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SECO Engagement in Voluntary Sustainability Standards (VSS),
its evolution and links to the coffee value chain

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
SECO Engagement in Voluntary Sustainability Standards (VSS), its evolution and links to the coffee value chain
SECO Engagement in VSS

1) **Seed funding** to a number of different sustainability standards with multi-stakeholder focus, such as Fairtrade, BCI (Cotton), 4C (Coffee), RTRS (Soy), RSB (Biomaterial), UEBT (biotrade) and FTTSA (tourism in South Africa).

2) **Supporting the role of ISEAL** as an umbrella organisation of all associated VSS to ensure credibility and continuous improvement.

3) **Access to information on VSS** in order to allow stakeholder groups to take informed decisions regarding the adoption of sustainability standards (Sustainability Map/ITC).

4) **Monitoring Performance and Assessing the Impact** of sustainability standards at producers' level, with harmonised and scientifically based methodologies (COSA, Evidensia ISEAL).

5) **Capacity building** for producers to strengthen sustainable production practices that are important across all standards (e.g. Sustainability Commodity Assistance Network SCAN, IDH).
The evolution of VSS

- From niche (product differentiation) to mainstream (Compliance)
- Growing market shares from 10 to 30% in key commodities such as coffee, cocoa, palmoil and cotton
Sustainability Standards in Coffee

• Strong mainstreaming of VSS due to sustainability commitments of large companies (JDE, Keurig, Starbucks, Nespresso, EFICO, Ahold Delhaize, Farmer Brothers, etc.). *(Source: Sustainable Coffee Challenge)*

• Roughly 25% of global coffee production (2017) is sustainably certified or counts on internal verification systems: 4C is leading (15%), followed by Fairtrade (8.7%), Organic (7.8%), UTZ (5.5%) and Rainforest Alliance (3.8%)
Sustainability Standards in Coffee: Development of certified area by VSS, 2008-2017

Assessing the relevance of VSS in coffee

• Standards have played an important role in **improving the sustainability performance and management capacities** of more organized farmers (on Evidensia.org you find over 50 impact studies)

• Yet **growing critics in terms of costs, impact and credibility**. As a response, companies started with own corporate programmes.

• **Other factors «beyond certification» are key:** access to finance, improved extension services, rural infrastructure, logistics, plot size, regulatory framework, price, etc.

• Growing **importance of platforms** based on public – private partnerships at both international, national and subnational level, jointly (precompetively) addressing the agenda «beyond certification».
The possible way forward for VSS as effective tool to strengthen sustainability in coffee

• More **holistic approaches** are needed to keep VSS in the forefront of sustainable development (rather than to create islands of sustainability).

• **USPs standards are offering:** proofed in multistakeholder contexts, connecting demand and supply, credible assurance systems, data collector/manager, among others.

• **But VSS require to innovate, particularly in the area of assurance:** step-wise approach, centralized/shared data management, interoperability among VSS, etc. – *from compliance of individual production units to the credible measurement of progress at landscape/sector level*
Coffee sector transformation based on collaboration between VSS and local systems

Standards and labels with third party verification with high claims covering niche markets

Nationally/regionally defined benchmarks addressing minimal requirements and targets at (sub-)national/sector level: e.g. Land use, child labor, use of pesticides

Committed local governments are in the lead; subnational authorities in case of jurisdiction/landscape approach, potential first or second party assessments, part of common M&E framework (central management of data)
Thank you!