Landscape Standard

Terms of Reference

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Federal Ministry
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This Terms of Reference describes why the Landscape Standard is needed and what it aims to achieve, and shall be reviewed and updated as necessary whenever the standard is revised.

I. Justification and Need

Business-as-usual models of land management, natural resource use and infrastructure development continue to threaten water quality and availability, soil health, and ecosystem integrity while greenhouse gas (GHG) emissions and the effects of climate change intensify. Although many companies, governments, financiers, and donors have recognized this and are making investments to improve sustainability, many of the biggest threats to sustainability (like climate change, deforestation, soil infertility and water mismanagement) are complex and operate on a scale much larger than that of a single parcel of land or one supply chain. No matter how well a given actor manages resources, meaningful sustainability cannot be achieved without considering the cumulative impact of activities across an entire landscape. Despite this, there is currently no standard in existence that assesses progress towards key sustainability outcomes at a landscape scale, beyond the performance of a specific land use, sector or actor.

The Landscape Standard (LS) is a framework that helps companies, governments, financiers, and donors credibly assess and report on progress towards environmental, social and economic sustainability in productive landscapes. LS is the only global standard that seeks to measure these sustainability outcomes, as opposed to practices, at the landscape scale, while helping users demonstrate progress. With the framework as a basis, LS will create incentives for relevant actors to work towards landscape sustainability goals, by facilitating commodity sourcing and investment linked to landscape performance. LS will fill a number of specific needs and gaps related to measuring, monitoring and reporting progress towards sustainability outcomes, as set out in Table 1.

Table 1. Needs and gaps filled by the Landscape Standard

Stakeholder group	Needs + Gaps	Landscape Standard Use
Corporations (consumer goods companies; agribusiness companies; timber & forest products companies)	Many companies (e.g., consumer goods companies) are making more sophisticated sustainability commitments that link to landscape-scale issues, but lack a credible standard to support landscape- related claims (such as zero-deforestation, biodiversity protection and effective water management)	Provides measured sustainability outcomes to help companies demonstrate compliance with corporate commitments related to landscape sustainability (including verified claims)
Development finance institutions (DFIs) and other investors	Impact investors and Development Finance Institutions (DFIs) need to understand macro (landscape-linked) risks associated with potential investments and to demonstrate enhanced sustainability in landscapes where they invest	Identifies landscape-level risks (and opportunities for addressing them) and provides credible landscape sustainability performance assessment and reporting framework

Bi-lateral and multi-lateral donor agencies, philanthropies, and governments	Donors and governments need to ensure costs and benefits of land-use activities (including productive activities and restoration) are more equitably distributed and achieve real sustainable development and conservation outcomes	Landscape-wide monitoring and assessment to ensure delivery of target sustainability outcomes
Landscape change-makers	Producers, communities and civil society are investing time and resources in landscape improvement, but lack tools to comprehensively assess the outcomes of local landscape investments across multiple dimensions and sectors	Offers a standardized approach to assess and communicate sustainability progress (or maintenance of high performance) to prospective investors including supply chain companies, donors and governments

The basic structure of LS comprises:

- **Goals:** Commitments to address environmental, social, and economic sustainability challenges; goals are globally defined and potentially linked to the UN SDGs.
- **Targets:** Measurable and time-bound outcomes that contribute to achievement of a goal; targets are based on: i) thresholds (e.g., "GHG emissions intensity is x within 5 years"; or ii) continuous improvement (e.g., "reduce GHG emissions by x% per year").
- **Indicators:** Metrics used to measure progress towards a target; indicators are globally set with optionality based on specific landscape characteristics and determined based on feasibility and availability of data.

Importantly, LS will allow for demonstration of progress over time and for users to make such claims from the outset. In this way, LS will create near-term value for users while at the same time allowing for continuous improvement of the standard through user feedback and data enhancements. In the long term, LS will help define and accelerate transformation to large-scale social and environmental sustainability paradigms for productive land use activities. In doing so, it will also help build a sustainable supply of the world's primary commodities to meet growing global demand.

A. Scope of landscape and geographic application

LS can be applied anywhere in the world on any landscape where commodities are produced for domestic or international markets (e.g., agricultural, timber or extractive commodities).

B. Scope of sustainability issues assessed

The most important sustainability issues covered under the scope of the standard are those related to land use sustainability and sustainable development across economic, environmental and social dimensions: LS seeks to ensure the production of global commodities is done in a way that benefits local stakeholders and protects ecosystems while ensuring a reliable supply of high quality commodities.

C. Related standards and initiatives

As described above, LS aims to fill a void by developing a holistic, outcomes-based standard that assesses landscape-scale environmental, social and economic sustainability. While there are no other standards with this precise scope, there are a number of standards with related elements that LS may seek to complement or draw lessons from (e.g., potentially by aggregating data from farm-based certification). Following are the most relevant standard systems:

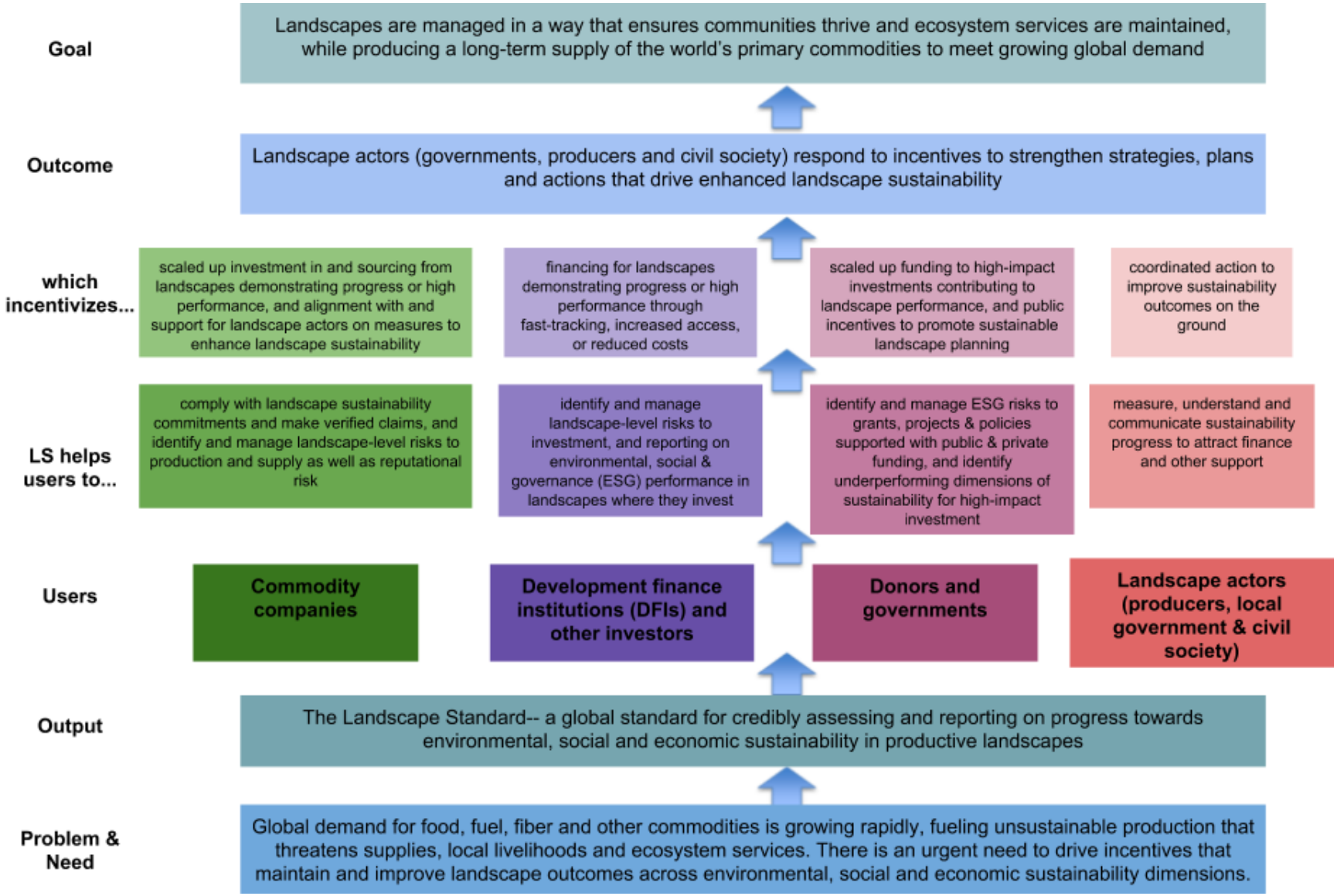
- *Roundtable on Sustainable Palm Oil's Jurisdictional Approach*: RSPO is developing a jurisdictional approach to the sustainable certification of the production and processing of palm oil products. The program is tied exclusively to palm oil sustainability, and is thus not applicable 1) in non-palm oil landscapes, and 2) to other agricultural/forest products within palm oil landscapes. It also does not take account of other activities in the landscape to assess cumulative impact and progress. Nonetheless, it does represent a novel attempt to assess landscape-scale sustainability in the palm oil sector. As such, LS will monitor and draw from lessons learned via the RSPO jurisdictional approach.
- *Ghana Climate Smart Cocoa Standard:* While still currently under development, the GCSC will focus on tracking landscape-scale outcomes of climate smart efforts to provide the sector with a credible means of marketing climate-smart cocoa in Ghana. Similar to RSPO's jurisdictional approach, GCSC is tied to a single commodity and, further, to a single country. LS will form part of the GCSC, providing a means to measure outcomes at landscape scale. Further, the Government of Ghana is a partner in the development of LS.
- *Farm-based standards systems:* Numerous standard systems exist for farm-level certification of agricultural sustainability. These standard systems variably assess environmental and/or social aspects of sustainability at the individual farm or producer scale. LS intends to work with these to identify potential synergies and opportunities to utilize farm-based certifications in landscapes where LS is applied. Examples include Rainforest Alliance Certified, Fair Trade, and organic.
- *Commodity roundtable standards systems:* Commodity roundtables are multi-stakeholder market governance mechanisms covering a range of major commodities (e.g., palm oil, soy, beef, sugarcane, cotton) which seek to reduce social and environmental impacts of commodity production. Most of these roundtables have published sustainability guidance or standards, but these work primarily at a farm/producer level rather than landscape level. LS will draw lessons learned and, where appropriate, coordinate with these roundtables during development and implementation of the standard.

In addition to the above-related standards, Appendix 2 lists other programs, tools and initiatives that have relevant linkages to LS.

II. Expected Social, Environmental and Economic Outcomes

The intended long-term goal of the Landscape Standard is to ensure that landscapes producing the world's primary commodities are managed sustainably to meet long-term global demand and enhance local community benefits and ecosystem services. See Figure 1 for the Landscape Standard Theory of Change, which identifies the problem the standard is seeking to address, the desired short-term output including the development of the standard, and the expected long-term outcomes. This Theory of Change will be updated based on lessons learned from developing and piloting the standard.

Figure 1. Landscape Standard Theory of Change



III. Risks Assessment and Mitigation

Table 2 identifies risks to LS and describes actions that will be taken to mitigate these risks. Additionally, throughout its development positive feedback loops will be put in place to identify challenges and make course corrections in efforts towards developing a product that is useful, relevant and value-added to local and global stakeholders.

Table 2. Risks and mitigation strategies

Key Risk	Strategy to Mitigate
Potential users of LS (e.g., commodity sourcing companies, financial institutions, producers, local governments & civil society groups) do not i) understand the value of working at a landscape scale, ii) see the need to use a standard to assess and make claims on landscape sustainability, or iii) see the standard as feasible to apply, resulting in low uptake of LS	Conduct market assessment on needs related to landscape-scale sustainability assessment and align with design of LS. Validate and refine LS value (including user costs/benefits) and revenue model early on through stakeholder interviews and workshops with key user groups to ensure the emerging framework meets their needs and is workable. Develop metrics that are realistic, streamlined, and efficient and can readily and inexpensively be applied in the broadest range of country/production contexts. Test workability of LS metrics through pilot activities.
Delayed timing of sustainability outcomes complicates attribution to LS usage and thus uptake	Design LS and associated tools (e.g., planning tools, historical analysis, risk analysis) to create immediate value prior to performance being achieved/reported. Allow for indicators that demonstrate continuous progress towards sustainability so that users can make early claims before key thresholds (like zero-deforestation) have been fully achieved. Conduct comprehensive pilot projects[1] to test use cases and identify challenges early during LS development process.
LS is associated with negative impacts on local communities or other marginalized groups	Ensure appropriate social experts/stakeholders and community representation respectively in global and country advisory groups. Design LS to include threshold controls to capture, address and prevent actions that could result in a negative impact to marginalized communities or any other stakeholder group. Investigate negative claims made to determine level of attribution to LS and address as appropriate.
LS application does not drive new incentives and finance to improve landscape performance	Identify and map incentives and finance needed to drive action to improve sustainability by pilot-specific landscape actors, and determine pathway(s) for securing resources driven through or linked to successful LS application and outcomes. Regularly assess demand-side progress and adjust LS framework and/or piloting as needed to meet needs of finance/incentive providers.

[1] See Appendix 1 Sections IV and V for an overview of pilot projects and their role in LS development.

Appendix 1. Standard-Setting Procedure

I. Introduction

This standard-setting procedure forms the basis of the development process for the Landscape Standard (LS). The development process for LS aims for consistency with the ISEAL Alliance Code of Good Practice for Setting Social and Environmental Standards Version 6.0, which defines effective standard-setting processes, thereby increasing the credibility of the resulting standard.

II. Stakeholder Identification

LS stakeholders are individuals and groups that have interest in decisions or activities related to the development and use of the standard. Key stakeholder groups include those directly affected or impacted by implementation of LS, and may include those indirectly affected e.g., through causal links. For the LS, we have identified the following key stakeholder groups (noting that the same entity(ies) may play multiple functions):

- Implementing user: Group(s) applying LS in a given landscape, e.g., consumer goods companies, agribusiness/forest products/extractive companies, traders, governments, civil society
- Payer: Group(s) paying for or investing in LS application, e.g., producing/sourcing/trading companies, public and/or private financial institutions
- Demand user/consumer of outcomes: Group(s) seeking to use the results from an LS assessment, e.g., agribusiness/forest products/extractive companies producing in or consumer goods companies sourcing from a landscape, public and private financial institutions, governments
- Financier: Group(s) interested in providing financing or incentives based on the outcomes demonstrated by LS application, e.g., producing/sourcing/trading companies, public and/or private financial institutions
- Landscape changemakers: Group(s), investing time and resources to ensure the landscape shows improvement (or maintains high performance) over time under the LS metrics, e.g., producers, smallholder/community organizations, governments and civil society

As the LS evolves, these stakeholder groups will be reviewed, engaged with, as appropriate, and updated at every instance of standard review and revision.

III. Public Consultation

Two rounds of public consultation will be held during the initial development of LS: a first round of 60 days and a second round of 30 days. Where substantive, unresolved issues persist after the consultation rounds, or where insufficient feedback was received, the Secretariat[2] may carry out additional rounds of consultation, as necessary.

Participation in consultations will be open to all stakeholders and will aim to achieve a balance of interests in sustainable development from around the world, with a primary focus on Africa, Latin America and Asia. To facilitate broad stakeholder participation, key LS framework documents will be translated into Spanish and other languages.[3] The Secretariat will identify stakeholder groups that are not adequately represented and proactively seek their contributions.

Upon the conclusion of each consultation, the Secretariat will:

- Compile all comments received during a consultation period;

[2] See Section V Decision-Making and Organizational Structure for a description of the Secretariat.

[3] Translation into additional languages such as French and Bahasa will be pursued if resources allow.

- Make original comments received during the consultation period publicly available;
- Prepare a publicly available written synopsis of how each material issue has been addressed in the standard revision; and,
- Send the synopsis to all parties that submitted comments.

IV. Feasibility Assessment and Pilot Applications

LS partners will conduct a minimum of four test pilot applications of LS during the development process to assess the feasibility and auditability of requirements in the draft standard. These pilot applications will include both desk tests -- to identify key challenges/gaps ex-ante -- as well as field trials to ground truth LS applicability against operational realities in diverse landscapes.

Pilot testing will occur in Costa Rica, Ghana, Guatemala and Peru on an ongoing basis starting in 2018. Additional pilot countries may be added over time.

V. Decision-Making and Organizational Structure

A consortium of organizations will develop LS. The overall project will be managed by a Secretariat consisting of representatives from the Climate, Community and Biodiversity Alliance (CCBA), Rainforest Alliance (RA) and Verra. Global Partners in the consortium also include representatives from IUCN-Costa Rica, Nature Conservation Research Centre (NCRC), Proforest, and Solidaridad Network. Verra will act as coordinating and convening partner for LS development.

Secretariat and Global Partners

The Secretariat will serve to guide the overall direction of LS, including the development and management of the consortium's and external partners' workflow as well as long-term governance and oversight of the Landscape Standard. Global Partners will provide regular inputs on LS development.

Advisory Group

The LS Secretariat will establish an Advisory Group (AG)[4] to ensure that stakeholder views are appropriately reflected in decision-making. The AG will offer global and national perspectives on issues pertaining to landscape sustainability and supply chains. The AG will be open to and constituted by a balanced representation of LS stakeholders, including those that may be directly affected by the LS. Criteria and procedures for becoming an AG member will be transparent and non-discriminatory.

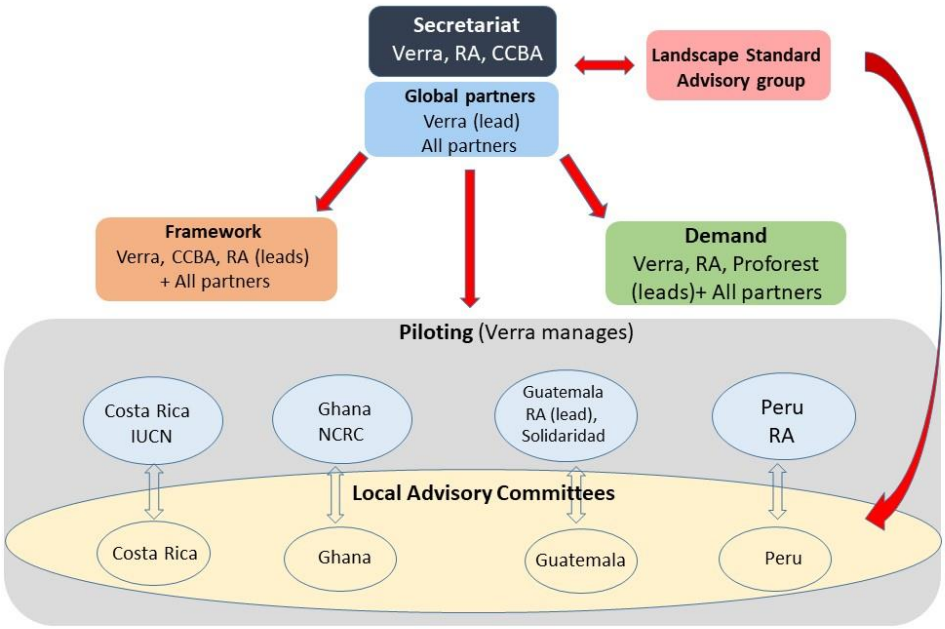
Local Advisory Committees

LS Partners in each pilot landscape will establish Local Advisory Committees (LACs) for each of the pilot applications to ensure that stakeholder views are appropriately reflected in decision-making. LACs will offer local and sub-national perspectives on issues pertaining to landscape sustainability and supply chains. LACs will be open to and constituted by a balanced representation of LS stakeholders from the pilot regions, including those that may be directly affected by the LS. Criteria and procedures for becoming an LAC member will be transparent and non-discriminatory.

See Figure 2 below for an organogram describing the various partners to LS.

[4] For more detail on AG duties and function, see the LS Advisory Group Terms of Reference available for download at http://verra.org/project/landscape-standard/.

Figure 2. Landscape Standard organogram



Throughout LS development, the Secretariat, Global Partners, AG, and LACs will strive for consensus when making decisions on content of the standard. Further, multi-stakeholder participation will be facilitated through formal public consultations (Section III) and informal solicitations, where particular issues or concerns are raised during LS development and application.

Engaging with other standards

In order to ensure consistency and avoid duplication with standards with overlapping scopes, the Secretariat will assess similar international standards and related initiatives. We will inform organizations that have developed similar international standards of our intention to develop the LS, and are encouraging their future participation in the development of LS. The Secretariat will actively explore possibilities for unilateral or mutual recognition for relevant standards systems or parts thereof that are complying with good practices and are operating landscape-scale sustainable development.

VI. Summary Work Plan

Year	2018				2019				2020				2021		
Goals and activities	**Q 1**	**Q 2**	**Q 3**	**Q 4**	**Q 1**	**Q 2**	**Q 3**	**Q 4**	**Q 1**	**Q 2**	**Q 3**	**Q 4**	**Q 1**	**Q 2**	**Q 3**
Establish secretariat, advisory groups (international and local)															
Agree on objectives and process for LS development															
Establish criteria for selecting specific pilot landscapes															
Engage actors to agree on target landscapes															
Align efforts in target landscapes															
Coordinate with related in-country initiatives															
Agree on priority metrics in pilot landscapes															
Identify data sources															
Engage with demand groups (ongoing)															
Determine level of MRV required to meet range of needs of demand-side users															
Define global metrics, informed by local and demand-related needs															
Draft LS and supporting program elements															
Desk Review of LS															
Assess landscapes using LS															
Peer review and public consultation of LS															
Conduct exchange and learning workshops															
Integrate feedback from roundtable spaces in other Central American countries															
Support establishment of PPPs															
Monitor, verify and report on landscape performance															
Link finance and market incentives to performance															
Finalize and release LS and promote in key forums															
Scale up understanding about the value of sustainable landscapes															
Establish revenue model for managing LS															
Develop case studies															
Develop 2nd version of LS															

purple= piloting workstream
blue= LS framework development workstream
green= demand engagement workstream

Appendix 2. Complementary Initiatives

The following are programs, tools and initiatives – but not standards – operating at the landscape-scale that offer complementary elements to LS, which will be engaged to explore complementarity and potential collaboration:

- *Frameworks for assessing and monitoring landscape performance (primarily bottom-up, sector specific or focused on one element of landscape sustainability (e.g., GHGs)):*
    - Conservation International's Landscape Assessment Framework: a framework for measuring, monitoring and communicating the sustainability of a landscape to guide local activities, inform policy and advise investments, designed for and applied in CI landscapes.
    - Earth Innovation Institute's Produce Protect Platform: a monitoring platform that displays trends in forest cover, land rights, land use, and basic social indicators at the jurisdictional level.
    - Green Climate Fund's Performance Measurement Framework: a framework to report on climate mitigation and adaptation outcomes resulting from GCF funded activities and programs.
    - Commodities-Jurisdictions Approach and Database led by a multi-stakeholder 'brain trust': a platform for jurisdictions meeting criteria established by Consumer Goods Forum co-chairs for preferential sourcing from landscapes making progress reducing deforestation
- *Tools for measuring aspects of sustainability within landscapes:*
    - Climate, Community & Biodiversity Alliance's Sustainable Landscapes Rating Tool: a tool that enables an assessment of the key conditions for jurisdictional policies and governance that enable sustainable landscapes to facilitate investment. Likely to be incorporated into LS in some way.
    - EcoAgriculture Partners' Assessing Landscape Governance: a participatory method of assessing landscape governance that aims to help participants identify ways to strengthen governance.
- *Financial instruments, incentives and programs promoting supply chain sustainability:*
    - WWF's Landscape Finance Lab: a program focused on designing and securing investment and partnerships for large-scale landscape programs using innovative finance mechanisms
    - Global Canopy's Soft Commodity Risk Platform: a tool to enable identification of key issues and companies that are risky to business.
    - Carbon Disclosure Project: a global reporting framework and detailed reporting guidance for companies to measure, manage and report on deforestation risk in commodity supply chains.
- *Tools for improving and tracking private sector commitments to sustainable landscapes:*
    - Rainforest Alliance's Accountability Framework Initiative: a collaborative effort to establish common definitions, norms, and good practices for delivering on companies' ethical supply chain commitments.
    - Forest Trends' Supply Change: an online platform tracking corporate commitments to supply chain sustainability
    - Global Canopy's Forest 500: an online platform to track corporate commitments and rank the most influential companies, financial institutions, and governments in forest risk commodity supply chains
- *Traceability approaches to increase transparency into commodity supply chains:*

- Stockholm Environment Institute and Global Canopy Programme's TRASE - Transformative Transparency: a tool that uses publicly available customs and trade data to map and link commodity exports to agricultural conditions – including specific environmental and social risks – in the places where they are produced, allowing companies, governments and others to understand the risks and identify opportunities for more sustainable production.
- Other private sector led tools that offer services to trace commodity supply chains. These include TFT SURE, SupplyShift and Verisk Maplecroft Supply Chain Management Tool.

- *Landscape sustainability efforts:* Numerous initiatives across the globe are advancing bottom-up efforts to enhance social, environmental and economic sustainability in specific landscapes. These initiatives are generating meaningful lessons learned, and LS could be applied as a way to assess sustainability outcomes over time. Relevant examples include:
  - Global Canopy Programme's Unlocking Forest Finance project, which targets sustainability outcomes and land-use transitions to identify potential investment cases in Peru.
  - Solidaridad's MAPA, PanAmericaña and PASOS learning and exchange platforms and sustainability initiatives in Guatemala, have significant private sector participation.
  - SNV Netherlands' "From full sun to shaded cocoa agroforestry systems" in Ghana is a multi-stakeholder land-use planning system that could be a key platform from which to apply LS.
  - GIZ's "NAMA - Low Carbon Coffee - Costa Rica" project is supporting the government in implementing the coffee NAMA, including facilitating the quantification of GHG emission reductions from the coffee sector and working with producers and other stakeholders in the supply chain to change their practices