United Nations Conference on Trade and Development

**UNCTAD-ICO Workshop on**

# Fostering sustainable development in coffee-exporting countries

**18 February 2020, Palais des Nations, Geneva**

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

by

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# 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).

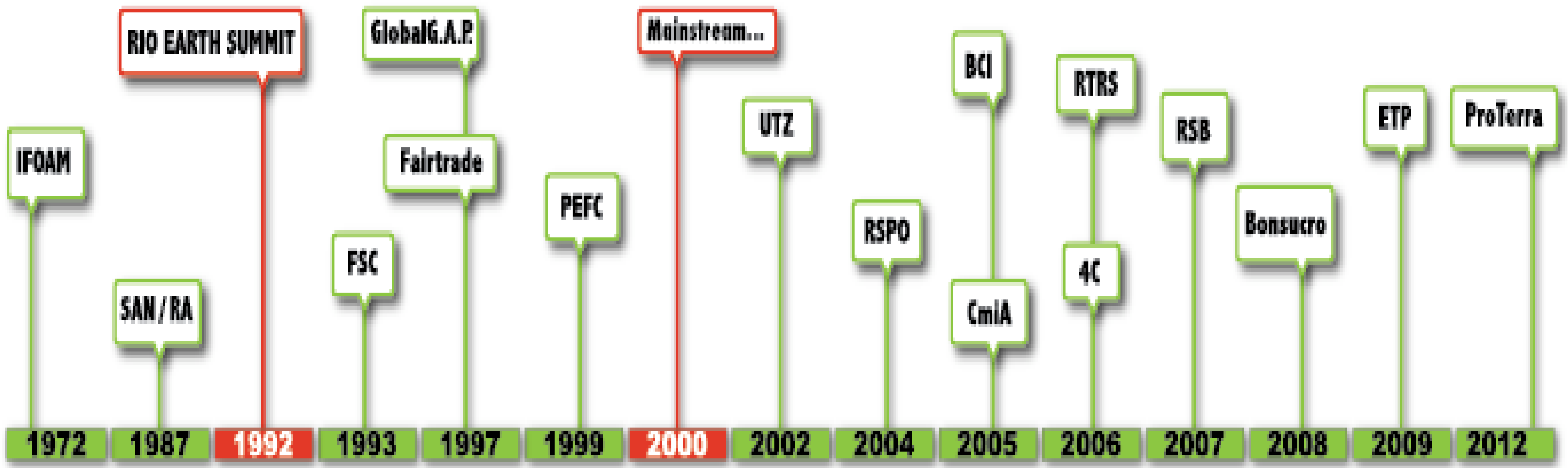
2) **Supporting the role of ISEAL** as an umbrella organisation of all associated VSS to ensure credibility and continuous improvement.

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



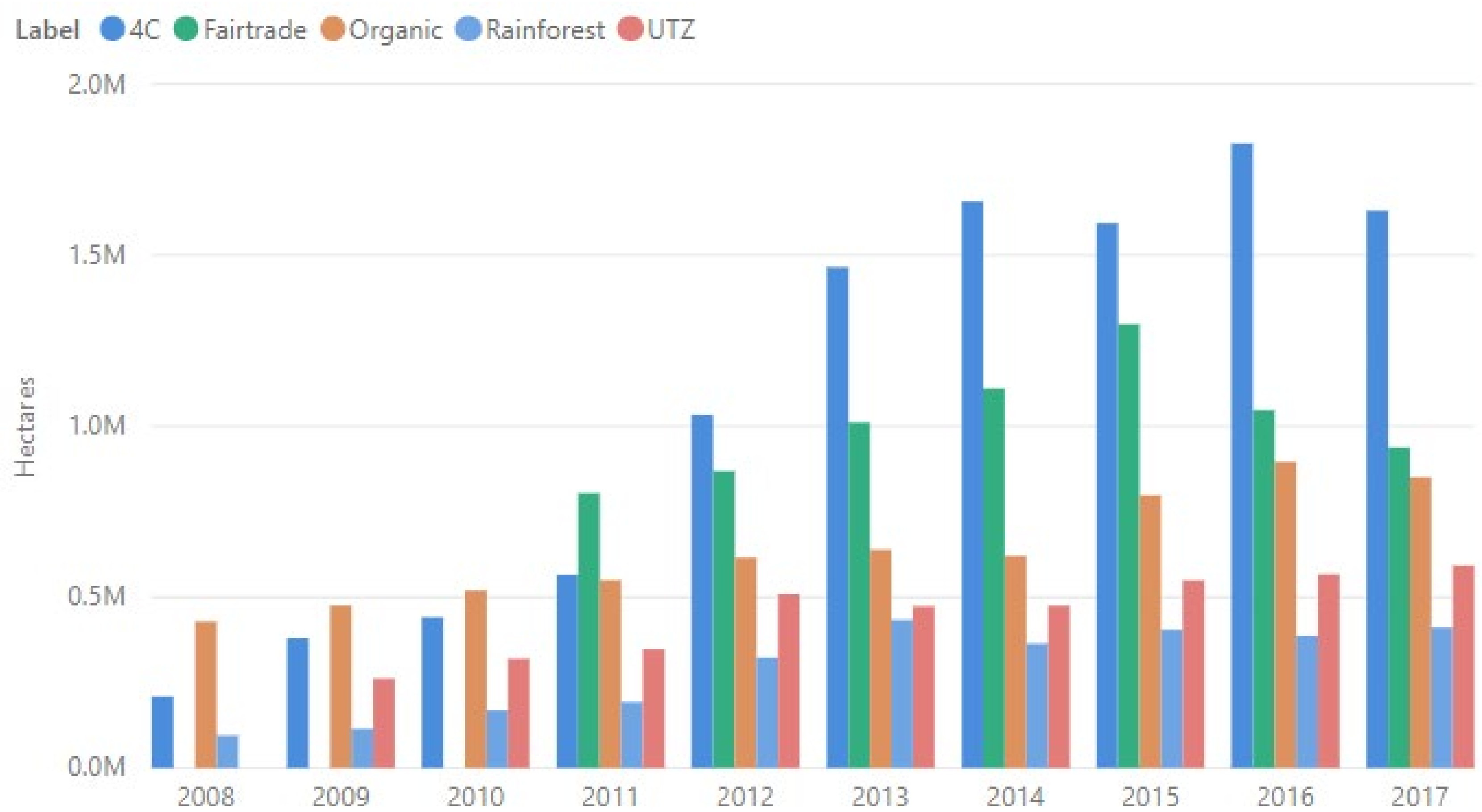

- From niche (product differentiation) to mainstream (Compliance)
- Growing market shares from 10 to 30% in key commodities such as **coffee,** cocoa, palmoil and cotton

# Sustainability Standards in Coffee

- Strong mainstreaming of VSS due to **sustainability comittments 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




*Source: Helga Willer, Gregory Sampson, Vivek Voora, Duc Dang, Julia Lernoud (2019), **The State of Sustainable Markets 2019 – Statistics and Emerging Trends**. ITC, Geneva*

# 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 framwork, price, etc.

- Growing **importance of platforms** based on public – private partnerships at both international, national and subnational level, jointly (precompetively) adressing the agenda «beyond certification».

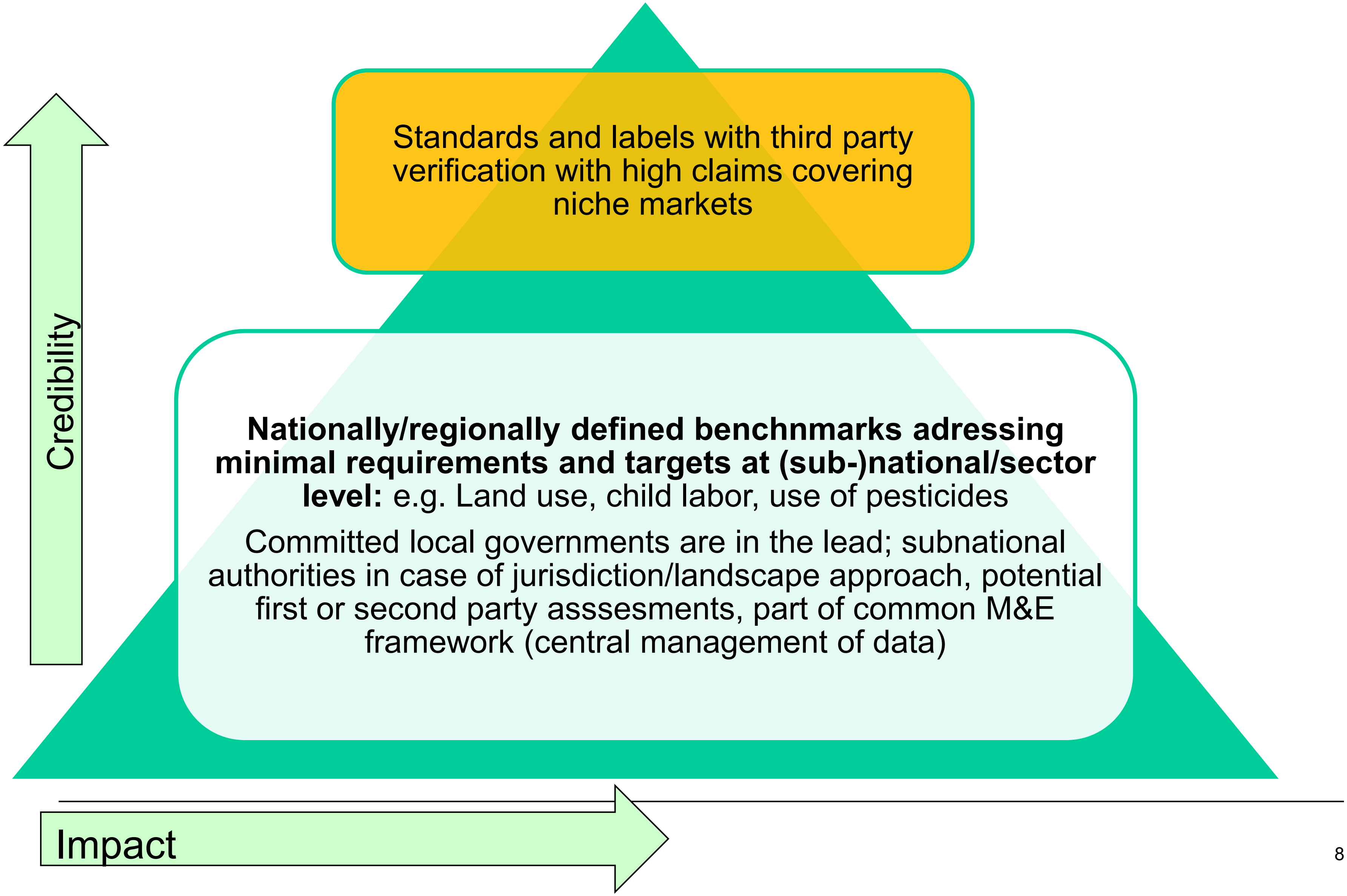
# The possible way forward for VSS as effective tool to strengthen sustainability in coffee

- 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, conecting demand and supply, credible assurance systems, data collecter/ manager, among others.

- **But VSS require to innovate, particularly in the area of assurance:** step-wise approach, centralized/shared data managment, 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 colaboration between VSS and local systems



Thank you!