

Preliminary List of Indicators – October 2009

Marked by an unprecedented level of coordination and cooperation, the SSI research team - together with the help of the SSI advisory panel – have developed a list of indicators that are being used as a research template for the first SSI Annual Review. Research across the indicators analyzes the progress of voluntary initiatives in addressing sustainable development, and details the market impacts of multiple commodity sectors.

This cutting-edge research will help companies, countries and development projects better understand the status of voluntary initiatives worldwide. High level categories were drawn from the basic principles of sustainable development and look at the activities, obligations and performance of voluntary sustainability initiatives operative across commodity markets worldwide. Data is gathered at market, supply chain and firm/field levels.

1. General Information

Basic information about the standard or initiative including organization type (private/public, for-profit/non-profit), industry/sector scope, geographical scope, activities, income breakdown by type and administrative overhead.

2. The System Requirements

High level indicators proposed are based on key thematic issues of sustainability:

General Indicators:

These indicators attempt to assess the basic, high-level approach of the initiative.

> **Indicators: Performance standards, continual improvement requirements**

Social Indicators:

Initiatives commonly recognize that fair compensation and working conditions contribute to equity in the communities where initiatives are implemented. What are the social criteria utilized that protect the labour, social, and cultural rights of producers? How can sustainability initiatives improve openness where the needs and rights of women, youth, and indigenous people are marginalized by dominant groups?

> **Indicators: ILO Core Labour Standards, United Nations Declaration on Human Rights, Worker Health & Safety, Living wage, Worker benefits, Gender index**

Environmental Indicators:

Which environmental criteria within voluntary initiatives help achieve efficiency and cost internalization by making supply chain actors responsible for their environmental impacts and how?

> **Indicators: Carbon index, Biodiversity index, Water index, Soil Index, GMO prohibition, Synthetic inputs treatment**

Economic Indicators:

Producers play a key role in sustainable development, especially in terms of developing their local economies. What criteria influence the empowerment of producers to successfully develop sustainable livelihoods in the short and long term? How do these criteria enable supply chain stakeholders contribute to economic development?

> **Indicators: Community benefits, Community consultation requirements, Premiums, Quality requirements**

Ethical Indicators:

Animal Welfare: The impacts of animal production related to biodiversity, water, soil and sustainable management are addressed in the environmental section without the issue of “welfare” or healthy, humane treatment.

> **Indicator: Animal Welfare**

Chain of Custody Indicators:

The extent of supply chain coverage beyond the producer level provides an indicator for breadth of sustainability impacts along the chain as well as the distribution of responsibilities for ensuring impact.

> **Indicators: CoC required, CoC model, CoC scope (traceability, social, environmental), % content for claim**

Governance Indicators:

Participatory governance is a cornerstone of the sustainable development paradigm and includes balanced representation, accountability and transparency. How do the governance and decision-making structures of standard-setting and implementing organizations compare?

> **Indicators:**

> **Balanced representation - board composition by stakeholder type and region; voting rights by theme (social, environmental, economic)**

> **Accountability - board selection, stakeholder participation by degree for committees/advisory, dispute resolution, independence index**

> **Transparency - public disclosure index and complaints index**

Implementation Framework Indicators:

The procedures used to implement and verify compliance indicate whether initiatives achieve their stated sustainable development goals in a reliable way. The key variables include:

- Rigour and efficiency: Show how efficiently initiatives target participants with the highest level of need, and whether results are consistent.
- Subsidiarity: The degree of local involvement in ownership and verification of the initiative indicates progress towards subsidiarity.

> **Indicators: regional standards, localized indicators, separate standards for smallholders, frequency of audits, accreditation and certification compliance (ISEAL/ISO)**

3. Impacts:

This section records the actual measurable influence that a particular system creates. It will draw from trade databases, and metrics initiatives such as COSA and Keystone. Currently the majority of voluntary standard systems have limited impact and market data. Often it is anecdotal or in formats that cannot be effectively compared. There are several initiatives however, working to improve impact information - including standard system themselves. As such, the recommended indicators are limited by feasibility constraints and do not yet reflect the priority of reporting on this area.

> **Indicators: Impact analysis (M & E practices), costs and benefits (certification costs/premiums), market presence (supply and demand statistics), standard system satisfaction (retention rates)**

The State of Sustainability Initiatives (SSI) is coordinated under the auspices of the Sustainable Commodity Initiative by four organizations with a long-standing history in the promotion of sustainable commodity production and trade:



UNITED NATIONS CONFERENCE
ON TRADE AND DEVELOPMENT



The State of Sustainability Initiatives (SSI) is coordinated by the Sustainable Commodity Initiative
www.sustainablecommodities.org