

## Terms of Reference

# How can a due diligence system based on no gross deforestation help reduce environmental impacts associated with UK supply chains?

**Name of Programme Team:** Food and Landscapes team

**Overarching purpose:** WWF aims to assess the overall impact due to UK commodity supply chains on the environment in key producer countries and estimate the extent to which a due diligence system based on no gross deforestation<sup>1</sup> and no land conversion<sup>2</sup> instead of producer country laws could help to avoid further impacts.

## **Background**

WWF is one of the world's largest independent conservation organisations, active in nearly 100 countries. Our supporters – more than five million of them – are helping us to restore nature and to tackle the main causes of nature's decline, particularly the food system and climate change. We're fighting to ensure a world with thriving habitats and species, and to change hearts and minds so it becomes unacceptable to overuse our planet's resources.

The UK Government is currently proposing a due diligence law that relies on producer countries' laws on forests and land use (see the UK Government's response to consultation and the proposal for a due diligence (DD) obligation amendment in the Environment Bill [here](#)).

Although the amendment is welcome, it is expected to fall short when it comes to addressing the UK's overall footprint overseas associated with its commodity supply chains, especially in regions where the deforestation and/or conversion risk is high. In many countries, national laws allow farmers to legally deforest or clear large extent of natural vegetation for agriculture, which represents large carbon dioxide (CO<sub>2</sub>) emissions among other environmental impacts, including harm to biodiversity and loss of ecosystem services (e.g. water supply, temperature regulation).

Therefore, a DD model based on producer country laws will fail to address the UK's impacts overseas arising from commodity supply chains, undermining its ability to fulfil commitments to reducing the UK's global footprint. WWF recognises that the UK government's proposed DD law is unlikely to be changed from an illegal deforestation focus to a no gross deforestation and conversion focus, and therefore the complementary measures the UK government proposed to address this gap (in its response to the DD consultation and to the Global Resources Initiative (GRI) taskforce recommendations in November 2020) are critically important.

It is within these complementary measures that WWF identifies an opportunity for the UK Government to go further towards addressing the UK's overseas footprint by implementing a

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<sup>1</sup> Gross deforestation refers to 'all', 'total' deforestation without any deduction from reforestation or other offsets.

<sup>2</sup> Refers to the conversion of other natural ecosystems not classified as forests, e.g. woody savannahs or grasslands.

legally binding target to halve the UK's global footprint, encompassing legal and illegal gross deforestation and conversion. Companies could also be compelled to do their part, by implementing a broader DD system (i.e. that assesses all deforestation and conversion risks and impacts, not only illegal deforestation and conversion, from their supply chains), which would both contribute to halting all deforestation and conversion and would likely be much less expensive to run than a system based on legality.

This evidence will support our advocacy around reducing the UK's overseas footprint, including the Environment Bill secondary legislation and complementary measures, action to tackle overall deforestation and conversion in supply chains agreed via the Sustainable Land Use Change and Commodity Trade dialogues in the run up to UNFCCC COP26 and via the GRI implementation plans. In addition, other pieces of legislation and policy, such as trade agreements and trade policy, will be discussed and implemented in the coming years. Having clear evidence that demonstrates the gap left by a DD legality model to address the overall UK's overseas footprint would allow WWF to advocate for strong complementary measures.

### **Project scope and objectives**

WWF aims to assess:

1. The potential impacts on deforestation, land conversion, biodiversity and associated CO<sub>2</sub> emissions from land use change due to the UK global supply chains of forest-risk commodities<sup>3</sup> from 2021 to 2030. The assessment should be undertaken for at least two key producer countries, starting with Brazil and Indonesia, which export commodities to the UK. Analysis should focus on the most relevant commodity driving deforestation and conversion in each geography.
2. Estimate how much of the potential impacts led by the UK supply chains would be legally allowed by the producer country laws.
3. Estimate to what extent a credible DD system based on no gross deforestation and no land conversion would be able to identify the impacts above mention, in comparison with a DD system that relies only on producer country laws.

### **Expected Outputs**

- Data spreadsheets, graphs and maps showing the assessment and the area expected to be impacted by UK supply chains in each geography, both overall and legally, between 2021 and 2030.
- Detailed description of the key elements that should be included in a credible due diligence system. Propose at least three due diligence system 'models' (from the perspective of commodity buyers) to be considered by WWF, potentially linked to the stage of the supply chain the company finds itself in (e.g. commodity traders/first importers to the UK, product manufacturers, retailers/food service). Consider general requirements and specificities to assess risks related to key specific high-risk commodities.
- Provide insights on the implications of the results to the UK's and global policy environment.

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<sup>3</sup> Seven agricultural and forest risk commodities studied in WWF and RSPB's 2020 report [‘Riskier Business: the UK's Overseas Land Footprint’](#): beef & leather, cocoa, palm oil, pulp & paper, rubber, soy, timber.

- A full public facing report (30-40 pages) describing the context, detailed methods and assumptions, the findings, and a discussion on the implications for nature and policy. The report should include a brief executive summary (max. 4 pages) containing the key findings and the main policy recommendations.

## **Submission of Proposal**

Proposals should include:

- relevant background of the supplier/consultant(s) involved, CVs of consultants who will participate in the project;
- organization's missions and previous experience with similar projects;
- a brief overview of your organisations environmental and social activities of the proposing organisation;
- a detailed description of the proposed methods;
- detailed timeline for delivery by no later than 10<sup>th</sup> May 2021;
- cost estimate for the project to include the daily rate, the number of days/breakdown of cost by task/milestone. Please inform total costs before and after VAT. Please also include any applicable charity discounts you may offer.

The proposal should be no longer than 5 or 6 pages plus CVs and other information on the organisation's policies.

Proposals will be assessed using a selection of criteria, likely including: fit to brief, previous experience of consultancy, how quickly the work can be completed, value for money, credible proposed methodology.

**Closing date to submit proposals:** 15<sup>th</sup> February 2021.

**Delivery of final report:** All outputs should be delivered by no later than 10<sup>th</sup> May 2021.

**Guidance on budget available:** £40,000 including VAT.

**Date:** 22<sup>nd</sup> January 2021.

**Commissioned by:** WWF-UK, Living Planet Centre, Brewery Road, Woking, GU21 4LL.

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