

Tracing Supply Chains for Land Tenure Compliance



The Problem

In Brazil, a lack of accountability across international corporate supply chains damages the market value of products and impacts commitments towards sustainability. Land tenure, the genesis of any resource based supply chain, is consistently overlooked or perceived as highly onerous to deal with, consequently, the private sector tends to underestimate, or completely discount, land-related risks. The relationship between communities, the land they occupy and the raw materials produced on these lands which enter the global supply chain, represent a critical issue with a myriad of stakeholders and certification frameworks. These frameworks are critical for tracing commercial relationships and transactions, key to understanding impacts on the environment, climate, and economic development as a result of land use and resource extraction.

The Solution

The Netherlands' Cadastre, Land Registry and Mapping Agency (Kadaster), the Land Governance Institute (IGT, a nonprofit organization, a spin-off from the University of Campinas), and Cadasta Foundation (Cadasta) have the common goal of advancing responsible investment and land tenure security in Brazil, particularly in places where governments ability to provide equitable and affordable land administration remains a challenge.

What we do: Use our innovative method for risk assessment in agribusiness supply chains based on land tenure to trace relationships across supply chains, companies, agroindustrial sector, or even geographic regions.

How we do it: By assessing the legal, geospatial, and land use status of different suppliers according to their land tenure compliance, providing analyses of adherence to certification frameworks, international standards, or under specific regime ¹.

We greatly reduce and mitigate investment risks, avoiding situations like that faced by the Harvard Pension Fund, which invested over one billion dollars in deeply troubled assets based on fraudulent land acquisitions across Brazil². This caused significant damage to their reputation, and in 2019 the Harvard Management Company acknowledged that they are working "hard to salvage or dispose of these remaining investments" due to this impact³. As the private sector moves towards policies that focus on long-term value creation and accountability, our work to facilitate traceability across increasingly long and complex supply chains is increasingly important to ensuring responsible land acquisition and use.

For that, you can count on us to provide detailed yet rapid assessments and guarantee land tenure compliance and accountability.

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Our Work

For PepsiCo, we created a system to verify if land acquisitions were documented in official cadasters, checking to see if the cadastre record matched legal descriptions and on-the-ground realities. This ensured that legal and environmental obligations were fulfilled and that the acquisition and investment process was seamless.

¹ <https://www.pepsico.com/docs/album/esg-topics-policies/estudo-fundi%C3%A1rio-no-brasil.pdf>

² https://www.grain.org/system/attachments/sources/000/006/304/original/Land_grabbing_in_Brazil_EN_04.pdf

³ https://finance.harvard.edu/files/fad/files/fy19_harvard_financial_report.pdf