Building consensus on sustainability goals and measurements across agricultural commodities: the case of cotton and coffee

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Part 1 - Sustainable development

History
Where are we
Entry points for transformation
Some examples
Part 1 - Sustainable development – history and evolution

- **Acknowledging in 1972: The concept** of sustainable development received its first major international acknowledgment at the UN Conference on the Human Environment held in Stockholm.

- **Defining and recognizing the need for action in 1987: Our Common Future**, World Commission on Environment and Development defines sustainable development as

  “development which meets the needs of the present whilst ensuring future generations can meet their own needs (Brundtland report)”
Part 1 - Sustainable development – history and evolution

Collaborating - Rio Summit in 1992: Member States commit to cooperate together internationally on development issues

- the United Nations Framework Convention on Climate Change (UNFCCC)
- The Convention on Biological Diversity (CBD)

Sustainability dimensions in 1994: People, Planet and Profit

Goals, Indicators and targets to measure progress from 2000:

- 8 Millennium Development Goals (MDGs) in 2000: 21 targets and measurable health and economic indicators

- 17 Sustainable Development Goals (SDGs) in 2015 as part of Agenda 2030: 169 targets and 232 indicators
Despite the efforts and investments, the path is still long. Only a few targets are on time. Majority are delayed. Some significant ones, all relevant to commodity production, have a negative trend:

- Malnutrition and overweight
- Equality and income
- GHG emission
- Biodiversity

We can and need to do more much more!
Part 1 - Sustainable development – entry points for transformation

Sustainability not anymore only an ethical choice, but increasing a mandatory requirement.

Key entry points and driver of transformation are:

- Trade policies
- Finance
- Market
Part 1 - Sustainable development – entry points for transformation

Trade policies

The European Union (EU) law requires all relevant EU trade agreements to promote sustainable development:

- Social justice
- Respect for human rights
- Decent work
- Environmental protection—climate change
Part 1 - Sustainable development – entry points for transformation

**Example: Pesticide residues.**

Since 2002, the European Food Safety Authority (EFSA) monitors **pesticide residues**. Residues detected above legal limits might result in border rejection of goods.
Part 1 - Sustainable development – entry points for transformation

Trade policies

**Forced and child labour:** Since 2010, the European Parliament has asked for a legislative proposal on effective traceability mechanisms for goods produced through forced and child labour.

- Some EU Member States have enacted legislation to prevent human rights violations in international supply chains.
- **the EU-Vietnam free trade agreement**

The focus is on trade preferences, on labelling practices and imposing horizontal import prohibitions.

BRIEFING: Child Labour: A priority for EU human rights action:
file:///C:/Users/franc/OneDrive/Documents/BCI/Indicators/EU%20child%20labour.pdf
Part 1 - Sustainable development – entry points for transformation

Market: sustainability standard – compliant:

Area growth 2013-2017

- UTZ
- RTRS (soy)
- Organic
- Fairtrade
- CmiA
- Bonsucro
- BCI

Production in 2016

- 34% Coffee
- 29% Cocoa
- 14% Cotton

standard-compliant in 2016

- 49% growth rate from 2009 to 2016

Source: personal communication from IISD, data to be included in the forthcoming: Global Market Report: Cotton 2019 series

Part 1 - Sustainable development – entry points for transformation

Market: retailers and brands have ambitious sourcing targets for 2025/2050?

Part 1 - Sustainable development – entry points for transformation

Finance: shifts in capital allocation towards responsible investing:

• Environmental and Social Governance (ESG) investing estimated at over $20 trillion in 2018
  
  Source: Forbes, Jul 11, 2018

• Climate Finance Days (5th Day last week) are a sign of market leading financial institutions interest on green and climate finance

• New financial tools combining social and climate objectives e beginning to appear. E.g. 2017 – French bank adopt a Green Weighting Factor to approve financing transaction
Part 2 - Building consensus on sustainable development in the cotton and coffee sector

The Delta Project
Part 2 – Building consensus ... the Delta Project

**Project’s aim:** to build consensus on measuring and reporting sustainability performance in cotton and coffee as an opportunity to:

- Act more collaboratively to accelerate mainstreaming of sustainable commodities, enhance contribution to SDGs
- Address greenwashing, enhance market communication and transparency, demonstrate real impact and increasing credibility
- Increased data efficiency: Collect only what matters, reduce the effort and cost of data collection while improving quality
- Better support farmers and producers: Data uses that support farmers: better decision making, improved services and access to finance
Part 2 – Building consensus ...

the Delta Project

2. Consultations
June 2019 – January 2020
Sustainability guidelines, goals and indicators through consultations

4. Implementation guidelines
Feb – Mar 2020
Guidelines and informational tools

6. Delta Sustainability Indicators V1
Feb – Mar 2021
Refining the framework

1. Stocktaking
May-June 2019
Desk review of successful sustainability frameworks

2020
Cotton and coffee season indicator testing phase

5. Testing
February 2020
3. Delta Sustainability Indicators V0

The project operates with a highly consultative approach
Part 2 – Building consensus ... through a consultative process

Sustainability standards and donors
- Cotton 2040
- ISEAL members
Part 2 – Building consensus ... through a consultative process

Sustainability areas for cotton and coffee farming
### Common Goals

<table>
<thead>
<tr>
<th>Headline Impact Areas</th>
<th>Environmentally Sustainable Agricultural Practices (SDGs 3, 6, 12, 13, 14, 15)</th>
<th>Decent Livelihoods/Poverty Reduction (SDGs 1, 8, 10)</th>
<th>Promote Social Equality &amp; Empowerment (SDGs 2, 3, 6, 8, 10, 16)</th>
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</thead>
<tbody>
<tr>
<td>Sustainable cotton farming</td>
<td>Cotton farmers and workers earn a ‘decent’ income</td>
<td>Human rights are respected on cotton farms, with no forced and child labour</td>
<td>Healthy &amp; safe working conditions are present for all farmers and workers</td>
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<tr>
<td>Sustainable cotton farming protects and regenerates ecosystem services</td>
<td>Sustainable cotton farming is economically viable and farmers are economically resilient</td>
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<tr>
<td>Sustainable cotton farming reduces greenhouse gas emissions and builds resilience to climate change</td>
<td>Sustainable cotton farming alleviates poverty</td>
<td>Sustainable cotton farming delivers equality and empowerment, including gender equality, for cotton farmers and workers</td>
<td></td>
</tr>
</tbody>
</table>

### Part 2 – Building consensus...

through a consultative process

Sustainability Goals for the cotton sector
How to measure, monitor and report progress towards the common goals?

→ 15 indicators under development
Thank you!

Questions?

Join the consultations!

Speaker corner in the Hall
List of initiatives reviewed

1. 4C Association
2. Better Cotton Initiative (BCI)
3. Committee on Sustainability Assessment (COSA)
4. Cotton Connect / REEL code
5. Cotton LEADS
6. Cotton Made in Africa (CmiA)
7. Fairtrade Foundation (Certified Cotton Mark) and Fairtrade Coffee/Fairtrade Cotton Sourcing Program™
8. Fairtrade Standard for Small scale Producer Organizations
9. Global Coffee Platform/ Coffee Data Standard
10. Global Organic Textile Standard (GOTS)
11. HERproject™ - empowered women
12. IFOAM Organic 3.0
13. ISEAL Common Core Indicators
14. Living Income Community of Practice
15. My Best Management Practices (MyBMP)
16. Organic Cotton Accelerator
17. Organimark
18. Rainforest Alliance – UTZ
19. Responsible Brazilian Cotton (ABR)
20. Responsible Sourcing Network (RSN)’s YESS (Yarn Ethically and Sustainably Sourced) Cotton Lint Standard
21. Sedex and Sustainable Agriculture Initiative (SAI) Collaboration
22. ICAC SEEP Expert Panel
23. Sustainable Agriculture Network (SAN) project on forced labour alignment
24. Sustainable Development Goals (SDGs)
25. Sustainable Coffee Challenge (SCC)
27. World Fair Trade Organization (Asia)