions divided into five key elements (Commitment, Risk Profile, Internal Operations, Engagement with Suppliers and Monitoring, Verification and Reporting). The Monitoring, Verification and Reporting element was emphasized since it has a direct link with the webinar's objectives.

¹ https://www.vidasilvestre.org.ar/sala_redaccion/opublicaciones/?20860/Escenarios-futuros-de-expansion-agropecuaria-en-la-Ecorregion-Chaquena





Figure 5 –AFi Presentation.



Figure 6 – Elements for applying AFi.

After presenting the Accountability Framework (AFi) and the Deforestation and Conversion-Free Operational Guide, FVS presented the current state of monitoring, reporting and verification in Argentina, describing the progress and also the existing challenges.

- Traceability in Argentina is initially associated with the Forest Law. During the drafting of the law, different zones requiring protection were identified. Areas marked in green would be available for legal deforestation, areas in yellow could have sustainable interventions and areas in red should be preserved without any human intervention. There are about 8 million hectares that are not mapped by the Forest Law but have conservation value. The Forest Law also introduces compensation for ecosystem services.



Figure 7 – Monitoring, Reporting and Verification in Argentina (legal context).

- There is now a robust traceability system in place, which makes it possible to trace products back to their farm of origin. There is a government database that is georeferenced, enabling cross-referencing of data and layer mapping. To carry out this process in Argentina the RENSPA Code must be requested and the mapping layers can



be provided by the official deforestation tracking system or by the Animal Production Investigation Institute (INPA).

- A few of the challenges to overcoming the deforestation issue in Argentina were also brought to light in the discussion, such as the need to make databases public, which depends upon efforts of different entities (businesses and governments), as well as the importance of updating them periodically and also of having the polygon of a farm and not only the geographical coordinates; this tied to an effective implementation of the Forest Law in Argentina.
- Faced with such challenges in Argentina, TNC, other institutions and companies have begun discussing this issue and their use of the Visión Sectorial del Gran Chaco Argentino (ViSeC) Platform. From the start, TNC held individual meetings with the companies who originate, process and crush soybeans at their operations in the Argentine Gran Chaco.
- Based upon this platform, a letter of commitment was signed to confirm that these companies aim to reduce deforestation and slow other means of utilising the Argentine Gran Chaco. Four priorities were established, and they are in line with what was presented during the webinar: sectorial commitment; transparency and availability of key data; traceability and monitoring; and implementation along the production chain.



Figure 8 – Sectorial trader platforms and priorities in Argentina (ViSeC).

- Besides the aforementioned challenges, TNC also presented the idea of creating a system for monitoring and verification based upon the existing public data and systems, since every productive unit has a georeferenced code (RENPSA). This would allow a differentiation between areas with lesser or greater risk of deforestation. All soybean transport is accompanied by electronic documentation that has a code of the establishment of origin and there are already several sources of public or private monitoring for the most relevant deforestation regions. An established monitoring system could quickly define if the companies should or not purchase from a certain supplier based on the non-deforestation criteria established.





Figure 9 - Opportunities for the development of monitoring and verification.

After concluding the contextualisation of monitoring, reporting and verification in Argentina, a time was set aside for those in attendance to comment on experiences regarding this subject in their own soybean supply chain. At this time, some participants, including those from Cargill and Proforest, commented their own experiences regarding these issues. More details can be found in the **Main Comments and Suggestions** section of this report.

When this discussion was concluded, Imaflora presented its Soybean On Track Platform. It was developed in Brazil and focuses on monitoring and verification for soybeans purchased from Brazil, mainly in the Amazon and Cerrado regions:

- First off, a short video was presented about the origins of the Soybean On Track Platform and its goal to become a Transparency Portal for steps along the supply chain. The Portal contains a wide range of content concerning the Soybean Moratorium, a multisectoral agreement forged in 2006. The Soybean Moratorium was an agreement between the leading soybean exporting companies in Brazil, who agreed not to purchase soybeans from companies with deforested areas in the Amazon, used slave labour or planted in illegal fields.
- The Soybean On Track Platform works as a data hub to connect producers, the public, investors and companies involved in the soybean trade and offers tracking throughout the production chain.
- Besides providing production chain transparency, the project seeks to 1) support responsible socioenvironmental policies, from both sectors and corporations; 2) improve the monitoring and auditing processes of companies with socioenvironmental commitments.





Figure 10 – Video presentation of the Soybean On Track program.

After the video, Imaflora presented an overview of the Soybean On Track Platform, and its important role in monitoring, verification and reporting. This can be applied to specific details of sectoral agreements, such as the Soybean Moratorium or even individual commitments or demands.

- In the Soybean On Track Platform, interested parties can review the results of the Soybean Moratorium and the Green Grain of Pará audits for the years 2017-18 and 2018-19, which demonstrate the transparency of the processes already under assessment.
- The Platform is available in two languages: Portuguese and English.
- To better understand the situation of the Soybean Moratorium, the Audit Protocol is renewed yearly. This includes the improvement of audit techniques for auditors and the monitoring of companies.
 - During 2020, 20 companies were audited and 12 of them authorized publication of the reports. These will be available shortly and access will be public

Next, the Framework for Auditing Commitments Concerning Soybean Production Chains was presented, along with the four steps described in the Protocol to establish quality verification: definition of the verification and audit; audit quality guarantees; improvements in report quality and transparency and going beyond verification. It also includes information and figures about how to increase the commitment levels and how verification can show that a commitment is being complied with.

- The Protocol determines the minimum requirements to be verified, as well as specifies how to choose an audit company or party responsible for the process. For example: supplier lists, indexes to be verified, sample questions, methods for obtaining evidence.



This protocol is being tested in the Cerrado area by a trader that purchases soybeans in the region. However, the protocol can be used in any biome. After this trial period, the protocol will be adjusted to increase accuracy and will be published on the platform.

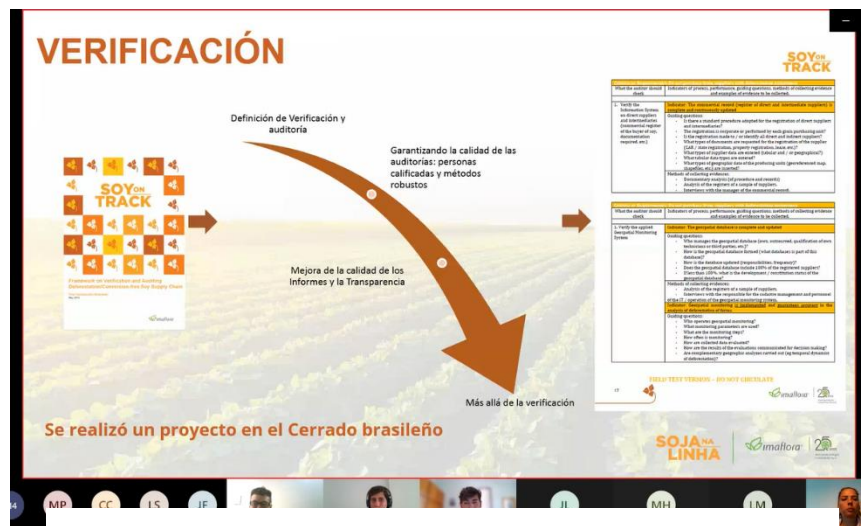


Figure 11 –The 4 steps of the Soybean on Track Protocol.

- After the protocol is approved, it will be used by companies to better analyse their monitoring process and view ways to improve it. Furthermore, the company will be able to hire a trustworthy audit company to execute the project by using this protocol. Companies will be able to demonstrate, as they apply the process, any progress that is reached regarding monitoring and verification.

End of the Webinar

Main Comments and Suggestions

Leticia Matias: Cargill Sustainability Analyst

- Cargill launched its Sustainable Soybean Policy for South America in 2019. Next, it started a six-element action plan for its implementation, aligned with AFi and the Proforest Soy Tool Kit. During the Webinar, Cargill mentioned two elements: to appraise and quantify implementation of the plan by determining performance indexes, and by monitoring, verifying and reporting.
- In this way, Cargill can measure progress over time, which is essential towards increasing transparency for important stakeholders. Concerning MRV, Cargill shares its progress in monitoring the supply chain every six months.
- Cargill mentioned how challenging it is to have an operation spread across five different countries, each with specific laws, different ways of collecting data concerning georeferenced information on farms, and the difficulty in consolidating this data to assess progress and create reports for the separate regions in South America. In their view, it is easier to monitor compliance with the law in countries such as Brazil, which already has a well-established structure regarding environmental regulations, than it is



in other countries such as Argentina, as aforementioned, where there are gaps in compliance with the Forest Law and transparency of data provided by the government.

- On a positive note, Cargill mentioned its regional performance, i.e., its sustainability team is responsible for its actions in South America and this can be positive because it enables an exchange of information regarding what is being done by each country, such as the benchmark for the usage and access of the polygon in Argentina, which motivated Cargill to replicate this in other countries.
- Another positive trend is its involvement in sectorial groups because it is possible to lend experiences to other countries. What is applied in Brazil can be discussed and applied in Argentina. The example given was the discussion concerning certification methods in Brazil and Paraguay, which is under consideration in Argentina.

Jane Lino: Proforest Vice-director

- Proforest works with companies involved in Soybeans and Cattle. Currently, it is focused on implementing MRV processes in Argentina, especially in the Chaco. Companies such as Nestlé and Mars deal with soybeans and sugar, while McDonald's processes meats.
- The recently launched Soybean On Track platform has made significant strides in Brazil. For Proforest, there is a connection with livestock. It would be important to understand which initiatives have this synergy, which could be applied to soybeans as well as beef in Brazil, and which could be established in Argentina as well.
- Proforest noted that it would be in their best interest to introduce these initiatives to companies they already have a relationship with in Argentina. Proforest concluded that MRV is already being used in the country.

Assessment of general reaction to the event

The webinar was widely approved, and some of the comments made were:

"The launch of the Soybean On Track Platform promises progress. It is great to witness its implementation."

"It was a pleasure to support the Webinar."

"Thanks for the Webinar".

During the webinar, apart from interactions with Cargill and Proforest, the participants made no comment on what was being presented. According to a perception survey, people prefer not to put themselves forward, especially in virtual environments, until they feel more confident.

For the partners involved, it was an important opportunity to discuss the issue with key players in Argentina as this may open new paths for the development of solutions locally.

"Thank you very much for all the effort put into organising this webinar"



FVS made a comment that some companies do not want to expose themselves because they are not yet committed to the topic locally and the need for MRV is not yet imminent. In addition, there is not sufficient internal pressure within the companies to cause them to commit yet.

For TNC, the main challenge may be connected to the virtual meeting environment since this may discourage some people from participating. They suggested that for the next events, some key points could be listed beforehand and a list of participants could be included with the invitation. This may make some people feel more comfortable bringing up issues during the webinar.

TNC stated that it thinks the challenge of participating in the webinar may be linked to the online environment since it can inhibit people from speaking out. It suggested that in future events it may be useful to draw up some key questions and send them beforehand to the participants so they can feel more at ease in bringing up topics at the time of the webinar.

Despite this difference between Brazil and Argentina, the partners pointed out that it was important to show that information is available and that there is a viable solution.

Conclusions and Further Courses of Action

The webinar fulfilled its objective of communicating and making people aware of a topic that is not trivial by stressing the importance of the topic within an Argentine context and introducing a process of greater involvement, showing that this knowledge and the tools developed by Imaflora exist in the Brazilian context and can be used as a cornerstone for the development and enhancement of monitoring, reporting and verification protocols in Argentina.

The Soybean On Track Platform was developed considering the Soybean Moratorium, but has the goal of gathering existing protocols, in an effort to show companies how it is possible to establish an MRV process for its supply chain and can be applied to any biome, whether there is a sectorial agreement or not. The Platform contains knowledge obtained over the last decade concerning soybean MRV.

This process can be replicated in the Argentine Chaco, as was mentioned during this presentation. For it to be successful, a joint effort will be necessary as with the implementation of any monitoring, reporting and verification program, so the issues of traceability can be resolved.

Another important point to consider when developing a monitoring program is the alignment of the various monitoring procedures that are already used locally so that there is a minimum benchmark and the implementation is similar. This alignment should also consider demand so that the same processes are used.

Since there are already some companies in Argentina which are discussing this issue, either with specialized organisations or through a sectorial group (ViSeC), it appears that it is viable to establish a similar protocol in the country. Within (ViSeC), the protocol presented is in



great synergy with the letter of intent they have signed and may become an inspirational document that leads to the execution of the four priorities they have established.

Annex

Agenda

| Agenda – February 23, 2021 | | |
|----------------------------|--|---|
| Time | Content | Topics |
| 10:00 AM | Welcome | |
| 10:05 | Intro | Presentation of Imaflora and organisers |
| 10:15 | Contextualising | Contextualising deforestation and conversion in the Argentine Chaco |
| 10:25 | AFi and the DCF Operational Guide (zero deforestation and conversion-free) | Operational Guide |
| 10:35 | Monitoring, Reporting and Verification in Argentina | Presentation of what already exists in terms of monitoring in Argentina |
| 10:50 | Soybean on Track Platform and Protocol verification references | Presentation of the Platform and Brazilian Protocols |
| 11:25 | Conclusion | |

List of Participants

| Organisation | Name | Prior Enrollment |
|-----------------------|--------------------------|------------------|
| Aidenvironment | Marco Tulio Garcia | Yes |
| Bunge | Guillermo Carlos Garcias | Yes |
| Bunge | Ruben Santillan | Yes |
| Cargill | Catalina Roman | Yes |
| Cargill | Julian Ferrer | Yes |
| Cargill | Leticia Matias | Yes |
| COFCO | Kevin Augusto Matias | Yes |
| COFCO | Mariana Ignacio | Yes |
| Control Union | Diego Cybulka | Yes |
| FVS | Ulisses Martinez | NGO |
| FVS | Maria Eugenia Periago | NGO |



| Organisation | Name | Prior Enrollment |
|-------------------------------|-------------------|------------------|
| Glencore | Carla Campanella | Yes |
| Glencore | Cleber Andrioli | Yes |
| Glencore | Patrícia | Yes |
| ViSeC | Josefina Eisele | Yes |
| Imaflora | Cecilia Korber | NGO |
| Imaflora | Lisandro Santos | NGO |
| Land Innovation Fund | Mesly Fernandes | Yes |
| LDC | Corina Yacobelli | Yes |
| Proforest | Alexandra Freitas | Yes |
| Proforest | Jane Lino | Yes |
| REVER Consulting | Pablo Fuentes | NGO |
| REVER Consulting | Maria Hausner | NGO |
| TNC | Caroline Rolim | No |
| TNC | Hernan Zunino | NGO |
| Olam | Cíntia Borges | No |
| | Llana Nina | No |
| | Leonardo Leitão | No |
| Number of Participants | 28 | |

