

# Framing the Issue

## Making Sustainability Standards Work for Small-scale Farmers

Pre-UNCTAD XII Workshop on Making Sustainability Standards Work for Small-scale Farmers  
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## Objectives of the Meeting

- Identify the impact of the spread of sustainability standards (SS) on small-scale farmers (SSF) in developing countries, particularly in Africa.
- Map effective strategies to minimize the costs and maximize the benefits of this persistent and important global trend for smallholders.
- Identify real economic, social and environmental win-win-win opportunities and related supportive policies and supportive/flanking measures.

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## Sustainability Standards

- Standards for Good Agricultural Practices (GAP)
  - Fresh Fruit and Vegetables (FFV), flowers, herbs
- Environmental and ethical standards
- Fair-trade standards
- Standards for certification of organic produce
  - Actually, these are voluntary standards, but in many developed countries there is also regulation on organic products
  - Yet, private certification bodies may have their own standards and strategies (e.g. The Soil Association's approaches to the food miles issue)

Typology and Market Importance of Sustainability Standards will be addressed in the next session

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## Conceptual Framework on Economic, Environmental and Social Sustainability Effects of Standards

Source: S. Asfaw

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## Contextualizing Sustainability Standards and National Strategies to Cope with Them

- When contextualizing SS, it is important not to limit it to the commercial, micro-economic context of enabling producers to comply with downstream market standards.
- Rather, national adjustment strategies should address both the commercial context and the non-commercial sustainability aspects, including benefits for worker health, national food safety, resource and input efficiency, the environment and national economic development, including transfer of technology and innovative management methods.
- This is the background for using public (and development assistance) resources to support national programmes for proactively coping with SS.

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## Coping with an Array of "Sustainability" Standards

How can one effectively deal with an array of not harmonized and non-equivalent SS?

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## Concerns – Relationship of SS to Government-set SPS Requirements

- Growth in private voluntary standards (PVS) could undermine the hard-won improvements in market access through the SPS Agreement.
- PVS can effectively introduce new (or stricter) sanitary measures, compared with those applied by the Competent Authority according to the recommendations of relevant international standard-setting bodies (OIE, Codex and IPPC).
- Lack of transparency: no obligation and sometimes little possibility for governments to notify trading partners or to comment on private standards, including those that relate to health risks.
- Some argue that PVS do not meet WTO requirements such as scientific justification of food safety measures and are more trade-restrictive than necessary to protect health.

Submission by the World Organization for Animal Health (OIE) to the SPS Committee, 2 April 2008

## Concerns at Producer's Level

- High cost of certification, especially for small producers.
- Problem that many implementation and certification costs are up front down payments of SSF, whereas benefits of SS are medium-term, arise at other stakeholders or are not internalized benefits (exceptions pre-financing through fair-trade and FLO Producer Certification Fund)
- Burdensome documentation requirements for small producers
- Are compliance costs being transferred to producers, including in developing countries (GAP standards)?
- Proliferation of environmental and ethical standards and certification programmes
- Uncertainty about whether certification will bring commercial benefits
- No forum for discussions on how to prevent possible adverse trade implications (CTF trying to help filling the gap)

## Trade and Development Implications for SSF

Some SS tend to favour SSF

- Fairtrade explicitly favours SSF
- Organic Agriculture may favour SSF (e.g. because they often produce with little external inputs)

Private GAP standards tend to favour large-scale producers vis-à-vis SSF:

- May contribute to declining participation of SSG in value chains
  - Exporters may prefer to work with larger producers
  - SSF do not have the necessary capital and cannot afford the initial investment costs and, once certified, cannot bear high costs to maintain certification
- How can Governments, donors and other stakeholders identify and support viable forms of SSG participation in production for export (possibly in combination with exploring alternative markets)?
- On the other hand, there may be increased opportunities for wage employment on agro-industrial estates

## Regional Issues

- Regional cooperation in harmonizing national GAP schemes/codes?
- East African Organic Products Standard (EAOS): Kenya, Tanzania and Uganda, later joined by Burundi and Rwanda. Can such approach be replicated in West Africa?
- Sub-regional cooperation in building infrastructure for accreditation and certification, testing (e.g. laboratories)? An equivalent of Africert for West Africa?
- Can regional markets provide a viable option for some segments of SSF?

## Strategies to Pro-actively Deal with SS

**Components**

## Clear and Holistic National GAP schemes

- Clear understanding of the concepts and objectives of national GAP schemes:
  - reflecting different market requirements
  - facilitating adjustment to many or most SS
  - reflecting smallholder conditions
- An enabling policy framework that assures enforcement of mandatory food-safety requirements and provides incentives to comply with SS.
- Flanking measures to address constraints of GAP implementation, in particular as regards SSF.

UNCTAD's Consultative Task Force on Environmental Requirements and Market Access for Developing Countries, FAO, PIP, and the UK NRI and IED have done extensive analysis and capacity-building activities in this regard.

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## Role of Governments in National GAP Programmes

### Supportive and Facilitating Role

Policy Analysis	Facilitating Investment	Devising flanking/support policies	Assuring policy coherence	Facilitating stakeholder dialogue
<ul style="list-style-type: none"> <li>- Facilitating conceptual clarity on enhancing developmental contribution</li> <li>- Addressing smallholder concerns</li> <li>- Optimizing costs &amp; benefits</li> </ul>	<ul style="list-style-type: none"> <li>- in physical infrastructure</li> <li>- in SMTQ systems &amp; institutions</li> <li>- directing donor funding accordingly</li> </ul>	<ul style="list-style-type: none"> <li>- on extension services</li> <li>- on financial support</li> <li>- addressing problems with registration of CPPs</li> </ul>	<ul style="list-style-type: none"> <li>- among government agencies dealing with various aspects of GAP</li> <li>- towards donors</li> </ul>	<ul style="list-style-type: none"> <li>- facilitating and engaging in stakeholder dialogue on development &amp; implementation of GAP</li> </ul>

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## Tools to Minimize Compliance and Certification Costs

- Forming stable producer groups
- Allow group certification
- Develop indicator tests
- Develop standard format for documentation and record keeping (as developed by PIP)
- Improving quality-assurance infrastructure, in particular reliable and internationally accredited inspection, certification and laboratory services at competitive prices
- Improving physical infrastructure, in particular transport, storage and cool chain
- Providing adequate extension services
- If feasible, consider financial support to SSF for certification ??

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## Reflecting SSF Issues in Setting of SS

- Reviewing control points and compliance criteria of standards to appropriately reflect SSF issues, without unnecessarily weakening or jeopardizing the integrity of SS.
  - GLOBALGAP Smallholder Working Group
- Assuring adequate participation of SSF representatives in standard setting or review.
  - Article 7.4. in the ISEAL Code of Good Practice
- Facilitating certification for SSF
  - ISEAL's Accessibility Program (includes access to multiple certifications; accessibility network; and certification information centre)

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## Improving Harmonization and Equivalence of SS

- Environmental and ethical standards: proliferation with little or no harmonization
  - Some efforts to agree on basic principles for standard-setting (e.g. ISEAL Code of Good Practice for Setting Social and Environmental Standards)
- GAP standards: some harmonization
  - Industry-wide standards (e.g. GLOBALGAP), but there are also supermarket-specific standards (e.g. TESCO Nature's Choice)
  - GLOBALGAP benchmarking (but stringent concept of equivalence)
- Standards for Organic Agriculture: both public and private-sector programmes
  - FAO-IFOAM-UNCTAD Task Force for Harmonization and Equivalence in Organic Agriculture (currently developing essential International Requirements for Organic Certification Bodies (IROCB) -- as a basis for equivalence and future harmonization; and a guidance document for judging equivalency of organic standards (Equitool).

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Website of UNCTAD's Consultative Task Force  
on Environmental Requirements and Market Access for Developing Countries

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