



Addressing Sustainability Standards through National Cocoa (PPP) Strategies

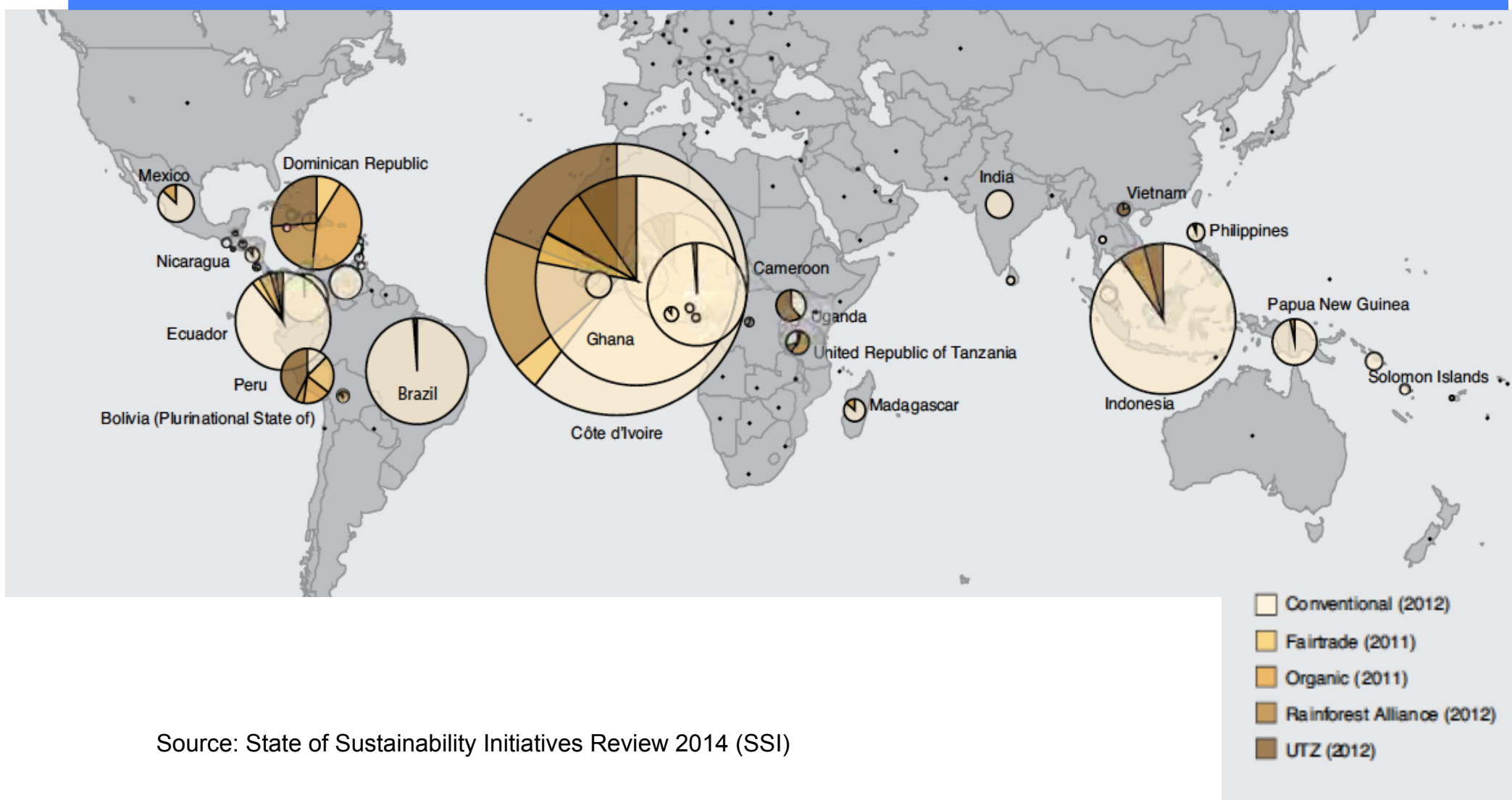
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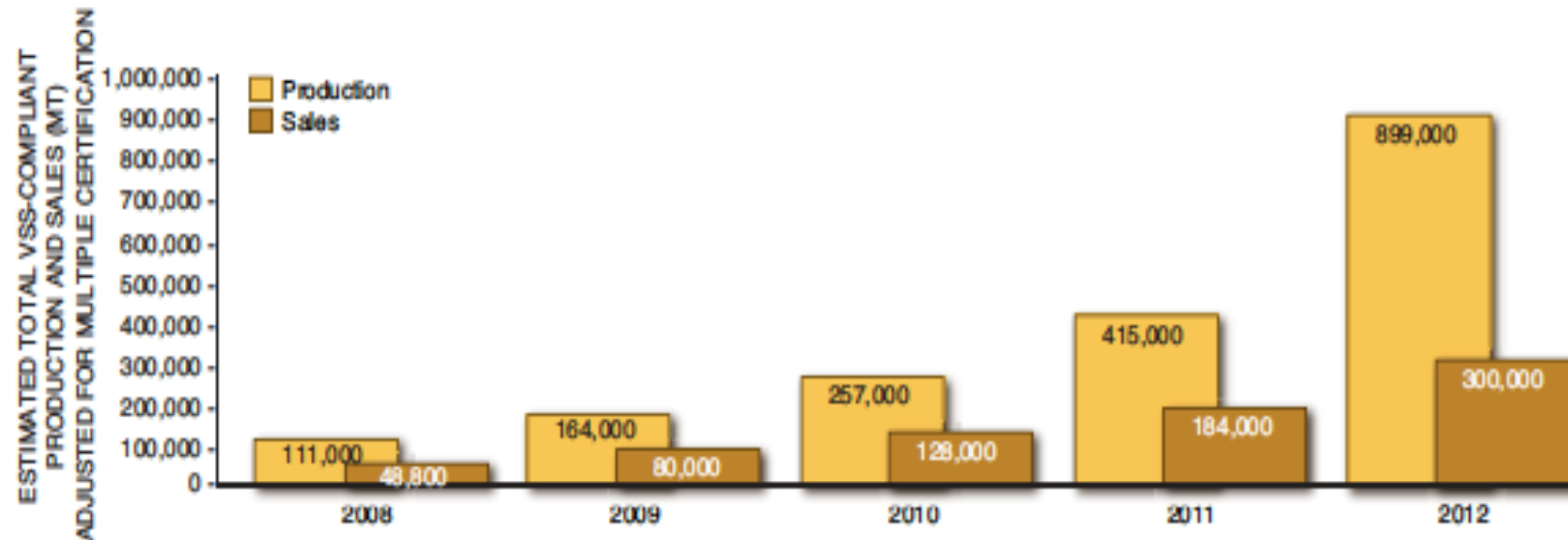


Geographical distribution of sustainable cocoa certification, 2012



Source: State of Sustainability Initiatives Review 2014 (SSI)

Sustainable cocoa supply vs. sales, global



22% of Global supply of cocoa (2012)

1/3 of supply was *sold* as certified in 2012:

Some key market realities:

- Sustainable commodities- **fastest growing markets** in commodity production and trade **and are increasingly becoming “market requirements”**
- *Most major importers involved in a sustainability program; increasingly retailers as well (supply-management issue)*
- There is **insufficient information** on how these **programs actually impact producers and the environment (although this is changing).**

Level	Potential Benefits of certification as a tool to improve:
Farm	<ul style="list-style-type: none"> Management capacities Productivity and quality Reduce costs Market access Commercial relationships Premiums- <i>sometimes</i>
National/ Sector	<ul style="list-style-type: none"> Export revenues Jobs Processing and services Economies of scale and innovation Positive spillovers Enfranchise marginalized groups Enhanced soil fertility, water quality, biodiversity etc

Source: Draft Decision-making guide: Trade Standards Practitioners Network (TSPN), International Institute for Environment and Development (IIED) (in progress)

Potential concerns: Policy Level (particular Producer Countries)

Market Access:

Threat to market access

“Sustainability” used to protect domestic markets

Standard-setting:

External non-state actors setting standards

Threat to national sovereignty (exclusion from standard-setting)

Whose sustainability (democratic national governments or distant consumers/brands)?

Standards applicability:

Standards/criteria/processes, potentially inappropriate to local situation

Too stringent for producers' and local institutions capacities

Inflexibility to adapt to local realities (lack of appreciation for cultural/geographical/social diversity)

ICCO/UNFSS process: 2013-14

- Cameroon workshop (June 2013): **increase understanding** of certification processes; cost/benefits and impacts on farmers and supply chains
- Zurich workshop (March 2014): Advance a **Common Framework** on sustainability standards

 as a basis to share responsibility to create a sustainable mainstream cocoa sector.

Key conclusions from workshop (1):

Many similarities between certification programs, especially on environment and social issues, but **less focus on economic** (although now changing = **good opportunity to engage**).

Sustainability is a **shared responsibility- certification one tool** within a toolbox of interventions, along with:

- Adequate **investments in farmers** to address sustainable supply.
- Complemented by **investments in sustainable trade** and public goods infrastructure, education and extension.

Environmental, social and economic costs need to be internalized to achieve economic viability & incentivize farmers.

Key conclusions (2):

Common framework for cocoa sustainability **beneficial for all** cocoa stakeholders.

Best mechanism to promote sustainability are Private Public Partnerships (PPPs) with governments as lead actors, **including all stakeholders** in a transparent & participatory approach (strong examples in Cote d'Ivoire, Ghana, Indonesia etc.)

Stakeholder co-operation critical factor in the framework of national platforms for PPPs.

Existing **standard systems** should aim to operate within the **PPPs**.

Key conclusions (3):

A **continuous improvement process** required, with **key impact indicators** to monitor and evaluate actions against a common framework.

Need for **information and data transparency** - made available at all levels.

ICCO and UNFSS will continue to support and facilitate a common framework as a guide for cocoa sustainability-
focusing on the economic pillar of sustainability for adequate reward of farmers.

More information:

United Nations Forum on Sustainability Standards (UNFSS)

www.unfss.org

State of Sustainability Initiatives Review 2014 (SSI):

www.sustainablecommodities.org/ssi

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Thank you!!