



Value chains, finance and investments

SDGs in focus



Read all Value chains, finance and investments highlights: ar2016.cifor.org/VFI

The way timber, palm oil, soy, sugar, beef and other commodities are produced is being transformed. Private companies, governments and financial services providers are driving this transformation by investing in sustainable activities that reduce pressure on forests. They are also exploring options on investment and business models to support small-scale farmers, who depend more and more on global markets for their incomes.

The Center for International Forestry Research (CIFOR) contributes to these efforts through its research on public policy, business models, private investments and finance. With partners, it is conducting research on the ways to make timber and high-value tree crops (e.g. oil palm, cocoa) more sustainable to help smallholders benefit more, and to lower the impacts of agricultural expansion in forests and mixed farm–forest landscapes.

Research priorities

New governance arrangements for sustainable supply

- **Zero deforestation:** CIFOR is analyzing the social and environmental trade-offs that can arise with certification and new private sustainability standards.
- **Governing Oil Palm Landscapes for Sustainability (GOLS):** CIFOR is working with private companies and Indonesian public agencies to align government policies with private-sector commitments for sustainable and inclusive palm oil production.
- **Role playing in Africa, Asia and Latin America:** CIFOR has developed role-playing *games* that help people from industry, government and producers better understand the social and environmental effects of oil palm plantations.
- **Timber production in Central Africa:** CIFOR is investigating the dynamics of both legal and illegal logging and their implications for small-scale milling operations.

Inclusive business models in global value chains

- **Linking small-scale farmers to global markets:** CIFOR is identifying business models and processes that improve agricultural productivity and farmers' ability to meet both public and private sustainability standards, so they can gain more from engaging in global markets.
- **Bioeconomy development in Brazil and Indonesia:** CIFOR is examining the trade-offs in the production of Brazilian soybeans and Indonesian oil palm and timber to better understand how the trade in global biomass could affect forests.
- **Small-scale timber in Indonesia:** Researchers are defining, elaborating and communicating the ways that small and medium-sized Indonesian timber companies can access national and global markets by adopting improved policy frameworks and incentives.

Responsible and innovative finance and investment

- **How to finance sustainable landscapes:** CIFOR actively supports debates with financial service providers to learn what approaches, frameworks and schemes are needed to mobilize resources at scale to support sustainable landscape development.
- **Financial incentives for small-scale sustainable oil palm:** CIFOR is assessing how the *financial services* sector, in the context of other technical interventions, can help *smallholder* oil palm producers adopt sustainable production practices and compete in more demanding supply chains.
- **Understanding risk for sustainable oil palm:** Research is underway to better understand and manage financial risk within the palm oil sector in Indonesia and Malaysia, to promote more sustainable and inclusive policies and investments.

The way we work

- **Gender:** CIFOR uses specific research approaches to inform policy makers, companies and investors on potential policy options and interventions that actively promote gender equity.
- **Collaborative learning:** CIFOR builds partnerships to share knowledge and launch joint initiatives such as with the Netherlands Development Organisation (SNV) and the Finance Alliance for Sustainable Trade (FAST) to build more sustainable and inclusive finance and business models.
- **Capacity development:** CIFOR links graduate students from partner universities with its own projects, and supports national and local organizations with research methods and analytical frameworks.
- **Policy engagement:** CIFOR works with global platforms and governments on policy options to advance the sustainability of key supply chains, including timber, palm oil, cocoa and beef.

- **Sustainable development:** In order to achieve the greatest impact, CIFOR's work on value chains, finance and investment is aligned with the [Sustainable Development Goals](#), specifically Goal 8: Decent work and economic growth, Goal 9: Industry, innovation and infrastructure, and Goal 12: Responsible consumption and production.

Outreach

The value chains and finance team contributes to discussions at the [Forest Stewardship Council \(FSC\)](#), the [Roundtable on Sustainable Palm Oil \(RSPO\)](#) and the [Brazilian Roundtable on Sustainable Livestock](#). The team also informs the dialogue at the [ISEAL Alliance](#), which represents the global movement of sustainability standards, and takes part in key global forums including the [Global Landscapes Forum \(GLF\)](#) and the [Tropical Forest Alliance 2020 \(TFA 2020\)](#).

A seat at the forest certification table

CIFOR is engaging directly with private companies and policy makers in the search for a more sustainable timber trade in the Congo Basin.

Through talks with policy makers, nongovernmental organizations and private companies in the Value and Impact Analysis (VIA) initiative and at the FSC's high-level forums on intact forest landscapes, CIFOR is actively sharing its evidence and analysis about how forest certification in the Congo Basin can improve the livelihoods, health and safety of people working in the timber sector.

Project: Social Impacts of FSC Certification and Value and Impact Analysis (VIA) initiative.

Countries: Cameroon, Democratic Republic of the Congo, Gabon.

Read more: ar2016.cifor.org/VFIstory

VIA is a very welcome initiative because it tries to link complex on-the-ground logging activities – which historically have had a bad reputation – with end consumers, and it aims to do this in a collaborative way with the private sector, avoiding simplistic messages, and using a solid methodology.

Paolo Cerutti, Senior Scientist, CIFOR

CONGO BASIN:

180 million ha
approx size

Home to a variety of endangered wildlife

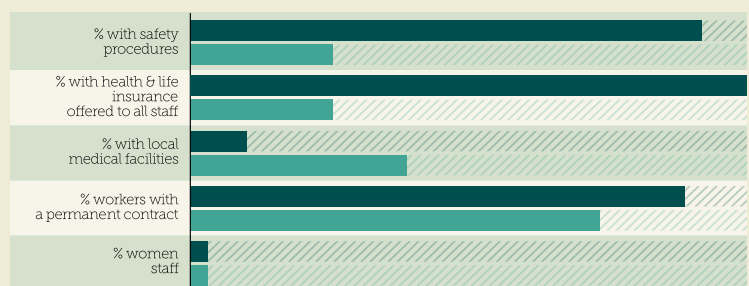
10,000+ plant species
3,000 of which are unique to the area

Contains the largest area of certified natural tropical forest in the world:

5.5 million ha



LIVING CONDITIONS IN CERTIFIED VS NON-CERTIFIED FOREST CONCESSIONS



RESEARCH PROGRAM ON Forests, Trees and Agroforestry

The CGIAR Research Program on Forests, Trees and Agroforestry (FTA) is the world's largest research for development program to enhance the role of forests, trees and agroforestry in sustainable development and food security and to address climate change. CIFOR leads FTA in partnership with Bioversity International, CATIE, CIRAD, ICRAF, INBAR and TBI.



Center for International Forestry Research (CIFOR)

CIFOR advances human well-being, equity and environmental integrity by conducting innovative research, developing partners' capacity, and actively engaging in dialogue with all stakeholders to inform policies and practices that affect forests and people. CIFOR is a CGIAR Research Center, and leads the CGIAR Research Program on Forests, Trees and Agroforestry (FTA). Our headquarters are in Bogor, Indonesia, with offices in Nairobi, Kenya; Yaounde, Cameroon; and Lima, Peru.

