

Overview of standards and certification schemes

Value chain cases in the context of Conservation Marketing and Certification, Arushas 25 – 27 June 09

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A wide range of standards and certification

- 4 types
 - Corporate Responsibility
 - Sustainable Investment
 - Fair Trade, Organic, Biodiversity
 - Carbon Markets & soon PES
- Across the board
 - North to South
 - Small cooperatives to large businesses
 - Across sectors

- Corporate Responsibility: business processes to produce a positive impact on society
- Sustainable or Socially Responsible Investment: It is a mixture of 'screening out' companies whose activities are regarded as unsustainable, and actively seeking out firms that are breaking new ground in social and environmental performance.
- Fair Trade: Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It offers better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South.
- Carbon markets: Regulatory and Voluntary markets. Permits or emissions credits that allow an entity to emit or buy a specified amount of greenhouse gases.
- Reducing emissions from deforestation and forest degradation (REDD): Voluntary carbon market. A mechanism for reducing global greenhouse gas emissions by compensating countries for avoiding deforestation and forest degradation.

Which one to choose?

- Max Havelaar (FLO)
- International Federation of Organic Agricultural Movements (IFOAM)
- FSC
- Wildlife Friendly

**Fair trade, Organic agriculture,
Forest, Biodiversity**

- FTSE4Good (Index)
- Stewardship fund (F&C Asset Management Plc)
- Eiris (Ethical research agency)

**Sustainable
investment**

Carbon markets

- Regulatory standard
- Clean Development Mechanism

- Voluntary standards related to REDD
- VSC
- Plan Vivo

**Corporate
responsibility**

- Global Compact
- Extractive Industry Transparency Initiative (EITI)
- UEBT

Strong relationship between standards and the CBD

	Fair Trade / Organic agriculture	Sustainable investment	Carbon Markets	Corporate Responsibility
Conservation	Strong principles and criteria for conservation.	Performance indicators linking business performance and conservation.	Potential to protect habitats for threatened species.	At the sector level some standards address directly the 3 principles of the CBD
Sustainable use	The use of standards builds understanding of how biodiversity products can be harvested and sold in a sustainable manner so that their source habitats are not degraded in the process.	Enabler to encourage companies to use Biological Resources sustainably. E.g. FTSE4Good index on green technologies.	Carbon markets projects should be based on a sound land use plan and sustainable forestry practices.	Some industry standards have thorough verification framework.
Access and Benefit Sharing	Models exist for building the capacities of Indigenous and Local Communities in order to harvest benefits of biodiversity products.	A key challenge for Biodiversity business is to explain why the objectives of the CBD are an investment opportunity which will generate positive and scalable returns.	Without the development of carbon metrics (i.e. acceptance of a unit of carbon), carbon standards, and schemes for verification and certification, performance based carbon finance would not have been possible.	Some industry standards can provide a basis for defining the level playing field.

What they do for us?

- Sustainable investment
 - Pressure on companies to source responsibly
 - ➔ Opportunity to engage big players
- Corporate responsibility
 - Industry specific standard(s) available
- Fair trade, organic, biodiversity...
 - Wide range standards - 'Progress' to 'Perform'
- Carbon market, PES
 - Booming! Opportunity diversify revenues streams

Standards, the + and -

The use of standards and certification has often an enabling strength:

- level playing field
- Support the Governance - definition of Roles, Responsibilities and Advantages
- Transparency (e.g. access to funding)
- Facilitates contract negotiation
- Allows sharing information and capacity building. Provides a framework for the “south” to feedback its lessons learned to the North.

Problems:

- Too many standards. Consumers' confusion
- Certification cost for small producers is often too high
- Issues in the quality of verification and its consistency
- Not enough certified products to meet the market demand
- Limited capacity in the south to implement the sophisticated standards

The big picture

□ Negative

- Consumer fatigue and confusion

 - _ Ready to pay higher price?

- Do standards improve efficiency?

- Local management capacity available?

□ Opportunity

- Certification and be used at different project stage's and maturity

- 1) Organic, Fairtrade - quality, build partnership

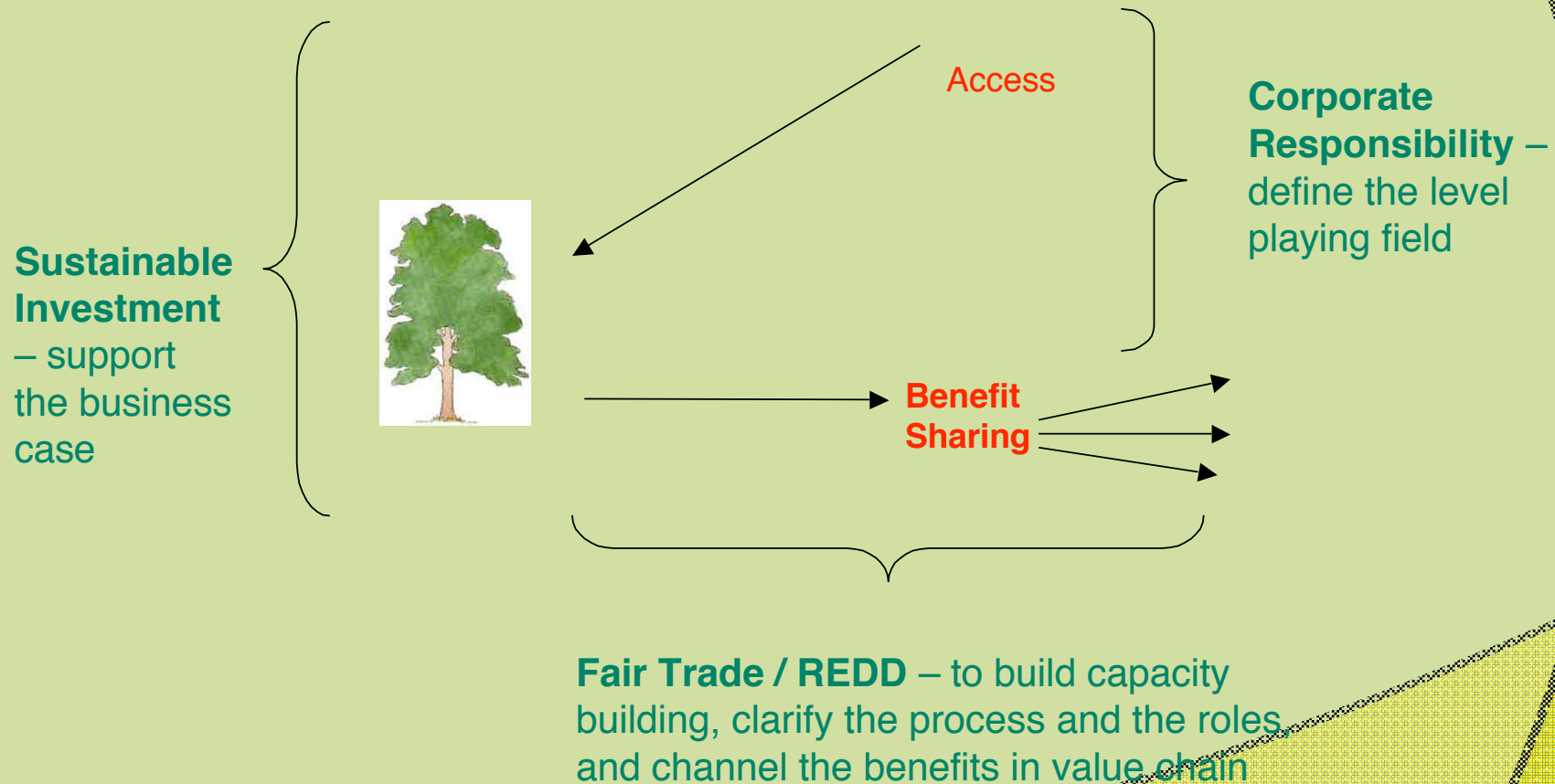
- 2) Sustainable investment - measure performance

- 3) Carbon, PES – Diversify revenue streams

The hot issue: Benefit sharing

- Current climate change negotiation acknowledges importance of forests to addressing climate change
- Challenge - Forest conservation (new products) to compete financially with the economic drivers of deforestation
- How ensure that benefits reach the local level and enhance local participation in the design and implementation of projects?

Standards and certification can support the design of benefit sharing systems





THANK YOU

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