Upscaling the impact of sustainability certification initiatives

Enabling conditions and policy recommendations for regional development

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Yuca Waarts
Lucas Judge
Johan Brons (PBL)
Marieke de Ruyter de Wildt

With contributions from:
Verina Ingram

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Waarts, Y., L. Judge, J. Brons (PBL) and M. de Ruyter de Wildt

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Orders
+31 70 3358330
publicatie.lei@wur.nl
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Contents

Preface

The past decade has seen a sharp rise in initiatives to make supply chains more sustainable, most of which focus on certifying individual farmers or producer groups based on sustainability standards. Considering the substantial investments in and expectations of sustainability certification, still little is known about how these initiatives impact on the production side of value chains, on smallholders' livelihoods and their communities.

In the past year, PBL (Netherlands Environmental Assessment Agency) has conducted research on certified sustainable value chains, analysing: i) market shares for certified sustainable wood, palm oil, soy, fish, cocoa and coffee; ii) whether sustainability certification contributes to an improvement in environmental and socio-economic development. This research leads to conclusions in origin countries; iii) the role of the Dutch government in the initiatives; iv) whether there are barriers to further sustainable supply chain development leading to conclusions on which actions can be undertaken by the Dutch government and supply chain actors to stimulate sustainability in supply chains, in the Netherlands and in origin countries.

LEI has been asked to contribute its knowledge and experience on sustainability certification in addressing the question whether sustainability certification contributes to an improvement in environmental and socio-economic development in origin countries, which a special focus on a regional development perspective. This has resulted in the underlying report, and in a Dutch summary of the LEI research findings in the PBL report.

We would like to thank the PBL team and especially Mark van Oorschot, Johan Brons, Marcel Kok and Stefan van Esch for the discussions we had based on our research findings, as they have contributed greatly to the report.

L.C. van Staalduinen MSc
Managing Director LEI Wageningen UR

Abbreviations

FFS	Farmer Field School
FLO	Fairtrade Labelling Organisation
GAPs	Good Agricultural Practices
GO	Governmental Organisation
IGO	International Governmental Organisation
M&E	Monitoring and Evaluation
NGO	Non-Governmental Organisation
RA	Rainforest Alliance
SAN	Sustainable Agriculture Network
UTZ	UTZ Certified

Executive summary

S.1 Key findings

Sustainability certification is seen by many as an important means to make supply chains more sustainable. Even though there is some robust evidence on farm-level impacts of certification, and more studies are underway, very little information is available on regional level impacts of certification initiatives.[1] In this study, we offer recommendations to governments, businesses, standard-setting bodies and civil society organisations to help contribute to improvements in impact.

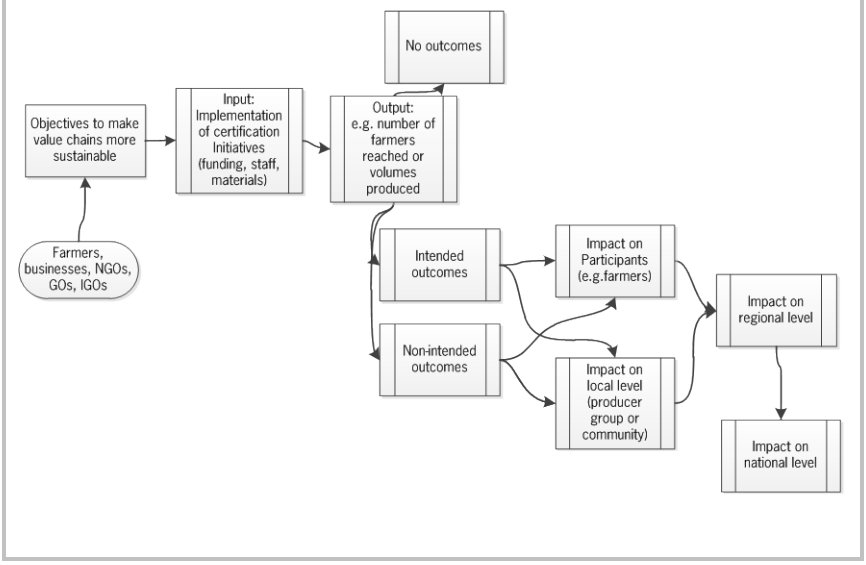
Three research questions have been addressed:

1. What impact of initiatives, positive and negative, on farm level but especially on regional level, has been documented on the environment, the society and the economy in production areas?
2. Which contextual factors and regional conditions are required or have proven instrumental for the scaling up of impact and catalysing regional impacts?
3. What can certification initiatives, governments, businesses, international organisations and NGOs do to ensure that the abovementioned conditions are created, supported and promoted?

In this study, we refer to the impacts on the regional level as impacts which result from farm-level or local level impacts. See Figure S.1, which clarifies how such regional level impacts would occur. To answer the above questions, we reviewed literature sources and conducted semi-structured interviews with stakeholders involved in coffee, cocoa, soy and palm oil supply chains.

[1] A region is defined in this study as an area with similar ecological or agro-ecological characteristics, within national boundaries.

Figure S.1 **Indicative impact logic for certification initiatives with their potential impact levels**



What is the evidence on the farm-level impact of certification initiatives?
The last decade has seen an increase in the publication of impact studies with regard to certification, and more are underway. These studies present information on the impact of initiatives on production, income, market position and access, environmental and social aspects, amongst others. The methodologies, results and conditions under which the impacts were reached (e.g. the interventions themselves, or local circumstances) varied between the studies. Although there is some evidence that certification initiatives provide benefits to farmers', workers' livelihoods and the environment, such benefits cannot be compared or generalised. Two meta-studies present information on impacts from a number of impact studies that meet the requirement of a robust methodological set-up. Based on the information in these two meta-studies, this study concludes that 54% of the studies present evidence of a positive impact on income, while 38% of the studies show that no impacts on income have been found. Eight per cent of the studies present evidence of negative effects of certification. The interviews indicated that benefits for producers have been observed but have often not been measured yet but that some robust impact studies are underway. It would be useful to draw lessons from the existing impact studies with the vari-

ous kinds of impacts to learn why certification has positive impacts in some cases, and why it does not in others.

What evidence is there concerning the regional level impacts of certification initiatives?
In our search for examples of the embedding of certification initiatives in the local (policy) environment, the expansion of initiatives and the catalysation of impacts on a regional level, we found very limited information, which we also could not easily place in a structure around these three mechanisms of upscaling. Also different definitions of scaling and upscaling are used in the literature. For analyses on upscaling processes and impacts, the intended division seems very valuable. We thus recommend researchers to take up this division in future analyses. The evidence on regional level impacts that has been found in the literature and interviews cannot be aggregated to general conclusions on impact. Interviews actually led to more information on regional or potential regional impacts than the literature. Such evidence is never rigorously constructed on a regional scale, however, and mostly related to a very specific case or situation. It is thus very difficult to generalise such findings to other situations or certification initiatives.

What are conditions for reaching impact and catalysing regional impacts?
The reviewed literature and the interviews in this study pointed to a broad need to improve the enabling environment in which producers involved in certification initiatives operate, leading to a myriad of conditions and contextual factors to be mentioned that are seen as a prerequisite for certification initiatives to lead to positive impact on farmers' livelihoods and which could also contribute to regional impact. The conditions found in this research have been divided into conditions with regard to production systems, market conditions and an enabling environment.

From an agricultural production systems perspective, financially sustainable business models of certification for farmers and certificate holders, well implemented technical assistance (extension), targeting the groups that need support the most, and access to high quality inputs such as seedlings and fertilisers were conditions for success and farm-level impact.

Market conditions that enable certification initiatives to lead to impact and potentially also to regional impact are right price settings, increased competition, producer organisations with the right size, capacity and activities, as well as higher demand for certified products and the willingness of consumers to pay something extra for certified products.

The enabling environment in which producers operate can also influence the impact of initiatives. When infrastructure, policies, laws and regulations and their enforcement, access to finance, harmonisation of standards, multistakeholder dialogue and coordinated efforts are in place, they may support the impact of certification initiatives, increasing the potential for such initiatives to lead to positive regional level impacts.

S.2 Recommendations

The literature review came up with generic recommendations to enhance the impact of certification initiatives but we have also been able to compile more concrete recommendations from the interviews applicable to a wide variety of stakeholders.

Generic recommendations on key issues that follow from this study are:

- Analyse the specific regional conditions that may potentially influence the impact of certification initiatives prior to investing in such initiatives, including analyses of who could play which role in managing such conditions. Based on such analyses, undertake actions to manage potentially hampering conditions to facilitate an improved effectiveness and (regional) impact of the initiative.
- Ensure an exchange between certification initiatives and local knowledge and extension systems (when in place) on technical production aspects so the potential impact of the activities of both types of organisations can be enhanced.
- Coordinate efforts on a landscape level to enable initiatives to reach impacts cost-effectively and conduct sustainability assessments at the landscape level to better understand impacts of certification initiatives on a regional level (specifically on the environment).
- Donor funded certification initiatives should have a clear exit strategy in which the farmers' (organisations), local enterprises and traders are provided with capacities and resources to take over the leadership role after the programme ends, building on a financially sustainable business model.
- There is much knowledge available at all kinds of organisations and businesses involved in certification initiatives which can assist others in enhancing the implementation and impact of certification initiatives, also on a regional level. Such information is often not recorded in the literature (such as journals and publicly available reports). It is thus recommended to, when possible, publicise such experiences for the benefit of other programmes.

Both the literature and interviews emphasised the important role for *governments in producing countries* in developing synergy between knowledge and technology available in national agricultural research and extension systems and the certification systems, and in improving the enabling environment. Improving the enabling environment needs to be further specified for specific components such as the financial sector, infrastructure and regulatory systems. Also governments, both from producing countries and countries investing in certification initiatives, have a role in coordinating certification initiatives in a 'landscape approach', enabling a more cost-effective implementation of certification initiatives. This also includes conducting impact assessments on a landscape i.e. regional level. Governments in producing countries can also support the creation of local markets for sustainably produced products.

Standard-setting bodies and certification initiatives, as well as donors investing in certification initiatives with public funds, have a role in disclosing information on the impact of certification initiatives throughout the value chain. They could furthermore analyse how the business case of certification can be made more cost-effective with regard to the implementation at producer level and take action when it can be improved. They also can take up requirements for trainings in their standards, to ensure high quality trainings to be offered to the farmers. Another recommendation is for standard-setting bodies to see whether they can diversify their standards or the implementation thereof and be more context specific to match the diversity of farmers in production systems, as one type of farmers needs other types of support than another type of farmer. This would include looking into how to incorporate other crops or land use in the extension activities. A final issue to be addressed is the harmonisation of standards and the coordination of the implementation of activities of various standards so that certification endeavours can become more cost-effective for farmers and certificate holders.

Civil society organisations can have a distinct role in supporting capacity development, such that primary producers will be able to better cooperate with traders, enterprises and local governments. In doing so, they can also exploit or develop opportunities of synergy between certification initiatives and regional development efforts.

The business community has a role in structuring the market for certified products, and in how standards are communicated to producers and consumers. An increase in the demand of businesses for certified produce may decrease the gap between certified volumes produced and volumes sold as certified, but only when required qualities can be produced and supplied. Businesses can provide farmers with technical input and expertise, by way of work-

shops, trainings and other in-kind services, or organisational advice, and establish preferred supplier agreements. Finally, businesses can disclose information on the business case of certification throughout the supply chain, to help ascertain whether and how standards and the implementation of certification initiatives can be enhanced.

The Dutch government can pay increased attention to bilateral and multilateral development cooperation efforts to improve extension services to farmers, covering multiple crops or land uses, as well as crop-specific research in producing countries. They can also support governments in producing countries to enhance labour legislation and spatial planning and land tenure regulations. Also, the Dutch government can support a landscape level approach to be implemented to enhance the cost-effectiveness of certification initiatives as well as impact measurement on a landscape level.

Contributing to sustainable value chain development in a production region is too complicated for a single foreign country on its own. It is important to develop coalitions or networks that can support national governments or that can represent specific stakeholder groups such as primary producers, citizens or enterprises in such a way as to maximise the impact. The Dutch government can act as a facilitator, encouraging cooperation and perhaps provide the resources for such cooperation to take place. We do need to note here that we know that such activities have already been undertaken by the Dutch government. But according to the respondents in this study, such activities could be enhanced.

S.3 Methodology

This study is based on a qualitative analysis of information from i) a review of available literature and ii) a set of semi-structured interviews with experts in the field of certification and roundtables from business, NGOs, the Dutch government and research institutes. This approach was chosen in an attempt to provide a balanced view of the issues involved, taking into account emerging, hence unpublished, opinions and the latest expert knowledge of local conditions as well as progress and impacts of certification initiatives.

Samenvatting

Opschalen van de impact van duurzaamheidscertificering; voorwaarden en beleidsaanbevelingen voor regionale ontwikkeling

S.1 Belangrijkste bevindingen

Duurzaamheidscertificering wordt door velen beschouwd als een belangrijk middel om ketens te verduurzamen. Hoewel er enig solide bewijs is van de effecten van certificering op het niveau van afzonderlijke boeren in ontwikkelingslanden en binnenkort nog meer studies uitkomen, is er nog maar weinig informatie beschikbaar over het effect van certificeringsinitiatieven op regionaal niveau.[1] Om bij te dragen aan verbeteringen van certificeringsinitiatieven doen wij in deze studie een aantal aanbevelingen aan regeringen, bedrijven, organisaties die standaarden ontwikkelen/beheren en maatschappelijke organisaties.

Er zullen drie onderzoeksvragen worden behandeld:

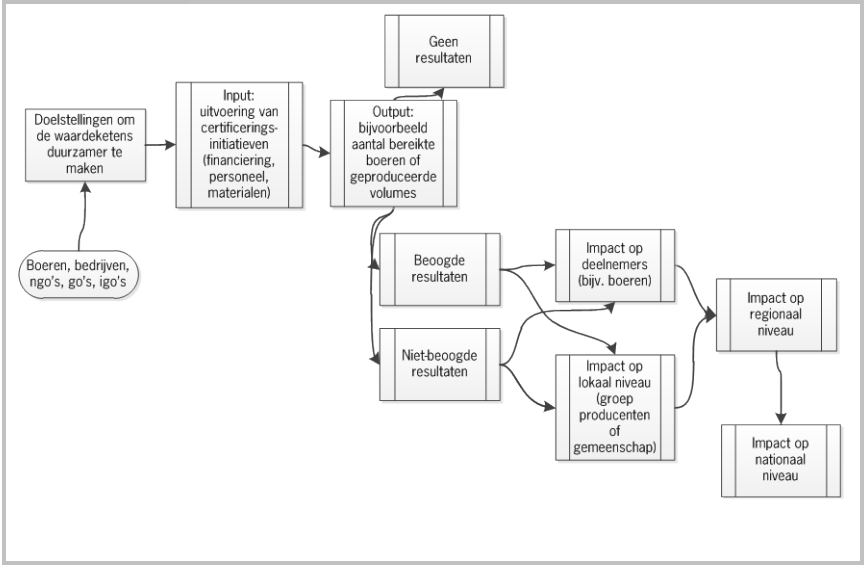
1. Welke effecten van initiatieven, positief dan wel negatief, op bedrijfsniveau, maar met name op regionaal niveau, zijn tot op heden gedocumenteerd ten aanzien van het milieu, de samenleving en de economie in productiegebieden?
2. Welke contextuele factoren en regionale factoren zijn vereist of zijn van nut gebleken voor het opschalen van effecten en het katalyseren van regionale effecten?
3. Wat kunnen regeringen, bedrijven, internationale organisaties en ngo's doen om te zorgen dat de hierboven genoemde voorwaarden worden gecreëerd, ondersteund en bevorderd en hoe kunnen certificeringsinitiatieven daaraan bijdragen?

In deze studie verwijzen wij naar de effecten op regionaal niveau als effecten die voortvloeien uit effecten op boeren- of lokaal niveau. Zie figuur S.1, waarin wordt weergegeven hoe dergelijke effecten op regionaal niveau kunnen ontstaan. Om een antwoord te vinden op bovenstaande vragen, hebben we een li-

[1] In deze studie verstaan wij onder een regio een gebied met vergelijkbare ecologische of agro-ecologische kenmerken, gelegen binnen de grenzen van één land.

teratuuronderzoek gedaan en semigestructureerde interviews afgenomen van belanghebbenden in de koffie-, cacao-, soja- en palmolieketen.

Figuur S.1 **Indicatieve impactlogica voor certificeringsinitiatieven met hun potentiële impactniveaus**



Welk bewijs is er van de impact van certificeringsinitiatieven op boerenniveau?
De laatste tien jaar worden er steeds meer impactstudies gepubliceerd over certificeringsinitiatieven. Daarnaast is er ook een groot aantal studies in de maak. Deze studies leveren informatie op over de impact van initiatieven op onder andere productie, inkomsten, marktpositie en -toegang, en milieu- en maatschappelijke aspecten. De methoden, resultaten en voorwaarden waaronder deze effecten tot stand kwamen (bijvoorbeeld de maatregelen zelf of de plaatselijke omstandigheden) verschillen per studie. Hoewel er aanwijzingen zijn dat certificeringsinitiatieven voordelen kunnen bieden voor het levensonderhoud van boeren en arbeiders en voor het milieu, kunnen deze voordelen niet onderling worden vergeleken of gegeneraliseerd. Er zijn twee metastudies die informatie bieden over de effecten, op basis van een aantal impactstudies die voldoen aan het vereiste van een solide methodologische opzet. Op basis van de informatie van deze twee metastudies concluderen wij in deze studie dat 54% van de studies aanwijzingen bevat van een positieve impact op de inkomsten, terwijl 38% van de studies aantoont dat er geen impact kan worden geconstateerd. Acht

procent van de studies wijst zelfs op een negatieve impact van certificering. Uit de interviews blijkt dat er wel voordelen voor boeren worden waargenomen, maar dat die vaak niet zijn gemeten. Er is echter een aantal solide studies in de maak. Het zou nuttig zijn als we lessen zouden kunnen trekken uit de bestaande impactstudies en de diverse effecten die daarin worden beschreven. Zo zouden we te weten kunnen komen waarom certificering in sommige gevallen een positief effect heeft en in andere gevallen juist niet.

Welke bewijzen zijn er van de impact van certificeringsinitiatieven op regionaal niveau?

In onze zoektocht naar voorbeelden van de verankering van certificeringsinitiatieven in de plaatselijke (beleids)omgeving, de expansie van initiatieven en het katalyserende effect op regionaal niveau hebben we maar zeer beperkte informatie gevonden die ook niet zo gemakkelijk te plaatsen is in een structuur rond deze drie opschalingsmechanismen. Ook worden er in de literatuur verschillende definities gehanteerd van schalen en opschalen. Voor analyses van de opschalingsprocessen en de effecten daarvan lijkt de beoogde verdeling erg waardevol. Daarom raden wij onderzoekers aan deze verdeling ook bij toekomstige onderzoeken te hanteren. Het bewijs voor effecten op regionaal niveau dat is teruggevonden in de literatuur en de interviews kan niet leiden tot algemene conclusies over de impact. De interviews hebben meer informatie over de (potentiële) effecten op regionaal niveau opgeleverd dan de literatuur. Dergelijk bewijs is echter nooit zorgvuldig gemeten op regionale schaal en is vaak gerelateerd aan een zeer specifiek geval of zeer specifieke situatie. Het is daarom zeer moeilijk om op basis van deze bevindingen algemene conclusies te trekken die van toepassing zijn op andere situaties en certificeringsinitiatieven.

Wat zijn de voorwaarden voor het bereiken van impact en het katalyseren van regionale effecten?

De geraadpleegde literatuur en de interviews in het kader van dit onderzoek wijzen op een brede behoefte aan verbetering van de lokale omstandigheden waarin de bij certificeringsinitiatieven betrokken boeren opereren. Dit leidt tot een grote hoeveelheid voorwaarden en contextuele factoren die nodig zijn om te zorgen dat certificeringsinitiatieven ook echt een positief effect hebben op het levensonderhoud van boeren en die ook kunnen bijdragen aan regionale impact. De in dit onderzoek genoemde voorwaarden zijn verdeeld in voorwaarden met betrekking tot productiesystemen, marktcondities en de 'enabling environment', de lokale context waarbinnen activiteiten plaatsvinden.

Vanuit het oogpunt van landbouwproductiesystemen zijn voorwaarden voor succes en impact op boerenniveau onder meer financieel duurzame bedrijfsmodellen van certificering voor boeren en certificaathouders, goed uitgevoerde technische ondersteuning (voorlichting), gericht op de groepen die dit het meest nodig hebben, en toegang tot hoogwaardige inputs, zoals zaailingen en kunstmest.

Marktcondities waardoor certificeringsinitiatieven kunnen leiden tot positieve effecten en mogelijk ook tot impact op regionaal niveau zijn een juiste prijsstelling, meer concurrentie, boerenorganisaties van de juiste omvang, met de juiste capaciteit en met de juiste activiteiten, evenals een grotere vraag naar gecertificeerde producten en de bereidheid van de consument iets extra's te betalen voor gecertificeerde producten.

Ook de 'enabling environment', de context waarbinnen boeren opereren, kan de impact van de initiatieven beïnvloeden. Als infrastructuur, beleidsmaatregelen, wet- en regelgeving en de handhaving daarvan, toegang tot financiering, harmonisatie van standaarden, een dialoog tussen alle belanghebbenden en gecoördineerde inspanningen van toepassing zijn, kan dit de impact van certificeringsinitiatieven bevorderen. Deze initiatieven kunnen dan in potentie leiden tot een positieve impact op regionaal niveau.

S.2 Aanbevelingen

Het literatuuronderzoek leverde een aantal algemene aanbevelingen op om de impact van certificeringsinitiatieven te vergroten. We kunnen echter ook enkele concretere aanbevelingen geven op basis van de interviews die betrekking hebben op individuele ketenpartijen.

De belangrijkste algemene aanbevelingen zijn:

- Onderzoek voordat wordt overgegaan tot investeren in certificeringsinitiatieven eerst de specifieke regionale omstandigheden die in potentie van invloed kunnen zijn op de impact van certificeringsinitiatieven, waaronder de vraag wie welke rol kan spelen bij het scheppen van de juiste voorwaarden voor succes. Neem op basis van dat onderzoek maatregelen om de potentieel belemmerende omstandigheden weg te nemen om een grotere doelmatigheid en (regionale) impact van het initiatief te bevorderen.
- Zorg voor uitwisseling tussen de certificeringsinitiatieven en de lokale kennis- en voorlichtingssystemen (indien aanwezig) ten aanzien van technische productieaspecten, zodat de potentiële impact van de activiteiten van beide soorten organisaties kan worden verbeterd.

- Coördineer de inspanningen op landschapsniveau om zo te zorgen dat initiatieven op een kosteneffectieve manier hun effecten bereiken en verricht impactmetingen om meer inzicht te krijgen in het effect van certificeringsinitiatieven op regionaal niveau (in het bijzonder ten aanzien van het milieu).
- Door donors gefinancierde certificeringsinitiatieven moeten voorzien zijn van een duidelijke exitstrategie die boeren(organisaties) en handelaars mogelijkheden en middelen biedt om de leiderschapsrol over te nemen nadat het programma is voltooid, voortbouwend op een financieel duurzaam bedrijfsmodel.
- Er is veel kennis beschikbaar bij allerlei soorten organisaties en bedrijven die betrokken zijn bij certificeringsinitiatieven die andere kunnen ondersteunen bij het verbeteren van de uitvoering en het effect van de certificeringsinitiatieven, ook op regionaal niveau. Dergelijke informatie wordt vaak niet vastgelegd in de literatuur (zoals tijdschriften en algemeen beschikbare rapporten). Daarom wordt aanbevolen om dergelijke ervaringen zo veel mogelijk te publiceren ten behoeve van andere programma's.

Zowel uit de literatuur als de interviews komt naar voren dat *regeringen van producerende landen* een cruciale rol spelen bij de ontwikkeling van synergie tussen de in de nationale landbouwonderzoeks- en voorlichtingssystemen beschikbare kennis en technologie en de certificeringssystemen, en bij de verbetering van de 'enabling environment'. Het verbeteren van de 'enabling environment' moet nader worden gespecificeerd voor specifieke componenten zoals de financiële sector, infrastructuur en regelgevingssystemen. Ook regeringen, zowel van de producerende landen als van de landen die investeren in certificeringsinitiatieven, spelen een rol bij het coördineren van deze initiatieven tot een 'landschapsbenadering', om zo een kosteneffectieve uitvoering van certificeringsinitiatieven mogelijk te maken. Dit omvat ook het verrichten van impactmetingen op landschapsniveau, dat wil zeggen op regionaal niveau. Regeringen in producerende landen kunnen ook de ontwikkeling van lokale markten voor gecertificeerde producten ondersteunen.

Organisaties die standaarden ontwikkelen/beheren en certificeringsinitiatieven, evenals donoren die investeren in certificeringsinitiatieven met publieke middelen, spelen een rol bij het bekendmaken van informatie over het effect van certificeringsinitiatieven voor de hele keten. Zij zouden bovendien kunnen onderzoeken hoe de 'business case' voor certificering kosteneffectiever kan worden gemaakt ten aanzien van de uitvoering op boerenniveau en zouden waar nodig actie kunnen ondernemen. Ook zouden ze in hun standaarden vereisten voor

training kunnen opnemen, om zo te zorgen dat er trainingen van goede kwaliteit aan boeren worden geboden. Een andere aanbeveling voor organisaties die standaarden ontwikkelen/beheren, is om te kijken of zij hun standaarden of de uitvoering daarvan kunnen diversifiëren en contextspecifieker kunnen maken. Zo kan tegemoet worden gekomen aan de diversiteit van boeren binnen productiesystemen, aangezien de ene boer andere vormen van ondersteuning nodig heeft dan de andere. Daarbij moet onder andere worden gekeken hoe overige gewassen of vormen van landgebruik kunnen worden opgenomen in de voorlichtingsactiviteiten. Een laatste punt dat moet worden aangepakt, is de harmonisatie van standaarden en de coördinatie van de uitvoering van activiteiten van diverse standaarden. Op deze manier kunnen de certificeringsinspanningen kosteneffectiever worden gemaakt voor boeren en certificaathouders.

Maatschappelijke organisaties kunnen een belangrijke rol spelen bij de ondersteuning van capaciteitsontwikkeling. Boeren kunnen dan beter samenwerken met handelaars, bedrijven en lokale overheden. Op deze manier kunnen er nieuwe mogelijkheden of synergieën tussen certificeringsinitiatieven en regionale ontwikkelingsinspanningen worden aangewend of ontwikkeld.

Bedrijven kunnen een rol spelen bij het structureren van de markt voor gecertificeerde producten en bij de vraag hoe standaarden moeten worden gecommuniceerd aan boeren en consumenten. Door een toename in de vraag vanuit bedrijven naar gecertificeerde producten kan de kloof tussen geproduceerde gecertificeerde volumes en volumes die verkocht worden als gecertificeerd, worden verkleind. Dit lukt echter alleen als de vereiste kwaliteit kan worden geproduceerd en geleverd. Bedrijven kunnen boeren voorzien van technische kennis en vaardigheden door middel van workshops, trainingen en het leveren van andere diensten, of van organisatorisch advies en zij kunnen boeren met wie ze werken voorkeursleveranciers maken. Tot slot kunnen bedrijven informatie bekendmaken over de business case voor certificering in de hele keten. Zo kan mede worden vastgesteld of en hoe de standaarden en de uitvoering van certificeringsinitiatieven kunnen worden verbeterd.

De *Nederlandse regering* kan meer aandacht besteden aan bilaterale en multilaterale ontwikkelingssamenwerking om voorlichting aan boeren te verbeteren. Dit met betrekking tot meerdere types gewassen en vormen van landgebruik, en gewasspecifiek onderzoek. Ook kunnen regeringen in producerende landen worden geholpen de arbeidswetgeving en de regelgeving inzake ruimtelijke ordening en grondbezit te verbeteren. Ook kan de Nederlandse regering de invoering van een benadering op landschapsniveau ondersteunen ter verbetering van de kosteneffectiviteit van certificeringsinitiatieven en impactmetingen op landschapsniveau.

Bijdragen aan duurzame ketenontwikkeling van internationale grondstofketens is voor een enkel land te gecompliceerd. Het is van belang om coalities of netwerken te ontwikkelen die nationale regeringen ondersteunen of die specifieke groepen van belanghebbenden, zoals boeren, burgers of bedrijven, op dusdanige wijze vertegenwoordigen dat de impact kan worden geoptimaliseerd. De Nederlandse regering kan optreden als facilitator, samenwerking stimuleren en eventueel de middelen voor een dergelijke samenwerking verstrekken. We moeten wel vermelden dat we weten dat dergelijke activiteiten al door de Nederlandse regering worden ondernomen. Volgens de respondenten van ons onderzoek zijn deze activiteiten echter voor versterking vatbaar.

S.3 Methode

Deze studie is gebaseerd op een kwalitatieve analyse van informatie uit i) een literatuuronderzoek, en ii) een reeks semigestructureerde interviews met experts op het vlak van certificering en rondetafelgesprekken, afkomstig van bedrijven, ngo's, de Nederlandse regering en onderzoeksinstituten. Deze benadering is gekozen met als doel een evenwichtig beeld te geven van de desbetreffende kwesties, rekening houdend met opkomende, en daarom nog niet gepubliceerde, opvattingen en de recentste expertise inzake lokale omstandigheden, en de voortgang en impact van certificeringsinitiatieven.

1 Introduction

1.1 Background

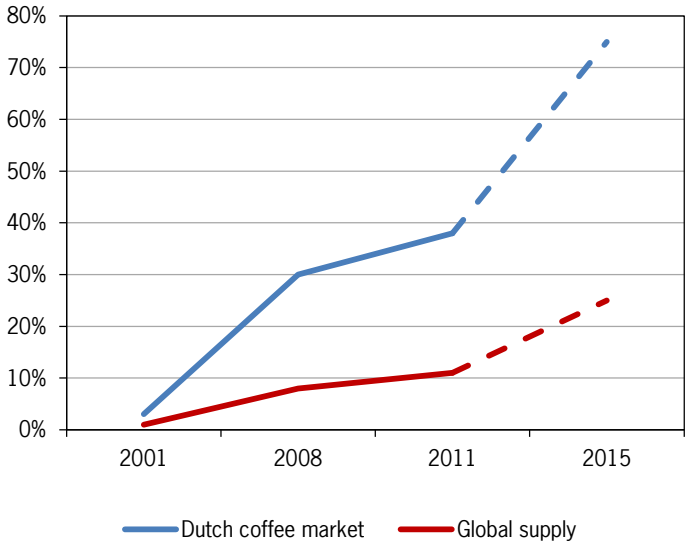
The past decade has seen a sharp rise in voluntary initiatives promoting improvements in the level of sustainability of global value chains.

This study focuses on sustainable value chain initiatives in which standard setting and auditing for certification takes place. Examples are UTZ Certified for coffee, tea and cocoa, the Forest Stewardship Council (FSC) for timber, the Marine Stewardship Council (MSC) for fish, Rainforest Alliance for a range of agriculture products and forestry and Fairtrade for a variety of agricultural crops, but also gold and beauty products. Roundtables are also included in this report as certification initiatives. Even though they are multi-actor driven, identify sector-specific sustainability challenges and set and promote standards across chain actors, they also include a certification process and auditing procedures. Examples are the RTRS in soy, the RSB in biofuels and the RSPO in palm oil. As both types of initiatives are often related, but not always, this study speaks of certification initiatives meaning sustainable value chain interventions that aim for improvements in sustainability through standard setting and the certification of production practices that abide to those standards.

Certification initiatives bring together interests of companies, NGOs and government. NGOs have been a key driving force in the agendas of roundtables and typically negotiate for the stakes of smallholders and marginalised groups. Many NGOs finance and deliver programmes that support smallholders' compliance to sustainability standards, promoting certification as a tool for improved smallholders' livelihoods. Companies like Unilever, Mars and DE Master Blenders 1753 have recently committed their brands to more sustainable sourcing. Consequently, volumes of certified produce are increasing. Many companies actively support and engage with certification initiatives. Governments have also invested heavily in programmes that promote such initiatives. The Dutch Ministry of Economic Affairs for instance invested roughly €1m in the development of the RTRS.[1] As illustrated in Figure 1.1 for coffee, these initiatives jointly impact global value chains and shares of certified sustainable produce are on the increase in trade data.

[1] Based on an interview with Frederik Vossenaar, Netherlands Ministry of Economic Affairs.

Figure 1.1 **Market share of certified sustainable coffee (Kuit, 2013)**



Considering the substantial investments and expectations, still little is known about how these initiatives impact on the production side of value chains, on smallholders' livelihoods and their communities (Blackman and Rivera, 2010; Kessler et al, 2012; Blackmore et al., 2012, ITC, 2011); Steering Committee of the State-of-Knowledge Assessment of Standards and Certification, 2012. This study takes stock of the existing impact evidence as well as information on conditions that are required to scale up certification initiatives, potentially leading to positive impacts at a regional level.

1.2 Aim of this study

This study seeks to explore whether there is evidence on the regional impact of certification initiatives and which conditions occur for reaching regional level impact through certification initiatives. Subsequently this study develops recommendations to enhance regional impacts of certification initiatives. It therefore focuses on the regional dimension of impact, and on the contextual conditions that enable upscaling of impact.

1.3 Research questions

Three research questions are addressed:

1. *Impact*: what impact of initiatives, positive and negative, on farm level but especially on regional level, has been documented on the environment, the society and the economy in production areas?
2. *Conditions for upscaling impact*: which contextual factors and regional conditions[1] are required or have proven instrumental for the scaling up of impact and catalysing regional impacts?
3. *Policy recommendations*: what can certification initiatives, governments, businesses, international organisations and NGOs do to ensure that the abovementioned conditions are created, supported and promoted?

1.4 Outline of this report

Chapter two presents the analytical framework and research methodology. Chapter three discusses the results of the literature review, while chapter four addresses the information gathered from interviews. Chapter five presents conclusions and recommendations for specific stakeholders.

[1] Definition of regional in this study: ecological and agro-ecological level or landscape level, within national boundaries.

2 Methodology

2.1 Introduction

This chapter presents the analytical framework, the research methodology and explains how data were analysed and validated. The analytical framework sets out how certification initiatives are understood within the current Dutch policy, what the impact is and why policy recommendations are needed.

2.2 Analytical framework

2.2.1 Certification initiatives in Dutch policy

Certification initiatives as defined in this study are a central part of 'private sector development' for the Dutch Ministry of Foreign Affairs (DGIS), and of 'sustainable chain development' for the Dutch Ministry of Economic Affairs (EZ). Private sector development recognises that sustainable value chain development on the one hand relies on an enabling environment (Ministry of Foreign Affairs, 2011) and, on the other hand, may function as an engine of growth. Certification initiatives are a fundamental component of the Dutch policy that aims to influence the global sustainability agenda (EL&I, 2009). The Dutch government's strategy is that

> 'government efforts will reflect the government's vision on improving sustainability of production methods and processes world-wide and will run along the five lines outlined in the policy letter on agriculture, rural activities and food security.'

These five intervention areas are:

1. 'Improving productivity: research and locally applicable innovations remain necessary to improve productivity in developing countries, particularly in Africa. Farmers can then respond to growing demand with higher production. Special attention will be given to smallholder farmers with limited access to land. They must be able to benefit from innovations that lead to higher productivity.

2. Enabling environment: the private sector has to take the action, but government has to play a central role, defining the frameworks and investing in public services and institutions. Representative bodies such as the farmers' associations and labour and employers' organisations, can provide the necessary checks and balances.
3. Sustainable chain development: improving the chain and its sustainability - production, trade, processing and consumption - with attention to people, planet and profit.
4. Better market access: stimulating local and regional markets and promoting international market access and trade so that producers and consumers are linked together and market incentives can serve as a guide for economic development.
5. Food security and transfer mechanisms: attention needs to be paid to vulnerable groups who are already affected by or in danger of structural exclusion'.

This study has a focus on voluntary sustainable value chain initiatives that result in product certificates: Fairtrade, UTZ Certified, Rainforest Alliance, RTRS and RSPO and specifically for the products coffee, cocoa, soy and palm oil. The considered certificates have a different scope and different systems of implementation and differ also in history and available evidence on impacts and upscaling. Fairtrade and Rainforest Alliance have the longest history and therefore it is expected that most of the literature concerns these initiatives. Likewise, in particular for these initiatives, information on broader regional level development impact may be expected to have appeared. For the more recent initiatives of RSPO and RTRS, we expect that much less information is available.

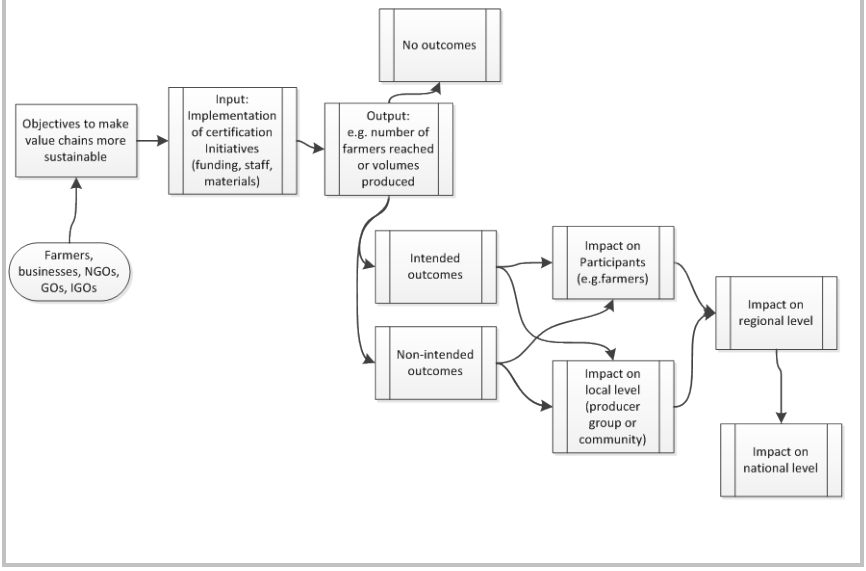
2.2.2 From input to impact to regional impact

Certification initiatives aim to realise outcomes that improve societal and environmental aspects of farmers' and workers' livelihoods. The coverage of current principles and criteria of the certification initiatives reflect the desired impacts. An inventory of the coverage and stringency per initiative is provided by Potts et al. (2010) (see Appendix 1).

At the implementation level, the input and output of certification initiatives depends on and may contribute to the enabling environment, for instance with regard to education and extension systems and contract security. Such initiatives, and/or the potential impacts generated by them, may thus function as engines of growth for regional development.

Private sector initiatives that are supported by the Dutch government report in the format of a result chain that includes input, output, outcome and impact (Ministry of Foreign Affairs, 2011). Capturing wider changes in the system or market can be done by applying the 'DCED standard for measuring achievements in private sector development' (DCED, 2013). In this study, the information found will be presented as much as possible according to these reporting elements (see Figure 2.01).

Figure 2.1 **Indicative impact logic for certification initiatives with their potential impact levels**



2.2.3 Impact areas of initiatives

This study considers three areas of impact through which certification initiatives may influence the wider environment and society, based on information found in the literature. These are:

1. improved outcomes with regard to production aspects at farm level;
2. improved market conditions; and
3. an improved enabling environment.

While certification initiatives seek to improve the first two areas, and could improve the third, the impact and possibility for upscaling of the initiatives depend in part on the enabling environment and whether or not the initiatives are embedded in it. More so, the enabling environment determines the processes for upscaling and translation of initiatives at the regional level. Embedding and expansion of certification initiatives to catalyse regional impacts are processes in which various actors participate. These stakeholders are comprised of direct stakeholders such as producers, but also processing companies, traders, commodity boards and governmental agencies such as municipalities, agricultural and environmental ministries.

2.2.4 Processes in upscaling impacts

Scaling and upscaling have various definitions in the literature. Recent literature describes two types of upscaling: i) replicating successful pilots on a larger scale (increased volumes or number of participants) while 'the principles of the piloted intervention remain intact' (Helmsing and Vellema, 2011); ii) Van Tilburg et al. (2011) describe 'a systems view of upscaling in the sense that the initiative is both extended and multiplied and becomes a source for sustainable and system-wide impact' and that upscaling in this sense 'involves other actors and requires higher levels of connectivity and coordination'.

The specific context of scaling on which this report focuses is the scaling of successful certification initiatives for benefits at a regional level and thus can apply to both types of upscaling. This 'working' understanding of scaling is sufficient for the purposes of this report. However, the authors kindly direct the reader to the literature for further information (the sources mentioned above and Seelos and Mair, 2010). General conclusions on upscaling are presented by Woodhill et al. (2012) on upscaling endeavours: i) scaling up requires specific and explicit effort as what works successfully on a small scale will not necessarily work on a larger scale; ii) scaling up can occur in a number of different ways and iii) scaling up is not simply about copying success, it is also about enabling high levels of innovation, experimentation and feedback.

This research tries to find evidence on three different dimensions of upscaling the impact of certification initiatives:

- Embedding the initiative within the enabling environment;
- Expansion of the initiative; and
- The catalysation of impact on a regional level.

Embedding concerns a positive influence of the certification initiative on the enabling environment and vice versa while expansion refers to increasing effects with regard to volume produced or numbers of actors involved in the initiative, for example smallholders.

We assume there are critical factors for the implementation and success of certification initiatives, leading to an impact at a regional level. Such critical success factors are explored in this study.

2.2.5 Policy options

In terms of enhanced production, improved market conditions and a supportive enabling environment, stakeholders play different roles in establishing and upscaling impact, in contributing to more sustainable value chains. What these different roles are, however, and who could best fulfil these, is the central subject of this study. This study seeks to draw conclusions and recommendations for different roles (policies) based on current knowledge, geared towards creating the required enabling environment to catalyse regional level impact or ensure that results of certification initiatives are maintained over the long term.

Roles are often fulfilled in interaction. Scaling up certification initiatives, to reach regional level impacts, depends on various types of actions and roles fulfilled by different actors, and the synergy that evolves.

2.3 Research methodology

This study is based on a qualitative analysis consisting of i) a review of available literature and ii) a set of semi-structured interviews with academics and experts in the field of certification, roundtables and commodity value chains. This approach was chosen to provide a balanced view of the issues involved, taking into account emerging, hence unpublished, experience and the latest expert knowledge of local conditions.

2.3.1 Literature review

The literature review was primarily conducted using Scopus, a multidisciplinary abstract and citation database, accessed via the Wageningen UR digital library. This was done as systematically as possible to provide the study with a trans-

parent and reproducible approach.[1] Additional sources of information were located by a general Internet search and some documentation was already known to participating LEI and PBL staff.

After the completion of the initial Scopus search, through a process of elimination, the relevance of each of the references was assessed. In support of the goals of the study, no reference types were discriminated against. The elimination process resulted in a final list of publications that includes articles and reports from peer-reviewed journals, government departments, research organisations as well as information distributed by various producer organisations and certification initiatives themselves.

2.3.2 Interviews and expert consultation

During the introductory phase of the research, several experts were consulted to scope the important themes of interaction between certification initiatives and the enabling environment.

Interviews were held with 13 experts and/or professionals implementing certification programmes to validate the findings of the literature review and to solicit examples and evidence of embedding, expansion, and the impact of certification initiatives. The interview round participants include representatives from the business community, NGOs, knowledge institutes and governmental organisations. The list of respondents is presented in Appendix 2. The interviews were designed as semi-structured discussions,[2] whereby an explanation of the project's scope and objective was followed by a guided discussion on the project's specific areas of interest. In most cases the interviews led to additional sources of information to be collected (documents, other resource persons) and reviewed.

2.3.3 Data analysis and validation

Data were analysed in a qualitative way, using the analytical framework for categorisation. The information from interviews was critically reviewed with regard to objective statements, facts and opinions, to ensure that factual and credible evidence on the issues at hand is presented in this report. The way in which this was operationalised was for instance that when a person indicated a non-documented impact on regional level, he or she was asked to specify the re-

[1] A glossary of search terms and preliminary results are available upon request.
[2] The interview protocol is available upon request.

sults chain to indicate how the regional level impact would have been reached through the certification or roundtable initiative.

3 Literature review

3.1 Introduction

The current debate about certification initiatives discusses benefits for producers and producer organisations, market conditions and about the enabling environment, the context required for initiatives to be successful. While the literature reviewed does not focus specifically on the upscaling of initiatives for regional level impact, some examples were found and the discussions taking place do offer useful insights into how upscaling may be achieved.

It should be noted that most studies found specifically refer to Fairtrade certification and coffee certification, while hardly any information relevant for this study has been found on roundtables.

The results of the literature review will be presented as follows. Section 3.2 will give a brief overview of the discussion about the benefits of certification at the level of producers and producer organisations while Section 3.3 presents regional level impacts found in the literature. Section 3.4 will discuss the mechanisms expected to leverage upscaling of impacts to the regional level. Section 3.5 will look at the limitations and constraints that can prevent the realisation of this upscaling from occurring. Section 3.6 concludes.

3.2 Benefits for producers and producer organisations

The literature reviewed for this study mainly focuses on assessing the impact of certification at the level of producers and producer organisations. Most research found is based on qualitative case studies although more and more quantitative studies have been published in the last few years. Results are mixed. Reporting focuses on three areas: production and income, market aspects and the institutional environment (including governance).

3.2.1 Production and income

Studies report a mixed effect of certification on productivity, product quality, farm management and income levels. In northern Nicaragua for example, Fair Trade provides better prices compared with the average market price, but private-labels out-compete Fair Trade in terms of yield and quality performance

(Ruben, 2011). In Peru on the other hand, the price difference between conventional and Fair Trade coffee is limited, but Fair Trade farmers invest more in their farms compared with conventional farmers (Ruben and Fort, 2012). In his 2011 paper, Millard considers standards and certification systems as drivers of the commitment to promote profitable operations, environmental conservation and social responsibility throughout the coffee and cocoa value chains. He cites a study by Krain et al. (2011) that provides evidence that rainforest alliance (RA) certified cocoa farmers in Ivory Coast have increased their productivity by 30%. It is mentioned however that this increase may not solely be a result of certification but may also result from the training farmers received in integrated crop and pest management, pruning of trees, seedling nurseries, and agroforestry (Millard 2011). In a comparison between Fair Trade producers and a non-Fair Trade control group in Ecuador, Ruben (2008) demonstrates a positive influence of Fair Trade certification on banana yields, labour and land productivity, which is translated into higher household income.

In their study on the effect of certification on coffee growers in Nicaragua, Beuchelt and Zeller (2011) mention several studies conducted during the last worldwide coffee crisis (1998/99-2002/03) that support the promotion of certification schemes and show that organic and Fair Trade coffee markets tend to offer higher prices than the conventional market (see Bacon, 2005; Daviron and Ponte, 2005; Lewin et al., 2004; Utting-Chamorro, 2005). While their own research also saw higher prices for certified coffee, Beuchelt and Zeller (2011) concluded that the 'profitability of certified coffee production and its subsequent effect on poverty reduction is not clear-cut', and said:

> 'Our study shows that higher farm-gate prices do not lead necessarily to higher per capita net coffee income, as yield levels, production costs, family and land size, as well as labour availability play important roles.'

It is therefore not surprising that certification programmes struggle to demonstrate consistent results, as there is great contextual variety of production systems (Auld, 2010).

A few meta-studies have been conducted to find evidence of the impact of certification. In table 3.1 (see page 35), an overview is presented of the results of four meta-studies on economic effects and net income, indicating the number of examined studies that indicate positive, neutral or negative impacts. Also, the overview presents information on methodological shortcomings of some of the examined studies. Given the methodological shortcomings of the studies presented in Chan and Pound (2009) and Nelson and Pound (2009), we assume

that the studies of Blackman and Rivera (2010) and ITC (2011) provide the most objective information about the actually achieved impact on the economic situation of certified producers. Based on these two studies, we conclude that in 54% of the studies evidence has been found for a positive impact on income, and that in 38% of the studies no effects on income have been observed. Eight per cent of the studies present evidence of negative effects of certification.

3.2.2 Market conditions

It is claimed that certification provides participants with access to new markets (TCC, 2011). While there have been cases where certification has led to a broad improvement in the market position of producers this is hard to formally establish. Laroche and Guittard (2009) discuss six case studies from Latin America and suggest that an improvement in market position resulting from certification led to substantial improvements in socioeconomic conditions. They write that 'Fair Trade certification indirectly contributes to the reorganisation of the local or even national market by allowing producers to access the export market at better prices'. Nelson and Pound (2009) mention nine cases where 'involvement in Fair Trade, because of its capacity-building activities, has increased access to new export markets'. Parrish et al. (2005) examine Fair Trade certification in Tanzania. They see it as a market-based intervention and conclude that it yields potentially valuable results for smallholders stating that

> 'its strengths are its ability to channel global market forces to increase financial flows to producer organisations and to see those financial resources reinvested in multiple forms at local level. It effectively connects smallholder organisations to global market actors and is distinguished by its ability to influence the institutionalisation of these relationships.'

Table 3.1	Overview of impacts of certification on economic impacts such as net income				
Source	**Number of studies compared**	**Number of studies with evidence of neutral impacts***	**Number of studies with evidence on positive impacts***	**Number of studies with evidence on negative impacts***	**Remarks on methodologies used for impact studies**
Chan and Pound (2009)	19 out of 63 studies were analysed in-depth because of their relevance. They also took into account information from 38 other studies from an earlier meta study of Fair Trade studies	7	16	2	None of the 19 studies assesses impact over time. Only 3 studies conducted a cost-benefit analysis: the other studies thus present gross results, which could have positively influenced the impacts found
Nelson and Pound (2009)	23 studies with 33 case studies on Fair Trade		29 on guaranteed minimum prices that lead to improved incomes. 27 on economic stability.		Studies are not always conducted using quantitative methods. Sometimes conclusions are drawn on the basis of assumptions that do not necessarily apply in reality and which could have positively influenced the conclusions

Table 3.1	Overview of impacts of certification on economic impacts such as net income (continued)				
Source	**Number of studies compared**	**Number of studies with evidence of neutral impacts a)**	**Number of studies with evidence on positive impacts a)**	**Number of studies with evidence on negative impacts a)**	**Remarks on methodologies used for impact studies**
Blackman and Rivera (2010)	37 (including studies on environmental impacts)	5	5		10 of the 37 studies use robust methods to measure impact. The authors of 2 studies that show positive economic impacts indicate that these results are odd or inconsistent.
ITC (2011)	14 (of which almost half relate to Fair Trade certification)	4	8	2	Next to these 14 studies, 13 other studies have been found in which impacts were not quantified or in which assumptions were not substantiated

a) The numbers mentioned refer only to the studies in which information on economic effects such as on income was available.

3.2.3 Enabling environment

The relationship between certification and standards initiatives and issues related to governance, management incentives and administration are addressed in the literature. For example, Bacon (2005) finds that while certified and conventional farmers both reported a decline in their quality of life during the last coffee crisis, higher prices for certified coffee had some positive effects, including a reduced fear of losing one's land. Elder et al. (2012) note that the perception that women have increased participation in decision making in Fair Trade cooperatives was true for both male and female respondents to their 2009 survey of Rwandan coffee farmers. Laroche and Guittard (2009) suggest that Fair Trade certification has helped increase the commercial credibility of producer organisations, contributing to an increase in their legitimacy and allowing them to take on a more political dimension. In a similar vein Nelson and Pound (2009) write that Fair Trade participation has enabled smallholder producer organisations to increase their influence at a national level and that Fair Trade support leads to a strengthening of their internal democratic workings. Elder et al. (2012) on the other hand discovered a negative association between Fair Trade and farmer trust in cooperative leadership, raising questions about its impact on participation incentives.

Beuchelt and Zeller (2011) bring attention to a number of studies that suggest that organic and Fair Trade certification has moderate positive effects on education, health and infrastructure investments (see Arnould et al., 2009; Bacon et al., 2008). Given that research relies on qualitative case studies, claims of impact remain highly sensitive to contextual factors and criticisms remain. Cohn and O'Rourke (2011) for example criticise unsupported claims about conservation, arguing that a lack of verification delivers more risk than reward. If environmental claims are not reached and fundamental ecological production requirements are not integrated into certification, then certification is unlikely to do much except 'stamp a green seal of approval on business as usual'.

3.2.4 Conclusion

The reviewed literature, which does not include studies on the impact of roundtables, shows mixed results for the impact of certification initiatives. Some studies conclude that certification has had a positive impact on smallholders, others conclude that certification has no impact, while some suggest that certification has a negative impact in some situations. Although the discussion about the impact of certification at the level of producers and producer organisations

remains inconclusive, this study aims to look beyond this ongoing discussion and consider the effect of certification initiatives on sustainable development at a regional level. However, no evidence has been found in the literature on regional level impacts of certification initiatives.

The impact of certification initiatives remains an interesting topic. Unfortunately, it is beyond the scope of this study to report on the discussion on impacts at the producer level in any more detail. For further information the authors recommend a number of recently published literature reviews that provide an excellent overview of the certification debate (see ITC, 2011; Blackman and Rivera, 2010; Chan and Pound, 2009; Ruben, 2008; Silva-Castaneda, 2012; Steering Committee of the State-of-Knowledge Assessment of Standards and Certification, 2012; Blackman et al., 2012; and Tallontire et al., 2012).

3.3 Regional impacts of certification initiatives

Very limited evidence is found in the literature with regard to regional level impacts of certification initiatives. The following evidence has been found, though it must be noted here that for most of the regional impacts mentioned, we cannot assess whether they were rigorously proven:

1. When wages increased at Fairtrade-certified companies, non-certified companies followed suit (Ruben, 2009 and Kessler et al., 2012)
2. Competition led to farmers who were not certified receiving a higher price for their produce (Kessler et al., 2012).
3. A demonstration effect was seen where farmers who were not part of a certification programmes adopted programme-specific technologies such as composting (Kessler et al., 2012 and Ruben, 2009). This applied to half (12) of the control group farmers. Whether this also applies on a larger scale and whether this has resulted in an impact on ultimate outcomes, such as net real income, was not clear for those farmers, however.
4. Additional transport and tourism services, higher export taxes and creation of additional employment through Fairtrade certification in Bolivia (Aguilar, 2007 in Kessler et al., 2012). Because the original report could not be found, and no specification of the evidence is given in Kessler et al. (2012), we cannot judge the extent or scale of these impacts.
5. 'Some evidence on increased regional employment by the application of the FSC standard, and the stimulating effect on small and medium enterprises (SMEs) for local processing' (Kessler et al., 2012). The evidence thereof has not been rigorously proven so we cannot judge its extent and scale.

6. Sector-wide policies and initiatives by the International Cocoa Initiative and national governments have been effective in reducing the incidence of child labour (Kessler et al., 2012), but again, no specification exists to be able to judge whether this evidence was produced in a rigorous manner.

3.4 Conditions for scaling up impact

As outlined in the previous section, the discussion about the impacts of certification at the producer and producer organisation level is inconclusive. Operating under the assumption that there may be benefits to the economic model of certification, this section will discuss under what conditions such benefits can be scaled up, potentially providing benefits at a regional level. A number of conditions are identified in the literature as necessary for the success and scaling up of certification initiatives.

Reporting of these factors again focuses on three areas: production, market access and the enabling environment.

3.4.1 Production and income

According to Beuchelt and Zeller (2011) better prices for certified coffee cannot compensate for low productivity, land or labour constraints. They give the example that individual land titling, creating an incentive for on-farm investment, could be implemented more quickly than certification. Certification initiatives need to formulate and implement requirements that are better connected with available technical knowledge (Davidson, 2005) while Den Adel et al. (2011) feel that a more holistic approach is needed to guide certification. In a study on the certification of indigenous natural products in Namibia they describe current systems of labelling and certification as ones that are 'insufficiently addressing the large-scale sustainability issues of environmentally friendly production, quality products free from contamination and fair distribution of benefits'. They conclude that a case-by-case assessment is needed in order to identify what is essential for producer groups to be fit for certified markets, making certification more practical and cost-effective.

3.4.2 Market conditions

The steering committee of the state-of-knowledge assessment of standards and certification note in their 2012 report that initiatives can be scaled up more effi-

ciently by making use of local organisations with experience in capacity building services to farmers. The inclusion of all stakeholders is seen as important because of the observable bias towards more advanced farmers. 'The greatest challenge now is for certification to reach the high percentage of unorganised farmers and to make intrinsic benefits of certification more visible to them' (Han de Groot from UTZ certified in Woodhill et al., 2012).

A frequent call for improvement is a more cost-effective, transparent and harmonised system of standard setting and certification. Scaling up requires a sharper focus on the transparency of certificates and labels via marketing channels and the harmonisation of certification initiatives (Woodhill et al., 2012; see also Van Dingenen et al., 2010). For example, aligning training and standards across an entire country could eliminate significant costs.

Increasing the demand for certified produce is an essential factor that drives the creation of upscaling opportunities. Despite efforts to raise awareness of the existence and goals of certification initiatives and voluntary standards, as well as considerable investment in the promotion of certification to smallholder producers, the international markets for certified produce remain niche and relatively small (Den Aden, 2011). Possible reasons for this are discussed in Section 3.4. An example of this is given by the Oromia Coffee Farmers Cooperative Union in Ethiopia. They produce 27,619 tonnes of Fairtrade coffee while they only sell 1,000 tonnes of Fairtrade coffee through the cooperative. The rest of the Fairtrade certified coffee is sold through the commodity exchange (ECX) as conventional coffee without a premium, while costs are incurred for the certification of the entire volume (OCFCU, 2012).

3.4.3 Enabling environment

Many conditions that are identified in the literature as necessary for the scaling up of certification initiatives refer to the functioning of government and sector institutions. Governments, mainly from countries that import raw materials, as well as international organisations have limited roles in the system of self-governance as is the case for certification initiatives (Vermeulen and Kok, forthcoming; Vermeulen et al., 2010). In the early stages of the development of a sustainability standard, governments may contribute to the definition of minimum standards, participate or stimulate the establishment of covenants, provide financial support to initiatives or for studies, and communicate political support. We have not found literature sources on the involvement of governments from producing countries in standard-setting processes. When sustainability standards have further developed, the role of governments may become

more formal (subventions, procurement, projects, legislation) (Vermeulen et al., 2010).

Bitzer (2010) mentions that the successful implementation of CSR models, including partnerships, is based on the assumption of a strong state that is capable of providing an enabling institutional environment. This assumption needs further verification, especially in the context of developing countries and will be taken up in Section 3.4. Michale Kwame Nkonu of Fairtrade Africa in Woodhill et al. (2012) suggests that 'the most powerful and largely ignored mechanism for scaling up certification is for governments to create more supportive policies and investment programmes'. He highlights the recently launched Africa cocoa initiative as an interesting attempt to involve and bring together governments of the main African cocoa producing countries (Ivory Coast, Ghana, Nigeria, and Cameroon).

A frequent observation made in the literature is that the policy focus of governments and donors should move from certification schemes to investments in the farm and business management skills of producers as well as the establishment of public extension and product support systems (Beuchelt and Zeller, 2011). See also Section 3.4, which further explores this issue. Potts et al. (2010) argue furthermore that policy makers and other investors have a clear role to stimulate a continued improvement and impact of certification initiatives by investing in a harmonised and comparable system of reporting and measurement. Writing about the coffee industry Linton (2008) agrees:

> 'Ultimately preventing another coffee crisis and making the entire coffee industry sustainable for people and the planet will require enforceable international standards - rules established by governments and international governmental organisations in collaboration with the stakeholders.'

3.4.4 Conclusion

In summary, the key issues for upscaling of certification initiatives identified in the literature are:

1. Involvement of all stakeholders through capacity-building programmes, aimed at local organisations, with specific local foci
2. Supportive policies and investment programmes (e.g. at farm level)
3. Inclusion of unorganised farmers and/or farmers that are difficult to reach
4. Harmonisation of standards and their implementation
5. Higher market demand for certified produce
6. Reforms of financial, labour and land markets.

3.5 Limitations of upscaling impact of certification initiatives

Certification initiatives encounter a range of limitations and constraints that prevent their successful implementation or scaling up. These can be grouped into four main categories:

1. Sustainability principles and criteria are only a part of the entire crop management system
4. Premium prices, when paid out, do not always cover the extra production costs related to certification
5. The initiatives have limited influence on societal goals such as providing equal opportunities for all farmers or actors in the supply chain, gender equality and secure land tenure and
6. There is limited market potential.

First, certification initiatives are only a part of the entire crop management system. Kilian (2004) confirms that certification is no substitute for farm management quality. This has also been indicated by Waarts et al. (2012), who note that farmer field schools focusing on the implementation of Good Agricultural Practices (GAPs) have a much bigger impact on productivity and net income levels of smallholder tea producers in Kenya than training for Rainforest Alliance certification. Cohn and O'Rourke (2011) see certification as a poor substitute for strong government policies, citing the long odds against certification as an effective conservation tool. Millard (2011) identifies a number of issues that prevent small-scale producers from being able to improve production processes. First, there is the difficulty for small-scale tropical farmers to access the inputs, financial and business services that they need in order to adopt new technologies, plant high-yielding material and apply appropriate fertilisers (Millar, 2011, referring to De Schutter, 2010). Second, there are constraints created by public policy and investment: Many coffee and cocoa farmers do not own their land and this may completely remove any incentive for them to invest in the farm's long-term improvement. Lack of ownership of not just the land but also of any trees that are conserved by the farmer has been a constraint in, for example, Ghana, the world's second largest cocoa producer (Millar 2011, referring to Ruf et al., 2006). In relation to the coffee industry Bitzer (2008) criticises governments of coffee producing countries for appearing to incidentally support various partnerships without exhibiting a strategic approach.

Second, the link between price premiums for certified products and the quality of the product is often weak. High quality produce can often be sold for a better price than Fair Trade certified produce, decreasing the incentive for

farmers to obtain Fair Trade certification (Auld, 2010). While Fair Trade can be helpful to support initial market incorporation, private labels offer more suitable incentives for quality upgrading (Ruben, 2011). Also, the Fair Trade premium does not always end up at community level (Auld, 2010). Auld (2010) also raises the point that the Fair Trade price premium has not kept pace with inflation and the growing costs of production. Higher costs, more demanding farm management and in some cases lower yields associated with certified production can lead to losses that exceed the price premium (Kilian, 2004). Approaching the subject from a different angle, Jan Kees Vis of Unilever warns that the ability to scale up is affected by a lack of transparency:

> 'Certification is not transparent. It only works with products that consumers associate with raw commodities, such as cocoa, tea, coffee. It would not work for palm oil, for example, because it is "hidden" in processed products' (Woodhill et al., 2012).

In a report on sustainable palm oil by the WWF from March 2012 the problems surrounding segregation of certified produce are also raised:

> 'The costs associated with segregation, especially in the early phases of implementation, can potentially be high. This [palm] oil must be kept physically separate from conventional palm oil throughout a very long and complicated supply chain.'

The complexity of such a task 'is further magnified if the palm oil fractions (different types of refined palm oil) are converted to derivatives used in the health and beauty care industries' (Levin et al., 2012).

Third, certification initiatives have insufficient scope to visibly contribute to social goals. According to Den Adel (2011), certification tends to benefit those who are better organised, educated, or receive more funding or support. At the same time, it has been observed that Fair Trade facilitates access to credit for smallholder coffee growers in situations where other sources of credit have not been forthcoming. Valkila (2009) and Valkila and Nguyen (2011) suggest that Fair Trade can act as a barrier to small producers in Nicaragua as a result of its association with good-quality coffee with significant consequences for the distribution of Fair Trade benefits:

> 'Although FLO has not set official standards for physical coffee quality, practically all interviewed producers stated that Fair Trade certified cooperatives

require high-quality coffee. Especially during the period of low market prices, international buyers of Fair Trade certified coffee were in a position to demand high quality coffee in exchange for the price premium paid. These requirements for high quality can, however, act as a barrier to entry for those producers with limited resources to improve their coffee quality, an important issue to consider in view of Fair Trade's aim to demonstrate solidarity towards marginalised producers.'

Regarding gender equity goals, a study by Lyon (2008) shows that the current Fair Trade coffee network is falling short of its goal to promote gender equity in Guatemala, particularly in 3 important realms: i) voting and democratic participation, ii) the promotion of non-agricultural income generating programmes, and iii) support for female coffee producers.

Concerns are raised in the literature about the process in which certification standards are developed. Elgert (2011), in writing about the soya industry, claims that power differentials are important not least because they skew access to decision-making towards the most powerful actors in commodity chains, leaving small producers hostage to standards they had no say in:

'A certification label may put global consumers at ease and may well result in reduced environmental impacts, through improved agricultural practices and planning and zoning but is unlikely to address such issues as a more equitable distribution of land and opportunities that for many peasants are at the heart of the problems within the soya industry.'

Bitzer (2012b) suggests that a lack of rule setting reinforces existing power imbalances and in their 2008 report 'Sweetness follows', the TCC write that since

'[smallholder] farmers often lack organisation and political representation both within their own countries and on the international stage, their concerns are frequently not reflected in the existing multi-stakeholder processes. In order to really foster changes at the ground level and to develop "holistic" solutions it is clear that a high level of cooperative action between stakeholders themselves and at the public policy level will be necessary.'

Silva-Castaneda (2012) provide further criticism in this respect,

'by disqualifying forms of proof that are drawn from a familiar engagement, third party certification reinforces existing power relations between local communities and companies, the superiority of the latter being largely due to their mastery of formal proofs.'

As a result,

'local communities and NGOs have challenged the majority of RSPO certificates issued so far because they fail to recognise the existence of significant conflicts between certified companies and local communities.'

Fourth, despite consumer marketing and many investments in getting producers certified, markets for certified produce are still comparatively small (with the exception of coffee and cocoa). Despite efforts to raise awareness about the existence and goals of certification initiatives and voluntary standards, as well as considerable investment in the promotion of certification to smallholder producers, the international markets for certified produce remain niche and relatively small (Den Adel, 2011). In 2004 for example, the projection was that the international coffee market would not be able to absorb a strong upswing in certified supply over the short-term (Kilian, 2004). This still holds from the perspective of coffee suppliers as overall not all certified coffee is sold as such (Kuit, 2013). From an industry perspective however, coffee roasters expect a shortage of supply of certified coffee with the required quality (Kuit, 2013), indicating a mismatch between supply and demand of certain quality grades of certified coffee. The same can be said for the global market for certified tea.

The proliferation of logos, each with its own standards, also acts to confuse consumers (Vermeulen and Kok, 2012) while also driving up costs of certification at farmer and certificate holder level. Costs incurred such as auditing, monitoring, and data collection, are amplified as the unit of certification remains the individual farm, mill or factory (Woodhilll et al., 2012).

3.5.1 Conclusion

The limitations mentioned in this section highlight some of the difficulties faced by certification and standards initiatives. While they do not argue against the use of certification and standards initiatives for sustainability goals, they do warn against the prioritisation of preparing producers for certification over their empowering them towards self-dependence (Bitzer, 2012a). There are complex and dynamic issues at play and attributing impact is difficult. This leads Auld

(2010) to conclude that 'certification has a limited ability to address system-wide problems in any given sector'.

3.6 Conclusions from the literature review

The literature reviewed suggests that while certification initiatives may have positive effects on participating producers, a critical approach is still required when assessing the impact of voluntary certification initiatives on producers. If impacts at the producer level are not generated, no broader level impacts (e.g. on a regional scale) can be expected. As very limited credible evidence has been found on regional level impacts of certification initiatives, a more thorough analysis is needed on how certification initiatives contribute to development goals on a regional level. For instance, through a better understanding of how initiatives can be scaled up and have spin-off effects leading to impacts for a broader set of stakeholders than the farmers involved in certification programmes.

None of the reviewed studies report on demonstrated environmental impacts at a regional level. With respect to societal impacts, the studies focus on producer level impacts, and most of them rely on anecdotal evidence and case studies of positive impact while only a few look to quantitatively compare different producer groups. Effects of market transactions evidently include changes in price, but the information on consequent effects on income security or on producer support through for example input provision is scarce. On a relatively limited scale, positive effects of certification initiatives on income and supply are demonstrated. To reinforce their implementation at the producer level, certification initiatives need to be embedded in existing research and extension programmes and make environmental and societal impacts more visible. Markets for certified goods remain small and volatile from a farmer perspective and therefore need to be stimulated and canalised for all certified volumes to be sold as such. And producer organisations need support in becoming structurally involved in policy dialogue to give a voice to producers in decisions to be taken on their behalf.

The potential for scaling up depends on the visibility to producers of tangible benefits and is therefore reliant on many of the same factors mentioned in the previous section. In addition, scaling up depends on transparent and structural support from government. The latter is mentioned in almost all of the reviewed literature, yet the review did not yield concrete examples of a good embedding of certification initiatives in local and national governance structures, or vice versa. International standard initiatives remain driven by development coopera-

tion practitioners and the business community and not by local organisations or governments. As a result of that and the scope of certification initiatives, societal goals for regional impact, such as wide-spread poverty alleviation and environmental sustainability, receive insufficient attention.

3.7 Recommendations from the literature review

The reviewed literature provides to a large degree generic guidance on what different stakeholders need to do to catalyse impact and extend the outreach of certification initiatives.

3.7.1 Governments in production countries

There seems to be a clearly identified role for national policy makers that requires increased attention in bilateral and multilateral development cooperation efforts; examples include extension services to farmers, reinforcement of labour legislation and spatial planning and land tenure regulation.

3.7.2 The systems of certification

A more general recommendation, without a specification who could be involved, is that network structures can 'speed up the spread of innovation and avoid loss of efficiency' (Bitzer, 2011). In the same line, 'parties involved in certification initiatives should systematically measure the sustainability results achieved at all levels in the [cocoa] value chain' (TCC, 2011).

3.7.3 The business community

The business community seems to have a role in structuring the market for certified products, both in how standards are communicated to producers and how they co-exist in national and international regulation with respect to for example trade. Also, buyers can support the system and start or continue buying certified produce (Levin et al., 2012). Businesses can provide farmers with technical input and expertise, by way of workshops, trainings and other in-kind services, or organisational advice, and establish preferred supplier agreements (Steering Committee of the State-of-Knowledge Assessment of Standards and Certification (2012) and Levin et al. (2012)). Within the RSPO, it is seen that 'top management buy-in and a view toward continuous improvement is reported as the

key to effective execution and value creation from RSPO implementation' (Levin et al., 2012)

3.7.4 Civil society organisations

It is often suggested that NGOs have a function of facilitating partnerships and countervailing power. The literature reviewed for this study offers no suggestions as to the required or potential role of international organisations in improving the enabling environment and scaling up.

3.7.5 Dutch government

Increased attention can be paid by the Dutch government in bilateral and multilateral development cooperation efforts with regard to improving extension services to farmers, covering multiple crops or land uses, reinforcement of labour legislation and spatial planning and land tenure regulation. Furthermore, the Dutch government could support the speeding up of the spread of innovation and the avoidance of efficiency loss in the implementation of certification initiatives (Bitzer, 2011) and support a systematic measurement of the sustainability results achieved at all levels in the value chain (TCC, 2011).

4 Interview round

4.1 Introduction

This chapter reports on the round of interviews held with practitioners in the field. We saw in Chapter 3 that the literature reviewed provided only scattered evidence on the impact of certification initiatives, based mainly on a mix of theory and case studies and some quantitative analyses. Very limited robust evidence was found on regional level impacts of certification initiatives. The interview round was conducted in an attempt to canvas professional opinion from a variety of actors involved in certification (business, government, NGOs and research institutes) to provide more specific examples of the regional impact certification initiatives are having and can potentially bring about. The respondents were additionally asked to identify some of the conditions needed for regional impact to be realised and what roadblocks can prevent this from happening. The list of respondents is presented in Appendix 2.

The results of the interview round will be presented as follows. Section 4.2 will discuss the regional impacts of certification initiatives known to the respondents and Section 4.3 will discuss the conditions that the respondents feel are necessary for the upscaling of certification initiatives. Section 4.4 will present the respondents recommendations for how these conditions and a stable enabling environment can be created while Section 4.5 will conclude.

4.2 Regional impact of certification initiatives

The respondents had some difficulty producing examples of or discussing the regional impact of certification initiatives. Some suggested that this was because there is so little known about the direct benefits of certification to producers arguing that the small number of rigorous impact assessments carried out to date begs for further research before conclusions can be made. This said, a number of respondents talked about specific examples of certification initiatives having an impact at a regional level and Marc Monsarrat from Rainforest Alliance (RA) highlighted the growing importance of discussions about regional level impact.

The five leading tea brands in the UK are responsible for approximately 65% of the UK market. The aim is to have 100% of tea consumed in the UK being sustainably sourced by 2015/16. With this requirement in mind the aim is to have every tea producer in East/South Africa certified and with approximately 600,000 tea producers in Kenya alone this presents a large upscaling challenge for certification bodies such as RA.'

Some examples mentioned by the respondents, although not always connected entirely to the certification aspect of the initiatives, are:

- An increase in the number of fish in a river in Peru, because farmers who process their own coffee treat their wastewater because of UTZ certification (Jansen, 2012).
- In Colombia there is a similar example where, because farmers change the way they spray pesticides and need to have a vegetative cover on their land (e.g. river banks) because of UTZ certification, soil erosion has decreased, leading to cleaner water (Jansen, 2012).
- In Honduras, individual farmers could not influence the government to improve a road. One certified group petitioned the government as a group, and government improved the road (Jansen, 2012).
- In Uganda, an exporter paid higher prices because of bulking[1] (lower transaction costs resulting from economies of scale) and quality improvements. As a result other middlemen in the area were forced to compete on price and start paying more as well. Unfortunately, this is not something that can be directly attributed to certification. However, it raises the question of whether prices being paid to producers would not increase if a country was able to increase the quality of its produce and organise production delivery to benefit from bulking. In this example donor funding enabled the exporters to organise the bulking of production. Without donor funding this would not have been done, 'or only very piecemeal with only the very best farmers, in terms of volume and/or quality' (Jansen and Kuit, 2012).
- Farmers participating in a DE Foundation-funded project in Brazil were given training in group work and organisation. After the training they said that they can handle working within a group better than before, and are contributing more to social work (e.g. contributing to activities of the local church) (Jansen, 2012).

[1] Bulking means compiling volumes of produce in one site, instead of in several sites.

- In Colombia some project farmers were elected to municipality councils enabling them to potentially influence the allocation of public finances and argue for more funding to be directed to rural areas (Jansen, 2012)
- Programme staff in Peru developed a vocational training centre for facilitators and organisations, financing the training of facilitators and stimulating the development of farmer field schools (FFS) in other sectors as a result (Jansen, 2012)
- A 'remarkable improvement' has been seen in the quality of cocoa beans due to certification initiatives (Ugwu, 2013) because he buyers engaged directly with farmers providing training on all aspects - including post-harvest handling.

One example of negative impacts in certified cocoa value chains was mentioned in an interview. Because of certification, exporters now deal directly with the farmers and their producer organisations to establish proper capacity building and the traceability of cocoa beans. This led to most small players in the cocoa supply chain (traders/intermediaries) having to give way as the supply chains became shorter (Ugwu, 2013).

4.3 Conditions needed for scaling up impacts of certification initiatives

Table 4.01 contains an overview of the results of the interviews per subject category (production, market conditions and enabling environment). Each of the categories will be discussed in this section in more detail.

Table 4.01	Conditions for upscaling the impact of certification and roundtable initiatives
Production	
Financially sustainable and cost-effective business models. This includes cost-effectiveness and viable returns to farmers and certificate holders and establishing commercial relationships to drive change	
Technical support needs to be implemented well (a good cascade of trainings and incentives for farmers to train other farmers)	
Maximising impact by reaching the farmers that need support the most	
Assisting farmers to arrive at rational decisions based on solid information that fits their situation	
Access to good quality inputs	
Market conditions	
Market price and competition	
Size and capacity of producer organisations	
Increasing demand for certified produce	
Enabling environment	
Infrastructure	
Policies, laws and regulations	
Access to finance	
Impact assessment and monitoring and evaluation	
The harmonisation of standards	
Facilitation of multi-stakeholder dialogue	
Coordinated efforts - landscape level approach to cost-effectively implement programmes	

4.3.1 Production

Financially sustainable and cost-effective business models

The business model of certification should be improved such that certified producers can quickly fully recover the incurred costs of certification (Kidzeru, 2013). The price premium is not always sufficient because not all costs are covered, or there is too much work for the farmer for too little return (Jansen and Kuit, 2012). Given that approximately two-thirds of the costs associated with smallholder coffee certification are spent on system costs (internal control or management system) (Jansen and Kuit, 2012), improving the business model can help to ensure that financial resources are spent and allocated in a more cost-effective manner, helping to improve efficiency.

An example of the business case is a coffee project in Cameroon in which they wanted to get the farmers involved UTZ certified. As the volumes produced per farmer were very low (because of low productivity), the premium, which is calculated on a volume basis, would be spread over a large number of farmers and would need to cover the costs of the certificate holder (Kidzeru, 2013). They calculated that the return on investment of UTZ certification would be 15 years, and on that basis decided not to aim for certification because the pay-back time was simply too long.

A recent study by KPMG (KPMG, 2012) concludes that there is a business case for RTRS certification for medium (2.5k Ha - 10k Ha) and large (>10k Ha) producers, finding that the 'key costs of RTRS certification relate to the setting up of internal control systems in order to demonstrate compliance, external audits and RTRS fees'. To lower costs for smallholders, the study suggests free training, collectively negotiated audit fees or a segmented approach whereby a more accessible 'light' RTRS version could be developed to improve the business case for them. The importance of the microeconomic rationale of producers should not be discounted. They expect and in most cases are forced to demand returns over a relatively short period of time. If certified producers do not for example see the returns they expect after 2-4 years then they are likely to lose the incentive to continue with certified production (Jansen and Kuit, 2012).

Certification initiatives also face obstacles in their quest to upscale their programmes. For example, Marc Monsarrat of RA spoke of the need for producers to be able to protect themselves and their workers against agrochemicals being used in production. He mentioned that the costs of protective equipment can be as high as USD12-15 per kit, meaning that many smallholders can simply not afford them. Creating new ways in which producers have access to resources can make a difference according to Marc and this may include the sharing of kits between farmers or within cooperatives.

Establishing transparent commercial relationships can also drive change in a better way than when such relationships would not exist (Terheijden, 2013) as economic systems are mechanisms to steer behaviour. When all supply chain parties invest, work together and reap the benefits of their combined actions, this drives a sustainable change process.

A remark was made by Mr Taco Terheijden (2013) on the terms certification and sustainability. Certification can be an efficient tool to convince supply chain participants to pay extra for certified products. When certification is implemented in a correct way, certification comes close to sustainability, but it will not be enough for major improvements with regard to farmer incomes and livelihoods;

to reach that other mechanisms should be in place. People expect certification to deliver such major improvements, but such expectations are mistaken.

Well implemented training on certification and good agricultural practices
Training activities are usually implemented to prepare farmers for certification. Such trainings can range between 2 hours a year up to Farmer Field School trainings where farmers are intensively trained about 26 times a year for two or three hours. Financial considerations may, however, weigh heavily on commercial parties, who will seek to implement certification for the lowest possible cost if they do not see any additional benefits of training the producers who supply them. This can be the same for commercial farmers who choose not to train their labourer(s). The result may be that training programmes become shorter in duration and less intensive, designed only to comply with a code of conduct and facilitate certification (Jansen and Kuit, 2012). This can undermine the potential for broader-level impact.

Training delivery and the training cascade are key ingredients to success (Manu, 2012 and Ugwu, 2013). Knowledge on these subjects is spread through training modules. The channel through which information about what the 'improved practices' are, how they can be adopted and what the benefits of adoption are is important as it can heavily influence the motivation of farmers to adopt the practices. When promises, e.g. with regard to premiums to be paid, increases in yield or access to inputs are not delivered, farmers lose their motivation to continue investing in certification (Ugwu, 2013).

In many certification programmes, the training consists of training of trainers (ToT) after which the trained persons need to train the farmers in the programme. The skills and motivations of the trainers are key to a successful implementation of trainings well (Ugwu, 2013). Often, in tea, coffee and cocoa programmes, such trainers may be farmers who are not reimbursed financially for their time spent on training other farmers. The question remains whether this training methodology is an effective way of advancing farmers knowledge and the adoption of practices.

Marc Monsarrat from RA identified a number of things crucial to the success of RA programmes. The first is that a clearly defined group must be identified. This group needs to be relatively well structured and have some agronomic support structure present on the ground. He mentioned such things as the clear presence of a supply chain, a commercial demand for the product, capable extension service agents and the structure to carry out self/internal audits. An alternative method, if there is no agronomist present, is the 'lead farmer' method where farmers are trained to train other farmers. The ratio of lead farmers to

participating farmers can vary greatly, depending on both the specific context of the programme as well as the level of funding that is available. For example, the ratio in Kenya has been 1:300, however a reduction to 1:150 is being considered, while in other regions/countries the ratio could be as low as 1:50 or 1:30. By providing support and assistance to groups that are already structured in some way it is hoped that the impact of certification programmes will be sustainable. In other words, the impact will continue to be seen and felt after RA has left. Groups without a structure are more challenging as it is feared that they will need assistance on a continual basis.

The training topics of certification initiatives may not cover all topics important for farm or crop management. For example, there is often not too much focus on training directed at product quality, as demands for improvement in that respect are left to be guided by the market (Marc Monsarrat, 2012).

In production countries the governmental education system could also contribute to improved performance of farmers. A proper vocational education system for farmers, which can run itself in the long run, could be developed by the local government with support of, for instance, the Dutch government (Jansen and Kuit, 2012). Also, secondary school education programmes could be adjusted to include farming to enhance knowledge on farming of a large part of the population.

Assisting farmers in rational decision-making based on solid, situation specific information

Connected to training, but involving more than trainings is another condition to reach impacts: interventions in agricultural development should aim to professionalise farmers in such a way that it leads to 'a community of farmers who can independently arrive at rational decisions based on solid information which fit with their situation' (Jansen and Kuit, 2012). Certification is said not to help farmers in that respect as their Codes of Conduct are 'general guidelines that do not always apply, or are vaguely formulated'. Connected to this is the recommendation for certification initiatives to stimulate positive behaviour instead of focusing on the avoidance of negative behaviour. This also counts for the specificity of the codes of conducts for the farmers involved: the requirements sometimes do not make sense for the farmers involved which makes them wonder why someone else decides on such issues without taking into account their wishes (Kidzeru, 2013). An example is the UTZ requirement to have toilets on all farms they own, which leads to coffee farmers in Cameroon to need to build five toilets, while they do not see the need of that (Kidzeru, 2013).

Access to good quality inputs
The availability and accessibility of good quality inputs (fertilisers, pesticides, seeds and seedlings etcetera.) are important ingredients for farmers looking to increase their productivity and income. Sometimes, monopolies or oligopolies exist for fertilisers (driving up the price) and no research is conducted locally on varieties, resulting in old, less productive or varieties that are not resistant to climate change to continue to prevail (Jansen and Kuit, 2012).

Maximising impact by reaching the farmers that need support the most
Certification programmes often include farmers that are, in one way or another, already part of a group or a structure. This approach is in line with some of the criticisms of certification. As mentioned in Chapter 3, certification initiatives often target the farmers who are better educated and more organised. Often described as 'low-hanging fruit' these farmers are the most easy to reach. Other farmers however may be in greater need of assistance and reaching them may result in greater impacts. This is also related to the capacities of smallholders to organise a certification process including an internal control system. When farmers who are not organised in a well-functioning producer organisation, and no support of companies/organisations is available, such farmers cannot opt for certification because they simply could not organise the certification process (Kidzeru, 2013). A challenge facing certification initiatives is the involvement of the poorest producers living furthest from town, in remote areas and with high levels of illiteracy. Unfortunately, including these farmers/households in certification initiatives is logistically challenging, which raises the costs of certification.

4.3.2 Market conditions

Market price and competition
Markets exert a large amount of influence on the potential impact of certification initiatives. When coffee prices fall, for example, producers are known to invest less in unnecessary improvements or initiatives (Jansen and Kuit, 2012). With many investments required for certification expected to provide returns over the long-terms (eg: infrastructure, equipment) it should come as no surprise that when prices are low the incentives for seeking or continuing with certification disappear. A project in Brazil provides an example of this with some farmers deciding to stop certified production because the price premium did not cover all the costs required by certification bodies (Jansen, 2012). It is important to mention though that a positive result of the programme is that the farmers who

left the programme as a result of low prices continued to implement the practices that they had learnt in the programme's training modules (e.g. using personal protective equipment). Kenya also provides an example of the pressure exerted by the market on the incentive producers to participate in certification. When market prices for Kenyan coffee were high, traders were willing to invest in certification initiatives. Now, the market price is much lower, these same traders will only seek certification if they are certain the market demand, needed for the recovery of their investment, exists (Mbau, 2012).

The global tea market and labour markets in the tea producing countries are also making it difficult for certification initiatives to scale up according to Marc Monsarrat of RA. Wages are increasing while consumers are not willing to pay more for their tea. This places pressure on the sector, depressing wages and opening up the possibility of a 'race to the bottom'. This market effect also gives producers the incentive to increase the use of machines in production, in an attempt to cut costs. While a degree of mechanisation is inevitable the process of its introduction and adoption poses many challenges including loss of job opportunities for previously employed staff. Luckily tea prices have been high recently, meaning that it is a good time to invest in certification initiatives but this remains a vulnerable point for the sector.

Another example of how markets can affect the goals of certification initiatives in production areas is the 2006 EU climate discussion. The European commitment to the biofuel blending target had an unexpected but hard-felt impact on the soy sector (Gilhuis, 2012) as it provided soy producers with a guaranteed market. This guaranteed market changed the dynamics of the soy industry in Brazil, creating incentives for an increase in the supply. This impacted upon the regional land markets and placed additional pressure on efforts to decrease deforestation (Gilhuis, 2012). Attempts to promote the certification of Brazilian soy were also impeded as incentives to produce soy unsustainably became greater than those to produce responsibly (Gilhuis, 2012). The creation of the roundtable for Responsible Soy (RTRS) was also affected as the discussion over national legislation within Brazil heated up.

Size, capacity and activities of producer organisations

Producer organisations sometimes do not have the size, capacity and/or resources to implement standards (Mbau, 2012 and Ugwu, 2013) both from a capacity and cost perspective. Having implemented one standard, opens the way to implementing others as they have built the capacity to do so (Mbau, 2012).

Organising farmers (e.g. through certification initiatives or other supply chain initiative) can create market efficiency, e.g. reduce transaction costs through bulking, and can support long term relationships between buyers and farmers (Jansen and Kuit, 2012). Bulking can also increase the market power of farmers, enabling them to negotiate with several buyers at the same time which may lead to competition for their produce and higher prices paid (Jansen and Kuit, 2012). Making producers more aware of market developments (e.g. price levels) combined with connecting farmers to multiple market players (exporters, traders etcetera) can also lead to competition and higher prices. Producer groups can also encourage peer learning that otherwise would not exist.

Increasing market demand for certified products

Markets are not yet taking up the entire volume of certified produce and this is evident for a wide range of commodities. Certified producers can therefore only recover a part of the investments that they have made as a result of only being able to sell a percentage of their certified volume as certified. This means that they miss out on the price premium for the produce that they are forced to sell as uncertified (dependent on a premium being paid in the first place). Certification initiatives could have a larger impact if all of the certified volumes were able to be sold as certified. The only way to achieve this is to increase the demand for certified products and pay something extra for a sustainable product (Terheijden, 2013). Unfortunately, there are limits to what consumers are willing to pay for a product. Consumers may want to pay extra for products with a sustainability label, but in most cases this only occurs when they can make a direct connection between the ingredients of a product and its higher price. This is rather self-explanatory for business-to-consumer commodities such as tea, coffee and cocoa. However it becomes more complicated where business-to-business commodities are concerned. Commodities such as soy and palm oil are used in a wide range of products, often in small percentages, making the certification of these final products difficult (Gilhuis, 2012). Products that contain a small amount of palm oil for example are not certified based on the small amount of oil that they contain. This situation may lead to consumers no longer being willing to pay a premium for such products, leading to actors upstream in the value chain not being able to recover the costs of certification (Gilhuis, 2012).

4.3.3 Enabling environment

Infrastructure

Infrastructure influences the cost structure as well as the quality and traceability of the produce. Hard and soft infrastructure must be in place to ensure the storage, segregation and traceability of certified produce. This presents many challenges and it involves a lot of planning and cooperation between multiple stakeholders. For example, in Ghana the government-run cocoa board COCOBOD buys up all the cocoa at a fixed farm-gate price irrespective of quality (there are minimum standards). It is then responsible for delivery of the cocoa to the world market. Certification initiatives, with traceability objectives, need to find a way to work within this system. If COCOBOD cannot guarantee the storage and separation of certified cocoa, then certification initiatives will be unable to operate (Vincent Manu, 2012). As Marc Monsarrat says (2012):

> 'One very important thing with certification is traceability and accountability for the origin of the product. Multiple factories and complex supply chains sometimes make this step a difficult one.'

Infrastructure also plays a role in the cost structure of trade operations. The better the infrastructure, the lower the costs of transportation because of time savings and less maintenance of trucks and other transport means (Jansen and Kuit, 2012).

Policies, laws and regulations can be conducive to or hamper development

In Brazil, the social and environmental laws are so rigorous, that it is very hard for farmers to comply with them (Jansen, 2012). UTZ Certification (but also other certification schemes) necessitates farmers to comply with local laws and regulations which posed a problem for smallholder farmers in Brasil when they leased land to a sharecropper. As the sharecropper arrangement was seen as hiring labour, leading to social laws to apply (e.g. providing the sharecropper with a pension), the farmers' costs would increase when they would become certified (certification becoming a means of enforcing social laws). This made it difficult for farmers to join a certification initiative (Jansen, 2012).

Another example where laws and regulations have a negative effect on the success of certification initiatives is the case where in Kenya the marketing contracts are valid for one year by law (Mbau, 2012). Thus, there is a risk of losing the investment as coffee societies can decide to change traders after a trader has invested for a year in a certification initiative with such a society. This hampers traders to invest in certification initiatives (Mbau, 2012).

Policies, laws and regulations can also be conducive to sector development. An example is quality requirements for cocoa which have been regulated in Ghana, leading to an overall high-quality cocoa sold to the market. In Ivory Coast, a coca reform has introduced stricter standards for cocoa quality amongst others (Terheijden, 2013). Such regulations strengthen the change process when a transparent system is in place. Mr Terheijden indicates that the role of governments in quality assurance and monitoring need to be well thought through.

The implementation of well-designed policies with regard to research and extension systems can also greatly influence sector development. Often, a national plan and curriculum is available for the cocoa sector. While the actual implementation is vital for the progress of the sector one often sees the challenges around the implementation of it (Terheijden, 2013). In Ghana for instance, many people are involved in developing a curriculum for the cocoa sector, but few with its implementation thereof: there are few extension agents, extension agents have low capacities and the delivery model is weak and faces challenges.

Access to finance

Access to finance for smallholder farmers is extremely underdeveloped. Many banks may be willing to provide credit to smallholder farmers if they have a good guarantee. A fund could be developed (potentially with support of a government) that can be used for guarantees (Jansen and Kuit, 2012).

Impact assessment and monitoring

There is a clear demand for research into improving impact assessment methodology and M&E processes. Verina Ingram (LEI) mentioned that the importance of impact measurement has been agreed upon for a long time, with a large literature field and 15 years of academic discussion on the topic (eg: International association for impact assessment, IAIA). She was able to provide some additional information on the impact measurement literature and suggested some specific search terms (strategic environmental assessment, strategic impact assessment) that had not been used for the literature review. Including these search terms may have generated more results and are an important inclusion in any future research.

A particular point that Verina Ingram raised was the meaningful level of measurement. She would like to see a more landscape oriented approach arguing that farm level impacts only tell a small part of the story. For example, a certified coffee plantation may see improved biodiversity within the plantation

boundary but if this results in a greater loss of biodiversity outside the plantation then the real impact of certification becomes debatable.

The harmonisation of standards and implementation thereof

A degree of standardisation and the harmonisation of standards is an area worth focusing on, given the proliferation of standards and labels over the past 30 years. To achieve results on a larger scale, there needs to be more interaction and cooperation between certification initiatives. This can be difficult as Marc Monsarrat (RA) points out because in the end certification remains a market-led phenomenon and confidentiality issues do exist. Some of the information is sensitive and most of the time there will be no mention of an application process until the auditing has been carried out. This is a hard challenge to overcome however some creative initiatives are being looked into such as joint training programs and materials and joint audits.

Facilitate multi-stakeholder dialogue and action

Commodity boards and State and commodity boards sometimes have a large role in commodity value chains and can have a large influence on trade relations and efficiency. As already mentioned COCOBOD has a significant role in the Ghanaian cocoa market. Including COCOBOD in discussions about using the value chain to realise regional impact is therefore essential. If the chain of custody is not transparent then the traceability of certified produce will not be possible (Manu, 2012). Government support of initiatives can also be vital for success. For instance, a representative of the National Cocoa and Coffee Board (NCCB) in Cameroon was formerly against private enterprises and favoured cooperatives. But now, after good experiences with a coffee development project by OLAM and the DE Foundation, they look positively upon private sector assistance. The same counts for the Ministry of Agriculture and Rural Development in Vietnam (Jansen and Kuit, 2012).

Different stakeholders can have very different development agenda's. Development agendas can differ for a wide range of reasons and a number of the respondents including Jan Gilhuis from IDH note the important role that these differences play in the success of certification initiatives. Differences in development agendas can arise for a number of reasons including time-bound issues, issues related to the crop season, or issues surrounding the ability and motivation to deliver and meet requirements on time. Conflicts of interest between interested parties are often hard to overcome making open channels of communication and transparent disclosure of ones motives essential for the alleviation of tension.

4.4 Conclusions from the interview round

The interviews provided some evidence on regional level impacts of certification programmes, although some examples were of programmes were certification activities were combined with non-certification activities. Thus, there is a large information gap with regard to wider impacts of certification initiatives. The interviews lead to a myriad of conditions for certification initiatives to reach impacts on producer level and to enhance their potential for regional level impacts.

4.5 Policy implications suggested in the interviews

The experts who participated in the interview round had a number of recommendations for how certification initiatives could be improved and how the enabling environment could be altered so as to facilitate impact on a regional level. These recommendations concern respectively the governments in production regions, system of certification, the business community, civil society organisations (CSOs), and the Dutch government. Different recommendations concern multiple actors.

4.5.1 Governments in producing countries

Governments in producing countries to be involved in certification initiatives
Governments in producing countries have often a limited role in certification initiatives; most certification initiatives develop parallel structures which are not connected to the public sector in developing countries (apart from requirements to follow the laws and regulations). By doing so they may threaten long-term sustainability of the initiatives and their potential impact. It is important to create ownership by government, and national capacities for supporting certification (Ugwu, 2013), which can be achieved by linking capacity development services from certification initiatives to local (often governmental) extension services and through actions aimed at creating an enabling policy environment. When governments take a more central role in the delivery of extension services (for example commodity boards, research institutes) and certification initiatives are connected with such services, the intervention may become more effective. An example is Tanzania where the government is training agronomists that will be

able to carry out audits and hand out RA certificates. Governments are growing in this role, but this does not happen quickly (Monsarrat, 2012).

Landscape approach

Governments can have an important role if a real sustainable system is to be developed (Monsarrat, 2012). Such a role goes beyond looking at the farmer or producer/group or cooperative level, but creates coordination of initiatives to lead to an efficient implementation on the landscape level. Local governments could accommodate certification initiatives and proactively seek to create local added value (e.g. local processing, community organisation, etcetera). However, different government ministries are often responsible for looking after different sectors and different aspects of, for instance, conservation. The allocation of responsibility needs to be simplified so that a national interest can be pursued in a better way. They should be looking for cooperation or administration that transcends administrative boundaries

Verina Ingram (LEI) highlighted the lack of incentives that currently exist to operate at a landscape (regional) level. She did however mention a number of programmes that are directed at the landscape level; participatory planning and eco-regions (e.g. by Conservation International and WWF). She also raised the point that encouraging consultation with all stakeholders is important as it usually involves defining an eco-area and some degree of meta-management.

Jan Gilhuis (2012) spoke of the difficulty of defining 'regional' for the purposes of realising impact. This is because of the different way in which 'regional' would be defined for different commodities. What is considered 'regional' in the soy and palm oil value chain may differ quite substantially from what is considered 'regional' for coffee, tea, fish or timber. Jan suggested that where possible it might be beneficial to consider the institutional landscape instead of the geographical landscape when trying to define 'regional'.

Governments can stimulate the local market for certified products

Next to coordination of activities, local governments can become responsible for stimulating the local market for certified produce, decreasing the gap between supply and demand en enhancing the potential for farmers and other actors to earn back their investments in certification.

4.5.2 The systems of certification

Implementation at producer level

The business models of certification should be changed to make them more cost-effective with regard to impact on producer level: the costs for internal management or control systems should be decreased in favour of costs for training (Jansen and Kuit, 2013). Systems should be developed to reduce the costs of certification (Ugwu, 2013).

Training is seen as the activity within certification that generates the biggest impact but certification trainings can be implemented in different ways. One way to increase the impact of trainings connected to certification initiatives is to take up training requirements in codes of conducts to ensure that certified farmers receive meaningful trainings.

Certification systems need to differentiate between small scale and large scale producers as they may have different needs for improving their performance. The conditions within the tea sector are very different and context specific and thus standards should reflect this. For example, in Africa the majority of producers are smallholder farms who do not depend on hired labour, meaning that they do not have many workers. In Asia there are fewer smallholders active in tea production than in Africa. Differences such as these require a flexible and adaptable approach to certification and standards.

Where possible the standards should be context specific. Cultural differences can present challenges to the implementation of certification and standards. The attitudes of producers towards the cleanliness of their estates are an example of this. In India, estate managers focus on cleanliness and like to have clean-cut estates. They believe that this reflects well on their management abilities. Unfortunately this can prove a challenge when it comes to the promotion of biodiversity on an estate and the allowance of animals and other crops.

Alignment and standardisation

Certification bodies and standards systems need to communicate with each other and work together to improve efficiency in their implementation (e.g. trainings and audits). Although certification bodies differ slightly in their missions and backgrounds, through the ISEAL Alliance there is communication about common criteria, certification cycles and common auditing practices. RA has opened up the Sustainable Agriculture Network system for example, allowing other certification bodies to be certified against it. RA is in many cases certifying farmers and this certification is then adequate for the adoption of other labels such as UTZ Certified and Fairtrade. In addition to this, there is also the existence of in-

dependent certifying bodies such as AFRICERT for example that carry out audits (such independent auditors could do combined audits, potentially decreasing the auditing costs when there is competition between auditors (Waarts, 2012)).

Issues of matching local and internationally recognised standards should be addressed, to facilitate more efficient implementation of them and the development of local standards needs to receive attention (Gilhuis, 2012) from the development community.

The issue of how certification initiatives can be aligned with development programmes should be addressed (Gilhuis, 2012) to enhance cost-effectiveness of the programmes.

Impact assessment and monitoring

The importance of monitoring and evaluation methodology was also raised as a major hurdle that certification initiatives still need to overcome. Verina Ingram (LEI) and Jan Gilhuis (IDH) however both spoke of the progress that has been made, noting that while impact assessment started from an environmental viewpoint methodology is now also being developed for the measurement of social indicators. Jan Gilhuis (IDH) said that the sustainability discussion is 'here to stay' and that 'each new initiative builds upon the 'successes and failures of the past'.

Inserting M&E measurements in the certification systems that already exist would allow on-going measurement of changes. While a transition to this kind of practice might be too expensive for one certification agency on its own, it would be a feasible move if several agencies were to collaborate (Peter van Grinsven in Woodhill et al., 2012).

4.5.3 The business community

In our interviews we received no recommendations on what the business community could do to create regional level impacts through certification initiatives.

4.5.4 Civil society organisations

We also did not receive many recommendations on how civil society organisations can contribute to regional level impacts of certification initiatives except that NGOs with strong local presence should be involved. This is because this is crucial in terms of project management, managing stakeholder relationships, bridge the cultural gap between producers and industry partners, and as they can be well positioned to transfer knowledge.

4.5.5 Dutch government

The Dutch government could stimulate, support or develop a matrix approach, an approach that would see the type and coverage of certification initiatives mapped out to provide an overview of hotspots. This would encourage the use of a landscape/regional lens, helping to identify regional/landscape level hotspots (areas where multiple certification initiatives in one or more sectors are active) and enabling efficient use of resources for the implementation of development programmes. Boundary areas between countries for example are particularly hard to manage and a map would help to identify areas that may need more assistance (Ingram and Gilhuis, 2012).

Many certification initiatives are funded by governments. The Dutch government also finances certification initiatives, e.g. through IDH the sustainable trade initiative. Donor funded programmes should have a clear exit strategy in which the local enterprises, traders organisations and farmers' (organisations) are provided with capacities and resources to take over the leadership role after the programme ends.

To contribute to sustainable value chain development in a production region is too complicated for a single foreign country. It is important to develop coalitions or network organisations that can support national governments or that can represent specific stakeholder groups such as primary producers, citisens or enterprises in such a way as to maximise the catalysation of impact. The government should act as facilitator, encouraging cooperation and perhaps providing the resources for cooperation to take place. This is already taking place.

5 Conclusions and recommendations

5.1 Conclusions

5.1.1 Are impacts of certification initiatives found in the literature and interviews?

Certification initiatives have resulted in extensive and varied systems of product certification that aim at creating an incentive structure such that producers invest in better agronomic, social and environmental production systems.

Under the assumption that regional impact of certification initiatives can probably only be reached when the certification initiatives impact on farmer's livelihoods in the first place, this study conducted a quick scan of literature on the impact of certification. The last decade has seen an increase in the publication of impact studies, and more are underway. These studies present information on the impact of initiatives on production, income, market position, environmental and social aspects, amongst others. The methodologies, results and conditions under which the impacts were reached varied between the studies. Thus no robust evidence exists in the literature that certification initiatives provide a benefit to farmers livelihoods' in all possible circumstances. It must be noted here that respondents indicated in the interviews that they see much benefits for producers but that these have not been measured yet and that some robust impact studies are underway.

5.1.2 What is the evidence on regional impact of certification initiatives?

From the perspective of regional impact resulting from certification initiatives, it is concluded that only very limited evidence is available in the literature and interviews. Interviews actually led to more information on (potential) regional impacts than the literature. The evidence presented is never rigorously constructed on a regional scale and mostly related to a very specific case or situation. It is thus very difficult to generalise such findings for other situations or certification initiatives.

5.1.3 What are conditions for reaching impact and catalysing regional impacts?

The reviewed literature and the interviews in this study pointed to a broad need to improve the enabling environment in which certification initiatives operate. A

myriad of conditions and contextual factors have been mentioned in both the literature and interviews, that are seen as a prerequisites for certification initiatives to lead to positive impact on farmers' livelihoods and could potentially contribute to regional impact. The conditions found in this research have been divided into conditions with regard to production aspects, market conditions and enabling environment.

From a *production perspective*, financially sustainable business models, well implemented technical assistance, targeting the groups that need support the most, and access to high quality inputs were conditions for success and impact.

Market conditions that enable certification initiatives to lead to impact are right price settings, competition between buyers of produce, producer organisations with the right size, capacity and activities, as well as with higher demand for certified products and consumers paying something extra for such products.

The enabling environment can also influence the impact of initiatives. When infrastructure, policies, laws and regulations, access to finance, harmonisation of standards, multistakeholder dialogue and coordinated efforts on a landscape level are in place, they may support the impact of certification initiatives, and have the potential for such initiatives to lead to regional level impacts.

5.1.4 Analyses of processes of upscaling leading to potential regional impacts

In our search for examples of the embedding of certification initiatives in the local policy environment, the expansion of initiatives and the catalysation of impacts on a regional level, we could not easily place the information found in a structure around these three mechanisms of upscaling. The division between production related aspects, market conditions and the enabling environment was thus devised. For analyses on upscaling processes and impacts, the intended division seems very valuable. We thus recommend researchers to take up this division in future analyses.

5.2 Policy recommendations

This study illustrated a similarity of the conditions that may assist certification initiatives to result in regional impacts between the sources. It presented a further elaboration of such conditions into factors related to production, market conditions and the enabling environment.

The recommendations on key issues that follow from this study include:

- Analyse the specific regional conditions that may potentially influence the impact of certification initiatives prior to investing in such initiatives, including an analyses of who could play which role in managing such conditions. Based on such analyses, undertake actions to manage potentially hampering conditions or to facilitate an improved effectiveness and (regional) impact of the initiative. Actions and roles of the stakeholders involved are expected to differ in the management of such conditions between conditions, countries and regions, as well as the exact way of how the initiative is implemented. No 'silver bullet' exists for the success and regional impact of certification initiatives.
- Ensure an exchange between certification initiatives and local knowledge and extension systems (when in place) on technical production aspects so potential impact of the activities of both types of organisations can be enhanced. This could start in countries with large global production shares and, consequently be extended toward niche or emerging producing regions.
- Coordinate efforts on a landscape level to enable initiatives to reach (regional level) impacts cost-effectively.
- Develop sustainability assessments at the landscape level to better understand impacts of certification initiatives on a regional level (specifically on the environment).
- Donor funded certification initiatives should have a clear exit strategy in which the local enterprises, traders and farmers' (organisations) are provided with capacities and resources to take over the leadership role after the programme ends, building on a financially sustainable business model.
- There is a lot of knowledge available at all kinds of organisations and businesses involved in certification initiatives which is valuable and can assist others to enhance the implementation and impact of certification initiatives, also on a regional level. Such information is often not recorded in the literature (journals, reports or the internet). It is thus recommended to, when possible, publicise such experiences for the benefit of other programmes.

5.2.1 Actor-specific recommendations

The literature came up with quite generic recommendations to enhance the impact of certification initiatives, but fortunately the interviews harvested more concrete recommendations.

Both the literature and interviews emphasised the important role for *governments in producing countries* in developing synergy between knowledge an

technology available in national agricultural research and extension systems and the certification systems, and in improving the enabling environment. Improving the enabling environment needs to be further specified for specific components such as the financial sector, infrastructure and regulatory systems. Also governments, both from producing countries and countries investing in certification initiatives, have a role in coordinating certification initiatives in a 'landscape approach', enabling a more cost-effective implementation of certification initiatives. This also includes conducting impact assessments on a landscape i.e. regional level. Governments in producing countries can also support the creation of local markets for sustainably produced products.

Civil society organisations can have a distinct role in supporting capacity development such that primary producers will be able to better cooperate with traders, enterprises and local governments. In doing so, they can also exploit or develop opportunities of synergy between certification initiatives and regional development efforts.

The business community have a role in structuring the market for certified products, and in how standards are communicated to producers and consumers. An increase in the demand of businesses for certified produce may decrease the gap between certified volumes and volumes sold as certified, but only when required qualities can be produced and supplied. Businesses can provide farmers with technical input and expertise, by way of workshops, trainings and other in-kind services, or organisational advice, and establish preferred supplier agreements. Finally, businesses can disclose information on the business case of certification throughout the supply chain, to enable to learn if and how to enhance standards and the implementation of certification initiatives.

Standard-setting bodies and certification initiatives, as well as donors investing in certification initiatives with public funds, have a role in disclosing information on the impact of certification initiatives throughout the value chain. They could furthermore analyse how the business case of certification can be made more cost-effective with regard to the implementation at producer level and take action when it can be improved. They also can take up requirements for trainings in their standards, to ensure high quality trainings to be offered to the farmers. Another recommendation is for standard-setting bodies to see whether they can diversify their standards or the implementation thereof and be more context specific to match with the diversity of farmers in production systems, as one type of farmers needs other types of support than another type of farmer. This would include looking into how to incorporate other crops or land use in the extension activities. A final issue to be addresses is the harmonisation of standards and the coordination of the implementation of activities of various stand-

ards so that certification endeavours can become more cost-effective for farmers and certificate holders.

The Dutch government can pay increased attention in bilateral and multilateral development cooperation efforts to improving extension services to farmers as well as crop specific research in producing countries. They can also support governments in producing countries to reinforcement of labour legislation and spatial planning and land tenure regulation. Second, the Dutch government can support a landscape level approach to be implemented to enhance the cost-effectiveness of certification initiatives as well as impact measurement on a landscape level.

To contribute to sustainable value chain development in a production region is too complicated for a single foreign country on its own. It is important to develop coalitions or network organisations that can support national governments or that can represent specific stakeholder groups such as primary producers, citizens or enterprises in such a way as to maximise the catalysation of impact. The Dutch government can act as facilitator, encouraging cooperation and perhaps providing the resources for cooperation to take place. This is already taking place, but could be enhanced.

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Appendix 1

Overview of sustainability criteria per certification initiative

Environmental issues

	Initiative	FLO	UTZ	SAI	FSC	RA	IF	SFI	4C	GL	PEFC
Issue							OAM			gap	
Overall environmental issues		**2.3**	**1.7**	**0**	**2.6**	**2**	**2.9**	**1.8**	**1.2**	**1.3**	**0.9**
2. On-site envrionmental issues											
Soil	Conservation/erosion	5	3	0	5	1	5	5	2	1	5
	Quality	5	3	0	5	1	5	5	0	1	0
Synthetic Inputs	Complete prohibition	0	0	0	1	0	5	0	0	0	0
	Prohibited List	5	5	0	5	5	5	0	5	5	0
	IPM/ICN	1	3	0	5	5	5	5	1	5	0
GMO Prohibition	GMO Prohibition	3	0	0	5	5	5	0	1	0	0
Humane treatment of animals		1	0	0	0	0	5	0	0	0	0
3. Off-site community areas											
Biodiversity	Flora density/diversity	1	0	0	5	0	0	5	2	1	5
	Habitat set asides	0	0	0	5	4	1	5	0	1	5
	Land conversion	3	0	0	5	5	5	0	1	0	0
4. Off-site externalities											
Waste	Use/management	5	0	0	5	1	5	5	2	1	0
	Disposal	5	0	0	5	1	5	0	2	1	5
	Pollution	5	5	0	1	1	5	0	0	5	0
Water	Dependencies	1	5	0	0	0	1	0	0	3	0
	Use/management	1	3	0	5	3	5	5	2	1	0
	Reduce	1	2	0	0	3	1	5	2	3	0
	Disposal	5	5	0	0	5	0	0	2	0	0
Energy use/management	Energy use/management	1	3	0	0	0	0	0	2	1	0
	Reduce	1	0	0	0	3	0	0	2	0	0
Greenhouse gas	Emissions measured	0	0	0	0	0	0	0	0	0	0
	GHGs	0	0	0	0	0	0	0	0	0	0
	Soil	1	0	0	0	0	0	0	0	0	0

Source: Potts et al. (2010). Explanation of the numbers: 0=No requirements; 1=Recommended; 2=Required as a long-term objective; 3=Required in less than 3 years; 4=Threshold; 5=Critical.

Social Issues

	Initiative	FLO	UTZ	SAI	FSC	RA	IF	SFI	4C	GL	PEFC
Issue							OAM			gap	
Overal societal		**3.9**	**3.2**	**3.7**	**1.6**	**2**	**1.1**	**1.8**	**1.8**	**1.4**	**1.5**
5. Income and poverty											
Minimum Wage		5	5	5	5	3	0	5	2	0	0
Living Wage		5	0	0	0	0	0	0	0	0	0
Price premium		5	3	0	0	0	0	0	0	0	0
Employment benefits	Leave days (incl. maternity leave)	5	3	3	0	4	1	0	0	0	0
	Pensions and security benefits	2	0	3	0	0	1	0	0	0	0
6. Labor conditions											
ILO Core Conventions	Equal Remuneration	5	5	5	5	5	1	5	2	0	5
	Freedom of Association	5	5	5	5	1	5	5	5	0	5
	Collective Bargaining at Work	5	5	5	5	1	5	5	2	0	5
	No discrimination at work	5	5	5	5	5	5	5	2	0	5
	No forced labour	5	5	5	5	5	5	5	5	0	5
	Worst forms of child labour	5	5	5	5	5	5	5	5	0	5
	Minimum Age	5	5	5	5	5	0	5	5	0	5
Gender	Gender governance	1	0	0	0	0	0	0	0	0	0
	Women's labour rights	1	5	5	0	0	0	0	0	0	0
	Women's health & safety	1	5	5	0	0	0	0	0	0	0
Workers'	Safety at work	5	2	5	5	3	0	5	2	5	5
Health and safety	Healthy work conditions	5	5	5	0	3	0	0	2	5	0
	Access safe drinking water	5	2	5	0	4	1	0	5	5	0
	Access sanitary facilities at work	5	2	5	0	3	0	0	2	5	0
	Access medical ass./insurance	5	5	5	0	3	0	0	0	0	0
	Training on site	5	5	5	5	3	0	5	2	5	5
7. Labour and tenure security											
Employment conditions	Contract labour	5	2	5	0	1	0	0	0	0	0
	Transparency employment practices	5	3	5	0	1	0	0	2	5	0
	Written contracts	5	3	5	0	1	0	0	2	5	0
	Timely payment of wages	5	3	5	0	1	0	0	0	5	0
	Maximum # of working hours	5	3	0	0	4	0	0	0	0	0
	Physical violence, intimidation	5	5	3	0	3	0	5	5	0	0
8. Social											
UN Declarations	Education	1	1	5	0	1	1	0	2	0	0
	Medical care	1	5	5	0	1	1	0	0	1	0
	Housing and sanitary facilities	1	3	5	0	1	1	0	5	3	0
Community involvement	Community consultation	0	0	1	5	1	0	5	0	0	5
	Local Hiring and Purchasing	0	0	0	1	1	0	0	0	0	0
9. Market position											
Written contracts between buyers and sellers		5	0	0	0	0	0	0	1	0	0
Product quality requirements		5	5	0	0	0	5	0	2	5	0
Overall		3.3	2.6	2.3	2.0	2.0	1.8	1.8	1.5	1.4	1.3

Source: Potts et al. (2010). Explanation of the numbers: 0=No requirements; 1=Recommended; 2=Required as a long-term objective; 3=Required in less than 3 years; 4=Threshold; 5=Critical.

Appendix 2

Respondents

Tabel A2.01	Respondents	
Name	**Organisation**	**Type of organisation**
Vincent Frimpong Manu	Solidaridad Regional Expertise Centre West Africa	NGO
Marc Monsarrat	Rainforest Alliance	NGO
Elizabeth Mbau	Rainforest Alliance	NGO
Jan Gilhuis	IDH the sustainable trade initiative	NGO
Michiel Kuit	Kuit Consultancy	Consultant
Don Jansen	DE Foundation	Business
Cyril Ugwu	Armajaro	Business
Austin Kidzeru	Olam	Business
Taco Terheijden	Cargill	Business
Lucie Wassink	Netherlands Ministry of Economic Affairs	Government
Henk van Trigt	Netherlands Ministry of Foreign Affairs	Government
Verina Ingram	LEI Wageningen UR	Knowledge Institute
Marieke de Ruyter de Wildt	LEI Wageningen UR	Knowledge Institute

LEI Wageningen UR develops economic expertise for government bodies and industry in the field of food, agriculture and the natural environment. By means of independent research, LEI offers its customers a solid basis for socially and strategically justifiable policy choices.

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