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**POSITION PAPER**

# SECO's Engagement in Sustainable Landscape Approaches

Beyond a single crop focus



## Setting the stage

Agricultural development has been an important field of intervention since the very beginning of international development cooperation. Activities have, however, often not fully yielded the anticipated social, economic and environmental results. Through the traditional focus on single crops, the actors (individuals, households, companies...) directly engaged in the selected value chain have benefitted from the interventions. But other actors risk to be left behind. In addition, environmental issues in the production area are frequently not addressed if the value chain concerned is not the primary driver behind environmental deterioration. Consequently, overall development progress remains often unsatisfactory.

Recognising these challenges, integrative approaches subsumed under the term of “Sustainable Landscape Approach (SLA)” have emerged over the past decade and are gaining importance for the economic development cooperation. These approaches are still evolving and no common definition has materialized. But they all emphasize the importance of multi-stakeholder processes, a strong private sector engagement and a crucial role for the local government. SLA is widely seen as a promising mean to promote sustainable development of agricultural production areas, in particular where the agricultural production stands in competition with the protection of natural resources. Consequently, such an approach is starting to play an increasing role in SECO’s trade promotion portfolio. A number of SECO-financed initiatives are already piloting SLA. Therefore, SECO is not only following the development of the approach with interest, but also has the ambition to contribute to shaping the concept and reality of SLA.

This position paper aims at developing a common understanding of SLA within SECO as well as towards its key partners. The paper starts with a broad definition of the SLA. This serves as a starting point to discuss key elements and differences between the various definitions used. The core chapter then outlines a number of principles of SLA, which SECO considers of particular importance and emphasizes when engaging in SLAs. This section is followed by explanations on the role of SECO in SLAs. The last section shows how SLA relates to other areas of work in which SECO is already active and bear potential for synergies. The annex of the document finally lists the SLA projects and initiatives currently supported by SECO. In light of the evolving nature of the approach, this document can only be a snapshot. It will need review and adaptation in the near future, to allow incorporating lessons learned by SECO and other actors.

## What is a sustainable landscape approach?

Anyone who aims at understanding the concept of the SLA will quickly find that it is still under development and fluent. There is neither a clear definition nor a common understanding of what exactly an SLA is. Different actors come up with their own definitions emphasizing elements and topics which they consider particularly relevant. In addition, there is no single “recipe” for implementing an SLA. Each landscape will present its own characteristics, challenges, stakeholders, values, and needs.

For the purpose of this document and in order to discuss the most important elements of the approach, we choose a very broad and generic “definition” of an SLA:

An **initiative**, which is **agreed** upon by **the relevant stakeholders** and aims at the **sustainable** development of a **landscape**.

Of course, this “definition” asks for further elaboration. The parts marked bold in the above text will in the following serve to discuss the five most relevant elements or building blocks of a landscape approach from SECO's perspective:

1. **Initiative:** The “initiative”, a specific SLA, can take different forms. This can range from a rather informal agreement on how a given geographic area should develop, to a contractually defined (what?) and concrete project (or program/set of projects) with a specific vision, goal and governance mechanism. Terms typically used for this include “development plan”, “compact”, “landscape agreement” or “vision”. All of them have in common that they explain how the geographical region concerned shall develop from the status quo to a more sustainable future.
2. **Agreed:** Directly linked to the above-mentioned initiative is the form of agreement, as well as the way the agreement has been reached. The importance of coming to a joint agreement supported by all actors, can hardly be overemphasised. This typically requires a multi-stakeholder process or partnership to ensure all voices are being heard. On its downside, reaching an agreement through a multi-stakeholder process can be very time-consuming and lead to unsatisfactory results, including limited level of ambition in case the interests are too divergent.
3. **Relevant stakeholders:** Given the SLAs’ ambition of being holistic, the inclusion and buy-in of key stakeholders is a critical (success) factor. A holistic development of a geographical region can only happen if all relevant actors and stakeholders are involved and do support the initiative appropriately. The need to involve the three major stakeholder groups, i.e. the public sector, the local and international private sector and the civil society, is usually hardly questioned. There are, however, differences in the weighting of the different players and the level of leadership they take. This is in particular the case for the roles of the private versus the public sector, and this in turn influences the dynamics as well as the geographical boundaries of the landscape, as outlined below.
4. **Sustainable:** Sustainability takes into account economic, social and environmental factors as well as the systemic interconnectivities between these three dimensions. In this context, landscape approaches have gained ground as a way to systemically address interconnected and multifaceted development challenges. SLA allow addressing sustainability challenges, such as poverty or natural resource degradation, in a holistic and comprehensive way. Many efforts on SLAs have also been driven by company zero-deforestation commitments, realizing that fighting deforestation requires a broader approach that looks beyond a specific value chain. Consequently, many approaches tend to be geared towards environmental sustainability, particularly focusing on issues like climate change, biodiversity or deforestation. Whilst stakeholders can agree of course to emphasize some issues more than others, a truly comprehensive initiative will address all three dimensions of sustainability, including social aspects, like working conditions or livelihoods.
5. **Landscape:** As the name suggests, SLAs focus on a defined geographical area: the landscape. Such a landscape might be defined as a socio-ecological system that comprises natural and/or human-modified ecosystems, and which is influenced by distinct ecological, historical, political, economic and cultural processes and activities<sup>2</sup>. Within a landscape, there can be various land use types, such as agriculture, mining, forestry, biodiversity conservation, and urban areas. The spatial arrangements and governance of a landscape contribute to its unique character. The actors managing these land-use types often have different objectives, e.g., biodiversity conservation, agricultural productivity or livelihood security. The definition of the geographical boundaries of the landscape depends on which stakeholder group is in the driving seat and its specific focus. A particular case or category of landscape approaches are the so called jurisdictional approaches, where the (subnational) government takes a leading role (see text box).

### **What is a multi-stakeholder partnership?<sup>1</sup>**

A multi-stakeholder partnership (MSP) is an overarching concept, which highlights the idea that different groups can share a common problem or aspiration, while nonetheless having different interests or ‘stakes’. An MSP is hence a form of governance in which groups of people can make decisions and take action for the collective good. A central part of an MSP is a platform where stakeholders can learn together in an interactive way, where people can speak and be heard, and where everybody’s ideas can be harnessed to drive innovation and find ways forward that are more likely to be in the interest of all.

### **Jurisdictional Approaches:**

A jurisdictional approach is a type of landscape approach where the landscape is defined by administrative boundaries of subnational governments (i.e. a political jurisdiction). Accordingly, the approach is implemented with a high level of government involvement.

Jurisdictional approaches often focus on the enabling regulatory framework and alignment of public spending with development priorities.

<sup>1</sup> Definition adapted from the Multi-stakeholder Process portal of the University of Wageningen

<sup>2</sup> E.g. as defined on <https://forestsolutions.panda.org/approach/sustainable-landscapes>

## SECO's stance towards SLA

SECO sees the potential of SLA, recognising and emphasizing the need for flexibility and adaptation to local circumstances. As elaborated in the previous chapters, SLA bear the potential to achieve tangible and sustainable development in a specific geographical area, taking into account the needs and requirements of all actors concerned. At the same time, the adaptation to local circumstances is crucial. The underlying multi-stakeholder processes are open-ended in nature. The needs as well as the potential to contribute and engage of the different players varies from case to case. Consequently, flexibility and adaptation to local circumstances are needed.



SECO refrains from a narrow definition of SLA, but rather identifies a set of principles of particular importance, which are to be emphasized in the engagements. This also recognises the evolving nature of the SLA and supports contributing to a further development and flexible application of the approach. SECO's experiences with SLAs and other connected topics, such as value chain development, voluntary sustainability standards, multi-stakeholder processes, and subnational public finance management, allow to crystallise a number of principles considered of particular importance. They should, however, not be seen as prerequisites for engagement, as in many cases they become part of the objectives in the SLA implementation process. Going forward, SECO intends therefore to emphasize the elements elaborated below:

- **Jurisdictional buy-in:** Landscape work requires the endorsement and support by the local authorities of the involved jurisdiction(s). The buy-in is critical to mainstream sustainability into local policies, such as business conducive rules, and to align fiscal resources with the joint development agenda. The effective level of engagement might vary from case to case and depends also on the level of decentralisation in the country concerned. Nevertheless, an active engagement of local authorities must be sought and ideally, they play a leading role in the governance of the SLA.
- **Cross-company collaboration and buy-in:** Landscape work needs to involve the relevant companies in the area concerned. There should be several companies willing to invest in the medium to long-term, realistically 5 to 10 years, and beyond their supply chain, combining on-farm with off-farm activities. The engagement of several companies is also important to create a level playing field and to avoid supporting a single company through public funds. The participation of Swiss companies is encouraged. This being said, the involvement of local companies remains important and can add to the longer-term sustainability of the initiative. Cooperation with the private sector shall be guided by SECO's approach paper to Private Sector Engagement.
- **Multiple sources of financing:** The high investment needs require leveraging multiple sources of financing, involving the above-mentioned private sector players, but also the national and/or local public sector. Firm commitments for long-term engagement, in particular from the private sector, are a critical element here. Climate finance is an

emerging source, worth further exploration. SLAs, being coordinated and holistic initiatives allow for the integration of off-farm compensations activities with corresponding high potential for CO2 compensation. Initiatives that also involve the finance sector bear a potential in SECO's view, even though this remains for the time being aspirational.

- **Multi-crop/commodity focus:** Effective landscape work suggests the inclusion of multiple crops and commodities that are considered drivers for development and help avoiding deforestation and restoring forests. Nevertheless, in practice there is likely to be one dominant value chain in a landscape, which also attracts the interest of international companies. The participation of the actors in the corresponding value chain is particularly important. These companies often share the same ambition regarding sustainability and have the financial means to engage. They hence can be a valuable entry point for the development of the SLA. SECO in particular seeks the involvement of international commodity value chains relevant from an overall portfolio and Swiss perspective, such as cocoa, coffee, palm oil, and potentially gold.
- **Governance:** Effective, transparent, participatory and accountable governance mechanisms with defined roles and responsibilities and leadership is crucial for the success of an SLA. In its supported interventions, SECO will emphasize this element and, where appropriate and feasible, promote an active role of local government in SLA governance.
- **Inclusion of social issues:** Although the global climate agenda works as the main driver for SLA in many cases, the development of sustainable landscape approaches should also consider economic and social challenges that are better addressed beyond individual supply chains (e.g. supporting a living income for local populations). Consequently, the appropriate involvement of civil society and local communities in the landscape is crucial.
- **Agreed targets and commitments:** Agreeing on a joint vision, setting clear, ambitious, tangible, and time-bound (sustainability) targets, as well as explicit commitments by all stakeholders to them, is key. This ensures that stakeholders have a joint understanding of what they want to achieve, how to get there and who is contributing what. Clear and ambitious targets are also important for external communication.
- **Credible measurement:** Directly linked to the above is a credible measurement, evaluation and learning framework. The effective management of sourcing landscapes and the potential commercial use of sustainability claims strongly depend on the credible measurement of progress. This needs to be based in defined metrics and good quality data. An effective system to measure progress in activities and governance, as well as in sustainability outcomes needs to be envisaged from the onset.
- **Expectation management:** Last but not least, an appropriate expectation management is needed. Participants in SLA must be aware that they engage in a long-term process and real impact will only materialize over time. A substantial number of SLAs have been initiated over the past few years or are currently being developed. There is a risk that the expectations among stakeholders will not be fulfilled if sufficient financial commitments are not secured beyond a piloting stage. SECO hence shall be careful in supporting completely new initiatives, be aware of the need for longer term engagement and be transparent from the onset about its anticipated level of engagement.

## **The Role of SECO in SLAs**

Given the long term and often budget intensive nature of SLAs, SECO understands its own role more as a facilitator of SLAs than as main financier. SECO's direct support focuses on establishing the necessary processes, structures and inclusion of stakeholders, rather than directly financing the implementation of sub-projects within SLAs. Consequently, SECO's

engagement concentrates on creating the solid foundations for SLAs, and not so much on the long term implementation, which can span over several decades. This said, in light of the important but time consuming multi-stakeholder processes, SECO's engagement is typically required for more than one project phase of three to four years.

As a public donor SECO also focuses its direct support to areas with a high public good character. Typical areas for financing by SECO include the strengthening of the local governance system or the establishment of monitoring, evaluation and learning frameworks. These are also areas which are often less attractive for the private sector being further away from their core business. SECO, being a governmental actor itself, is also well positioned to engage with the local as well as national government in a policy dialogue. This allows to strengthen buy-in and commitment, but also to support a conducive national environment and the replication of successful approaches.

### Links to other SECO topics

SLA is also of interest for SECO, because it ideally fits into our overarching strategy and areas of work. Many of the concrete issues addressed through SLAs concern topics where SECO has in-depth knowledge and longstanding experience. The approach in particular aligns to SECO's core topics due to its strong focus on private sector engagement and global value chains. SECO's engagement in SLA therefore bears high potential for synergies and effective collaboration between different SECO areas of intervention. Without elaborating in detail each of the potential areas, typical sub-topics addressed in SLA link to the following areas of work of SECO:



## Opportunities and Risks

The implementation of SLAs offers a number of opportunities, but also entails certain risks. The most notable are the following:

### Opportunities

- The holistic approach promises greater and more sustainable impact than traditional projects that focus on a limited number of dimensions/single commodities.
- The approach provides a conceptual framework for engagement in non-urban areas that builds on SECO's core competencies and themes.
- The numerous synergies within SECO (and beyond) have the potential to bundle support measures and to lead to more effective initiatives.
- The strong role and involvement of the private sector can mobilise significant financial flows towards achieving the SGDs

### Risks

- The holistic ambition can lead to programmes becoming overly complex and thus failing to achieve their objectives.
- Multi-stakeholder approaches can be exceptionally time-consuming, thereby negatively impacting short-term results and thus potentially undermining partner commitment.
- As with many conceptual frameworks, there is a risk that they are applied on 'one-size-fits-all' basis.

## Final Remarks

Although many elements of an SLA are well known, the combination of them in a comprehensive approach is new, as it is the fact that multi-stakeholder processes are combined with strong private and public sector engagement to tackle interlinked development challenges. In conclusion, the SLA is a modality, which SECO will explore and implement further in the years to come. It exhibits good potential for an inclusive and holistic sustainable development of a particular geographic area. In its SLA engagements, SECO adopts an open and flexible approach but emphasises a number of principles considered of particular importance and relevance. Synergies with existing areas of work of SECO will be actively fostered when engaging in SLA. SECO will closely follow the development of the approach through specific SLA interventions and by engaging in the international discussion on SLA. This position paper is to be understood as a living document, to be continually updated over the coming years as we gain more experience.

## Annex: SECO's engagements in SLAs

Programme / Project	Website	SECO Factsheet
<p><b>The Sustainable Trade Initiative IDH</b> Objective: Drive systemic scaling of sustainability in agricultural commodity sectors in order to improve the livelihoods of smallholder farmers and workers and to mitigate &amp; adapt to climate change. IDH is currently engaging in 20 landscapes in 12 countries, including in Colombia, Indonesia and Vietnam as SECO priority countries.</p>	<p><a href="http://www.idhsustainabletrade.com">www.idhsustainabletrade.com</a></p>	
<p><b>ISEAL</b> Objective: The programme's overall goal is to build understanding and catalyse innovation in the use of voluntary sustainability systems (VSS), so as to support governments and companies in finding effective, collaborative solutions to the world's most pressing sustainability challenges. Under the ISEAL Innovations Program and Fund, information, guidance and concrete VSS initiatives on landscape approaches will be developed/supported.</p>	<p><a href="http://www.isealalliance.org">www.isealalliance.org</a></p>	
<p><b>Swiss Platform for Sustainable Cocoa SWISSCO</b> Objective: SECO's support to SWISSCO focuses on leveraging the resources of all supply chain partners and other sectors with the aim of effectively implementing SWISSCO's Roadmap 2030. The Roadmap addresses key SDG themes such as farmers' income, child labour, deforestation-free and climate-friendly production, transparency and traceability, innovation, and gender equality. The largest part of the budget is reserved for public-private partnership projects with a pronounced landscape logic, which will be selected through calls for proposals among SWISSCO members.</p>	<p><a href="http://www.kakaoplattform.ch">www.kakaoplattform.ch</a></p>	
<p><b>Colombia+Competitiva</b> Objective: The overall objective is fostering green and inclusive growth by supporting key reforms related to competitiveness, such business environment, competition policy, entrepreneurship, skills development, innovation and circular economy. Five value chain projects (in natural ingredients, speciality cacao, tourism, and speciality coffee) will be implemented according to the landscape approach in two regions Huila and Tolima.</p>	<p><a href="http://www.colombiamascompetitiva.com">www.colombiamascompetitiva.com</a></p>	
<p><b>Sustainable Landscape Program Indonesia</b> Objective: This program is a bilateral SECO supported program that will focus on 2 to 3 selected Indonesian landscapes. Through improved governance and sustainable management, the landscapes will benefit from intact natural ecosystems, improved agricultural production (particularly palm oil) and thus income opportunities for its inhabitants through the integration in (global) sustainable value chains. This will eventually result in reducing rural poverty and greenhouse gas emissions. The entire program is set-up to be a "landscape program" and will focus on implementing landscape initiatives in Indonesia.</p>	<p><a href="#">under preparation (start implementation Q1 2023)</a></p>	<p>under preparation</p>



## IMPRINT

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Integration in value chains



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