

Sustainable value chains

Civil society is coming together to protect the rights of local communities in South America, and to ensure the health of the ecosystems they depend on, by advancing the sustainable production and consumption of soy.



THRIVING ECONOMIES



IMPROVED LIVELIHOODS



FOOD SECURITY



WATER SECURITY



HEALTHY BIODIVERSITY



CLIMATE RESILIENCE



SUSTAINABLE DEVELOPMENT

Greening the economy – promoting sustainable soy

Context and challenge¹

Soy is one of the most important agricultural commodities in the world. The crop is a main ingredient of animal feed, and is also used for biodiesel. The European Union accounts for one-fifth of global soybean imports, one-quarter of which is procured by the Netherlands. In 2013, the Netherlands imported 8.3 million tonnes of soy – a harvest requiring a total surface area of 2.6 million hectares, the equivalent of about 80% of its own land surface.

For producer countries like Argentina, Brazil, Bolivia and Paraguay, the boom in soybean cultivation provides an important source of foreign exchange. Nearly 40% of all Argentinian exports are either soy or its derivatives. But this bonanza has severe social and environmental consequences. The expansion has eroded key portions of South America's natural capital as well as the livelihoods of many local communities. Impacts include:

- Overuse of agrochemicals is harming human health, wildlife and entire food webs. They pollute drinking water and threaten traditional sources of income such as fisheries and beekeeping.
- Soy has become a high-input monoculture, reducing ecosystem heterogeneity and resilience and displacing the traditional mix of maize, rice, oats and beans, which are key to food and income security.
- The Gran Chaco Americano – shared by all four countries and one of the planet's last wild biomes – is undergoing a rapid transformation due to agricultural expansion. Like the Amazon, this biome plays a critical role in maintaining the continent's climatic, hydrological, ecological and productive dynamics. In 2012 alone, major changes in land use transformed more than 500,000 hectares of natural vegetation to make way for agriculture – a deforestation rate of over 2,000 hectares per day.²
- In parts of Cordoba province in Argentina, 42% of wetlands have been drained in recent decades. In

Bañados del Río Saladillo, 69% of wetlands have disappeared, along with ecosystem services such as basin discharge, flood protection, clean water, the storage of organic soil carbon, and forage for livestock.

- Median rural incomes have risen, but overall inequality has increased. Agricultural production is now mainly in the hands of large companies. In Bolivia, over one-half of the cultivated area is owned by a mere 3% of producers, while just 24% belongs to 84% of small producers.³ Due to mechanisation, employment on large-scale farms is minimal and smallholders are often at a major disadvantage.
- Displacement of local communities causes reduced livelihood opportunities, poverty and sometimes forced migration.

Taking an ecosystem approach

The ecosystem approach promotes the integrated management of land, water and living resources in a way that achieves mutually compatible conservation and sustainable use, and delivers equitable benefits for people and nature.⁴ With Ecosystem Alliance support, civil society organisations have come together in Argentina, Brazil, Paraguay and Bolivia to empower local communities to defend their rights and protect the ecosystem services they depend on.

Collaborative action has focused on transforming the policy and regulatory framework currently guiding land use by:

- Monitoring land-use change.
- Advocating on a range of issues including health, the impacts of land-use change, land-use planning and monitoring, and law enforcement.
- Promoting healthy ecosystems and community participation as the basis for development.

Local partner organisations have mapped the networks of actors, conflicts and land tenure structures, and are using this data to inform the drafting of new environmental laws. On-the-ground projects are complementing this policy work to ensure maximum impact. Civil society groups work closely with affected communities to restore the function of degraded land wherever possible, and to protect remaining healthy wetlands from cultivation by co-creating and co-managing protected areas.

A parallel push in Europe has focused on:

- Reduction – less consumption of soy as feedstock and biodiesel.
- Responsibility – quality standards combined with participatory land-use planning.
- Replacement – substituting soy with more sustainably produced feed and fuel products.

The Dutch Foundation for Chain Transition Responsible Soy was designed to lead to 100% purchase of Round Table on Responsible Soy (RTRS) – or equivalent – certified soy in the Netherlands by 2015. Ecosystem Alliance members are monitoring developments closely to ensure that the bar is kept high.





"An increasing number of giant production and buying companies are announcing their commitments to sustainable production, which includes no deforestation and no wetland conversion. Access to knowledge about trends and socio-economic and environmental impacts of the industry plays a vital role in this shift."
Hernán de Arriba,
ProYungas



Impacts on communities, nature and policy

- In 2014 the Ecosystem Alliance and partners launched the Socio-Environmental Observatory on Soy (OSAS) to gather, produce, systematise and present knowledge essential to influencing local planning policies. It will continue to support the dialogue among actors from the private, public and non-governmental sectors, as well as the systematic monitoring of the impacts of soy expansion and production. Local civil society is now stronger and reliable data is available to the different parties along the entire value chain.
- The project has helped drive the introduction of improved legislation, including:
 - A ban on the proposed privatisation of the Paraná Delta in Argentina, which had threatened to lead to 500,000 hectares of illegal rice and soy cultivation.
 - An agreement to abolish two highly contaminating pesticides in Argentina by 2017.
 - Authoritative land-use plans, designed for a jointly managed ecological corridor crossing three provinces, that have been accepted at the provincial and federal levels. This should lead to the de facto protection from cultivation of hundreds of thousands of hectares of biodiversity.
 - Senate approval of the first-ever national law to establish minimum environmental standards for over 600,000km² of Argentina's wetlands. Final approval is pending.
- Civil society partners are active participants in the RTRS, with real influence on decisions.

Looking to the future

Governments, as well as the private and financial sectors, in both producer and consumer countries have a vital role to play to effectively transform the value chain in the soy sector. Ecosystem Alliance partners will continue to work in South America and Europe to help establish essential enabling conditions, including:

- Inclusive land-use planning.
- A strong regulatory framework that is implemented in both soy-producing and importing countries, and supported by adequate capacity at all levels.
- A level playing field for the private sector through the adoption of criteria generated by platforms such as the RTRS into mandatory standards.

- Financial incentives such as payments for ecosystem services, tax exemptions and low-interest-rate credits to produce soy sustainably.
- Efficient production and consumption of (soy-based) protein or energy.

Ongoing project activities include:

- Supporting local civil society to actively and effectively participate in relevant decision-making processes and fora.
- Facilitating dialogue among local and international business players, governments, and local communities, to ensure that both governance and certification standards are established in a way that respects and provides for the needs of local people.
- Promoting the trade of soy certified by RTRS, both to industry and consumers, and undertaking advocacy work aimed at making sure the EU Directive on Renewable Energy does not support soy biodiesel that comes at the direct or indirect expense of wetlands, forests and other sensitive areas.

Through these concerted actions, soy production and trade could become a responsible value chain, marrying profits with long-term benefits for both people and the ecosystems that provide us with so many essential services.

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Further reading

1. Observatorio Socio-Ambiental de la Soja
<http://observatoriosoja.org>
2. Soy Barometer 2014
3. Betting on Best Quality
<http://www.iucn.nl/en/news/publications/?14101/Betting-on-best-quality>
4. Dutch Soy Coalition
<http://www.soycoalition.org>
5. Biofuels in Argentina – Impacts of soybean production on wetlands and water
<http://www.wetlands.org/Portals/0/Biofuels%20in%20Argentina.pdf>
6. Promoting the importance of wetland conservation for responsible soy
<http://www.wetlands.org/News/tabid/66/ID/2959/Promoting-the-importance-of-wetland-conservation-for-responsible-soy.aspx>

REFERENCES

1. Much of the information in this case was drawn from the Soy Barometer 2014. Dutch Soy Coalition. <http://observatoriosoja.org>
2. www.observatoriosoja.org
3. Herrera et. al. (2013), *Impacts of soybean production on wetlands and water*.
4. <http://www.cbd.int/ecosystem/>

MADE POSSIBLE BY THE ECOSYSTEM ALLIANCE



OSAS

OBSERVATORIO
SOCIO AMBIENTAL
DE LA SOJA