

Voluntary Sustainability Standards Workshop
Advancing Private-Public Partnerships to mainstream Biodiversity Conservation and
Sustainable Use in Biodiversity Economy Voluntary

Day 2. Session 3 “Partnerships for implementation”

Voluntary Sustainability Standards: Experiences from the Andean region

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Sustainable trade Andean Community – European Union



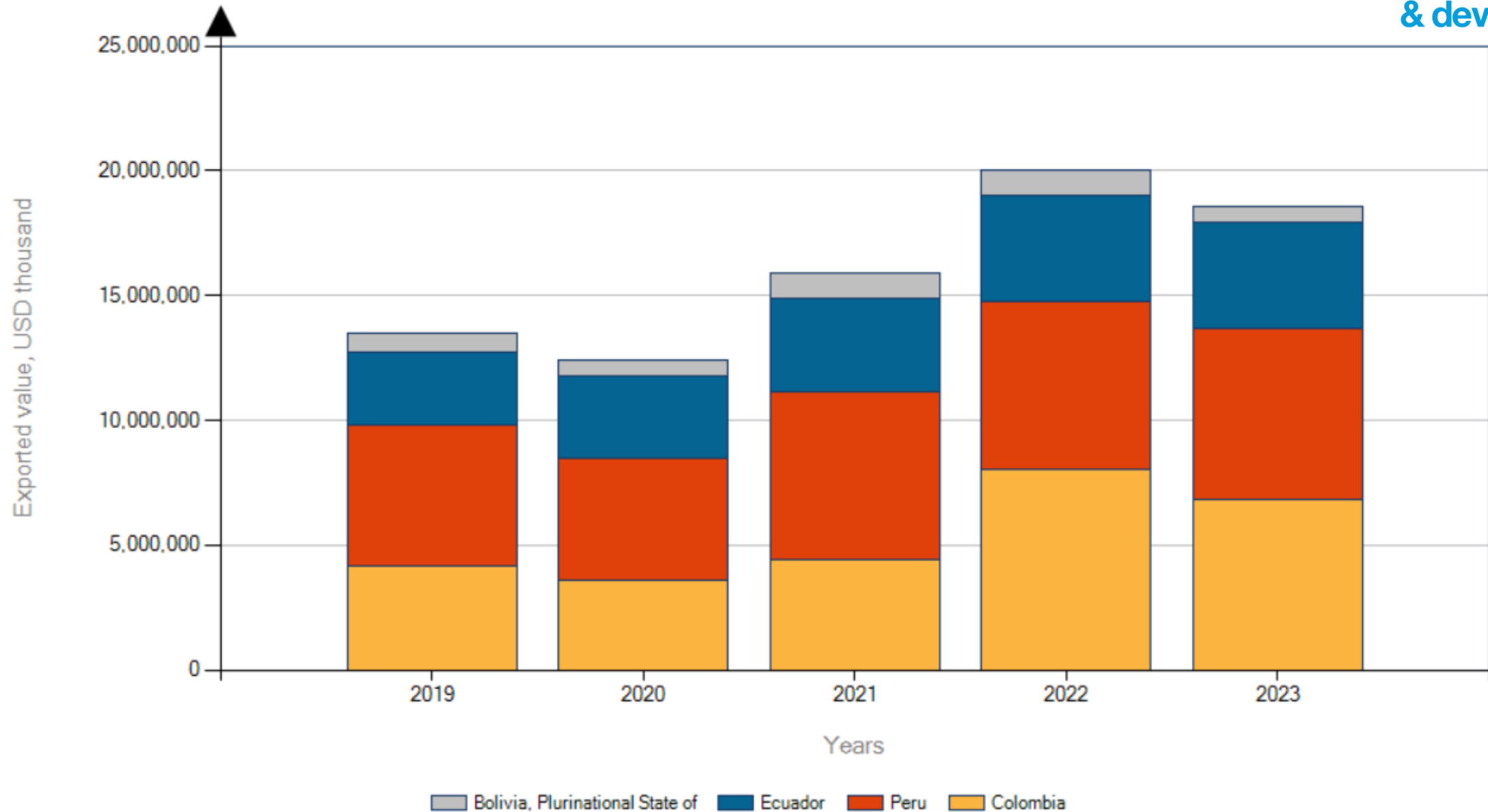
Sustainable trade Andean Community – European Union



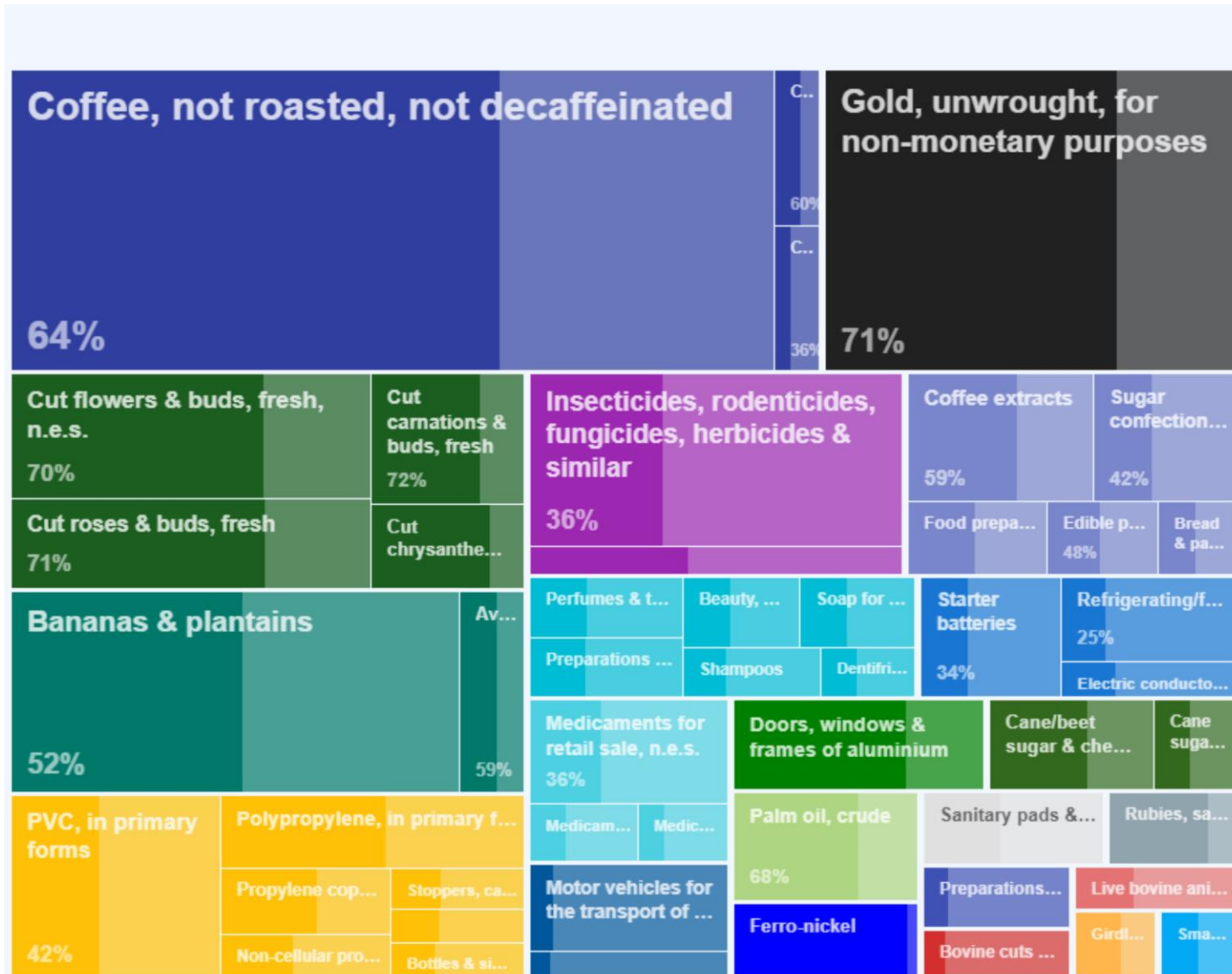
Sustainable trade Andean Community – European Union



EU - Andean countries trade agreement



Andean products: export potential



Colombia's products with potential

Legend

- Export potential
- Realized potential
- Coffee
- Precious metals
- Live plants, flowers, foliage
- Fruits
- Plastics & rubber
- Chemicals
- Food products n.e.s. (processed or preserved)
- Beauty products & perfumes
- Machinery, electricity
- Pharmaceutical components
- Motor vehicles & parts
- Metal products
- Sugar
- Vegetable oils & fats
- Ferrous metals
- Paper products
- Jewellery & precious metal articles
- Vegetal residues & animal feed
- Meat (except poultry)
- Live animals (except poultry)

Project development and main sources

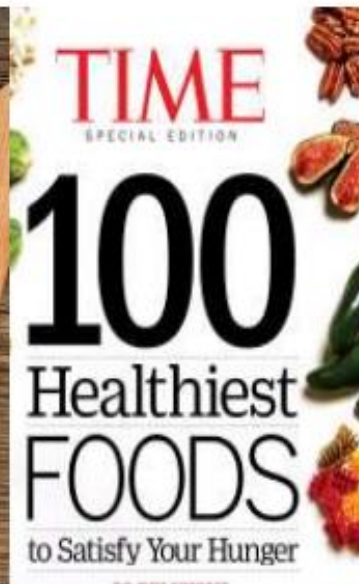


- Workshops were organized in the four Andean countries.
- Producers and exporters in the Agri-food sector.
- Getting knowledge of their needs and helping them to better understand VSS.
- Taking advantage of their potential to increase and improve their exports to the EU.

Andean producers: VSS challenges

- Andean producers face challenges with VSS because:
 - They do not meet credible standards.
 - Small producers risk being left out.
 - Excess of non-harmonized norms.
 - Compliance is costly.
 - Lack of information.
 - Funding.
 - ...





Transforming the Global Food Ecosystem

The European market demands certifications and high quality standards to ensure quality, food safety and the guarantee that the environmental or social aspects of its production are correct. Traceability.



PRODUCERS OF



FARMERS &



PROCESSORS &



European Regulation

The screenshot shows the 'TRADE HELPDESK' website. At the top left is the European Commission logo. A search bar is located at the top right. Below the header, there are navigation links: 'The European Market', 'Requirements', 'Import Duties', 'Internal taxes', 'Rules of Origin', 'Statistics', and 'Help'. The main content area features a large heading 'I want to export to the EU'. Below this, there are three input fields: 'I want to export from:' with a dropdown menu, 'To an EU Member State:' with a dropdown menu, and 'Product code:' with a text input field. A blue button labeled 'Find my product code' is positioned below the product code field. At the bottom, there is a yellow button labeled 'View rates and requirements' and a link 'Learn more about our partner countries'.



Policy recommendations

- To know how VSS really work to inform their producers.
- Training programs. Capacity building for VSS.
- Implementing ways to help support the costs of adopting a VSS
- Promoting fairer distribution along the value chain.
- Invest in consumer awareness of sustainable production
- Assigning concrete responsibilities to specific institutions to address VSS.
- Addressing the Proliferation and Recognition of VSS
- Convergence of Recognition Systems
- Consider the use of accredited conformity assessments
- Definition of public and private roles (VSS in FTAs)

Bolivia challenge on Brazil nuts social and economic conditions



- Brazil nut production is not economically feasible outside their natural habitat. All are wildcrafted as the tree can not be domesticated.
- Trade in this nut, the cornerstone of Amazon conservation, allows local and indigenous communities to generate income whilst preserving the rainforest.
- The certified Brazil nut trade is still marginal compared to non-certified products
- Sustainability (Social, Environmental, Economic)

Ecuador: An Andean success story

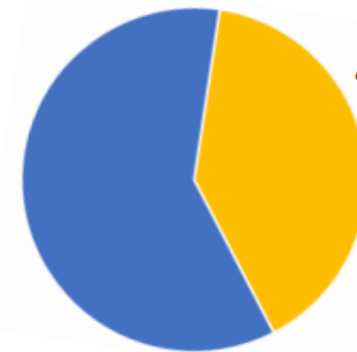


Percentage of total income remaining in Ecuador



6%

Conventional Business model
(including Fair Trade)



40%

Pacari Business model

Source: Pacari



Peru: Coffee sector and VSS, the long successful way

Key learnings



Source:

Silvia Arispe
General Manager
Campo Verde SAC

<https://campoverdeperu.com/>

Peru: Coffee Sector Review

- In the 1980s and 1990s, the coffee sector was in crisis. Small producers knew how to seize the opportunity offered by the organic and fair-trade markets.
- Organic farming began in Peru thanks to cooperatives, which also pioneered organic coffee exports.
- Compliance with organic and fair-trade standards allowed the market to guarantee producers an organic and social premium.



Peru: A Leader in Organic Production

- 485,215 certified hectares
- 118,061 certified producers
- Main Organic Crops:
 - Coffee : 140,285 has.
 - Cocoa : 56,983 has.
 - Quinoa : 15,930 has.
 - Banano :7,728 has.



Source: Servicio Nacional de Sanidad Agraria del Perú (SENASA)

<https://www.gob.pe/institucion/senasa/campa%C3%B1as/11030-produccion-organica>

Peru: “VSS” established and implemented in the coffee supply chain

**Organic –
Standard with
Government
Participation**



**Standards
established by
NGO's**



**VSS
established by
the industry**



Andean experience implementing VSS

1st Challenge: - Understanding the Standards
- Adjusting Processes

- As sustainability initiatives expanded, **every stakeholder** in the value chain had to **adjust their processes**.
- At the **production level**: adapting agricultural practices to the **new criteria/standards**.
- At the **processing level**: adjusting **traceability** both in documentation and physical aspects.
- At the **export level**: adapting all processes and implementing **environmental and social policies**.

Andean experience implementing VSS

2nd Challenge: facing high certification costs



- The existence of different standards and requirements for certification and labeling led to an **increase in certification costs.**
- **Logistical and administrative challenges**
- Allocating **more resources and time for training** of Internal Control System (ICS) evolved into an Internal Management System (IMS), making it necessary to develop the knowledge and skills of those responsible, such as Internal Control System Managers and internal inspectors.

Andean experience implementing VSS

3rd Challenge: Regulation on Deforestation (EUDR)

- **In 2023**, the European Union (EU) Parliament approved the regulation on deforestation. It establishes rules regarding the introduction and marketing in the EU market of the following products: **cattle, cocoa, coffee, palm oil, rubber, soy, or wood**.
- The objectives of this regulation are to contribute to **reducing global deforestation and to decrease the EU's contribution to greenhouse gas emissions and global biodiversity loss**.
- The regulation requires that each importer must have a **due diligence statement** confirming that the product does not come from deforested or degraded land.
- This includes **geolocation of the plots and that the products** have been produced in accordance with the legislation of the economy of production.
- Supplier countries will be classified according to "**deforestation risk**": low, standard, or high risk.

Andean experience implementing VSS

Learning Lessons

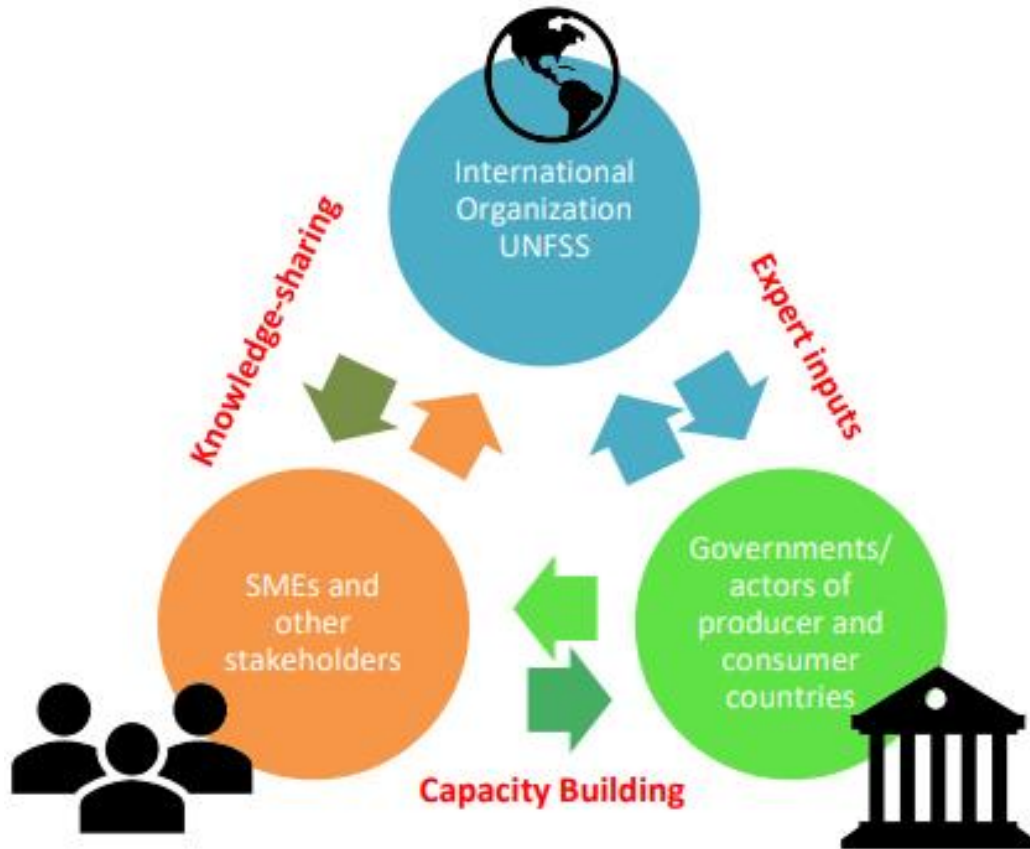
- Standards can have a **positive effect**, but their impact largely **depends on the context** (the type of producer organization and market access).
- All VSS have enriched the sustainability process from their **different approaches**.
- They have contributed to educating consumers and **all actors in the supply chain**, raising **awareness** about the importance of sustainability.
- However, the existence of so many standards has also caused **some confusion** in certain sectors.
- VSS are tools/mechanisms to **convey value**. However, demand is still lower than supply.
- Most VSS do not establish a fixed **premium** to cover the costs associated with meeting the "sustainability criteria."

Andean experience implementing VSS

Conclusions

- It is necessary to promote sustainability from **a common framework of collective action and shared responsibility.**
- **New, more inclusive certification approaches are needed,** which also allow for the establishment of policies aimed at promoting sustainable investment, supporting sustainable supply chains, fostering the development of producers specialized in their respective crops, and enabling the creation of new political agendas.

Multi-Stakeholders Platforms



Source: UNFSS

- Building an ecosystem for VSS/Knowledge-Sharing.
- Creating a coherent structure that links policy making, research studies and producers training.
- Capacity building activities that goes along with the National Platform launch.

Activities of a VSS Platform

- **Knowledge creation:**

- (i) Through inclusive consultations of its stakeholders by means of principal organs of the Platform.

- (ii) Through data driven research and studies in priority product groups.

- **Knowledge sharing:**

- (i) Through national and international forums and other higher education institutions.

- (ii) Through the Platform's web presence.

- **Promotion of VSS for achievement of SDGs:**

- By liaising with the government and intergovernmental organizations.

- **Capacity development:**

- (i) External: workshops to develop capacity of smallholders and producers for awareness and openness to V/PSS.

- (ii) Internal: capacity development training of Secretariat in areas of global governance, multi-stakeholder processes, and international cooperation.

- **Harmonizing initiatives:**

- Harmonization, benchmarking, and national interpretation activities for standards for better shaping of Indian PSS landscape.



Thanks

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