Table of contents

1. The challenge
2. Overview of the Accountability Framework initiative (AFi)
3. Phase 2 strategy: scaling-up positive change
4. How we measure success
1 The challenge
We need a “new normal” to solve the world’s sustainability challenges

Climate change. Biodiversity loss. Environmental degradation. Human rights abuses. As these threats become more urgent, so too do the calls for action.

The agriculture and forestry sectors are major contributors to these problems. But they can also be leading solutions. To effectively address these challenges, the world must change how it produces and trades these goods.

Producers and companies must manage supply chains in ways that protect ecosystems, people, and communities. At the same time, civil society, government, and the private sector must better align their efforts to make ethical production and trade the new normal.
Inadequate progress up to 2020

Nearly **500 companies** have some form of commitment to address deforestation and other supply chain sustainability risks, however annual tropical primary forest loss from 2014-2018 was 44% higher, on average, than in the decade preceding it, and **12 million ha** of tropical forest cover was lost in 2018 alone.

According to the Forest 500 2019 annual report:

- **Nearly half** of companies in forest risk supply chains **do not have any deforestation commitments**.
- Of 157 companies that had commitment to address deforestation by 2020, **19 have removed the date from their commitments**, and **7 have removed their commitments entirely**.
- Of those companies that do have deforestation-related commitments, **48% do not report on their progress to implement them**.

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To overcome past barriers and mainstream ethical production & trade in the 2020s, we need:

**Stronger & wider-reaching commitments and policies**
- To address key social & environmental issues related to commodity production and trade in all relevant contexts

**More effective implementation**
- To drive progress within production landscapes & through the management and financing of ethical supply chains

**More robust accountability**
- To track progress via effective and aligned monitoring, verification, and reporting systems
- To use company performance to inform decisions and drive incentives for responsible procurement & investment

By these key actors:
- Private companies at all stages of the value chain
- Industry associations
- Policy makers
- NGOs and other sustainable supply chain initiatives
- Monitoring, reporting, and accountability systems
- The finance sector
Overview of the Accountability Framework initiative (AFi)
The Accountability Framework initiative (AFi)

**What?** A global coalition of environmental and human rights NGOs

**When?** Established in late 2016; Phase 2 began in January 2020

**Why?** To help companies and other key actors overcome obstacles to ethical production and trade in the agriculture and forestry sectors, and to improve accountability

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**Overview of the AFi**

**Phase 1 - Develop the Accountability Framework (2017-2019)**

- **Develop and publish** a consensus-based framework for achieving ethical production & trade
- **Promote the initial application** of the Framework by target user groups, which serve as models and catalysts for broader adoption by companies and other stakeholders

**Phase 2 – Apply the Framework to help achieve ethical supply chains at scale (2020-2022)**

- **Drive/support widespread application** of the Framework to support faster progress, greater scale, and stronger accountability to protect people and ecosystems related to commodity supply chains
- **Refine and adjust** the Framework so that it continues to serve as the premier practical reference for ethical supply chains; refinements incorporate feedback & respond to needs of Framework users
The Accountability Framework

Accountability Framework version 1.0 was published in June 2019

✓ A “common language” and roadmap for achieving and monitoring ethical supply chains
✓ Based on broad consensus and aligned with key international norms for social & environmental responsibility
✓ Integrates with existing supply chain sustainability standards, initiatives, and monitoring/reporting systems
✓ Includes Core Principles, Definitions, and detailed Operational Guidance, as summarized below:

01 Set Commitments
Develop new commitments or refresh current commitments
1. Protect forests & ecosystems
2. Respect human rights
3. Specification of commitments

02 Take Action
Implement policies and practices to fulfill commitments
4. Company systems
5. Traceability
6. Supply chain management
7. Land use planning
8. Land management
9. Remedy & remediation
10. Collaboration for broader sustainability

03 Demonstrate Progress
Monitor, document, and report on progress in a credible way
11. Monitoring & verification
12. Reporting & disclosure

Terms and Definitions
Operational Guidance
AFi governance, partnership, and funding

Governance & Partnership Structure

The AFi is advanced through a diverse coalition of organizations dedicated to protecting forests, natural ecosystems, and human rights by making ethical production and trade the new normal. This coalition includes:

- **Steering Group**: governing body for all aspects of the initiative. Approves contents of the Framework.
- **Regional Teams**: promote application of the Framework in tropical countries to achieve ethical production and trade. Existing teams in Indonesia, West & Central Africa, and Colombia, plus a partner initiative in Brazil.
- **Backbone Team**: coordinates the AFi and provides technical support, process facilitation, and technology and communications support. Co-led by the Rainforest Alliance and the Meridian Institute.
- **Supporting Partners – NEW FOR PHASE 2**: additional organizations contributing to the AFi to support uptake, raise awareness, and communicate the value of managing commodity production and trade in accordance with the Accountability Framework. Can include NGOs, service providers, other sustainability initiatives, industry associations, and monitoring and reporting initiatives.

For more information on the AFi’s governance/partnership model and coalition members, please visit this page on the AFi website.

Funding

From its inception, the AFi has been funded entirely by philanthropies and government aid agencies. This continues to be the funding model for Phase 2. This approach enables the AFi to maintain independence from companies engaged in commodity production, trade, or finance.
Phase 2 strategy: scaling-up positive change
Our Theory of Change: How the AFi drives positive impacts for people & ecosystems

**OUTPUTS**
The AFi’s products, resources, and activities

**DIRECT OUTCOMES**
Adoption of the Framework (“uptake”) drives changes in behaviors, policies and systems of target user groups

**INTERMEDIATE OUTCOMES**
Changes adopted by target user groups lead to greater benefits and fewer harms for people & ecosystems

**BROADER IMPACTS**
Direct & intermediate outcomes drive benefits for people and ecosystems at broader scale; ethical supply chains are mainstreamed via improved enabling environment

- **The Accountability Framework**
- **Supporting materials** (e.g., user tools, case examples, and communications) to facilitate adoption of the Framework
- **Engagement with target user groups** (bilaterally and via events, workshops, webinars, etc.) to promote and support adoption of the Framework

The Framework helps companies and other target user groups progress toward ethical production and trade. Its application supports increased scale/scope, effectiveness, and alignment of:
- **Policies and systems** of companies & governments
- **Implementation actions** of companies & their suppliers
- **Other sustainability tools & standards**
- **Monitoring, reporting, and accountability systems**

As target users align with the Framework, their efforts drive environmental and social improvements via:
- **Better environmental & social performance** of supply chains
- **More conducive policies** (e.g., land-use designations, tenure status, trade regulations, etc.)
- **Greater alignment and synergy** among sustainability initiatives, standards & tools

The AFi contributes to making ethical production and trade the “new normal.” This results in:
- **Greatly reduced conversion rates and better conservation** of forests and other natural ecosystems
- **Greater protection of human rights** (particularly for vulnerable groups)

The AFi also contributes to a strong “enabling environment” for ethical supply chains, including:
- **Stronger accountability** based on credible measures of performance
- **Aligned & effective** norms, policies, and standards in both public policy and private voluntary initiatives
## Uptake by the private sector

The AFi promotes & supports application of the Framework (“uptake”) by companies that produce, trade, and finance agriculture and forestry commodities. This is achieved through direct engagement, training/workshops, and providing user-oriented tools, resources, and communications.

<table>
<thead>
<tr>
<th>Target user group</th>
<th>Examples of applications (see AFi website for case examples)</th>
</tr>
</thead>
</table>
| International companies (traders, manufacturers, retailers) | • Establish company commitments & goals in line with accepted norms  
• Guide effective implementation, e.g., for traceability, supplier management, land development & management, and remediation  
• Demonstrate progress via credible monitoring & reporting |
| Producers, processors, and traders in tropical countries | • Engage and support upstream suppliers to meet buyers’ commitments  
• Facilitate systematic B2B information flow about product sustainability  
*Focus to date has included palm oil and pulp/timber in Southeast Asia; soy and cattle in South America; and palm oil, rubber, and cocoa in West & Central Africa* |
| Service providers                                      | • Support companies to implement the above changes  
• Develop Framework-aligned questionnaires, tools, or services |
| Financial institutions                                 | • Assess the adequacy of borrower/investee sustainability commitments and actions according to Framework’s clear criteria  
• Establish responsible lending/investment policies  
• Utilize Framework-aligned ESG tools such as SCRIPT and CDP Forests |
Potential impacts of private sector uptake

**Outputs**
- The Framework itself
- Supporting materials
- Direct engagement

**Direct Outcomes**
- Company A revamps its environmental/social policies and communicates these expectations to suppliers.
- Suppliers B and C start changing their practices to comply with Company A. Supplier D struggles, due to insufficient resources. Supplier E does nothing.
- Financial Institution F alters its lending policies, requiring adherence to the Framework as a prerequisite to financing.

**Intermediate Outcomes**
- Suppliers B and C successfully modify practices to comply with A’s policies on deforestation, wildlife protection, and work hours.
- Supplier D takes longer than the rest but applies to F for financing and makes steady progress toward A’s social and environmental goals.
- After repeated failures to get E up to speed, A cuts its losses and replaces E with supplier G, which complies with A’s policies.

**Broader Impacts**
- At-risk forests and other ecosystems near Suppliers B, C, D, and G are safeguarded from conversion, and workers’ rights are protected.
- These types of improvements also occur with/near A’s other suppliers.
- Financial Institution F’s new requirements spur other suppliers to apply for financing & make changes.
- A’s peers consider adopting Framework-aligned good practices to remain competitive.

**Target Groups**
- International companies
- Upstream suppliers & producers
- Service providers
- Financial institutions
Uptake by other target user groups

The AFi promotes & supports application of the Framework (“uptake”) by other organizations that implement, govern, or monitor transitions to ethical supply chains. This is achieved mainly through direct engagement by members of the AFi coalition.

<table>
<thead>
<tr>
<th>Target user group</th>
<th>Examples of applications (see AFi website for case examples)</th>
</tr>
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<tbody>
<tr>
<td>Government policy-makers</td>
<td>• Use Framework’s common definitions, principles, and best practices to maximize alignment of policies on commodity trade and deforestation/conversion, human rights, due diligence, etc.</td>
</tr>
</tbody>
</table>
| NGOs and other sustainability initiatives (including standards & sector initiatives) | • Use Framework as a starting-point for standards and guidelines in sectors & locations where they do not yet exist  
• Complement traditional certification with guidelines/requirements for entire supply chain, based on the Framework  
• Align civil society advocacy positions |
| Industry associations | • Use Framework as a starting-point for sector/industry guidelines or common procedures |
| Monitoring and accountability initiatives | • Establish common methods and indicators for measuring company performance & progress  
• Align/streamline monitoring and reporting tools to reduce reporting burden and increase coherence for company users |
How uptake can help mainstream change

**OUTPUTS**

**DIRECT OUTCOMES**

- **Standard-Setter H** modifies its certification criteria to align with the Framework.
- **Country I** adjusts trade rules to match the Framework, banning certain practices and encouraging others.
- **Government J** uses the Framework to modify its procurement rules.
- **NGO K** revises the terms of its cause-related partnerships with companies to reflect the Framework.

**INTERMEDIATE OUTCOMES**

- Producers certified by H adjust social & environmental practices to retain their certificates.
- Noncertified producers following the Framework now meet Standard-Setter H’s criteria and apply for & earn certification.
- Supply chain companies modify their policies and practices to continue trading with Country I.
- Consumer goods companies push their suppliers to follow the Framework, to maintain relationships with J and K.

**BROADER IMPACTS**

- At-risk forests and other ecosystems near these producers are safeguarded from conversion, and workers’ rights are protected.
- **Country I**’s new rules prompt other governments to take a closer look at their own policies.
- As more public and private actors adopt key good practices from the Framework, protection of ecosystems and human rights is solidified as the default expectation for doing business.

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**Accountability Framework**

- The Framework itself
- Supporting materials
- Direct engagement

**Target Groups**

- Governments and policy processes
- NGOs and other sustainability initiatives
- Industry associations
How uptake can improve accountability

**OUTPUTS**

- Accountability Framework
  - The Framework itself
  - Supporting materials
  - Direct engagement

**DIRECT OUTCOMES**

- **Accountability Initiative L** harmonizes its reporting requirements with the Framework.
- **Lender M** uses data from L’s reporting system to screen prospective loans.
- Supply chain companies make the necessary adjustments in their own monitoring and reporting practices to match L’s new requirements and meet M’s responsible lending criteria.

**INTERMEDIATE OUTCOMES**

- By following L’s requirements, companies better understand their supply chains and quickly spot areas that still need help.
- L’s application of the Framework streamlines monitoring and reporting—boosting efficiency, and making it easier for companies to meet government, NGO & market expectations.
- Companies maintain their ethical supply chains and can credibly demonstrate their achievements via L’s system.

**BROADER IMPACTS**

- Accountability systems are robust, aligned, and based on credible measures of progress and performance.
- Improved accountability allows positive change to be rewarded and laggards to be systematically targeted and/or supported to make faster progress.
- Clear incentives and concerted pressure via aligned expectations and strong accountability leads to a “new normal” of protecting ecosystems & human rights.

**Target Groups**

- Monitoring & accountability initiatives

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**Phase 2 strategy**
Updating & refining the Framework

During Phase 2, the Framework will be periodically updated so that it continues to serve as the premier practical reference for ethical supply chains. Updates will be based on:

- Feedback from current & prospective Framework users
- Shifts in the external environment, i.e., how companies, governments, and civil society approach responsible production and trade

To provide long-term clarity and certainty for Framework users, the Framework’s main expectations (i.e., Core Principles) are anticipated to be durable over many years. However, operational details may be refined more frequently to continue to provide practical, up-to-date guidance. All major changes will be publicly consulted.

Provisional schedule for Framework revisions:

- **Late 2020**: Release of Operational Guidance on Workers’ Rights and Long-Term Protection of ecosystems in production landscapes
- **Every 9-18 months (if needed in response to user feedback)**: Additions or refinements to Operational Guidance that do not alter the intent of current content
- **2022 or later**: Possible larger revisions or additions based on user feedback and external context
4 How we measure success
The AFi will monitor progress and adaptively manage its activities to maximize positive impact. The initiative’s rigorous monitoring, evaluation, and learning system is grounded in the AFi Theory of Change.

**Outputs**
- Document AFi outputs, including Framework updates, supporting materials and user tools, communications products, updates to the AFi online platform, and key stakeholder engagement activities.

**Direct Outcomes**
- Track all known instances of Framework uptake by companies, governments, industry associations, NGOs, monitoring and reporting initiatives, and other users.

**Intermediate Outcomes**
- Analyze data from reporting and tracking initiatives and other sources to assess the extent to which application of the Framework uptake is associated with improved company practices and environmental and social performance.

**Broader Impacts**
- Document improvements to the enabling environment (e.g., new demand-side policies or industry guidelines favoring ethical supply chains) that can be reasonably linked to application of the Framework. In contexts where the Framework has been widely applied (e.g., specific sectors or sector/region contexts), assess broader impacts such as deforestation trends over time.*

* Because these broader impacts are influenced by myriad factors, it is inherently challenging to attribute results to the AFi or any other single intervention. The MEL system will use accepted good practices in evaluation to assess the contribution of the AFi to these broader impacts.
Mainstreaming ethical production & trade

To minimize commodity-driven deforestation, conversion, and human rights violations, ethical practices must be “mainstreamed” so that they become the path of least resistance for most businesses. The AFi promotes and monitors mainstreaming through multiple pathways.

How will we know that mainstreaming is being achieved?

1. Spontaneous replication among companies
   a. **Leveling**: Leading actors set a higher bar and are vocal about it, motivating competitors to keep up.
   b. **Critical mass**: After enough individual actors adopt given approaches, the remaining ones realize it’s easier to follow suit.
   c. **B2B replication**: Companies or investors compel or incentivize their business partners to adopt better practices.

2. Institutionalization
   Key relevant practices and norms are incorporated into government policies/regulations/programs, other sustainability initiatives and standards, and accountability systems.
The future is in our hands.

Together, we can protect forests, other natural ecosystems, and human rights by mainstreaming ethical production and trade. There’s a role for everyone:

- **Learn more** about the Accountability Framework and how to apply it
- **Share your feedback** to help further strengthen the Framework
- **Communicate your support** for the Framework and the practices it supports
- **Collaborate in the AFi** more closely by becoming a Supporting Partner

Be part of the solution.
Visit [www.accountability-framework.org](http://www.accountability-framework.org) or contact us at [info@accountability-framework.org](mailto:info@accountability-framework.org).