



International Rubber Study Group

IAP/18-11/05(a)

29 October 2018

IRSG Sustainability Agenda: A Vision for Sustainable Rubber Economy Partnerships for Shaping the Value Chain of the Future



The International Rubber Study Group's (IRSG) works to promote sustainable rubber economy. The common vision for sustainable development and the UN Sustainable Development Goals (SDGs) to achieve system transformation, has been translated in to a comprehensive approach which includes eight SDGs.

The SDGs embrace a universal approach to the sustainable development agenda based on the social, economic and environmental dimensions of sustainability. Practices, policies and tools that interlink multiple SDGs, integrate the economic growth, social inclusion and environmental protection that involve participation and partnerships among different actors in the rubber industry, governments, civil society and international agencies.

Context specific, but universally relevant actions can catalyse national as well as industry-wide sustainable development objectives and commitments. The interconnectedness of SDGs to business strategies, helps the private sector to improve resilience and competitiveness. Unlocking the potential of the private sector is fundamental to progress. Partnership is very important and it is a way to work with government and other critical players to make real changes happen. The Group target the realisation of SGDs through a work programme with the aim to achieve a system transformation.



SDG 1 : End Poverty in all its forms everywhere

- *Reduce the proportion of men, women and children of all ages living in poverty*
- *Ensure that all men and women have equal rights to economic resources, as well as access to basic services, ownership and control over lands and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance*
- *Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate related extreme events and other economic, social and environmental shocks and disasters.*

According to the FAO, more than 750 million people in the world live in extreme poverty and about three-quarters of the extreme poor live in rural areas, with most dependent on agriculture for their livelihoods. Inclusive agriculture, production and off-farm economies can create jobs and improve livelihood of families and communities. Fostering potential collaboration and partnership between private sector and national governments, IRSG can contribute to identify potential solutions on income diversification, decent jobs and gender equality in the rubber economy.

- Many smallholder farmers continue to lack access to resources and services. Enhancing productivity can be achieved by providing small farmers with access to affordable, quality planting materials of suitable clones.
- Reducing reliance on distant markets can be met by decentralising access to resources, finance and technology.
- Access to markets with higher efficiency, transparency and competitiveness boosts productivity, increases incomes and livelihood of families and communities

Natural rubber is produced commercially from *Hevea brasiliensis* and cultivated in developing and less developed countries in South Asia, South East Asia, West Africa and Latin America. Small growers dominate in cultivation and about 85% of production comes from smallholdings. Many rural small farmers often face serious difficulties in accessing markets. They are constrained by their remote location, high transportation costs, limited knowledge, and the lack of business skills and an organization that could give them the bargaining power they require to interact on equal terms with other market intermediaries. . Identified actions could improve livelihoods and reduce poverty in the growing regions along the natural rubber value chain.

Natural rubber area expanded rapidly from the mid-2000s onwards linked rising prices and robust demand growth in China. There is no estimate on forest loss worldwide driven by natural rubber area expansion. A portion of the additional land likely replaced from subsistence agriculture also. This type of land area transformation can also linked to problems such as biodiversity loss, land grabbing, loss of livelihoods for rural communities and human right issues as well. However, rubber expansion also enabled farmers to enhance their income during price boom period.

- The Group can foster market access in partnering with producer governments and private sector in bringing measures to reduce market risks.

- Consistent quality rubber at farmer level can generate better income and improve quality life for rural people, families and women through creation of cooperative and social enterprises. Partnering with national agencies, the Group can support and empower cooperatives and SMES to improve access to information, improve rubber production efficiency and to encourage the use of best practices to achieve the level of quality requested by users through the implementation of capacity building programs.
- The Group can extend support to national and private sector platforms for the development of traceability and verification of natural rubber supply chain and facilitate discussions with national governments.



SDG 5 : Achieve gender equality and empower all women and girls

- *Ends all form of discrimination against all women and girls everywhere*
- *Eliminate all forms of violence against all women and girls in the public and private spheres, including trafficking and sexual and other type of exploitation.*
- *Ensure women's full and effective participation and equal opportunities for leadership at all level of decision-making in political, economic and public life.*
- *Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.*
- *Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all level.*

Women comprises only 10 to 20 per cent of all landholders but make up half the workforce in agriculture (FAO). As farmers, farm workers, businesswomen, entrepreneurs and community leaders, they fulfil important roles in agriculture and the development of rural economies. Women face greater constraints than men in accessing land, technology, markets, infrastructure and services. Gender equality and women's empowerment is central to improving productivity and ensuring the full participation of farmers in decision-making processes.

- The Group can promote Forum discussions aiming to ensure sustainability interventions and support to growers inclusive of women.
- The Group can encourage sourcing from women, SMEs and women cooperatives for bringing economic benefits to women and their communities.
- Connecting women entrepreneurs and producers in global value chains potentially ensure that they enjoy greater economic benefits from participating in trade. The Group can facilitate promotion of public-private partnership to empower women in supply chain of rubber, raising the visibility of rubber produced by women and strengthening the links between producers and buyers.
- The Group can foster wellbeing and development of communities with women focus in partnership with private sector members.



SDG 6: Ensure availability and sustainable management of water

- *Achieve universal and equitable access to safe and affordable drinking water for all*
- *Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally*
- *Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity*
- *Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes*
- *Support and strengthen the participation of local communities in improving water and sanitation management*

Water scarcity affects more than 40 percent of people, an alarming figure that is projected to rise as temperatures do. Although 2.1 billion people have improved water sanitation since 1990, dwindling drinking water supplies are affecting every continent. Safe and affordable drinking water for all by 2030 requires protecting and restoring water-related ecosystems. At the current time, more than 2 billion people are living with the risk of reduced access to freshwater resources and by 2050, at least one in four people is likely to live in a country affected by chronic or recurring shortages of fresh water.

- The Group can collaborate with international organisations /platform of sustainability initiatives to extend support on capacity building on good agro-management and land management practices in rubber plantations in avoiding depletion groundwater level.
- The group can foster partnership with governments and private sector to ensure that industrial wastewater is not discharged to near-by water bodies to protect water-related ecosystem to avoid any potential environmental and social impact.
- The Group can urge private sector to address all issues linked to water treatment of industrial waste water of mid-stream and upstream industries and developing appropriate infrastructure for the recycling of waste water.
- Group can foster private sector member's commitment in efficient water usage in processing and manufacturing operations.



SDG 8 : Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

- *Achieve higher level of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors.*
- *Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services*
- *Improve progressively global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, with developed countries taking the lead.*
- *Substantially reduce the proportion of youth not in employment, education or Training*
- *Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and end child labour in all its forms.*
- *Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment*
- *Develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.*
-

Agriculture is the single largest employer in the world. The sector employs about 60 percent of workers in less developed countries where it generates a sizeable share of GDP (FAO). In developing countries, the middle class makes up more than 34 percent of total employment. With widening inequalities, employment is not expanding fast enough to keep up with the growing labour force. The SDGs aim to encourage sustained economic growth by achieving higher levels of productivity and through technological innovation.

The majority of workers, particularly youth, hold poorly paid jobs in the informal rural economy, a situation that often causes them to migrate to urban areas where labour markets are often already saturated. There is a largely untapped of-farm and non-farm employment opportunities in agriculture value chains linked to sustainable agriculture, agri-business development and related support services.

Increased access to finance and investments for smallholder and SMEs could help to strengthen technical and entrepreneurial capacities, and improve working conditions and labour standards, particularly for youth, women and migrant workers.

- The Group can foster partnership with government, academia, private sector and finance sector in improving technical and business capacities of farmers and SMEs in rubber industry.
- The Group can urge private sector to address all issues related labour and working conditions.
- The Group can foster private sector member's commitment to contribute to local employment.



SDG 11 : Sustainable cities and communities – make cities and human settlements inclusive, safe, resilient and sustainable

- *Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.*
- *Substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, with a focus on protecting the poor and the people in vulnerable situations.*

It is forecast that 66 per cent of the world's population will live in towns and cities by 2050. These urban areas are more often than not, centres of countries' economic growth, and as populations increase, the epicentres of national and international development challenges. The world's cities occupy just 3 per cent of the Earth's land, but account for 60-80 per cent of energy consumption and 75 per cent of carbon emissions (UN). Urban buildings and transport account for significant energy consumption and carbon emissions. Cities are increasingly exposed to the risks of climate-related hazards.

Future cities require creative thinking about mobility and inclusivity, and an openness to new ideas and new technologies. The advent of big data, artificial intelligence and the Internet of Things has unlocked powerful new tools available for urban planners looking to optimise and manage services and infrastructure, as well as map climate risks and other vulnerabilities. Transforming Mobility brings together leading companies across the extended mobility value chain to lead the system transformation of mobility to achieve Sustainable Mobility Goals (Universal Access, Clean, Safety, and Efficiency) worldwide.

- The Group can partner to promote energy-efficient, low-emissions mobility particularly in cities with tyre associations, tyre companies and OEMs as well as local government agencies.
- The Group can reinforce advocacy of road safety in collaboration with tyre associations and local governments.
- The Group can foster knowledge sharing platforms for technical discussions and awareness creation to develop products with an eye to reduce the output of greenhouse gases and other environmentally-burdensome substances and reduce the utilization of materials and energy.
- The Group can encourage the adoption and implementation of the principles of the circular economy via its "4R Strategy", which guarantees a superior performing and more sustainable mobility.
- The Group can foster greater dialogue between tyre associations and raw material industry (NR, SR, reinforcement material) with a view to collectively build sustainable ecosystem to respond to the mobility challenges.
- The group can foster partnership platform to encourage using sustainable and resilient buildings materials utilising local materials of rubber origin or derived ones.



SDG 12 : Ensure sustainable consumption and production patterns

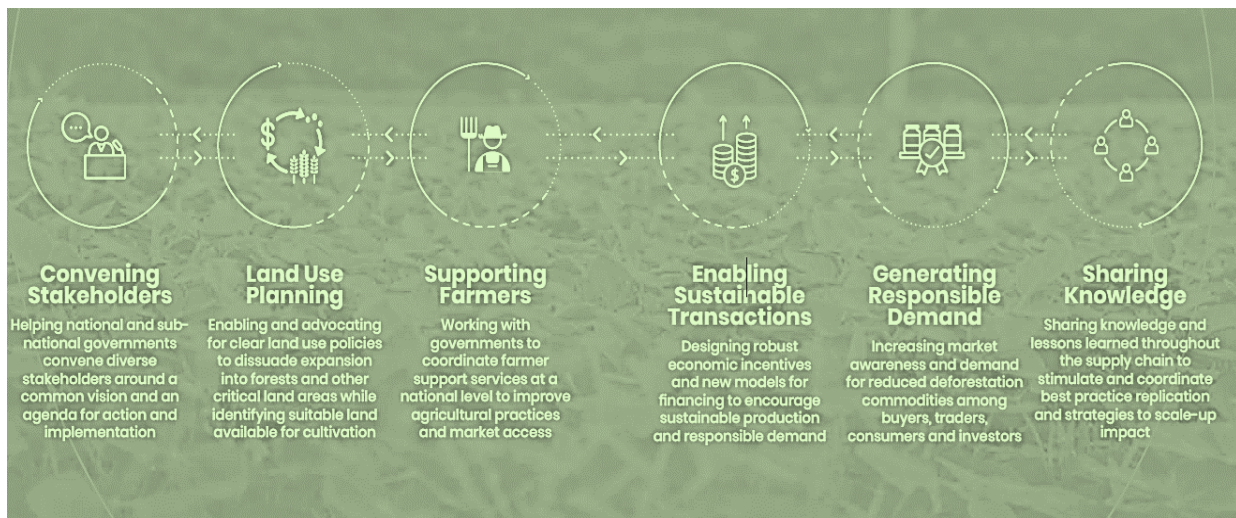
- *Sustainable and efficient use of natural resources*
- *Environmentally sound management of chemicals, significantly reduce their release to air, water and soil*
- *Substantially reduce waste generation through prevention, reduction, recycling and reuse*
- *Support developing countries to strengthen their scientific and technological capacity to move towards more sustainable patterns of consumption and production*
- *Reduce waste generation through prevention, reduction, recycling and reuse*
- *Promote public procurement practises that are sustainable, in accordance with national policies and priorities*

A growing global population with deteriorating natural resources and increased urbanization means more to produce with existing resources. Satisfying expected increases in resource utilization means shifting to more sustainable production and consumption approaches. To produce sustainably, producers need to reduce negative environmental impacts such as soil, water and nutrient loss, greenhouse gas emissions and degradation of ecosystems. As demand for agricultural commodities grows, forward-thinking business models need to be developed to manage sustainable commodities' production that also preserves forests and important ecosystem services. With deployment of ICT, sustainable management of chemicals is possible.

Improving land management and best farming practices can help alleviate pressure on the environment and lower greenhouse gas emissions. Farming systems that embrace sustainable intensification practices can increase crop tolerance, diversify production and hinder environmental degradation.

Buyers, traders, manufactures, investors and banks play an important role in the production, financing and demand of commodities. Their commitment and action is key to influencing production practices and enabling the cultivation and trade of sustainable commodities. Partnership is needed which support multi-stakeholder action, policy reform, farmer training, land use planning and new opportunities for co-financing and responsible investment. Instead of treating production, demand and investment interventions as separate tracks, integration of the layers of the supply chain enhance financial incentives and demand for sustainably produced agricultural commodities.

The process and steps involved and potential partnership directions in sustainable production and usage include:



Source: UN Green Commodities

Beyond natural rubber, other raw materials of fossil fuel origin entering into supply chain of rubber industry has started looking into potential sustainability commitments through R&D investment in bio-based feedstocks and development of bio-based raw material itself. Waste management is an integral element of sustainable production and consumption in the rubber industry. Globally, an estimated one billion plus tyres reach the end of their useful lives every year. Disposal of the end of life tyres (ELTs) in environmentally sound and productive ways continues to be a high priority goal of the tyre business. Various regional efforts by government agencies, tyre industry, and individual manufacturers are currently underway to address the issue of ELTs.

- The Group can foster discussion with private sector sustainability platforms and encourage coalition of private sector platform, government and other committed value chain players.
- The Group can extend support to empower governments and support the national platform for multi-stakeholder consultations which enable the sustainable production to meet demand of the global market.
- The Group can foster policy discussions to stimulate 4R's.
- The Group can encourage and support knowledge sharing on degradable synthetic rubber to stimulate public policy discussions and R&D investments.
- The Group can urge all parties to progressively address all issues related to end of life product and waste management.
- The Group can foster private sector members' commitment to adopt
 - Responsible raw material sourcing
 - Responsible manufacturing
 - Energy performance of end product
 - Green procurement of end of life product



SDG 13 : Take urgent action to combat climate change and its impacts

- *Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries*
- *Integrate climate change measures into national policies, strategies and planning*
- *Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning*
- *Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small islands developing States, including focusing on women, youth and local and marginalized communities*

Climate change is now affecting every country on every continent. It is disrupting national economies and affecting lives, costing people, communities and countries dearly today and even more tomorrow. Smallholder farmers and poor rural people bear the brunt of climate change and the degradation of natural resources. Global carbon dioxide emissions have increased by nearly 50 per cent since 1990. Forests are a major, requisite front of action in the global fight against climate change. Stopping deforestation and restoring damaged forests, therefore, could provide up to 30 percent of the climate solution. Nevertheless, deforestation remains shockingly high. Deforestation is the second largest contributor to greenhouse gas emissions. Deforestation has severe implications for biodiversity and ecosystem services.

Private sector is heavily exposed to the negative impacts of climate change, but they are also critical actors in mitigation and adaptation efforts along with governments. In order to prevent catastrophic global temperature rises, carbon emissions need to fall dramatically. Governments have a major role to play in information-sharing, incentives and regulation. The private sector must be motivated, incentivised or regulated to reduce emissions by committing to shrink their carbon footprint across operations and supply chains, and to manage their energy and land better. It is critical that information is shared between stakeholders so that risks are mapped together with opportunities for social and commercial benefit.

Natural rubber mature plantation can sequester carbon both in soil and biomass. Natural rubber biomass can be used directly as fuelwood; modified into charcoal for cooking and heating; or converted into gas for thermal and electrical energy generation.

- The Group can engage with private sector members and foster coalition of committed members to assure that they are committed to demonstrate the execution climate actions and encourage reporting as well as evaluation.
- The Group can empower and support governments in knowledge sharing platform for climate change awareness creation. Companies and governments need to better understand the risks that they face, and the steps that they can take to mitigate.
- The Group can engage with private sector and government in creating public awareness on environmental impact of waste and the economic and environmental benefits of integrating circular business models and practices.



SDG 15 : Life on Land – Protect restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

- *Ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements*
- *Promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally*
- *Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and prevent and protect the extinction of threatened species.*

Forests cover 31% of world land area and shelter 18% of global population, but losses are driven mostly by agricultural land use change (FAO). Healthy ecosystems protect the planet and sustain livelihoods. Forests are home to more than 80 per cent of all terrestrial species of animals, plants and insects. Deforestation has severe implications for biodiversity and ecosystem services. Illicit poaching of protected species of flora and fauna and trafficking of wildlife continues to thwart conservation efforts. Land use changes, including deforestation, result in a loss of valuable habitats, a decrease in clean water, land degradation, soil erosion and the release of carbon into the atmosphere. They contribute to the loss of valuable economic assets and livelihood opportunities.

- The Group can urge private sector to address commitments towards bio-diversity and restoration through investments in such projects and encourage evaluation of such commitments based on bio-diversity investment assessment tools.
- The Group can partner with coalition platform to foster green financing and use of green bonds to fund restoration and bio-diversity actions of private sector.



SDG 17 : Partnerships for the Goals – Strengthen the means of implementation and revitalize the global partnership for sustainable development

- *Enhance North-South, South-South and triangular regional and international cooperation on and access to science, technology and innovation and enhance knowledge sharing on mutually agreed terms, including through improved coordination among existing mechanisms, in particular at the United Nations level, and through a global technology facilitation mechanism*
- *Promote the development, transfer, dissemination and diffusion of environmentally sound technologies to developing countries on favourable terms, including on concessional and preferential terms, as mutually agreed*

- *Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the sustainable development goals, including through North-South, South-South and triangular cooperation*
- *Enhance the global partnership for sustainable development, complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technology and financial resources, to support the achievement of the sustainable development goals in all countries, in particular developing countries*
- *Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships*
- *Enhance capacity-building support to developing countries, including for least developed countries and small island developing States, to increase significantly the availability of high-quality, timely and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts*

Rubber is a strategic resources for South-South cooperation. Natural rubber grows in the tropical belt in Asia, Africa and Latin America and it is used for the manufacturing of various products needed in the day today life. The IRSG is the International Commodity Body for rubber that promote sustainable natural rubber through the Sustainable Natural Rubber Initiative (SNR-i), a public-private partnership program, aiming to establish sustainability of natural rubber value chain. Currently 55 companies are committed to this voluntary initiative. These companies geographically cover all the major natural rubber producing and consuming regions/countries and represent about 60% of the natural rubber sourced globally.

As demand for agricultural commodities grows, we need to develop forward-thinking business models to manage sustainable commodities' production that also maintains forests and important ecosystem services. Much of the deforestation was driven by the production of agricultural commodities. There is need for urgent action and there is also opportunity for the industry (raw materials and finished products in rubber sector), governments and key supply chain actors to come together and rapidly redefining business models and opportunities for a sustainable future.

The partnership, beyond committing to work together, requires fostering a new culture of collaboration which generates tangible impacts through integration and supply chain coordination. A coalition of competitive supply chain actors coming together in peer group space can enable efficiency, avoid overlap and this will allow each partner to work to their strength that influence sustainability thorough out the entire supply chain.

- IRSG as the intergovernmental organisation that promotes sustainability in the rubber economy can acts as a knowledge broker on rubber for developing countries around the world.
- IRSG, as neutral platform, can foster discussion towards bringing binding regulations on responsible raw material sourcing, responsible manufacturing, responsible green procurement of end of the life of a product and management of waste.
- IRSG can be the sole provider of data and analytics on sustainable rubber.

A growing coalition of partnership among IRSG, national platforms, governments, private sector platform, individual supply chain players, financial sector and civil society as connecting dots and layers can aim for:

- A Rubber Economy that is 'profitable, socially Just and environmentally sound' as the shared goal among all stakeholders.
- Assuring a sustainable living standard to the vast majority of poor people engaged in rubber.
- A responsive and flexible rubber industry to face the new normal in the mobility field.
- Partnership in Innovation and R&D to play a strategic role in a sustainable rubber economy.
- Alternative raw materials fit in the sustainability agenda as part of the circular economy.