

Webinar

Monitoring, Reporting and Verification - Presentation of Beef on Track Program in Argentina

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Introduction

The webinar “Monitoring, Reporting and Verification – Presentation of Beef on Track Program” for companies and other players in Argentina, who could benefit and become inspired by the possibility of establishing a beef purchase monitoring system in the Argentine Chaco, is part of the **Beef on Track Program** aimed at anchoring the social and environmental commitments of beef production. This event was part of the program's goal to engage other South American countries, such as Argentina and Paraguay.

The engagement process with local players in Argentina began in November 2020 through online meetings with important entities in the country, such as the Fundación Vida Silvestre.

The report in question refers to the webinar for relevant Argentina-based companies and players and it took place on 9 February from 10 AM to 11:30 AM on the online platform of Microsoft Teams.

In addition to the organisers, 19 people attended, including six representatives of three important meat processing plants in Argentina, as well as a representative of an important demand company, the director of the Sustainable Beef Roundtable of Latin America (Mesa de Carne Sostenible de América Latina) and a representative of an important local NGO that supports sustainable beef projects. The list of participants and their respective institutions is attached.

Purpose of the webinar

The purpose of this webinar was to present to meatpackers, demand companies, NGOs and other important players in the livestock chain in Argentina two monitoring, reporting and verification tools developed by Imaflora in Brazil so that other regions can see that there is a different path alternative for the development and/or improvement of protocols to ensure greater transparency throughout the supply chain.

These tools are:

- 1) Audit Benchmark for Commitments of the beef chain.
- 2) Beef on Track, a transparency, compliance and accountability program for the Amazon, with a protocol for monitoring, verifying and reporting on the commitments undertaken towards zero deforestation in the beef chain.

Introduction

The webinar began with a presentation by the webinar organisers, Imaflora, Rever Consulting and Fundación Vida Silvestre (FVS). Then Imaflora introduced itself to the audience in Argentina, commenting on the work developed both in Brazil and Argentina.





Figure 1 – Opening screen of webinar



Figure 2 – Imaflores presentation

In turn, FVS gave an overview of the deforestation and conversion situation in the Gran Chaco region of Argentina over the past 45 years, by presenting:



Figure 3 – Contextualising the Chaco

- A brief contextualisation of the Chaco, highlighting endemic species, indigenous peoples and traditional communities living in the Gran Chaco and the importance of preserving this biome, also with reference to the issue of climate change and ecosystem services.
- An animated map of the progress of deforestation in the Gran Chaco between 1976 and 2015, also relating it to greenhouse gas emissions in Argentina (around 14%)
- The legal framework underlying deforestation in Argentina, the Forest Law and the loss of more than 3.5 million hectares.
- A trend study for agricultural and cattle-ranching expansion and potential gains involved in taking up the fight against deforestation and conversion in the business whilst maintaining the level of expansion of soy and cattle expected up to 2028. It also showed that a decline in deforestation is not linked to a drop in yield, but rather introduces potential positive impacts linked to a decrease in greenhouse gas emissions, maintenance of ecosystem services and biodiversity. As the concept of deforestation and conversion, ranging from legal deforestation to zero deforestation and conversion,



becomes more restricted, the maintenance of biodiversity and reduction in emissions increases¹.



Figure 4 - Study of Trends in regard to deforestation

After FVS presented the Chaco deforestation context and the trend study, the floor was given to REVER Consulting, which explained how the private sector has been working on the challenge of zero deforestation and conversion through the Accountability Framework (AFi) and the Deforestation and Conversion-Free Operational Guide. The following was presented:

- Basic principles addressed by AFi and how it relates to the creation of ethical chains, which includes addressing deforestation and conversion in the company's sourcing processes
- Deforestation and Conversion-Free Operational Guide: the development of the AFi in a sustainable supply chain management tool, considering actions divided into five key elements (Commitment, Risk Profile, Internal Operations, Engagement with Suppliers and Monitoring, Verification and Reporting). The Monitoring, Verification and Reporting element was emphasised since it has a direct link with the webinar's objectives.

¹ https://www.vidasilvestre.org.ar/sala_redaccion/opublicaciones/?20860/Escenarios-futuros-de-expansion-agropecuaria-en-la-Ecorregion-Chaquena





Figure 5 – AFi Presentation



Figure 6 - The elements of the Deforestation and Conversion-Free Operational Guide

After presenting the Accountability Framework (AFi) and the Deforestation and Conversion-Free Operational Guide, FVS presented the current state of monitoring, reporting and verification in Argentina, describing the progress and also the existing challenges.

- Traceability in Argentina is initially associated with the Forest Law. During the drafting of the law, the different zones requiring protection were identified. Areas marked in green would be available for legal deforestation, areas in yellow could have sustainable interventions and areas in red should be preserved without any human intervention. There are about 8 million hectares that are not mapped by the Forest Law but have conservation value. The Forest Law also introduces compensation for ecosystem services.

Figure 7 – Monitoring, Reporting and Verification in Argentina (legal context)

- There is now a robust traceability system in place, which makes it possible to trace products back to their farm of origin. There is a government database that is georeferenced, enabling cross-referencing of data and layer mapping. To carry out this



process in Argentina the RENSPA Code must be requested and the mapping layers can be provided by the official deforestation tracking system or from the Animal Production Investigation Institute (INPA).

- A few challenges found in Argentina to overcome the deforestation issue were also brought to light in the discussion, such as the need to transform public databases, which depends on the efforts of different entities (companies and government), as well as the importance of updating them periodically and also of having the polygon of the farm and not only the geographical coordinates, this tied to an effective implementation of the Forest Law in Argentina.
- In addition to the challenges, FVS also stated that there is a possibility of creating a monitoring and verification system based on the existing public data and systems since all the productive units have a georeferenced code (RENPSA), which also enables areas of greater and lesser deforestation risk to be differentiated. All animal transport is accompanied by electronic documentation that has a code of the establishment of origin and there are already several sources of public or private oversight for the most relevant deforestation regions. An established monitoring system could quickly define if the companies should or not purchase from a certain supplier based on the non-deforestation criteria established.

MONITOREO, REPORTE Y VERIFICACIÓN (MRV)

Potencial para desarrollar un sistema público privado

Existen oportunidades para **desarrollar un sistema de monitoreo y verificación a partir de los sistemas públicos existentes:**

- Todos las unidades productivas están identificadas con un código (RENPSA) que se actualiza regularmente, y que incluyen datos de localización georreferenciada.
- Los primeros dígitos del código permiten diferenciar las regiones con menor riesgo de deforestación.
- Todo el transporte de granos se realiza con documentación electrónica que incluye el código del establecimiento de origen.
- Existen diversas fuentes de monitoreo público y privado de la deforestación para las regiones mas relevantes.

Figure 8 - Opportunities for the development of a monitoring and verification

After finalising the contextualisation of monitoring, reporting and verification in Argentina, a time was set aside for the companies in attendance to comment on their experiences regarding this subject in their beef supply chain.

A few companies were willing to comment on their experiences regarding the subject, among them Marfrig and Arcos Dorados, besides the organisation that supports these two companies in their actions in Argentina, Proforest. The issues raised will be shown later in this report in the Main Comments and Suggestions section.



After the input offered in the webinar, Imaflora's team presented the Auditing Benchmark for Commitments of the Beef Chain, which translates the need to materialise these commitments and make them enforceable through the verification process:

- The benchmark came with the Accountability Framework (AFi) movement itself in an attempt to give companies a tool for their deforestation commitments until 2020, showing them in a practical way how to implement these commitments.
- Identification of the steps of the processes to establish a quality audit, which is robust and reliable, bringing together various frameworks that assist in the verification of meatpackers and promote recommendations so that companies can ensure ongoing improvement. Verification is an important process for monitoring.
- For the development of the Benchmark, alignment with the AFi itself and with the CFA (Collaboration for Forests and Agriculture) was considered because it represents great value and was drawn up by experts on the subject, who proposed a minimum set of verification benchmarks.
- An example model of what is assessed in the verification process was shown: to avoid purchasing from suppliers with deforestation issues.
- Imaflora stated that a harmonised protocol may help advance the implementation of commitments in various countries, since multinational companies have difficulty implementing their commitments due to differences in the realities experienced in each country.

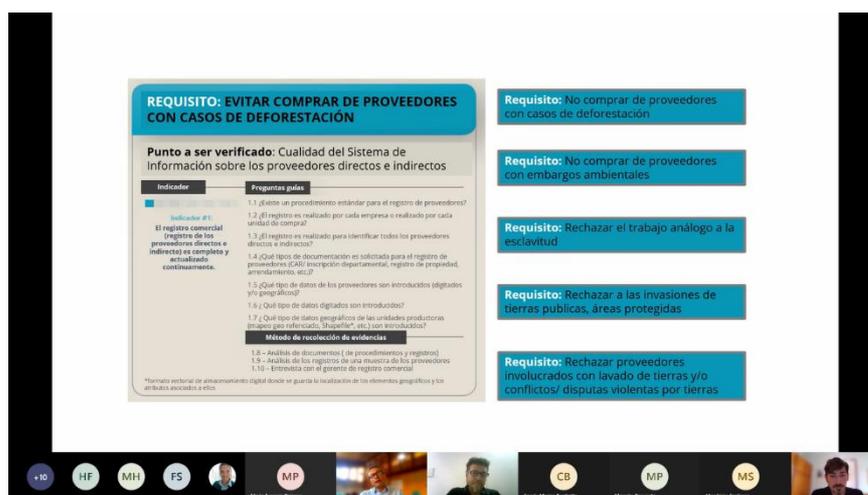


Figure 9 - Example of an application verified in the audit process

Imaflora then presented the Beef on Track Program, which focuses on monitoring and verification processes in meat packing plants located in the Amazon:

- The Beef on Track platform offers access to systems, data and technical information to ensure a supply chain free of deforestation and conversion, offering quality information for all entities committed to deforestation so they can act together in eliminating beef with environmental irregularities.



- The program aims to support and boost the implementation of socio-environmental commitments in Brazil, particularly in the Amazon, and is a resource for monitoring agreements executed within the beef chain.
- Process of alignment between different commitments entered into by meatpackers and the Public Prosecutor's Office so that companies can jointly oversee their direct suppliers, building a protocol that defines the criteria, parameters and rules to comply with the public commitments of livestock farming.
- Dissemination of the portal and its role in relation to the transparency of signed commitments, enabling the implementation progress to be assessed. The portal offers both the commitments signed with the Public Prosecutor's Office and the voluntary commitments of the companies.
- A brief presentation of the criteria defined in the Monitoring Protocol for Cattle Ranchers in the Amazon.
- Imaflora is running a pilot project to test the Audit Protocol that was designed with the Monitoring Protocol in mind.



Figure 10 - Criteria considered within the Monitoring and Verification Protocol

In the final topic raised, Imaflora presented within the Beef on Track Program a few next steps involving engagement with other sectors that work with meatpackers, such as supermarkets, which Imaflora is supporting with guidelines on how to build a beef purchase policy and also how to implement this policy so it can be monitored in the chain.



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¿Y DE LA PARTE DE LA DEMANDA?

Política de Compra para los Supermercados

- Elaboración de **directrices** para la política de compra de carne vacuna;
- Establecimiento del **Programa de Apoyo** para implementar los compromisos ganaderos;
- Desarrollo de un **Protocolo de Monitoreo para proveedores de carne vacuna** para organizar la demanda de los supermercados como información sobre la cadena de suministro o plan de acción para la implementación de los compromisos.



Figure 11 - Presentation of next steps, engaging supermarkets

End of webinar

Main Comments and Suggestions

As mentioned earlier, some companies showed what they are doing in Argentina, pointing out the main challenges and achievements in monitoring, reporting and verification included in their Argentine chains.

Carola Baglietto: corporate social development manager at Arcos Dorados, aimed at the sustainable sourcing pillar.

- McDonald's and Arcos Dorados have a Deforestation-Free Beef Commitment in place.
- In order to further the monitoring agenda in Argentina, Arcos Dorados works together with different sectors, with FVS and with the Argentine Sustainable Beef Roundtable. In order to achieve the policy objectives, Arcos Dorados works with Proforest and Agrottools.
- By addressing this agenda internally, Arcos Dorados started with a pilot project that was important for what they are currently developing in terms of monitoring, reporting and verification at a local level. The pilot project had some setbacks but the existing system makes tracking back to the producer possible and ensures that the whole chain is committed to forest conservation. In addition, the support of the suppliers themselves and the partners was essential.
- Carola stated that consumers and demand play a huge role as outside motivators, however, she added that McDonald's is fully committed to the issue internally.



- She believes in the possibility of working within already organised groups, such as the Sustainable Meat Roundtable, where challenges and opportunities are discussed with various members and sectors so it can evolve as a whole.

Marshisio Santiago: head of procurement at the Marfrig plant in Argentina has been working on the issue of deforestation and conversion with McDonald's since 2019, through the implementation of the monitoring tool.

- Initially the process was challenging, mainly in understanding that the world is looking for another way to produce meat.
- Marfrig has two meat processing plants and with these two plants it supported Arcos Dorados in this process, reporting all suppliers and their respective location every 60 days.
- Marfrig did not have a sustainability department. Several areas from the procurement area (hacienda) have taken the lead to help Arcos Dorados.
- When it comes to accessing information, in the Argentinian context it is more challenging and takes more time to carry out the analysis because the data is not as readily accessible as it is in Brazil, such as RENPSA. They met with SENACSA to gain access to the RENPSA database to find the origin of their suppliers, especially from the more compromised deforestation areas. Once the data was in hand, it was passed to Agrottools so the analysis could be carried out and so the RENPSAs with the most deforestation risk and those that were safest could be identified.
- Marfrig plants currently have a list of which suppliers can supply Arcos Dorados, according to the criteria established and following the risk assessment via RENPSA.
- There is yet another challenge - companies, the industry and larger markets are still not focusing on sustainability even though it is a topic that is on everyone's mind. They are not working towards having their farmers produce in a sustainable manner nor are they able to assess them in their day-to-day activities.

Marcelo Posonski: deputy-director of Proforest

- Proforest started to support the development of McDonald's deforestation-free beef and conversion policy, with a major focus on the Cerrado, in 2017. At the time the process had to be started from scratch, which was a big challenge because it was the first time the commitment was included in a clear and practical manner. The materials that had already been developed for the Amazon were used in the development of the monitoring.
- At the time, this development was new to Arcos Dorados/McDonald's, similarly to Proforest and Agrottools.



- The challenge to deploy the policy in several priority countries, such as Brazil, Argentina, Paraguay and Australia, was very similar but McDonald's managed to implement it.
- In Argentina, an understanding of the local context was reached by creating a cooperation among the beef suppliers of Arcos Dorados, service providers and local players, such as FVS. It was a challenge to pioneer the issue in the country and the cooperation was vital in successfully implementing the policy.

Assessment of general reaction to the event

Overall, the webinar was well received, and many appreciative comments were sent via the event's chat:

"Thank you very much! Really very interesting."

"Thank you very much! Excellent webinar!"

"Thanks for the invitation. Cheers."

"Greetings and thanks! Very interesting content"

During the webinar, apart from the interactions with Arcos Dorados, Marfrig and Proforest, the participants made no comment on what was being presented. According to a perception survey, people prefer not to put themselves forward, especially in virtual environments, until they feel more confident.

For the partners involved, it was an important opportunity to discuss the issue with key players in Argentina and this may open new paths locally for the development of solutions for the issue.

"Thank you very much for all the effort put into organising this webinar"

FVS made a comment that some companies do not want to expose themselves because locally they are not yet committed to the topic and the need for MRV is not yet imminent. In addition, it may be because Argentina is not geared towards the foreign market at the moment and there is not enough internal pressure for companies to engage more actively.

Despite this difference with Brazil, they pointed out that it was important to show that information is available and that there is a viable path.

Conclusions and Further Courses of Action

The webinar fulfilled its objective of communicating and making people aware of a topic that is not trivial by stressing the importance of the topic within an Argentine



context and introducing a process of greater engagement, showing that this knowledge and the tools developed by Imaflora exist in the Brazilian context and can be used as a cornerstone for the development and enhancement of monitoring, reporting and verification protocols in Argentina.

The Beef on Track program was initially set up with the 3 biggest meatpackers and the 3 biggest retailers in Brazil in an attempt to ensure the traceability of the Amazon-based beef processing companies. This process can be replicated in other biomes such as the Chaco, as was shown in the presentation. For the continuing success of this replication, a joint effort is needed to build a monitoring, reporting and verification program and to further issues related to traceability.

Another important point is that when developing a monitoring program it is important to consider the alignment of the various monitoring procedures that are already used locally, so that there is a minimum benchmark and the implementation is similar. This alignment should also consider demand so that the same processes are used.

Annex

Agenda

Agenda - February 9, 2021		
Time	Content	Topics
10 AM	Welcome	
10:05 AM	Intro	Presentation of Imaflora and organisers
10:15 AM	Contextualising	Contextualising deforestation and conversion in the Argentine Chaco



10:25 AM	AFi and the Deforestation and Conversion Free	Operational Guide
10:35 AM	Monitoring, Reporting and Verification in Argentina	Presentation of what already exists in terms of monitoring in Argentina, the progress made and the challenges faced
11:00 AM	Auditing Benchmark and Beef on Track Program	Presentation of Brazilian protocols
11:25 AM	Conclusion	



List of Participants

Organisation	Name	Prior Enrollment
ACDI	Mariano Salerno	Yes
Agrotools	Stéfannie Leffler	No
Arcos Dorados	Joaquin Ocampo	No
Arcos Dorados	Carola Marina Baglietto	Yes
FVS	Ulisses Martinez	ORG
FVS	Maria Eugenia Periago	ORG
FVS	Pablo Preliasco	Yes
GeoMap	Marcelo Borsoi	No
Imaflora	Cecilia Korber	ORG
Imaflora	Lisandro Inakake	ORG
Marfrig	Francisco Maria Sundband	Yes
Marfrig	Marshisio Santiago	Yes
Marfrig	Lorena Soledad Fiorito	Yes
Beef Roundtable	Josefina Eisele	Yes
Minerva	Taciano Custodio	Yes
Minerva	Daiane Alves Garcia	No
NWF	Francisco Beduschi	Yes
NWF	Hillary Fenrich	Yes
NWF	Katiuscia Moreira	Yes
ProForest	Marcelo Posonski	Yes
Rever	Pablo Fuentes	ORG
Rever	Maria Hausner	ORG
SWIFT	Alfredo Cassani	Yes
WWF BR	Bianca Yukie Maldonado	Yes
Agrotools	Marcela Ribeiro	No
Minerva	Rosangela Viegas	No
Participant total		25

