



INITIATIVE FOR RESPONSIBLE CARNAUBA

Progress on Key Performance
Indicators (KPIs)

JANUARY TO JUNE 2019



giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH

On behalf of:



Federal Ministry
for the Environment, Nature Conservation
and Nuclear Safety

of the Federal Republic of Germany

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1 BACKGROUND

The Initiative for Responsible Carnauba (IRC) is supporting carnauba processing companies in Brazil to improve conditions in the carnauba wax sourcing areas, as well as finding new approaches to the many social and environmental challenges in the associated sector.

Ultimately, the aim is to foster a responsible carnauba wax supply chain that respects people and helps preserve biodiversity in carnauba wax producing areas in the unique semi-arid (Caatinga) biome of northeast Brazil.

Environmental and social challenges have come to light in some of the carnauba wax extraction areas in northeast Brazil, including high rates of deforestation (of the native Carnauba palm trees), degradation of local biodiversity, persistent drought, rapid expansion of invasive species, as well as poor working conditions and low pay. These problems are often systemic, with a wide range of factors involved that contribute to the challenges.

The **Initiative for Responsible Carnauba** includes a variety of stakeholders from local processing companies of carnauba, buying companies, international and sustainability standards organisations. Moreover, stakeholders in the initiative can rely on a network of local experts when specific expertise are needed to tackle social, economic and environmental issues.

To date, the IRC has developed an action plan focusing on good harvesting practices, traceability and transparency of carnauba wax origins, and shared learning and training. The IRC will test new approaches first, and then implement particularly promising ones. It plans to involve as many supply chain actors as possible, to increase the participation of suppliers and buyers, and to include social interest groups as well.

2 THE RESULTS

The IRC is now starting to monitor the results of its promoted actions. Some KPIs (Key Performance Indicators) are defined in a participatory way by the stakeholders involved.

They concern the socio-economic and biodiversity aspects tackled by the initiative (Table 1). Stakeholders in the IRC are asked to provide information, which is verified and summarised into reports. Reports are drafted every six months to summarise progress.

Impact studies will be conducted to assess the impact of the IRC's actions. Those are to ascertain what are the effects of those actions on the socio-economic and biodiversity conditions in the Carnauba collection areas.

To date (February 2020) there are 20 members in the IRC. Three of them are Brazilian processing companies, the rest include buyers of Carnauba, one standards organisation and an international organisation. Information reported in the following sections covers 14 members² of the IRC that have reported, since they were the companies and organizations that were part of the IRC at the time of the reporting date of 30 June 2019.

Table 1 Initiative for Responsible Carnauba – KPIs

Areas of assessment	Aspects to be assessed	KPIs
Overall performance of the Carnauba initiative	Organisations involved	1 Number of carnauba local processing companies (in Brazil) member to UEBT/IRC
		2 Number of IRC members, divided by trader, manufacturer, final brands users and support organisations
	Resources invested	3 Estimated value in Euros of IRC member's investment in carnauba supply chain improvement actions (divided by private and/or public resources)
Socio-economic	Volume Responsible Produced Carnauba (RPC) ¹	4 4.1 Total volumes (MTs) under the scope of the RPC
		4.2 Percentage of RPC as part of the total volume sourced by local processing companies participating in the IRC
		4.3 Percentage of RPC compared to total volume of the sector
Socio-economic	Improvement in working conditions	5 5.1 Number of supply chain actors – local processing companies, local processing companies employees and workers, farm owners, carnauba field workers – benefitted by actions (training, protective equipment, etc.)
		5.2 Number of carnauba processing companies employees under the RPC scope
		5.3 Number of carnauba processing companies workers under the RPC scope
		5.4 Number of suppliers (land owners, subcontractors) under the RPC scope
		5.5 Number of carnauba field workers under the scope of the RPC
Biodiversity	Sustainable use of biodiversity	6 6.1 Hectares under the scope of the RPC
		6.2 Percentage of hectares under the scope of the RPC compared to hectares required for production of carnauba of the local processing companies members to the IRC
		6.3 Percentage of hectares under the scope of the RPC compared to hectares used by sector as a whole

Approved October 2019

¹ The group decided to only count as Responsible Produced Carnauba (RPC) the ingredient that is UEBT certified. The group is also opened to consider other certification schemes to be potentially recognised as RPC for the IRC in the correct moment. The group has already defined that organic certification cannot be counted as this certification scheme does not consider social aspects.

² Other current IRC members (ref. November 2019) have not responded to this enquire because they were not part of the IRC in 30 June 2019 (cut-off date to participate in the report).

3 PROGRESS AGAINST KPIS

Information in Table 2 below is for the reporting period January through June 2019 and compared against the prior reporting period for calendar year 2018.

Information for indicators 4, 5 and 6 were collected but are not reported to respect confidentiality³.

Table 2 Progress against KPIS

KPI	Indicator definition	2018	2019 1st semester
1	Number of carnauba local processing companies member to UEBT/IRC	1	2
2	Number of IRC members	9	15
	<i>trader</i>	2	3
	<i>manufacturer</i>	5	7
	<i>final brand</i>	3	4
	<i>support organisation</i>	2	2
3	Reported estimated value of IRC members' investment in carnauba supply chain improvement actions		
	<i>private</i>	€265,221.00	€360,583.62
	<i>public</i>	€75,000.00	€40,000.00

Figure 1 Number of carnauba local processing companies member to UEBT/IRC

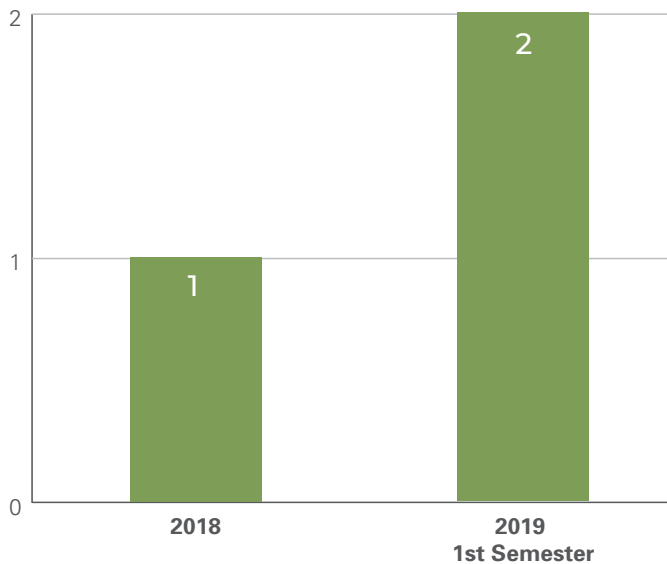
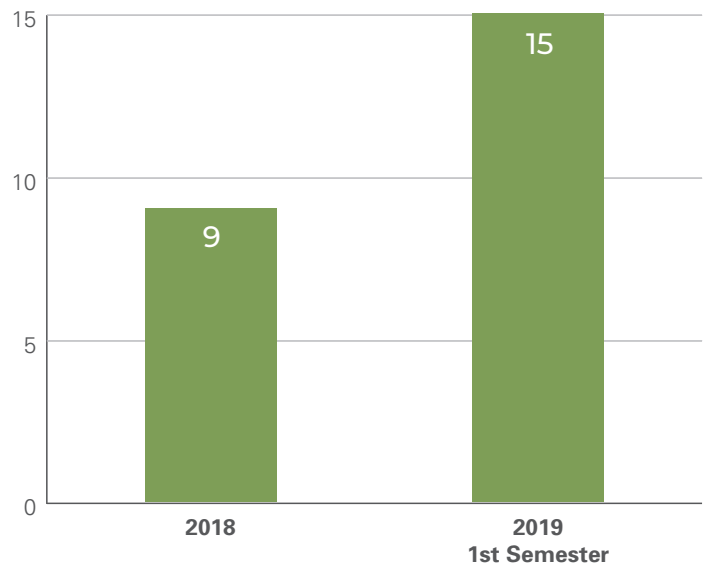
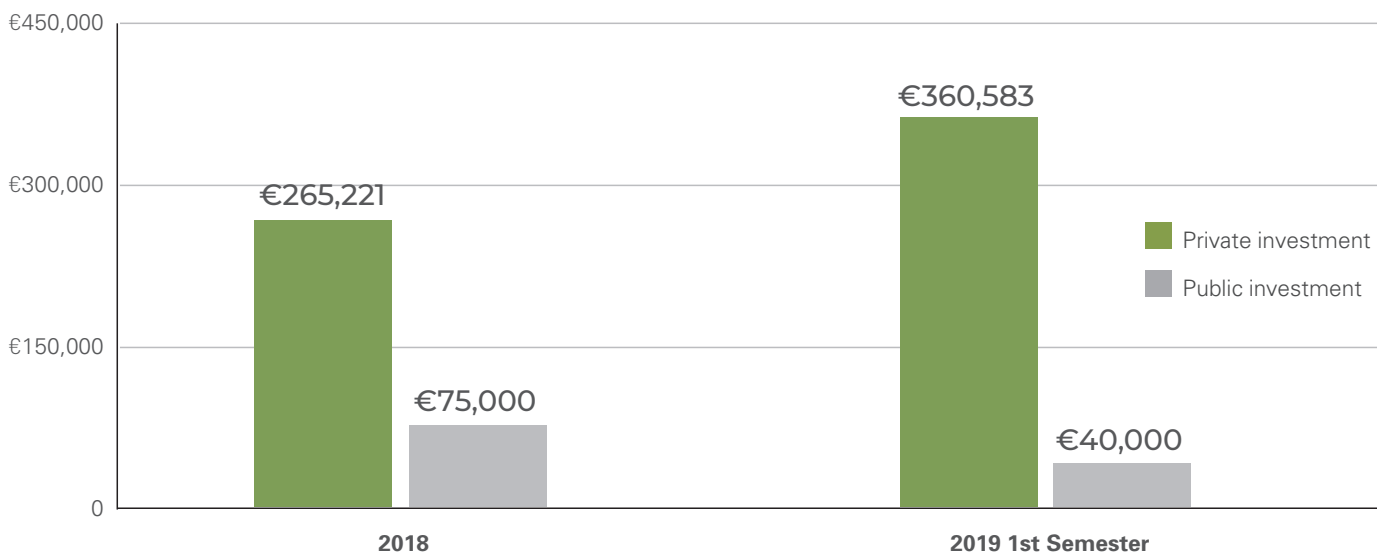


Figure 2 Number of IRC members



³ The protocol signed by the members of the Initiative state that information is shared in aggregated form, and in a way that cannot be reconnected to the organisation providing it. This implies that at least three carnauba processing companies from Brazil will need to be involved before information can be reported.

Figure 3 Reported estimated value of IRC members' investment in Carnauba supply chain improvement actions



Some highlights from the results presented above

- The number of IRC members increased 64% during the first semester of 2019.
- The total amount invested in the activities of the IRC was higher in the first semester of 2019 than it was during the entire 2018 calendar year.
- Most of the private investments are from the local processing companies in Brazil.
- Examples of investments include:
 - Time spent in meetings and trips for IRC
 - Development of communication materials and marketing
 - Development of guidance materials
 - Training of workers in field, distribution of personal protective equipment
 - Implementation of UEBT Biodiversity Action Plans, including actions to combat invasive species, seed banks, seedling nurseries of native species, etc.
 - Implementation of a research and training center in Brazil
 - Baseline study on biodiversity
 - Assessments of suppliers and support on implementation of workplans.



4 NEXT STEPS

The IRC is now in a development and approval stage for its strategic milestone actions for the coming years. Once this is agreed, the information will be made publicly available.

About GIZ and UEBT

This report was assembled by Union for Ethical BioTrade (UEBT) for the Initiative for Responsible Carnauba.

UEBT is a non-profit association that promotes sourcing with respect. We work to regenerate nature and secure a better future for people through ethical sourcing of ingredients from biodiversity. We aim to contribute to a world in which all people and biodiversity thrive.

Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH participates through the Project 'Private Business Action for Biodiversity', commissioned by the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (BMU) in the framework of the International Climate Initiative.

On behalf of:

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für Internationale
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Picture references

Cover: Carnauba Palm (*Copernicia prunifera*) © Pedro Helder Pinheiro. Back cover: IRC members visit carnauba fields © GIZ, Louisa Lösing.



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