



Operational Guidance on **Cutoff Dates**

June 2019

*Minor revision: May 2020**

Guidance for setting cutoff dates for
no-deforestation and no-conversion
commitments

© 2019 Accountability Framework initiative. All rights reserved.

DISCLAIMER: This work product is intended to be advisory only and is not intended to serve as a legal opinion or legal advice on the matters treated. The reader is encouraged to engage counsel to the extent required.

The Accountability Framework was created through a consultative process with a wide range of stakeholders including companies, NGOs, and government, and following applicable good practices for multi-stakeholder initiatives.

This document is part of the Accountability Framework version 1.0 (released in June 2019), which represents the consensus of the Accountability Framework initiative (AFi) Steering Group members that participated in its development:



The AFi Backbone Team (secretariat) is co-led by the Rainforest Alliance and the Meridian Institute.



The AFi is funded by:



The Accountability Framework initiative is responsible for the content of this document, which does not necessarily represent the views of the AFi's funders.

For more information on the AFi and the Framework development process, please visit www.accountability-framework.org

* For more information on current minor revisions in this document: www.accountability-framework.org/minor-revisions



Contents

Purpose & summary	01
------------------------------	-----------

1. Introduction	02
------------------------	-----------

2. Guidance on selection and adoption of cutoff dates	04
2.1 Sector-wide cutoff dates	04
2.2 Commitment-specific cutoff dates	05
2.3 Seasonality of cutoff dates	05
2.4 Scenario-specific guidance	05

3. Communication and adoption of cutoff dates throughout supply chains and in at-risk landscapes	08
---	-----------



Photo credit: [Scanrail](#)

Purpose & summary

This document provides guidance on how companies should set or adopt cutoff dates for no-deforestation and no-conversion commitments, as referenced in **Core Principle 1**. This includes guidance for companies that source multiple commodities from multiple regions, as well as guidance related to sector-wide cutoff dates.

1. Introduction

Clarity on cutoff dates is essential for enabling companies to establish precise, actionable, and monitorable commitments related to deforestation-free and conversion-free supply chains. At least as important, cutoff dates can send market signals — and ideally help establish sector-wide norms — that curtail land speculation, deforestation, and conversion in frontier areas.

[Core Principles 1.1 and 1.2](#) state that robust commitments specify a cutoff date for deforestation and conversion. This Operational Guidance provides further information on setting appropriate cutoff dates. The following terminology is used:

- The **cutoff date** specifies the permissibility of deforestation or conversion based on the timing of such events on the ground. Clearance of natural forest after the cutoff date renders the affected area or production unit, and the commodity produced there, non-compliant with no-deforestation commitments. Similarly, clearance of any natural ecosystems after the cutoff date renders the affected area or production unit, and the commodity produced there, non-compliant with no-conversion commitments.
- The **target date** is the date by which a given company (or other commitment- or policy-setting entity) intends to have fully achieved or adhered to its commitment.
- **Sector-wide cutoff dates** are cutoff dates that are widely agreed upon and applied for a particular commodity in a particular geographic area. That geographic area may be a country, a region within a country, or several countries sharing a similar production and conservation context. Sector-wide cutoff dates may arise through various means, including: i) voluntary action of groups of companies comprising a large portion of the given sector context, ii) government policy and enforcement, or iii) combinations of these or other means.¹

¹ Sector-wide cutoff dates are those that apply to a dominant portion (if not all) of the given sector/geography context. Thus, for example, the cutoff date defined in the Brazil Soy Moratorium is considered a sector-wide cutoff date for the area where this Moratorium applies. Cutoff dates in voluntary standards that cover only a minority of a given sector (e.g., certification programmes of the Forest Stewardship Council, Roundtable on Sustainable Palm Oil, and Round Table on Responsible Soy) can help companies demonstrate sustainable sourcing and help recognise sustainable producers but are not considered sector-wide cutoff dates for the purpose of this guidance.

BOX 1. Cutoff dates and target dates

Company “A” has a **2015 cutoff date** and a **2020 target date** for their no-deforestation commitment. This signifies the following:

- The **cutoff date** indicates that the commodity covered by the commitment may not be produced on land that has been subject to deforestation or conversion since 2015.
- The **target date** indicates that by 2020 the company commits to have fully achieved its commitment—i.e., to have no commodity volume in its supply chain that was produced on land subject to deforestation or conversion since 2015.
- To fulfill its commitment, by no later than 2020 the company would need to manage its operations and supply chain to avoid inclusion of material produced on land subject to deforestation or conversion after 2015.

2. Guidance on selection and adoption of cutoff dates

As stated in [Core Principles 1.1 and 1.2](#), strong company commitments related to deforestation or conversion specify cutoff date(s) addressing the full scope of the commitment. This is necessary for guiding management of the company's suppliers or own operations, sending clear market signals to upstream suppliers, and assessing compliance.

For companies that source multiple commodities from multiple regions, cutoff dates may differ between commodities and regions; however, the guidance in Sections 2.1 through 2.4 applies to all contexts. If portions of the company's commitment do not yet specify cutoff dates (e.g., the company has a corporate-wide forest policy but includes a specific no-deforestation commitment with cutoff date for only one commodity), this should be rectified to specify clear commitments with cutoff dates for all relevant portions of the company's business.

2.1 Sector-wide cutoff dates

While clear company-level policies and cutoff dates are essential, isolated commitments by specific forward-thinking companies are likely to have limited effect on the ground if conversion is or has been continuing widely in the sector. Sector-wide cutoff dates (as defined above) are therefore preferred as a more comprehensive and lasting solution. This approach can help curtail new deforestation and conversion and avoid leakage or the development of parallel supply chains that do not adhere to no-deforestation or no-conversion norms.

Harmonized cutoff dates can also simplify monitoring, verification, and management of suppliers by creating an agreed-upon baseline and associated mapping and data products that clearly identify compliant and non-compliant suppliers. Sector-wide cutoff dates may be implemented through monitoring and enforcement mechanisms established and operated by private sector stakeholders, governments, civil society groups, or combinations of these.

2.2 Commitment-specific cutoff dates

Where sector-wide cutoff dates do not exist, company commitments should specify cutoff dates that are no later than the date that the commitment is issued. Setting a cutoff date on or before the date of the commitment's issuance decreases incentives for additional deforestation or conversion in advance of a cutoff date. Additionally, since company commitments are always additional to applicable law (as per [Core Principle 3.4](#)), appropriate cutoff dates specified in company commitments must not cause them to be weaker (i.e., less protective) than legal requirements in any context where they apply.

In the event of new no-deforestation commitments issued in 2020 or later, cutoff dates should align with global goals to halt deforestation by 2020, as specified in the New York Declaration on Forests and in Target 15.2 of the United Nations Sustainable Development Goals. A cutoff date no later than January 1, 2020, would bring companies in line with these global norms.

2.3 Seasonality of cutoff dates

Both sector-wide and company-specific cutoff dates should be established in view of monitorability considerations. Specifically, in some contexts, land-cover change may be easier to monitor at certain times of the year than others. Where this is the case, cutoff dates should be specified to be at a time of the year where monitoring is most feasible, reflecting the availability and accuracy of the mapping products that are expected to be used to monitor commitments. For instance, cutoff dates should take into account the seasonality of data-collection periods, availability of cloud-free satellite imagery, regular periods of burning, harvest seasons, or other events that could impede monitoring or affect the quality and consistency of monitoring data. These considerations will help ensure that reliable baseline maps (aligned with the cutoff date) can be established and that commitments can be readily monitored at least on an annual cycle.

2.4 Scenario-specific guidance

Based on the preceding considerations, companies are advised to specify and implement cutoff dates as follows (see also Table 1):

- If a sector-wide cutoff date exists, companies making new commitments should reference and use it in their own commitments and supply chain management.
- If there is not yet a sector-wide cutoff date, companies should make good-faith efforts to work collaboratively with peer companies, government, and civil society to help establish a sector-wide cutoff date. If a sector-wide cutoff date is established, pre-existing commitments that did not specify cutoff dates or that had later cutoff dates should adjust to align with the sector-wide cutoff date.

BOX 2. Addressing non-compliance related to cutoff dates

In cases where commodity-linked deforestation or conversion has taken place after the cutoff date, the relevant production unit or entity associated with this deforestation or conversion is typically deemed non-compliant with a no-deforestation or no-conversion commitment. See the [**Operational Guidance on Supply Chain Management**](#), [**Operational Guidance on Remediation and Access to Remedy**](#), and [**Operational Guidance on Environmental Restoration and Compensation**](#) for best practices on management and remediation of non-compliance.

TABLE 1. Guidance for specifying cutoff dates for no-deforestation and no-conversion commitments

If a sector-wide cutoff date exists (or is established)		If a sector-wide cutoff date does not exist	
...and your company...	...then you should...	...and your company...	...then you should...
Had a pre-existing commitment with a cutoff date that was earlier than the sector cutoff date	Retain earlier date	Had a pre-existing commitment with specified cutoff date	<ul style="list-style-type: none"> • Manage supply chain to avoid purchase from suppliers associated with post-cutoff date deforestation or conversion and work to bring existing suppliers into compliance • Make good-faith efforts to help establish sector cutoff date
Had a pre-existing commitment with a cutoff date that was the same as the sector cutoff date	Apply the sector cutoff date	Had a pre-existing commitment without a specified cutoff date	<ul style="list-style-type: none"> • Specify cutoff date as being the date of commitment issuance (or earlier) • Make good-faith efforts to help establish sector cutoff date
Had a pre-existing commitment with a cutoff date that was later than the sector cutoff date	Adjust commitment to incorporate the sector cutoff date	Does not have a commitment	<ul style="list-style-type: none"> • Issue a commitment that specifies the cutoff date to be the date of commitment issuance (or earlier) • Companies making new no-deforestation commitments in 2020 or later use a cutoff date of January 1, 2020 or earlier to align with relevant global goals • Make good-faith efforts to help establish sector cutoff date
Had a pre-existing commitment without a specified cutoff date	Adjust commitment to incorporate the sector cutoff date		
Does not have a commitment	Issue a commitment that reflects the sector cutoff date		

3. Communication and adoption of cutoff dates throughout supply chains and in at-risk landscapes

To demonstrate fulfilment of no-deforestation or no-conversion commitments, companies must work proactively to prevent further ecosystem conversion in the vicinity of their operations or sourcing areas. This means that cutoff dates should not be construed narrowly as simply a filter to determine which suppliers are eligible for inclusion in a given supply chain. Rather, they provide a basis for the company to use its influence to help address deforestation and conversion on the ground, commensurate with its size, influence, and position in the supply chain. This may be done in several ways:

- Commodity-buying companies should communicate to suppliers that they will accept only materials that are not linked to deforestation or conversion after the cutoff date. Suppliers should, in turn, make that information known to mills, producers, smallholder groups, and other upstream actors. This communication may occur through contract clauses, site visits, information campaigns, trainings, collaboration with government extension services, and/or other approaches.
- If the company purchases commodities on the spot market, regularly changes its suppliers, or sources from smallholders, requirements to avoid new deforestation or conversion should be communicated to both current and prospective suppliers in the company's sourcing region with the aim of curtailing deforestation and conversion by those actors most prone to directly causing it. Such communication may require collaboration between producers, mills, traders, and manufacturers, and may require support from multiple buyers, sector-wide approaches, and/or government or multi-stakeholder initiatives at the jurisdictional or landscape level.

- Buyers that purchase commodities from an area where different suppliers have different cutoff dates should shift purchasing to those suppliers that have cutoff date(s) that align with or are earlier than the applicable sector-wide cutoff date(s) and the buyer's own cutoff date(s).² However, alignment of a supplier's cutoff dates with those of the buyer is not sufficient to demonstrate no-deforestation or no-conversion sourcing. Rather, buyers must ensure compliance of the purchased supply through adequate supply chain control and monitoring, as specified in the [Operational Guidance on Supply Chain Management](#) and the [Operational Guidance on Monitoring and Verification](#).
- Company approaches to managing non-compliant suppliers should take into account the time that may be required to communicate and diffuse information on cutoff dates to small and medium-sized producers as well as indirect suppliers. This is especially true for suppliers who have made more recent commitments to ecosystem conservation (or who have more recently been informed about no-deforestation and no-conversion expectations) and who often operate in conversion frontiers where commitments may have the greatest impact. Communication and outreach processes should prioritize engagement with these producers, who may require more assistance to avoid their exclusion from supply chains and curtail their role in future deforestation and conversion.

² Likewise, financial institutions should invest in or lend to only those companies whose commitments align with the financial institution's own commitments, including with regard to cutoff dates.

