Voluntary Sustainability Standards, Sustainable Food Value Chains and Circular Economy

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VSS have emerged as market-based tool to address key sustainability challenges, such as environmental impacts of production, climate change, biodiversity, workers and human rights.

66% of consumers are willing to pay a premium for sustainable products.

Percentage of Certified Land: Cotton: 13%, Palm Oil 11%, Cocoa 23%, Sugarcane 10% and Coffee 13%.

Seal-of-approval
Effective marketing tool
Market access
Premium Price

Source: The UNFSS Flagship Series
A large number of VSS are directly or indirectly supporting a circular economy transition: objectives, criteria and design.

UNECE Portal on Standards for the SDGs which maps some VSS, including an overview on their alignment to issues relevant to Circular Economy.

Most VSS, those in agri-food sector, have criteria that require the management and use of natural resources with positive effects on better farm management, and/or reducing inputs.

VSS also cover the aspect of minimising the inputs required, or using organic inputs, and maximising productivity.

Many agricultural VSS encourage producers to minimise the use of chemical fertilizers and instead adopt techniques like making their own manure or using organically produced fertilizers.

Most VSS also have criteria that require recycling and reuse of resources.
VSS by design are linked to SDGs

Source: VSS and SDGs, ITC, UNCTAD 2019
VSS and minimizing losses in food supply chains

One third of the food produced are typically wasted along the supply chains, this increases pressure on agriculture and affecting the producer’s income stability.

Food loss can be a result of several circumstance, from the lack of best practices on the farmer’s part to not enough space on the cold chain/storage facilities.

Evidence shows that finding efficient ways to track supply chains can reduce food loss and hence transition to circularity.

VSS/certification systems unlocks the potentials of Traceability, i.e Chain of Custody (CoC), hence minimizing losses in food supply chain.

Chain of Custody (CoC) System
Some thoughts on government action ....

- VSS can serve as a complementary tool for public policies to achieve circularity and SDGs.

- Governments can increase the uptake of VSS for increased sustainability through:
  - Sustainable Public Procurement (SPP)
  - Trade Policy

- There are potential synergies between the circular economy and international trade: on the one hand, circularity can open trade opportunities; on the other hand, trade can help scale up circular economy approaches from local, to regional and global levels

- Improving the environmental, social and governance (ESG) traceability and transparency of value chains is a priority to ensure Sustainable Value Chains in the circular economy.

- Voluntary Sustainability Standards play an important role as they can be a powerful driving force towards an increased uptake of circular economy concepts in production, trade and consumption of goods and services.

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