THEMATIC REVIEW

IISD's State of Sustainability Initiatives Review

Standards and Poverty Reduction

December 2021

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State of Sustainability Initiatives

IISD's State of Sustainability Initiatives (SSI) is an international research project that aims at advancing sustainable and inclusive value chains. For over a decade, the SSI has been providing credible and solutions-oriented analysis and dialogue on voluntary sustainability standards (VSS) and their potential to contribute to sustainable development outcomes.

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Foreword

Most of the 500 million smallholder households that farm less than 2 hectares of land are a significant share of the world's poor. Considering that Agenda 21 establishes an ambitious goal to end poverty by 2030, defined in Sustainable Development Goal 1 as the intent to "end poverty in all its forms everywhere," poverty reduction in agriculture remains a priority.

Furthermore, the effects of the COVID-19 pandemic on smallholder farmers (including reduced income and contract losses), the continued loss of biodiversity, the deterioration of natural resources, and the effects of more frequent and intense weather patterns are all undermining the livelihood strategies of many of these smallholders and underscoring the importance of reducing poverty. In this quest, public and private sectors alike are called on to conduct efforts aimed at addressing the causes of poverty and to improve the livelihoods of millions of smallholder farmers.

Voluntary sustainability standards (VSSs) can influence how agricultural markets operate, as they originally convene different actors to advance sustainability through trade, including buyers, consumers, producers, policy-makers, investors, and development organizations. They require farmers to adopt more sustainable farming practices aimed at for instance maintaining soil health, conserving biodiversity, and/or protecting basic labour rights. In return, VSSs aim to open market access opportunities for smallholder farmers with links to buyers and consumers that are willing to purchase and pay premiums for more sustainably grown products. All of these efforts can contribute to reducing poverty among smallholder farmers.

Even though VSSs have been operating for more than three decades, the extent to which they are effective in reducing poverty is still the subject of discussion and ongoing research, and there is still no common understanding of how poverty in agriculture is defined. Concerns also remain about whether and how VSSs are able to reach poorer smallholder farmers, which is critical for successful poverty reduction.

In this report, we shed light on this critical and complex topic. *IISD's State of Sustainability Initiatives Review: Standards and Poverty Reduction* first breaks down what poverty in agriculture means using several aspects and indicators. It then examines how VSSs can contribute to reducing poverty based on their design and reporting of evidence, and what opportunities exist to improve their effectiveness in contributing to poverty reduction. It also examines how VSSs can most effectively reach and benefit smallholder farmers based on interviews with farmers and other actors in six countries across Africa, Asia, and Latin America.

My hope is that, with this analysis, the reader also understands that reducing poverty in agriculture requires empowering smallholders by strengthening their leadership and capacities to improve their livelihood strategies. Their needs and voices must be included in decision-making processes concerning their livelihoods and their development needs addressed through

the coordinated efforts of many actors, including governments in producing and consuming countries, buyers, investors, and development organizations. With concrete policies and practices that target common objectives, these actors can support VSSs through building synergies and complementarities—and vice-versa—to enhance smallholder farmers' livelihoods. I hope the recommendations that we propose in this report will inform policy action and best practices and further the work that VSSs already do in engaging with farmers, buyers, policy-makers, investors, and development organizations to jointly deliver sustainable development outcomes that can help to reduce poverty.

Finally, I would like to mention that with this second thematic flagship SSI Review, IISD continues the SSI series that our dear colleague Jason Potts initiated almost a decade ago. Jason continues to inspire our work. This report is an example of his legacy.

Enjoy the reading!

Cristina Larrea
Lead, Sustainability Standards, International Institute for Sustainable Development.

Executive Summary

Eighty percent of the world's 734 million poor people live in rural areas, and most depend on agriculture for their livelihoods. Smallholder farmers managing less than 2 hectares of land are disproportionately represented in developing countries and support an estimated 2 billion people globally. As such, it is critical for poverty reduction interventions to target and benefit smallholder farmers to make them successful. Furthermore, the effects of the COVID-19 pandemic, as well as conflict, climate change, and food insecurity, underscore the importance and urgency of efforts to work toward Sustainable Development Goal 1: End poverty in all its forms everywhere.

In this report, poverty is defined as the lack of resources, choices, opportunities, power, and voice necessary to achieve a basic level of living standards and to participate in society. Thus, reducing poverty requires progress in three broad, interconnected dimensions: access to resources, opportunities and choices, and power and voice. These three dimensions of poverty interact with one another; a person who is poor in one dimension tends to be poor in another. For example, having few resources (i.e., land, income, education) often means having fewer opportunities and choices to thrive, less power and voice in social dynamics, and vice versa.

This *International Institute for Sustainable Development (IISD) State of Sustainability Initiatives (SSI) Review* examines the potential for voluntary sustainability standards (VSSs) operating in the agriculture sector to contribute to poverty reduction. It provides relevant and transparent information to better understand the strengths, advantages, and limitations of VSSs in reducing poverty and benefiting smallholders; it supports policy-makers in less-developed countries to better leverage VSS systems and their potential impacts on poverty reduction; and it influences policy development to promote the effective use of VSSs and the enabling environment needed to help smallholder farmers comply with them and access VSS-compliant markets.

To do this, the review assesses 13 VSSs with a significant presence in international markets. It examines their production and system and governance requirements across 18 key aspects of the three dimensions of poverty (Chapter 2) and reviews 12 meta-studies on VSS impacts to evaluate their strengths and limitations in practice (Chapter 3). Based on an analysis of 57 interviews we conducted in six countries (Cambodia, Colombia, Guatemala, Guinea-Bissau, India, and Rwanda), it also reveals the factors that encourage or limit smallholder access to VSS-compliant markets (Chapter 4).

Our research indicates that VSSs can support broader strategies for poverty reduction. We find that VSS production, system, and governance criteria align with several key aspects of the three dimensions of poverty and that, based on evidence in the meta-studies as well as our interview data, they can enhance these aspects in practice (though overall effects on poverty reduction are inconclusive and context specific). Our findings show that VSSs can help farmers **improve access to resources**—such as better prices for certified crops, increased crop income, forest conservation, soil conservation and watershed protection, social capital via producer organization, and links to supporting actors, including extension services, financial service providers, or buyers

to secure sales. They can also **help create opportunities for skills development** and training for farmers, employment and decent work, and opportunities to manage farmland sustainably (via training on improved farm practices and soil and water preservation). Furthermore, VSSs help **strengthen the power and voice of farmers and workers**, supporting compliance with human and labour rights (i.e., freedom of association).

Our analysis also reveals that the VSSs examined tend to cover criteria best when they correspond to those that are typically incorporated in national legislation or backed by international conventions (i.e., minimum wage, worker health and safety, and freedom of association). Some VSSs cover certain aspects more than others, but we see potential overall for VSSs to better address premiums, living wage and living income, climate adaptation and mitigation (i.e., reduction of greenhouse gases, use of renewable energy, carbon sequestration). Further, VSSs could better support the balanced and direct involvement of affected stakeholders, including smallholder farmers, in consultations and standard-related decision making; farmers' access to VSS-related information, including production requirements; how to participate in VSS-compliant markets; or how to file complaints. VSSs could also better integrate gender equality in their criteria—for instance, related to women's access to land, training, and markets. If well designed, VSSs can serve as an important supporting tool for achieving change and complementing legal and policy frameworks, especially at the farm and community levels, in relation to the three dimensions of poverty detailed above and as part of a broader strategy for poverty reduction.

For VSSs to help reduce poverty among smallholder farmers specifically, such farmers must be able to access VSS-compliant markets. For that to happen, our analysis shows that several enabling conditions must be in place. These conditions include:

1. An ecosystem of supporting actors that work closely with smallholder farmers, such as government agencies, buyers, extension service providers, development organizations, and certifiers, offering them information and training on VSSs, their requirements, the way they operate, and market information.
2. Market demand for VSS-compliant products and the ability of farmers to establish direct links with buyers (i.e., aggregators, retailers) instead of relying on various intermediaries.
3. Participation in producer organizations.
4. Price incentives for VSS-compliant products.
5. Access to financial resources.

When these conditions are in place, they can help tackle constraints that potentially limit smallholder farmer access to VSS-compliant markets. According to our study, the main constraints are low capacity to comply with and maintain requirements (i.e., related to VSSs or buyer requirements); limited access to resources (i.e., financial resources, training); environmental constraints (i.e., poor soil, changing weather patterns); VSS-specific factors (i.e., cost of

certification); supply chain structure and power relations (i.e., limited direct access to buyers, too many intermediaries, low bargaining power); and competition, limited market demand, and restrictive trade policies.

This State of Sustainability Initiatives review offers recommendations in Chapter 5 on how standard-setting bodies can strengthen VSSs so they have a greater impact on aspects of the three dimensions of poverty. It also provides advice on how VSSs, governments, and value chain actors can support smallholder farmer access to VSS-compliant markets, with a view to contributing to broader strategies of poverty reduction.

Recommendations for VSSs

- **Support business and market diversification:** Support income-generating activities both related to and beyond the certified crop through better coverage of criteria designed to support entrepreneurship and opportunities for the improved economic viability of business operations, access to diversified markets, and diversified business operations (i.e., crop diversification, value addition to crops, recycling of farm waste).
- **Support monitoring and learning:** Establish robust monitoring and evaluation systems with supporting agents who regularly engage with farmers to track the performance of their farming practices, assess changes, and support learning and continuous improvement, for example, by sharing data with farmers.
- **Strengthen VSS assurance systems:** Leverage technologies such as mobile phone text-based remote farmer interviews that support frequent communication and assessment activities between farmers and evaluation teams to enhance farming decision making and continuous improvement of farm practices and support compliance with VSS criteria. Improve the design of grievance mechanisms and make them more accessible for the use of farmers and their communities. Support the disclosure of decisions related to filed complaints to strengthen transparency and continuous improvement.
- **Systematically include smallholders in VSS decision making:** Inform smallholders about VSSs by providing materials in local languages and disseminating information through means such as local radio programs and adapted materials; ensure smallholder involvement in decisions related to standards development and governance by ensuring smallholder producers have both votes and veto power in VSS governance bodies.
- **Adopt a gender-equality approach:** Engage women as partners in developing and implementing VSSs, identifying women as key beneficiaries of VSSs' Theories of Change and desirable outcomes and including them in efforts to implement and monitor VSSs' impacts. VSSs can also include explicit criteria that support issues that are less covered in the schemes, such as women's access to land, training, and markets, and women's health and safety.
- **Adapt standards to local contexts:** Adapt international standards to local contexts in producing countries so they are less costly and aligned with local contexts and priorities.

They will be more relevant and accessible to smallholders (their VSS-compliant products will be more accessible to consumers in domestic and regional markets).

- **Coordinate for cooperation and harmonization:** Simplify and harmonize standards across VSSs to help reduce the amount of time and financial investment required for smallholder compliance across multiple standards. Such systems of equivalency could make it easier for smallholders to access diversified VSS-compliant markets and reduce the risk of not being able to sell compliant products as such. Cooperate with other VSSs and/or municipalities to develop landscape certification programs or jurisdictional approaches for greater reach and reduced cost for farmers.
- **Define financial rewards measures for farmers:** Offer prices and premiums that can offset the costs of implementation and compliance with VSSs while increasing crop income, though these measures depend on whether there is sufficient demand for VSS-compliant products. This includes criteria requiring a guaranteed minimum price to provide price stability to compliant producers, as well as a higher premium for their products.
- **Cover critical environmental criteria:** Cover criteria related to climate mitigation and adaptation, conservation, and biodiversity. VSSs should integrate criteria that support climate mitigation (i.e., reduction of greenhouse gas emissions, use of renewable energy, soil or tree carbon sequestration, High Carbon Stock Area management) as well as criteria that support implementing assessments of farm adaptation capacities. All VSSs should also include measures to prevent and conserve biodiversity, for example, through criteria for production on High Conservation Value Areas, soil erosion and conservation, ecosystem restoration, and protection of endangered ecosystems.

Recommendations for VSSs, Value Chain Actors, and Governments

- **Coordinate support mechanisms:** Producing-country governments can facilitate coordination among actors (i.e., government, non-governmental organizations, VSSs, buyers, financial service providers) to help ensure smallholders have the services and support they need to comply with VSS and buyer requirements (i.e., VSSs' criteria, volume and quality of product, legal requirements of the end market), maintain sales to VSS-compliant markets, and resolve questions and challenges as they arise. This can be done through public–private partnerships and by establishing forums for sectoral dialogue and coordination among actors and export/commercial readiness programs.
- **Improve farmers' VSS knowledge and implementation:** Provide smallholders with knowledge and adapted materials about how VSSs function, their rules, what they require, and their market performance. This effort will ensure that producers know what farming practices need to apply and what market opportunities exist (and do not exist) so they can make informed choices about related costs, risks, and potential benefits.

- **Increase access to financial resources:** Collaborate with financial service providers, public and private, to promote access to finance programs designed to offer producers and their organizations direct market linkages, inputs, and capacity-building activities alongside affordable financing models. These models can include blended finance such as preferential investment and loans that favour farmers who adopt more sustainable cultivation practices and are tailored to smallholders by including flexible loan requirements, payment schemes, and/or grace periods.
- **Establish a living income for farmers:** A living wage or living income is one that enables producers and their families to meet their basic needs based on the actual costs of living in a specific community. Some VSSs are starting to incorporate criteria addressing a living wage and living income, and VSSs can have a role to play in coordinating with buyers and governments, advancing the definition of living wages and living income references for smallholders, and piloting and documenting experiences to support broader adoption.
- **Support smallholder access to productive and sustainable land:** Governments in producing countries can create initiatives to register land titles, issue land certificates to smallholders, and encourage the adoption of sustainable agricultural practices that help maintain the soil quality and agricultural productivity of the land. Governments can offer incentives (i.e., monetary, training, inputs, access to technology) for farmers who demonstrate improvements in soil quality and positive environmental performance and adopt sustainable farming practices.
- **Stimulate demand for sustainable products:** Producing- and consuming-country governments can fuel demand for VSS-compliant goods to encourage and support VSS-compliant production and trade. Demand can be stimulated by raising awareness among consumers, adopting sustainability considerations in public procurement policies, and officially recognizing locally defined VSSs in producing countries (or local versions of international standards) to support trade in compliant products domestically and with neighbouring countries (i.e., the East African Community, Mercosur).
- **Strengthen producer organizations:** Governments in producing countries can support smallholder organization in groups and the development of their leadership, business capacity, and negotiation skills as a way to lower transaction costs (including certification cost and inputs), provide an avenue for farmers to voice their concerns/needs, and negotiate with financiers and buyers, thus increasing their power and voice and helping to push back against unfair buyer practices.
- **Encourage responsible business practices:** In light of international guidelines such as the Organisation for Economic Co-operation and Development Guidelines for Multinational Enterprises and the United Nations' Guiding Principles for Business and Human Rights, governments in producing and consuming countries can support corporate responsibility and encourage ethical business relationships between producers/producer organizations and buyers with respect to human rights principles. Ways to do this include

establishing observatories in partnership with civil society that monitor corporate behaviour in producing countries or through due diligence legislation regulating the behaviour of importing companies and their suppliers abroad.

- **Structure local value chains:** Governments in producing countries can structure local value chains, facilitating direct and structured links between producers, formal traders, aggregators and buyers; providing guidelines for establishing long-term contracts; and creating transparency. Governments can offer digital sector directories that are accessible to farmers, guidance for contracts between smallholders and buyers that can support long-term market assurance, and price guarantees that stabilize prices and offer a minimum price above the costs of production.

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Abbreviations and Acronyms

BCI	Better Cotton Initiative
CMIA	Cotton Made in Africa
DFID	Department for International Development
E&S	Environmental and social
EU	European Union
FPIC	Free, Prior, and Informed Consent
GAP	good agricultural practices
GHG	greenhouse gas
GRASP	GLOBALG.A.P. Risk Assessment on Social Practice
IISD	International Institute for Sustainable Development
ILO	International Labour Organization
ILS	international labour standards
ITC	International Trade Centre
NGO	non-governmental organizations
RSPO	Roundtable on Sustainable Palm Oil
RTRS	Round Table on Responsible Soy
Sida	Swedish International Development Agency
SSI	State of Sustainability Initiatives
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
VSS	voluntary sustainability standard

1.0 Introduction

The Importance of Smallholder Farmers in Poverty Reduction Strategies

Reducing poverty remains a key imperative for the international community. The 2030 Agenda for Sustainable Development emphasizes "Ending poverty in all its forms everywhere" in Sustainable Development Goal Number 1, pledging to "leave no one behind." The agenda takes the view that different actors—governments, civil society, and the private sector—must come together to achieve inclusive and sustainable development that eradicates poverty.

It is now widely accepted that efforts to reduce poverty must consider the multidimensional nature of poverty. For instance, the United Nations notes that "poverty entails more than the lack of income and productive resources to ensure sustainable livelihoods. Its manifestations include hunger and malnutrition, limited access to education and other basic services, social discrimination and exclusion, as well as the lack of participation in decision-making" (United Nations, 2021). In this report, we define poverty as the lack of resources, choices, and power necessary to acquire and maintain a basic level of living standards and to participate in society (see Box 1). We highlight three key dimensions of poverty emphasized in United Nations and country definitions of poverty: access to resources, opportunities and choices, and power and voice. These three dimensions are interconnected and interact with one another; a person who is poor in one dimension is usually also poor in another. For example, being resource-poor often means having fewer opportunities and choices to flourish, which can lead to less power and voice in social dynamics and vice versa (Swedish International Development Agency [Sida], 2017).

Contextual socio-economic, political, and environmental factors also influence whether and how people experience poverty, their opportunities to move out of poverty, and the risks that could worsen poverty. These factors include the formal and informal institutions, policies, and norms that create effective and fair systems and rules; the macroeconomic environment, including supply-demand balance, commodity price volatility, and market consolidation; socio-cultural factors such as infrastructure, social cohesion, trust, and norms; the environmental context, including natural resource health and governance; and security and peace. An enabling environment creates the context that helps reduce poverty in the different dimensions.

Most of the world's poor live in rural areas (Castañeda et al., 2018; United Nations Development Programme, 2021) and depend on agriculture for their livelihoods (Food and Agriculture Organization of the United Nations, 2021). Globally, extreme poverty rates are more than three times higher in rural areas than in urban areas, reaching 17.2% of people living in rural areas (versus 5.5% in urban areas) (Castañeda et al., 2018). Many of these are smallholder farmers.

Smallholder farmers managing less than 2 hectares of land run about 84% of the world's 570 million farms (Lowder et al., 2016) and support an estimated 2 billion people (World Bank, 2016). They often lack access to resources such as finance (income and credit), natural resources (land and

Box 1. Conceptualization of poverty

In this report, poverty is defined as the lack of resources, choices, opportunities, power, and voice necessary to achieve a basic level of living standards and to participate in society. We draw on concepts developed by the United Nations (UN Committee on Economic, Social and Cultural Rights, 2001; United Nations, 1995, 1998) and several governments (Government of Canada, 2018; Sida, 2002, 2017). These definitions bring together three key dimensions—resources, opportunities and choice, and power and voice—that reflect elements of the livelihood assets, capabilities, and rights-based approaches to poverty.

The UN Committee on Economic, Social and Cultural Rights stated in 2001 that poverty is "a human condition characterized by the sustained or chronic deprivation of the resources, capabilities, choices, security, and power necessary for the enjoyment of an adequate standard of living and other civil, cultural, economic, political and social rights" (UN Committee on Economic, Social and Cultural Rights, 2001).

Sida (2002) defines multidimensional poverty as something that "deprives people of the freedom to decide over and shape their own lives. It robs them of the opportunity to choose on matters of fundamental importance to themselves. Lack of power and choice and lack of material resources form the essence of poverty" (as cited in Sida, 2017).

The Government of Canada defines poverty as the "condition of a person who is deprived of the resources, means, choices, and power necessary to acquire and maintain a basic level of living standards and to facilitate integration and participation in society" (Government of Canada, 2018).

The livelihood assets approach highlights the importance of people's access to resources or assets, including income but also non-monetary resources (land, education, social capital) that can be used to generate value. The capabilities approach concerns the opportunities and choices a person has to turn those resources into livelihood strategies that meet their needs (e.g., by accessing new markets, participating in training, sustainably managing farmland).

The importance of a focus on power and voice reflects the perspective of poor people (Narayan et al., 2000). They must be able to affect the rules and relationships governing their access and opportunities to use resources (e.g., by negotiating better terms of market participation, including contracts, prices, and payment schedules).

Thus, poverty is more than just a lack of income. Whether and how people experience poverty depends on their access to resources, opportunities and choices to use those resources to meet their needs, and the power and voice they have to affect the rules and relationships governing their access and opportunities to use resources.

inputs), and infrastructure and equipment (including roads and irrigation). Limited access to training and skills development and long distances to markets can also restrict their opportunities (i.e., professionalization of the farm, the ability to sell their products to different markets/buyers). Without organization and aggregation, smallholder farmers tend to have little power over the resources and opportunities available to them.

Many development prescriptions suggest reducing poverty by integrating poor producers with global agricultural markets (Seville et al., 2011; Taylor et al., 2009). Evidence suggests that growth in the agriculture sector is two to four times more effective at reducing poverty than growth in other sectors (World Bank, 2015) and is interlinked with providing food security and building resilience to climate change (Byerlee et al., 2009). But the prospects for poverty reduction depend on whether such market integration occurs in a way that enhances producer access to resources and increases opportunities and choices, as well as power and voice.

This review explores how voluntary sustainability standards (VSSs) in global agricultural markets contribute to poverty-reduction efforts targeting smallholder farmers. VSSs that govern agricultural markets provide an opportunity to link poor producers to markets while achieving social, economic, and environmental outcomes that can help reduce poverty. Yet VSSs can also exclude the poorest farmers from accessing sustainable markets, limiting their opportunities. The impact of smallholder participation in sustainable markets on poverty is a topic of debate. Tension remains between the ability of VSSs to include smallholder farmers and to improve the economic, social, and environmental conditions of compliant farmers and their communities.

This report also examines how VSSs can address the three dimensions of poverty while acknowledging connections to an enabling environment—particularly in Chapter 4, which studies the contextual factors that can promote or limit smallholder farmers' access to markets for products that comply with these standards. We recognize that an enabling environment helps explain the broader and sometimes indirect ways that VSSs may be useful (or not) tools for smallholder farmers to wield to access markets and to reduce poverty.

As standards proliferate worldwide, it is necessary to better understand the conditions under which VSSs sustainably benefit poorer producers, as well as how barriers can be addressed and an enabling environment created for more sustainable production leading to poverty reduction. This review provides in-depth, credible, and needs-based information so policy-makers and VSSs can make informed decisions about the role of standards in poverty-reduction efforts targeting smallholder farmers. It is increasingly important to understand how to govern global trade and markets in a way that supports sustainability outcomes at the production level, particularly as the COVID-19 pandemic has highlighted how consumption in one place affects livelihoods elsewhere.

The Potential Contribution of VSSs to Poverty Reduction

VSSs that govern agricultural markets provide an opportunity to reduce poverty among smallholder farmers (see Figure 1). Each

standard has its own Theory of Change, governance system, production criteria, and assurance system. However, VSSs generally aim to make sure producers comply with production criteria related to social, economic, and environmental sustainability using a standard compliance assurance system and labelling the compliant product with a logo that communicates adherence to the standard criteria to consumers.

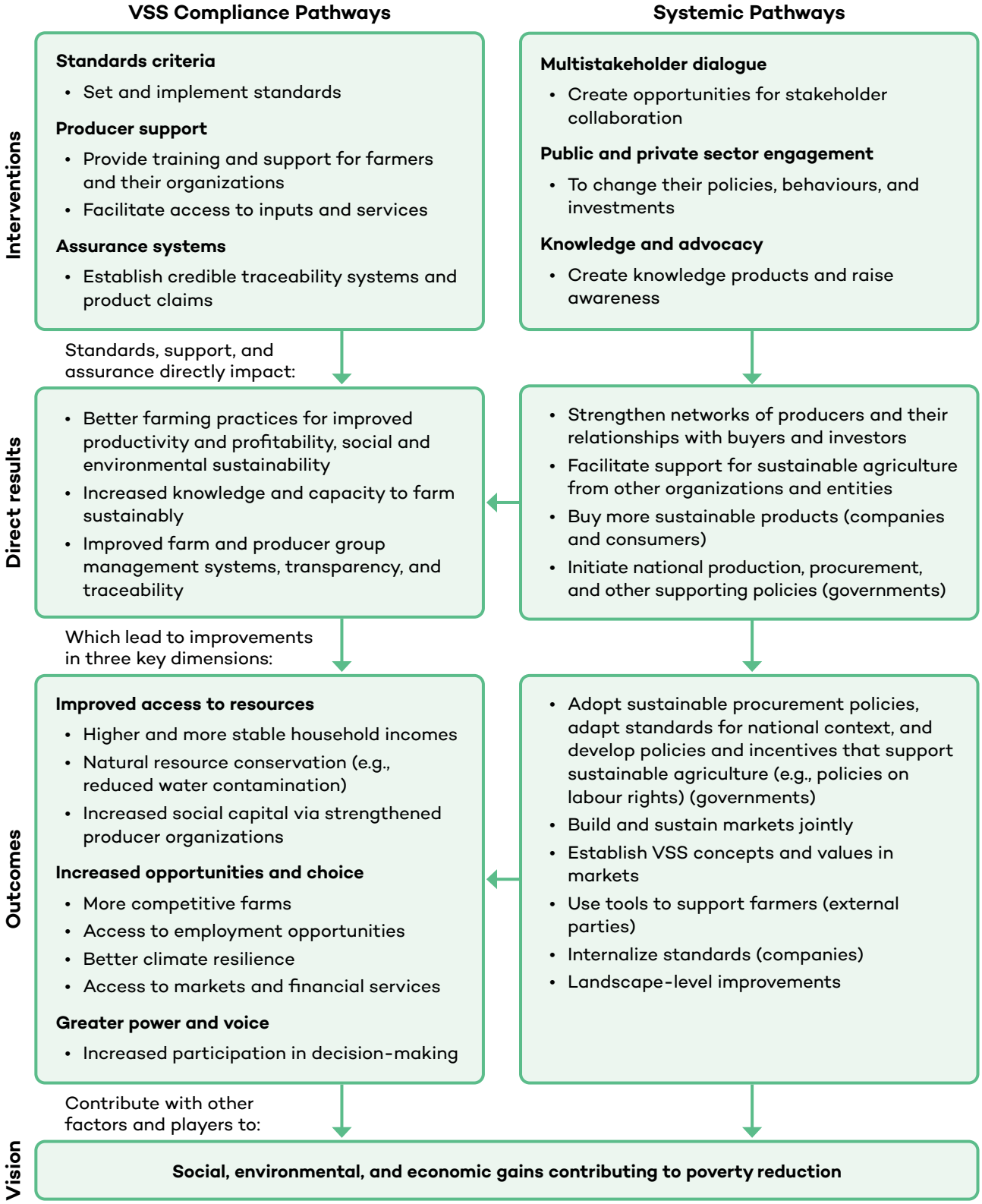
More than half (245) of the 455 VSSs operating worldwide (EcoLabel Index, 2021) are active in the agriculture sector. We have selected 13 of these for their international presence and significant share of agricultural commodity production (Willer et al., 2019). Initially forming niche markets, VSSs now operate in mainstream agricultural commodity markets (Dietz et al., 2021; Dietz & Grabs, 2021), reaching between 10% and 32% of banana, coffee, cocoa, and tea commodity production (Meier et al., 2020).

VSS activities can have direct results on farm and value chain practices (i.e., better agricultural practices, price premiums). These can have intermediate results for farmers (i.e., soil health and fertility, higher incomes) that can lead to improvements in the three dimensions of poverty (access to resources, opportunities and choices, and power and voice). When these results are supported by the environment in which they operate—for example, through the provision of information and training to farmers, direct links with buyers, and strong producer organizations—they can contribute to broader market access and poverty reduction for smallholder farmers.

VSSs have the potential to influence intermediate results that can help reduce poverty via two pathways: activities related to standard compliance (i.e., standard setting, training and support for producers, and assurance systems establishing product claims) and activities that affect their enabling environment (i.e., multistakeholder dialogue, private and public sector engagement, and knowledge and advocacy). These two pathways can strengthen and complement each other (see Aidenvironment et al., 2018).

By setting, supporting, and assuring producer compliance with economic, social, and environmental criteria, VSSs are well placed to help address some aspects of the dimensions of poverty reduction, such as natural resource management and labour rights. Through training in good agricultural practices and facilitated access to inputs and services, VSSs can directly support better farming practices, producer knowledge, and the capacity to farm higher-quality and more sustainable products. In turn, these can improve smallholder access to resources—for example, through higher and more stable prices and increased social capital via stronger producer organizations. VSS activities can give smallholders greater prospects and choice by creating more competitive farms, access to employment opportunities, better climate resilience, and opportunities to manage natural resources sustainably. For example, technical assistance to improve smallholder agricultural practices such as crop rotation and forest cover can result in more sustainable and resilient production systems. Standards' criteria related to worker health and safety can create opportunities for decent work. Criteria that ensure the participation of small farmers in decision making around the design and governance of

Figure 1. Theory of Change



Sources: Adapted from Aidenvironment et al., 2018; Khew et al., 2016; Rainforest Alliance, 2021.

standards can give smallholder producers a greater voice.

Increasingly, VSSs are also involved in activities that have the potential to influence the environment in which they operate. By facilitating dialogue among value chain stakeholders beyond the standard itself, VSSs can create opportunities for partnerships, coordination, and alignment between actors. In some cases, these can lead to enhanced social networks for producer organizations and long-term contracts with buyers. Furthermore, through activities that engage companies and governments and through knowledge and advocacy products, VSSs can support changes in policies, investments, and buyer practices.

Still, VSSs may not reach the poorest smallholder farmers and can have limited influence over the distribution of value and power in the value chain. A main obstacle of VSSs' contribution to poverty is a lack of inclusion of the poorest farmers. Although they operate in places where poverty occurs, compliance is more common among farmers with greater resources. The poorest farmers who could benefit the most are often unable to comply with VSSs and access their markets, as they tend to lack the resources needed to satisfy and maintain the standards' criteria. To address this concern, some VSSs have developed specific and more accessible standards for smallholders (for instance, the Fairtrade smallholder scheme and the Roundtable on Sustainable Palm Oil). Still, it is unclear whether they include the poorest farmers.

The ability of VSSs to help reduce poverty is also limited by insufficient market demand for compliant production (Bermúdez & Perri, 2020; Meier et al., 2020). While VSSs may address farm-level conditions, their focus on production units and individual value chains means they may not be able to achieve the landscape-level changes needed for meaningful impact. Production criteria are not always relevant to the local context and priorities, and what they aim to achieve may be disconnected from factors that are most important to poverty reduction in that particular place (Glasbergen, 2018). Despite their limitations, VSSs provide a tool for supporting best practices that can assist policy-makers in their efforts to link smallholder farmers to markets and with poverty-reduction benefits.

Report Objective

This publication undertakes three analyses to understand how VSSs can help reduce poverty among smallholder farmers. Chapter 2 examines whether VSS criteria align with selected indicators of poverty reduction to understand in which aspects of the poverty dimensions VSSs may be able to effect some change. Chapter 3 reviews literature on the impacts of VSSs to show which aspects of the poverty dimensions they may affect in practice. Chapter 4 assesses the factors that can make it easier or harder for smallholders to become VSS compliant and access sustainable markets, thus making VSSs more universal and strengthening their potential to reduce poverty. Chapter 5 draws insights from these three analyses to provide recommendations on how to leverage VSSs to support smallholder market access and poverty reduction.

2.0 Examining VSS Criteria Against Indicators of Poverty Reduction

As described in Chapter 1, VSSs encompass various activities (e.g., setting standards criteria, producer support, multistakeholder dialogue) that could support poverty-reduction efforts. This chapter looks at the content of standard requirements and VSS governance systems as a starting point to determine the potential of VSSs to help reduce poverty. It maps the production and system and governance criteria of 13 major international standard initiatives operating in the agricultural sector (see Box 2) against a framework of poverty. The VSSs included in this analysis were chosen for their global reach and significant market presence.

Box 2. Scope of review

This publication covers the 13 standard initiatives operating in the agricultural sector that are most widely adopted and recognized by the international community (Willer et al., 2019):

- 4C Certification
- Better Cotton Initiative (BCI)
- Bonsucro
- Cotton Made in Africa (CMIA)
- Fairtrade International* (Hired Labour)
- Fairtrade International (Small-scale Producer Organizations)
- GLOBALG.A.P.
- GLOBALG.A.P. Risk Assessment on Social Practice (GRASP)[1]
- IFOAM – Organics International
- ProTerra Foundation
- Rainforest Alliance
- Roundtable on Sustainable Palm Oil (RSPO)
- Round Table on Responsible Soy (RTRS)

**It is important to note that Fairtrade International manages separate standards for hired labour and smallholders. This report covers both Fairtrade standards.*

[1] While GRASP certification is only possible with GLOBALG.A.P. certification, in this paper, we treat it as a separate initiative for ease of analysis.

Commodity production under these 13 VSSs is growing faster than conventional production. The significant market penetration and growth of the 13 VSSs highlight the importance of understanding their contribution to market access and poverty reduction for smallholder farmers.[2]

This review looks at the main standards documents to see the most extensive coverage of the standard, but it is important to note that more stringent criteria often make compliance more difficult for smallholders. The issue of smallholder market access is examined in detail in Chapter 4.

The Fairtrade International Standard for Small-scale Producer Organizations is the only smallholder standard included in this analysis. It was treated as a standalone standard because the criteria are not a subset of the Fairtrade International standard. Rather, they take a different approach by providing a framework for small producers to develop resilient and inclusive organizations, improve farming practices, and generate more benefits for their members and communities.

Some VSSs have smallholder farmer versions of their criteria (e.g., Bonsucro for Smallholders) that encompass the same core criteria but tend to have fewer requirements and thus can be more accessible to smallholders. The 4C Code of Conduct indicates that some of its criteria do not apply to smallholders. Rainforest Alliance's 2020 standard breaks down its criteria into group certification and individual certification, with the latter applicable to both small and large farms (and this is what is used in this analysis). These examples indicate that VSSs are becoming increasingly aware that one size does not fit all, and accommodations need to be made for the smallholder context.

Given the nuances in how different VSSs approach smallholder certification, this analysis opted for a rounded approach by using the standards that encompass all criteria to see to what degree VSSs can address poverty reduction on a global scale, beyond just the smallholder context. Bonsucro (2018) notes in its smallholder standard that "there are non-core indicators that have been removed, but the scope of the core indicators has remained the same." In other words, both the Bonsucro Production Standard and the Bonsucro Production Standard for Smallholder Farmers share core indicators, with more non-core indicators included in the main Production Standard. It stands to reason that the more criteria-inclusive standard should be used for this analysis.

[2] While the Ethical Tea Partnership was included in past SSI reviews, it is excluded from this review as it no longer operates as a VSS and has dropped its auditing program. The Roundtable on Sustainable Biomaterials is also excluded, as it tends to be adopted by more specialized biofuel and biomaterial manufacturing firms, potentially less related to smallholder farming activities.

Methodology

The process used to map VSS criteria against a framework of poverty reduction involved developing an analytical framework of poverty and selecting a shortlist of criteria from the International Trade Centre's (ITC) Standards Map to assess the criteria coverage of VSSs. We first established an analytical framework by examining the literature on poverty. We took as our starting point UN and government definitions of poverty (Government of Canada, 2018; Sida, 2002, 2017; UN Committee on Economic, Social and Cultural Rights, 2001) that highlight three key dimensions: access to resources, opportunities and choices, and power and voice. We then disaggregated each dimension into a set of key aspects to guide the analysis (see Table 1).

The different aspects of each dimension were drawn from literature on poverty and sustainable livelihoods (Chambers & Conway, 1991; Department for International Development [DFID], 1999; Ellis, 1998; Ellis et al., 2003; Scoones, 2009), asset vulnerability (Donovan, 2010; McKay, 2009; Moser, 1998), the human rights-based approach (Office of the United Nations High Commissioner for Human Rights, 2004, 2012), and the entitlements/capabilities approach (Bebbington, 1999; Sen, 1983). Environmental aspects were identified in the literature on green growth (Dercon, 2014) and ecosystem services (CGIAR, 2021; Suich et al., 2015) for poverty reduction.

Table 1. Poverty reduction in agriculture: Analytical framework dimensions and aspects

	Access to resources	Opportunities and choices	Power and voice
1	Access to financial resources	Opportunity for decent employment	Compliance with human and labour rights
2	Access to natural resources and ecosystem services	Opportunity for skills development and training	Access to justice
3	Access to material resources and technology	Opportunity to manage natural resources sustainably, preserve biodiversity, mitigate climate change, and develop climate resilience	Access to information and consultation
4	Access to basic services	Opportunity for entrepreneurship	Inclusive decision making
5	Access to social capital and collective action	Opportunity to access diversified markets	Fair and equitable governance (accountability and transparency)
6	Access to resources – gender	Access to opportunities and choices – gender	Power and voice – gender

The aspects also draw on feminist frameworks to address the gender dimensions of poverty (Kabeer, 2012). The 18 aspects, organized under the three broad dimensions, were used to examine VSS criteria obtained from ITC's Standards Map (see Appendix A for methodological details).

We examined the coverage of production and system and governance criteria of the 13 VSSs against these aspects of the poverty dimensions to better understand the potential of VSSs to address poverty. It is important to note that this analysis is not intended to rank the VSSs on their performance but rather to provide a bird's-eye view of their potential to reduce poverty through their standard requirements and governance practices.

Using the ITC Standards Map, we assessed VSS content criteria as defined in their standards documents. Standards update their criteria from time to time; this analysis reflects the latest data available in ITC Standards Map at the time of analysis. All data for this review, except for the Rainforest Alliance and the 4C standards, were extracted from the Standards Map database in July 2020.[3]

In this analysis, criteria coverage is assessed as "covered" (requirement to be met immediately for compliance), "timebound" (requirement to be met within 1, 3 or 5–6 years), or "not covered" (not mentioned/not mandatory within the standard document). Each standard requirement has been weighted equally because the main objective of this section is to assess whether VSSs can address poverty reduction within their standard requirements and governance systems, rather than how each VSS may address poverty reduction. That said, however, it is worth showing the Degree of Obligation across each requirement to shed light on the level of rigour to which these requirements are to be met across different VSSs.

Although a standard may not identify poverty reduction as a goal or be designed to tackle poverty, many of the criteria that VSSs require farmers to satisfy could lead to important improvements in terms of their access to resources, opportunities and choices, and power and voice that could support broader poverty-reduction efforts to lift farmers out of poverty. As such, the analysis provides insight into how VSSs might contribute to policy-makers' efforts to decrease poverty among smallholder farmers.

The analysis is not meant to describe "good" versus "bad" performance among the VSSs. More coverage is not necessarily "better," as having to comply with more criteria can mean higher costs of compliance for smallholder farmers. That can mean greater difficulty for smallholders to access VSS-compliant markets, potentially limiting progress on poverty-reduction objectives among the most marginalized producers.

This chapter presents the results of our assessment of the production and system and governance criteria of 13 agricultural VSSs vis-à-vis key aspects of the three dimensions of poverty: access to resources, opportunity

[3] The Rainforest Alliance Sustainable Agriculture Standard Farm Requirements Version 1.1, 2020, and the 4C Code of Conduct Version 4.0, 2020, were mapped independently of the ITC Standards Map, as updates in the Standards Map were not completed during development of this review. Other initiatives, such as GLOBALG.A.P., are currently undergoing important updates to be completed by September 2022. Please consult standards documents for potential changes that may have occurred since July 2020.

Table 2. Aspects considered in the access to resources dimension

Aspect	Definition
Access to financial resources (financial capital)	The financial resources, including wages and income, savings, remittances, credit, and other economic assets that are available to a producer household.
Access to natural resources and ecosystem services (natural capital)	Access to natural resource stocks (land, soil, water, forest, seeds, etc.), living organisms, and ecosystem services (carbon sequestration and storage, pest regulation and pollination, nutrient cycling, etc.) that provide the basis for agricultural producer livelihoods.
Access to material resources and technology (physical capital)	Access to infrastructure (buildings, roads, energy, storage), transportation, equipment (irrigation, farm tools), inputs, and technologies (information and communication technology) that contribute to satisfying the basic physical, productive, and social needs of producers.
Access to basic services (human capital)	Access to basic education, health and medical care, and food and nutrition security, which contribute to the well-being, good health, and physical capability of producers.
Access to social capital and collective action	Access to formal and informal social resources such as networks, affiliations, associations (such as cooperatives), family and community support, and social protection that provide value and safety nets to producers.
Gender-equitable access to resources	Gender considerations in terms of access to resources include women's access to income, equal remuneration, bank accounts, and credit. They also refer to differentials in access to education for boys and girls, maternal health care, and food and nutrition security. Women may experience differences in access to networks and cooperative memberships.

and choice, and power and voice. Each dimension presents a mapping analysis illustrating and explaining the degree to which each VSS addresses the relevant criteria. This, in turn, illuminates the ways and areas in which VSSs can have an impact on poverty as part of broader poverty-reduction efforts. In each section, the analysis presents a broad look at VSS criteria coverage for that dimension, addresses the least targeted aspects, and then identifies areas for opportunity.

Access to Resources

Access to resources is central to poverty reduction. The five types of resources listed in Table 2 are the material and non-material assets that people have under their control and that they can use to build and maintain their livelihoods.[4] The resources that enable a person to meet basic needs and act to move or remain out of poverty are financial resources, natural resources and ecosystem services, material resources and technology, basic services, and access to social capital and collective action. These five types of resources represent the aspects of the poverty dimension of access to resources and are defined in Table 2. We have also added a sixth aspect that refers to gender-equitable access to resources (i.e., financial, natural). Each definition and its main elements were considered for identifying the ITC criteria best suited to assess VSS criteria coverage related to each aspect of this dimension.

Table 3 illustrates the ITC criteria selected for the six aspects of the access to resources dimension, along with the coverage of each criterion across the 13 VSSs. For example, with respect to access to financial resources, we selected the following ITC criteria: minimum wage, living wage, premiums, minimum price guarantee, and access to financial services.

Note, each table analyzes VSS criteria coverage in each aspect, indicating for each VSS whether criteria are mandatory for compliance, must be met over time, or are not covered at all. The degree of coverage is indicated as low (0% to 35%), medium (36% to 65%), or high (66% to 100%). The tables also show the average coverage of the 13 VSSs across the criteria in each aspect of the dimension. This percentage was obtained by calculating the average of the total counts for all criteria (e.g., minimum wage, living wage, premiums, minimum price guarantee, access to financial services) within the aspect (e.g., access to financial resources) and then dividing by the total number of VSSs (13).

It is important to recognize that coverage of specific criteria is relative within the varying scopes, priorities, and objectives of each VSS. In other words, some criteria may not apply to every standard body. For example, Fairtrade International's Hired Labour standard addresses living wage due to its focus on hired labour practices. IFOAM – Organics International, on the other hand, is an umbrella organization for national organic standards. Therefore, in light of country-specific calculations for a living wage, criteria related to living wage may be included across national-level organic standards rather than within the IFOAM – Organics International standard itself.

Overview

VSSs include both production criteria and system and governance criteria. Table 3 shows a detailed assessment of the coverage of production criteria in access to resources and whether they are mandatory for compliance, must be met over time, or are not covered at all.

[4] These five types of capital, or resources, are well documented in the poverty literature on sustainable livelihoods (Chambers & Conway, 1991; DFID, 1999; Ellis, 1998; Ellis et al., 2003; Scoones, 2009) and asset vulnerability (Donovan, 2010; McKay, 2009; Moser, 1998).

Overall, the VSSs most often cover criteria related to:

- Access to natural resources and ecosystem services (62%)
- Social capital and collective action (51%)
- Materials, resources, and technology (42%)
- Financial resources (34%)
- Basic services (35%)
- Gender-equitable access to resources (12%)

Table 4 illustrates coverage of VSS system and governance criteria related to two ways that VSSs can help producers to comply with production criteria. These criteria are supported with equipment and through group/multisite certification. Given that, overall, the VSSs examined have some coverage across all the criteria related to access to resources, except across gender-equitable access to resources, it seems VSSs have the potential to support access to resources for poorer farmers.

Table 3. VSSs' production criteria coverage related to access to resources

✓ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Access to financial resources [34% total coverage]														
Minimum wage [1988]	✓	✓	✓	→	✓	✓	⊘	✓	✓	✓	✓	✓	✓	12
Living wage [1991]	→	⊘	⊘	⊘	→	⊘	⊘	⊘	⊘	⊘	✓	✓	⊘	4
Premiums [1970]	⊘	⊘	⊘	⊘	✓	→	⊘	⊘	⊘	⊘	✓	⊘	⊘	3
Minimum price guarantee [700418]	⊘	⊘	⊘	⊘	⊘	✓	⊘	⊘	⊘	⊘	⊘	⊘	⊘	1
Access to financial services [1973]	⊘	⊘	⊘	→	⊘	→	⊘	⊘	⊘	⊘	⊘	⊘	⊘	2

✔ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Access to natural resources and ecosystem services [62% total coverage]														
Water use [2037]	→	✔	✔	⊘	→	→	→	→	→	→	✔	→	→	12
Water use risk and impact assessment [700414]	⊘	⊘	✔	⊘	→	→	⊘	⊘	✔	⊘	✔	✔	→	7
Water use in high risk [2036]	⊘	✔	⊘	⊘	→	→	⊘	⊘	⊘	⊘	⊘	⊘	✔	4
Land title and use rights [4078]	✔	⊘	✔	⊘	✔	✔	✔	✔	✔	✔	✔	✔	✔	11
Forest conversion [2072]	✔	⊘	⊘	✔	✔	✔	⊘	⊘	⊘	✔	✔	✔	✔	8
Sustainable access and use of natural resources [10066]	⊘	⊘	⊘	⊘	→	→	⊘	⊘	✔	→	✔	⊘	✔	6
Legal certificates and permits [700416]	✔	⊘	⊘	→	✔	✔	✔	⊘	⊘	⊘	✔	✔	✔	8
Access to materials, resources, and technology [42% total coverage]														
Worker safety equipment and PPE [2003]	✔	✔	✔	→	✔	→	✔	⊘	✔	✔	✔	✔	✔	12
Machinery and equipment safety [30060]	⊘	⊘	⊘	⊘	✔	✔	⊘	⊘	⊘	⊘	✔	✔	⊘	4
Access to variety of inputs [300467]	→	⊘	⊘	⊘	✔	✔	⊘	⊘	✔	⊘	✔	⊘	⊘	5
Access to technology and innovation [300471]	→	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	1

✔ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Access to basic services [35% total coverage]														
List of prohibited chemicals [740203]	✔	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	✔	⊘	⊘	2
Promotion/enhancement of education [2013]	✔	⊘	⊘	→	→	✔	⊘	✔	⊘	⊘	✔	⊘	⊘	6
Housing and sanitary facilities [2015]	✔	⊘	✔	⊘	→	✔	✔	⊘	⊘	⊘	✔	→	✔	8
Workers' access to sanitary facilities [2000]	✔	⊘	⊘	⊘	✔	✔	✔	⊘	⊘	✔	✔	⊘	⊘	6
Impact assessment on food security [2019]	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	0
Promotion/enhancement of medical services [2023]	⊘	⊘	⊘	⊘	→	⊘	⊘	⊘	⊘	⊘	✔	→	⊘	3
Community investment [2025]	⊘	⊘	⊘	⊘	✔	→	⊘	⊘	⊘	→	✔	→	⊘	5
Production of high nutritional value foods [300665]	→	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	✔	⊘	⊘	2
Workers' access to safe drinking water [2005]	✔	⊘	✔	⊘	✔	✔	✔	⊘	✔	⊘	✔	→	✔	9

✓ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Access to social capital and collective action [51% total coverage]														
Code of conduct for rights of local communities [10104]	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	0
Collective bargaining (ILO 98) [1996]	→	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13
Producer group organization [300479]	⊘	⊘	⊘	⊘	⊘	✓	✓	✓	✓	✓	✓	⊘	⊘	6
Freedom of association (ILO 87) [1993]	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13
Supply chain stakeholder mapping [4074]	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	✓	⊘	⊘	1
Gender equitable access to resources [12% total coverage]														
Women's access to financial services [9000036]	⊘		⊘	⊘		⊘				⊘	⊘			0
Women's land ownership [9000001]	⊘		⊘	⊘		⊘				⊘	⊘			0
Women's access to health and safety services [2530]	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	0
Gender policies and best practices [2532]	⊘	⊘	⊘	→	→	→	⊘	⊘	⊘	⊘	✓	✓	✓	6
Percent	50	18	26	26	65	68	29	21	32	32	74	47	41	

Notes: All criteria considered "covered" in this analysis is either immediate compliance (required for certification) or time-bound compliance (action plan to be completed within an agreed time frame). Any criteria that is recommended is not considered in this analysis. Blank cells indicate no data available. GRASP is a GLOBALG.A.P.+ Add-on product. GRASP stands for GLOBALG.A.P. Risk Assessment on Social Practice, and is a voluntary ready-to-use module developed to assess social practices on the farm, addressing specific aspects of workers' health, safety, and welfare.

Coverage: 0–35%=low | 36–65%=medium | 66–100%=high

Table 4. VSSs' system and governance criteria coverage related to access to resources

✔ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Access to materials, resources, and technology														
Equipment support provided by VSS [2144]	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	0
Access to social capital and collective action														
Group/multisite certification [3934]	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	13
Percent	50	50	50	50	50	50	50	50	50	50	50	50	50	

Notes: All criteria considered "covered" in this analysis is either immediate compliance (required for certification) or time-bound compliance (action plan to be completed within an agreed time frame). Any criteria that is recommended is not considered in this analysis. Blank cells indicate no data available. GRASP is a GLOBALG.A.P.+ Add-on product.

Coverage: 0–35%=low | 36–65%=medium | 66–100%=high

Resource Types With Highest Criteria Coverage

ACCESS TO NATURAL RESOURCES AND ECOSYSTEM SERVICES

Access to natural resources and ecosystem services is crucial to raising poor farmers out of poverty. Land title and land-use rights[5] and water use monitoring and consumption are the most covered production requirements within this aspect across VSSs. Secure land rights can help reduce poverty and increase shared prosperity at the household, community, and country levels. In addition to contributing to economic growth and investment, land and property rights also matter for social inclusion, especially for historically marginalized populations such as Indigenous Peoples and women (World Bank, 2017). The sustainable use of water resources in agriculture is critical for securing farming

[5] This is different from customary tenure rights, which are not so easily verified and are presented as a separate criterion under Power and Voice (Table 7).

livelihoods and is recognized by most VSSs, at least in terms of coverage of water use criteria. VSSs' higher coverage of these more targeted areas, particularly related to securing land rights, suggest that VSSs are more likely to support access to resources for smallholder farmers when there are related national regulations and/or international conventions in place.

Eight VSSs address forest conversion, notably where deforestation is linked to specific commodity production: coffee, palm oil, soy (4C, RSPO, ProTerra, RTRS, Rainforest Alliance). This higher coverage suggests that VSSs may be a tool to support efforts to prevent deforestation as part of larger poverty-reduction strategies. There can be trade-offs between different requirements and inclusion of smallholder farmers; higher coverage of forest conversion may mean better access to natural resources and ecosystem services, but compliance with this requirement comes with costs that may lead to lower income and present a barrier for smallholders to enter standard-compliant markets. Market access for smallholder farmers is discussed in detail in Chapter 4.

ACCESS TO SOCIAL CAPITAL AND COLLECTIVE ACTION

Within the access to resources poverty dimension, VSSs tend to cover production criteria that are often either supported by national legislation or backed by international standards. For instance, for access to social capital and collective action, all the VSSs examined include criteria that support collective bargaining and freedom of association in alignment with International Labour Organization (ILO) conventions. Comparing GLOBALG.A.P. with GRASP illustrates this. As a voluntary, ready-to-use GLOBALG.A.P. module developed to assess social practices on the farm, GRASP addresses additional social requirements (e.g., specific aspects of workers' health, safety, and welfare), whereas GLOBALG.A.P. is mainly focused on environmental criteria. The social criteria that GLOBALG.A.P. does address, however, are those in Table 3 typically covered by national labour law (i.e., minimum wage, worker safety equipment and personal protective equipment, freedom of association, and collective bargaining). This suggests that VSSs can support efforts to help ensure that agricultural operations comply with regulations by ensuring compliance with their criteria through third-party audits and verification methods.

System and governance criteria related to group/multisite certification under access to social capital and collective action also have high coverage across the VSSs. All 13 offer group certification, which can provide a pathway for poorer farmers to become certified. In the organic sector, for example, group certification typically involves an internal control system to evaluate compliance among members, and the performance of this internal system is what is assessed by the third-party certifying body. The process reduces the cost of certification, facilitating smallholder farmers' access to international organic markets. The internal control system also acts as a form of quality assurance, encouraging best practices and knowledge sharing among farmers (Meinshausen et al., 2019). Another example is Fairtrade, which certifies producer organizations, making it possible for more small-scale farmers to be certified. In 2018,

323 farmer organizations representing 322,263 small-scale farmers were certified to produce and sell Fairtrade cocoa (Fairtrade Foundation, 2021a). While group certification can lower certification costs, it can also mean fewer farmers receive on-site audits, making it more difficult to guarantee compliance (Meinshausen et al., 2019).

Resource Types With Lower Criteria Coverage

ACCESS TO MATERIALS, RESOURCES, AND TECHNOLOGY

Production criteria in the access to resources dimension that are less covered by the VSS appear to be those requirements that fall outside the purview of national regulations and international conventions. All 13 VSSs include criteria related to worker safety equipment and personal protective equipment within access to materials, resources, and technology, which can support compliance with related regulations. However, access to a variety of inputs and access to technology and innovation show little to no coverage across the 13 VSSs, despite the fact that access to inputs and technologies such as higher-quality seeds, feed, fertilizers, packaging materials and products, and transportation are important contributors to greater productivity and resilience.

In terms of VSSs' system and governance criteria related to access to material, resources, and technology, none of the VSSs offers support to producers in the way of equipment. As we see in the next section on criteria related to opportunities and choices, many VSSs offer technical support and training to producers who comply with sustainability requirements (see Table 5).

Yet none of the 13 VSSs offers equipment. Small farms with less equipment and land are often less productive and therefore unable to expand or fully renew their means of production. These farmers are at risk of becoming even more impoverished. Suitable equipment can help farmers become more productive, which can mean a higher income and the capacity to invest further in equipment and expand production.

ACCESS TO FINANCIAL RESOURCES

Within access to financial resources, only four of the 13 VSSs address living wage. This may partly be because living wage benchmarks are not always available given the complexity in calculation and regional specificity and/or because they are under development. Living wage calculations are much more difficult in developing countries, where corruption can be widespread, wage payment arrangements are poorly enforced, and living standards can vary substantially (Association of Chartered Certified Accountants & Living Wage Foundation, 2017). A living wage, therefore, poses a challenging area for VSSs to standardize and enforce. That said, some VSSs do incorporate a living wage in their criteria. Rainforest Alliance, for example, assesses total remuneration (wages plus monetary and in-kind benefits) for all types of workers yearly against a living wage benchmark, as approved by the standard and in accordance with the Global Living Wage Coalition. To this end, the certified unit's management must use the Rainforest Alliance Salary Matrix Tool to fill in data for workers' wages accurately.

Premiums are considered a conduit for delivering increased economic benefits to farmers. Yet only three of the 13 VSSs

require premiums to be paid to farmers (Fairtrade Hired Labour, Fairtrade Small-scale Producer Organizations, and Rainforest Alliance). Fairtrade requires producers to be paid a premium that is invested into a group fund for workers and farmers. This premium is calculated as a percentage of product volume sold and is reviewed regularly to adjust for local inflation. In the same vein, Rainforest Alliance requires premiums to be paid to producers as what it calls a sustainability differential. Farm management must spend the sustainability differential to benefit workers in the areas of wages, working conditions, health and safety, and housing. In some cases, as in the case of IFOAM – Organics International, though VSS criteria do not require premiums to be paid, the market defines a premium—this is the difference in price between the VSS-compliant and conventional items when factors such as season, geographic location, and retail store are equivalent.

There are cases when VSSs partner with value chain actors and service providers to deliver payments and premiums on time to support farmers' liquidity and economic prosperity. The Cargill Cocoa Promise is one example of such a partnership. By leveraging its global reach and working with a network of organizations and stakeholders, Cargill directly sources cocoa from certified farmers in Ghana, collecting beans at community warehouses, assigning them a fully traceable bar code, and paying farmers a premium (defined by Cargill in partnership with its customers) through electronic money transfers. Confectionary and food manufacturers and retailers fund the premium payments, which are made to farmers for selling their Rainforest Alliance- and Fairtrade-certified cocoa beans (Cargill, 2017). Initiatives such as this illustrate the role VSSs can play in partnership with other organizations to help farmers access their crop income and premiums in a timely manner.

The Fairtrade International Standard for Small-scale Producer Organizations is the sole VSS to require a minimum price guarantee to address smallholders' vulnerability to market price fluctuations. A minimum price guarantee protects farmers from price drops on international commodity markets. Farmers who receive a minimum price guarantee can have more incentives and revenues to continue production. Both the Fairtrade International Standard for Small-scale Producer Organizations and CMIA provide support for producers to access finance, which could enable poorer farmers to invest in the equipment and infrastructure needed to access VSS-compliant markets. Rainforest Alliance offers the option for a producer organization management team to support members by providing information on finance and business management and to facilitate access to financial services (e.g., bank accounts, mobile payments, loans for farm investments), but only as a self-selected improvement criterion. As discussed in IISD's forthcoming *Standards and Investments in Sustainable Agriculture Review,* VSSs can help compliant farmers access finance through support to farmers in securing market linkages and contracts, operational improvements (i.e., yields, product quality) that can enhance farm profitability, and improvements in farm and business management (Voora et al., in press).

There are cases when standard bodies partner with financial institutions to provide financial knowledge and capacity building to

farmers while supporting the development of partnerships between public and private investors (i.e., development banks, first loss investors, social investors), philanthropists, buyers, and extension service providers to structure blended finance vehicles for providing VSS-compliant producers access to finance (Voora et al., in press).

ACCESS TO BASIC SERVICES

The production criteria within access to basic services show low overall coverage, with only half or fewer of the criteria covered by the VSSs. The two exceptions are workers' access to safe drinking water and access to housing and sanitary facilities—addressed by nine and eight of the VSSs, respectively. None of the VSSs targets food security explicitly in their requirements, although it could be argued that the inclusion of other criteria, such as soil and water conservation, could support food security, as they aim to maintain healthy soil to yield food crops and secure water availability. None of the VSSs addresses the production of high nutritional value foods, even though low quality and lack of food diversity are major sources of malnutrition. While the provision of basic services falls within the scope of state institutions, VSSs could support this through increased coverage of criteria addressing basic needs such as health care, education, and access to water and sanitation.

GENDER-EQUITABLE ACCESS TO RESOURCES

The production requirements that garner the least attention by the 13 VSSs within this dimension relate to gender-equitable access to resources. Gender equality is a basic human right, yet patriarchal societies remain predominant. This power imbalance harms women's educational opportunities, economic status, and access to health services (Health Poverty Action, 2018). Six VSSs address gender policies and best practices in the workplace, although only three of these make it an immediate requirement to achieve compliance. None of the 13 VSSs addresses women's access to health and safety, despite the fact that women are less likely to receive health and safety training than men and less likely to benefit from health and safety prevention and intervention programs (Health Poverty Action, 2018). Improving women's access to economic resources further contributes to poverty reduction and economic growth, yet none of the 13 VSSs has requirements concerning access to financial services specifically for women, and none has criteria related to women's land ownership. Many societies bar women from owning or inheriting land; where women do hold land, their plots are typically smaller and lower quality, and their rights are less secure than those held by men (Farming First & Food and Agriculture Organization of the United Nations, 2012). VSSs might consider mainstreaming gender equality into production activities, focusing more closely on specific gender issues within their standards and adding more inclusive language for women in their existing requirements.

Opportunities for Improvement in Criteria Coverage

There are opportunities to improve VSS criteria coverage so they better target aspects of the "access to resources" dimension. In particular, our analysis highlights that VSSs can improve criteria coverage related to gender-equitable access to resources. National regulation (national labour laws,

land tenure laws, grants, and small loans for producers) can bring focus to gender issues, particularly women's access to health and safety, land-use rights, and access to finance. VSSs can help ensure compliance with these issues by integrating related criteria in their schemes through audit and verification methods, as well as through training and technical support (see Chapter 4). The world's most widespread form of exclusion today is gender discrimination (Swiss Agency for Development and Cooperation, 2003). VSSs can help support greater equality by more narrowly targeting and mainstreaming gender requirements into their standard documentation.

Opportunities also remain for VSSs to support access to financial resources. For instance, more VSSs can incorporate criteria that support premiums, minimum price guarantees, and access to finance. As living wages (and living incomes) are increasingly used in practice, more VSSs could incorporate related criteria into their schemes. Greater coverage of criteria in access to financial resources can also support addressing low criteria coverage related to access to materials, resources, and technology. Although many VSSs may lack the capacity to provide access to equipment, their support for obtaining equipment could manifest through other avenues, such as by providing premiums, minimum price guarantees, and access to financial services. VSSs could also collaborate with other actors—such as the public sector, non-governmental organizations (NGOs), and the private sector—to increase support services to smallholder farmers, such as in the form of equipment (Food and Agriculture Organization of the United Nations, 2013).

Opportunity and Choice

Opportunity and choice are significant factors in poverty reduction. The five aspects of this dimension of poverty listed in Table 5 relate to a person's freedom to choose between different strategies to make a living. These strategies are opportunity for employment; opportunity for skills development and training; opportunity to sustainably manage natural resources, preserve biodiversity, mitigate climate change, and develop climate resilience; opportunity for entrepreneurship; and opportunity to access diversified markets. We have also added a sixth aspect that refers to gender equity in opportunity and choice. Table 5 defines each aspect and illustrates the main elements that help reduce poverty within this dimension. Each definition and its main elements were considered for identifying the ITC criteria best suited to assess the coverage of VSS criteria in this dimension.

Table 6 illustrates the ITC criteria selected within the six aspects of the opportunity and choice poverty dimension, along with the coverage of each production criterion across the 13 VSSs selected. For instance, with respect to opportunity for employment, we selected the following ITC criteria: child labour and minimum age, workplace safety, standardized labour contract, occupational health and safety, and child labour legal compliance policy. Table 7 shows the VSSs that provide support to VSS-compliant farmers through their system and governance criteria.

Table 5. Aspects considered in the opportunity and choice dimension

Aspect	Definition
Opportunity for employment	A producer's opportunity to be productively employed in decent work (employment contract, limited working hours) and increased capacity for diversified income generation.
Opportunity for skills development and training	A producer's opportunity to participate in extension, training, and capacity building to develop farm competencies related to product diversification, crop diversification, yield, quality, sustainability performance, and product value addition.
Opportunity to sustainably manage natural resources, preserve biodiversity, mitigate climate change, and develop climate resilience	Access to training and extension services that create opportunities for the producer to manage natural resources, enhance biodiversity, develop and implement climate change mitigation and adaptation activities, and adopt best practices.
Opportunity for entrepreneurship	Opportunity for producers to develop administrative-financial, managerial, technical, and business development skills (traceability systems, record-keeping) for increased capacity for entrepreneurship (developing, organizing, and managing an agribusiness along with its environmental, social, and economic risks), and for innovation and value creation to help the agribusiness grow.
Opportunity to access diversified markets	Opportunity to obtain information on demand and supply, as well as on prices, costs, and actors involved, to develop new or integrate into existing value chains, for access to different types of markets, including local, domestic, and international.
Gender equity in opportunity and choice	Gender considerations in terms of opportunities and choices include types of employment available to women, who are typically found in lower-paying roles, informal jobs, and temporary work. They also include disproportionate burdens from the impacts of climate change and women's critical local knowledge and leadership of sustainable practices at the household and community levels. Women may experience multiple barriers to market access, such as a lack of market information and difficulty physically accessing markets, and have limited access to training.

Table 6. VSS coverage of production criteria related to opportunities and choices[6]

✓ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Opportunity for employment [75% total coverage]														
Child labour and minimum age (ILO 138) [1989]	✓	✓	✓	✓	✓	✓	⊘	✓	✓	✓	✓	✓	✓	12
Workplace safety [2004]	✓	⊘	✓	→	✓	✓	✓	⊘	⊘	✓	✓	✓	→	10
Standardized labour contract [1995]	→	⊘	✓	→	✓	→	⊘	✓	✓	✓	✓	✓	→	11
Occupational health and safety (ILO 155) [740206]	⊘	⊘	✓	⊘	⊘	✓	✓	⊘	⊘	⊘	✓	⊘	→	5
Child labour legal compliance policy [30080]	✓	✓	✓	→	✓	✓	⊘	✓	⊘	✓	✓	✓	✓	11
Opportunity for skills development and training [72% total coverage]														
Training on integrated pest management [60002]	→	⊘	⊘	→	✓	→	✓	⊘	⊘	⊘	✓	✓	⊘	7
Training on chemical use [60012]	→	✓	⊘	→	✓	→	✓	⊘	⊘	✓	✓	✓	✓	9
Training on health and safety [2002]	→	⊘	✓	→	✓	✓	✓	⊘	✓	✓	✓	✓	✓	11
Staff training on sustainability issues [300451]	→	✓	⊘	→	✓	→	⊘	⊘	✓	→	✓		→	10
Workers' access to skills training [1997]	→	⊘	✓	→	✓	→	✓	⊘		→	✓	✓	→	10

[6] With regard to preventing deforestation, IFOAM – Organics International is more flexible since farmers need to show that they have not converted High Conservation Value Areas 5 years prior to becoming certified organic. See https://www.iisd.org/system/files/2021-10/voluntary-sustainability-standards-forest-conservation-trade-policy.pdf

✔ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Opportunity to sustainably manage natural resources, preserve biodiversity, mitigate climate change, and develop climate resilience [52% total coverage]														
Soil conservation [800000]	✔	⊘	⊘	→	⊘	⊘	✔	⊘	✔	✔	✔	⊘	✔	7
Soil erosion [2059]	✔	⊘	✔	⊘	→	→	✔	⊘	✔	✔	✔	✔	✔	10
Soil or tree sequestration [2114]	⊘	⊘	⊘	⊘	→	⊘	⊘	⊘	⊘	⊘	⊘	⊘	→	2
Water-quality risk and impact assessment [700415]	⊘	✔	✔	⊘	→	→	⊘	⊘	✔	⊘	✔	✔	→	8
Sustainable irrigation [10086]	⊘	✔	✔	⊘	✔	→	✔	⊘	✔	✔	✔	→	→	10
Surface and ground water pollution [10084]	→	✔	⊘	→	✔	→	✔	⊘	✔	✔	✔	✔	✔	11
Wastewater management and treatment [2031]	→	⊘	✔	⊘	→	→	✔	⊘	⊘	✔	✔	→	⊘	8
Prevention of ecosystem fragmentation [2126]	⊘	⊘	⊘	⊘	✔	→	⊘	⊘	✔	⊘	→	✔	⊘	5
Protection of endangered ecosystems [700370]	⊘	⊘	⊘	✔	✔	✔	⊘	⊘	⊘	✔	✔	⊘	✔	6
Protection of wetlands [800009]	⊘	⊘	⊘	✔	⊘	⊘	⊘	⊘	⊘	⊘	→	⊘	✔	3
Monitoring and protection of High Conservation Value Areas [4090]	⊘	✔	✔	⊘	✔	✔	⊘	⊘	✔	✔	✔	✔	✔	9
Ecosystem services risk and impact assessment [30024]	⊘	⊘	✔	⊘	⊘	⊘	✔	⊘	✔	⊘	✔	⊘	✔	5
No production on High Conservation Value Area [700372]	⊘	⊘	✔	⊘	⊘	⊘	⊘	⊘	✔	✔	✔	✔	✔	6

✔ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Legally protected biodiverse areas [30022]	✔	⊘	✔	✔	✔	✔	⊘	⊘	✔	✔	✔	✔	✔	10
Sustainable extraction of renewable resources [300015]	⊘	⊘	⊘	⊘	⊘	→	✔	⊘	✔	✔	✔	✔	⊘	6
Habitat/eco-system restoration/rehabilitation [2124]	→	✔	⊘	⊘	→	→	⊘	⊘	✔	✔	✔	✔	→	9
Forest conservation [2073]	✔	⊘	✔	⊘	✔	✔	⊘	⊘	⊘	✔	✔	✔	⊘	7
Prevention/remediation of deforestation [2071]	✔	⊘	⊘	✔	⊘	→	⊘	⊘	⊘	✔	✔	✔	✔	7
High Carbon Stock Area management [800011]	✔	⊘	⊘	⊘	⊘	✔	⊘	⊘	⊘	⊘	✔	✔	⊘	4
GHG emissions reduction [2117]	⊘	⊘	✔	⊘	→	→	⊘	⊘	⊘	→	⊘	✔	→	6
Climate adaptation [701327]	→	⊘	⊘	⊘	→	→	⊘	⊘	⊘	⊘	⊘	⊘	⊘	3
Energy use reduction [2084]	→	⊘	✔	⊘	→	→	⊘	⊘	✔	✔	✔	⊘	⊘	7
Renewable energy use [2077]	→	⊘	⊘	⊘	→	→	⊘	⊘	⊘	✔	⊘	→	⊘	5

✓ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Opportunity for entrepreneurship [36% total coverage]														
Economic viability of business operations [2593]	⊘	⊘	✓	⊘	⊘	⊘	⊘	⊘	⊘	→	⊘	✓	⊘	3
Sustainability long-term management [10160]	✓	✓	⊘	✓	✓	→	⊘	⊘	⊘	→	✓	✓	→	9
Business management plan [2589]	✓	⊘	✓	✓	✓	→	⊘	⊘	⊘	⊘	✓	⊘	⊘	6
Local microbusiness promotion [10178]	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	0
E&S risk mitigation and performance improvement [30108]	⊘	⊘	✓	→	✓	→	⊘	⊘	✓	✓	✓	✓	✓	9
Diversification of business operations [700413]	→	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	1
Monitoring and evaluation of E&S management [30110]	⊘	✓	⊘	✓	✓	✓	⊘	⊘	⊘	⊘	✓	⊘	⊘	5
Opportunity to access diversified markets [26% total coverage]														
Market data and analysis [1960]	⊘	✓	⊘	✓	⊘	⊘	⊘	⊘	⊘	⊘	✓	✓	⊘	4
Access to markets [1959]	→	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	1
Contracts with traders [1969]	⊘	⊘	⊘	→	✓	✓	⊘	⊘	⊘	⊘	✓	→	⊘	5

✔ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Gender equity in opportunity and choice [13% total coverage]														
Women's access to markets [900035]	⊘		⊘	⊘		✔				⊘	⊘			1
Female workers' performance assessment [900038]	⊘		⊘	⊘		⊘				⊘	⊘			0
Female workers' access to training [900026]	⊘		⊘			⊘				⊘	⊘			0
Female workers' career development [30098]	⊘	⊘	⊘	→	→	→	⊘	⊘	⊘	⊘	⊘	✔	⊘	4
Family-friendly workplace policies [30092]	→	⊘	⊘	⊘	→	⊘	⊘	⊘	⊘	⊘	✔	⊘	⊘	3
Female workers' development assistance policies [30094]	⊘	⊘	⊘	⊘	→	→	⊘	⊘	⊘	⊘	⊘	⊘	⊘	2
Percent	53	24	43	45	67	73	27	6	37	55	73	61	53	

Notes: All criteria considered "covered" in this analysis is either immediate compliance (required for certification) or time-bound compliance (action plan to be completed within an agreed time frame). Any criteria that is recommended is not considered in this analysis. Blank cells indicate no data available. GRASP is a GLOBALG.A.P.+ Add-on product.

Coverage: 0–35%=low 36–65%=medium 66–100%=high

Table 7. VSS coverage of system and governance criteria related to opportunities and choices

✔ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Opportunity for skills development and training														
Equipment support provided by VSS [2144]	⊘	✔	⊘	✔	✔	✔	✔	✔	✔	✔	✔	⊘	⊘	9
Group/multisite certification [3934]	⊘	✔	⊘	✔	✔	✔	⊘	⊘	✔	⊘	✔	⊘	⊘	6
Percent	0	100	0	100	100	100	50	50	100	50	100	0	0	

Notes: All criteria considered "covered" in this analysis is either immediate compliance (required for certification) or timebound compliance (action plan to be completed within an agreed time frame). Any criteria that is recommended is not considered in this analysis. Blank cells indicate no data available. GRASP is a GLOBALG.A.P.+ Add-on product.

Coverage: 0–35%=low | 36–65%=medium | 66–100%=high

Overview

Table 6 shows that the themes opportunity for employment and opportunity for skills development and training encompass the criteria with the highest average coverage across the VSSs assessed at 75% and 72%, respectively. There is less average coverage (52%) across opportunity to sustainably manage natural resources, preserve biodiversity, mitigate climate change, and develop climate resilience, with disparities across the coverage of criteria within this aspect (though this may be partly due to the number of criteria examined). Average coverage continues to decrease, with opportunity for entrepreneurship at 36% and opportunity to access diversified markets at 26%. Similar to what we saw in access to resources (Table 3), gender-related criteria show the lowest average coverage at 13%.

Opportunities With Highest Criteria Coverage

OPPORTUNITY FOR EMPLOYMENT

The criteria addressed by most VSSs within opportunity for employment tend to be those supported by national legislation and international labour standards (ILSs), such as child labour (ILO 138) and workplace safety. Although the occupational health and safety criterion (ILO 155) shows less coverage than workplace safety, this is largely because explicit reference to ILO 155 may not be apparent in the standard document. However, most national labour laws address aspects of ILO 155 in their workplace safety policies and practices (e.g., training/guidance, equipment safety, provision of first aid, etc.).[7] Likewise, for the access to resources dimension (Table 3), the highest coverage is seen across criteria supported by national regulations and/or ILSs.

OPPORTUNITY FOR SKILLS DEVELOPMENT AND TRAINING

High coverage is also evident across the criteria within opportunity for skills development and training, specifically, training on health and safety, staff training on sustainability issues, and workers' access to skills training. As mentioned above, training on health and safety is grounded in aspects of national regulation and ILSs. Proper attention to workers' health and safety helps reduce poverty in numerous ways, including improved health and well-being but also increased productivity and employability of workers. It also supports public health, as workplace programs are integral to strategies for disease control. A recent IISD study found that certified producers were better able to adapt and comply with COVID-19 health measures because they already complied with VSS-related health, safety, and labour criteria (Elder, 2021).

Training on sustainability issues refers to training that covers topics related to the environment, social practices, value chain dynamics, product quality, culture, and health and safety. Raising awareness on sustainability issues can improve worker (and thus local community) sensitivity to environmental constraints (e.g., water, soil management) as well as best practices in the workplace (e.g., discrimination, health and safety, productivity, customer satisfaction, etc.) (Markandya, 2001). This type of training can substantially contribute to reducing poverty, as environmental degradation affects the poor and vulnerable disproportionately becasue they are often the most dependent on natural resources (Markandya, 2001), and they are more likely to experience discrimination or unfair labour practices.

In terms of system and governance criteria, most of the VSSs reviewed provide opportunity for skills development and training in technical assistance to help agricultural operations comply with the standard (e.g., organizational development, social compliance). About half of the 13 VSSs provide access to technical assistance beyond compliance with the standard. This assistance can take different forms. IFOAM – Organics International, for example, provides tailored training, coaching, and consulting services on developing and improving policies to advance the organic sector. Fairtrade International

[7] See https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C155

offers training modules for Fairtrade-certified farmers and workers that include achieving a development impact in their communities (Fairtrade International, n.d.). BCI trains suppliers sourcing Better Cotton so they can understand the Better Cotton Platform and Better Cotton Chain of Custody Guidelines (mass-balance administration) (Better Cotton, n.d.). Whether smallholders benefit may depend on who must pay for the training—the producers themselves or the VSSs offering the training.

OPPORTUNITY TO SUSTAINABLY MANAGE NATURAL RESOURCES, PRESERVE BIODIVERSITY, MITIGATE CLIMATE CHANGE, AND DEVELOP CLIMATE RESILIENCE

Within opportunity to sustainably manage natural resources, preserve biodiversity, mitigate climate change, and develop climate resilience, the criteria targeted most by the 13 VSSs are those directly linked to the sustainability of farming practices (i.e., preventing soil erosion and surface water and groundwater pollution, and enhancing sustainable irrigation) and the protection of legally protected biodiverse areas and High Conservation Value Areas. Land can only be productive in the long term if farming practices preserve the condition of soil, mitigate and prevent soil and water pollution, and protect biodiversity. High Conservation Value Areas can also contribute via the ecosystem services they provide (i.e., water and air purification, soil nutrients, maintenance of wildlife habitats). Less targeted criteria by the VSSs seem to be those that involve more long-term monitoring and evaluation, such as water-quality risk and impact assessment, soil conservation, protection of endangered ecosystems, wastewater management and treatment, reduction in energy use and greenhouse gas (GHG) emissions, habitat/ecosystem restoration/rehabilitation, and deforestation prevention and remediation. Trade-offs between the rigour of environmental criteria and their cost can make it difficult for some producers to comply.

These are all important aspects for poverty reduction, as healthy ecosystems regulate climate, conserve the soil, clean the water and air, recycle nutrients, provide raw materials and resources, and contribute to food security and livelihoods. But there are costs and complications for all these criteria, for example, involving calculating, monitoring, and reducing emissions. To comply with these requirements, agricultural operations must regularly collect, report, and document information on farming activities. Monitoring and evaluation procedures require an allocated budget as well as adequate supplies and equipment (e.g., to test soil, water, emissions), and involve ongoing processes. Compliance can be challenging, especially for smaller producers, without sufficient support and training. Identifying High Carbon Stock Areas can be resource intensive, with some approaches requiring satellite data and ground survey measurements. This effort is not feasible for most farmers, particularly smallholder producers, and VSSs need to design their criteria with these trade-offs in mind.

The challenges associated with these requirements may partly explain why only five of the VSSs assessed cover risks and impact assessments related to ecosystem services. Climate adaptation shows particularly low coverage (three VSSs) in terms of explicit criteria, although other sustainability

criteria within this aspect—such as soil conservation and ecosystem protection—positively contribute to climate resilience. The challenging nature of monitoring impacts on the environment becomes especially evident when looking at the least covered criteria within this aspect—specifically, criteria related to High Carbon Stock Area management, carbon sequestration, climate adaptation, and protection of wetlands. Few of the VSSs cover these criteria, suggesting that both complying with these criteria and assuring compliance are costly and challenging. Climate adaptation shows particularly low coverage (three VSSs) in terms of explicit criteria, although other sustainability criteria within this aspect—such as soil conservation and ecosystem protection—positively contribute to climate resilience. To make monitoring and evaluation systems more effective, research highlights the need for more participatory ways of including producers in assessing impact, with more emphasis on "improving" than "proving" (Overseas Development Institute, 2021).

More VSSs lean toward continuous improvement as the sector evolves. CMIA, for example, defines components of its sustainability criteria that must be fulfilled in stages. Management plans define how progress is to be achieved to fully meet all sustainability criteria. RSPO, as another example, has a specific requirement for agricultural operations to regularly monitor and evaluate their sustainability performance and to develop action plans enabling them to show demonstrable, continuous improvement in key operations (RSPO, 2018). Rainforest Alliance has reimagined its processes toward certification since merging with UTZ and now places greater emphasis on, among other things, continuous improvement and shared responsibility. As a result, the 2020 Rainforest Alliance standard addresses two types of improvement requirements: mandatory and self-selected, with certificate holders choosing the latter based on their specific risk assessment and sustainability goals. Moreover, the self-selected goals can depend on any external support received for specific improvements.

Opportunities With Lower Criteria Coverage

OPPORTUNITY FOR ENTREPRENEURSHIP

Within opportunity for entrepreneurship, the criteria related to the economic viability of operations and business management plans are the least addressed, covered by only three and six VSSs, respectively. Yet, they are key factors in business longevity and productivity. The economic viability of a farm involves both economic factors (profitability, liquidity, stability) and non-economic factors (natural capital and social and environmental costs and benefits) (Deutsche Gesellschaft für Internationale Zusammenarbeit, n.d.). Only one VSS addresses diversification of business operations, yet this is a crucial element in the sustainability of agri-business operations and in ensuring food security. Just five VSSs cover the criterion monitoring and evaluating environmental and social management practices, which can contribute to advanced sustainable business management (i.e., identification of environmental and social risks and management strategies).

OPPORTUNITY TO ACCESS DIVERSIFIED MARKETS

Criteria within the aspect opportunity to access diversified markets do not appear to be a high priority among the 13 VSSs. Just four cover the requirement for recording market information and sharing it with the standard system, even though this type of information is an important contributing factor not only for assessing levels of poverty across different commodities, regions, types of farms, and so on but also for providing farmers with valuable market information about gaining market access (as we see in Chapter 4) and selling their products (e.g., consumer preference and market concentration). While the criterion on setting up contracts with traders is a valuable activity that helps to build transparency, trust, and lasting transactional relationships across enterprises, it is addressed by just five VSSs. Only one VSS covers the market access criterion, which refers to distribution networks and access to markets and buyers. Development in this area is critical for poverty reduction and presents an opportunity for VSSs to help alleviate poverty for the world's poorer farmers.

GENDER EQUITY IN OPPORTUNITY AND CHOICE

The criteria on gender equity in opportunity and choice are the least targeted across the 13 VSSs; all requirements except one are only marginally covered. Four of the VSSs cover the criterion referencing women's career development, which refers to incentives such as employment guidance and counselling services, increased access to traditionally male-dominated training, and pay equity plans. This inclusion suggests that VSSs recognize the importance of women's role in production and have a role to play in supporting women (and men) producers. Yet, more can be done to expand women's opportunities and choices, including supporting female workers' access to training and women's access to markets; both of these criteria are barely covered by the VSSs examined.

OPPORTUNITIES FOR IMPROVEMENT

According to our analysis, VSSs can better support producers to expand their opportunities to access diversified markets and develop entrepreneurship. For instance, VSSs can support farmers in diversifying their business operations by including production criteria that support crop and business diversification (i.e., agro-tourism, carbon sequestration). They can also include criteria that support producers' access to market information, distribution networks, and diversified markets. More VSSs can also incorporate criteria that promote contracts between farmers and buyers. With regard to criteria related to opportunities for entrepreneurship that VSSs provide to farmers, VSSs could better address the economic viability of business operations, business management planning, and diversification of business operations. VSSs could also form partnerships with key stakeholders to provide increased technical support beyond compliance with the standard. Areas of support could include business management, computer skills, monitoring and evaluation training, and data-collection workshops and programs.

Within the aspect opportunity to sustainably manage natural resources, preserve biodiversity, mitigate climate change, and develop climate resilience, opportunities remain to strengthen the coverage of

criteria related to climate adaptation. These opportunities include, for instance, integrating criteria that support implementing assessments of farm adaptation capacities, as well as criteria that support climate mitigation (i.e., reduction of GHG emissions, use of renewable energy, soil or tree carbon sequestration). There are also opportunities for more VSSs to include criteria for production on High Conservation Value Areas and for managing High Carbon Stock Areas. All VSSs should also include measures to remediate and prevent deforestation and contribute to climate adaptation (e.g., soil conservation, ecosystem restoration, prevention of erosion and deforestation, etc.). Only two VSSs explicitly reference climate adaptation activities in their requirements.

VSSs can also increase access to opportunities for women. While a large proportion of farmers in rural economies are women, they receive limited extension and training in new crop varieties and technologies due to cultural and societal norms, discrimination, and a lack of recognition of the roles they play in agricultural production (Meinzen-Dick et al., 2011). The lack of progress in this area is counterintuitive, as it has been proven that investment in women farmers increases productivity, reduces poverty, and improves rural livelihoods for both women and men (Farming First & Food and Agriculture Organization of the United Nations, 2012). VSSs can target women more specifically within their standards to help underscore the connection between women and sustainability, for instance, by incorporating production criteria that supports training opportunities for women in areas such as climate adaptation, business entrepreneurship, and market access for female farmers. Studies also indicate that VSSs have opportunities to partner with public and private entities to mainstream gender equity in farming practices and contribute to poverty reduction (Ponnusamy et al., 2014).

Power and Voice

Power and voice allow farmers to express their needs and concerns in an informed way and to influence decisions that relate to these concerns. Power and voice refer to people's capacity to shape the terms of their engagement with different actors and the implications of these relationships vis-à-vis access to resources and opportunities. For example, producer power to negotiate prices and benefits can lead to better terms of participation in a market (Narayan et al., 2000). Table 8 details the five aspects of this dimension of poverty: compliance with human and labour rights, access to justice, access to information and consultation, decision-making power, and fair and equitable governance. We have also added a sixth aspect that refers to gender-based equitable power in opportunity and choice. All aspects are aligned with the UN's *Guiding Principles for Business and Human Rights,* which address corporate responsibility to respect human rights and the need for greater access to effective remedies for victims (UN & UN Human Rights Office of the High Commissioner, 2011). Table 8 defines each aspect and illustrates the main elements that help reduce poverty within this dimension. Each definition and its main elements were considered for identifying the ITC criteria best suited to assess the coverage of VSS criteria in this dimension.

Table 8. Aspects considered in the power and voice dimension

Aspect	Definition
Compliance with human and labour rights	The opportunity for a producer to enjoy human rights, labour rights, and economic, social, and cultural rights (e.g., adherence to freedom from discrimination) resulting from their recognition and compliance.
Access to justice	The producer's ability to demand and receive justice, including the existence of an independent dispute settlement body, public access to policies and procedures for filing complaints, and complaints accepted through informal means.
Access to information and consultation	Producers have access to information (e.g., reports in local languages) and are consulted regarding their opinion on matters that affect their lives (e.g., opportunities to engage in social and environmental impact assessments).
Decision-making power	Producers have influence over decisions on matters that affect their lives, with participation taking place via structures and mechanisms that establish horizontal power relationships with other supply chain actors and allow involvement in monitoring and verifying the course of action (e.g., full voting power and fair procedures in the selection of decision-makers, control over the agenda, input in the standard-setting and revision process).
Fair and equitable governance	Fairness in processes and practices in the supply chain, including equitable representation on governance boards, and transparency and accountability regarding decision-making processes (e.g., voting rights, committees, governance processes), the allocation and use of resources, the resolution of problems, and fair distribution of risks and rewards.
Gender-based equitable power	Gender considerations in terms of power and voice include women's rights, gender equity in stakeholder engagement processes, and participation in leadership positions and governance.

Table 9 illustrates the ITC criteria selected within the six aspects of the power and voice poverty dimension, along with the coverage of each production criterion across the 13 VSSs selected. For instance, with respect to access to justice, we selected the following ITC criteria: grievance mechanisms for workers, grievance mechanisms for communities, and local community engagement.

Table 10 looks at how VSS system characteristics and governance processes lend themselves to enabling stakeholders involved in the scheme to exercise their power and voice.

Table 9. VSS production criteria coverage related to power and voice

✓ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Compliance with human and labour rights [58% total coverage]														
Minority peoples' rights [2021]	⊘	⊘	⊘	⊘	→	✓	⊘	⊘	⊘	⊘	✓	✓	⊘	4
Indigenous Peoples' rights (ILO 169) [2022]	⊘	⊘	✓	⊘	✓	✓	⊘	⊘	⊘	⊘	⊘	✓	✓	5
Human rights impact assessment on local communities [30048]	✓	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	✓	⊘	→	✓	4
Customary rights of tenure [700403]	⊘	⊘	✓	⊘	✓	✓	⊘	⊘	⊘	⊘	✓	⊘	✓	5
Equality of workers' rights and benefits [1982]	→	⊘	✓	→	→	→	⊘	✓	✓	✓	✓	→	✓	11
No forced labour (ILO 29 & 105) [1986]	✓	✓	✓	✓	✓	✓	⊘	✓	✓	✓	✓	✓	✓	12
No discrimination at work (ILO 111) [1987]	✓	✓	✓	✓	✓	✓	⊘	✓	✓	✓	✓	✓	✓	12
Maximum working hours [1990]	→	⊘	✓	⊘	✓	⊘	⊘	✓	⊘	✓	✓	⊘	✓	7
Access to justice [41% total coverage]														
Grievance mechanisms (communities) [30049]	⊘	⊘	✓	✓	⊘	⊘	⊘	⊘	⊘	✓	✓	⊘	✓	5
Grievance mechanisms (workers) [30086]	→	⊘	✓	⊘	✓	⊘	⊘	✓	⊘	✓	✓	✓	⊘	7
Local community engagement [700398]	⊘	⊘	⊘	⊘	✓	⊘	⊘	⊘	⊘	⊘	✓	→	→	4

✔ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Access to information and consultation [44% total coverage]														
Local community consultation [2024]	⊘	⊘	✔	✔	✔	⊘	⊘	⊘	⊘	✔	→	✔	→	7
Free, prior, and informed consent (FPIC) [1952]	✔	✔	✔	⊘	✔	⊘	⊘	⊘	⊘	→	✔	✔	✔	8
Stakeholder engagement in E&S management [300454]	⊘	⊘	⊘	⊘	→	⊘	⊘	⊘	⊘	⊘	⊘	✔	⊘	2
Gender-based equitable power [28% total coverage]														
Minorities/women in management [11156]	⊘	⊘	⊘	→	→	→	⊘	⊘	⊘	⊘	⊘	⊘	⊘	3
Gender balance in stakeholder engagement [30044]	⊘	⊘	✔	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	→	⊘	2
Gender balance in workers' grievance policies [900034]	⊘		⊘	⊘		→				⊘	✔			2
Equal remuneration (ILO 100) [1994]	⊘	✔	⊘	✔	✔	→	⊘	✔	⊘	✔	✔	✔	✔	9
Women's rights at work [2531]	⊘	⊘	⊘	✔	✔	✔	⊘	⊘	⊘	⊘	✔	✔	⊘	5
Women's rights at work inclusive of seasonal/part time/temporary workers [900020]	⊘		✔	⊘		⊘				⊘	⊘			1
Percent	35	20	60	40	75	50	0	30	15	50	70	70	60	

Notes: All criteria considered "covered" in this analysis is either immediate compliance (required for certification) or time-bound compliance (action plan to be completed within an agreed time frame). Any criteria that is recommended is not considered in this analysis. Blank cells indicate no data available. GRASP is a GLOBALG.A.P.+ Add-on product.

Coverage: 0–35%=low | 36–65%=medium | 66–100%=high

Table 10. Power and voice: Mapping VSS system and governance criteria coverage

✓ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Access to justice [59% total coverage]														
Complaints and dispute resolution policies [10903]	✓	⊘	✓	✓	✓	✓	✓	✓	⊘	✓	✓	✓	✓	11
Complaints and dispute resolution decisions [20904]	✓	✓	✓	⊘	⊘	⊘	⊘	⊘	⊘	✓	⊘	✓	⊘	5
Governance grievance policy for members [30086]	✓	⊘	✓		⊘	⊘				✓	✓	✓		5
Standard grievance policy for stakeholders [700139]	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13
Grievance mechanisms (workers) [30086]			✓				✓	✓			✓			4
Access to information and consultation [60% total coverage]														
Standards' consultation transparency [700135]	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13
Standard-setting public consultation [900031]			✓	✓			✓	✓		✓	✓			6
Local intepretations of standards [700140]	✓	✓	⊘		✓	✓	✓	✓		✓	⊘	✓	✓	9
National/regional standard multistakeholder engagement [10328]	⊘	⊘	⊘	⊘	✓	✓	✓	✓	⊘	⊘	⊘	⊘	✓	5
National/regional standard public consultation [700210	⊘	⊘							⊘	⊘	⊘	⊘	✓	1
Standards consultation involves directly affected stakeholders [700134]	✓	✓	✓	✓	✓	✓	✓	✓	⊘	✓	✓	⊘	✓	11
Inclusive standards consultation process [709021]	✓	✓	✓		✓	✓	✓	✓	⊘	✓	✓	⊘	✓	10

✔ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Decision-making power [35% total coverage]														
Balanced decision making across interest groups [709013]	✔	⊘			✔	✔	✔	✔		✔	✔			7
Balanced decision making across economic and non-economic constituents [900088]											⊘			0
Balanced dimensions of sustainability in standard [701917]	✔	⊘			✔	✔				✔	✔			5
Equal social, environment, economic consituency decision making [709019]	⊘	⊘			✔	✔				⊘	⊘			2
Standards developed by balanced consensus [900089]							✔	✔		✔	✔			4
Stakeholder representation in standards' decisions [700137]	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	13
Balanced decision-making in national/regional standards development [700206]	⊘	⊘							⊘	⊘	⊘	⊘	✔	1

✓ Mandatory compliance for certification
→ Time-bound action plan for compliance
⊘ Not covered

VSS Content Criteria	4C certification	BCI	Bonsucro	CMIA	Fairtrade International Hired Labour	Fairtrade International Small Producers Orgs	GLOBALG.A.P.	GRASP	IFOAM Organics International	ProTerra Foundation	Rainforest Alliance	RSPO	RTRS	Total
Fair and equitable governance [58% total coverage]														
Governance body internal review [700121]	✓	✓		⊘	⊘	⊘	⊘		⊘	✓	✓	✓	⊘	5
Governance body accountability mechanism [700126]	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	13
Stakeholder participation in governance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	12
Procedures guided by AA1000 Stakeholder Engagement Standard [10508]	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	⊘	0
Percent	61	43	52	35	57	57	61	61	22	70	61	43	52	

Notes: All criteria considered "covered" in this analysis is either immediate compliance (required for certification) or time-bound compliance (action plan to be completed within an agreed time frame). Any criteria that is recommended is not considered in this analysis. Blank cells indicate no data available. GRASP is a GLOBALG.A.P.+ Add-on product.

Coverage: 0–35%=low | 36–65%=medium | 66–100%=high

Overview

Compliance with human and labour rights encompasses the production criteria covered by most of the 13 VSSs, with average coverage of 58%. Access to justice and access to information and consultation drop to average coverage of 41% and 44%, respectively. Similar to the other dimensions of poverty, gender-based equitable power has the lowest average coverage across all VSSs at only 28%. Overall, coverage across system and governance criteria related to access to justice (59%), access to information and consultation (60%), and fair and equitable governance (58%) is similar across the 13 VSSs. In comparison, the average coverage of criteria within the aspect of decision-making power is much lower at 35%.

Highest Coverage of Criteria Related to Power and Voice

COMPLIANCE WITH HUMAN AND LABOUR RIGHTS

The production criteria with the most coverage across the VSSs are within compliance with human and labour rights—specifically, no forced labour (ILO 29 and 105) and no discrimination (ILO 111). All VSSs except GLOBALG.A.P. cover both of these criteria. However, GRASP—the GLOBALG.A.P. voluntary ready-to-use module developed specifically to assess social practices on the farm—does cover these criteria. Still, a producer who complies only with GLOBALG.A.P. and not with GRASP would not have to comply with these fundamental labour conventions.

Criteria with less coverage within compliance with human and labour rights include maximum working hours, which is addressed by seven of the 13 standards. This requirement could be viewed as challenging, as it involves verifying the maximum working hours of farmworkers. The criteria with the least coverage within this aspect are those related to the rights of minorities and Indigenous Peoples, impacts on local communities, and customary rights of tenure, with coverage of approximately half. The ILO reports that Indigenous Peoples living in 23 countries represent 83% of the Indigenous population worldwide and constitute an alarming 18.7% of the world's extreme poor (defined as people living below USD 1.90 a day) (ILO, 2019). Contributing factors include the high presence of Indigenous Peoples in the informal sector, low access to education and health care services, poor infrastructure, and obstacles to natural resources and land ownership (ILO, 2019).

ILO Convention 169, on Indigenous Peoples' right to self-determination and social, political, cultural, and economic rights (ILO, 1989) has created many positive impacts globally. Even countries that have not ratified the convention have laws on Indigenous Peoples' rights that reflect these key concepts. Yet many governments lack the necessary tools and methodologies, as well as appropriate institutional and legal frameworks, to ensure that Indigenous Peoples, including Indigenous women, are properly consulted and can participate in decision-making processes (ILO, 2019).

ACCESS TO JUSTICE

Low coverage across the criteria occurs within access to justice. Only seven of the 13 VSSs require their operations to provide workers' grievance mechanisms. Coverage of grievance mechanisms for local communities drops even lower, to just five VSSs. Grievance mechanisms may be considered challenging within the context of a farm as workers' grievance mechanisms need to provide anonymity. Moreover, different avenues to raise grievances should be provided that take into consideration language, literacy, and gender. RSPO, for example, requires its agricultural operations to have a grievance system in place that is inclusive, effective, timely in resolution, anonymous, and understood by all affected parties. The grievance mechanism is also required to provide complainants with independent legal and technical advice as well as the option for a third-party mediator. Although certainly good practice, these requirements are likely to be beyond the capacity of smaller

farms. This likely explains why the Fairtrade International Standard for Small-scale Producer Organizations does not address any of the criteria within access to justice.

Most VSSs also cover system and governance criteria related to complaints and resolution policies within access to justice. However, only six of the 13 VSSs make decisions regarding complaints and dispute resolutions publicly available. Some criteria within access to justice may depend on the particular scope of the standard, for example, a governance grievance policy for members is applicable only to member-based initiatives. Likewise, not all standards provide national/regional versions of the standard or procedures for formal interpretations of the standard for local applicability. Local applicability of a standard can contribute to localized poverty reduction, as the criteria are modified to apply to the specific social, ecological, and economic contexts of a region. Modifications can take account of local laws and regulations, languages, cultural attitudes and practices, contextual understanding of sustainable use, and impact on natural resources, as well as particular market structures and relations (BCI, 2016).

FAIR AND EQUITABLE GOVERNANCE

Within fair and equitable governance, all 13 VSSs address governance body accountability. All but one VSS allow for stakeholder participation in governance. The exception to high coverage of criteria within this aspect is the criterion referencing alignment with the AA1000 Stakeholder Engagement Standard, which provides an additional layer of accountability. Surprisingly, just five of the VSSs conduct internal reviews of their governance body.

Lower Coverage of Criteria Related to Power and Voice

DECISION-MAKING POWER

In their system and governance criteria, half of the VSSs allow for balanced decision making across interest groups in governance. Board representation is generally split among producer, industry, civil society, and worker associations/unions, but these groups are not exclusive of each other and can also involve other stakeholders. These groups do not always have equal representation on any VSS board, and producer representation may not have veto power over decisions. Even with a high representation of producer groups, this is unlikely to be very inclusive of poorer/smallholder farmers, as they lack the time and/or resources to be involved. Past analyses of VSS board constituents conclude that developed country stakeholders maintain majority representation (Potts et al., 2016).

System and governance criteria with the least coverage across the VSSs are those related to balanced decision making. Aside from stakeholder representation in standards decisions, which all the VSSs address, the other criteria reveal relatively low coverage. Seven of the 13 VSSs cover balanced decision making across interest groups; only three address balanced decision making across environmental, social, and economic constituents; and none covers criteria requiring a balance between economic and non-economic constituents. Only five VSSs require balance across the three dimensions of sustainability within their standards documents. This number is probably partly due to the different objectives and scopes of sustainability standards, with some targeting

environmental improvements more than social development, for example.

Although five VSSs require national/regional standard multistakeholder engagement, only one requires public consultation and balanced decision making in national/regional standards development processes. These are noticeable omissions, given the importance of stakeholder involvement in decisions about the development of standards that affect them. In particular, this is a missed opportunity for VSSs to incorporate and address relevant social, economic, and environmental needs and issues that stakeholders may consider relevant for inclusion. This is especially important at the national/regional level, where stakeholder involvement can maximize the relevance of the standard to that particular context.

ACCESS TO INFORMATION AND CONSULTATION

Within access to information and consultation, four VSSs address local community engagement, while eight cover Free, Prior, and Informed Consent (FPIC). Table 3 illustrates that most VSSs require producers to have land titles and use rights, and typically VSSs require resolution of any contested claims before compliance. If claims to land by local community groups or Indigenous Peoples are established, then FPIC is required to ensure that no development takes place on Indigenous lands and that no activities are undertaken that affect Indigenous Peoples' rights without their prior consent. Some consider this to be one of the most challenging VSS requirements, which can lead to lower rates of standard adoption (Evidensia, n.d.). This difficulty may explain why only eight of the 13 VSSs address this requirement. Another reason may be that FPIC may not apply to a specific standard, such as CMIA, with its focus on smallholder farmers who typically only harvest 1–3 hectares of cotton fields (Cotton Made in Africa, n.d.). FPIC is often required when the expansion of farming activity converts smallholder farmland mostly used for subsistence or local consumption into farmland for trade and consumption outside the local area (Rainforest Alliance, 2017).

In terms of system and governance criteria, all 13 VSSs also provide transparency regarding standard consultation processes. Good practice related to the development of standards involves open and transparent processes based on consensus and impartiality. The development of standards should also consider all stakeholder interests by making possible the participation of those with limited resources (e.g., smallholders, small and medium-sized enterprises, civil society, and consumers) as well as stakeholders from developing countries. An analysis of criteria indicates that this is the consensus across the VSSs assessed, with 11 VSSs directly consulting affected stakeholders and 10 undertaking inclusive processes for standards consultation. However, it is unclear to what extent smallholders are considered "directly affected stakeholders." It also bears noting that smallholders may struggle to access public consultations, given the strain it can put on farmers' resources and time, as well as the potential barriers public consultations can present to farmers with limited technology capacity and who speak local languages. Transparent, fair, and inclusive processes involving all stakeholders promote increased legitimacy and likelihood of government uptake of VSSs in public policy

initiatives and regulations (Ha & Morrison, 2016). It is therefore worth considering how these processes can be more inclusive of smallholder producers.

GENDER-BASED EQUITABLE POWER

The criteria that are least targeted by the 13 VSSs in Table 3 are those related to gender-based equitable power. The exception within this aspect is equal remuneration (ILO 100), which is supported by ILSs and represents one of the fundamental ILO Conventions.[8] Few VSSs address the remaining criteria. Just two cover gender balance in stakeholder engagement, and the same number address gender balance in workers' grievances. Mainstreaming gender involves the active participation of women and men in all areas and levels of decision making. Therefore, it is important to consider the gender balance in both stakeholder engagement and participation on grievance committees. VSSs can make a major contribution to mainstreaming gender within their standards by considering additional criteria or revising existing criteria to adopt gender balance. Fewer than half of the 13 VSSs address women's rights at work, and when considering these rights for all types of female workers (including seasonal, part time, and temporary), coverage drops to only one VSS.

Opportunities for Improvement

VSSs have opportunities to direct more attention to minority groups, Indigenous Peoples, and local communities. Addressing these gaps with related production criteria is essential if VSSs are to have a hand in contributing to poverty reduction. Some standards have increased their focus on women's rights, but to reach gender equality, deeper consideration is needed to understand how factors in and outside the production area affect women and men differently. The opportunity is ripe for collaboration with local entities, governments, NGOs, and private institutions wanting to help advance the rights of women, minority groups, and Indigenous Peoples.

There is also an opportunity for more VSSs to include criteria related to grievance mechanisms, especially those addressing local communities. These can be challenging for farms to implement, but they are necessary for farmers and local communities to have a voice in protecting their rights. VSSs could partner with local entities to provide technical support in the form of training, technology, and equipment to ensure anonymity, proper communication channels, and appropriate resolution procedures.

With regard to VSS governance and systems criteria, more VSSs can also incorporate measures to publicly disclose decisions regarding complaints and dispute resolutions, with a view to supporting transparency and continuous improvement of VSS-compliant practices and assurances procedures.

Areas for opportunity remain for VSSs to be more rounded and more inclusive in processes related to standards development

[8] Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87); Right to Organise and Collective Bargaining Convention, 1949 (No. 98); Forced Labour Convention, 1930 (No. 29); Abolition of Forced Labour Convention, 1957 (No. 105); Minimum Age Convention, 1973 (No. 138); Worst Forms of Child Labour Convention, 1999 (No. 182); Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111).

and consultation, particularly at the national/regional levels—though all 13 VSSs do reveal transparency across these types of processes. The ISEAL Code of Good Practices can have an important impact on its members vis-à-vis stakeholder engagement. By ensuring balanced representation of stakeholders across interest groups, including smallholder farmers, there is an opportunity for VSSs to integrate the three dimensions of sustainability more fully and account for trade-offs between them. Some standards that focus primarily on environmental impacts, for example, have found ways to incorporate social standards by recommending additional compliance with social standards (e.g., SA8000) or providing voluntary social add-ons (e.g., GLOBALG.A.P.)—but these are only recommendations. Increased collaboration and partnerships to bring local and regional voices into global standards development and balanced decision making in national/regional standards development could help ensure standards are relevant and address concerns at the local level.

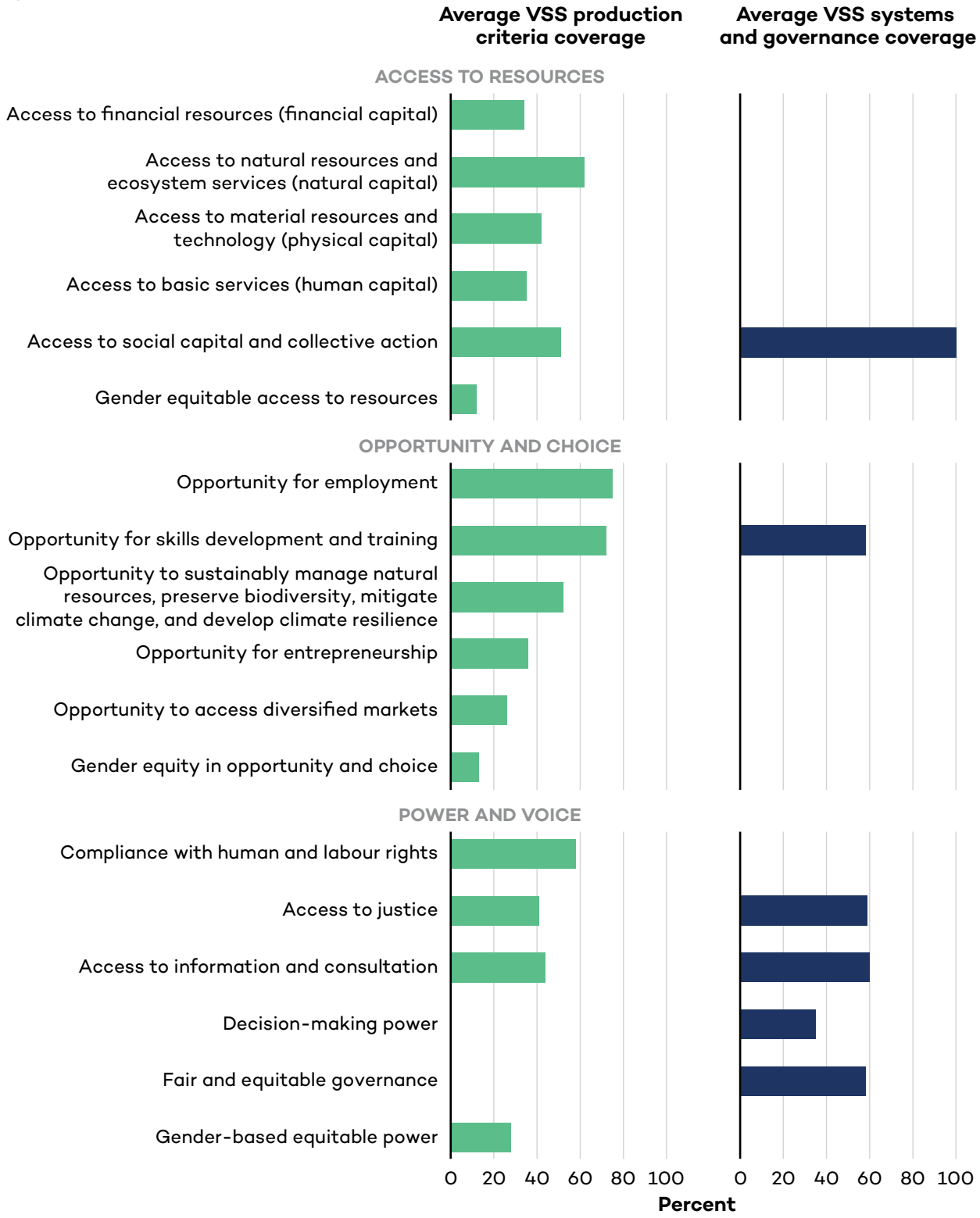
Conclusion

VSSs offer a way to facilitate positive sustainability outcomes that can lead to poverty reduction. Mapping standards' producer requirements illustrates which aspects of the three dimensions of poverty VSSs prioritize and how they could potentially deliver positive sustainable development outcomes.

In terms of coverage of production criteria, the VSSs reviewed have the highest coverage of criteria relating to opportunities for employment (75%) and skills development and training (72%). They have medium coverage of criteria related to both access to (62%) and sustainable management of (52%) natural resources, and many standards also cover indicators relating to compliance with human and labour rights (58%) and access to social capital (51%). Regarding coverage of system and governance criteria, VSSs also reveal medium coverage of criteria related to fair and equitable governance (58%).

No single poverty dimension has greater standards coverage than another. Rather, coverage is uneven across indicators within the dimensions. For example, within access to resources, the VSSs have higher coverage of criteria related to access to natural resources (land and water use) and social capital than those related to financial resources, materials, and technology, and basic services such as education and health. In terms of access to opportunities and choices, the VSSs reviewed have high coverage of criteria related to opportunities for skills development and training and employment but do not tend to address factors related to opportunities beyond the certified crop, such as entrepreneurship and access to diversified markets. And while the VSSs have medium coverage of criteria related to compliance with human and labour rights, access to justice, and access to information and consultation, they have very little coverage of criteria related to balanced decision-making power. Meanwhile, gender-equality requirements have the lowest coverage among the initiatives reviewed.

Figure 2. Summary of average VSS coverage of production criteria and governance and systems criteria



Note: 0%-35% = low coverage; 36%-65% = medium coverage; 66%-100% = high coverage.

Although the standards reviewed broadly cover key poverty reduction-related pathways, criteria explicitly focused on minimum price, premiums, and a living wage are rare among the VSSs surveyed. Fairtrade alone specifies a minimum price guarantee, and four of the 13 VSSs refer to a living wage.

VSSs are designed to promote sustainable practices related to specific commodity production, as we see in their high coverage of criteria related to access to natural resources and opportunities to practice more sustainable agriculture. However, these VSSs typically target producers that have the financial, technical, and skills resources needed to comply with their standards. Although more VSSs are targeting smallholder farmers (as evidenced by their high coverage of group certification requirements), they can do more to reduce poverty by supporting farmers beyond compliance with the standard, such as in the areas of access to financial services, materials, resources and technology, and basic services.

Overall, the standard requirements reviewed tend to focus on opportunities related to the VSS-compliant crop, and do not usually extend to opportunities for entrepreneurship and market access beyond that crop. This makes sense, as VSSs are designed to verify or certify a single crop individually and its value chain (i.e., cocoa, coffee, tea). However, it also means that VSSs can have a greater impact on reducing poverty and enabling resilience by being more intentional in their design, to address the economic viability of the business operations of each VSS-compliant operator and the operators' access to diversified markets, and to focus attention on diversified business operations. There is also an opportunity for increased support for resource-intensive monitoring and evaluation activities.

VSSs are strong in covering criteria that support more sustainable agricultural practices, such as preventing soil erosion and water pollution and protecting High Conservation Value Areas and legally protected biodiverse areas. More than half of the VSSs examined also include measures to support soil conservation, forest conservation, and deforestation prevention. Yet, there is room for improvement. All VSSs should include criteria that prevent and remediate deforestation in a number of ecosystems (not only in High Conservation Value Areas). There are also clear opportunities for strengthening the coverage of climate adaptation and mitigation measures.

The importance that VSSs give to labour and human rights represents an alignment with national regulation and country commitments to international conventions. In this sense, VSSs may support the implementation, monitoring, and enforcement of these regulations and commitments. Otherwise, they will miss an opportunity to raise the bar above existing minimum standards. Again, the focus on the production unit is clear, and VSSs have the opportunity to focus more inclusively on the rights of local communities, Indigenous Peoples, and minority groups. Gender balance offers great opportunity across all dimensions of poverty, presenting relatively low-hanging fruit in terms of modifications to standard documents to mainstream gender considerations into production practices.

The analysis suggests that VSSs may contribute to enhanced producer power and voice vis-à-vis their own standard governance

systems. VSSs tend to be transparent about their governance systems and avenues for producers to submit complaints and receive resolutions. However, they don't tend to publicly disclose decisions related to complaints and dispute resolutions. They provide less coverage of criteria related to balanced decision making and equal representation in governance and standard-setting processes and, as a result, seem unlikely to address power asymmetry in global value chains that will be critical for real progress toward poverty reduction.

The analysis suggests that standards alone cannot be expected to shoulder transformative systemic change toward poverty reduction. Each of the three dimensions of poverty we analyzed illustrates an opportunity for governments to support VSSs in terms of uptake, costs, regulation, and grant programs to reach poorer producers, including women. In turn, VSSs can assure governments that compliance with production criteria will align with policy goals and regulations through third-party audits and verification, expertise on sustainability issues, access to sustainability resources, and capacity-building platforms, as well as additional technical support. Partnerships can extend to local NGOs and financial institutions that can provide support for farmers to increase their knowledge and capacity for economic viability, diversify business operations, and access new and diversified markets.

3.0 Review of the Evidence of VSSs' Impact on Aspects of Poverty Reduction

This section of the review takes a deeper dive into the relationship between VSSs and poverty reduction, with a summary of the evidence on the effects VSSs have on factors of the three dimensions of poverty (access to resources, opportunities and choices, and power and voice) illustrated in Chapter 1. Although few studies of VSSs focus specifically on poverty reduction, the existing literature sheds light on their contributions and limitations in terms of these dimensions. Chapter 2 examined whether different VSSs' criteria cover key indicators of poverty reduction. However, this does not tell us how coverage plays out in terms of actual outcomes. By reviewing evidence related to 1) access to resources, 2) access to opportunities and choices, and 3) power and voice, we can begin to formulate an idea of how or whether VSSs can or do contribute to poverty reduction *in practice*.

The findings in this chapter are based on the evidence reported in 12 meta-analyses examining the impacts of VSSs in the agricultural sector,[9] and supplemented with evidence and examples in peer-reviewed journal articles and the grey literature. The review centred on rigorous meta-analyses focused on agricultural VSSs published by credible sources since 2010. Evidence and examples came from the literature reviewed in the meta-analyses as well as several impact studies. Overall, the studies conclude that given the uneven distribution of studies across regions, commodities, and VSSs, it is not possible to assess definitively the contribution VSSs make to poverty reduction on a global scale. Africa has been the most evaluated region for impacts of VSSs, coffee the most researched commodity, and Fairtrade the most investigated VSS. Although impact studies have been conducted on other commodities, VSSs, and regions, more research is needed to understand the potential role VSSs can play to reduce poverty on a global scale.

Further complicating a clear picture of the connection between VSSs and poverty reduction is that most studies fail to consider the trade-offs between social, economic, and environmental outcomes of VSSs, making it difficult to know their overall impacts (Traldi, 2021). For example, organic certification may lead to improved soil health and biodiversity but reduced crop productivity (Vanderhaegen et al., 2018). Moreover, differences in contextual factors beyond the influence of VSSs can act as either catalysts or barriers to improving farmers' livelihoods; factors can include market structures and dynamics (e.g., market concentration, volatile commodity prices, government support, and dependency on the crop) and farmer/farm characteristics (e.g., strength of producer organizations, land area, and proximity of market centres) (ISEAL Alliance, 2017). It becomes difficult to establish causation in studies of VSS impacts, particularly when a study does not include reliable baseline data or a credible control group for comparison to certified producers (Blackman & Rivera, 2010; Bray & Neilson, 2017). Despite these limitations, we offer some insights from the existing evidence, starting with systematic review papers that strive to include only credible results in their analysis.

[9] The meta-analyses are: Blackman & Rivera, 2010; Bray & Neilson, 2017; Carlson & Palmer, 2016; DeFries et al., 2017; Evidensia, 2019; Garrett et al., 2021; Meemken, 2020; Meemken et al., 2021; Meemken & Qaim, 2018; Oya et al., 2018; Schleifer & Sun, 2020; Traldi, 2021.

Overview

The evidence suggests that VSSs can have a positive impact on aspects that are important for poverty reduction, though in many cases, they do not appear to make any notable difference. There is little evidence of the negative effects of VSSs on poverty reduction, meaning that VSS-compliant practices appear unlikely to result in a deterioration of smallholder poverty status. VSSs seem to have a greater impact in terms of enabling access to resources and opportunities and less in terms of smallholder power and voice, though this may be due in part to a lack of research on the latter.

In terms of access to resources, there is evidence that VSSs have positive effects on smallholders vis-à-vis better prices and revenue for the certified commodity and environmental improvements, such as forest conservation and watershed protection. VSSs may also lead to improvements in social capital, both in terms of producer organization and producer access to supporting actors and services.

When it comes to the influence of VSSs on access to opportunities and choices, there is substantial evidence showing VSSs enhance access to training and skills development for smallholders. Some studies also suggest that VSSs can create jobs and contribute to better working conditions, though this does not appear to hold evenly across contexts and types of workers. There continues to be a debate in the literature as to whether VSSs include or exclude smallholder farmers from export markets.

There has been less research on VSSs and stakeholder power and voice, specifically with regard to smallholders. From the available evidence, it seems VSSs are making some progress in this area, for example, through grievance mechanisms that provide an avenue for producer input. On the whole, though, smallholders appear to lack information on VSS requirements, processes, and implementation, and they have limited meaningful involvement in VSS decisions and governance systems. That said, studies suggest VSSs are taking steps to address this challenge.

In line with the criteria coverage analysis in Chapter 2, which shows VSSs have little systematic coverage of gender throughout their criteria, there is limited evidence of any impact on gender-equitable access to resources, opportunities and choices, and power and voice for women linked to VSS compliance.

Table 11. Impacts of VSSs on aspects of the dimensions of poverty

Access to resources	
Access to financial resources	Greater access to price premiums, crop income, and credit in some cases, but unclear effects on net household income
Access to natural resources and ecosystem services	Potential to do more to support land access and product diversification and some evidence of increased forest conservation and watershed protection, helping to maintain access to ecosystem services
Access to material resources and technology	Some (limited) indirect impact on access to infrastructure and equipment via premiums and group investment
Access to basic services	Limited evidence of impacts on access to basic services, with some indication of indirect benefits to health care and formal education
Access to social capital and collective action	Evidence of strengthened producer organizations and expanded social networks
Gender-equitable access to resources	Limited evidence and context-specific impacts on gender-equitable access to resources
Access to opportunities and choices	
Opportunity for employment	Some evidence of improvements in terms of job creation and decent working conditions but not in all contexts and not for all workers
Opportunity for skills development and training	VSSs can facilitate producer access to training and skills development
Opportunity to sustainably manage natural resources, preserve biodiversity, mitigate climate change, and develop climate resilience	Evidence of improved natural resource management (i.e., soil, water, forests), with some differences across VSSs, location, and context
Opportunity for entrepreneurship	No evidence regarding opportunities for entrepreneurship
Opportunity to access diversified markets	Mixed evidence of VSS influence on smallholder market access
Gender equity in opportunity and choice	Limited evidence of VSSs increasing opportunities and choices for women

Power and voice	
Compliance with human and labour rights	VSSs can support compliance with labour rights, but they face challenges in guaranteeing compliance on a day-to-day basis due to the way they operate and monitor agricultural operations
Access to justice	Some impact on access to justice within VSS systems via grievance mechanisms
Access to information and consultation	Limited access to information and consultation of affected stakeholders
Decision-making power	Low direct involvement of smallholders in decision making
Fair and equitable governance	Limited producer power and voice in VSS governance
Gender-based equitable power	Few safeguards in place to ensure gender equity in power and voice

Access to Resources

The literature on VSS impacts on access to resources centres primarily on access to finance, with a specific focus on premiums (e.g., for organic- and Fairtrade-certified products). Beyond discussions on premiums paid to producers for certified products, there is little evidence to suggest any overall impacts of VSSs on access to resources and, subsequently, on poverty reduction. VSSs can contribute to higher prices for certified products through price premiums and better product quality, but not always. Furthermore, increased net household incomes do not necessarily follow, depending, for example, on the cost of production, the volume of certified production sold as such, and the premium amount. Compliance with VSS standards can lead to continued access to ecosystem services such as habitat protection through improved production practices, but it is unclear if they can improve access to land and water. While evaluations of the social impacts of VSSs are limited, some evidence suggests that VSSs can strengthen cooperative organizations and contribute to enhanced social capital for producers, including women. There are also positive examples of VSSs contributing to gender-equitable access to resources, with some associated with women's participation in certified cooperatives, although more research in this area is needed.

Access to Financial Resources: Greater access to price premiums, crop income, and credit in some cases, but unclear effects on net household income

There are several indirect pathways through which VSSs can affect producer access to finance and thus contribute to poverty reduction. These include access to price premiums for VSS-compliant goods, better

access to credit, and improved yields or lower costs relating to VSS compliance.

Most commonly, investigations into the economic benefits of VSS compliance for farmers examine access to financial resources in the form of premiums. Many VSS-compliant markets offer a higher price than conventional markets for the same type of product; the difference in price is known as a premium. Fairtrade certification also requires a Fairtrade premium, which refers to an additional set percentage paid to certified Fairtrade farmer groups to invest (Fairtrade Foundation, 2021b). Evidence suggests that VSS compliance is indeed associated with higher prices and revenue for farmers from the VSS-compliant commodity. Several recent reviews (DeFries et al., 2017; Evidensia, 2019; Oya et al., 2018) found evidence that price and crop income are significantly better for VSS-certified farms than non-certified farms. Meemken (2020) estimates that certified farmers get 20% to 30% higher prices on average.

Pricing varies by VSS, with some offering higher premiums than others. A study comparing organic- and GLOBALG.A.P.-certified pineapple farms in Ghana, for example, found a positive return on investment for farmers, but more so for organic-certified farmers than those with GLOBALG.A.P. due to the higher market premium for organic products (Kleemann et al., 2014). VSS compliance does not always command a premium, which may limit its impact. One early-impact study of BCI compliance in Kurnool District, India, for example, found that BCI—which does not set a premium and is sold at market prices—had no impact on poverty in that district (Kumar et al., 2019).

Generally, there appear to be benefits in terms of price and crop income from VSSs that offer a price premium. Moreover, several studies have found a positive correlation between VSS compliance and access to credit. DeFries et al. (2017) concluded from a review of the evidence that certification has a positive impact on both access to and the amount of credit, as well as producer household savings, which was also found by Voora et al. (in press).

Evidence is mixed, however, when it comes to understanding the impact of VSS compliance on producers' household income. Few studies assess net household income, and it is difficult to differentiate the effects of price premiums, yields, input costs, the trade-off between crop specialization and off-farm employment, and the quality of the product (Evidensia, 2019). The proportion of the product actually sold as VSS compliant also affects income (Lernoud et al., 2018). One quarter of studies analyzing net household income show it is higher on VSS-compliant versus non-compliant farms, but most results show no major difference between the two (Evidensia, 2019). Though a review of the literature by DeFries et al. (2017) found a generally positive impact for VSSs on the ground, especially for increased revenue from the compliant commodity, they found that results on overall household income are more diffuse. Most factors related to household income in the studies they reviewed were not significant, and in some cases, there was a negative impact on producers' economic situation when measured over time.

Net effects on income are difficult to know, as lower yields or higher production costs can offset price premiums (DeFries et al., 2017; Meemken & Qaim, 2018). This

dynamic particularly plays out in the organic sector. An Evidensia (2019) review of the literature found evidence of higher yields on VSS-compliant farmers in more than a third of cases, but like Oya et al. (2018) and DeFries et al. (2017), most cases showed no significant effect, and some showed a negative effect on yields. Similarly, there is no clear evidence of VSSs' effects on input costs; more than half of the results related to input costs included in the Evidensia (2019) review showed no difference between certified and non-certified farms. Even if impacts on input costs were known, the authors argue it would be difficult to know whether the association with poverty reduction was positive or negative, as higher or lower costs could mean different things (e.g., higher costs equal lower overall income or better environmental health due to higher-quality inputs) (Evidensia, 2019). That said, some studies conclude that price premiums can offset some of the higher production costs and lower yields that can be associated with VSS-compliant practices (Beuchelt & Zeller, 2013; Jena et al., 2017).

Understanding effects on net household income is further complicated by the household- and market-level context. Several review papers (DeFries et al., 2017; Oya et al., 2018; Traldi, 2021) conclude that positive effects on income from VSS compliance do not necessarily translate into poverty reduction, as it depends on factors such as the proportion of household income that comes from selling the VSS-compliant product. At the market level, VSS compliance does not necessarily lead to higher prices and household income, as lack of demand and oversupply of VSS-compliant products on the market may cause producers to sell some of their compliant products to the conventional market, forgoing a price premium (Lernoud et al., 2018; Oya et al., 2018). The price premium may also depend on the type of product market, such as whether it is a high-value export market (Henson et al., 2011).

The Fairtrade premium can additionally benefit farmers through the availability of funds for farmer groups to invest according to their needs and the local context (Loconto et al., 2017). For example, farmers in a Fairtrade coffee cooperative in Indonesia were able to purchase agricultural equipment and inputs (e.g., grass trimmer, sprayer, and organic fertilizer) geared toward their specific needs, allowing them to increase crop productivity and consequently their income (Fairtrade International, 2020b). In Panama, members of a banana cooperative used the Fairtrade premium to extend the size of their houses and improve their living conditions, so they were no longer living, cooking, and sleeping in one room (Fairtrade International, 2020b). As detailed below, the most common use of the Fairtrade premium appears to be investment in community infrastructure (Loconto et al., 2017), such as schools and health facilities, which can be important contributors to poverty reduction. While the Fairtrade premium does provide an opportunity for certified farmer groups to invest funds, standards, in general, are not designed for the provision of access to credit and inputs. However, VSSs can partner with financial institutions and/or combine tools and methods to provide an enabling environment for access to these types of resources (ISEAL Alliance, 2017; Voora et al., in press).

Access to Natural Resources and Ecosystem Services: Potential to do more to support land access and product diversification and some evidence of increased forest conservation and watershed protection, helping to maintain access to ecosystem services

Access to natural resources and ecosystem services plays an important role in sustainable poverty reduction efforts, though this may come with costs that restrict who can participate in VSSs. Access to productive land is critical for agricultural operations, and ecosystem services are the benefits people receive from the natural environment and ecosystems, including provisioning services (e.g., water, food, raw materials, and medicines), regulating services (e.g., carbon sequestration and water regulation), and habitat and supporting services (e.g., biodiversity). Here, we review the evidence in the selected studies related to resource stocks (land, forests, water) and ecosystem services, addressing research findings related to training and adoption of sustainable agricultural management practices under the section on opportunities and choices below.

There is very little evidence on access to land and land rights, with Schleifer and Sun (2020) finding only eight peer-reviewed articles examining the effects of VSSs on this topic. In terms of land use, they found one study suggesting that VSSs can encourage producers to transition from diversified production systems to monoculture production of the certified export crop (Oosterveer et al., 2014). Having the formal land title is often a requirement for VSS compliance, which means that VSSs can, in some cases, exclude smallholders who do not hold land titles from becoming compliant (Bartley, 2010).

DeFries et al. (2017) and Traldi (2021) conclude that some of the main positive effects of VSSs relate to the environment. In particular, evidence suggests that VSSs have a positive impact, especially on forested areas, which helps conserve habitat, an important ecosystem service (DeFries et al., 2017). For example, Takahashi and Todo (2014) found that VSS compliance has a positive effect on forest conservation and that the impact on producer behaviour was significant for more resource-poor producers (such as smallholders). The same authors found slightly less deforestation related to coffee cultivation following VSS compliance on certified farms in Ethiopia (Takahashi & Todo, 2013). The effects of VSSs on soil, biodiversity, and water are less studied. Vanderhaegen et al. (2018) found that VSS compliance has a positive effect on ecosystem services and on-farm biodiversity for joint Fairtrade-organic certification. There is some evidence that organic certification in Costa Rica (Blackman & Naranjo, 2012) and Rainforest Alliance in Colombia (Rueda & Lambin, 2013) has led to improved watershed protection measures. Ultimately, the impacts of VSSs on natural resources and ecosystem services depend on context, as illustrated by Pinto et al.'s (2014) findings that certified groups set aside land for conservation partly as a result of VSS compliance, but only when combined with government regulations and enforcement. DeFries et al. (2017) concluded that given some positive results and fewer negative impacts (on average, just 8% of

response variables analyzed), VSSs have a role to play in improving environmental conditions, though they are not a cure-all.

Access to Material Resources and Technology: Some (limited) indirect impact on access to infrastructure and equipment via premiums and group investment

Access to material resources and technology also helps reduce poverty. Though VSSs have low coverage of criteria directly related to access to materials, resources, and technology (see Tables 3 and 4), studies show that producers may choose to invest premiums in infrastructure and equipment and offer evidence that certified producers may invest more in physical assets than non-certified producers.

Several studies of Fairtrade certification show cases of producer cooperatives investing the Fairtrade premium in infrastructure such as roads (Ruben & Fort, 2012) and processing facilities (Chiputwa et al., 2015). A 4C (2019) case study describes how the De Los Andes Cooperative in Colombia, for example, helped its farmers comply with 4C requirements for the efficient use and conservation of water by installing the best-value water treatment system. Utting (2009), on the other hand, argues that the Fairtrade premium is not high enough to make significant infrastructural investments.

Other studies have linked VSS compliance with individual producer willingness to invest in equipment, attributing the indirect impact to higher and more stable prices associated with VSS compliance (Bolwig et al., 2009; Chiputwa et al., 2015). Bacon et al. (2008) found that producers belonging to Fairtrade-certified cooperatives were more likely to invest in household improvements and farm machinery and equipment than non-Fairtrade-certified farmers.

The literature covers little about the impact of VSSs on access to material resources and technology, likely due in part to the assumption that public investments are expected to have a greater impact on this than VSS compliance (Bray & Neilson, 2017).

Access to Basic Services: Limited evidence of impacts on access to basic services, with some indication of indirect benefits to health care and formal education

Similarly, few studies have examined VSSs and access to basic services. Valkila and Nygren (2010) suggest that cooperatives could facilitate investment in health care, but only one case study has linked VSS compliance with health. Arnould et al. (2009) found an association between long-term participation in Fairtrade certification and better access to health care.

There is also some evidence, albeit very limited, that VSSs are associated with improved formal educational attainment for producers and their children (Arnould et al., 2009; Bacon et al., 2008; Gitter et al., 2012; Valkila & Nygren, 2010). A study of the impact of Fairtrade certification on the living standards of 500 cocoa farmers in Côte d'Ivoire found that certified cooperatives used the Fairtrade premium to improve schooling conditions in local communities. The researchers noted,

however, that access to education increased only for households that were already above the poverty line, where child labour is less common (Knößlsdorfer et al., 2021). Other studies show that VSS compliance has little or uneven impact on education levels (Méndez et al., 2010; Ruben & Fort, 2012). As Bray and Neilson (2017) point out, it is difficult to disentangle the effects of VSSs on formal education from effects due to development programs or government services. Similar to health care, one way VSSs appear to contribute to improved access to education is via cooperative investment of premiums in education programs (Utting-Chamorro, 2005).

Access to Social Capital and Collective Action: Evidence of strengthened producer organizations and expanded social networks

There is evidence that VSS compliance enhances social capital[10] via strengthened producer organizations. Social capital has been linked to multiple aspects that contribute to poverty reduction, such as better health and improved educational achievement (Putnam, 2000; Woolcock, 2001). Social capital has also been associated with farm performance (Uphoff & Wijayaratna, 2000). VSSs can help increase social capital by strengthening producer organizations, linking producers to supporting actors and services, and empowering marginalized individuals (Bray & Neilson, 2017).

Studies have demonstrated positive effects of VSS compliance on the operation of producer organizations (Ruben & Fort, 2012; Utting, 2009) and expanded social networks (Rueda & Lambin, 2013). In a study of several coffee cooperatives and washing stations in Rwanda, Fairtrade certification was linked to a perceived increase in the participation of women in cooperative decision making, likely due to Fairtrade's non-discrimination criteria (Elder et al., 2012). While some researchers conclude that VSSs can support participation in farmers' organizations (Meemken & Qaim, 2018), others find that the impacts of VSSs on organization membership are mixed (DeFries et al., 2017). Some evidence suggests that when only the better-resourced farmers in a community adopt VSSs, it has the potential to exacerbate existing inequalities (Pinto et al., 2014). The same study of coffee and social capital in Rwanda (Elder et al., 2012) found that Fairtrade certification was negatively associated with producers' trust in cooperative leadership, likely due to cooperative leaders mismanaging group funds in those particular cooperatives.

Gender-Equitable Access to Resources: Limited evidence and context-specific impacts on gender-equitable access to resources

The evidence shows mixed impacts of VSSs on gender-equitable access to resources. Following the general trend in the literature noted above, most findings relate to the impacts of Fairtrade, with less

[10] Social capital is defined as the "social networks, the reciprocities that arise from them and the value of these for achieving mutual goals" (Baron et al., 2000).

evidence on the impacts of other standards schemes. There is limited evidence that VSS compliance improves women's access to financial resources. A study of coffee-growing households in Uganda found that households participating in Fairtrade- and UTZ-certified[11] coffee production had more equitable distribution of household assets by giving greater control of coffee revenue to women (Meemken & Qaim, 2018). The authors also found that total household assets in women-headed households with VSS compliance increased compared to those without VSS compliance due to higher coffee revenues. Smith (2013), however, reviewed 20 case studies on Fairtrade certification and concluded that impacts on women's income and position in the household very much depend on context. There is some evidence that women in Fairtrade cooperatives have greater access to credit services than women who are not in the cooperatives (Bacon et al., 2008), but a study of multiple VSSs found that women had less access to financing than men (Committee on Sustainability Assessment, 2013).

VSSs do not focus on women's access to land, and VSS-compliant women farmers are still less likely to own or have access to productive land than men. As women tend not to own the land that is certified, they often do not receive the benefits of VSS compliance either (Hanson et al., 2012). VSS compliance has been shown to improve women's access to land only when supported by additional gender requirements, such as those by the Guatemalan Manos de Mujer cooperative requiring that women own or manage the land under VSS compliance (Royal Tropical Instituteet al., 2012). There is also a case of organic certification indirectly resulting in women gaining access to land titles when absentee male farm operators transferred land title to their wives to comply with standards requiring the farm owner to be present during audits (Lewis & Runsten, 2008; Lyon et al., 2010).

In terms of women's access to social capital, VSSs can expand social networks. For example, Rainforest Alliance partnered with finance institutions such as Root Capital, OIKOCREDIT, and Alterfin to provide women farmer organizations with financing (Hurt, 2019). As mentioned above, there is also some evidence that VSSs can encourage women's participation in their cooperative structures (Elder et al., 2012).

Opportunity and Choice

The evidence of the impacts of VSSs on opportunity and choice reveals that most VSSs include criteria related to labour conditions and decent employment, though they do not address these issues consistently. VSSs show positive impacts in terms of providing training opportunities for farm management and farming practices, and health and safety, especially when partnered with other initiatives, with potential for improving livelihood outcomes (Carlson & Palmer, 2016; Jena et al., 2012; Utting, 2009). Research also shows positive results of VSSs for sustainable management of natural resources, but it is inconclusive as to whether this reduces poverty. There is no evidence of the impact of VSSs on access to entrepreneurship, although aspects of VSS-

[11] Prior to the merger with Rainforest Alliance.

offered training could indirectly contribute to positive outcomes in this area. Research seems to be split on viewing VSSs as both barriers and catalysts to accessing diversified markets, emphasizing the challenges to smallholder participation. Finally, research shows positive impacts of VSSs on gender equity in opportunity and choice, again with respect to cooperatives whose female members have met with public officials to advocate for change. However, examples are context specific and do not imply impacts on gender equity more broadly.

Opportunity for Employment: Some evidence of improvements in terms of job creation and decent working conditions, but not in all contexts and not for all workers

Some evidence shows that VSSs can lead to job creation via their criteria requiring increased agricultural labour needs (such as for organic production practices) as well as VSS-related employment (e.g., auditors and agricultural extension staff) (Oya et al., 2018). For example, several studies show increased labour demand associated with mulching, composting, and weeding to meet organic certification requirements (Blackman & Naranjo, 2012; Valkila, 2009). It is important to note, however, that more jobs do not necessarily mean improved livelihoods in all cases. For instance, Kasente (2012) found that increased labour demands fell on women, creating more work for them. Several studies note that VSS labour criteria do not always cover casual or temporary workers employed by small farmers (Cramer et al., 2014; Nelson et al., 2013; Waarts et al., 2015).

The effects of VSSs on labour conditions in practice may depend on the extent to which they meet or exceed international labour standards and the stringency and enforcement capacity of national labour regulations (Oya et al., 2018). For example, Oya et al. (2018) argue, based on a review of the literature, that VSSs may have little to no impact when labour legislation is strong and well enforced in the country where they are operating, while they may contribute to improved labour conditions when legislation is weak or unenforced. There may be greater impact when VSSs go beyond minimum standards and establish a living wage benchmarked to local living costs.

Overall evidence of VSSs and effects on benefits, working conditions, collective bargaining, and employment security is mixed. Some studies show better benefits and security on VSS-compliant farms due to greater visibility and consumer pressure for better labour conditions in VSS-compliant value chains (Nelson & Martin, 2013; Raynolds, 2014). In other cases, wages declined more for VSS-compliant versus non-compliant farms, with researchers suggesting this is because VSS compliance overlooks casual and temporary employees hired by smallholders, has limited ability to monitor working conditions on smallholder farms, and by itself cannot counter local labour market dynamics (Cramer et al., 2014).

VSS requirements to adhere to labour standards for decent employment may sometimes conflict with local needs. Oya et al. (2018) point out that VSS restrictions on overtime can clash with the interests of workers, especially when they depend on overtime hours to make up for low wages. VSS labour requirements can be

further complicated with respect to gender, specifically in relation to child labour. For example, in some cultural contexts, it is normal for children to accompany parents to the field. However, compliance with child labour requirements can prevent women from performing agricultural work if they do not have any child care support (Sexsmith, 2019).

Opportunity for Skills Development and Training: VSSs can facilitate producer access to training and skills development

There is evidence that VSS compliance is associated with more access to training and skills development for producers. This can expand producer opportunities and the livelihood strategies available to them, potentially contributing to poverty reduction. Carlson and Palmer (2016), for example, conclude from their review of the literature that learning is one of several common benefits that may justify the costs of becoming VSS compliant and certified. Other review studies, however, suggest that impacts on training are more mixed (DeFries et al., 2017).

Studies have linked VSSs with producer access to training that leads to improved farming and farm management knowledge and better health and safety practices. For example, Utting (2009) found that agronomic training was associated with VSS compliance; all interviewees mentioned training as supporting market access and better prices. VSS-compliant producers in India had better bookkeeping skills after VSS compliance (Bose et al., 2016). Other studies have also identified the benefits VSSs can have on access to training. For example, one study notes that members of certified coffee cooperatives in Ethiopia are more likely to be offered the opportunity for training than members of non-certified cooperatives, although the study acknowledges the difference to be marginal (Jena et al., 2012). The study concludes that VSS compliance is associated with higher levels of farmer-training activities, which can (but does not always) result in improved practice and livelihood outcomes. Effective leadership of producer organizations is a contributing factor determining the successful outcome of training interventions (Bray & Neilson, 2017).

Access to training appears to be a result of VSS-compliant producer access to cooperative services (Bacon et al. 2008) as well as to direct links with supportive value chain actors. ISEAL case studies of BCI, Fairtrade, and 4C determined that access to training was central in helping farmers achieve and maintain VSS compliance (ISEAL Alliance, 2017). This research in India, Kenya, and Indonesia showed that supportive market players drove training: a local NGO and BCI implementing partner, a local marketing agent, and an international trader, respectively. The good agricultural practices (GAPs) training used the "train the trainers" approach, which trains lead farmers who then teach the newly learned practices to other farmers, with the potential to reach farmers beyond those who are certified.

Opportunity to Sustainably Manage Natural Resources, Preserve Biodiversity, Mitigate Climate Change, and Develop Climate Resilience:

Evidence of improved natural resource management, with some differences across VSSs, location, and context

Evidence suggests that VSSs can contribute to increased opportunities for sustainable resource management, though not consistently across VSSs, locations, and practices. DeFries et al. (2017) estimate that 60% of the research on VSSs and the environment looks at producers' adoption of best management practices related to crops, soil, trees, and water. They found that VSSs helped increase the number of farmers undertaking practices to protect water sources and conserve water. Bray and Nielson (2017) similarly concluded that training associated with VSSs leads to the adoption of GAPs that improve the management of soil and water resources at the farm level.

There is some evidence that the increased access to training associated with VSSs results in improved agronomic practices (Utting, 2009; Vellema et al., 2015). Organic certification is associated with lower use of chemical pesticides and fertilizers (Blackman & Naranjo, 2012). In terms of waste management, Rueda and Lambin (2013) found that while 30% of non-certified farmers engaged in some form of waste management, 90% of farmers managed waste on their farms after obtaining Rainforest Alliance certification. Saswattecha et al. (2015) also found that RSPO compliance had positive impacts on the environment in Colombia due to better waste management practices.

In other cases, the effects of VSSs on the adoption of sustainable management practices are not significant or inconclusive. Traldi (2021) found in her review of the literature that, in most cases, there is no major difference between certified and non-certified producers' adoption of best management practices for a range of different practices. For example, research has not been able to show that VSSs had a significant impact on the use of organic fertilizers (DeFries et al., 2017). Similarly, the adoption of other environmental practices, such as the use of water-saving technologies, has not shown to be appreciably different between certified and non-certified producers (DeFries et al., 2017).

As noted elsewhere in this publication, it is difficult to establish causation, in this case between VSSs and agricultural practices, given the existence of other projects and services. For example, Elder et al. (2013) found that government services likely had a greater impact on coffee producers' use of agrochemicals in Rwanda than Fairtrade certification. Parrish et al. (2005) found that the high cost of chemicals and low coffee prices influenced producers' use of agrochemicals, not VSS compliance. Whether a VSS increases producer opportunities to manage resources sustainably depends in part on its objectives; some VSSs have a more explicitly stated environmental goal than others.

When we zoom out and look at how voluntary standards compare with other approaches (e.g., regulatory, corporate pledges, due diligence) to address environmental issues in commodity production (deforestation in

particular), the evidence most often shows that VSSs can be an effective tool to help reduce deforestation at the farm level (Ingram et al., 2020). The study notes, however, that VSSs alone cannot halt deforestation, and their impact appears limited to the farm and farmer household level (Ingram et al., 2020). They can complement government initiatives, as seen in Indonesia, where VSSs help the government monitor smallholder farming and support farmer access to training and technical assistance related to farming, business management, and traceability (Ingram et al., 2020).

Opportunity to Access Diversified Markets: Mixed evidence of VSS influence on smallholder market access

In terms of access to diversified markets, there is ongoing debate in the literature as to whether VSSs include or exclude smallholder farmers. On the one hand, VSS compliance may enhance access to international markets by providing a competitive advantage to compliant producers, product quality differentiation, higher demand based on safety and quality aspects, reduced information asymmetries, enhanced innovation, higher productivity, lower input costs, and more sustainable production practices (Elamin & Fernandez de Cordoba, 2020). On the other hand, as VSS compliance becomes de facto mandatory for access to international markets, it becomes more difficult for smallholder producers to access export markets due to unaffordable VSS compliance and monitoring costs (Elamin & Fernandez de Cordoba, 2020).

An ISEAL Alliance report concludes that although VSSs claim to improve access to markets for poorer producers and to address poverty for smallholders, in general, these initiatives are unable to reach and deliver the benefits to farmers most in need (ISEAL Alliance, 2019). Several factors contribute to limited smallholder inclusion in standards schemes, such as lack of education and literacy skills (paperwork requirements) and the cost of applying new practices and associated fees (ISEAL Alliance, 2019; Klier & Possinger, 2012).

Others argue that certified markets may not be advantageous to poorer farmers, as VSS compliance can reduce their ability to adapt to changing market conditions. When VSS compliance is associated with greater product diversity (see Becchetti & Costantino, 2008; Meemken et al., 2017), it may open opportunities to access diversified markets. However, several studies find that VSS participation can lead to increased specialization and reliance on a single export crop, which can reduce access to other product markets and thus other sources of income (DeFries et al., 2017; Vellema et al., 2015). Focusing all efforts on one certified commodity can make a farmer more dependent on a specific trade channel, resulting in a captive market relationship. Consequently, farming households can become more susceptible to market volatility. Moreover, unreliable and delayed methods of payment have been associated with certified markets, which could be particularly detrimental to poorer farmers (Bray & Neilson, 2017).

Chapter 4 looks in greater depth at the issue of smallholder farmer access to VSS-compliant markets, identifying several

enabling factors that can support smallholder market access. These include an ecosystem of supporting actors, information, and training related to VSSs, market demand and direct links with buyers, producer organization, price incentive, and access to financial resources. When these enabling conditions are in place, they can help address a number of constraints that interviewees reported can limit smallholder farmer access to VSS-compliant markets.

Gender Equity in Opportunity and Choice: Limited evidence of VSSs increasing opportunities and choices for women

The evidence is mixed regarding VSSs' impacts on women's access to opportunities and choices. Some studies find that women have greater access to training, skills development, and markets (Fairtrade International, 2021; WWF, 2015). Others argue that VSS compliance can lead to increased workload for women and point to persistent disparities in women's access to VSS-compliant markets compared to men (Smith et al., 2018).

There is limited evidence that women gain access to training and skills development as a result of VSSs. In some cases, VSSs have initiated women-focused projects, such as the Fairtrade Women's School of Leadership in Côte d'Ivoire established in 2017 by Fairtrade International (2021). Women graduates pass on what they have learned to other women in the community, achieving a 65-fold multiplier effect in 2019–2020. VSSs may also partner with other organizations to increase women's access to training. In 2013, WWF France, WWF Brazil, Solidaridad, Friends of Earth Club – CAT Sorriso, and the BEL Group launched a cooperative effort in Brazil aimed at sustainable forest management through increased access to RTRS compliance. While only 30 women attended the initial meeting, 150–250 women now regularly attend the workshops, leading to greater access to certified markets, alongside increased self-esteem, involvement, and enthusiasm about sustainable practices (WWF, 2015).

Other research, however, finds that VSSs have done little to address the lower participation of women than men in certified markets (Smith et al., 2018). A meta-study referencing Fairtrade as an example noted that only 24% of women workers and farmers make up the Fairtrade system and that this finding was consistent over the several years leading up to the 2018 report (Smith et al., 2018). Women may lack formal land titles, which many VSSs require for compliance, or the assets to register as producer organization members (Oya et al., 2018). Other studies suggest that VSSs have increased labour requirements on farms, particularly for tasks in which women are traditionally involved (e.g., weeding, post-harvest processing), leading to a disproportionate increase in women's workload compared to that of men (Smith et al., 2018).

Power and Voice

A review of evidence in the selected meta-studies on the impacts of VSSs on power and voice suggests that VSSs can help increase power and voice for producers when they include well-designed grievance mechanisms for producers and commit to giving producers access to information and

ensuring they are heard in consultations. Ensuring and protecting human and labour rights ultimately falls under the purview of governments, though VSSs can aim to support compliance with labour rights. Still, due to the way they operate, it is difficult for them to properly monitor and guarantee compliance on a daily basis. Research highlights the importance of an enabling environment (e.g., complimentary government regulations) for VSSs to have a positive impact on working conditions (Bartley, 2010).

The literature finds that operational grievance mechanisms generally have a positive impact on power and voice for producers (Rainforest Alliance, 2020; Scott, 2019), although some studies question the effectiveness of these mechanisms to settle disputes (Fortin & Richardson, 2013; Nesadurai, 2013). Access to information and consultation about VSSs and their procedures can vary in application across standard bodies (Bennett, 2017), although evidence shows that some VSSs demonstrate strong commitment in this area (RSPO, 2019). Although VSSs also are committed to including stakeholders in decision making related to VSSs and their impacts—for example, through public consultations—research suggests that these efforts do not fully accommodate marginalized groups, including smallholder producers (Tallontire et al., 2014). VSSs have to some extent fair and equitable governance systems, though VSSs' governance structures can fall short of providing producers with veto power in decision making (Bennett, 2017). With respect to gender equity in power and voice, studies show an equitable gender presence on some VSS governing boards (IFOAM – Organics International, 2020), though VSSs reveal overall poor or weak coverage of key criteria that empower women within their standard documents (see Chapter 2).

Compliance with Human and Labour Rights:

VSSs can support compliance with labour rights, but they face challenges in guaranteeing compliance due to the way they operate and monitor agricultural operations on a day-to-day basis

As seen in Chapter 2, it is common for VSS criteria to cover human and labour rights (e.g., freedom from discrimination, no forced labour). For example, Fairtrade International publicly committed in 2020 to align its policies and procedures with the UN Guiding Principles on Business and Human Rights (Fairtrade International, 2020a). The DFID conducted an independent study on the impact of Rainforest Alliance and Fairtrade on workers' wages on a tea estate in Nilgiris, Tamil Nadu, India (Lalitha et al., 2013). Overall findings of the study were positive, due in part to compliance with the Plantation Labour Act 1951, which is comprehensive and widely observed among tea plantations. Rainforest Alliance appeared to have helped the estates focus greater attention on labour conditions for workers, with managers reporting improved documentation and systematic observance of various elements of the Plantation Labour Act, such as safe handling of chemicals and wash facilities for workers handling chemicals, due to additional scrutiny on behalf of VSS auditors (Lalitha et al., 2013). This exemplifies the positive

impacts that VSSs can have on worker rights when an enabling environment is in place.

Other studies highlight the limitations of relying on VSSs to protect labour rights. As part of its commitment to human and labour rights, Fairtrade International commissioned an assessment of the working and living conditions of Fairtrade-certified producers and hired labourers, including cocoa producers in West Africa and banana producers in Latin America and the Caribbean (Bayer et al., 2021). The study identified major human and labour rights violations, including sexual harassment, forced labour, discrimination, refused payment of wages, denied benefits, and mistreatment (Bayer et al., 2021).

Often, human and labour rights abuses are not identified until on-site VSS audits occur. However, a growing body of evidence points to the challenge of relying on social audits (Blankenbach, 2020; LeBaron et al., 2017). VSS audits have identified forced labour risks in Ghanaian cocoa supply chains as well as exploitation cases on ethically certified tea plantations in India (Blankenbach, 2020). However, VSS social audits can involve conflicts of interest when the farm being audited pays audit costs; if the person paying the fee is the same person being audited, the auditor may be less inclined to identify rights violations (Blankenbach, 2020). Other challenges are illustrated by cases where inspectors are bribed or threatened and where farms may be so remote that surprise inspections can be challenging.

Access to Justice: Some impact on access to justice within VSS systems via grievance mechanisms

Grievance mechanisms are a form of access to justice. VSSs sometimes require grievance mechanisms to be in place and may provide internal operational grievance mechanisms for certified operators to submit complaints against VSSs themselves. For example, complainants may report unethical behaviour or violations against the scheme's principles and code of conduct or standard-setting procedures. These mechanisms tend to be independent of the VSS's governing body to avoid any conflicts of interest or biased decisions. For example, RSPO has established a dispute settlement facility that enables complainants to resolve disputes with the help of a mutually accepted independent mediator. The process is voluntary, confidential, independent, and impartial (RSPO, 2021). VSS operational grievance mechanisms can help ensure that due process supports decision making, thereby contributing to the credibility of VSS governance processes and quality assurance (Potts et al., 2014).

Studies have found positive impacts stemming from VSS requirements for certified operations to have grievance mechanisms in place. Interviews with Rainforest Alliance-certified banana farmers in Colombia, for instance, revealed that workers felt more protected due to established grievance systems than farmers who worked on non-certified farms that had no grievance mechanisms in place (Rainforest Alliance, 2020). Moreover, VSSs' requirements for grievance mechanisms can align with public policies aimed at tackling corruption and

promoting justice (Bissinger et al., 2020). VSS requirements for dispute settlement mechanisms can also have a positive impact on the protection of land rights for vulnerable groups (i.e., smallholder farmers, women, and Indigenous Peoples) (Scott, 2019). This, in turn, can strengthen food security by preventing or resolving conflicts over customary land rights, such as land grabbing (Schleifer & Sun, 2020).

Other studies question the effectiveness of VSS-complaint mechanisms to improve producer access to justice. One study references failure on the part of RSPO and Bonsucro to resolve complaints by community members, resulting in complaints being filed with relevant national contact points for the Organisation for Economic Co-operation and Development's Guidelines for Multinational Enterprises (MSI Integrity, 2020). Similarly, Fortin and Richardson (2013) found that Bonsucro and the Roundtable on Sustainable Biofuels are unable to uphold land rights because they have little ability to enforce change in the companies with which they work. Nesadurai (2013) found in her study of palm oil that the RSPO's multistakeholder process requires accommodation of divergent interests among its members (e.g., resulting in less stringent GHG emissions standards), though it still offers a more responsive dispute resolution mechanism to producers than local government.

Access to Information and Consultation: Limited access to information and consultation of affected stakeholders

Research on producer access to information and consultation in relation to VSSs is limited. Bennett (2017) says VSSs can provide smallholders with access to information via stakeholder engagement, yet how this engagement plays out varies across VSSs. There appears to be some impact in terms of local interpretation of standards, but producer access to information around VSS requirements, procedures, and implementation, and direct involvement in consultation processes remain limited. This is consistent with our findings in Chapter 4 on smallholder access to VSS markets.

In their study of smallholder participation in GLOBALG.A.P in Kenya, Tallontire et al. (2014) found that smallholders did not know how to communicate with VSSs or buyers or how to lodge complaints or gain clarity on prices and other contracting issues. The producers felt they lacked mechanisms to engage in dialogue about their market participation, even though local organizations claim to represent them (Tallontire et al., 2014). Ansah et al. (2020) similarly found that smallholder cocoa farmers in Ghana had limited information about VSS programs and their requirements, were disconnected from price premium management, and did not have a say in decisions about verification systems.

VSSs are taking steps to address these challenges. RSPO, for instance, has implemented a jurisdictional approach aimed

at increasing stakeholder engagement that is more inclusive of smallholders (RSPO, 2019). One of the stated goals of the RSPO jurisdictional approach is to strengthen smallholder sustainability and livelihoods; initial RSPO reporting suggests it has increased smallholder uptake. In Indonesia, as an example, the approach included the establishment of an agricultural facility that provides agricultural inputs and training to independent smallholders (RSPO, 2019). In Malaysia, the approach involves knowledge exchange and train-the-trainer programs and has resulted in the development of the RSPO Smallholder Strategy and the implementation of the RSPO Smallholder Trainer Academy (RSPO, 2019).

Decision-Making Power: Low direct involvement of smallholders in decision making

There is a lack of research on VSSs and smallholder producer participation in decision making. Carmin et al. (2003) found that VSSs favour private actors over producers in terms of access to decision-making opportunities, more so than standards led by industry or government organizations. Tallontire et al. (2014) assessed Kenyan smallholders' participation in GLOBALG.A.P. processes and found that GLOBALG.A.P.'s focus on technical production issues meant that international and national technical experts on food safety and production practices were invited to participate in GLOBALG.A.P. decisions, while smallholders were not. In 2005, GLOBALG.A.P. established a stakeholder liaison officer, though it tended to involve bilateral donors such as DFID and German Technical Organization rather than direct representation of smallholders (Tallontire et al., 2014).

VSSs have been trying to promote inclusive decision making by engaging stakeholders via public consultations on, for example, revisions/updates to standard requirements and policy updates. However, they face challenges in ensuring smallholder producer participation. Factors such as limited Internet connection, language barriers, and low knowledge sharing can deter many smallholders from taking part in these consultations. Rainforest Alliance, for example, conducted a public consultation survey to gather feedback on the first draft of the Rainforest Alliance Sustainable Agricultural Standard. Of the respondent groups, 4% were smallholders and their representatives. In contrast, 16% of respondents were medium-sized and large farmers and their representatives, while most (44%) were companies (Rainforest Alliance, 2019).

Fair and Equitable Governance: Limited producer power and voice in VSS governance

The legitimacy of VSSs' authority to govern global supply chains is based in part on the assumption that they have multistakeholder governance structures (Cashore, 2002). Yet, in practice, this varies markedly among VSSs (Sexsmith & Potts, 2009). Bennett (2017) investigated whether VSSs include producers in their high-level governance and found that no more than 25% of the 33 VSSs analyzed ensure that producers have a vote in their governance bodies.

Several studies question representation and accountability in terms of the balance

of stakeholders in standard-setting bodies (Bacon, 2010; Busch, 2014; Nelson & Tallontire, 2014). Although VSSs have become more balanced in decision making as they have evolved, VSS governance systems disproportionately favour business representation, resulting in an unbalanced voice for producers in decision making and influence in the schemes (Bennett, 2017; Potts et al., 2014, 2016). Potts et al. (2014) found that industry group and private sector representatives outweigh producers, NGOs, workers, and other actors on VSS boards. Except for Rainforest Alliance and the RTRS, the same study found that developed country stakeholders were disproportionately more represented on VSS boards than stakeholders from developing countries (Potts et al., 2014, p. 61). For instance, only three of 17 environmental NGO members of the RSPO in 2012 were national or local NGOs based in the Global South (Ponte & Cheyns, 2013).

Smallholder farmers in the Global South are typically marginalized from high-level decision making in VSSs (Bennett, 2017; Potts et al., 2014). While some VSSs show efforts toward more balanced participation in decision making, they fall short of any sort of meaningful impact. For example, Bonsucro allows civil society and farmer members to appoint up to two members of the board of directors. However, as motions are passed by majority in Bonsucro's governance system, and neither producers nor farmers constitute a majority (Bennett, 2017), neither group has any veto right. Other studies highlight the absence of producers' voices in VSS decision making. They argue that producers are the only group personally and directly affected by VSS governance rules, yet VSS governance structures can limit producers from acting as agents of change (MSI Integrity, 2020). As an estimated 500 million smallholder farming households comprise a major proportion of the world's poor (World Bank, 2016), reaching these groups proportionally is paramount if VSSs are to have a hand in balancing power and voice in global economic governance.

National versions of standards that are benchmarked against international standards—such as KenyaGAP, benchmarked to GlobalG.A.P.—could offer opportunities to strengthen the involvement of smallholder farmers and support more inclusive decision making.

Gender-Based Equitable Power: Few safeguards in place to ensure gender equity in power and voice

VSSs that are membership organizations offer opportunities for more democratic processes. IFOAM – Organics International's governing board, for example, is democratically elected by IFOAM – Organics International members and has a 5:4 ratio of women to men (IFOAM – Organics International, 2020). However, the promotion of gender-equitable power is rarely evident within standard requirements themselves. Only 18 of 61 sustainability schemes in the ITC Standards Map database explicitly mention gender (Smith, 2020).

Although some standards include specific criteria on gender, important aspects—such as land rights, maternity rights, and women's representation in the workplace and on organizational committees and decision-making bodies—are typically not covered (Blankenbach, 2020; Smith, 2020).

Exceptions are noted, however, for some VSSs that promote equal opportunities for women's advancement in the workplace, specifically Fairtrade Hired Labour, IFOAM – Organics International, and UTZ (Sexsmith, 2019). A recent review of 23 ISEAL members' approaches to gender revealed that only three members published gender policies or strategies (Smith, 2020). There is insufficient data to draw conclusions as to why this is the case, but some indications point to insufficient female representation in VSS regulatory processes, including the development of standards, policies, and strategies (Smith, 2020).

Conclusion

Overall, evidence on the direct and indirect impacts of VSSs on indicators of the dimensions of poverty is inconclusive. There is an imbalance of studies across commodities, regions, and VSSs (ISEAL Alliance et al., 2019; Kleemann et al., 2014; Oya et al., 2018; Qiao et al., 2016; Rainforest Alliance, 2020; Schleifer & Sun, 2020; Traldi, 2021). Establishing causation is challenging due to the complex nature of VSS-compliant value chains (Bray & Neilson, 2017). It becomes even more difficult when studies do not include reliable or credible data (Blackman & Rivera, 2010; Bray & Neilson, 2017) and do not consider trade-offs between outcomes (Traldi, 2021). Moreover, most outcomes examined in studies are statistically insignificant (Traldi, 2021). Contextual factors such as market structures, cultural norms, and farming characteristics beyond VSSs further obscure the connection between VSSs and poverty reduction (ISEAL Alliance, 2017). Despite these caveats, several insights can be drawn from the existing evidence of VSS impacts.

The evidence shows that VSSs can contribute to aspects associated with the three dimensions of poverty (e.g., crop income, forest conservation, watershed protection), but evidence that they lead to poverty reduction is inconclusive. As there is little evidence of negative impacts and some positive impacts (with other studies showing no important differences), VSSs could be a valuable tool as part of a broader strategy of poverty reduction that addresses the multiple dimensions of poverty. When we look at the three dimensions of poverty, VSSs appear to do more to increase access to resources and opportunities and less to contribute to greater power and voice for smallholder farmers.

A consistent thread through the literature is the importance of building and strengthening an enabling environment for VSSs to support poverty reduction. Specifically, studies emphasize revamping farmer support systems to include increased access to resources and technology and social capital; public–private partnerships that involve joint efforts between VSSs, governments, NGOs, farmer organizations, and other private initiatives such as financial institutions; greater gender equality; and more rigorous requirements for the credibility of VSS systems.

Similarly, studies are clear that context-specific factors determine whether VSSs contribute to poverty reduction (Meemken, 2020). What is less clear are those specific conditions under which smallholder farmers benefit from VSS compliance. Initial evidence suggests that factors such as the structure and organization of value chains and the amount and length of NGO and

government support (for certification fees, for example) (Meemken, 2020) may be key to understanding the specific conditions under which farmers benefit (or not). As Meemken (2020) points out, most studies ignore these factors, as well as specifics regarding farmer contracts, services and inputs, cooperative characteristics, and degree of external support. Traldi (2021) also notes the importance of considering market structure, market conditions, and environmental trends as important influencers of VSSs' outcomes.

Moving forward, research on the impacts of VSSs should include under-represented commodities, regions, and standards and address impacts across the economic, social, and environmental pillars of sustainability rather than treating them in isolation. VSSs alone cannot fight poverty on a global scale. It is therefore worth considering adapting VSSs in combination with other policy or program interventions. These interventions must include social aspects and seriously consider the involvement of smallholder and marginalized groups, including women.

VSSs can be a tool to advance sustainable agricultural practices globally, but they must target smallholder farmers to do so. With some 500 million small farms operating worldwide (Lowder et al., 2016), targeting sustainable practices throughout the small-farm sector could contribute substantially to poverty reduction on a global scale (Potts et al., 2014). Yet as we see here, research on the impacts of VSSs on smallholder inclusion reveals mixed evidence (Bray & Neilson, 2017; Carlson & Palmer, 2016; Kleemann et al., 2014; Oya et al., 2018). One of the key advocating arguments for VSSs is enabling market access for farmers. Studies have found that access to more diversified and international markets can benefit farmers, though it is not necessarily smallholder farmers who benefit. Some argue that, among other things, the cost of VSSs and the complexity of processes to comply with standards create barriers for smallholders (Carlson & Palmer, 2016; Kleemann et al., 2014; Oya et al., 2018). Others argue that VSSs have positive impacts on farmer welfare and that farmers can gain knowledge, increase their sales, and gain access to high-value export markets (Bray & Neilson, 2017; Kleemann et al., 2014).

As VSSs adapt their schemes to be more inclusive of smallholder farmers, such as via opportunities for group certification and continuous improvement approaches, they may reach more smallholder farmers. In turn, this can support the adoption of sustainable agricultural practices among small farms, with important implications for poverty reduction.

The next section of this publication aims to address the gap in understanding the specific factors that enable or limit smallholder access to VSS-compliant markets. Through empirical data collected via interviews with key actors in six commodity value chains across six countries, Chapter 4 provides insights into how an enabling environment can be created, including by VSSs, to promote smallholder farmer access to VSS-compliant markets. This can contribute to progress in key aspects of the three dimensions of poverty and help reduce poverty among smallholder farmers around the world.

4.0 Understanding Smallholder Farmer Access to VSS-Compliant Markets[12]

[12] This chapter is the result of a partnership between IISD and the United Nations Conference on Trade and Development (UNCTAD). It is authored by Sara Elder (IISD), Niematallah Elamin (UNCTAD), Cristina Larrea (IISD), and Santiago Fernandez de Cordoba (UNCTAD), with contribution from Cecilia Heuser (UNCTAD).

This SSI Review has already examined whether and how VSSs' criteria align with aspects of the three dimensions of poverty (i.e., access to resources, opportunities and choices, power and voice) and summarized the evidence of VSSs' impacts in practice. We see that VSSs have a role to play in supporting numerous aspects that contribute to poverty reduction, though smallholder farmers still face challenges accessing (and therefore benefiting from) VSS-compliant markets. When VSSs do not reach smallholder farmers, they limit their potential impact on poverty reduction.

This chapter draws on interviews with stakeholders from the Global South to shed light on the factors that influence smallholder farmers' access to VSS-compliant markets—defined in this report as the ability of smallholders to comply and maintain compliance with VSSs and sell their products in VSS-compliant markets. It aims to improve understanding of how to address limitations and harness enabling factors to create an enabling environment for VSSs to contribute to poverty reduction.

We interviewed actors in six commodities and value chains in six developing and least-developed countries in Africa, Latin America, and Asia: Cambodia (rice), Colombia (avocado), Guatemala (banana), Guinea-Bissau (cashew), India (cotton), and Rwanda (coffee). The selection of countries and commodities was based on a comprehensive analysis of several factors on both the supply side (exports) and demand side (imports to potential markets) (see Appendix C for methodological details). A total of 57 smallholder producers/smallholder producer organization representatives, government officials, VSS and certification/verification staff, NGO leaders, financial service providers, and buyers were interviewed so we could assess perceptions of smallholder access to VSS markets. The interview guide consisted of 13 open-ended questions and 34 closed-ended questions (see Appendix D for the interview guide). The open-ended questions were based in part on those included in the UNCTAD Assessment Toolkit,[13] adapted to assess the general perceptions of VSSs and smallholder market access and perceived factors influencing smallholder access to VSS markets.

Interviewees described the benefits of access to VSS-compliant markets for smallholder farmers in line with our findings from Chapters 2 and 3. They perceived higher prices and premiums, better access to training, better farm practices, and higher sales volumes for VSS-compliant smallholder producers. Yet interviewees also explained that few smallholders can access VSS-compliant markets (and therefore these benefits). They reported several constraints that limit smallholder farmer access to VSS-compliant markets: lack of producer capacity to comply with and maintain requirements; limited access to resources (i.e., financial resources); environmental constraints (i.e., poor soil); VSS-specific factors (i.e., prohibitive costs of certification); limited bargaining power within global value chain structures; limited competitiveness; low market demand; and restrictive trade policy. Analysis of the open-ended interview responses revealed five main factors that can mitigate these constraints and enable smallholder farmer access to

[13] Available at https://vssapproach.unctad.org.

VSS-compliant markets: supporting actors, information, and training related to VSSs; market demand and direct links with buyers; producer organization; price incentive; and access to financial resources.

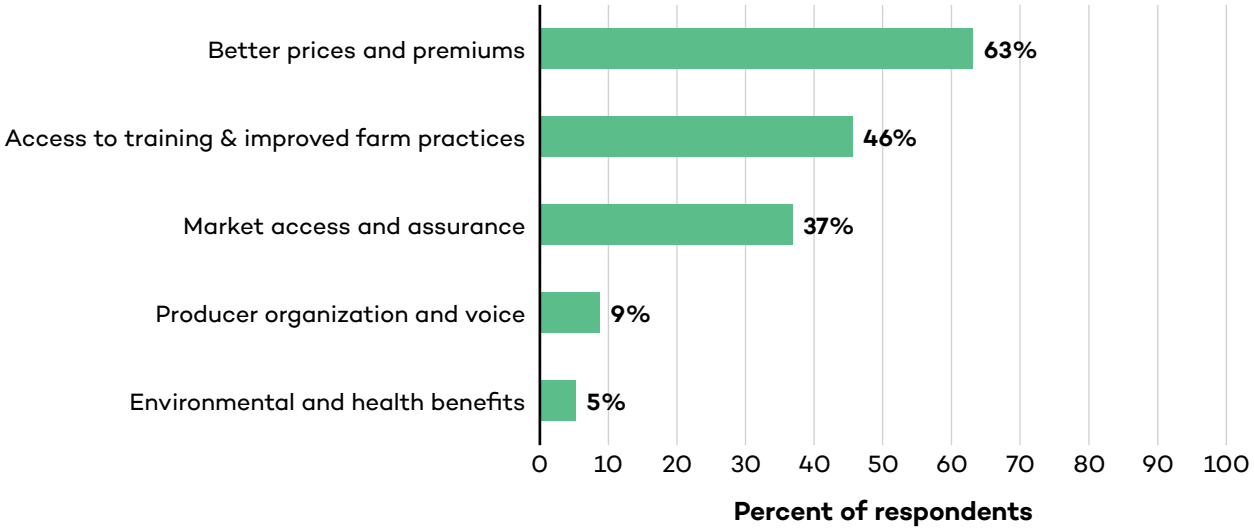
The findings of this chapter indicate that while market access is important for smallholders to access the benefits of VSSs, market access alone is not sufficient for poverty reduction. The findings highlight the trade-offs between benefits from standard compliance and the cost of compliance, particularly given the costs in terms of time and money to implement and maintain standards. This shows that more stringent or ambitious criteria require strongly supporting farmers and that responsibility for enabling their participation lies not only with VSSs but also with an ecosystem of supporting actors. The findings reveal an overlap in factors that are important to enabling market access for smallholder farmers with aspects of the three dimensions of poverty, indicating that efforts supporting smallholder compliance in VSS markets can support poverty reduction strategies and vice versa.

Perceived Advantages of Access to VSS-Compliant Markets

When asked for their opinion on the main advantages of VSS compliance, respondents referred most often to better prices and premiums (see Figure 3), followed by access to training and improved farm practices, market assurance, producer organization and voice, and environmental and health benefits.

The price premium was viewed as the main advantage across all countries except India (see Figure 4). All respondents from Cambodia and Rwanda (i.e., 100%), 78% of respondents from Guinea-Bissau, and 64% of respondents from Colombia said VSS-compliant producers get better prices. A

Figure 3. Perceived advantages of VSS market access, the whole sample



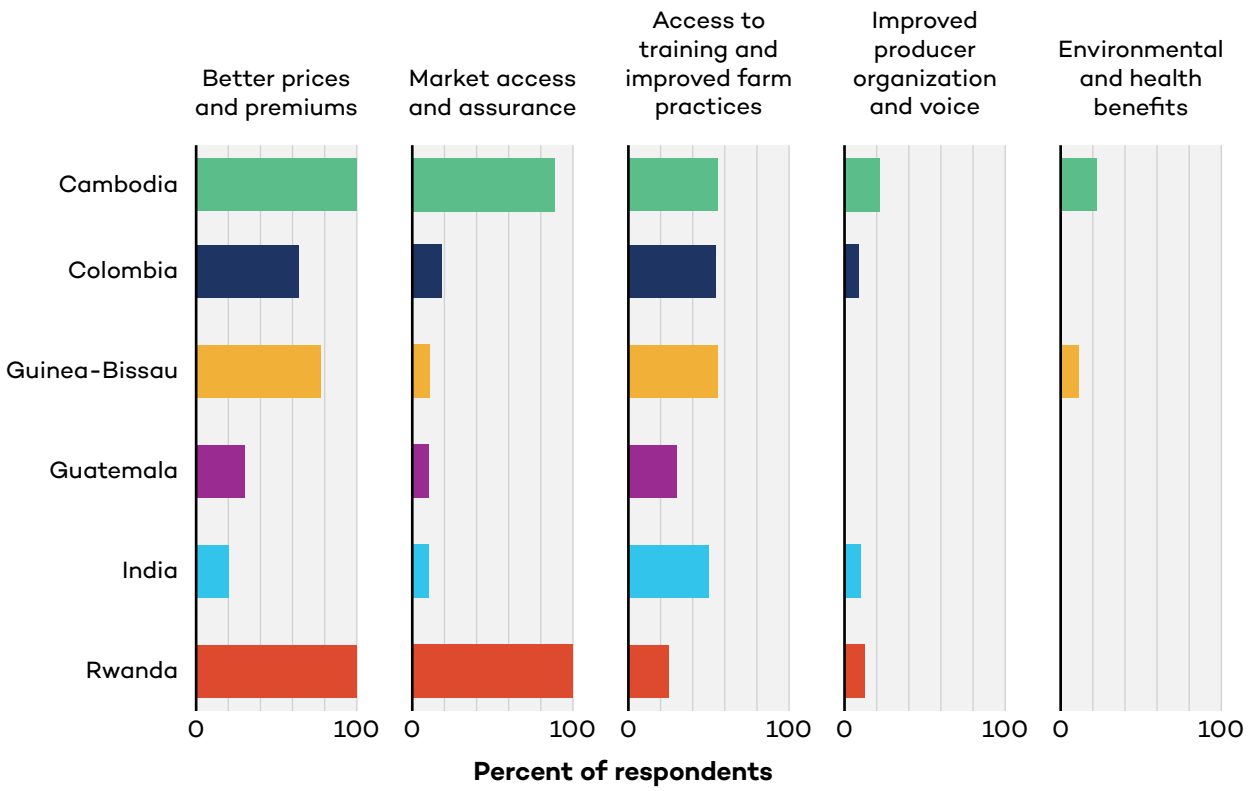
Note: The percentage is the share of respondents in the sample who mentioned each factor.
Source: Authors' own calculations based on interview data.

smaller share of respondents from Guatemala (30%) and India (20%) mentioned price as an advantage. In India, this is likely because many study respondents had experience with BCI, which does not offer differential pricing or set premiums for any type of raw, intermediary, or finished products (Saral, 2018). Respondents in India who perceived price as an advantage used or interacted with organic, Fairtrade International, Rainforest Alliance, and other VSSs that have premiums for VSS-compliant products. In Guatemala, the banana market is concentrated among just four multinational corporations, and while VSS compliance can be a prerequisite for market access and the ability to sell higher volumes, it is not always associated with a higher price.

The price premium was considered the main advantage across all participant groups and the second top advantage for producers (see Figure 5). All VSSs in the sample (100%), 75% of buyers, 58% of government representatives, 55% of producers, and 43% of NGOs mentioned better prices as an advantage of complying with VSSs.

Access to training and improved farm practices were also seen as important advantages of complying with VSSs, mainly by respondents in Cambodia, Guinea-Bissau, and Colombia (across countries, Figure 4) and by producers and producer organizations,

Figure 4. Perceived advantages across countries

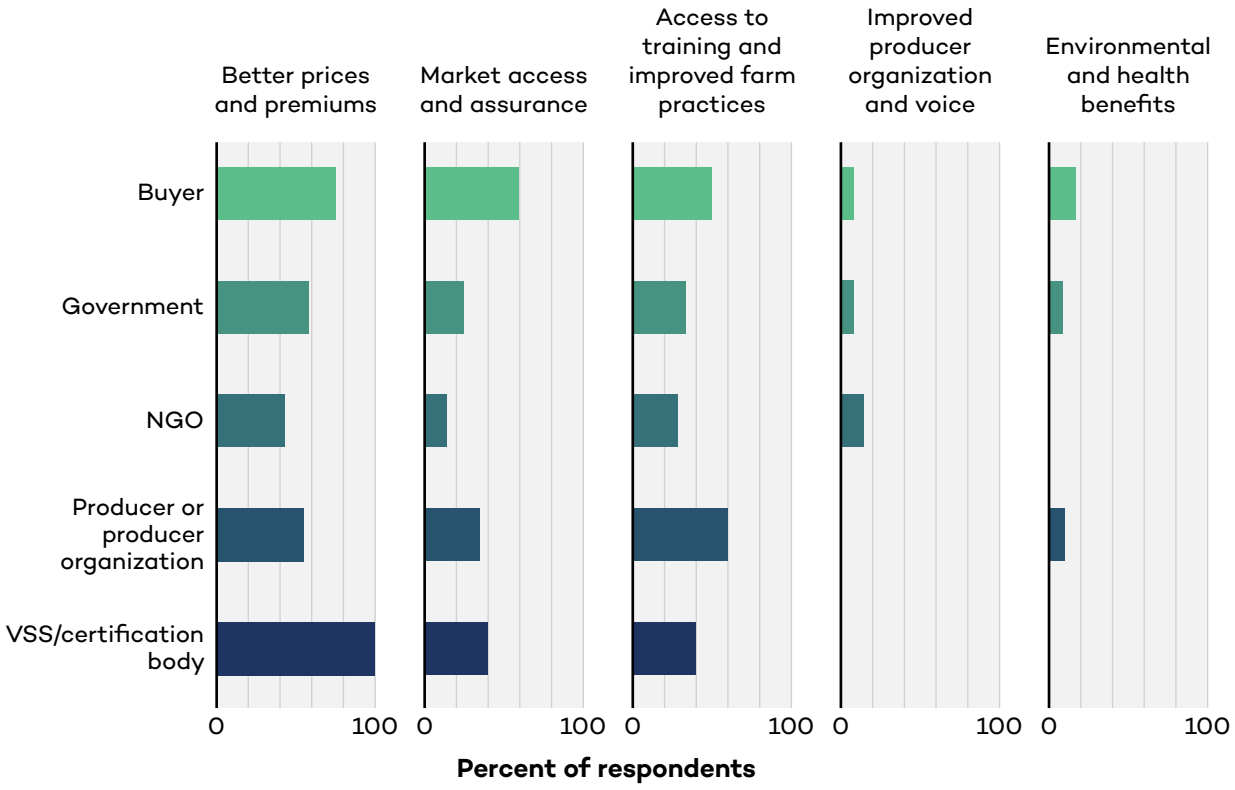


Note: The percentage is the share of respondents in the sample who mentioned each factor.
Source: Authors' own calculations based on interview data.

which identified access to technical assistance as their main perceived advantage (see Figure 5). Overall, respondents who identified access to training as an advantage linked it to improved technical knowledge and capacity, better farm practices, and acquiring quality inputs, all of which lead to improved productivity and product and quality. Some respondents mentioned increased sales volume as an outcome of improved farm practices and quality, while others saw it in the light of increased demand.

Respondents said VSSs facilitate product sales and lead to pre-established long-term contracts that work as an assured purchase guarantee. Some respondents said VSS compliance secures selling all their production due to the higher demand for VSS-compliant products. However, the significance of market assurance as an advantage was viewed differently across countries and participant groups. For example, while interviewees in Rwanda viewed it as significant as the price premium and those in Cambodia put it as the second main advantage, only a small share of respondents in the other countries identified it as an advantage. Across countries, purchase assurance was identified as the main advantage more often alongside better prices and premiums. Across participant groups, buyers were the main category that recognized market assurance as one of the top advantages for smallholder producers

Figure 5. Perceived advantages across participant groups



Note: The percentage is the share of respondents in the sample who mentioned each factor.
Source: Authors' own calculations based on interview data.

(mentioned by 58% of them). Given the way the value chains included in the study are structured, it is buyers who have links with external markets. Thus, their view on VSSs enhancing market access is a substantial point of view, and it signifies the relation between VSSs and market access.

A small share of respondents mentioned improved producer organization and voice as an advantage. Respondents said that being certified improves farmers' negotiation power (especially over prices) and allows them to voice their concerns.

A very small share of respondents perceived better environment/health as an advantage. "No use of chemicals" was mentioned as one reason for the potential improvement in health and the environment.

The advantages of VSS-compliant market access reported by interviewees are in line with existing evidence on the impacts of VSSs and their links to the dimensions of poverty. Respondents generally considered access to better prices and premiums as an advantage of VSS-compliant market access, but producers did not see prices/premiums as the main advantage. In their view, improved farming practices (i.e., product quality, yields) and access to training deliver more important development outcomes. This is not surprising, as we know from the literature that higher prices do not necessarily translate into a meaningful increase in household income (Oya et al., 2018). Producers and their representatives emphasized that a big advantage of VSS-compliant market access is improved access to training and better farm practices and the ability to sell more products. Aligned with what we see in the review of existing evidence of the impacts of VSSs, interviewees perceived some benefit of VSSs for increased organization and voice for smallholder farmers.

Smallholder Farmer Access to VSS-Compliant Markets

Despite the perceived advantages of VSSs uptake, there are few VSS-compliant smallholders in the study countries. In both Cambodia and Rwanda, respondents guessed that fewer than 10% of rice (Cambodia) and coffee (Rwanda) smallholder farmers were VSS compliant. Yet, given the importance of the six commodities studied to smallholder livelihoods, there is potential for sizable impact if smallholders were to have access to VSS-compliant markets. Interviewees said the six commodities provide an estimated 50% to 100% of smallholder producers' total household income. While there are benefits beyond income that are important for poverty reduction (as noted in Chapter 3), this indicates that the crops studied can be critical to smallholder livelihoods and that enabling access to VSS-compliant markets for smallholders has the potential to benefit them with the advantages mentioned above.

Factors Influencing Smallholder Access to VSS-Compliant Markets

The reasons few smallholders are VSS compliant are complex and varied, yet our research shows that some key enabling factors, as well as limiting factors, that were mentioned across countries and by all actors influence smallholder access to VSS-compliant markets. The research highlights the importance of an ecosystem of supporting actors, information

and training for producers, market demand and supply chain relationships, producer organization, price incentive, and access to financial resources. These are elaborated below in the sections on perceived enabling and perceived limiting factors.

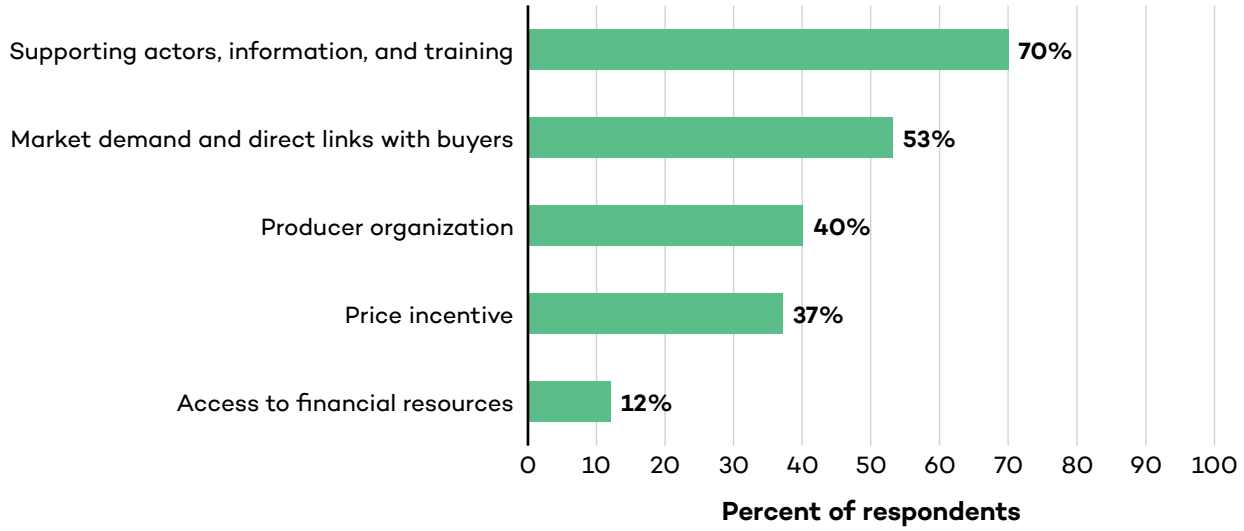
Perceived Enabling Factors

In open-ended interviews, respondents identified five main factors that enable smallholder farmer access to VSS-compliant markets (see Figure 6):

1. Supporting actors, information, and training
2. Market demand and direct links with buyers
3. Producer organization
4. Price incentive
5. Access to financial resources

The main factor enabling smallholder farmers' access to VSS-compliant markets is having an ecosystem of supporting actors, information, and training. Farmers whose farming practices align with the standards and protocols required by VSS markets and comply with the legal requirements of the producing and importing countries can access VSS markets more easily than those whose practices do not. Interviewees said required practices range from record-keeping and documentation that facilitates traceability to the use of organic pesticides and compost. Support from different actors and access to related information and training are needed to enable producers to implement compliant farming practices. As one interviewee explained, smallholders first need to understand the requirements and how the verification/certification process works, then to put them into practice, and finally to sell the products to VSS-compliant

Figure 6. Perceived enabling factors



Note: The percentage is the share of respondents in the sample who mentioned each factor.
Source: Authors' own calculations based on interview data.

markets. In this process, producers must have access to information about VSS markets so they are aware that they exist as an option, what they require, how to comply with the standards, what that might cost versus the potential returns (i.e., farm-level prices), and how to get a compliant product to market. Continuous knowledge and skills enhancement are important, including training and guidance in improved production practices, monitoring and evaluation of compliance, and administrative procedures needed to export to VSS-compliant markets. This requires "the effort of all actors, public and private," which interviewees identified as government, exporter associations and chambers of commerce, certifiers, and NGOs.

More than half of interviewees said steady and secure market demand is important for enabling smallholder access to VSS-compliant markets. When producers see buyer demand for VSS-compliant goods and know that their product will be purchased if they comply, they may be willing to take on the additional investment required to comply with standards. Interviewees said that having an agreement or contract is especially enabling; because there is a purchase guarantee, farmers need not worry about finding buyers and a good price. Pre-established contracts and/or long-term agreements signed in advance with buyers can encourage producers to invest in the required operations, knowing that it is worth the risk. Interviewees said that direct contracts with international buyers without intermediaries or having supportive aggregators/traders/companies can help ensure market access for smallholder producers by providing the assurance that they will have steady and secure demand for their product.

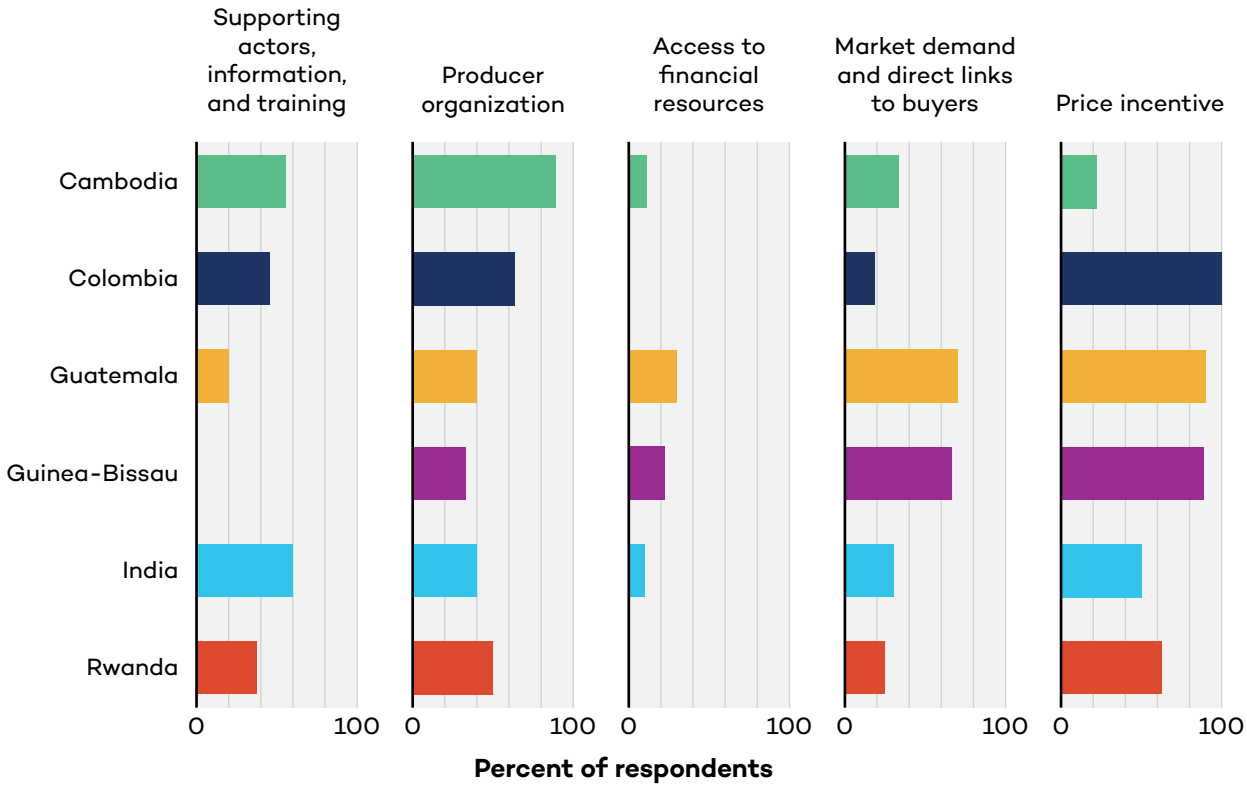
Smallholders who can access markets are generally members of producer organizations with strong leadership and business capacities. Interviewees across countries explained that smallholder organization in cooperatives or associations could bring together fragmented producers, reduce transactional costs (including certification costs), enable farmers to voice their concerns, and facilitate collective negotiation with financiers or buyers. Cooperatives provide an avenue for technical assistance from government as well as NGOs and civil society organizations. Strong, stable cooperatives, particularly those with marketing capacity, also facilitate direct contracts with international buyers. A Guatemalan government official explained that "those [smallholder producers] with the best possibilities for direct market access are cooperatives." In line with the enabling role for supportive actors and training discussed above, interviewees highlighted the need for long-term support to producer organizations from government and NGOs.

While associating in groups can help reduce some transaction costs, compliance with standards requires considerable investment by producers; price incentives are another key enabling factor when they can compensate for the investments. Interviewees said higher prices, assured premiums, and fair prices are all important price incentives to producers, as well as price stability. For many producers, better income is a main motivation (i.e., enabler), and higher prices/payoff may make it worth their while to make the investments and commitment needed to comply with and maintain VSS compliance. In addition to price incentives, access to financial resources can help enable market access. Respondents said producers with access to VSS-compliant

markets tend to have economic resources; enabling market access can include access to agricultural credits through microcredit institutions and advance loans to cooperatives from buyers.

In countries where training and better practices were identified as the main enabling factors, respondents mentioned market demand and direct links to buyers less often as main enabling factors, and vice versa. For example, in Guinea-Bissau, where VSS-compliant production is only starting to emerge, supporting actors, information, and training were identified as main enabling factors rather than market demand and links to buyers. We see the opposite in Cambodia, where market demand and direct links to buyers were deemed much more of an enabling factor than information and training. It appears that once producers have implemented compliant practices, the more important enabling factor becomes adequate market demand and having links to buyers who will then purchase that compliant product, as well as higher prices and premiums. Access to financial resources was also identified more often as an enabling factor, alongside training and better practices, as it is important to meet cash flow needs to comply with and maintain VSS requirements. Producer organization is an important enabling factor in all study countries, but especially in Guatemala and Guinea-Bissau,

Figure 7. Perceived enabling factors by country

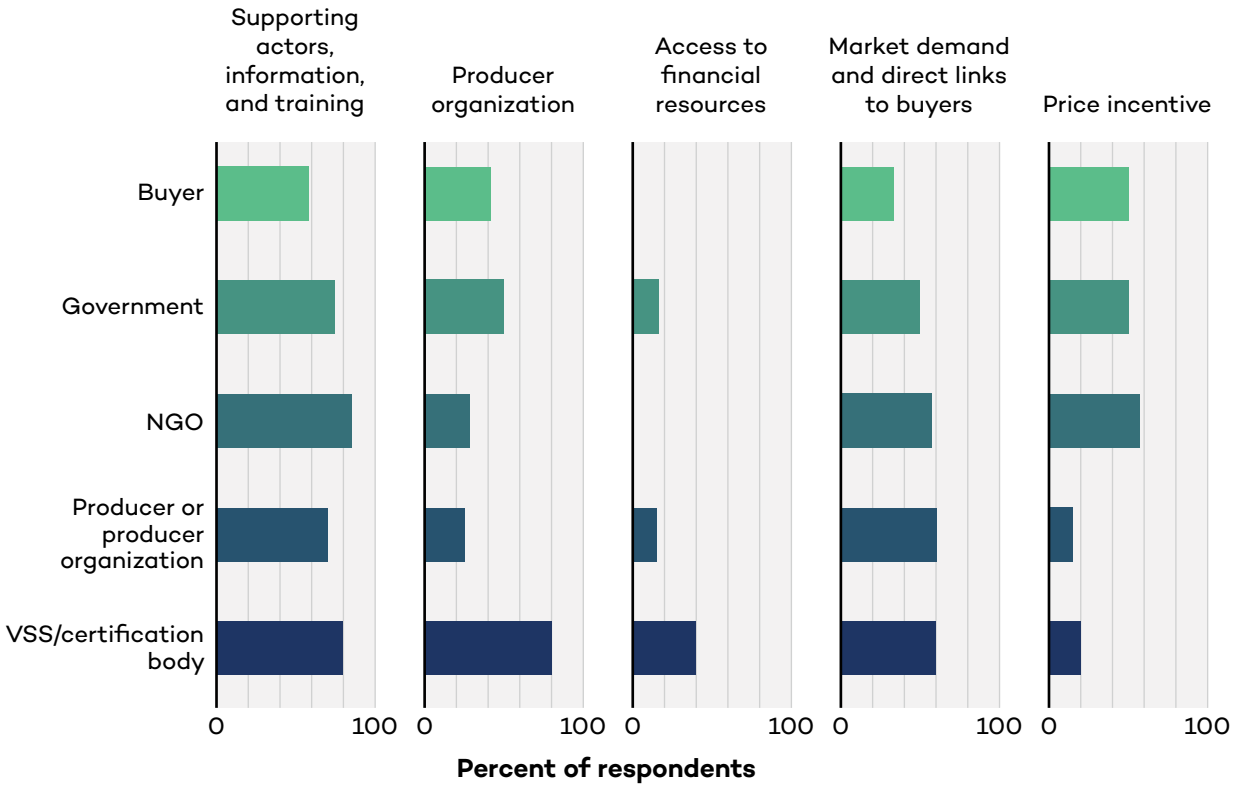


Note: The percentage is the share of respondents in the sample who mentioned each factor.
Source: Authors' own calculations based on interview data.

where producers are not yet organized in the banana and cashew sectors. Producer associations are more established in the other countries.

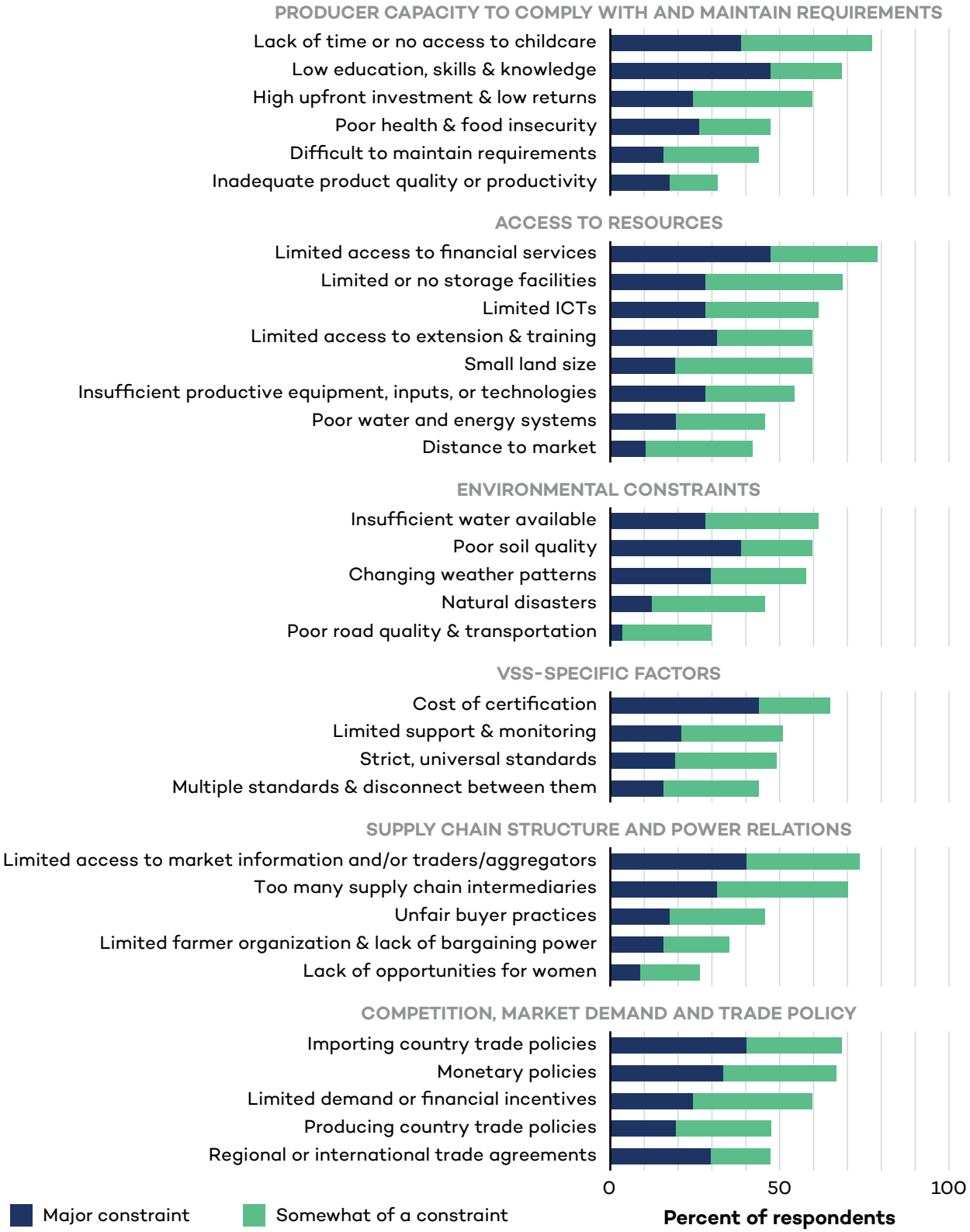
For the most part, the range of actors interviewed for the study shared similar perspectives of the main enabling factors. The single most identified enabling factor among all types of actors was having supporting actors, information, and training for smallholder farmers to comply with market requirements. More than 70% of all producers, government officials, NGO representatives, and certifiers we interviewed identified this as important, along with 58% of buyers. Buyers were also less likely than other actors to identify market demand and direct links with buyers as a key enabling factor. VSSs and certifying bodies identified producer organization as a major enabling factor more than other actor types, perhaps as some VSSs only certify producer cooperatives and not individual farmers. Producers identified producer organization the least of all actor types and, interestingly, alongside VSS/certification bodies mentioned price incentives the least of all actor groups. Appendix E provides a detailed analysis of the producer perspective of the factors that help smallholder farmers access VSS-compliant markets.

Figure 8. Perceived enabling factors by respondent type



Note: The percentage is the share of respondents in the sample who mentioned each factor.
Source: Authors' own calculations based on interview data.

Figure 9. Perceived limiting factors (n=57 respondents)



Note: The value is the share of respondents who identified the specific factor as a "major constraint" or "somewhat of a constraint."

Source: Authors' own calculations based on the interview data.

Perceived Limiting Factors

Analysis of the open-ended interview data revealed six main categories of factors that limit smallholder farmer access to VSS-compliant markets:

1. Producer capacity to comply with and maintain requirements
2. Access to resources
3. Environmental constraints
4. VSS-specific factors
5. Supply chain structure and power relations
6. Competition, market demand, and trade policy

Figure 9 presents the results of the closed-ended interview question data organized into these six categories of constraints. The categories emerged through coding the open-ended interview data, and closed-ended responses were then organized to reflect these categories. For the closed-ended questions, respondents identified, on a scale ranging from "major constraint" to "not at all a constraint," the degree to which they perceived each of the factors listed as a constraint to smallholder farmer access to VSS-compliant markets.

Producer Capacity to Comply With and Maintain Requirements

Several factors related to compliance with buyer and VSS requirements limit smallholder farmer access to VSS markets—in particular, lack of time (mentioned by 77% of respondents); low education, skills, and knowledge of producers (mentioned by 68% of respondents); and high upfront financial investment and low returns (mentioned by 60% of respondents).

Our study shows that while inadequate product quality and productivity is a constraint to smallholder access to markets, respondents considered it one of the least important factors affecting producer capacity to comply with production requirements. More than twice as many study respondents (77%) highlighted the time commitment needed to become VSS compliant as a limiting factor, explaining that access to VSS-compliant markets requires not only more rigorous production practices and processes to meet VSS criteria but also to meet the quality and volume requirements of international buyers. While low education, skills, and knowledge of producers also limit market access, the open-ended data reveal that this relates more to a lack of knowledge of VSSs as a market alternative than to a lack of knowledge of agricultural practices (though that does come into play for some producers).

Achieving compliance also needs high upfront financial investment, yet smallholder producers lack economic resources and cash flow, limiting their ability to make these investments. Respondents across countries also explained that returns on investment are often low and uncertain, especially when selling small volumes. They said higher prices and premiums might not offset the high cost a producer must incur to adopt VSS-compliant practices. A Rwandan producer explained, "Even though farmers who sell to VSS-compliant markets get better market prices compared to those who are not certified, the difference is not big because of higher cost of investment into certification processes." When producers sell small volumes, the return on investment may be even less due to

the high costs of implementation (Colombian producer). Making the investments needed can be even riskier when there is no guarantee that a farmer can sell his/her product as VSS compliant (see the section on market demand below). It follows that "farmers are afraid to invest time and energy for standards unless they have an assured market" (Indian government official).

Box 3. Challenges to maintaining VSS compliance

Accessing certified markets can be challenging for smallholder farmers but so can maintaining that access. Forty-four percent of study respondents identified maintaining VSS compliance as a significant constraint to market access. In interviews, respondents identified four main reasons for this.

1. Insufficient cash flow

Maintaining VSS compliance requires cash flow to continue to meet the necessary standards (e.g., higher cost of permitted agrochemicals, personal protective equipment, record-keeping). Limited cash flow contributes to inconsistent volumes and quality, as well as a lack of capacity to pay the cost of certification/verification. In some cases, as in Cambodia, delays in payments from buyers to producers exacerbate this need for cash flow.

2. Low return on investment

Price volatility also causes cash flow imbalance and demotivates producers to maintain VSS compliance. Market competition leads to increasingly rigorous standards and, at the same time, creates downward pressure on farm-gate prices. A Guatemalan government official explained that producers struggle with "the requirements imposed by these markets that are becoming increasingly rigorous, mainly in aspects of safety and product quality." A VSS-certifying body in Cambodia said it had seen increased competition in the certified rice market lead to local buyers "squeezing" farmers with lower prices. In Rwanda, certifiers, government officials, buyers, and producers all told us that many coffee farmers prefer not to renew their VSS certification as the "cost of certification is not positively correlated to the additional prices offered by markets, and they do not see added value from investments they make to comply with requirements." They explained that farmers sometimes lose interest due to a lack of markets interested in VSS-certified coffee. "The additional investments they inject into the business to comply with VSS requirements are not given much attention at harvest and markets" (Rwandan certifier). Instead, farmers choose to sell to other markets.

3. Difficulty maintaining required volumes and quality

Maintaining access to VSS-compliant markets requires maintaining standard requirements, as well as consistent product volumes and quality. Interviewees said several factors contribute to this. Over time, quality degrades, and standards are not met as required. Soil fertility can decrease, and impacts from climate change (such as flooding) contribute to low yields and quality and may even destroy the crop. Chemicals, pests, and diseases from nearby farms can contaminate farmer fields. A Cambodian buyer described a case where he "once experienced reduction in orders because … chemicals used for another crop on a big land concession contaminated the rice field." A Cambodian government official gave another example, where "farmers do not produce enough quantity as required/contracted by buyers [and] after 3-4 years of production, the soil quality has declined, crop is damaged by insects and disease from other farms."

4. Lack of support

Maintaining VSS compliance requires continuous efforts to meet requirements, including ongoing investment, monitoring, and follow-up, and regular communication with buyers regarding specifications and requirements. This often requires assistance from other actors in the form of knowledge, training, and financial support. In Colombia, a VSS certifier knew of "several cases, in particular of groups of producers, that do not have adequate support, they do not have knowledge, and this generates an economic burden and the group dissolves." The same interviewee said that "there are also cases of poor support for the implementation of the standard, the technical assistance provided is not professional." A Colombian producer similarly explained that "out of seven original partners of the first avocado trader, today there is only one left in the market" due to lack of knowledge of the crop and no financial support. In India, a government official explained that "maintaining minimum standard is easy, but to show continuous improvement needs additional resources" and "there is limited external assistance to enable farmers to comply with such markets."

Access to Resources

To access VSS-compliant markets, smallholders need access to financial resources, land, infrastructure, and training that can help them meet buyer and VSS requirements. As mentioned above, implementing and maintaining the practices necessary for VSS-compliant market access requires access to financial resources and cash flow, yet this is often not available to smallholder producers. More than three quarters (79%) of respondents identified limited access to financial services as a key constraint overall and the main constraint in terms of access to resources. When the data were disaggregated by country, limited access to financial services remained the top major constraint for respondents from India and Rwanda and among the top

three major constraints for the remaining countries. Moreover, when the data were disaggregated by respondent type, access to financial services was identified as the top major constraint by VSS/certification bodies, governments, and NGOs, and the top second major constraint by producers.

Limited or no storage facilities (68%); small land size (60%); insufficient productive equipment, inputs, or technologies (54%); and poor water and energy systems (46%) also limit the production capability of smallholder producers and therefore their access to VSS markets. In India, certifiers, buyers, and producers all said a lack of storage facilities means smallholder farmers cannot store cotton to wait for a better price and must sell to the market available at harvest. VSS compliance can also be difficult for producers when the country lacks the necessary infrastructure, such as storage facilities—particularly those that are organic-compliant (Guinea-Bissauan NGO representative). Small farms and limited access to land means producers cannot always meet the volumes required by buyers of VSS-compliant products, and buyers typically prefer to buy from large farms rather than many small farms. Insufficient productive equipment, inputs, and technologies present an additional constraint, with respondents mentioning, for example, the equipment needed to mechanize cotton picking, X-ray machines to check for residuals in rice, and post-harvest processing and packaging facilities. Limited access to power is a related challenge; respondents in Guinea-Bissau noted difficulties accessing electricity to power processing facilities for cashews, and in India, access to power for irrigation pumps is limited to certain time periods, which can be at inconvenient hours.

While distance to market and poor road quality are not significant constraints across all countries (42% and 30%, respectively), distance to market was identified as a top constraint in Cambodia (by 77% of Cambodian respondents). Poor road quality and transportation were deemed major constraints by 100% of respondents in Guinea-Bissau, as it makes access to buyers difficult, especially in the rainy season.

Limited access to extension and training was identified as a major constraint by 60% of respondents, who explained in interviews that support from all actors in technical production is limited. Across countries, respondents said that even when there is extension and training, it is not always of adequate quality; training may not be practical, and staff offering the training may lack deep knowledge or technical expertise. It can be the same beneficiaries who receive training from multiple projects, while others do not have access (Colombian certifying body). Poor information and communication infrastructure present an additional challenge to accessing information, and thus small farmers' access to VSS-compliant markets; 61% of the respondents identified limited access to information and communication technologies as a significant constraint.

To summarize, the lack of access to resources—including financial capital, infrastructure, land, equipment, and technology, in addition to limited training—restricts smallholders' access to VSS-compliant markets.

Environmental Constraints

Environmental constraints hinder producer capacity to comply with quality, volume, and VSS requirements. The data show that most respondents perceive insufficient water availability and poor soil quality as major environmental constraints (61% and 60%, respectively), followed by changing weather patterns and natural disasters (mentioned by 58% and 46% of respondents, respectively).

Insufficient water availability and poor soil quality limit the ability of farmers to produce according to market requirements. Respondents in Cambodia and Guinea-Bissau explained that farmers rely exclusively on rainfall, so regular rainfall is important, and water scarcity is a major constraint (Cambodian buyer; Guinea-Bissauan government official). Poor soil quality can reduce product quality and thus also hinder market access. Study respondents across countries identified climate change and associated changing weather patterns and natural disasters as a significant constraint to smallholder market access. In Cambodia, respondents perceived "a climate risk" (Cambodian financial service provider) and explained that "extreme weather events—such as drought and floods—and pests affect the quantity and quality of rice supply" (Cambodian buyer). In Guatemala, "the control of pests and diseases in particular, mainly the control of the Black Sigatoka fungus, directly affects economic factors through the high cost of control, the quality of products, and low productivity" (Guatemalan producer). In Guinea-Bissau, an NGO representative, a producer, and a certifier all emphasized that climate change is causing lower yields every year.

VSS-Specific Factors

Smallholders also face several challenges related to VSSs and their design that make it difficult for producers to obtain and maintain VSS market access. Nearly two thirds (65%) of respondents perceived cost of certification as a significant constraint to smallholder VSS-compliant market access, making it the top constraint specific to VSSs and one of the top constraints overall. About half (51%) of respondents view limited support and monitoring offered by VSSs as a significant constraint. VSS requirements are also seen as limiting: respondents viewed standards as too strict (49%) and said it was difficult to comply with multiple standards (44%).

As mentioned above, smallholders often lack the financial resources needed to obtain and maintain VSS compliance, so it is no surprise that respondents across countries perceive the cost of certification as limiting smallholder access to VSS-compliant markets. An Indian NGO representative explained that "the smallholder farmer or the small farm groups cannot afford [the cost of certification], and this is one of the major limiting factors of linking to VSS-compliant markets." This cost is in addition to the investments producers must make to meet VSS and market requirements and to monitor them. Indeed, respondents also viewed limited support and monitoring as a substantial constraint.

Compliance to multiple and disconnected standards is often required for market access, making compliance even more complicated and costly. Study respondents explained that "more and more standards are being requested" (Guatemalan producer) and that there are "too many country-specific standards needed for basically the

same produce" (Cambodian certifier), so "after obtaining the EU certification, you still cannot sell to the U.S." (Cambodian buyer). In many cases, VSSs have similar requirements, but there is no system of equivalency. An Indian certifier explained, "clients spend a lot of money doing 10 different standards."

Standards are also sometimes perceived as strict and out of touch with local realities. A Colombian producer said there are very few VSS-compliant producers, in part because "the reality of the area or context of the Colombian countryside is not considered by VSS." The most prominent example of this from the study involves bananas in Guatemala. One interviewee saw no option for banana producers in Guatemala to obtain organic certification due to the presence of the Black Sigatoka fungus, explaining that the agrochemical needed to treat the disease is banned under organic certification requirements, and there is no organic alternative, so farmers are left to produce non-organic bananas or no bananas.

Supply Chain Structure and Relationships

Supply chain structure and asymmetrical power relationships stand out as important for limiting smallholders' access to VSS-compliant markets. Three quarters (73%) of study respondents identified producers' limited access to market information or traders/aggregators as a constraint to VSS-compliant market access. In all countries and across all actors, interviewees said a lack of knowledge about VSSs and their criteria means producers often do not know that VSS-compliant market opportunities exist or how to access them. A Rwandan government official emphasized that it is not only about limited access to information, but "limited access to the right information," such as "awareness about the advantages of having the required certificates to sell to these markets."

Inadequate access to market information relates to the lack of direct producer relationships with buyers; 70% of respondents identified too many supply chain intermediaries between farmers and buyers as a major constraint to smallholder access to VSS-compliant markets. Smallholder farmers in the study countries typically connect with buyers only through other actors and do not know the end buyer; few have contract farming arrangements with buyers. Though the intermediary (trader/aggregator) may facilitate compliance with the VSSs, interviewees across countries said they take a large cut of the profit, and smallholders may not know they can get a better price because they lack access to information. In India, money lenders loan farmers money but then take much of the profit from cotton sales. Sometimes, non-profit organizations or projects will facilitate smallholder access to VSS-compliant markets, but the projects often end before farmers or their organizations have built sufficient capacity to sustain the market relationship on their own.

Smallholder farmers struggle to connect directly with buyers as they lack the market knowledge, volumes, international contacts, and knowledge of how to market their products to and communicate with international buyers. A lack of producer organization (mentioned by 44% of respondents) makes it difficult for smallholder farmers to obtain financing from banks,

sufficient product volumes, and the contacts necessary to sell directly to buyers. When farmers are organized, they often lack negotiating capacity and bargaining power and are up against unfair buyer practices (mentioned as a significant constraint by 46% of respondents). Several respondents in India noted that smallholders need strong partners to organize and become certified but that the interests of those partners take priority before farmers' interests. "Once the certification is done for the corporate social responsibility initiative, the success factor has been achieved" and "the buyers see that the farmers are on their own, then start the exploitation, the pricing pressures" (Indian NGO representative).

Competition, Market Demand, and Trade Policy

Policies are perceived as a significant limiting factor, in particular, importing-country trade policies (mentioned by 68% of respondents) and monetary policies (mentioned by 67% of respondents). A Cambodian buyer cited the European Union's partial withdrawal of Cambodia's preferential (duty-free, quota-free) access to the European Union market under the Everything But Arms agreement due to human rights concerns as an example of how importing-country trade policies can affect market access. Monetary policies in producing countries can affect market access (in some cases) by reducing the financial

Box 4. Unfair buyer practices

The lack of formal structure and limited producer organization in supply chains with no connectivity and information sharing leads to unfair buyer practices. Two examples from the country cases highlight this.

In Cambodia, farmers frequently experience delays in payment from international buyers/exporters or millers. When payments are delayed, the buyer or exporter is effectively getting credit from the smallholders and their cooperatives. When buyers do not pay producers on time, producers may end up selling their rice as conventional rice, not organic, for a price "way below the [organic-certified] market price" (Cambodian financial service provider).

In Guinea-Bissau, study respondents explained how food insecurity relates to unfair buyer practices. Farmers tend to farm cashews instead of food staples such as rice. Intermediaries know this and approach farmers in the lean season when food insecurity is an issue and offer farmers rice for later sales of cashew. "The intermediaries come each year and give them [producers] one bag of rice and then return later in the year when the cashew season starts to collect two bags of cashew for that rice. Rice is worth half the value of cashew, but because the farmers are hungry, they do it" (Guinea-Bissauan producer). A lack of crop and business diversification thus leads to the premature sale of future production at low prices and represents a very poor deal for the farmer.

incentives for producers when there is an overvalued exchange rate, as it increases export costs.

Both the open-ended and closed-ended data show that limited demand for VSS-compliant agricultural products is a significant constraint (mentioned by 60% of respondents). Limited demand for VSS-compliant products and high competition lead to uncertainty in the amount of compliant products that can be sold, exacerbated by the fact that there is little long-term commitment from buyers. Supply is outpacing demand for some VSS-compliant products, and producers must compete internationally to sell their VSS-compliant goods. In addition, a Rwandan buyer explained that "buyers do not differentiate big from small and medium-sized farmers, and this is a big challenge for smallholder farmers in terms of their capacity to compete at international markets, due [to the fact that] some buyers also look at quality and quantity to be supplied." The issue of limited demand for VSS-compliant products is likely underestimated in our study, given we selected commodities where markets for certified products already exist (see Appendix C).

Existing Supporting Actions

Governments, buyers, financial service providers, and NGOs support smallholder farmers in several different ways to access VSS-compliant markets. These mainly revolve around the enabling factors mentioned above and addressing the main constraints to market access discussed in the last section. They include technical and financial support so farmers can meet market requirements; market information and linkage programs to connect farmers with markets; and support for producer organization.

Respondents identified various initiatives that support smallholder access to VSS-compliant markets by providing technical assistance. One example is providing training in better production and processing practices so smallholders can improve and maintain product quality and comply with standards. The Rwandan government offers training on harvesting and postharvest treatment to maintain coffee quality. The certifying body in Rwanda trained local consultants who help smallholders comply with organic requirements at a low cost compared to what international consultants charge for the same services. In Cambodia, the certifying agency supports the government with stakeholder consultation, for example, in developing the "Thai Organic" brand. NGOs provide capacity building on technical production, organic-compliant production, and agricultural cooperative management in Cambodia. In India, the Department of Agriculture and the World Bank have a project on climate-resilient cotton farming. The Guinea-Bissauan Ministry of Agriculture, through the National Institute for Agricultural Research, offers training on production, including seed type and spacing criteria. Existing initiatives also provide improved access to seeds and inputs that support VSS market access. In several countries, buyers provide VSS-compliant seed varieties to farmers and inputs for pest management. In India, this is genetically modified-free cotton seed to organic growers. In Cambodia, respondents explained that buyers might also facilitate logistics for smallholders, like building a warehouse to collect and store rice.

Interviewees also mentioned several ways in which smallholders are receiving financial support. These include affordable financing models, such as Root Capital in Rwanda, which pays skilled agronomists to help smallholder farmers increase their capacity to produce high-value coffees. In some countries, governments are paying certification and audit costs for smallholder farmers; the Rwandan National Agricultural Export Development Board helps pay audit fees on behalf of smallholder farmers and the cost of coaching and management of the certification process. Respondents also said that some buyers finance the certification process for smallholders, and NGOs may provide support via initial subsidies. A financial service provider who was interviewed makes access to finance easier for VSS-compliant farmers with a contract due to the lower risk this entails. There are cases where banks provide loans with low interest rates (e.g., 5% annually) to agricultural cooperatives. Some microfinancing institutes work through farmers' associations, and the profit goes back to members by adding more savings that can then be used to lend to other farmers. In other cases, non-profit organizations organize microcredit institutions to facilitate smallholder access to finance.

Another key area of support for smallholder farmers is market information and market linkage projects. Respondents identified initiatives that aim to raise awareness of VSSs among smallholder farmers, such as government efforts to mobilize farmers and communicate the benefits of VSS compliance, certifier training, and pre-scope assessments for farmers to learn what compliance involves. Other initiatives aim to bring supply chain actors together to facilitate direct market access for smallholder farmers. Examples of these include the World Bank SMART cotton project in India and the International Fund for Agricultural Development-funded Accelerating Inclusive Markets for Smallholders project led by the Cambodian Ministry of Commerce, which aim to increase cooperation among value chain actors such as farmers, buyers, input sellers, agribusinesses, extension service providers, financial institutions, and government agencies. In other cases, NGOs directly involve buyers and facilitate pre-agreed contracts with smallholders, such as the Organic Cotton Accelerator in the case of cotton, which facilitates contracts including volumes and pricing directly with buyers and farmers. Other NGO projects work to bring the challenges farmers are facing to the table at the policy level.

Support to provide a voice to the producer or producer organization is another key action that respondents saw as important for smallholder access to VSS-compliant markets. Interviewees mentioned NGO initiatives that help organize farmers into groups to facilitate certification and access to training. They also explained that there are NGO projects providing support for internal management of producer cooperatives and their members to comply with VSS requirements. Another way to help smallholder organization and voice mentioned in interviews is support for umbrella organizations that bring together cooperatives. In Cambodia, the government supported the creation of the Cambodian Agricultural Cooperative Alliance, which acts as a hub for all provincial cooperative networks (some 1,200 agricultural cooperatives) and consolidates national data in an effort to improve the structure of the value chain.

Box 5. Gender

Across countries, respondents mentioned many initiatives related to women and gender equality. Of all constraints to market access listed in the interview, "lack of opportunities for women" was identified the least. This may be due to the measures to support women mentioned below, but it is also important to note that the underrepresentation of women in the interviews may mean the constraint was identified as less of a limitation than it may be.

In terms of VSSs themselves, a few respondents said part of VSS compliance is the participation of women in the process and that several VSS criteria address equal rights and employment opportunities for women. However, far more respondents mentioned buyer and NGO projects aimed at empowering women and promoting greater gender equality.

In interviews, respondents explained that buyers support women by buying from producer organizations that are led by women, have a high percentage of women members, or are women-only associations. For example, Rwandan respondents referred to an international buyer who purchases coffee from a women's association (HingaKAWA) embedded within a cooperative, paying an extra premium that encourages women to invest in coffee. A Cambodian buyer said his company works closely with NGOs that promote gender equality through their programs and that in his experience, women-led cooperatives tend to do better, which gives the company another reason to invest in women. The company also works to mainstream gender equality by having a gender-balanced board that also includes women from agricultural cooperatives. In some cases, buyers also organize training on gender mainstreaming for farmer cooperatives or collaborate with social enterprises that provide financial services for women-led cooperatives. Respondents explained, however, that there would be more impact if payment of VSS-compliant products went directly to women, who play an important role in production. In India, a buyer estimated that women do 60%–70% of the work on cotton farms.

In addition to buyer-led initiatives, respondents also mentioned several NGO projects that aim to improve gender equality among producers. These include projects to organize cooperatives and microenterprises inclusive of and led by women. In Cambodia, an NGO project encourages the promotion of women as committee members and leaders of their agricultural cooperatives. Other projects support women through loans and financial support, distribution of seeds and inputs, and vocational training. In many cases, NGOs partner with buyers and act as the implementing partner on the ground.

Market Access Analysis Summary

As noted in Chapter 3, a consistent thread through the literature on the impacts of VSSs is the importance of building and strengthening an enabling environment for VSSs to have a positive impact on poverty reduction. This chapter focuses specifically on those conditions under which smallholder farmers can become VSS compliant and maintain sales to VSS-compliant markets, as an important precursor to being able to harness any benefits from VSSs. Interviewees perceived benefits for smallholder farmers who are able to sell to VSS-compliant markets, including high prices and premiums, access to training and better farm practices, and the ability to sell their product in greater volumes. Yet, clearly, challenges remain for smallholders to become compliant and maintain sales to VSS markets, and these need to be overcome for VSSs to effectively contribute to poverty reduction.

Overall, the results highlight several major constraints to smallholder farmer market access. Producer capacity to comply with market requirements is a major issue, particularly as it involves implementing VSS and legal requirements (i.e., amount of agrochemicals used) but often also international buyer requirements related to volumes and quality. In many cases, producers lack the knowledge, education, and skills, as well as the time to comply with and maintain these requirements. At the same time, they have limited access to financial services and other resources that would allow them to make the investments needed to implement requirements. On top of implementation costs, the cost of certification itself limits VSS-compliant market access, especially as VSSs proliferate and buyers demand compliance with more than one standard. Limited access to market information and/or traders regarding VSS markets and their requirements, as well as importing-country trade policies, further limit smallholder access to VSS-compliant markets. Environmental degradation, particularly in terms of poor soil quality, makes it even more difficult for producers to meet market requirements and sustain market access.

Our findings show that the enabling environment is key for smallholders to be able to access VSS-compliant markets. Of particular importance is access to appropriate information, training, and better farming practices for smallholder producers, so they can make informed decisions and, if they choose to, make the changes required to become VSS compliant and sell to VSS markets. To offset the costs of implementation and certification, there must be access to financial resources and steady, secure market demand with long-term agreements and contracts signed directly with buyers in advance that include price incentives. Beyond the farm and value chain, trade policies and agreements must be considered for their role in creating an enabling environment. Strategies to address environmental degradation will be critical to creating conditions that enable smallholder farmers to participate in VSS-compliant markets.

For real progress on poverty reduction, VSSs can only be one tool within a broader strategy of poverty reduction requiring action from other actors, such as governments, buyers, and civil society. VSSs have a role to play, but whether they reach smallholder farmers will depend on their degree of external

support and the structure and organization of value chains, as well as terms in farmer contracts, cooperative characteristics, market dynamics, and environmental conditions. The specifics of what these interventions should look like will differ between countries and commodities, but our results suggest that these general enabling factors will have some importance in most contexts. It becomes clear that responsibility for enabling smallholder participation lies not only with VSSs, but also depends on having adequate support in place.

Our findings show that many of the constraints that smallholders experience are interrelated with aspects of the three dimensions of poverty. For instance, producers explained that with regard to resources, key constraints to VSS-compliant market participation include limited access to quality soil and insufficient access to finances, equipment, inputs, and technology, as well as time constraints. Their access to these resources influences the opportunity for market access, which is further limited by importing-country trade policies, limited demand for the product, whether producers have access to market information and direct links to buyers, and the effects of climate change and associated weather events. A lack of producer organization can exacerbate other constraints and limit producer power in value chain relationships, making the risk associated with market access even greater. Thus, poverty conditions limit smallholder access to VSS-compliant markets.

This suggests that enabling efforts supporting smallholder compliance in VSS markets also have the potential to support poverty reduction schemes and, vice versa, efforts that support poverty reduction can help smallholders access VSS-compliant markets. The five main factors enabling smallholder farmer sales to VSS-compliant markets—supporting actors, information, and training; market demand and direct links with buyers; producer organization; price incentive; and access to financial resources—are also central aspects of the three dimensions of poverty. The actions described by interviewees offer some insights into what actors in the study countries are doing to support market access and, given the links described above, contribute to poverty reduction.

5.0 Conclusion and Recommendations

Poverty overwhelmingly affects rural populations, especially those active in the agriculture sector. Worldwide, extreme poverty rates are over three times higher in rural areas than in urban areas. Most of the rural poor depend on agriculture for their livelihoods, and many of these are smallholder farmers.[14] The effects of the COVID-19 pandemic, as well as conflict, climate change, and food insecurity, underscore the need for immediate efforts to make progress on poverty reduction. Given the concentration of poverty in rural areas, sustainable agricultural development targeting smallholder farmers will play a vital role in strategies to reduce poverty.

Poverty reduction requires progress in three broad, interconnected dimensions: access to resources, opportunities and choices, and power and voice. These three dimensions interact with each other: a person who is poor in one dimension tends to be poor in another. For example, having few resources often means having fewer opportunities and choices and less power and voice, and vice versa. Smallholder farmers often lack access to resources such as finances (income and credit), natural resources (land and inputs), and infrastructure and equipment (including roads and irrigation). Limited access to training and skills development and distance to markets can also restrict their opportunities (i.e., professionalization of the farm, ability to sell to different markets/buyers). Without organization and aggregation, smallholder farmers tend to have little power over the resources and opportunities available to them.

As VSSs increase in number and prominence, it is important to understand how their design and implementation contribute (or not) to poverty reduction and how smallholder farmers can access and benefit from VSS-compliant markets. The primary goal of this review is to provide relevant and transparent knowledge about the potential contributions that VSSs can make to supporting poverty reduction and improving smallholder farmers' market access, as well as their limitations; show policy-makers (especially in less-developed countries) how to best leverage VSSs for poverty reduction; and influence policy development to strengthen the enabling environment to support smallholder farmer market access and promote effective use of VSSs.

Our analyses indicate that VSSs have the potential to support a broader strategy of poverty reduction for smallholder farmers. VSSs cannot address all aspects of the three dimensions of poverty on their own, but they can contribute to progress in some areas. As such, they can be one tool in a wider approach to support market access and poverty reduction for smallholder farmers.

VSSs are more likely to contribute to progress in aspects of the dimensions of poverty reduction when enabling conditions are in place that can support smallholder farmer access to VSS-compliant markets, including supporting actors, access to information and training, market demand for VSS-compliant products, direct linkages between farmers and buyers, and access to financial resources. We elaborate on these findings below. We also offer recommendations on what needs to be in place to enable smallholder farmers' access to VSS-compliant markets and how VSSs can be best designed to contribute to aspects of

[14] This chapter includes inputs from Niematallah Elamin, and Santiago Fernandez de Cordoba (UNCTAD)

the three dimensions of poverty that we know are crucial to progress in a broader strategy of poverty reduction.

Our analyses show that VSS criteria target some aspects of these three dimensions. Existing evidence and our interview data suggest that these criteria can lead to improvements on those aspects in practice, though overall effects on poverty reduction are inconclusive and will require an assessment of the impacts of VSSs in the context of a larger poverty reduction strategy accounting for other influences. We find that VSSs can improve access to resources, for example, through contributions to better prices for certified crops and higher crop income. They can also enhance access to natural resources via forest conservation and watershed protection and to social capital via producer organization and links to supporting actors. They can create opportunities for skills development and training, employment and decent work, and sustainable farmland management through avenues such as access to training on improved farm practices and soil and water conservation. They also contribute to power and voice through stakeholder involvement in VSS system and governance processes and supporting compliance with human and labour rights (i.e., freedom of association).

Overall, the VSSs analyzed have coverage of criteria related to the three dimensions of poverty. Some cover certain aspects more than others, and we see potential overall for VSSs to better address premiums, living wage and living income, climate adaptation and mitigation (i.e., reduction of GHGs, use of renewable energy, carbon sequestration). To best contribute to poverty reduction, it is important to cover all dimensions and consider trade-offs between them. Further, VSSs can better support balanced and direct involvement of affected stakeholders, including smallholder farmers, in consultations and standards decision making. They can also support farmers' access to VSS-related information, including production requirements, how to participate in VSS-compliant markets, and how to file complaints. VSSs can also better integrate gender equality in their criteria, for instance, related to women's access to training, land, and markets. Our analysis shows that VSSs can be a supporting tool for achieving change for some key aspects of the three dimensions of poverty as part of a broader poverty reduction strategy. Such strategies must incorporate several pathways tailored to address the needs and priorities of a given country or community, expand access to resources for smallholder farmers, create opportunities and choices for their development, and strengthen their power and voice in society.

Recommendations for VSSs

Our analyses reveal several ways to strengthen VSSs so they contribute to aspects that can reduce poverty for participating farmers:

- **Support business and market diversification:** Business and market diversification is important to give smallholder farmers greater opportunities and choices to manage their livelihood strategies, a key dimension of poverty reduction. On the farm, this can occur through crop diversification and crop value addition, leading to both market diversification and business diversification. VSSs can

support revenue-generating activities both related to and beyond the certified crop. This can be achieved through better coverage of criteria designed to support entrepreneurship and opportunities for the improved economic viability of business operations, greater access to diversified markets, and diversified business operations. VSSs could do more to incorporate criteria designed to have spillover value for the farm enterprise beyond the certified crop, such as implementing agroforestry and climate-smart agricultural practices, irrigation systems, composting facilities, and promoting crop value addition (i.e., processing). These upgrades would increase the productivity, quality, and value addition of the main crop while also benefiting other crops and providing opportunities for new markets and new businesses, for example, through agrotourism. A landscape or jurisdictional approach to certification may incentivize crop diversification, as it supports applying VSS-compliant practices in an entire landscape of jurisdiction. It thus moves beyond certification by farm or crop, which can lower compliance costs for farmers aiming to cultivate different crops.

- **Support monitoring and learning:** Effectively achieving implementation and benefits for producers requires strong monitoring and evaluation systems that include producers in assessing their performance and emphasize feedback and their continuous improvement. Particularly as VSSs shift from practice-based to performance-based requirements—which requires farmers to achieve specific sustainability outcomes to become and remain VSS compliant—establishing robust monitoring and evaluation systems with supporting agents who regularly engage with farmers will be valuable to track performance, assess changes, and support learning and continuous improvement. Some VSSs, such as BCI and Rainforest Alliance, are systematizing performance monitoring to show their impacts and improve their standards. For such systems to support smallholder farmers, who may have difficulty complying with and maintaining standards' requirements, they should be designed to support learning and continuous improvement, for example, by sharing data collected with producers for learning purposes.
- **Strengthen VSS assurance systems:** Stronger assurance systems will support the achievement of social and environmental outcomes in alignment with VSS production criteria (i.e., decent working conditions, no forced labour, deforestation prevention). Technologies such as mobile phone text-based remote farmer interviews can be leveraged to support frequent communication and assessment activities between farmers and evaluation teams to enhance farming decision making and support the continuous improvement of farm practices and compliance with VSS criteria. The design of grievance mechanisms can be improved to make them more accessible to farmers and their communities. Transparency

and continuous improvement can be strengthened by the disclosure of decisions related to filed complaints.

- **Systematically include smallholders in VSS decision making:** Ensuring that the voices of smallholder producers are meaningfully and systematically included in decision making around standards design, including criteria development, will support the distribution of power in the value chain. This inclusion addresses power imbalances that marginalize producers and improves the effectiveness and relevance of standards' criteria. VSSs reach more smallholder farmers by adapting their schemes to be more inclusive of smallholder farmers, such as via opportunities for group certification. Yet, they could do more to ensure the meaningful participation of smallholders in shaping the terms of their engagement in VSS-compliant markets. VSSs can help ensure smallholders are informed by providing materials in local languages and disseminating information through creative means in areas where access to the Internet is challenging (i.e., radio capsules). Areas of opportunity remain for VSSs to include more smallholders in decisions about standards development and governance, for example, by ensuring smallholder producers have votes as well as veto power in VSS governance bodies (e.g., board of directors, general assembly). In turn, this can ensure that standards are designed to be relevant to the local context and farmers' needs, with important implications for poverty reduction.
- **Adopt a gender-equality approach:** Integrate criteria to guide and prioritize gender considerations in VSSs, for example, targeting criteria to address women's access to productive inputs, training, and organization. In particular, there should be greater coverage of criteria related to women's land rights, access to health and safety, access to training and markets, and women's representation in the workplace and on organizational committees and decision-making bodies. Supplement criteria with supporting services to ensure that compliance does not lead to the creation of new unpaid labour burdens for women, for example, child care services, and gender sensitivity training for men and women. Engage women as partners in developing and implementing VSSs, identifying women as key stakeholders of VSSs' Theories of Change and desirable outcomes and including women in efforts to implement and monitor VSSs' impacts.

For VSSs to help reduce poverty among smallholder farmers, these farmers must be able to access VSS-compliant markets. This means certain enabling conditions must be in place. VSSs can do the following to support smallholder market access:

- **Adapt standards to local contexts:** Adapt international standards to local contexts in producing countries so they are less costly and aligned with local context and priorities. They will be more relevant and accessible to

smallholders, and their VSS-compliant products will be more accessible to domestic and regional consumers. Participatory guarantee systems are an example of a locally focused alternative to certifying organic production supplying local markets, which is also more accessible and less costly for smallholders. In several countries, national GAP standards have been developed (e.g., KenyaGAP, ChileGAP) that are benchmarked against international GLOBALG.A.P. standards.

- **Coordinate for collaboration and harmonization:** Simplifying and harmonizing standards across VSSs could support smallholder producer efforts to become VSS compliant by reducing the amount of time and financial investment needed for compliance across multiple standards. Collaborative efforts to date have seen some VSSs merge (e.g., Rainforest Alliance and UTZ) and others recognize partial or even full compliance with other schemes (e.g., GLOBALG.A.P.). Such systems of equivalency could make it easier for smallholders to access diversified VSS-compliant markets and reduce the risk of not being able to sell compliant products as such. Cooperate with other VSSs and/or municipalities to develop landscape certification programs or jurisdictional approaches for greater reach and reduced cost for farmers.
- **Define financial rewards measures for farmers:** Compliance with standards requires substantial investment by producers, and prices and premiums must be increased for VSSs to contribute meaningfully to producer incomes to ensure a living wage and living income for producers. These measures tend to be effective when there is demand for VSS-compliant products and make sense when demand for VSS-compliant products rises. Higher premiums can give farmers the financial incentive to comply and the capacity to maintain compliance with the requirements while benefiting from higher income, thereby helping to reduce poverty. Through criteria requiring a guaranteed minimum price, VSSs can provide some price stability to compliant producers, while a higher premium helps producers access basic services such as education and health care.
- **Cover critical environmental criteria:** VSSs should cover criteria related to climate mitigation and adaptation, conservation, and biodiversity. VSSs should integrate criteria that support climate mitigation (i.e., reduction of GHG emissions, use of renewable energy, soil or tree carbon sequestration, High Carbon Stock Area management) as well as criteria that support implementing the assessments of farm adaptation capacities. All VSSs should also include measures to prevent and conserve biodiversity, for example, through criteria for avoiding production on High Conservation Value Areas, soil erosion and conservation, ecosystem restoration, and protection of endangered ecosystems.

Recommendations for VSSs, Value Chain Actors, and Governments

To strengthen the potential of VSSs to contribute to poverty reduction, more needs to be done to enable smallholders to become VSS compliant, initiate and maintain access to VSS markets, and benefit from these markets. For that to happen, as discussed through the report, various enabling factors must be in place. Our analyses led us to make several recommendations that can support creating an enabling environment for smallholder farmer access to VSS-compliant markets:

- **Coordinate support mechanisms:** Governments in producing countries should facilitate coordination among actors (i.e., government, NGOs, VSSs, buyers, financial service providers) to help ensure smallholders receive the services and support they need to comply with VSSs and buyers' requirements (i.e., VSSs' criteria, volume and quality of product, legal requirements of the end market), maintain sales to VSS-compliant markets, and resolve questions and challenges as they arise. This coordination can be done through public–private partnerships and by establishing forums for sectoral dialogue and coordination among actors, as well as export or commercial readiness programs. By creating avenues for smallholder participation in the dialogue (for example, through smallholder representation on departmental committees), governments can integrate farmers' own strategies, interests, and limitations, and develop better-informed policies that promote market access and poverty reduction. Governments in both producing and consuming countries can play a catalyzing role in structuring investments to smallholder farmers by finding partnership investors and working to bring private capital to the relevant sectors. VSSs can also take an active role in facilitating multistakeholder dialogue to promote communication and coordination. For example, the Global Coffee Platform organizes national forums in coffee-producing countries. The RSPO brings together government, private sector, and civil society actors to coordinate around common issues in the sector.
- **Improve farmers' VSS knowledge and implementation:** Smallholders need to understand how VSSs function, their rules, what they require, and their market performance, so they know what farming practices they need to adopt, know what market opportunities exist—and do not exist—in order to make informed choices about their related costs, risks, and potential benefits. Producing-country governments and VSSs should organize activities to raise awareness and establish guidance documents, training, and extension services to support smallholder producers' decision making and capacity to comply with and maintain VSS requirements. Training and skills development to improve producers' administrative and technical capacity can encourage smallholders to adopt VSS-compliant

practices. An example of how government agencies and buyers can co-invest in smallholder knowledge and practices to meet market and VSS requirements can be found in Kenya, where the Kenya Tea Development Agency and Unilever (Lipton) partnered to organize farmer field schools that supported tea producers to adopt sustainable cultivation practices, improve tea quality, and obtain Rainforest Alliance certification.

- **Increase access to financial resources:** To access and benefit from VSS-compliant markets, smallholders must be able to make the investments needed to implement and maintain VSS criteria. The international community and collaborations with financial service providers, public and private, can promote access to finance programs designed to offer producers and their organizations direct market linkages, inputs, and capacity-building activities alongside affordable financing models. Blended finance models such as preferential investment and loan programs favour farmers who adopt more sustainable cultivation practices and are tailored to smallholders by including flexible loan requirements, payment schemes, capacity-building activities, and/or grace periods (Voora et al., in press). Producing-country governments, with the support of donors and international organizations, can offer financial incentives to support the transition to VSS-compliant production, such as paying for ecosystem services (i.e., flood retention, water treatment, carbon sequestration and storage) and/or subsidizing part of the compliance costs.
- **Establish a living income for farmers:** A living wage or living income is one that enables producers and their families to meet their basic needs based on the actual costs of living in a specific community. Some VSSs are starting to incorporate criteria addressing a living wage and living income. Their role could include coordinating with buyers and governments, advancing the definition of living wage and living income references for smallholders, and piloting and documenting experiences to support broader adoption. Buyers can support these efforts by consulting with producers to calculate living wage and product price levels within their own operations and incentivizing traders to pay living wages/product prices by placing orders to those suppliers.
- **Support smallholder access to productive and sustainable land:** Secure land tenure helps smallholders access VSS-compliant markets that require a land title and encourages the adoption of sustainable agricultural practices that help maintain soil quality and agricultural productivity of the land. Governments can create initiatives to register land titles and issue land certificates to smallholders, thus securing property rights. Government can also design incentives (i.e. monetary, training, inputs, access to technology) for farmers that can demonstrate improvements in soil quality, adoption of more

sustainable farming practices, and positive environmental performance. Additional government programs and incentives such as payments for ecosystem services can further support smallholders to maintain the ecological resilience, and thus agricultural productivity, of their land.

- **Stimulate demand for sustainable products:** Governments in both producing and consuming countries can kindle demand for VSS-compliant products to encourage and support VSS-compliant production and trade. To do this, some governments are adopting sustainability considerations in public procurement policies, including references to VSSs as proxy indicators of positive social and environmental performance. In some Asian countries, there is an obligation to purchase only eco-labelled products when available. Official recognition of locally defined VSSs (or local versions of international standards) in producing countries can support the trade of compliant goods domestically and with neighbouring countries (i.e., the East African Community, Mercosur). Governments can also raise awareness among consumers of the social and environmental benefits associated with VSS-compliant production.
- **Strengthen producer organizations:** Governments in producing countries can support smallholder organization in groups and the development of their leadership and business capacities as a way to lower transaction costs (including certification cost, inputs, etc.). They can also provide an avenue for farmers to voice their concerns/needs and negotiate with financiers and buyers, thus increasing their power and voice and helping to push back against unfair buyer practices. This approach can be made through supportive national cooperative policy, creating an umbrella organization of cooperatives/farmer groups to help consolidate their voice and bargaining power, and training farmer organizations on leadership, administration, and marketing. Smallholder organization in groups can also support farmer certification and provide an avenue for extension services to reach farmers and underpin the transition to VSS-compliant production.
- **Encourage responsible business practices:** In light of international guidelines such as the OECD Guidelines for Multinational Enterprises and the UN's Guiding Principles for Business and Human Rights, governments in producing and consuming countries can support corporate responsibility and encourage ethical business relationships between producers/producer organizations and buyers to respect human rights principles. Ways to do this include the establishment of observatories in partnership with civil society that monitor corporate behaviour in producing countries[15] or through due diligence legislation regulating the behaviour of importing companies and

[15] Countries including France (https://www.orse.org/), Spain (https://observatoriorsc.org/), and Mexico (https://omal.info/) have such observatories.

of their suppliers abroad, such as the German Supply Chain Due Diligence Act. VSSs can support these efforts in a couple of ways. First, they can share audit reports or records of complaints related to non-compliance practices identified in the producing country with the observatories. Second, they can support risk assessment exercises in operations that importing companies or their suppliers will need to conduct to comply with VSS regulations to identify risks of human rights infractions, including forced labour or no freedom of association, and support the implementation of corrective measures.

- **Structure local value chains:** The lack of formal structure and limited producer organization in supply chains with no connectivity and information sharing can lead to unfair buyer practices. To encourage fair practices in value chains and reduce the risks of VSS compliance and market access for smallholder farmers, governments in producing countries can structure local value chains, facilitating direct and structured links between producers and buyers, developing stages that are missing (i.e. transport and storage services, processing), providing guidelines for establishing long-term contracts, and creating transparency. For example, governments can offer guidelines and a template for contracts between smallholders and buyers that can support long-term market assurance. Price guarantees that stabilize prices and provide a minimum price above the cost of production can help reduce risk and increase producer willingness to invest in compliant production and long-term planning. Developing digital directories of value chain actors working in the country would enable farmers to reach buyers directly and sidestep intermediaries. Other strategies to share risks through the value chain include improved transparency and channels of communication between producers and buyers, for example, through a chain-wide "transparency contract" signed by all producers and intermediaries to document costs and profits along the value chain and help ensure that premiums reach farmers, as the company Intelligentsia has done with coffee producers.

Our research demonstrates the potential role of VSSs to support broader strategies for smallholder market access and poverty reduction and highlights the importance of an ecosystem of supporting actors to leverage the benefits of market access and compliance for smallholders. When poverty reduction strategies are in place, VSSs can contribute to those efforts and be a catalyst for improved training, natural resource management, increased market access, and producer organization. VSSs are unique development initiatives that can connect production conditions spanning economic, social, and environmental factors to consumption. For them to be effective, there needs to be sufficient market demand as well as supporting actors and services. Our research shows that their design to enable more sustainable forms of agriculture intersects with, supports, and addresses aspects of the three dimensions of poverty, making them a useful tool among others for poverty-reduction efforts.

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Appendix A. Voluntary Sustainability Standards and Poverty Criteria Coverage Methodology

The analysis in Chapter 2 is structured around the three dimensions of poverty reduction and their related aspects as identified in the analytical framework. For each aspect, a short list of International Trade Centre (ITC) criteria[16] was selected to reflect how voluntary sustainable standards (VSSs) may address poverty reduction within their standard documents and governance systems. A full listing of the ITC criteria used in this review, including any modifications adopted, can be found in Appendix B.

Within the ITC Standards Map, standard requirements are mapped against an extensive list of ITC environmental, social, and economic sustainability criteria. If a standard requirement is found to align with a Standards Map criterion, it is marked as covered and then assessed further under a number of different classifications, such as Degree of Obligation and whether the aligned standard requirement makes explicit reference to the Standards Map criterion.

The Degree of Obligation refers to the period in which a producer must comply with the standard requirements to be certified. Some standards require producers to comply with a requirement "immediately" to be certified, and others allow producers to correct non-compliances within an agreed-upon, time-bound action plan. This time-bound action plan typically covers a time span of between 1 and 5 years or 6 years,[17] depending on the VSS and its audit methodology.

With respect to **explicit reference**, some standard requirements align with an ITC criterion without making specific reference to the wording in the criterion. For example, an ITC criterion may ask if a standard requires a risk assessment on water quality. The standard may require an environmental risk assessment but does not explicitly mention that the risk assessment must consider water quality. In this case, the ITC criterion would be assessed within the Standards Map as covered but with no explicit reference, because some standards may address this in their risk assessment requirements and others may not. Alternatively, the same ITC criterion would be marked as explicitly mentioned if the standard requires an overall environmental risk assessment making specific reference to water quality as part of that assessment.

[16] One of the objectives of the SSI project is to contribute to the development of a more harmonized infrastructure for data collection and reporting. Therefore, to promote harmonization and efficiency, this SSI review draws from ITC's Standards Map database the most relevant indicators related to poverty reduction along with the accompanying data assessing coverage of these 13 standards.

[17] Note: The 2020 Rainforest Alliance Standard allows for continuous improvement over a 6-year period; however, the ITC criteria framework addresses 1-, 3-, or 5-year periods within their degree of obligation.

The content criteria analysis within this review takes a bird's-eye view of how VSSs address specific sustainability aspects related to poverty within their standards. To maintain this high-level perspective, the review takes a more simplified approach to the Standards Map classifications explained above, which have been adapted as follows:

- All standard requirements to be met immediately in the Standards Map are represented as "covered."
- All standard requirements to be met within 1, 3, or 5 years in the Standards Map are represented as "timebound."
- Any standard requirement aligned with, but not explicitly mentioned in, the Standards Map criterion is represented as "not covered."
- Any recommended standard requirements (not mandatory within the standard document) in the Standards Map have also been represented as "not covered," as compliance with these requirements will not be consistent.

Furthermore, some data are not available in the Standards Map, and these requirements have been left blank. This lack of data may be due to one of three reasons: 1) unavailable data; 2) the criterion is not covered; or 3) the criterion is not applicable. Therefore, within this assessment, the blanks are also represented as "not covered."

Table A1 compares the different ITC degrees of obligation to the SSI modified degrees of obligation used to assess the standards in this review.

Table A1. ITC degree of obligation versus modified SSI degree of obligation

ITC degree of obligation	SSI modified degree of obligation
Immediate	Covered
Compliance to be met within 1 year	Time-bound action plan
Compliance to be met within 3 years	Time-bound action plan
Compliance to be met within 5 years	Time-bound action plan
Recommended	Not covered
Not covered	Not covered
No explicit reference	Not covered
Blank	Not covered

Each standard requirement, whether covered or time-bound, has been weighted equally, as the main objective of this section is to assess whether VSSs *overall* have the capacity to address poverty reduction within their standard requirements and governance systems, rather than to assess how each VSS may address poverty reduction. Nevertheless, it is still worth showing the degree of obligation across each requirement to shed light on the level of rigour to which these requirements are to be met across different VSSs.

Note: The SSI strives to incorporate the most recent data for all standards assessed. This analysis reflects the latest data available in ITC Standards Map at the time of analysis. All data for this review, except for the Rainforest Alliance and the 4C standards, were extracted from the Standards Map database in July 2020. The Rainforest Alliance Sustainable Agriculture Standard Farm Requirements Version 1.1, 2020, and the 4C Code of Conduct Version 4.0, 2020, were mapped independently of the ITC Standards Map, as updates in the Standards Map were not completed during development of this review. Other initiatives, such as GLOBALG.A.P., are currently undergoing important updates to be completed by September 2022. Please consult standards documents for potential changes that may have occurred since July 2020.

Once the criteria for all 13 VSSs were selected and the Degree of Obligation translated into the three categories of "covered," "time-bound," and "not covered," final tables were developed to illustrate a) the number of VSSs that address specific criteria related to poverty reduction and b) the overall coverage of the selected poverty reduction-related criteria for each VSS assessed.

Appendix B. Original International Trade Centre Criteria Labels Modified for IISD's Assessment

ITC label	Modified label for IISD's assessment
Access to financial resources	
Principles and practices related to securing a minimum wage based on sector or region specificities	Minimum wage
Principles and practices related to securing a living wage based on sector or region specificities	Living wage
Criteria related to guarantee of premium on sales of certified product	Premiums
Criteria related to minimum price guarantees	Minimum price guarantee
Access to financial services (payment, credit, savings, subsidies)	Access to financial services
Access to natural resources and ecosystem services	
Water resources monitoring, use, and consumption	Water use
Criteria for assessment of risks and impacts on water levels of water resources used (surface and/or ground water)	Water use risk and impact assessment
Water dependencies and water scarcity	Water use in high risk
Criteria relating to land title and use rights	Land title and use rights
Principles and criteria for the conversion of forests into production lands	Forest conversion
Criteria for regulated and sustainable access to resources and use of wildlife species	Sustainable access and use of natural resources
Criteria relating to verification of mandatory certificates and permits (e.g., water use rights, land use rights, wastewater limitation documents, etc.)	Legal certificates and permits

ITC label	Modified label for IISD's assessment
Access to materials, resources, and technology	
Safety equipment & personal protective equipment	Worker safety equipment and personal protective equipment
Maintenance of safety of machinery, equipment, and materials	Machinery and equipment safety
Criteria relating to access and selection of inputs and varieties (traditional versus improved/ engineered)	Access to variety of inputs
Criteria relating to access to technology and innovation	Access to technology and innovation
Equipment	Support for equipment
Access to basic services	
Respect list of prohibited chemicals as harmful to human health (H statements H340, H350, H360)?	List of prohibited chemicals
Criteria relating to the promotion/enhancement of education	Promotion/enhancement of education
Criteria relating to the promotion/enhancement of housing and sanitary facilities	Housing and sanitary facilities
Workers' access to decent sanitary facilities at work (showers/WC/changing rooms, etc.)	Workers' access to sanitary facilities
Criteria relating to assessing production practices possible impacts on food security	Impact assessment on food security
Criteria relating to the promotion/enhancement of medical care services	Promotion/enhancement of medical services
Criteria relating to community investment: services and benefits offered to communities beyond the business' operations (education, health, sanitation)	Community investment
Criteria relating to production practices promoting healthy/high nutritional value foods.	Production of high nutritional value foods
Workers' access to safe drinking water	Workers' access to safe drinking water

ITC label	Modified label for IISD's assessment
Access to social capital and collective action	
Criteria relating to establishment of a code of conduct for local and Indigenous communities	Code of Conduct for rights of local communities
Collective Bargaining (ILO 98)	Collective bargaining (ILO 98)
Criteria for group organization and management (for example, cooperatives)	Producer group organization
Group or multisite certification requirements	Group/multisite certification
Freedom of association (ILO 87)	Freedom of association (ILO 87)
Supply chain stakeholders mapping	Supply chain stakeholder mapping
Gender-equitable access to resources	
Access to financial services for women (payment, credit, savings, subsidies)	Women's access to financial services
Criteria relating to women's land ownership	Women's land ownership
Criteria relating to women's access to health and safety services	Women's access to health and safety services
Criteria relating to gender policies and best practices	Gender policies and best practices

ITC label	Modified label for IISD's assessment
Opportunity for employment	
Criteria related to child labor and minimum age (ILO 138)	Child labour and minimum age (ILO 138)
Workplace safety	Workplace safety
Use of formal format or template for labour contracts to define all rights and obligations of workers	Standardized labour contract
Criteria on occupational health and safety, as defined in ILO 155	Occupational health and safety (ILO 155)
Child labour legal compliance policy	Child labour legal compliance policy
Opportunity for skills development and training	
Training on Integrated Pest Management	Training on Integrated Pest Management
Training on chemicals handling and exposure	Training on chemical use
Training on health & safety issues	Training on health and safety
Staff training on sustainability issues (environment, social, economic, quality, culture, health and safety…)	Staff training on sustainability issues
Criteria related to workers' access to training programs	Workers' access to skills training
Technical assistance to meet standards requirements (certification/verification)	Technical support provided by VSSs
Technical assistance that goes beyond the standards' requirements (productivity, efficiency, access to market)	Technical support beyond standard requirements
Opportunity to sustainably manage natural resources, preserve biodiversity, mitigate climate change, and develop climate resilience	
Soil conservation	Soil conservation
Safeguards against fragmentation of ecosystems/ habitats (creating/maintaining/protecting ecological niches/corridors)	Prevention of ecosystem fragmentation
Criteria related to maintaining or protecting rare, threatened, or endangered ecosystems	Protection of endangered ecosystems

ITC label	Modified label for IISD's assessment
Prohibition of production on land with High Conservation Value (HCV) with conversion cut-off date no later than 2009 or at least five years history	No production on High Conservation Value Area
Criteria for assessment of risks and impacts on water quality of water resources used (surface and/or ground water)	Water quality risk and impact assessment
Wastewater quality management and treatment	Wastewater management and treatment
Surface and ground water contamination / pollution	Surface and groundwater pollution
Natural wetlands are maintained in undrained conditions.	Protection of wetlands
Criteria related to legally protected and internationally recognized areas for their biodiversity	Legally protected biodiverse areas
Criteria relating to identifying risks and impacts on ecosystem services	Ecosystem services risk and impact assessment
Criteria relating to specific climate adaptation activities	Climate adaptation
Criteria relating to soil or trees sequestration	Soil or tree sequestration
High Carbon Stock Areas monitoring and management	High Carbon Stock Area management
Criteria to reduce use of energy resources	Energy use reduction
Criteria for the use of alternative energies including solar, wind, etc.	Renewable energy use
Soil erosion	Soil erosion
Criteria for reducing GHG emissions	Greenhouse gas emissions reduction
Sustainable management and use of natural resources	Sustainable extraction of renewable resources
Water extraction/irrigation	Sustainable irrigation
Criteria for the monitoring and protection of High Conservation Value Areas	Monitoring and protection of High Conservation Value Areas

ITC label	Modified label for IISD's assessment
Habitat/ecosystem restoration/rehabilitation	Habitat/ecosystem restoration/ rehabilitation
Principles and criteria to prevent and/or remediate deforestation (e.g., use tree species for regeneration that are well adapted to site conditions)	Prevention/remediation of deforestation
Principles and criteria to enhance conservation of forests	Forest conservation
Opportunity for entrepreneurship	
Business operations economic viability: general principle	Economic viability of business operations
Long-term sustainability management plan/ continuous improvement	Sustainability long-term management
Administration and management/business plan	Business management plan
Criteria for local micro businesses/incubation/ facilitation	Local micro business promotion
Organizational capacity for continuous improvement of environmental and social (E&S) management (e.g., through monitoring and evaluation)	Monitoring and evaluation of environmental and social (E&S) management
Criteria related to environment and social risks mitigation and performance improvement	E&S risk mitigation and performance improvement
Diversification of business operations	Diversification of business operations
Opportunity to access diversified markets	
Market data and analysis	Market data and analysis
Criteria relating to distribution networks and access to markets/buyers	Access to markets
Criteria for setting up contracts with traders	Contracts with traders

ITC label	Modified label for IISD's assessment
Gender equity in opportunity and choice	
Criteria relating to distribution networks and access to markets/buyers for women	Women's access to markets
Criteria for assessment of female workers performance (for promotion, trainings)	Female workers' performance assessment
Criteria related to female workers' access to training programs	Female workers' access to training
Gender policies - incentives to women to develop their careers (e.g., specific training)	Female workers' career development
Gender policies – family-friendly policies to increase the labour force participation of women	Family-friendly workplace policies
Gender policies – development assistance policies which promote the economic role of women	Female workers' development assistance policies

ITC label	Modified label for IISD's assessment
Compliance with human and labour rights	
Criteria relating to the protection of minority and Indigenous rights	Minority peoples' rights
Criteria relating to Indigenous Peoples, as defined in ILO convention 169	Indigenous Peoples' rights (ILO 169)
Criteria relating to assessment of impacts of local activities on human rights issues such as health, safety and security	Human rights impact assessment on local communities
Producers are required to identify customary rights of tenure (incl. access and use of other parties that apply on the production/management)	Customary rights of tenure
Scope of workers' rights and benefits applicable equally to all types of workers (full time, seasonal, part time, temporary)	Equality of workers' rights and benefits
Voluntary employment – No forced labour (ILO 29 & 105)	No forced labour (ILO 29 & 105)
No discrimination at work (ILO 111)	No discrimination at work (ILO 111)
Criteria related to maximum working hours	Maximum working hours
Access to justice	
Criteria relating to grievance mechanisms for affected communities	Grievance mechanisms (communities)
Policies and procedures to address workers' grievances	Grievance mechanisms (workers)
Complaints and dispute resolution policies	Complaints and dispute resolution policies
Complaints and dispute resolution decisions	Complaints and dispute resolution decisions
Policy for handling disputes and complaints by members/participants related to governance and executive functions	Governance grievance policy for members
Standard complaints mechanism	Standard grievance policy for stakeholders

ITC label	Modified label for IISD's assessment
Certification bodies implement formal and transparent, publicly available procedures for handling disputes and complaints related to certification and surveillance.	Certification body grievance procedures
Basic human rights and local communities engagement	Local community engagement
Access to information and consultation	
Engagement & consultation with local communities	Local community consultation
Criteria relating to Free, Prior, and Informed Consent (FPIC) of local communities	Free, Prior and Informed Consent (FPIC)
Criteria relating to stakeholder analysis and engagement planning in E&S management systems	Stakeholder engagement in E&S management
Standards consultation transparency	Standards consultation transparency
Standards setting and update is subject to public consultation	Standards setting public consultation
Local interpretations of standards	Local interpretations of standards
Multistakeholders engaged in development of national/regional standards with representatives of major economic, social, and environmental interests	National/regional standard multistakeholder engagement
Nationally/regional standards are subject to public consultation.	National/regional standard public consultation
Directly affected stakeholders	Standards consultations involve directly affected stakeholders
Openness of participation in stakeholders' consultations to all organizations who share the scheme's values and objectives	Inclusive standards consultation process
Decision-making power	
Existence of clear and public policies or procedures to ensure that no interest group can dominate decision-making	Balanced decision making across interest groups
Highest decision-making forum procedures ensure that non-economic sector constituencies collectively have (at least) the same governance decision-making power as economic sector constituencies	Balanced decision making across economic and non-economic constituents

ITC label	Modified label for IISD's assessment
Procedures require balanced participation of constituencies representing economic, social and environmental interests in decision-making	Balanced dimensions of sustainability in standard
Procedures require that constituencies representing economic, social, and environmental interests have equal governance decision-making power	Equal social, environment, economic constituency decision making
Applicable certification standards are developed by consensus or in processes where no single interest group can dominate decision-making	Standards developed by balanced consensus
Stakeholder representation in standards decisions	Stakeholder representation in standards decisions
National/regional standards developed with processes where no single interest group can dominate decision-making	Balanced decision making in national/ regional standards development
Fair and equitable governance	
Governance body review	Governance body internal review
Governance body accountability	Governance body accountability mechanism
Stakeholder participation in governance	Stakeholder participation in governance
AA1000 Stakeholder Engagement Standard	Procedures guided by AA1000 Stakeholder Engagement Standard
Gender-based equitable power	
Criteria for ensuring participation of women/ minorities in management/leadership positions	Minorities/women in management
Criteria relating to factoring gender-equity considerations in stakeholder engagement process	Gender balance in stakeholder engagement
Policies and procedures to address workers' grievance include the gender balance dimensions	Gender balance in workers' grievance policies
Criteria related to equal remuneration (ILO 100)	Equal remuneration (ILO 100)
Criteria relating to women's rights at work	Women's rights at work
Scope of female workers' rights and benefits applicable equally to all types of workers (full time, seasonal, part time, temporary)	Women's rights at work inclusive of seasonal/part time/temporary workers

Appendix C. Market Access Study Methodology

Countries and Value Chains

This study was conducted in six commodities and value chains in six developing and least-developed countries in Africa, Latin America, and Asia: Cambodia (rice), Colombia (avocado), Guatemala (banana), Guinea-Bissau (cashew), India (cotton), and Rwanda (coffee).

The selection of countries and commodities was based on a comprehensive analysis of several factors on both the supply side (exports) and demand side (imports to potential markets), covering two countries per continent. On the supply side, macroeconomic, trade, and VSS coverage indicators were employed as follows.

1. Macroeconomic indicators[18]

The main objective of the study was to examine the link between VSSs, market access, and poverty reduction for smallholder farmers in developing countries and least-developed countries. Therefore, countries' macroeconomic indicators on poverty, employment in, and significance of the agriculture sector were applied as follow:

- Poverty headcount ratio at national poverty lines (% of the population)
- Employment in agriculture (% of the population)
- Agriculture, forestry, and fishing, value added (% of GDP)

This exercise sought to select countries where agriculture is considered a backbone to their economy and employs a significant share of the population, and where poverty is present.

2. Trade indicators[19]

Commodities were selected based on their significance to each country's economy. Thus, the most significant agricultural exports of each country were highlighted. The share of these commodities' exports to the country's total exports was employed as the primary trade indicator, and the final country selection included some variation in share to total exports between countries while considering VSS coverage indicators.

[18] Data source: World Bank, 2020.

[19] Data source: UN Comtrade, 2020; International Trade Centre, 2020b.

3. VSS coverage indicators[20]

Given the study's objectives, it was also vital to check whether VSSs play a role in the agricultural sector in the selected countries and, more specifically, in the selected commodities. We studied whether the VSSs covered in Chapter 3 are present in these countries and value chains using VSS coverage indicators that include:

- Number of VSSs employed in the agriculture sector in the country.
- Number of VSSs employed in the selected commodities in the country.
- Certified area of selected commodities (when available).

This analysis led to the selection of more than 13 countries and commodities. A second round of analysis looked at the demand side of the equation. Given that developed countries are the main markets for certified products with more than 95% of sales (Liu, 2009), the second round of the analysis aimed to check whether the selected commodities have a market in developed countries (using a sample of EU27[21]). The evaluation included factors such as:

- Share of selected countries' exports of selected commodities to the European Union (EU).
- Share of selected commodities imports by the EU that comes from the selected countries.
- Additional qualitative data from the Centre for the Promotion of Imports from developing countries were used, including:
    - The current and potential market for the selected commodities in EU countries.
    - Whether the market for certified selected commodities is already developed.
    - Whether certification has become a precondition for the import of selected commodities to the EU.
    - Whether buyers in the mainstream market in the EU are willing to pay more for selected commodities if certified.

Analyzing the demand side led to the selection of six countries and commodities in Table C1.

[20] Data source: International Trade Centre, 2020a; Willer et al., 2019.

[21] For a definition of EU27, please see https://unstats.un.org/wiki/display/comtrade/EU-27+in+UN+Comtrade

Table C1. Selection criteria of countries and commodities

Trade indicator	VSS indicators		Macroeconomic indicators		
Share of total exports in 2019	**Number of VSSs in agriculture in 2020**	**Number of VSSs in the selected commodities in 2020**	**Employment in agriculture (% of total employment) in 2019**	**Poverty headcount ratio at national poverty lines (% of the population)**	**Agriculture, forestry, and fishing, value added (% of GDP) in 2019**
Cambodia: Rice					
2%	37	27 (e.g., organic)	32.3	17.7 (2012)	20.7
Colombia: Avocado					
0.3%[22]	70	-- (e.g., GLOBALG.A.P., organic)	16.6	27 (2019)	6.7
Guatemala: Banana					
8%	67	33 (e.g., organic, GLOBALG.A.P. Rainforest Alliance)	31.5	59 (2014)	9.3
Guinea-Bissau: Cashew					
51%	18	12 (e.g., organic)	68.1	69.3 (2010)	52.5
India: Cotton					

[22] Avocado, although not one of the top agricultural exports of Colombia, has one of Colombia's highest agricultural export annual growth rate values, reaching 63% in 2015–2019. Moreover, Colombia exports 91% of its avocado production to the EU (in 2019) and, according to the Centre for the Promotion of Imports from developing countries, social and environmental standards and certifications have become a precondition for the import of fresh tropical fruit such as avocado to the EU (see Centre for the Promotion of Imports, 2020a).

Trade indicator	VSS indicators		Macroeconomic indicators		
Share of total exports in 2019	**Number of VSSs in agriculture in 2020**	**Number of VSSs in the selected commodities in 2020**	**Employment in agriculture (% of total employment) in 2019**	**Poverty headcount ratio at national poverty lines (% of the population)**	**Agriculture, forestry, and fishing, value added (% of GDP) in 2019**
0.3%[23]	66	32 (e.g., BCI, organic, Fairtrade)	42.385	21.9 (2011)	15.9
Rwanda: Coffee					
23%	37	33 (e.g., 4C, organic, Rainforest Alliance, Fairtrade, GLOBALG.A.P.)	62.4	38.2 (2016)	24

Source: World Bank (2020); UN Comtrade (2020); International Trade Centre (2020a, 2020b).

The selected commodities are of great significance to their respective economies. Also, VSS-compliant markets for these commodities are either already developed or hold great potential for future growth and development.

Method and Respondents

The study is based on information from interviews with main actors in the six countries' value chains. This includes producers/producer organizations, government, VSS/certification bodies, non-governmental organizations (NGOs), financial service providers, and buyers. Structured interviews were conducted between October 2020 to January 2021 by local consultants/institutional partners in each of the six countries using a questionnaire guide (see Appendix C).

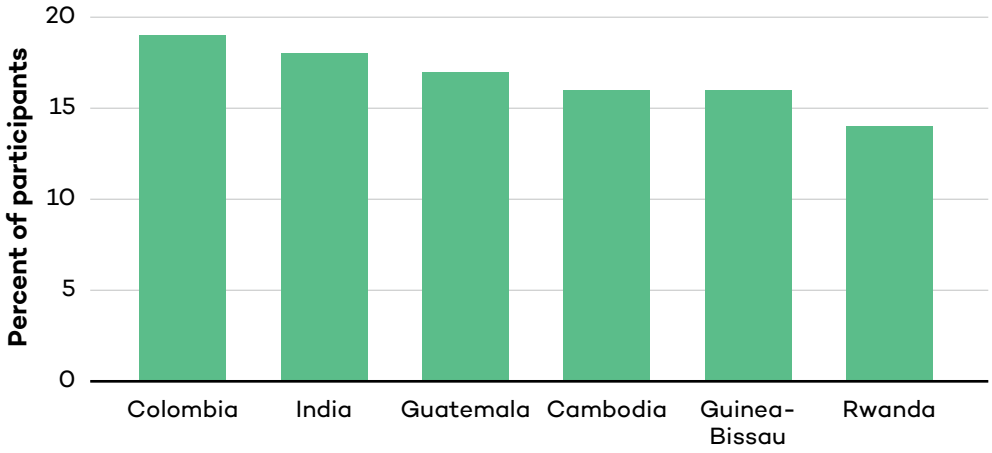
[23] While cotton is not one of the top agricultural exports of India, India is one of the dominant exporters of cotton to developed economies such as the EU. Many VSSs operate in the Indian cotton sector, which employs a high number of smallholder farmers, and sustainable cotton production is expected to grow at high rates through 2025 (Centre for the Promotion of Imports, 2020b).

The questionnaire consisted of 13 open-ended questions and 34 close-ended questions (multiple-choice questions) (see Appendix D). The open-ended questions were based in part on those included in the UNCTAD Assessment Toolkit,[24] adapted to assess the general perceptions of VSSs and smallholder market access and perceived factors influencing smallholder access to VSS markets. Here, respondents freely expressed and elaborated their opinions and views unprompted. Dedoose software was used to code the qualitative data resulting from the open-ended questions.

The close-ended questions referred to a diverse range of possible standards-related, economic, social, human, environmental, physical, and policy factors influencing smallholder access to VSS markets. The respondents were asked to assess, on a scale ranging from "major constraint" to "not at all a constraint," the degree to which they considered each factor a constraint for smallholders' access to VSS markets.

A total of 57 responses were collected: 19% from Colombia, 18% from India, 17% from Guatemala, 16% from Cambodia, 16% from Guinea-Bissau, and 14% from Rwanda. Most of the respondents were producers or producers' organization representatives (35%), followed by respondents from government and buyers (representing 21% each), NGOs (12%), and VSS/certification bodies (9%). Actors from financial services represented around 2% of the sample.

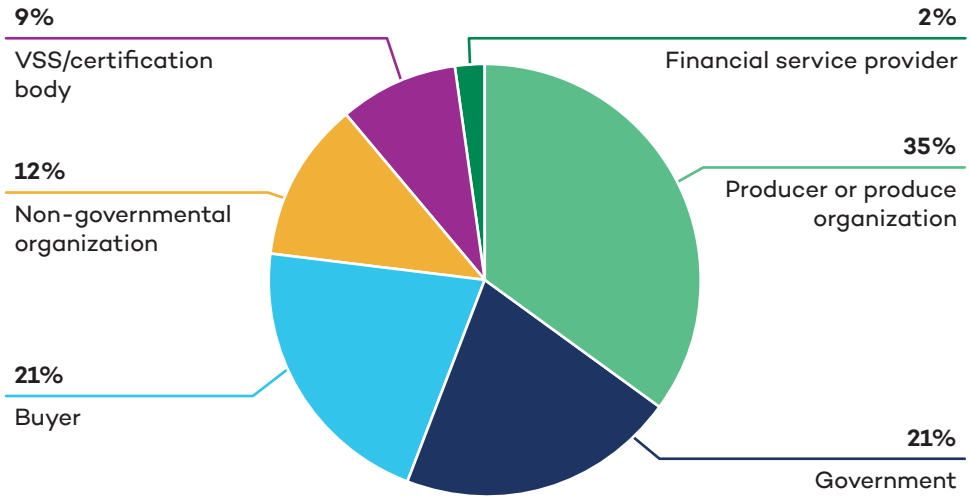
Figure C1. Participants by country (n=57 respondents)



Source: Authors' own calculation based on the interview data.

[24] For more information, see https://vssapproach.unctad.org/toolkit/

Figure C2. Participants by category (n=57 respondents)



Source: Authors' own calculation based on the interview data.

Appendix D. Interview Guide

Voluntary Sustainability Standards (VSS) and Smallholder Farmer Market Access Interview Guide

About this Study

This study explores the factors that enable smallholder farmers access to Voluntary Sustainability Standard (VSS)-compliant markets. It looks at agricultural export markets and their relevant VSSs, such as organic, Fairtrade, Rainforest Alliance, and GLOBALG.A.P. This study is a partnership between IISD's State of Sustainability Initiatives and the United Nations Conference on Trade and Development (UNCTAD), and it draws upon UNCTAD's previous work on its VSS Assessment Toolkit.[25] The results will be reported in the upcoming *IISD's SSI Review: Standards and Poverty Reduction,* examining VSS from the perspective of reducing poverty for smallholder farmers. It focuses on market access, examining the factors that limit smallholder farmer access to VSS-compliant markets, and what is and can be done by various actors to support smallholder farmer market inclusion. The research is funded by the Swedish International Development Agency (Sida).

Principal Investigator: Sara Elder, Policy Advisor, State of Sustainability Initiatives team, International Institute for Sustainable Development (IISD), selder@iisd.ca.

Study Procedures

The interview questions are organized into four sections:

I. Respondent characteristics

II. Generic perceptions of VSS and smallholder market access

III. Importance of factors influencing smallholder access to VSS-compliant markets

IV. VSS impact on resilience to shocks (COVID-19)

The interview should take no more than 1 hour of your time. I will take notes during the interview. Your responses will remain anonymous; you will not be identified by name in any report of the study. You do not have to answer a question if you do not want to and can choose to stop the interview at any time.

Do you agree to participate in this study? ☐ Yes ☐ No

Are you willing to be contacted for follow-up questions? ☐ Yes ☐ No

[25] Available at https://vssapproach.unctad.org

Date of interview:

Name of interviewer:

Section I: Respondent characteristics

1. What category best describes you?
   - ☐ Government
   - ☐ Non-governmental organization
   - ☐ Buyer
   - ☐ Financial service provider
   - ☐ Producer or producer organization
   - ☐ VSS/certification body

2. Which VSS do you use or interact with?
   - ☐ Fairtrade International
   - ☐ Rainforest Alliance/UTZ
   - ☐ Organic
   - ☐ GLOBALG.A.P.
   - ☐ Better Cotton Initiative (BCI)
   - ☐ 4C
   - ☐ Other, please specify:

3. For which agricultural products?
   - ☐ Coffee
   - ☐ Cotton
   - ☐ Rice
   - ☐ Banana
   - ☐ Cashew
   - ☐ Avocado
   - ☐ Other

Section II: General perceptions of VSS and smallholder market

4. Are there many or few smallholder farmers who sell to [VSS-compliant market(s)] in your country? Why do you think that's the case?

5. What is different about farmers who sell to [VSS-compliant market(s)] versus farmers who do not?

6. What percentage of their VSS-compliant product are farmers able to actually sell to VSS-compliant markets on average? Why? Does compliance lead to changes in volume of sales or in prices obtained?

7. What do you think are the main three factors that enable or facilitate smallholder farmer sales to [VSS-compliant market(s)]?

8. What do you think are the main three factors that limit smallholder farmer participation in [VSS-compliant market(s)]?

    a. After obtaining certification, what are the main challenges of **linking to** VSS-compliant international buyers in order to be able to sell the certified product?

    b. What do you think are the main challenges of **maintaining** VSS-compliant market access? Do you know of farmers who had access to a VSS-compliant market before but do not now? If yes, what happened?

Section III: Specific factors influencing smallholder access to VSS-compliant markets

Please indicate the degree to which the following factors act as constraints to smallholder farmer access to VSS-compliant markets.

Factor	Major constraint	Somewhat of a constraint	Neutral	Not much of a constraint	Not at all a constraint
9. Standard-related constraints					
Cost of certification	○	○	○	○	○
Strict, universal standards	○	○	○	○	○
High upfront investment & low returns	○	○	○	○	○
Difficult to maintain requirements	○	○	○	○	○
Multiple standards & disconnect between them	○	○	○	○	○
Limited support & monitoring	○	○	○	○	○
10. Economic constraints					
Limited access to financial services	○	○	○	○	○
Limited demand or financial incentives	○	○	○	○	○
Insufficient productive equipment, inputs, or technologies	○	○	○	○	○
Inadequate product quality or productivity	○	○	○	○	○
11. Social constraints					
No land tenure	○	○	○	○	○
Limited farmer organization & lack of bargaining power	○	○	○	○	○

Limited access to market information and/or traders/aggregators	○	○	○	○	○
Unfair buyer practices	○	○	○	○	○
Too many supply chain intermediaries	○	○	○	○	○
Lack of opportunities for women	○	○	○	○	○
12. Human constraints					
Low education, skills, & knowledge	○	○	○	○	○
Poor health & food insecurity	○	○	○	○	○
Limited access to extension & training	○	○	○	○	○
Lack of time or no access to childcare	○	○	○	○	○
13. Environmental constraints					
Small land size	○	○	○	○	○
Poor soil quality	○	○	○	○	○
Insufficient water available	○	○	○	○	○
Changing weather patterns (drought, flooding)	○	○	○	○	○
Natural disasters	○	○	○	○	○
14. Physical/infrastructural constraints					
Poor water and energy systems (e.g., irrigation, electricity)	○	○	○	○	○
Distance to market	○	○	○	○	○
Poor road quality & transportation	○	○	○	○	○

Limited or no storage facilities	○	○	○	○	○
Limited information and communication technologies	○	○	○	○	○
15. Policy constraints					
Producing-country trade policies (export licensing, bans, tariffs, documentation requirements)	○	○	○	○	○
Importing-country trade policies (product standards, import bans, subsidies)	○	○	○	○	○
Monetary policies (exchange rates, inflation)	○	○	○	○	○
Regional or international trade agreements	○	○	○	○	○

16. Do smallholders who sell to VSS-compliant markets access them directly or through others (e.g., cooperatives/associations, a lead farmer, NGOs, etc.)? How does this arrangement work? What does the intermediary do, and how are they compensated?

17. What have you seen the following actors do that supports smallholder farmer access to [VSS-compliant markets]?

    a. Buyers
    b. Governments
    c. Non-governmental organizations/civil society
    d. VSS/certification bodies
    e. Financial service providers

18. What have you seen actors do that supports women in particular to access VSS-compliant markets?

19. Do you have ideas for how smallholder farmers could be better included in VSS markets? Any incentives or supports that would help access markets?

Section IV: VSS impact on resilience to shocks (COVID-19)

20. How important is the income farmers get from selling their crops to VSS-compliant markets to their overall household income?

21. As a result of selling to VSS-compliant markets, are farmers more, the same, or less able to adapt and cope with the effects of COVID-19 than other farmers? Why?

22. In the current global situation of COVID-19, some farmers have lost contracts and/or had orders cancelled. During this time, has stability and security of orders and contracts been any different for farmers with VSS as compared to farmers without? Why?

23. What other support is needed (from government, VSS setting bodies, development organizations, etc.) to help farmers cope with the current situation or other shocks?

RESPONDENT CONTACT (OPTIONAL)

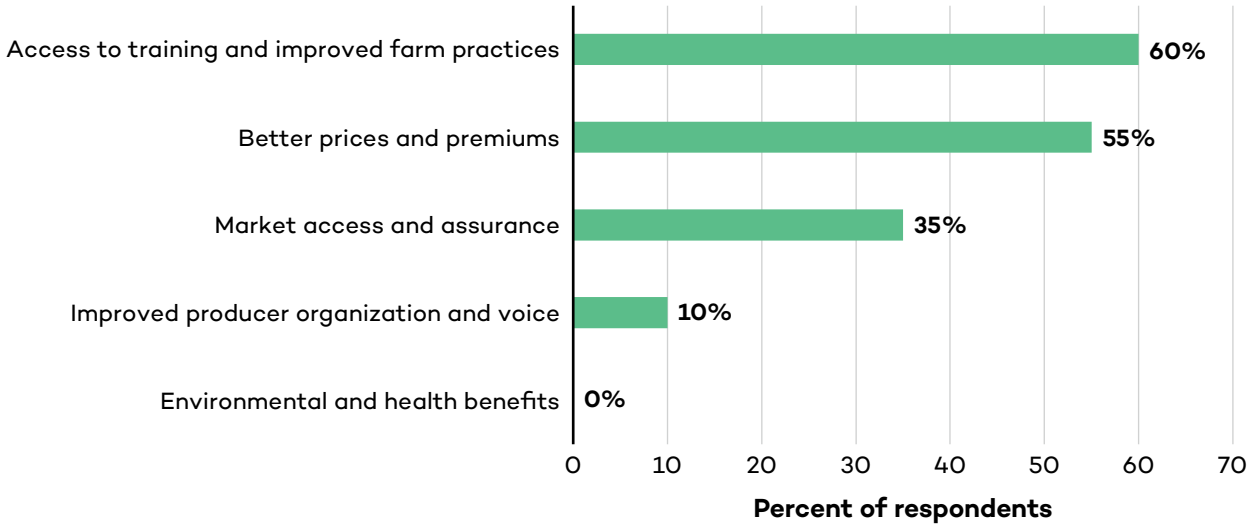
Name:
Title:
Organization:
Country:
Email/phone:

END OF INTERVIEW

Appendix E. Producer Perspectives on Access to VSS-Compliant Markets

The following three tables focus on the insights of the 20 producers who were interviewed as part of our research.

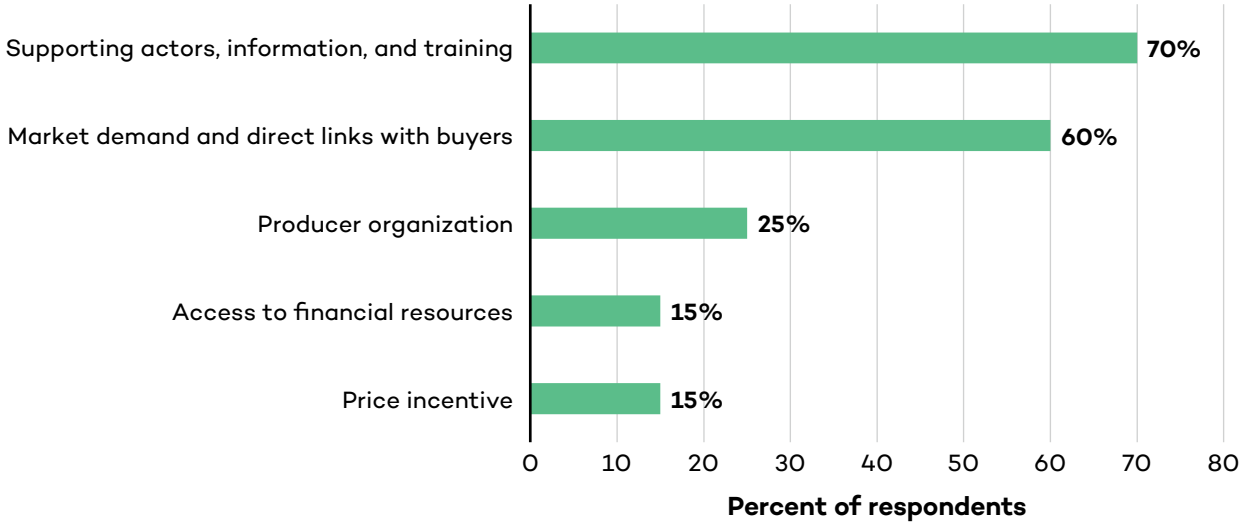
Figure E1. Producer perceptions of VSS advantages



Note: The percentage is the share of producers in the sample who mentioned each factor.
Source: Authors' own calculations based on the interview data.

Unlike other actors, who see better prices as the main advantage of VSS, producers consider training and technical assistance to be more valuable as they lead to better production practices and increased production volume and quality. Producers perceive better prices as the second main advantage, followed by market access and assurance, where they referred to stable and secure long-term contracts as a significant benefit. A few producers referred to improved producer organization and voice. While they see organization and voice as a significant enabling factor to VSS-compliant markets, producers do not look at it as a significant outcome of complying with VSS.

Figure E2. Producer focus on enabling factors

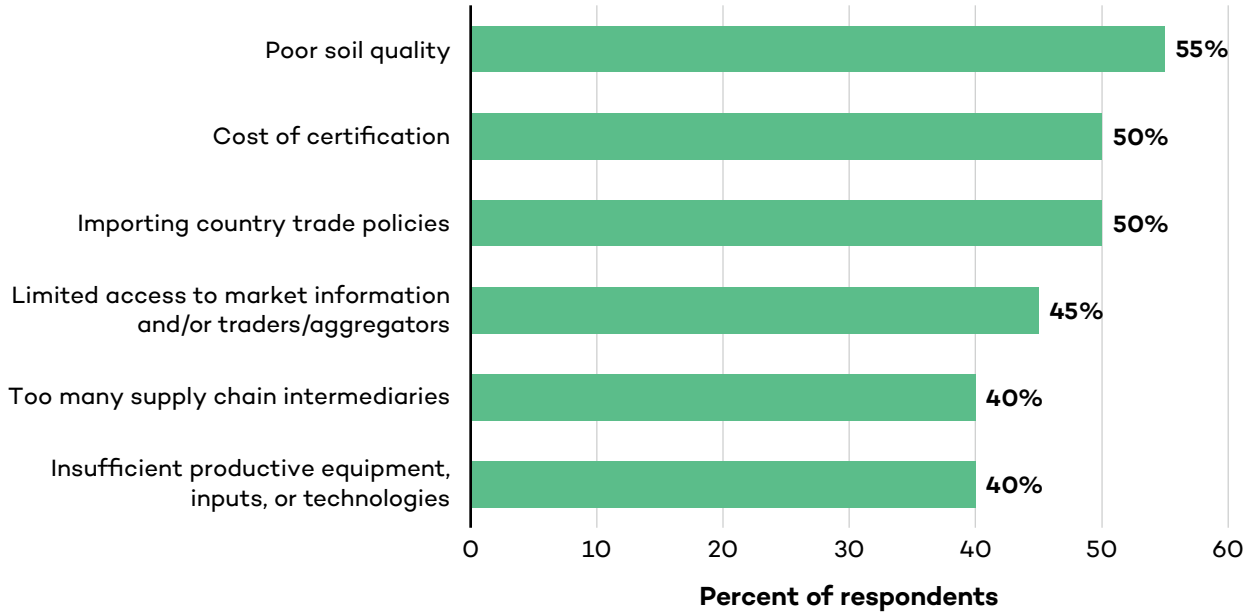


Note: The percentage is the share of producers in the sample who mentioned each factor.
Source: Authors' own calculations based on the interview data.

The support of various actors providing access to information and training in best practices was the most mentioned enabling factor among interviewed producers (70%). Producers from all countries mentioned having support from government, VSSs, and private actors to learn about VSS-compliant markets and their requirements and how to implement best practices and comply with these requirements.

Market demand and having direct links with buyers can enable access to VSS markets, according to 60% of producers. In particular, they spoke of the importance of having a steady, secure market, with long-term agreements and contracts signed in advance with buyers. When producers mentioned producer organization, they often referred to cooperative leadership and organizational capacity and again mentioned the benefits of having support from other actors, such as agricultural export associations. Producers did not identify financial resources and high prices as much as other enabling factors, suggesting that while these are significant, they are less important than having appropriate information, training, and market connections.

Figure E3. Producer focus on limiting factors



Note: The percentage is the share of producers in the sample who mentioned each factor.
Source: Authors' own calculations based on the interview data.

Figure E3 highlights the opinions of producers on the main limiting factors to VSS-compliant markets. It lists the top six constraints identified by producers, revealing that they are concerned about access to productive land (55% mentioned poor soil quality as a major limitation) as well as productive equipment, inputs, and technologies (40%). Half of the producers identified the cost of certification, including the investment needed to comply, as a major barrier to accessing VSS-compliant markets.

Half of the producers identified importing countries' trade policies as a major limitation. This could be linked to two of the other top constraints for producers: limited access to information (identified by 45% of producers) and too many supply chain intermediaries (mentioned by 40%). In other words, producers are not fully aware of the trade policies and other market data that would help them achieve and maintain VSS compliance.

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