



RSCE2/4: Sustainability Initiatives and the Challenge of Compliance

Presentation at the RSCE2 Preparatory Meeting in Abidjan

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1 Working towards sustainability

- Status quo is not sustainable – necessity to make a joint effort
- Solutions for most problems exist
- RSCE can provide a framework for a joint effort
- A start is made –stakeholder engagement and knowledge base
- Next steps:
 - Defining objectives and how to reach them
 - Agreeing on the role for RSCE in this process

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2-1 Challenges and constraints – for stakeholders

1. Perceived **financial benefits** for certified production
2. High **cost of certification**
3. Lack of standard **ownership** from countries where standards should be implemented
4. Many **certificates/labels** in the market
5. Many **standards** with differing requirements
6. Little evidence of **impact on sustainability**
7. Difficulty to **involve smallholders**
8. Need for **technical and financial support** to improve sustainability

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2-2 Challenges and constraints - for sustainability initiatives

“engagement of stakeholders and striking a balance between applicability, credibility and marketability”

A. Applicability

- ✓ Suitability for conditions / levels of indicators / complexity

B. Credibility

- ✓ Acceptance of an initiative / acceptance of sustainability concept / control and recognition

C. Marketability

- ✓ Effect on economic performance / effect on price / perception

Trade-off between applicability, cost of implementation and control vs. marketability and price premium

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2-3 Challenges and constraints – for sustainability initiatives

Strategic decisions:

- The **level of sustainability**: baseline / minimum, high-level, or continuous improvement
- The **contents**: economic, environmental and social aspects along the supply chain (and BMPs)
- **Marketing channels**: Business to Business (B2B) or Business to Consumers (B2C)
- And **auditing tools**: Self-assessment, certification, verification and impact assessment (and smallholder Group Certification)

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3-1 Achieving sustainability – requirements

- **Sustainability schemes:**

Formulation of standards and criteria / definition of the process and extent to which criteria must be met / clarify level of verification

- **Certification Systems:**

Local guidelines / training for local auditors / differentiated system of accreditation / system of performance monitoring

- **Stakeholders:**

Create certain level of knowledge of among stakeholders / access to quality measurements / certain level of organization and management skills / implement an internal control system

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3-2 Achieving sustainability - scale

Incentives and disincentives for the adoption of a scheme

1. For producers / farmers
2. For governments of commodity producing countries
3. For trade and industry
4. For governments of commodity consuming countries
5. For consumers

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3-3 Achieving sustainability – some examples

Certifying initiatives **with consumer labels**

- Better Sugarcane Initiative (BSI)
- FLO/Fairtrade
- Forest Stewardship Council (FSC)
- IFOAM Organic
- Rainforest Alliance
- Roundtable for Responsible Palm Oil (RSPO)
- Utz Certified

Certifying initiatives **without consumer labels**

- Common Code for the Coffee Community (4C)
- Global GAP

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4-1 Lessons to be learned

- A. Focus on the entire market and supply chain
- B. Tangible benefits for participating stakeholders
- C. Comprehensive support mechanism for producers
- D. Participation and ownership
- E. Written commitment by members of an initiative to support objectives

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4-2 Lessons to be learned

- F. Transparency and clarity in processes and decision making
- G. Credibility of the compliance
- H. Robust traceability and tracking system along the entire supply chain;
- I. Measuring of impacts against baseline
- J. Mechanisms for hearing complaints and resolving conflict

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Revision of document
after the RSCE2

More comments
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Thank you for your attention