Why are we talking about Sustainability Standards?

FAIRTRADE

Fair Trade International

Organic Certified Labels

100% ORGANIC certified

GLOBALG.A.P.

Global GAP

Rainforest Alliance

Forest Stewardship Council
Because of growing market opportunities, market research on global consumers shows:

- **88%** stay loyal to brands with sustainability reputation
- **90%** switch brands to ones with better sustainability reputation

*2015 Cone Communications/Ebiquity Global CSR Study*
They look for goods with Voluntary Sustainability Standards (VSS)
They look for goods with 
Voluntary Sustainability Standards (VSS)

- Goods with VSS = they are **certified** that they were produced with sustainable practices

- VSS metrics include:
  - Reduced chemicals
  - No deforestation
  - Fair wages, high labor standards

- Around 500 VSS worldwide

- Apply to many agro-forestry products
Voluntary sustainability standards are no longer a novelty serving niche markets. They have found their way into mainstream markets.

- Organic is the biggest sustainability standard:
  - In 2015, more than 1.1% of agricultural land worldwide were certified as organic.
- For cocoa, certified cocoa area of four VSS (Fairtrade International, Organic, RA/SAN and UTZ) = between 16-29% of the global cocoa area
VSS can benefit rural smallholders and MSMEs

- Price premium
- Stable access to profitable markets or global value chains
- Reduce social, health or environmental harm from production
- Upgraded production methods, improved productivity, increased product quality
- Better access to technical assistance
- Better access to credit
- Pride & optimistic for future
VSS can **challenge** small farmers and MSMEs

- Small producers lack info on VSS
- VSS certification is costly to individual farmers
- Production costs (fixed and variable) may temporarily increase
- Productivity may temporarily decrease
- Premium may not be high enough to cover increased costs
VSS - Current situation in Vanuatu

Producer 1 -> FAIRTRADE -> Market 1
Producer 2 -> Rainforest Alliance Certified -> Market 2
Producer 3 -> Rainforest Alliance Certified -> Market 3
Producer 4
Producer 5
Producer 6
Producer 7
Vanuatu National "Green" Brand?

National Sustainability Principles

Producer 1 - Market 1
Producer 2 - Market 2
Producer 3 - Market 3
Producer 4
Producer 5
Producer 6
Producer 7
Strength:
- Production is *de facto* organic and sustainable
- Vanuatu 2030 set the principle
- Positive image already exist

Weakness:
- Regulatory frameworks for sustainability standards under-developed
- Smallholders lack information on market requirement
UNCTAD is a member of United Nations Forum on Sustainability Standards

www.unfss.org