



Verified Deforestation and Conversion Free (V-DCF)

Generic methodology and approach

Version 2.0 November 2022

proforest

Introduction: Generic Deforestation and Conversion Free Methodology

Claims of **deforestation and conversion free** (DCF) and **verified deforestation and conversion free** (V-DCF) sourcing are made by actors at different stages of supply chains and for multiple commodities. As a result, different approaches are being used, resulting in **a lack of alignment and transparency**.

Based on Proforest work with many companies, as well as discussions with key partners, including AFi, CDP, Trase and many others, we have consolidated a **generic approach to DCF and V-DCF**, which is set out in this document.

This high-level framework can provide the basis for detailed methodologies for specific commodities and companies allowing for **alignment, transparency and consistency**, while also recognising the need to adapt to **different realities**.



The **key steps** in confirming DCF and V-DCF

1

Trace back to production area at a scale needed to confirm status

2

Confirm production area was not converted after the cutoff date

3

Monitor remaining natural vegetation and respond to new conversion

4

Verify the methodology, data and claims are credible and accurate

There are **3** **three steps** required to confirm production of a raw material was **deforestation and conversion free (DCF)**

And a **4** **fourth step** to confirm that it is **verified** deforestation and conversion free (V-DCF)

The **key steps** in confirming DCF and V-DCF

1

Trace back to production area at a scale needed to confirm status

Confirming that a raw material is deforestation and conversion-free requires knowing where it was produced. This can be done at a large scale (e.g. country or province) if there is negligible risk of conversion, but needs to be done at a finer scale, down to a defined sourcing area (e.g. landscape, village, cooperative) or individual production units (e.g. farm, smallholding, concession) where there is risk that the land was converted after the cutoff date or there is ongoing conversion (*Note 1*).

2

Confirm production area was not converted after the cutoff date

Once the origin is known the next step is to confirm that no conversion occurred after the cutoff date (*Notes 2 and 3*). Frequently this is done by overlaying the location with satellite images of the area at the cutoff date. However, other documentary evidence, such as old management or land-use plans, can also be accepted if access to satellite data and GIS systems is limited.

3

Monitor remaining natural vegetation and respond to new conversion

In addition to confirming that the production area was converted before the cutoff date, it is also important to identify any remaining natural vegetation within the production area (*Note 3*) and ensure there is a monitoring system to regularly confirm that no further conversion is taking place (including community-based monitoring for smallholder contexts). There must also be a mechanism to respond to new conversion if it occurs either via supply chain interventions or through community response or collaborative approaches within landscapes.

4

Verify the methodology, data and claims are credible and accurate

For Verified DCF claims it is necessary to have third party verification that the methodology is appropriate and was followed, that the data is complete and accurate, and that the claims being made are credible (*Note 5*). Some suppliers may provide DCF information which has already been verified rather than detailed information on origin.

Implementation options for demonstrating DCF and V-DCF

1 Trace back to production area at a scale needed

2 Confirm production area was not converted after cutoff

3 Monitor natural vegetation; respond to new conversion

4 Verify methodology, data and claims are credible

In practice there are **several different ways** of demonstrating that material is DCF, with **different approaches more effective depending** on location, production system and commodity.

Each **includes the three steps** of traceability back to origin, confirming no conversion since the cutoff date and monitoring and responding to new conversion. In general, **any combination of these different options** can be used to demonstrate DCF.

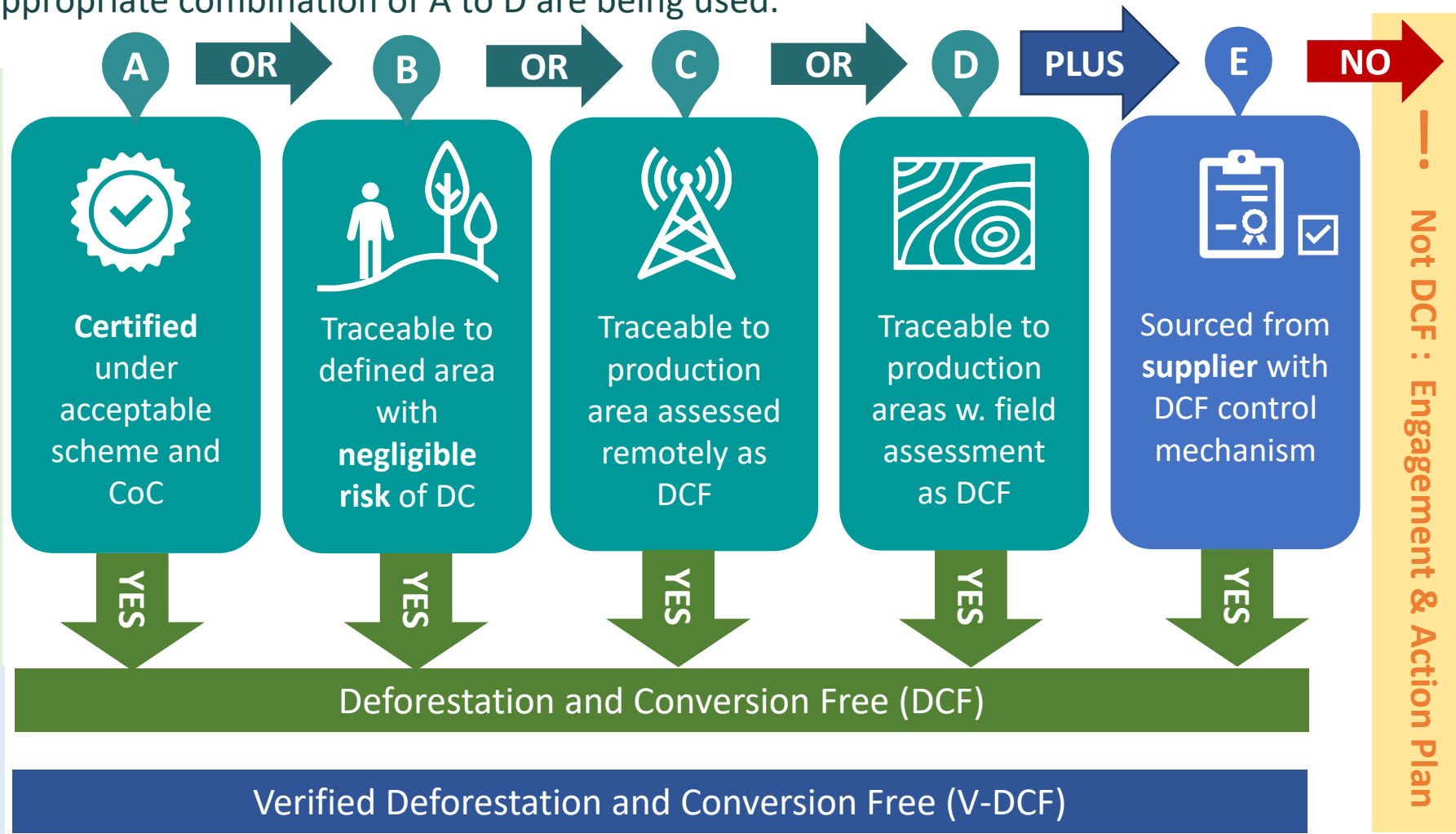
Where none of them can be applied, the material **cannot be considered DCF** and engagement and further action will be needed.

For V-DCF the fourth step of **independent verification** of methodology, data and resulting claims is also needed.

Implementation options for demonstrating DCF and V-DCF

For **directly sourced volumes**, any combination of options A to D can be used. For **indirectly sourced volumes (E)**, confirmation is needed that an appropriate combination of A to D are being used.

- 1 Trace back to production area at a scale needed
- 2 Confirm production area was not converted after cutoff
- 3 Monitor natural vegetation; respond to new conversion
- 4 Verify methodology, data and claims are credible

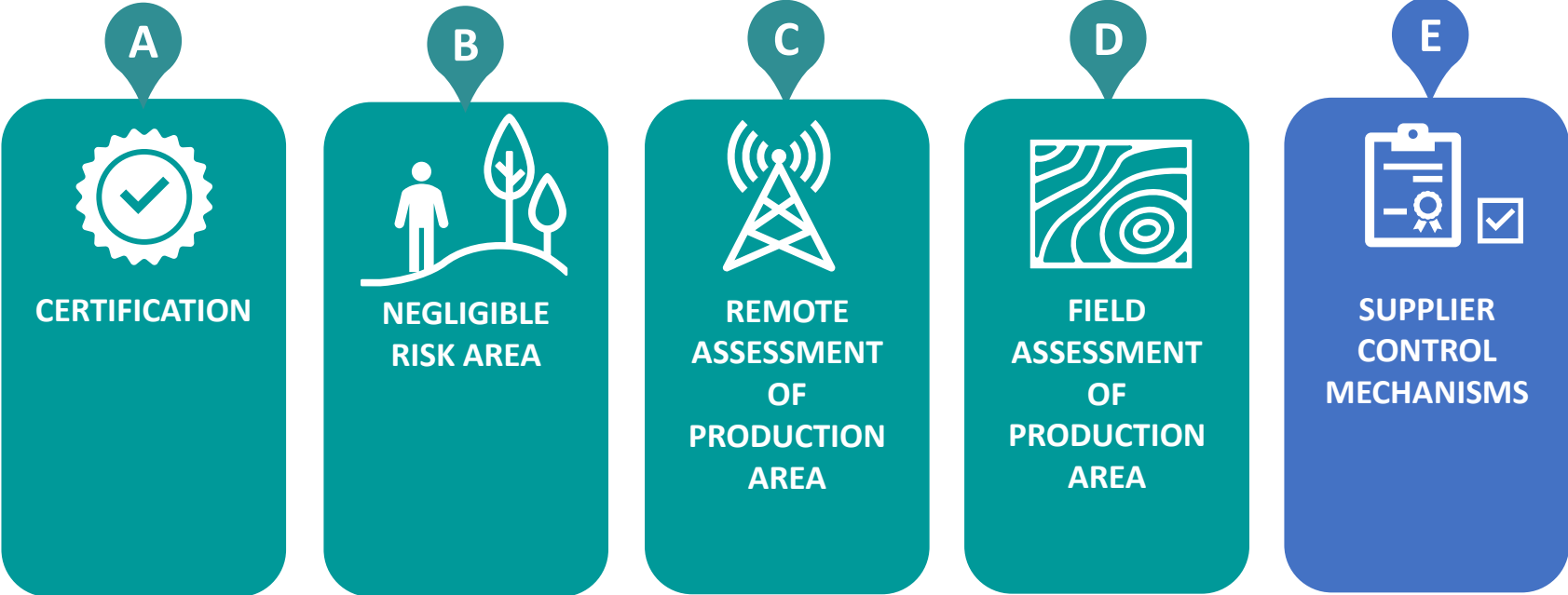


Methodology elements needed for each implementation option

Steps to confirm area is DCF

Steps to identify and respond to new DC

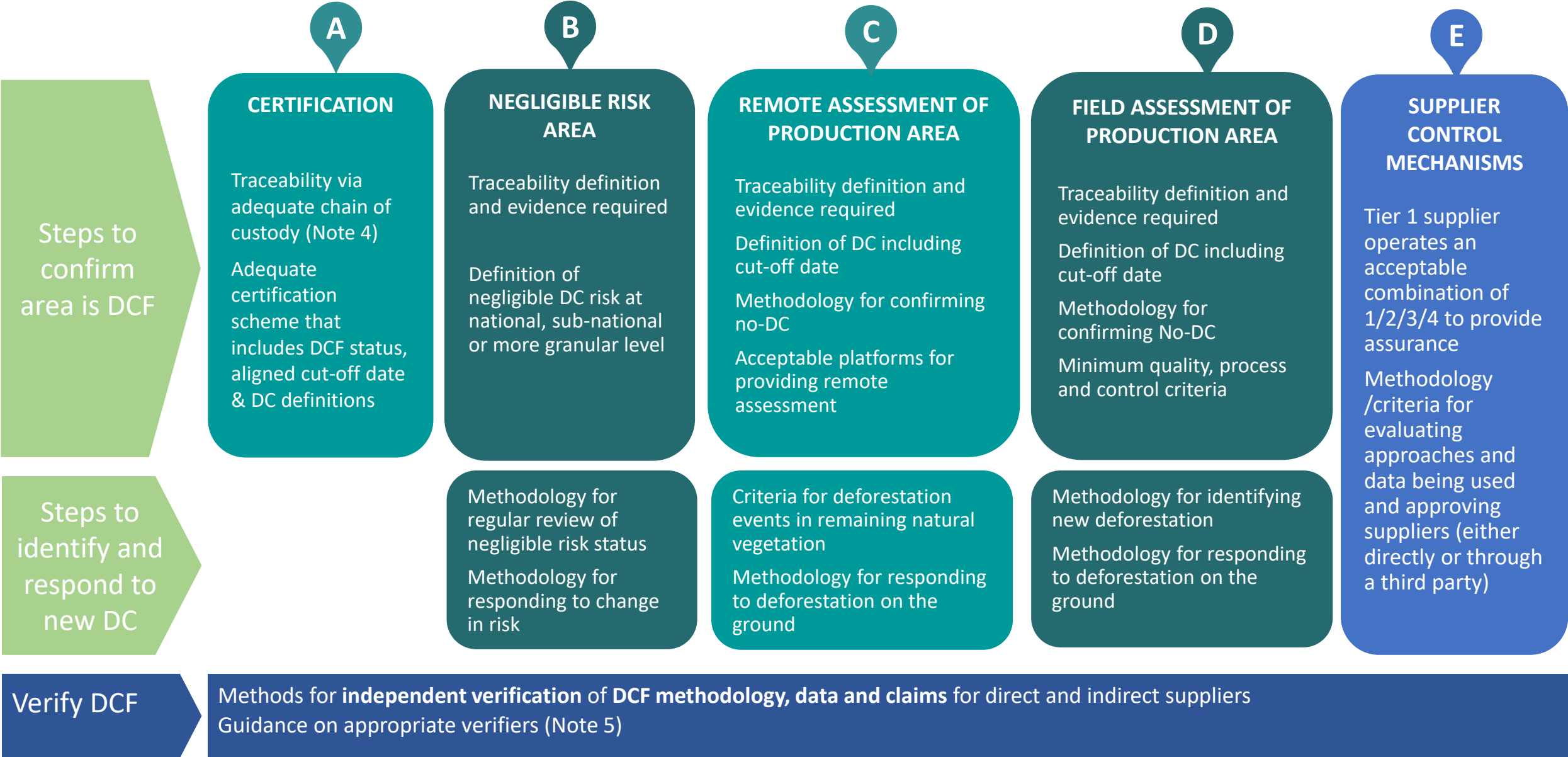
Verify DCF



The **detailed DCF methodology** for every commodity will vary depending on factors such as location, size of producer, production system etc. So for each commodity the methodology elements need to be **developed in detail** for all implementation options being used.



Methodology elements needed for each implementation option



DCF for Smallholders

Accurate DCF reporting for smallholders can be **particularly challenging** relative to large producers due to limited traceability, indirect sourcing and the vast number of smallholders.

- ❖ Mapping, analysing and monitoring land to prove DCF requires technical resources and capacity that many smallholders lack. If **lack of proof** that they are DCF producers results in **reduced access** to supply chains for smallholders, even if they have not converted their land since the cut-off date, this will lead to **significant unfair negative consequences** including diminished livelihoods and less community development likely **increasing poverty and inequality**.
- ❖ Even where smallholders have cleared land after the cut-off date, excluding them from supply chains without any support to re-enter is likely to **disproportionately affect poor and vulnerable** small producers.

Therefore companies (and regulators) need to be mindful about not **unintentionally excluding or disadvantaging** smallholders.

To avoid smallholder exclusion companies should consider:

- ✓ Reporting **smallholder DCF figures separately** to those for larger suppliers (for commodities with a mix of supplier types)
- ✓ Investing to **support smallholder suppliers** with land titling, traceability and monitoring to demonstrate DCF status, often combined with extension support
- ✓ When setting **target dates** have realistic requirements for smallholder supply to be considered DCF, coupled with transparent & time-bound improvement plans
- ✓ Supporting mechanisms for **smallholder remediation and re-entry**



Notes

Note 1: Some regulations (e.g. the EU Deforestation Due Diligence Regulation) have specific requirements for traceability

Note 2: For more information on cut-off dates and target dates see [AFi Operational Guidance on Cutoff Dates](#)

Note 3: For production units (farms, smallholdings, concessions) confirm that no conversion occurred on the production unit after the cut-off date. For sourcing areas (landscapes, villages, cooperatives) confirm that no conversion associated with the commodity occurred in the area after the cut-off date. Work is underway for several commodities to agree methodologies on how conversion should be associated with a specific commodity (e.g. no production of the commodity for at least 5 years after conversion). Associated ongoing monitoring should follow the same approach

Note 4: Certification schemes use a variety of mechanisms to control chain of custody. For DCF claims the material must be traceable back to a certified area (segregated or identity preserved), or if there is mixing (mass balance), controls must be in place to ensure that the non-certified material is also DCF

Note 5: Clarifying how to determine whether a third party can provide credible verification is a key topic where there is an active ongoing discussion. Within certification, this is provided by accreditation of certification bodies, but outside of certification there are many other organisations checking information within supply chains.

