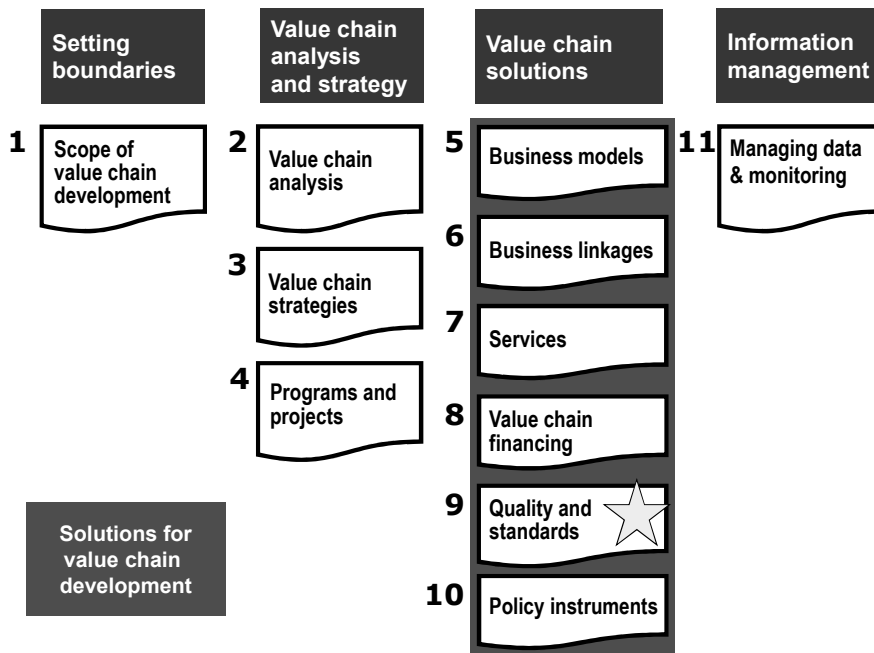




## ValueLinks Module 9

# Quality and standards

## Structure of ValueLinks 2.0





## Using standards

### Contents

- 1** Definitions, types and importance of standards systems
- 2** Different types of voluntary standards
- 3** Additional reference material

## What is Quality?

Attributes	Example	Verification
Physical attributes	Size, color, absence of damage, smell	Measurable at end product stage, client can select before consumption
Experience attributes	Taste of food, durability, functional efficiency	Measurable at end product stage, client knows only after consumption
Credence attributes	Residues, product safety	Measurable at end product stage, client has to trust a laboratory
	Eco-friendliness, social production conditions, origin of product	Not measurable at end product stage; partly measurable during the production process (e.g. emissions, resource consumption); client has to trust an assurance system

**1****2****3**

## Types of standards

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	Product quality	Product safety	Social & ecolog. objectives
<b>Regulatory Standards</b> - issued by public bodies	<ul style="list-style-type: none"> <li>- Technical norms</li> <li>- Product content and declaration</li> </ul>	<ul style="list-style-type: none"> <li>- Food safety laws</li> <li>- Maximum Residue Levels</li> <li>- Liability laws</li> </ul>	<ul style="list-style-type: none"> <li>- Minimum wage, working hours etc.</li> <li>- Environmental regulations, animal health</li> </ul>
<b>Voluntary standards</b> - issued by companies, associations, private sector initiatives	<ul style="list-style-type: none"> <li>- Organic</li> <li>- Halal</li> <li>- Product origin standards</li> </ul>	<ul style="list-style-type: none"> <li>- Global Food Safety Initiative (GFSI) standards</li> </ul>	<ul style="list-style-type: none"> <li>- Sustainability standards</li> <li>- Fair trade standards</li> </ul>








## Types of standards

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	Product quality	Product safety	Social & ecolog. objectives
<b>Regulatory standards</b> - issued by public bodies	 	  	Legal provisions 
<b>Voluntary standards</b> - issued by companies, associations, private sector initiatives	  	  	   



## Value chains and standards

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- **Regulation:** Standards operationalize the quality, safety and sustainability concerns of consumers, civil society and government.
- **Market transparency:** Standards simplify communication between market participants and assist marketing. Standards create a more level “playing field” and support fairness.
- **Quality management of enterprises:** Value chain operators use standards as an operational guide to integrate quality and sustainability considerations into their core business processes.
- **Risk management:** Standards help to lower the risk by introducing systems to detect critical points. Traceability mechanisms allow keeping control of suppliers.
- **Contribution to equity and sustainability:** Standards impose limits on resource use, use of inputs and labour conditions.

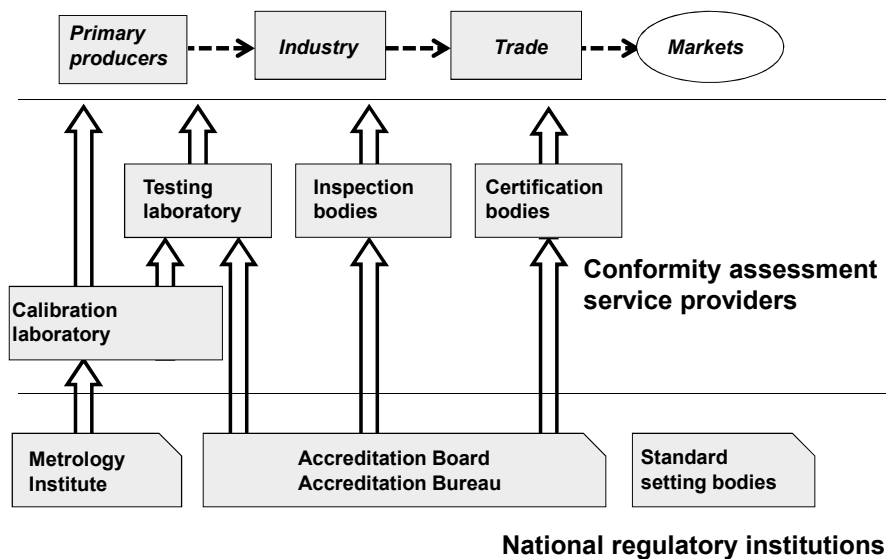


## National quality infrastructure

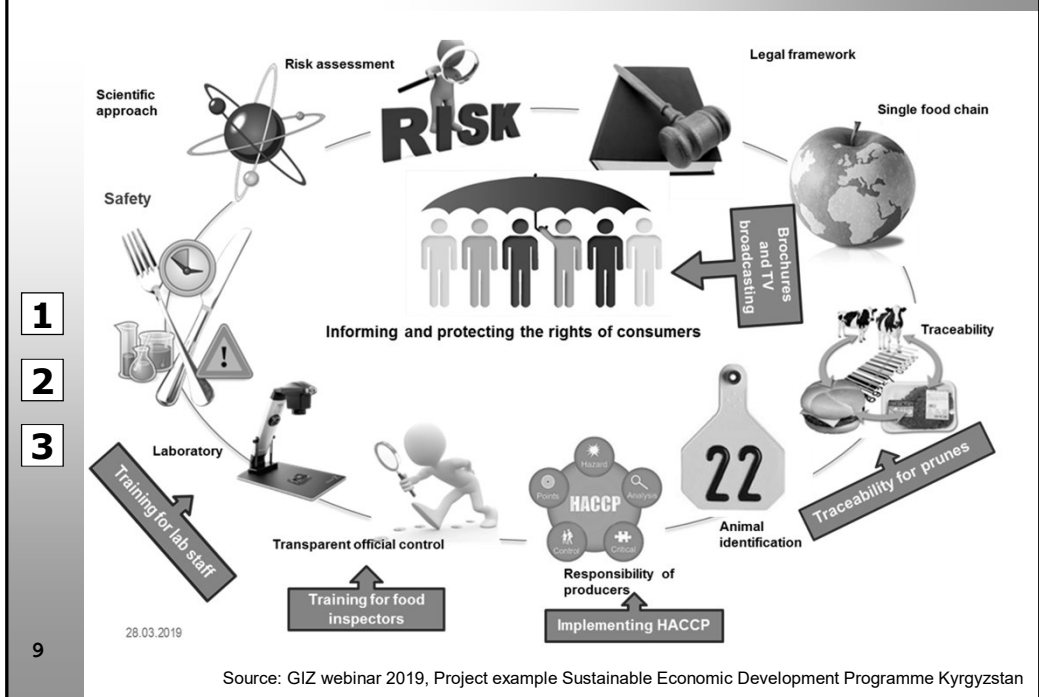
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## QM interventions at micro, meso and macro level



## Using standards

### Contents

- 1 Definitions, types and importance of standards systems
- 2 Different types of voluntary standards
- 3 Additional reference material

## Types of important voluntary standards

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1. Food safety
2. Organic
3. Sustainability
4. Social standards
5. Single-sector standards
6. Multi-sector standards
7. Geographic Indication
8. BioTrade
9. Climate
10. Tourism

## Food safety standards

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- Food safety standards became quasi-obligatory standards in industrialized countries' markets. Hardly any serious trader will import food products without.
- Food safety standards are based on HACCP principles (Hazard Analysis of Critical Control Points). By EU law, an importer is legally obliged to ensure importing safe food products that fulfil HACCP requirements.
- Different markets prefer different standards. Main standards are:
  - GlobalG.A.P. or ASIAGAP for fresh produce
  - FSSC 22000, ISO 22000, IFS, BRC, SQF for other products.
- The website of the Global Food Safety Initiative, [www.mygfsi.com](http://www.mygfsi.com), is a good source for further information.



## Public Organic Standards

- Certification for public organic standards enables commercialisation of organic product in the country, pre-requisite to sell organic product
- Examples:



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India

Japan

USA

European Union

China

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- Certification body must be officially accredited by the regulating authority
- Labelling requirements must be followed
- Other applicable food safety, hygiene and regulatory requirements must be met



## Private Organic Standards

- Private organic standards are complementing public organic standards
- They have additional requirements depending on specific focus:
  - Demeter – biodynamic farming practices
  - BioSuisse – No replacement of domestic production with imports, social and fair trade requirements
  - Global Organic Textile Standard – processing of organic textiles, social requirements

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- Historically grown out of certification initiative that were established before public organic standards evolved
  - Bioland
  - Naturland
  - KRAV
  - Soil Association
  - California Certified Organic Farmers



## What are Participatory Guarantee Systems - PGS?

"Participatory Guarantee Systems (PGS) are locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange." Official Definition - 2008

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- Participatory Guarantee Systems (PGS) are changing the way organic certification started a few decades ago.
- 223 PGS initiatives in 76 countries with more than 570,000 producers involved (2019)
- A cost-efficient system particularly used in domestic markets to include smallholder farmers more in the organic movement



PGS are not to be confused with Internal Control Systems for group certification (ICS), another certification tool promoted by IFOAM to support smallholders.

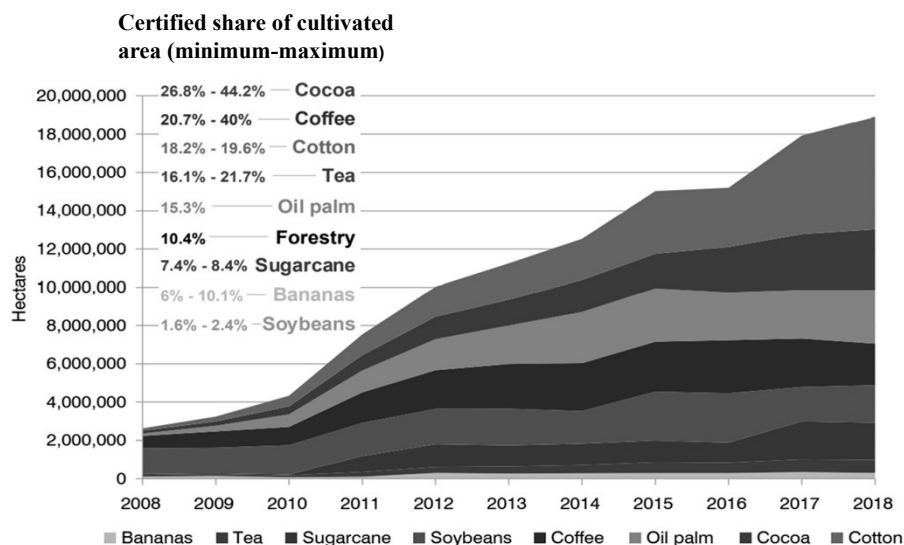


## Development of sustainability standards

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Source: International Trade Center, 2020: The State of Sustainability Markets

**German Federal Minister Gerd Müller (BMZ), December 2018:**  
**100% of all imports from developing countries should come with a sustainability certification in future.**



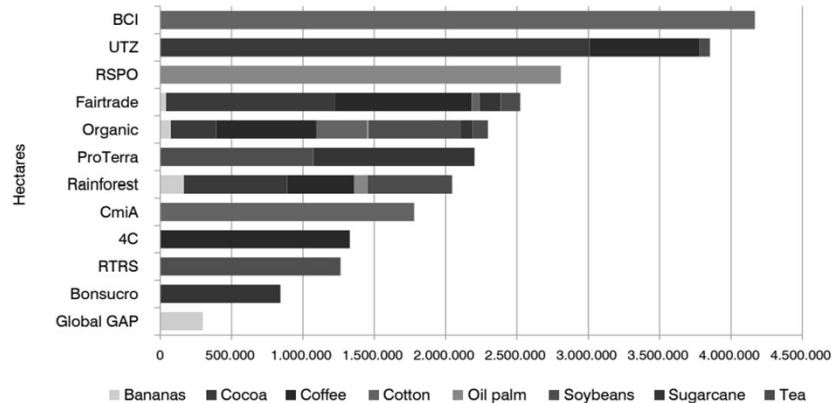
## Single and Multi-Sector Standards

- Which single/multi-sector standards do you know?
- Why were single/multi-sector standards created?
- What is the advantage either to go for single- or multi-sector standards?

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## Rainforest alliance

- An international, non-profit **NGO**, established in 1987 covering all three sustainability pillars
- Merged in 2018 with UTZ
- Targets mainstream agriculture
- High importance crops: **cocoa, coffee, tea, banana, oil palm**
- > 2 million farmers on > 5 million ha in > 70 countries
- differs from organic and Fairtrade standards by e.g.
  - allowing the use of registered non-natural pesticides & fertilizer
  - not requiring a premium or minimum price



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## Rainforest Alliance: the 2020 Farm Standard



### Standard Requirements

- **Core** requirements: need always to be met, e.g.
  - 4.3.1 no GMO
  - 4.6.1 no agro-chemicals from RA prohibited list
- **Mandatory** requirements: to be met as producers advance, e.g.
  - 5.4.4 remuneration of workers ... to increase towards a wage benchmark (e.g. a living wage)
- **Self-selected** requirements: chosen by producers, e.g.
  - 3.1.2 Net income of farm household members to be assessed against a living income
- **“Smart meter”**: indicators and actions set by producers
  - 6.9.1 Producers document GHG emissions from production
- Voluntary payment of a **“sustainability differential”**

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## Social standards: Fairtrade – Unique Selling Points

What makes Fairtrade distinct from other sustainability standards?

- It establishes a **minimum price** guaranteed to producers based on average cost of sustainable production
- A Fairtrade **premium** is paid on top of market price



### 10 PRINCIPLES OF FAIR TRADE

<p><b>1</b> Opportunities for Disadvantaged Producers</p>	<p><b>2</b> Transparency &amp; Accountability</p>	<p><b>3</b> Fair Trade Practices</p>	<p><b>4</b> Fair Payment</p>	<p><b>5</b> No Child Labour, No Forced Labour</p>
<p><b>6</b> No Discrimination, Gender Equity, Freedom of Association</p>	<p><b>7</b> Good Working Conditions</p>	<p><b>8</b> Capacity Building</p>	<p><b>9</b> Promote Fair Trade</p>	<p><b>10</b> Respect for the Environment</p>

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## Social standards: Green Button



SOCIALLY SOUND

### Good for people

The Green Button sets mandatory requirements for decent work, from guaranteed minimum wages and compliance with working hours to a ban on child labour and forced labour.



ENVIRONMENTALLY SOUND

### Good for nature

The Green Button bans the use of hazardous chemicals and softeners, and lays down mandatory limits on effluent discharge.



GOVERNMENT-RUN

### A label you can trust

The government lays down the criteria and conditions for the Green Button – guaranteeing clarity you can trust.



INDEPENDENTLY CERTIFIED

### Independent audits

Independent auditors review compliance with the criteria set.

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- The Green Button is a government-run certification label for sustainable textiles, which is attached directly to the product, making it easy to find when shopping.
- 52 companies participate in the certification scheme (Sept. 2020), including sport brands, family companies, medium-sized enterprises and large international retailers.



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## Geographical Indication (GI)

- A geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin.
- Examples: Roquefort cheese, Champagne, Kampot pepper, Thai silk
- Can be protected by special regimes of protection or as collective or certification marks
- GI's are mostly registered via the national intellectual property offices linked to the World Intellectual Property Organization (WIPO), [www.wipo.int](http://www.wipo.int).

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### Roquefort cheese

The unique blue cheese from France is aged in natural caves around the Roquefort-sur-Soulzon region and protected using geographical indications.

Source: [www.wipo.int](http://www.wipo.int)

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## BioTrade Standards

BioTrade is defined as the *Activities of collection, production, transformation, and commercialization of products & services derived from biodiversity under the criteria of environmental, social and economic sustainability*

1



UNION FOR  
ETHICAL  
BIOTRADE  
**SOURCING  
WITH RESPECT**

contributing to the  
Post-2020 Global  
**BIODIVERSITY  
FRAMEWORK**

2

3

- An example is UEBT, created 2007 with support of UNCTAD BioTrade Initiative,
- UEBT is standard-system, business association, and knowledge-sharing platform,
- Focus on specialty ingredients from biodiversity:
  - flowers, leaves, roots, stems, fruits, extracts, waxes, colorants and flavours.
- applicable to many production systems and stages in the supply chain including:
  - Cultivation and wild collection
  - Small and large farms, collectors
  - Farms, cooperatives, processing companies
  - Product manufacturers and brands



**UEBT  
CERTIFIED  
SOURCING  
WITH RESPECT**

**68**

countries  
our members are sourcing  
from

**700+**

supply chains  
in which our members  
are improving sourcing  
practices

**273**

ingredients from biodiversity  
verified or certified against the  
UEBT standard

**51**

members  
globally

23

\* as of 31 December 2018, \*\* as of 31 December 2019



## Project Certifications for Carbon Credits

- Verified Carbon Standard (VCS) Program



**Verified Carbon  
Standard**

- The Climate, Community & Biodiversity (CCB) Standards



**Climate, Community  
& Biodiversity Standards**

2

- REDD+ SES (Social & Environmental Standards)



**REDD+ SES™**  
Social & Environmental Standards

- The CarbonFix Standard (CFS)



**CarbonFix Standard**  
Control & Promote Climate Forestation Projects

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-  **SOCIALCARBON®**



## Eco Tourism Certification

The Global Sustainable Tourism Council (GSTC) is managing the GSTC Criteria, global standards for sustainable travel and tourism; as well as providing international accreditation for sustainable tourism Certification Bodies.



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## Tourism and health protocols

The future of travel in the context of COVID-19



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- The World Travel and Tourism Council (WTTTC), governments, health experts and other industry associations developed the Global Safety Stamp to Recognise Safe Travels Protocols
- Cruise Industry and health protocols: Cruise Lines International Association (CLIA) adopted mandatory core elements of a strong set of health protocols
- Other stamps were created by national governments to boost the tourism sector after the COVID-19 pandemic



## Summary: Main Lessons to remember

**1**

- Improving product quality is one of the most important strategic objectives in value chain upgrading. Quality is defined as (a) the (intrinsic) quality of the product and (b) the quality of the production process in relation to environmental, social and economic concerns.

**2**

- Standard systems are governance mechanisms for the value chain.
- Mandatory (public) standards are established by law, either national or international, conventions or regulations. They are important for consumer safety. Failure to comply prohibits a product or service from being sold in a given market.

**3**

- Voluntary (private) standards are rules on product & process quality set up by agreements between private companies within the value chain to meet the requirements of certain customer groups. Using them improves the market access of producers.
- VCD promotes standards to improve the sustainability of the VC, and to enhance its competitiveness by differentiating the product from those of competing VCs.

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## Using standards

### Contents

**1****Definitions, types and importance of standards systems****2****Different types of voluntary standards****3****Additional reference material**

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## Organic Standards

- Organic standards regulate the production of organic agricultural products, including processed food and clothing
- Apply to growing, processing, storage, packing, and trade of organic product
- Key aspects:
  - Maintain and improve soil and water quality
  - Avoidance of synthetic chemical inputs, irradiation and sewage sludge in farming and processing
  - Avoidance of genetically modified seed and organism
  - For livestock requirements for housing, feeding and breeding
  - Physical separation of organic and non organic products
  - Certification for confirmation of organic claim

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## Single and Multi-Sector Standards

- Single sector standards dominate 4 sectors, where they were the largest certified standard:
  - Coffee: 4C with a share of 13% of world coffee market
  - Cotton: BCI with 13%
  - Oil palm with 15%
  - Soybean with 1%
- Multi-sector standards are especially prominent in: Cocoa with UTZ, RA and Fairtrade, Fruits and vegetables with GlobalGAP
- Single sector standards
  - More driven by industry
  - Often entry level standard leading to more ambitious standards (e.g. 4C to RA)
  - Address particular problems (e.g. high pesticides use in cotton or deforestation in oil palm plantations)

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## Fairtrade – A Movement and a Standard

### Importance of Fairtrade

Fairtrade: Key indicators 2018	
Area [hectares]	2,654,330
Share of Fairtrade area of global agricultural land	0.05%
Share of Fairtrade cocoa area of global cocoa area	10.0%
Share of Fairtrade coffee area of global coffee area	9.1%
Production [tons] <sup>19</sup>	3,833,964
Producers [no.]	1,605,010
Employees/workers, full and part time [no.]	178,051

Source: Fairtrade International, 2020.

1

- Fairtrade is a Movement and a Standard

- First attempts in 1940ies and 50ies by religious groups in Northern markets, movement further shaped in the 1960ies
- 1969: the first “Worldshop” in Netherlands
- 1988 the first fair trade certification label: Max Havelaar

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- In 1998 fair trade federations joined and since then co-own the Fairtrade System

- Fairtrade International which is certifying fair trade producers for using the fairtrade label
- The World Fairtrade Organisation which is a network of leading fairtrade organisations with own peer certification
- Fair Trade USA plays an important role in America

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## What is BioTrade?

Defined as the *Activities of collection, production, transformation, and commercialization of products & services derived from biodiversity under the criteria of environmental, social and economic sustainability*

- Launched in 1996 promoting sustainable use of biodiversity in line with CBD and other international policy objectives. (i.e.: CITES, RAMSAR)
- 7 Principles reflect issues in international law and policy:
  - [Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits](#) derived from Utilization of biodiversity, t
  - [The 2030 Agenda for Sustainable Development, the Paris Agreement to the United Nations Framework Convention on Climate Change](#)
- UNCTAD BioTrade Principles and Criteria, used as basis for policies, projects and guidelines in sectors from ecotourism and personal care to handicrafts and ornamental flora

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**BioTRADE**  
initiative



PARIS2015  
COP21-CMP11



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## SDGs and Sustainable Tourism

- Tourism has been included as SDG targets in Goals 8, 12 and 14 on inclusive and sustainable economic growth, sustainable consumption and production and the sustainable use of oceans and marine resources.



1

- The Global Sustainable Tourism Council (GSTC) is managing the GSTC Criteria, global standards for sustainable travel and tourism; as well as providing international accreditation for sustainable tourism Certification Bodies.



2

3

- ISO 21401: specifies the environmental, social and economic requirements for implementing a sustainability management system in tourist accommodation

