RSCE2/4: Sustainability Initiatives and the Challenge of Compliance

Presentation at the RSCE2 Preparatory Meeting in Abidjan

Members of the group:

Mr. Simon Schnetzer (leader),
Mr. Richard Holland (WWF),
Mr. Youssouf Ndjore (Côte d’Ivoire),
Ms. Chantal Oltramare (Switzerland),
Mr. Carsten Schmitz-Hoffmann (GTZ),
Mr. Marcel Vernooij (the Netherlands), and
Ms. Gine Zwart (Oxfam International)
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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
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
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)
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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Part 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
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 or questions to coord.roundtable@icco.org

Thank you for your attention

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