Designing for Value
Increasing Participation in Voluntary Certification Programs

Ben Chen
Ann Kuo
Chanisa Niljinda
Melisa Ongun
Paul Winters
Overview

- Background
- Data Collection
- Design Choices and Outcomes
- Value Framework for Design
- Future Outlook
Deforestation
Deforestation
Sustainability Interventions

Regulations
{Clean Air Act, Brazilian Forest Code}

Producers
{Farmers, Processors, Retailers, Multinationals}

Company Initiatives
{Wilmar, Carrefour standards}

Voluntary Certifications
{FSC, Fairtrade, RSPO, SAN}

Research focus
Voluntary Certification Programs

[Logos for FSC, RTRS, and Fair Trade Certified]
Research Question

How does program structure influence producer participation?
## Data Collection - Indonesia

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>No.</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palm oil Producers/ MNCs</td>
<td>10</td>
<td>Anonymous</td>
</tr>
<tr>
<td>Banking</td>
<td>1</td>
<td>IFC</td>
</tr>
<tr>
<td>Consulting</td>
<td>2</td>
<td>Tropenbos</td>
</tr>
<tr>
<td>Trade Groups / Industry</td>
<td>3</td>
<td>RSPO, Indonesia Palm Oil Association</td>
</tr>
<tr>
<td>NGOs</td>
<td>9</td>
<td>WWF, Greenpeace</td>
</tr>
<tr>
<td>Academia</td>
<td>2</td>
<td>Bogor Agricultural University</td>
</tr>
<tr>
<td>Certifying Bodies</td>
<td>3</td>
<td>BSI, Sucofindo</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>30</strong></td>
<td></td>
</tr>
</tbody>
</table>
Data Collection - Brazil

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>No.</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle Producers</td>
<td>6</td>
<td>São Marcelo</td>
</tr>
<tr>
<td>Cattle Processors</td>
<td>2</td>
<td>Marfrig, JBS</td>
</tr>
<tr>
<td>Retailers / Restaurants</td>
<td>3</td>
<td>Carrefour, McDonalds</td>
</tr>
<tr>
<td>Trade Groups / Industry</td>
<td>4</td>
<td>GTPS (Brazilian Roundtable on Sustainable Livestock)</td>
</tr>
<tr>
<td>NGOs</td>
<td>5</td>
<td>WWF, The Nature Conservancy</td>
</tr>
<tr>
<td>Academia</td>
<td>1</td>
<td>University of Sao Paulo</td>
</tr>
<tr>
<td>Government</td>
<td>3</td>
<td>Embrapa (Brazilian Enterprise for Agricultural Research)</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td></td>
</tr>
</tbody>
</table>
## Stakeholder Interview Questions

<table>
<thead>
<tr>
<th>Category</th>
<th>Sample questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivations for Participation</td>
<td>• Why did you join the certification program?</td>
</tr>
<tr>
<td></td>
<td>• What made you pursue certification?</td>
</tr>
<tr>
<td>Implementing Certification Standards</td>
<td>• What are some challenges you faced in implementing the Principles and Criteria?</td>
</tr>
<tr>
<td>Sustainability Outcomes</td>
<td>• What changes did you see as a result of changed practices?</td>
</tr>
<tr>
<td>Benefits of Participation</td>
<td>• Did you find benefits to participating? Why or why not?</td>
</tr>
</tbody>
</table>
Design Choices

- Standards Setting
- Recruitment and Perception
- Implementation
- Compliance
Standards Setting

**RSPO**
- Transform markets to make sustainable palm oil the norm
- Seek input from diverse stakeholders
- Dynamic decision-making

**SAN**
- Elevate social and environmental sustainability in the supply chain
- Seek input from diverse stakeholders
- Decision-making influenced by consortium of NGOs

**Philosophy**
- RSPO
- SAN

**Governance**
- Participation
- Rigor of Standard

**Result**
- Participation
- Rigor of Standard
Recruitment and Perception

“Certification is too expensive!”
“I can’t access price premium!”
“Certification is making me worse off! This is not fair!!!”

“I don’t know how to achieve certification nor see the benefits of certification.”

“Certification provides price premium, better market access, and help manage sustainability risks better!”
Implementation

SAN

Commodity Industry

Sustainability

= Non-certified producers

= Certified producers

Sustainability standards
Implementation

RSPO

Commodity Industry

Sustainability

Non-certified producers

Certified producers

RSPO membership

Sustainability standards
## Compliance

### RSPO
- Certifying bodies provides no consultation or technical assistance
- Uses checklist approach

### SAN
- NGO watchdogs

<table>
<thead>
<tr>
<th>Audit</th>
<th>Non-Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certifying bodies</td>
<td>Criteria must be met to maintain certification</td>
</tr>
<tr>
<td>provides no consultation or technical assistance</td>
<td></td>
</tr>
<tr>
<td>Uses checklist approach</td>
<td></td>
</tr>
<tr>
<td>NGO watchdogs</td>
<td>2-60 day windows to correct</td>
</tr>
<tr>
<td></td>
<td>Mixed incentive to enforce</td>
</tr>
</tbody>
</table>
Value Framework for Design

Voluntary Certification Program

Performance of Best Management Practices (BMPs)

Stakeholders:
- NGOs / Government
- Multi-national corporations
- Consumers
- Banks
- Finance institutions

Verification of producer BMPs

Money

Non-monetary benefits:
- Risk protection
- Access to markets
- Highlighting of sustainability “hotspots”
Future Outlook

Additional opportunities for participants to receive value

Intermediate points of recognition
Acknowledgements

Pete Newton
Professor Arun Agrawal
CGIAR Research Program on Climate Change, Agriculture and Food Security

Funding:
School of Natural Resources and Environment
CGIAR Research Program on Climate Change Agriculture and Food Security
Center for Latin American & Caribbean Studies, International Institute
Tinker Foundation
Erb Institute of Global Sustainable Enterprise
Thank You!