



Artisanal processing unit of oil palm fruits in Cameroon, belonging to a smallholder.  
PHOTO LOUIS DEFO

# Preconditions for responsible production of agro commodities in the Congo Basin

by Dr. Louis Defo<sup>1</sup>

**Consumers in international markets expect that agro commodities they use are produced in a responsible way with respect for the environment and for local small holders at the beginning of the value chain. Dr. Louis Defo from Cameroon explains preconditions for responsible production of agro commodities in the Congo Basin. He addresses the role of agro businesses and multinationals, the contribution of importing and consuming countries and the responsibilities of Congo Basin's States.**



The issue of responsible production of agro commodities (cocoa, coffee, palm oil, rubber, etc.) in the Congo Basin is relatively new and this contribution is therefore a preliminary reflection. It is essentially based on the experience that the author has drawn from supporting agro industries and small producers, from his participation in forums as well as from his involvement in animating multi-stakeholder platforms regarding agro commodities in the region.

In Congo Basin as well as elsewhere in the tropics, the recurrent practices that are likely to compromise

environmental conservation, social acceptability and inclusiveness as well as economic viability in the context of the production of agro commodities include deforestation, degradation of natural ecosystems, erosion of biodiversity, illegality, use of child labor, use of forced labor, violation of community and human rights, non-respect of workers' rights, gender inequalities and a low remuneration for producers. The objective of this chapter is to highlight the actions that can generate an environment that is favorable to the eradication or to a significant reduction of these problems. These actions are the responsibility of all

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stakeholders, but mainly that of multinational companies, local producers, importing countries and producing countries.

### The role of agro businesses and multinationals

Agricultural enterprises (large-scale producers, exporters, importers or processing companies) are major players in the agro commodities sector and can play a key role in creating and developing a favorable environment for responsible production in the Congo Basin and elsewhere in the world. Some of these companies both upstream and downstream of the supply chains have adopted commitments and programs to tackle the aforementioned problems.

The translation into concrete acts and the effectiveness of these initiatives will depend, among other things, on the collaboration of companies with other stakeholders, in particular with States and small holders (see the box). So, for example, a win-win partnership between, on the one hand, companies that export and / or process cocoa (Olam, Cargill, Barry Callebaut, Mars, Mondelez, Nestlé...), and, on

the other hand, small holders (who produce almost all the cocoa in the Congo Basin) may have a decisive impact on the pursuit of sustainability.

Unsustainable practices on the part of these small holders in Congo Basin result from a combination of factors, including technical and organizational shortcomings, no access to information, absence or insufficiency of environmentally friendly inputs and equipment, low and decreasing purchase prices paid to farmers, the lack of an adequate credit system and an overall context of endemic poverty.

**WIN-WIN COLLABORATION** In the framework of a win-win collaboration, companies can introduce expertise, technology and influence on the market and funding capacities to support small holders to address these issues. In addition, the actions of these companies should be governed by compliance with international good practices, tools and guidelines such as Free Prior and Informed Consent (FPIC), High Conservation Value (HCV), High Carbon Stock Approach (HCSA), OECD-FAO Guidance for Responsible Agricultural Supply Chains, OECD

Guidelines for Multinational Enterprises, UN Guiding Principles on Business and Human Rights and the Core Principles of the Accountability Framework Initiative (AFI).

However, it would be naive to believe that these companies will make these efforts voluntarily. It is for this reason that NGOs, other non-profit groups and end consumers in the North should increase pressure on companies in the agro commodity supply chain regarding respect for the environment and the rights of stakeholders in production areas. The role of importing countries should also be emphasized.

### Potential contribution of importing and consuming countries

The countries of the European Union, the United States, China, the United Kingdom, India, Japan, Russia, and India are the main importers of agro commodities from the Congo Basin. These countries are therefore very important in all initiatives to use the lever of demand and international trade in efforts to promote the sustainability of agro commodities in the region. Therefore, any guidelines, norms, regulations, standards or public policy these countries impose on imports can directly or indirectly influence the production conditions of these commodities in the Congo Basin.

In this context, it is appropriate in Europe to welcome, for example, initiatives such as the German sustainability strategy (2016), the German plan for sustainable cocoa (2019), French law n° 2017-399 relating to the duty of vigilance of parent companies and ordering companies (2017) and the French strategy to combat imported deforestation (2018). However, these initiatives have so far had an insignificant impact on the ground for several reasons. In the United States and China, for example, the governments are still almost indifferent when it comes to efforts to tackle sustainability issues linked to the import of agro commodities. Nevertheless, it is important to note the increasingly obvious will of China in this context, with a number of green supply chain policies and guidelines.



Louis Defo takes young plants of plum trees (*dacryodes edulis*) to his cocoa farm in Cameroon, in order to practice crop and income diversification.

It is also important to mention, for example, the recent bans of imports of palm oil from Malaysian producers, FGV Holdings Berhad (September 2020) and Sime Darby (December 2020) by the US, following concerns about forced labor and child labor.

**MANDATORY REGULATIONS** The initiatives mentioned show that there is progress, but it is clear that the adoption of mandatory regulations on the supply chains of risky commodities by consumer countries could constitute a decisive step in the creation of a favorable environment for responsible production of agro commodities. The VPA FLEGT process for timber is a good example of creating a conducive environment in which all stakeholders sit down, debate and resolve (find consensus) on policy and regulations for the production and transformation of commodities along its value chain. The above-mentioned importing and consuming countries can also directly support governments and other stakeholders in Congo Basin to tackle environmental



Rubber nursery in an agro industry plantation in Cameroon.



Cacao plantation in Cameroon.

and social problems associated to the production of these agro commodities. Collective actions associating all leading importing countries may also be important: it would be good if all global parties interested in sourcing agro commodities from the region would sit down with governments and other stakeholders in the region and develop some collective standards, principles or guidelines, take collaborative responsibility for development and for locally adding value to the commodities so as to encourage genuine local economic and social development.

### Responsibilities of Congo Basin's States

The role of the Congo Basin States in establishing an environment conducive to the sustainability of agro commodity production can be primarily on the level of land use planning, policies, regulations and poverty alleviation. Indeed, avoiding or limiting the destruction or degradation of natural ecosystems also requires a consensual adoption, implementation, and monitoring of land use plans. Such consensual land use plans can help avoid conflicting overlaps in allocation and conflicts of use as well as the conversion of High Conservation Value and High Carbon Stock areas.

Beyond the rationalization of space management, each State will have to harmonize forest, environmental, agricultural and land tenure policies as well as the actions of the ministerial

departments in charge of the management or use of space, which sometimes contains discrepancies that can compromise the efforts of sustainable production of agro commodities.

On a legislative, regulatory and governance level, new codes will have to be adopted or certain aspects of existing codes revised in almost all the countries concerned. So, for example, on the level of the labor code, specialists hold that the texts in various countries are relatively soft with regards

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to the fight against child labor, forced labor and gender inequality. With regards to the land code, it is for example generally admitted that the current texts do not guarantee any land security especially for the peasants/farmers. The precariousness of rights in which they find themselves is not likely to encourage them to manage the land, produce and at the same time, take into account sustainability concerns.

The recognition and effective consideration of customary land rights and use rights of local and indigenous

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communities would, for example, be the beginning of a solution to the problem of land insecurity which affects peasants. In another domain, the land tenure code should also include a transparent and competitive system for the allocation of land concessions to agro industries. With regard to agriculture, there is a real need for an appropriate code in many countries, that is to say, a consolidated, coherent and up-to-date body of guidelines, principles and rules covering all aspects of the agricultural and rural sector (agricultural land, production, training, research, financing, conservation, marketing, customs and fiscal regime, investment incentives, etc.), including environmental protection and natural resource conservation.

**POVERTY REDUCTION** All the above-mentioned efforts should be supported by effective poverty reduction policies. In Congo Basin, nearly all farmers live under the poverty line (\$1.90 a day, according to the UN threshold). It is well-known that poverty and environmental protection or sustainable production cannot coexist easily. Consuming countries can help Congo Basin States to gradually remove the barrier of endemic poverty. Consuming countries can, for example, support income diversification programs or projects to open up agricultural production basins (by creating roads) in the areas of producing countries in question. They can also help producing countries to set up adequate agricultural credit systems. Finally, sustainable production of agro commodities in the region requires a significant improvement in governance. The current situation marked by corruption, lack of stakeholder participation and transparency in the management of public affairs and impunity cannot be conducive for sustainability.

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#### ROADMAP TO DEFORESTATION-FREE COCOA (DFC) IN CAMEROON\*

Cameroon is the largest producer of cocoa in the Congo Basin. Cameroon is also one of the countries most affected by deforestation in the region. Cocoa farming is one of the drivers of deforestation and forest degradation in Cameroon. The country's ambition to significantly increase its cocoa production over the next few years is potentially damaging to its forests. Faced with this challenge, Dutch Sustainable Trade Initiative IDH has undertaken to facilitate the establishment of a public, private, and civil society partnership, of which the goal is to end cocoa-related deforestation in the country and tackle other sustainability issues in the cocoa sector. This partnership is centred on a roadmap to DFC and a framework for action for the conservation and restoration of forests, sustainable intensification of growing cacao and diversification of income and engagement and empowerment of cocoa-growing communities.

#### Participatory process

The framework for action was developed through a participatory process involving the public sector, private companies, civil society organizations (CSOs), farmer organizations and financial and technical partners. Now the framework for action has been approved by the government and signed by several cocoa companies, farmer organizations, NGOs and research institutions. The actual implementation of the activities of the framework for action is scheduled to start in 2021. In order to test innovative solutions which are part of the Roadmap to DFC, IDH and WWF have been engaged in setting up an initiative called "Green Commodities Landscape Program" since 2019.

\* The main sources of the information in this box is taken from a Draft Note published by Dutch Sustainable Trade Initiative IDH in April 2019 and from the author's participation in this process from its beginning (2019) until now.