Sustainable Value Chains, Finance and Investment in Forestry and Tree Commodities

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Three core thematic areas of research

1. Public, private or hybrid institutional arrangements that enhance the adoption of sustainability practices and social inclusivity in the value chain

2. Business models involving smallholders and SMEs that are economically viable, socially inclusive and environmentally sustainable

3. Adoption of responsible finance among financial service providers that improves sustainability and support smallholders
Scaling solutions creates new challenges

Development of certification systems and sustainability standards for several agro-commodities

But, later studies showed:

- Restrictions for smallholders
- Are sustainable and inclusive value chains as inclusive as they seem?
- Investors influence direction of changes (scale, profit and risk)
Searching for inclusive scaling

Influence policy dialogue through new, neutral and credible knowledge

- Role of smallholder producers in value chains
- Role of gender in specific value chains (shea, oil palm, cacao)
- Importance of multilevel governance to ensure that international value chains and finance contribute to sustainable landscapes
Research for impact

Supporting policy dialogue

• FLEGT – national wood markets and informal smallholders
• FSC – impacts of certification, quality of assessments and alternative standards for SMEs and communities
• RSPO – learning from impacts (on gender, peatland) to improve performance
Conclusions/Key messages

• Research as a process, in response to and engaging with a broader array of multistakeholder platforms at different levels
• Co-design and deliver evidence-based solutions that address supply chain and investment constraints
• Requires a system approach