



Dialogues on sustainability and traceability in the beef and leather chain

Brief presentation of the Initiative

The Beef and Leather Value Chain Dialogues bring key stakeholders from the European Union and Brazil - importers, retailers, beef packers, tanneries, exporters, farmers, researchers, relevant associations, and civil society organizations - to discuss challenges, opportunities and future endeavours for the sustainability of the value chain in Brazil.

The European Union promotes the initiative through the AL INVEST Verde Program, collaborating with the Amazon Environmental Research Institute (IPAM). The overall objective of this initiative is to contribute to the identification and promotion of collective practices and partnerships among key stakeholders for the sustainability of the beef and leather value chain, a sector of great importance to climate change and environmental policies.

After an opening roundtable discussion on the main topics linked to the EU-Brazil value chain in the beef and leather sector, held in December 2021 ([recording](#)), the initiative foresees three thematic dialogues that address some crucial issues for the sustainability of the chain. On March 9th, the first dialogue will focus on the role of due diligence, followed by a second dialogue, on April 20th, on the importance of accessing technology. Finally, on May 18th, the third dialogue will concentrate on traceability as a tool for improving accountability through the chain.

The presence of key actors from the beef and leather sector is instrumental in these dialogues. The interaction of their experiences and knowledge will facilitate the definition of good practices and effective strategies and contribute to identifying proposals and possible solutions to the challenges identified. For this reason, participation will be limited to 30 selected participants per session.

We encourage you as a key actor to participate, as your expertise will be an invaluable asset.

First Technical Dialogue

DAY: March 9th 9:00-11:30 am (Brasília time) - 1:00-3:30 pm (Brussels time)

The role of due diligence in regularizing the beef and leather value chain.

Moderated by: André Guimarães, executive-director of IPAM

Objective: Identifying the role of due diligence in the regularization of the beef and leather value chain, as well as other challenges, opportunities, and future actions.

Rationale: The Organisation for Economic Co-operation and Development (OECD) Guidelines recommend that enterprises conduct risk-based due diligence to avoid and address adverse impacts associated with their operations, supply chains, and business relationships. Due diligence should address actual or potentially harmful effects (risks) related to human rights, including labor rights and labor relations, the environment, bribery and corruption, transparency, and consumer interests. The OECD argues that pre-compliance analysis helps companies anticipate, prevent or mitigate these impacts, thereby assisting the company in maximizing positive contributions to society, improving stakeholder relations, and protecting its reputation.

The European Commission recently launched a proposed regulation aimed at minimizing the import of products associated with deforestation and forest degradation into the European Union. This proposal



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establishes rules for mandatory prior compliance analysis (due diligence) for operators placing on the European Union market certain products associated with deforestation and forest degradation - soy, beef, palm oil, timber, cocoa, and coffee - and some derived products, such as leather, chocolate, and furniture. The aim is to ensure that only products not associated with deforestation and purchased in accordance with legal requirements of the country of origin are allowed on the European Union market.

One of Brazil's significant challenges to meeting the criteria established in these different multilateral international relations arrangements is deforestation - which has increased since 2012. Agriculture and cattle ranching is the primary economic sector responsible for deforestation. Even if scientific studies indicate that most of Brazil's agricultural production is deforestation-free, there are still some challenges related to deforestation. In addition to them, there exist also other challenges related to labor and human rights.

In this context, a dialogue among crucial stakeholders would provide an understanding of the challenges and opportunities in implementing due diligence in the beef and leather value chain as a tool for improving sustainability and reducing deforestation. Actors of the beef and leather value chain will share their perspectives and instruments to mitigate environmental irregularities and promote the reduction of deforestation, enabling adequate supply to the demand of beef and leather buyers.

Methodology

To achieve the objective of the Beef and Leather Value Chain Dialogue, approximately 30 participants from Brazil and the European Union will be invited to the event representing the various sectors linked to the chain such as the public sector, producers, exporters and distributors, civil society organizations and universities among others.

The objective is to create a space where the different actors can dialogue openly and confidentially, bringing the point of view on the issue from different angles. In this sense, the dialogue:

- will have a moderator who will have the function of asking guiding questions, organizing the speeches, and controlling the speaking time of each participant;
- will be structured in four blocks:
 - The first block aims to give a general overview of the relevance and impact of due diligence.
 - The second block discusses the challenges linked to the due diligence process in the beef and leather value chains.
 - The third block addresses opportunities and solutions to the challenges presented; ○

The fourth block debates future actions and possibilities for cooperation

- During the dialogue, the information, suggestions and recommendations presented by the participants will be summarized in a final report. For this purpose, the conversation will be recorded, but its broadcasting is not foreseen. Likewise, the final report will not indicate the names of the participants.



Second Technical Dialogue (preview)

DAY: April 20th 9:00-11:30 am (Brasília time) - 1:00-3:30 pm (Brussels time)

Technology Access for Beef and Leather Sustainability

Objective: Identifying the main challenges of lack of access to technology, which excludes small farmers from sustainable production in illegally deforested areas. The dialogue promotes a debate between specialists on how to disseminate existing technologies.

Rationale: Small and medium farmers' lack of access to technology and information implies low profitability, productivity, and diversity. As income is a limiting factor for producers, there is an incentive for illegal deforestation to increase pasture areas and/or the sale of lots. To ensure a sustainable value chain, small producers must access existing technologies. The intensified production allows profitability to rise without increasing the deforested area.

Third Technical Dialogue (preview)

DAY: May 18th 9:00-11:30 am (Brasília time) - 1:00-3:30 pm (Brussels time)

Traceability as a response to improve sustainability of the Beef and Leather Value Chain

Objective: To identify the traceability tools to help overcome challenges, identify bottlenecks, and promote improvements for a sustainable beef and leather value chain.

Rationale: The traceability of the chain may be an effective tool to improve sustainability by identifying productive and environmental challenges, for example. However, there is no silver bullet that will solve the traceability issue. Here we will debate with crucial stakeholders how traceability works efficiently in improving sustainability.