ISDRS – Policy Brief on Smarter Use of Certification

Addressing the UN Biodiversity Conference 2018

14th meeting of the Conference of the Parties to the Convention on
Biological Diversity - COP 14, Sharm El-Sheikh, Egypt, 17-29 November 2018

Input from ISDRS Topic group 5d: Value Chains and Trade

1. Issue to be addressed

Biodiversity is often under threat as result of the production of agricultural commodities, which are traded globally. Increasingly multi-stakeholder initiatives have been established to improve the agricultural practices of these internationally traded products like, coffee, tea, cocoa, palm oil, cotton, fresh fruits and more. These initiatives stimulate suppliers to improve their production practices and they provide a system of self-control or third-party control of the farmers and first processors of these commodities. Evidence shows that a strong growth in uptake of these initiatives have been achieved in the last decade (Oorschot *et al.*, 2014; Potts *et al.*, 2014, 2016; Vermeulen, 2015). The driving mechanism behind this is the market demand from mostly buyers in high income countries.
As such this form of self-governance provides promising opportunities to improve biodiversity world-wide. However, the current experiences show both positive results and adverse effects, which relate to the fast-growing number of very diverse approaches in these voluntary sustainability initiatives.

2. Key findings in recent scientific research

Research has shown that:
- worldwide we see a growing number of competing sustainability standards and certification schemes in many different product / commodity groups;
- the uptake by buyers and by suppliers is growing, whereas the supply of sustainability approved products/commodities is ahead of the growth in demand;
- these standards represent the related stakeholder group in various ways;
- sustainability standards and certification schemes address sustainability aspects in very diverse ways (both in terms of the completeness of aspects addressed and in the value chain actors addressed);
- sustainability standards and certification schemes differ largely in applying good governance practices themselves, including issues of access of stakeholders, transparency and accountability;
- proposals for assessment methods for sustainability standards and certification schemes address are available both for content (aspects coverage and scope) and for governance practices (good governance) have been developed.

3. Implications for policy makers

One of the current CBD programmes addresses 'Economics, Trade and Incentive Measures' and these include activities on incentives for trade of products promoting biodiversity conservation. However, a clear policy on how to public only for accredited in the market is still lacking. This call for 'smart governance' of biodiversity related private certification (Oorschot *et al.*, 2014; Vermeulen, 2015; Nelson, Rueda and Vermeulen, 2018). This will include:

- promoting intensive collaboration of national governmental policies and voluntary sustainability initiatives, both in supplier countries and in buyer countries;
- these governments should be selective in giving policy support to voluntary sustainability initiatives and limit this to those initiatives that apply practices of good governance;
- governments should develop mechanisms to accredit only voluntary sustainability initiatives that apply good governance practices (Metselaar, 2010; Vermeulen *et al.*, 2010; Klinge, 2018);
- with these accredited initiatives national governments at the supplier side can establish collaborative public-private initiatives for market support to sustainable farming and agro-commodity production

These proposals should be added to the discussions on Item 22. Mainstreaming of biodiversity within and across sectors and **Recommendation SBI-2/3** and **Recommendation SBI-2/4**

4. Lead author(s) and related research institutes

- Prof. dr. W.J.V. Vermeulen, Copernicus Institute of Sustainable Development, Utrecht University, Netherlands Stellenbosch University, South Africa / International Sustainable Development Research Society.
- Prof. Ximena Rueda, School of Management, Sustainability Head, Universidad de los Andes, Bogotá, Colombia.
- Prof. V. Nelson, Natural Resources Institute, University of Greenwich, UK.

5. Relevant references

Klinge, J. (2018) *The Quality of Standards - An Assessment Framework to Measure the Quality of Organisations Producing and Maintaining Voluntary Sustainability Standard Systems*. Utrecht.

Metselaar (2010) *The sustainable supply chain governance (SSCG) system performance*. Available at: http://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:The+Sustainable+Supply+Chain.#0%5Cnh ttp://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:The+sustainable+supply+chain%230%5Cn https://www.atkearneyprocurementsolutions.com/knowledge/articles/2.

Nelson, V., Rueda, X. and Vermeulen, W. J. V. (2018) 'Challenges and Opportunities for the Sustainability Transition in Global Trade (Introduction)', *Business Strategy and the Environment*, 27(2), pp. 173–178. doi: 10.1002/bse.2008.

Oorschot, M. van *et al.* (2014) *Sustainability of international Dutch supply chains. Progress, effects and perspectives*. The Hague. Available at: www.pbl.nl/en.

Potts, J. *et al.* (2014) *State of Sustainability Initiatives Review 2014 Standards and the Green Economy*. Winnipeg: International Institute for Sustainable Development (IISD) and International Institute for Environment and Development (IIED).

Potts, J. *et al.* (2016) *State of Sustainability Initiatives Review: Standards and the blue economy*. Winnipeg.

Vermeulen, W. J. V. *et al.* (2010) *Roles of Governments in Multi-actor Sustainable Supply Chain Governance Systems and Effectiveness of their Interventions–An Exploratory Study*, *PBL Netherlands Environemtnal Assessment Agency*. Bilthoven. Available at: http://www.pbl.nl/sites/default/files/cms/publicaties/500411001.pdf.

Vermeulen, W. J. V. (2015) 'Self-Governance for Sustainable Global Supply Chains: Can it Deliver the Impacts Needed?', *Business Strategy and the Environment*, 24(2), pp. 73–85. doi: 10.1002/bse.1804.