

Chains for Change (C4C): Voluntary partnerships, state responses and value chain dynamics: which way forward to increase sustainability and poverty reduction?

Workshop report (expert meeting 23 May 2014, in The Hague)

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Background

For several decades voluntary certification schemes, such as Fair Trade and UTZ Certified, and roundtables, such as the RSPO and the RTRS, have been in place to increase sustainability in global value chains and reduce poverty among the producers in the South. Today these initiatives are at a junction where a reflection is needed on their future roles and on the involvement of public institutions. In order to gain more insights in the different ways voluntary governance arrangements in global food chains (could) contribute to achieving sustainability and poverty reduction, the Policy and Operations Evaluation Department (IOB) of the Netherlands Ministry of Foreign Affairs organized an expert meeting, in collaboration with the Ministry's *Directie Duurzame Economische Ontwikkeling* (DEE) and the Environmental Policy group (ENP) from Wageningen University, the Netherlands.

The one-day workshop was held in The Hague on Friday May 23, 2014. The set-up of the workshop was aimed to organize an informed debate between the invited participants, based on discussion papers prepared by scientific experts from outside the Netherlands. This report gives a summary of the discussions, based on the notes taken by Bart Woelders (IOB) and Hilde Toonen (ENP). In the concluding section of this report, a short reflection is presented, pointing out key questions identified by Peter Oosterveer and Hilde Toonen (both ENP).

Discussions

Ruerd Ruben opened the workshop by welcoming all participants (see Appendix I for the list of names). The Netherlands Ministry of Foreign Affairs wants to reflect on its position with regard to sustainable governance of global value chains (GVCs). Basically, questions are: Are we doing the right things? And: Are we doing things rightly?

The objective of this workshop is threefold:

- To better understand what GVCs delivered until now, taking stock in terms of sustainability; and, based on lessons learned, to indicate what are realistic aims to be achieved by private standard initiatives? Are there specific conditions which are enabling or constraining their effectiveness?
- To gain insight in what can realistically be expected from sustainable GVC governance, whether and how it addresses shortcomings of governance-by-governments. What are suitable incentives, and what works best if related to poverty alleviation or to environmental concerns?
- To shed light on suitable steps forward, what should the focus be? Are there different strategies possible, and what are they?

To address these questions the following five sub-themes were selected by the workshop team, and addressed by the scientific experts in their discussion papers:

1. How to increase impact? (Swinnen/Giovannucci)
2. Inside the value chain: roles and responsibilities, possibilities and pitfalls (Fulponi/Potts)
3. Outside the value chain (Humphrey)
4. Roles of the government (Gulbrandsen/Auld)
5. Understanding the new phase (Torero)

In the introduction round, participants could name two themes where they would like to be discussants.

Increasing impact

Discussions about the first theme were informed by the written input from Johan Swinnen and Daniele Giovannucci. Because they were both not able to join the workshop, Peter Oosterveer gave a short presentation to summarize the key messages (see Appendix II).

In the discussions, participants addressed challenges of measuring impact, referring to three overall questions:

- “what effects should be measured?”

Overall, measurements for impact analyses should be done more properly, and with better regard to explicit learning goals: what is to be measured and why? A more specific approach was advocated: there should be a distinction between performance and impact. There was agreement that there are positive effects, although some participants thought studies are often too positive in terms of the results that can be attributed to certification programmes. Also, a question still open to debate is whether certification does really make a difference, for example in terms of poverty alleviation, or reduced deforestation. More specific indicators should be defined, because for example poverty reduction is more than having increased income. A better operationalization is needed in order to measure environmental and social impacts.

There seems to be a tension: on the one hand the need for context-specific indicators is recognized, on the other hand, there is a wish to have common (and not too many) metrics. It is hard to measure spillovers to other farmers or other crops: increased productivity for smallholders who did not participate in training programmes may very well be related to peer-to-peer learning, but this is not included in an impact assessment. Moreover, indirect effects as increased bargaining or negotiating power of smallholders are meaningful yet hard to measure. It was asked whether it is always needed to show impact from certification for smallholders: one of the goals of certification could also be to inform consumers about those farmers who are already doing well.

- “measuring impact for whom and by who?”

It was noted that sustainable production mostly takes place in developed countries: there is still limited insight in which producers are actually being involved in developing countries. An appropriate count/characterization of who is included, is lacking. It was commonly agreed that certified farms are different, but are these differences due to the transformative power of a certification programme or the result of self-selection which is evident in certification programmes? The disconnection between producers and consumers was noted. Consumers are missing in impact studies, while costs and benefits lie both at the producers and consumers side. Another missing link are contract relations between producers and processors. Certification can be viewed as reorganizing the chain and eliminating the role of middle men. Middle men often have a negative connotation, while this is not necessarily the case: a middle man can play an important intermediary role because he often has a large social capital. Some certification schemes might have positive effects on other parts of the value chain than the farmer side (for example middle men, input suppliers). Impacts can go beyond farm level, also affecting the regional level. Measuring these broader effects is challenging. It was asked if it can be expected from certification programmes to give account for the wide array of possible impacts? There are often many other interventions taking place at the same time. Synergies between these actions and certification can lead to optimal results, and the call for clustering and regional certification becomes stronger (still issues on measuring effects of this complementarity remain mostly unaddressed).

- “how and when to measure?”

Attention should not just be on (improving) methodologies for impact assessments, but also on building a theory of change. An impact analysis does not explain how changes come about, while the biggest research challenge is to gain understanding in how a standard is implemented in different settings, and what conditions are facilitating or hindering implementation. There is a need to increase monitoring efforts, and to complement impact assessments with qualitative research and comparative studies. Evaluation should not be about the standards but about the way they are implemented, and verify the theory of change underpinning the intervention. It should be recognized that certification (as any business case) builds up over time, and it is thus needed to study its impact in a time series. As the first impact studies are now available, it is acknowledged that such assessments take time; only looking at a three or five year period does not give sufficient information.

Discussants also pointed to (pre-) conditions for increasing impact:

- A structural embedding of social capital is an important prerequisite for the sustainability of a certification programme (self-continuation), certification brings in a certain structure which can be intermediary and changing over time. It was noted that ‘certification is an organizational anchor point for social capital’ and ‘certification orchestrates social capital’.

-There are also existing structures enhancing or hampering impact, such as a certain price structure and other farming arrangements. Several discussants emphasized the value of farmers organizations, and claimed that certification only works if farmers are already organized and trained: there should already be social capital to build on. This was however also questioned because it is an assumption that is not always verified: ‘you train, but does it sustain?’.

- Some conditions are context-dependent, for example on farmer-specific conditions: what is their current economic position (and is certification a way for them to structurally improve their livelihoods or to survive a crisis)? Or sector-specific: push-and-pull mechanisms work differently in different sectors, the cotton sector for example thrives best based on a no-premium based approach.

- Time and timing are important factors: sustainable change is a process over time. Certification could come in after other interventions, the sequence of these interventions can affect success (of certification and/or other actions). Some schemes work very well at start, but need adjustments over time to remain effective. To monitor this need for change, timely validation at the local level is needed.

- Linkages between trust and information: for smallholder inclusion, trust between smallholders, and between all those involved in a certification scheme, is seen as an important condition. Given the lack of information available, trust is strongly connected to information exchange and information verification.

Chair (Ruerd Ruben) concluded the discussion by sharing some key observations:

- The question “why are we measuring?” is still on the table;
- To be able to attribute impacts we need a theory of change;
- Certification is not the only intervention, but how does it relate to other efforts and actions, and can they be complimentary?;
- Scale is an issue: there are spill overs and system changes, and a complex interplay between the international, national and local levels;
- Impacts relate to many different dimensions: income, prices, economic risks, social issues, environmental concerns;
- The role of farmers organisations (enhancing their social capital) is thought to be of utmost importance;
- Gender was not explicitly addressed
- Transparency within the supply chain is important.

Inside the value chain

Linda Fulponi and Tavis Potts were asked to send in a written contribution for this theme. They were given the opportunity to shortly present their ideas before discussants were invited to join the debate.

Linda Fulponi highlighted the barriers for accessing GVC arrangements, and the potential of full chain standards. While medium-sized producers can negotiate their way in, smallholders face problems with entering the market because they often do not know that they can, and if they do, they do not know how. It are often exporters who bring in specific smallholders, who can then benefit from higher prizes and more certainty. The question however still is: who exactly are we talking about? Moreover, compliance costs are major barriers. The bias is on the food safety aspect, this is more important than the social or environmental dimension. If legal obligations are hard to meet, there is need for technical assistance. Such technical assistance can sometimes be found on the local level, yet it is still a challenge to include an enabling domestic infrastructure. Overall, technical assistance is hard to organize and expensive.

Moreover, compliance to one standard does not mean compliance to all standards: overlap and duplication is often (too) costly, also for medium-sized producers. The role of donor agencies could be to provide support for technical assistance and to create a more level playing field. It would be interesting to think about full chain certification, to add in all different factors, also for example packaging and transport. This could enhance the sustainability message because climate change and global warming would be included in the equation. How to bring about an integration throughout the value chain is open to debate. Lessons from soy can perhaps provide a starting point.

Tavis Potts presented data about producers and consumers related to the seafood chain, and also showed that governments come in at different points. It is important to distinguish between push factors (such as licence to operate and prize premiums for producers); and pull factors (consumer awareness, trust). (See Appendix III).

Discussants addressed questions on how added value of standards is generated, and for/by whom:

- Producers should get rewards/added value from standards. This can be financial rewards, but price premiums are not the only way forward, for example price premium in the soy chain is not a driver. Other measures, such as tax discounts, could be more effective. There is a move to rewarding different parts of the value chain (build-in/internal reward systems). Benefits can also be found in capacity building and awareness raising. An example from India shows how through involvement in a tea certification process, the National Tea Board is now working on the promotion of Indian (certified) tea in local markets, although there is no demand for certification. Another example comes from coffee, where large investments and appropriate policies facilitated sustainable development, which would not have happened if social capital had not been raised through certification. A main concern for producers is still how they get into branded GVCs. Selection is problematic, because for sector transformation it is more likely to start with including frontrunners, who are most often not the poorest. What is the goal of the standard: poverty reduction or sector transformation? Selection dynamics affects whether the one or the other goal can be reached. An example about exclusion came from cocoa production in Ivory Coast: it was argued that here producers need to be excluded, and need to find other jobs, because poverty reduction and sector transformation is not possible if there are two million cocoa producers.

- Focus on retailers has been very important to create a demand-driven market. Especially those retailers who attract consumers who are sensitive to image instead of prize. Retailers focus on fresh products: meat, fish, vegetables and fruit. It was noted that (Dutch) retailers do not like to compete on sustainability, and prefer to raise the bottom line together. Retailers in countries where the middle class is growing, will be of great interest. In India and China, there are large (upcoming) retailers who are going to play an important yet still unknown role in GVCs. Powerful partners in these countries are needed in order to foster sustainable governance in GVCs.

- Business-to-business (B2B) arrangements can be more cost-efficient in achieving sustainability than consumer-oriented labels. MSC aims for 100% certification and is becoming more and more pre-competitive, in the end the label even might disappear. For other commodities such as palm oil or soy, which are far less visible for consumers, it might also be that labels will lose relevance, because there is no added value from a market perspective. However, the added value of a standard can very well be that a retailer wants to make sure that embarrassing food scandals are avoided. Risk aversion and negative opinion can serve as proxies. This is also true for other partners in the chain: certification can be an insurance. Banks for example are concerned about risks and reputation. Also, companies may engage with standards to have a seat at the table with governments when policies are discussed.

- Consumers are concerned about food safety, because of health issues. Organic food labels are well-known, and consumers appreciate if animal welfare is addressed. This is at least the case in Europe, North America and Australia. An important question is where are the consumers, and what is their demand for certified products? How much of a product is certifiable and what is the demand? For instance, in aquaculture, 80% is certifiable, but there is no demand.

- Governments can create added value for standards, for example through procurement policies. They play an important role in backing up industry coalitions, see the case of pangasius for an illustration where the Vietnamese government supported certification. The role of governments inside the chain is also found in terms of enabling institutional arrangements and policies, though these might not be directly related to the specific chain (for example trader networks in Peru). The question is who is going to pay? A government's contribution could be to provide public funding to spend on training or setting up public-private partnerships. Profits might however go to private partners in the chain.

Some discussants responded to the idea of full chain standards:

- One point of view is that issues of climate change, water pollution or waste should not be addressed through a full chain standard's design. For example, huge progress has been made in the palm oil sector, where in 2002 there still was a very old management system in place. The RSPO brought administrative reform, introduced ISO standards. However, reducing a product's footprint should be done by managing outcomes and leave reporting to individual suppliers.

- The question is what would be the appropriate unit? Current standards are created for specific problems and how can such a standard move to addressing new problems? Moreover, different chains have different boundaries, large scale versus small scale; global outreach versus national/local focus, and different product characteristics (bulk versus small amounts; many products (timber) or one (coffee). So the question is: what is inside, and what is outside (and does this change over time)?

- There should be specific attention to the major externalities, where are these in the chain? Most externalities are on the producer side and on the consumer side: standards can provide a track record to account for the ecological and social footprint of a product. For example, Nestlé is now developing an integrated analysis of externalities (spider webs to show impact and fairness of value distribution).

The focus of the discussion was on the role of standards within value chains, but as was noted:

Standards are one of the tools but not the only one in GVC governance. Some sectors just do not want to work with certification, such as the beef and dairy industry. However these are important sectors to further improve sustainability. In South-Africa, South-African fruits and vegetables are automatically linked to (synonymous for) sustainability.

An interesting point raised in one of the papers was about benchmarking:

Benchmarking can be very promising. For example, the Dutch fruits and vegetables sector agreed on benchmarking, which first seems surprising since some companies have not invested in standards until now. However, the weight is not on complying to one standard but on having a choice and room for improvement. If there is no competition between standards, but complementarity, it might also make the life of farmers easier, as well as procurement policies.

Chair (Ruerd Ruben) concluded the discussion by highlighting two points:

- Important relations inside the value chain are not only linked to direct chain actors, but also involve a wide array of other partners, such as banks and governments. In enhancing GVCs, these linkages should also be strengthened.
- Inside the chain has a country-specific connotation, as within a producing country there are local retailers and different roles for public authorities.

Outside the value chain

John Humphrey was invited to contribute a discussion paper for this theme. He summarized his main arguments during a short presentation. Governments are re-entering the arena of GVC governance, and are providing alternatives to private standards. A telling example comes from forestry: the EU timber regulation and FLEGT. Governments are now developing alternatives because the effectiveness of FSC in developing countries is limited. Private standards seem to be only effective in export markets where there is traction. Governments are able to employ a tailored approach, for example through Voluntary Partnership Agreements (VPAs). The question is whether the case of timber can be translated to other value chains. In timber, however, the key issue is to abandon illegal logging, and defining legality depends on national legislation. Governments play a crucial role in extending legislation, in increasing the baseline. While standards build on the idea of guilt (prove what you did), the law presumes innocence until a competent authority proves you are not. Given this legality focus, an obvious link would be with food safety: could we build up an equivalent around food safety? FAO could perhaps be the competent authority. It should however be realized that an important condition in VPAs is that all export should be subject to the same regulations, so also to India and China. This can only be possible if governments intervene and enforcement capacity is extended.

Discussants addressed the lessons for other commodity chains, especially focussing on the concept of legality:

- The elegance of FLEGT is the link between legality and sustainability, and the fact that it is based on democratic law within a producing country. FLEGT is not necessarily a baseline standard, but one could question if there are incentives to decrease standards this could still link up with FLEGT? It is not yet clear whether FLEGT is effective; in Ghana for example deforestation is still a big problem according to NGOs, while in Brazil, the soy moratorium has proved to be quite effective in stopping deforestation.
- It was asked how voluntary are VPAs? VPAs might be voluntary but the EU timber regulation is not. Compliance should be proved, at company level, by standard development, or through VPAs.
- Legality is also an issue in fisheries. As in the timber chain, the European Union could require to prove legitimacy but this could break down partnerships between collaborating countries such as the case in Pacific Tuna.

About the re-emerging role of governments:

- It was noted that FSC was important as a starting point, it showed that a private standard can have a catalyst role, such as its indirect impact on public procurement policies.
- Governments have indeed a role in coordinating sustainability in value chains by designing and implementing rules, as do voluntary standards. Another approach is to focus on control, which can be state-led or voluntary. For example, taxation on products which can be invested in monitoring and

control. In Columbia, a voluntary tax on products allows for monitoring. In control, auditing and enforcement, there is a large role to be played by NGOs who can (and do) take issues to court. Increased attention for control is due to the success of standards. It was noted that policing is (and should be) a task of the government, such as is clear for example in fisheries. Governments do however face the temptation to cheat, because they want to make their producers benefit. The case of blood diamonds pointed out that governments are the weak links. And in timber trade, control by governments does not seem to work out well.

An interesting question that was posed but remained unaddressed was:

Outside the chain implies mainstreaming sustainability, also to other non-certified sectors. It would be interesting to know if there are examples of overflow effects?

Chair (Ruerd Ruben) noted that the discussion brought forward that governments, such as the Dutch government, seem to move from outside to the inside the chain, bringing in the issues that are closely linked to their specific task. This is an interesting prelude to the next theme (starting after the lunch break).

Roles of the government

Discussions about the fourth theme were informed by the written input by Lars Gulbrandsen and Graeme Auld, both gave short presentations.

Lars Gulbrandsen stated that growth of voluntary standards is slowing down, pointing to the question: what is next? In the next phase, public – private interactions will become more important. Engagement of government(s) will be in various stages of the decision-making process. Gulbrandsen elaborated on his four hypothesis (4Cs) about how governments can reinforce the working and effectiveness of standards: the government has as a role to play in comparison (benchmarking), collaboration, coercion and cognitive interaction. This cognitive interaction could lead to policy learning, yet depends on the disclosure of information by non-state actors involved in standards.

Graeme Auld developed a framework on the role of governments at different levels of engagement, and how this changes over time. Three levels were distinguished: influence through regulation; in economic terms; and in informational processes. There might be a certain consistency of the levels over time. However, independent developments might affect certification and/or affect the role of governments, resulting in shifts in engagement.

In the discussions, participants assessed the relation of governments with standards:

- It is important to realize the role of government is very diversified. It is not always positive in relation to sustainable trade, it can also have negative effects for example if governments leave implementation to non-state actors, this can result in a race to the bottom.

- Especially in developing countries, governments are changing their position, from involvement in private standards to development of national standards, for example Indonesia and Malaysia in palm oil (ISPO, MSPO). National governments can become competitors.

- The government's legislative role remains important, also (but not exclusively) in relation to standards. In MSC for example, governments as controllers are acknowledged and part of the system, their role is included in one of MSC's key principles. Governments set the baseline: if sustainability concerns are

addressed through legislation, everybody should comply and public-private partnerships do not have added value. If sustainability is “something extra” the government will always have to team up with non-state partners. From a private party point of view: there are limits to what B2B can do, and then governments should be willing/ready to give support. However, in case of palm oil, companies were contravened by the Indonesian government.

- Focus was on the governance role in cognitive interaction, and the contribution of governments to help standards to become more transparent. It was asked whether private schemes are public property, and what do private partners gain from disclosing information to governments? Challenges related to the making private information public are about privacy, the trustworthiness, and whether governments have the capacity to take up this information. ISEAL’s view on transparency is captured in the impacts code and the assurance code: the impacts code requires that all standards have a monitoring and evaluation system in place; the assurance code promotes transparency because it enhances credibility. Schemes publish auditing reports but confidentiality is an issue, auditors are not very open about the details of an assessment. Although information is often not easily translated to the individual producer’s level, for some commodities this is not an issue because impact can more easily be determined for example through google maps. Disclosure should also be a common practice for governments, they have a wealth of information. Sharing data or information can however have legal constraints, it is not always allowed to use data gathered during the auditing process also for other purposes.

Discussants addressed the different roles of government(s):

- It is difficult to operationalize the government’s role in financing: where is additionality? When should a government engage by spending on sustainability? In fisheries, there has been a market failure, which explains the need for governmental engagement. It was argued that there is only limited scope for a financing role if added value has just short-term impact.

- Governments should balance the three roles depending on context and conditions. Discussions are however not just about the different roles, it is also about different governments: the Dutch governments, other European governments or governments in developing countries. Moreover: it is a multi-level issue. How governments (should) interact with other governments is not always clear. It is important to look what governments can do together, also with non-state actors

- The role of the Dutch government is fourfold: to regulate, to stimulate (public procurement), to facilitate through economic diplomacy and through subsidies and engagement. The Dutch government has less and less leverage to influence other governments, because governments in developing countries are becoming more actively involved, and international schemes are complicating relations. Currently, there is a tendency to create synergy between aid and trade, which previously were two separate worlds. The rationale is now that if aid and trade can be aligned, influence by the Dutch government can be enhanced. Trade missions in which value chain partners were invited to join, proved to be very useful. Communication and learning between embassies and the government in The Hague is also important. The Dutch government should not become too fashionable: it was noticed that Dutch policy goes in cycles, for example in forestry: from big forest programmes to value chain facilitation (FSC), to compliance (FLEGT) to again big programmes. It is important to stand on more than one leg and that policies are matched, even with “old-fashioned” forestry programmes. The Dutch government needs to set clear targets, these should be linked to the EU level and move away from using compliance indicators to applying performance indicators. Attention should be on increasing impact.

Chair (Peter Oosterveer) concluded by pointing out some key points:

- Roles and responsibilities of governments are diverse, there are multiple ways to stimulate and facilitate the uptake of schemes, however next to collaboration, there can also be conflicting interests.
- It is commonly agreed that information disclosure is essential but there are many challenges linked to transparency, for example, an issue not mentioned during the debate is how to deal with information overload.

Understanding the new phase

Maximo Torero was asked to reflect on the question “how can we understand the new phase in the governance of sustainable GVC?”. He presented his ideas (see power point in Appendix IV), stressing how, with standards emerging and expanding, there is also a hierarchy of standards. A key question is whether one instrument can address so many different things. He highlighted the role of developing countries, and summarized the future directions: more attention for risk analysis and regulatory management, improving food and agricultural health policies, regulations and their application in domestic markets, and increased private sector involvement. Moreover, he emphasized the need to enforce and agree on international standards and to move towards uniform standards and preventive measures.

In sketching what is the future in sustainable governance of global value changes, there was consensus among the participants that private standards have not reached their end yet. Some discussants were more positive about the future potential than others. All recognized room for improvement:

- It was noted that standards can be surprisingly effective, for example in their spillover and indirect effects. The fact that we cannot measure the difference does not mean that it does not work. Nevertheless, it was argued that emphasis should be on better cost-benefit analysis for both the producer as for the certification scheme and that there is a need for more data on impact. It is in particular important to be transparent about effectiveness and to be able to communicate about results.

- Even though there is evidence that standards make a difference, the question is: how far can they push developments? Related to the “hierarchy of standards”, it was noted that food safety standards, or more general, quality standards, can be seen as positive in terms of delivering impacts. It becomes more difficult if private standards address political problems, such as poverty. Whether difficult means impossible remained rather unaddressed, though one tangible aim mentioned for the near future was to increase efforts in addressing and reducing deforestation, especially in middle income countries. Issues as poverty and child labor are hard to address, but one way to operationalize these issues seems to be the concept of living wages although it is still unclear what is exactly meant by this.

- It is important to increase attention for capacity building, but this should be on the ground and not in certification schemes. This would imply that the focus should be on (smaller) local networks and organizations. In looking at push and pull dynamics in value chains, there seems to be a move away from push approach, and perceptions about sustaining a buyers’ market are changing towards an emphasis of creating and enhancing a suppliers’ market where local producers are no longer aid recipients but become shareholders. It was said that voluntary standards should be linked to local laws and enforcement, yet this implies bringing in local governments.

Many discussants reflected on the rise of (national) public standards, some just by raising questions (National standards, where do we start? Or: could there be more synergy between standards, and

between public and private standards in particular?); others by pointing to future directions or specific challenges:

- While respecting the local level, it was stated that large-scale approaches are needed in order to increase impact and accelerate change. This implies more integration of efforts at the landscape level. Area-based governance is a new way forward to reach public goals.

- The emerging role of producing countries should be taken more seriously. This claim is demonstrated by the rise of national standards. One of the challenges is the presence of different national standards, tailored to different circumstances, aimed at different producers, but which could have the same outcome, for example if comparing KenyaGAP (a national standard mirroring GlobalGAP) and ThaiGAP. While it was mentioned that there is a need for harmonization between standards, it was also argued that the fact that there are multiple standards should be accepted since the market will solve it (it will lead to either benchmarking or market failure).

- Some discussants advocated a more market-based approach: GVCs should be governed from an investors' point of view, to better assess where is the return of investment. This leads to a more balanced allocation of resources, because they are now scattered. More cohesion is needed, also in working together, which is for example what IDH does: they bring groups together. Current attention, also on a global level, goes to deepening capital markets (unlocking, leverage lending) and creating inclusive businesses through capacity building.

- Other new initiatives than public standards are emerging as well, for example outcome-based standards. Also, innovations in collaboration are becoming more important. It was noted that sectors should be in the driver's seat, although there should be a better understanding on where the tipping point is in each sector. Another future direction would be to give more attention and weight to the role of meta-governance, such as a ISEAL.

- It was pointed out that future directions are shaped by moral questions: what is our desired world, what are desirable impacts, and how do we get there? It should be realized that there is a need for realistic criteria: what does work for people who want to make a living? One strategy in applying such realistic approach, is to minimize the things people want changed, so: do as little as possible because we have limited knowledge about how the world works. This was however counter-argued by claiming that entrepreneurs do things anyway; when talking about production and trade it is all about making changes.

Chair (Peter Oosterveer) summarized the discussion:

- There is still a future for private standards, they are still expanding but their cost-benefit ratio and effectiveness can be improved. Spillover effects should be taken into account.
- A main challenge is how to go forward in public-private interaction, and are private standards supportive enough, or should they be improved? Would this be best in the direction of a commodity approach, a supply chain approach, or an area-based approach?
- The question remains: what *can* we achieve? We should be aware of the limits.

Discussion: Chains for Change?

The discussion was led by Ruerd Ruben. From the thematic sessions, he identified seven key debates and issues which structured the discussion of the questions raised in the morning: Are we doing the right things rightly, and are we heading in the right direction?

1. What should be the focus of sustainable governance of GVCs, for example on certain commodities or to have less standards ?

Currently, the focus, for example of IDH, is on 18 commodities. Starting point are the targets, such as poverty reduction or environmental protection. Deforestation has been, and still is, a major theme, crosscutting different commodities. Some sectors have more impacts than others, some sectors can deliver more gains. It is expected that biggest gains are to be found in cocoa, tea, pulp & paper, palm oil and soy, and not in natural stone for example. Focus can enhance credibility, because chain actors ranging from producers to consumers, need proof that a sector can be transformed. Focus is also needed to be able to move towards and reach tipping points. It could be a task of governments to bring focus. However, given the strong diversity of chains and commodities, it was debated whether focus is the right means to reach overall sustainability. The diversity of perspectives was mentioned as an important prerequisite in sustainable GVC governance, because focus could lead to tunnel vision. There was however no support to, for example, double the amount of commodities to be addressed by standards, though neither was there for the common notion that there is now overcertification. Especially if spillover effects are real, overcertification is not a problem. It was noted that there is no overcertification, but there is overassessment. The issue of premium eroding was addressed, especially if the aim is to let producers gain from standards. What would be the incentive for small-scale producers to invest and participate, if there is no premium? The business case is essential for producers. It was argued that there can be other effects more important than direct economic impact, like through capacity building and improved farming. Also, "old-fashioned aid" is still a way to improve farming without certification. It was suggested that focus is not the right word, but that it is about prioritization.

2. What instruments are sufficient, is there a need for more instruments, and/or should there be a mix of instruments?

Certification can be the trigger for innovation and improvement. It should be realized though that certification is not just one-size-fits-all, there is a plurality of models, structures and forms. How to make sure that sustainability standards become sustainable themselves is a challenge; it was noted that we are still in the startup phase. Public money is especially needed in the initial phase but since sustainability is about continual improvement, developing an exit strategy (after 2-4 years) for government support is of utmost importance. Private partners should take it further, and make the B2B relations work. Certification can facilitate such B2B collaboration, by bringing people together, forging relationships and building platforms for information exchange and local support.

3. What is the relation between standards or structures on the national level, and those on the international level, is there a need for benchmarking?

Overall, there was consensus that there is a need for benchmarking of national standards, although it was noted that retailers work globally, so they do not support the idea of national standards. Benchmarking can range from harmonization to equivalency, a question is what does benchmarking need to do? According to some, it should be a spectrum and employ a stepwise approach towards sustainability (continual improvement). Point of concern is credibility of national standards: how to make sure that credibility principles are met or strengthened?

4. How can we understand and use the concept of living wages, versus living income?

Living wages or living income should address a decent standard of living, so surpassing the poverty line. Wage is though not the same as income, income is much harder to affect through standards. Low (insufficient) incomes are however a big problem, also on certified farms. There are examples such as in Ghana where farmers go out of cocoa production because they cannot earn their living. If translated in terms of responsibility, living wages can be addressed in certification while this is more difficult for living income. Living wage could be an equivalent to minimum wage. Another question is whether to pay a price or to pay for employment. And how to address negotiation and bargaining, especially if there are low prices? Bargaining power can be increased through a certification process, but this is not always or automatically the case: this is different for the different commodities and standards.

5. How can we make the most out of the public-private interaction, how (far) can collaboration be established?

A strong discourse points to leaving trade and supply chain management to the market, but there are also strong calls to align public and private initiatives. There is room for improvement, and this is a common endeavor. An example is MSC, where there is a clear link to state regulations. Governments should work together with MSC to foster sustainability in fisheries. It was suggested that it should be accepted that the line between public and private is blurred, coordination is difficult or perhaps even impossible. However, others argued that public and private actors have both their specific roles and specific strengths. Governments have an important facilitating role, in terms of infrastructure for example. Moreover, industry is not always well-suited to bring about innovations. Governments are needed to support fundamental research, which can feed into applied research and profitable innovations.

6. Is an area-based approach a promising way forward?

Actors on the ground are involved in forums which are out or reach of certification programs, such as negotiations about roads and electricity. This impact beyond the farm is neglected if there are only farm certification programs and no area-based arrangements. If public money is spent on (or linked to) certification processes, benefits should reach a wider community. From an environmental perspective, regional planning could also prove to be effective. It is difficult to tell cocoa buyers that the chocolate bar they bought is sustainable if the landscape is degrading. It was questioned though if, from a managerial perspective, an area-based approach is possible. Moreover, from a critical perspective, would creating a “sustainable territory” not lead as well to an up-scaling of processes of inclusion and exclusion? In a landscape approach, governments (on local and national level) will have a larger role because gains are more widespread. When spatial planning becomes part of certification, it will complicate the process, especially because it would require that private investments will result in public benefits. There is however a Canadian example where private investments has been part of a coastal conservation initiative, where government, private companies and NGOs collaborated in the incremental phase, and now in the implementation phase, which is more difficult but still works out well.

7. Is a full-chain approach a promising way forward?

There are some initiatives which can serve as examples or test case. For instance, MSC provides an excellent example of how a full-chain approach can work in practice. A full-chain approach draws attention to the crucial role of intermediaries, who can block the process, but are often out-of-sight/reach in standards where the focus is on changing production by using consumers’ buying power. However, these intermediaries can also be very important in enabling sustainable change. Life cycle analyses would be crucial in a full-chain approach, but what should be measured? Is end-of-use waste to be included? And the biodiversity footprint of a road leading to a certified area? This will complicate full-chain certification processes.

Reflections

By Peter Oosterveer and Hilde Toonen

The C4C Workshop brought together ideas about current and future developments in the governance of sustainable GVCs. Many issues were discussed and here we reflect on some of them and add some questions to a debate which is already characterized by questions rather than answers.

First, the call for increasing impact, which was explicitly, yet not exclusively, addressed during the first session was interestingly not interpreted in terms of increasing or adjusting efforts to have more impact but rather in terms of showing effectiveness. This focus is linked to wider debates ongoing in society and politics about transparency and accountability. During the debate it became clear that questions as “what/how to measure?” and “who measures whom/what?” are still on the table, while answers to these questions are essential before governing actors, whether these are standardization organizations, NGOs, governments, or others, can be held accountable for their actions in value chain dynamics and particularly in certification schemes. It is urgent to first answer these questions and then to analyze impact not through (single) case studies but at a more aggregate level through integrated qualitative and quantitative research to allow for a grounded debate on the accountability of different actors.

Second, it is evident that certification in value chains enters a new phase. At the moment most commodities have either (multiple) certification schemes or roundtables where sustainability is promoted. The first challenge today is therefore increasing their impact through increased market share, strengthened positions of small-holders and effective improvement of sustainability in value chains. The second challenge is establishing the division of responsibilities between certification schemes and roundtables versus other value chain sustainability governance initiatives by governments through legal frameworks and trade agreements and by private companies developing their corporate social responsibility.

Third, the need for up-scaling was shared by many during the discussion on new pathways. At the same time it seems there was no shared understanding of what up-scaling actually means. It may be seen as expansion in geographical terms (creating area-based standards), as moving to “full chain standards”, or as creating more integrated standards that cover the different dimensions of sustainability. This debate needs to be brought further because the different perspectives have different consequences for the division of responsibilities between governments, market actors and civil society initiatives.

Finally, given the rationale of the workshop, the notion that governments are, in terms of sustainability governance, (re-)entering the chain was crosscutting all discussions. Voluntary and private standards are conceptualized as ‘non-state-market-driven’ (NSMD) governance, but it is becoming more and more clear that standards cannot work without the involvement of governments in both producing and consuming countries. The impact of private standards can be enhanced and reinforced through governmental support (e.g. enabling regulations, provision of infrastructure, financial support). At the same time, the fact that standards emerge and sustain, shows that governments also need private initiatives to foster sustainability. This mutual dependency should be more explicitly acknowledged to create a discussion on how division of responsibilities should be organized. Issues that could be included in such discussions are:

- *Capacity building* of producers and their organizations (building their social capital) is often considered a prerequisite for engaging in standards and government support can be very effective in facilitating this.

- *Legality* is an important issue in this division of responsibilities as regulating sustainability through legal means would give more democracy and legitimacy to standards than private initiatives do and may thereby increase impact. However, fixing sustainability in legal frameworks would compromise the room left for adaptability, flexibility and learning of standards which are main attractions of private voluntary initiatives. How to balance both elements?
- *Multiple standards*: governments could play a leading role in the debate on harmonization vs. benchmarking between different standards. Up until now NGOs have not been able to address this issue among themselves and government intervention can be a catalyst in speeding up this process.
- *Public good*: there are competing claims on defending public goods; governments, civil society organizations and market actors may all claim to protect the environment, promote development and secure livelihoods. Sharing of tasks between the different actors may be very helpful provided there is agreement on what these public goods are and how they should be protected.

Appendix I: List of experts, participants and workshop team

Experts

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Workshop team


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Appendix II: Power point presentation “Increasing impact” (Oosterveer)

<p>Increasing Impact: Summarizing the papers by Johan Swinnen and Daniele Giovannucci</p> <hr/> <p>Peter Oosterveer (Environmental Policy Group, Wageningen University)</p>  <p> 1</p>	<p>Johan Swinnen: Impacts of Standards</p> <hr/> <ul style="list-style-type: none"> ▪ key trends: <ul style="list-style-type: none"> • strong growth in global agricultural trade • increased investments in the chain, exp. retail • rapid spread of private standards, often more stringent than public standards ▪ potential implications for developing countries: <ul style="list-style-type: none"> • smallholder inclusion • smallholder poverty and food security • technology transfer and access to inputs • labor markets, gender and poverty <p> 2</p>
<p>Smallholder inclusion – empirical evidence</p> <hr/> <ul style="list-style-type: none"> ▪ mixed picture: some report a decreasing share of export produce being sourced from smallholders; others report a continued inclusion and integration in modern value chains ▪ greater potential when production structure is homogeneous and dominated by smallholders ▪ reducing specific transaction costs may enhance integration of smallholders <p> 3</p>	<p>Smallholder poverty and food security – empirical evidence</p> <hr/> <ul style="list-style-type: none"> ▪ smallholders included in export schemes benefit significantly through higher incomes and technological spillovers on food production ▪ GlobalGAP certification leads to improved quality, increased volumes, higher farm-gate prices and higher net incomes ▪ buyers assist farmers to improve product quality and weak contract enforcement leads to attractive contract terms for farmers so buyers can actually profit from their investments ▪ effects of standards is determined by a complex set of factors and mechanisms <p> 4</p>
<p>Technology transfer and access to inputs – empirical evidence</p> <hr/> <ul style="list-style-type: none"> ▪ technology (and management) transfer through value chains is often necessary and generates significant productivity increases for the targeted product and spill-over effects for other crops <p> 5</p>	<p>Labor markets, gender and poverty – empirical evidence</p> <hr/> <ul style="list-style-type: none"> ▪ shift to vertically integrated estate-farming generates new labour opportunities ▪ evidence is scarce but indicates substantial employment effects for the poor with large positive effects on household incomes ▪ ethical but also quality and safety standards may improve employment conditions ▪ export sectors create high demands for female labour with indirect effects on children education, investments and women empowerment <p> 6</p>
<p>Daniele Giovannucci: Roles of Voluntary Sustainability Standards in sustainability</p> <hr/> <ul style="list-style-type: none"> ▪ over 450 market-oriented eco-labels with visible market segments ▪ discussion on the impacts of VSS and COSA (Committee on Sustainability Assessment) wants to clarify this ▪ through rigorous scientific impact assessment with the appropriate indicators to measure different dimensions of sustainability <p> 7</p>	<p>Challenges when measuring impacts</p> <hr/> <ul style="list-style-type: none"> ▪ performance monitoring for ongoing activities needs to be simple, readily trainable and based on sound understanding of impact pathways ▪ but: <ul style="list-style-type: none"> • climatic variations influence agriculture • diversity in local contexts complicates comparison • need for supply chain level rather than farm level conclusions ▪ COSA has made some steps to address these challenges and developed indicators that can be used by local actors and applied for multi-annual comparisons <p> 8</p>

Conclusions

- standardised measurement of VSS impacts improves understanding and communication and reduces costs
- VSS are not magic and require long-term commitment and investment to deliver their potential
- VSS serve as viable market mechanism to transmit value and information across the supply chain



9

Thank you very much





10


Appendix III: Power point presentation “Inside the value chain” (Potts)

Chains for Change

Inside the value chain: The Role of Producers and Consumers



Dr Tavis Potts
Scottish Association for Marine Science
Oban, Scotland



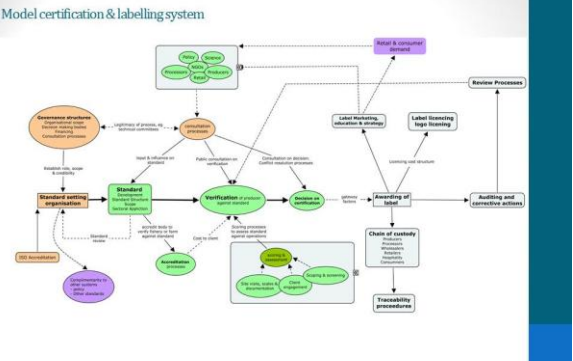
1

Small scale producers and certification

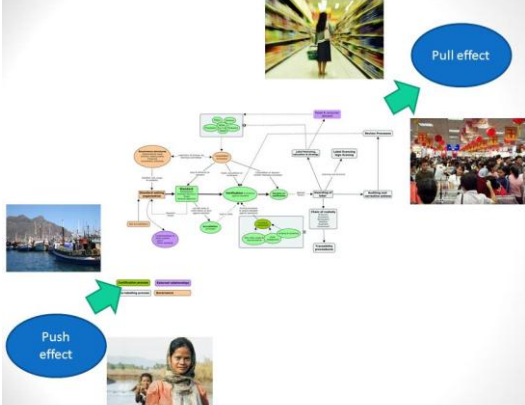
- Seafood is among the most internationally traded food commodities in the world. With a growing population there is an increased demand for animal source proteins such as fish and shellfish.
- The TEEB for Business Report put a (2010) value of 86 billion on certified agricultural and forest products benefiting biodiversity
- Currently, only around 4 % of the total production from aquaculture is estimated to be eco-certified (Jonell et al 2013)
- In 2005, farmed shrimp was a 10.6 billion industry. Today, production is growing at an approximate rate of 10 percent annually—one of the highest growth rates in aquaculture (WWF 2013)
- 188 fisheries have been certified to date by the MSC, approximately 7% of production.

2

Model certification & labelling system



3



4

The 'push' factor: the producer

- Potential increase in market share and/or price for certified product (?)
- Independent verification that producer is 'sustainable' – lever for resource and market access.
- Access to new markets vs barriers for market entry – e.g. Walmart and salmon
- Requires the support of supply chain to promote schemes and pass on premiums
- Certification is expensive, time consuming particularly with increased effort in building label credibility (for retailers, government & consumers)
- Suspicion of large and small scale producers (and governments) of 3rd party NGO supported schemes

5

Benefits	Thomson 1980		Lindquist 1988		Berkes et al 2001 ⁴		Pauly 2006	
	SMALL-SCALE	LARGE-SCALE	SMALL-SCALE	LARGE-SCALE	SMALL-SCALE	LARGE-SCALE	SMALL-SCALE	LARGE-SCALE
Annual catch for human consumption (tonnes)	20 million	24 million	24 million	29 million	20-30 million	15-40 million	About 30 million	Same: about 30 million
Annual catch reduced to meals and oils (tonnes)	Almost none	About 19 million	Almost none	About 22 million			Almost none	20-30 million
Fish and other sealife discarded at sea (tonnes)			none	6-16 million			Very little	8-20 million t
Number of fishers employed	<8 million	About 450 000	>12 million	500 000	50 million	500 000	>12 millions	About ½ million
Annual fuel consumption (tonnes)	1-2 million	10-14 million	1-2.5 million	14-19 million	1-2.5 million	14-19 million	About 5 million t	About 37 million
Catch (tonnes) per tonne of fuel consumed	10-20	2-5	10-20	2-5	10-20	2-5	4-8	1-2

6

Two views of the MSC?

Certified fisheries on the map

Use our map to find fisheries around the world that meet the MSC environmental standard and are certified as sustainable.



7

Key points: Based on Interviews with artisanal UK producers Potts (2011)

- Despite the inherent sustainability of small scale producers – most certifications (in seafood) have occurred within large scale systems
- There appears to be a consensus that certification is about market access rather than a price premium.
- Larger scale operators are generally more prepared and have the resource and capability to go through the certification process – particularly with MSC.
- There is a strong feeling (particularly amongst artisanal operators) that certification is geared towards the 'big players'.
- Small scale producers may have features that make certification inherently difficult e.g. multi-species, lack of assessment, multi user systems.
- Label differentiation brings benefits (for producers) and problems (for consumers).

8

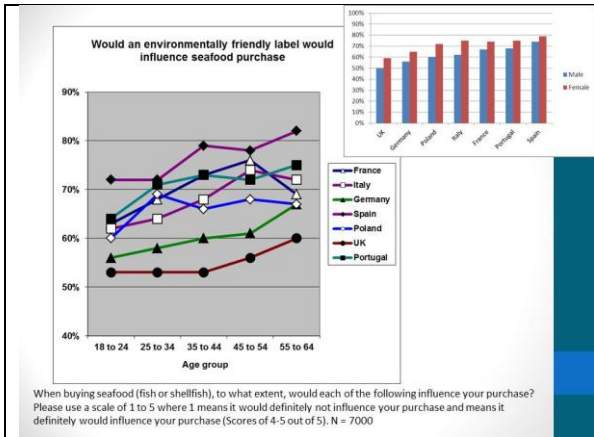


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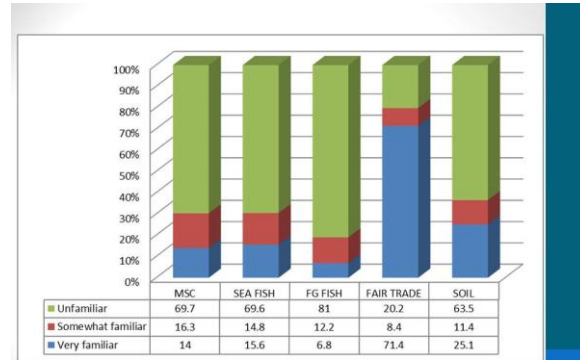
The 'pull factor': the consumer

- The consumer is critical to the success of certification programs - purchasing power and social awareness of sustainable production.
- Certification facilitates 'off the shelf conservation' where consumers can drive positive changes to supply chains e.g. Tesco and tuna
- A label can transmit the message of sustainability without detailed understanding of product processes – but requires trust / credibility.
- Consumers need to care about sustainable practices!
- Increase in the choice of certified products and increased competition between labels.
- Lack of information on consumer response to labels – particularly at PoS.
- What individuals say and how they behave can be different.

10



11



Potts et al (2011) 'Sustainable Seafood and Ecolabelling UK consumer - Point of sale survey. N=300.

12

Points for discussion

- Trust is an important commodity for both producers (in delivering benefits relevant to their sector) and for consumers (credible / reliable claims and preference for products)
- Label differentiation provides improved diversity and access for producers, increases competition both in scope and costs.
- As labels proliferate both producers and consumers will be affected. This may be keeping engagement in schemes and awareness by consumers low.
- How important is the role of the consumer vs the retailer?
- Increasing interaction of certification schemes in supporting policy objectives – EU Strategic Guidelines for Aquaculture.
- Huge disparity in certification between developed and developing countries. More effort needed to improve access to certification by small scale producers. What are the mechanisms to reduce the gap?

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Appendix IV: Power point presentation “Understanding the new phase” (Torero)



Understanding the new phase

Maximo Torero
m.torero@cigar.org

Expert Meeting 23 May 2014
Chains for Change (C4C)


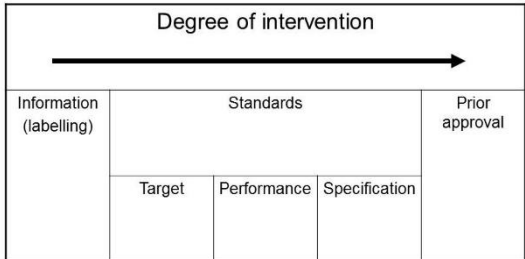
Voluntary partnerships, state responses and value chain dynamics: which way forward to increase sustainability and poverty reduction?

1

This presentation

- Some stylized facts
- Key elements to take in consideration in the new phase

2


<p>A hierarchy of standards has emerged</p>  <p style="text-align: right;">3</p>	<p>Impacts of food standards schemes on developing country imports</p> <table border="1"> <thead> <tr> <th>Producers</th> <th>Consumers</th> </tr> </thead> <tbody> <tr> <td> Positive <ul style="list-style-type: none"> Increased efficiency Increased market opportunities Rural development and poverty alleviation Mechanisms of product differentiation </td> <td> Positive <ul style="list-style-type: none"> Minimizes risks of food safety Potential improve of food quality (nutrition) </td> </tr> <tr> <td> Negative <ul style="list-style-type: none"> Marginalizes weakest producers Barrier to market access </td> <td> Negative <ul style="list-style-type: none"> Increase consumer prices Product differentiation and possible exclusion through prices of minimum quality and food safety </td> </tr> </tbody> </table> <p style="text-align: right;">4</p>	Producers	Consumers	Positive <ul style="list-style-type: none"> Increased efficiency Increased market opportunities Rural development and poverty alleviation Mechanisms of product differentiation 	Positive <ul style="list-style-type: none"> Minimizes risks of food safety Potential improve of food quality (nutrition) 	Negative <ul style="list-style-type: none"> Marginalizes weakest producers Barrier to market access 	Negative <ul style="list-style-type: none"> Increase consumer prices Product differentiation and possible exclusion through prices of minimum quality and food safety 		
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<p>Systems of food safety control</p> <table border="1"> <thead> <tr> <th colspan="2">Public</th> <th colspan="2">Private</th> </tr> </thead> <tbody> <tr> <td>Direct regulation</td> <td>Product liability</td> <td>Self-regulation</td> <td>Certification</td> </tr> </tbody> </table> <p style="text-align: right;">5</p>	Public		Private		Direct regulation	Product liability	Self-regulation	Certification	<p>Food standards</p>  <p style="text-align: right;">6</p>
Public		Private							
Direct regulation	Product liability	Self-regulation	Certification						
<p>This presentation</p> <ul style="list-style-type: none"> Some stylized facts Key elements to take in consideration in the new phase <p style="text-align: right;">7</p>	<p>1. Increasing impact: Need to have cost benefit analysis, not just the benefits side and value externalities</p> <p style="text-align: right;">8</p>								
<p>Key question</p> <ul style="list-style-type: none"> Do the benefits of growing food regulation outweigh their cost? Could we deliver a particular level of food safety more efficiently? Issues <ul style="list-style-type: none"> the market for food safety (+ nutrition) the rationale for public intervention types of intervention Externalities (life cycle approach-full value chain) economic evaluation of interventions <p style="text-align: right;">9</p>	<p>Benefit cost analysis</p> <ul style="list-style-type: none"> Several approaches to valuing health risks <ul style="list-style-type: none"> Cost of illness Willingness to pay (WTP) to avoid illness The value of a statistical life Contingent valuation studies to estimate WTP for food safety Distinction between tangible and intangible costs <p style="text-align: right;">10</p>								

<p style="text-align: center;">2. Inside and outside the value chain: One instrument to solve one problem</p> <p style="text-align: right;">11</p>	<p style="text-align: center;">Key issues</p> <ul style="list-style-type: none"> • Standards to resolve a quality (food safety) problem (because of imperfect information) • For market transformation • For sustainability <p style="text-align: right;">12</p>
<p style="text-align: center;">3. Inside the value chain: Contract Farming a potential solution for certification but need to improve contract design using better incentive mechanisms</p> <p style="text-align: right;">13</p>	<p style="text-align: center;">Received Wisdom</p> <ul style="list-style-type: none"> • Exploitation is possible when firms have monopsonistic power • There are barriers to vertical integration that makes it desirable to contract out (e.g., land laws and need for flexibility) • Product differentiation makes contracting an attractive option • Being a price taker and facing price variability puts significant pressure on contracts <p style="text-align: right;">14</p>
<p style="text-align: center;">Motivation</p> <ul style="list-style-type: none"> • Tendency away from smallholders from contractors – too high monitoring costs <ul style="list-style-type: none"> – cash-constrained farmers sold directly to middlemen for cash [Wibonpoongse et al., 1998] – Small producers not have resources to meet the quality specifications [Bosellie et al., 2003] – Standards in modern value chain are more sophisticated [Reardon and Berdegue, 2002; Reardon et al., 2003; Weatherspoon and Reardon, 2003] – Small growers may divert inputs (such as feeds in contracts involving livestock products), [Delgado et al 2003] • Problems to producer that accepts the contract <ul style="list-style-type: none"> – Monopsonistic power of contractor [Schraeder, 1986; Currie & Ray, 1986; Glover, 1984; Glover, 1987; Korovkin, 1992; Morvaridi, 1995; etc.] – Increase in specific production risk [Featherstone and Sherrick, 1992; Royer, 1995; Rehber, 1998] – Higher costs [Runsten & Key, 1996; Rehber, 1998; Swinnen, J.F.M 2007] – Contractor defaults [Glover, 1987; Abbott, 1994; Runsten and Key, 1996] <p style="text-align: right;">15</p>	<p style="text-align: center;">Contract farming two extreme models</p> <p style="text-align: right;">16</p>
<p style="text-align: center;">Incentive-Compatible contracts</p> <ul style="list-style-type: none"> • Costs of monitoring • Abuse of monopsony power • Price schemes • Quality standards • Access to credit • Productivity • Club formation • Developing strong rural farmer associations and tied products • Price schemes with incentives on productivity and quality • Joint definition of quality • Double ransom model • Clear price incentives <p style="text-align: right;">17</p>	<p style="text-align: center;">Recommended options</p> <ul style="list-style-type: none"> • Public goods: <ul style="list-style-type: none"> – Third party quality assessment – Information systems on prices – Formally registering contracts – Public databases of model contracts and mechanisms that work • Private strategies: <ul style="list-style-type: none"> – Improve contract designs <p style="text-align: right;">18</p>

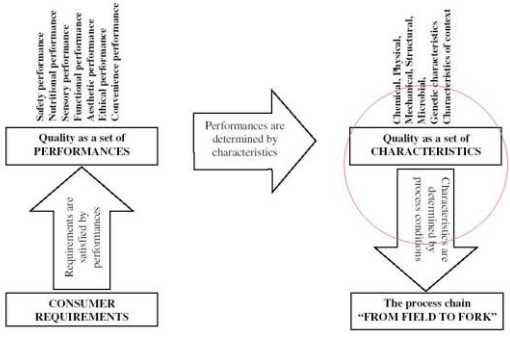
4. Role of Governments: Improving food and agricultural health policies, regulations and their application in international and domestic markets

Summing up our future directions

- 1) Risk analysis
- 2) Regulatory management (RIA, stakeholder consultation, rule-making)
- 3) Improving food and agricultural health policies, regulations and their application in domestic markets
- 4) Private sector involvement



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20



(Peri, 2005)

5. Need to enforce and agree on international standards, move towards preventive measures, and towards unique standards not dual

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22

International Food Standards

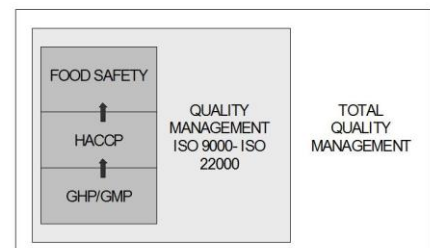
- The Codex Alimentarius Commission
- The World Trade Organisation
 - The Sanitary and Phytosanitary Agreement (SPS)
 - The Technical Barriers to Trade Agreement (TBT)
 - Dispute Settlement
- Food Quality Standards must abide WTO regulations

23
24

CODEX

- The **Codex Alimentarius** or the food code is the global reference point for consumers, food producers, processors, national food agencies and international trade organisations.
- The Codex Alimentarius Commission is often simply referred to as “Codex”

Preventive Quality Management System from Farm to Table



Note: Hazard analysis and critical control points or HACCP is a systematic preventive approach to food safety, Good Hygiene Practice (GHP), Good Manufacturing Practice (GMP)
Source: (Pepper, 2006)

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26

Minimizing dual standards

- GlobalGAP has programs to adapt their standards for so-called “local” production, creating less onerous procedures intended to provide the most basic level of food safety and to be accessible to producers with little background in food safety management = LocalGAP standard
- Examples: development of KenyaGAP and ChileGAP

THANKS