

The Food Security Standard
in Context

Certification Schemes in Sustainable Food Systems - a favorable Track?

September 2022

Globally, up to 828 million people are going hungry and over two billion are malnourished. The majority of hungry people live in rural areas and are often smallholders or landless laborers. Climate change and wars will most certainly increase these numbers. Smallholders and workers involved in agricultural supply chains often experience food insecurity, malnutrition, and poverty. Temporary and casual workers are very often affected by food insecurity and malnutrition even when in employment.

Up to now, food security has been seldom addressed in sustainability standards and certification schemes. The Food Security Standard (FSS) closes this gap. It provides a set of practical and measurable criteria and audit tools that can be incorporated into sustainability standards and certification schemes.

The realization of the human right to adequate food is linked to the protection of other human rights. In this way, the FSS covers corporate due diligence obligations with regards to the protection of human rights as a whole. The standard is explicitly oriented towards the up-to-date concept and definition of the UN food security framework, and, therefore, contributes to achieving the Sustainable Development Goal 2 (SDG 2) on Zero Hunger. Selected SDG indicators include:

2.1.2: Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES),

2.3.2: Average income of small-scale food producers, by sex and indigenous status and

2.4.1: Proportion of agricultural area under productive and sustainable agriculture are reflected in the FSS methodology and certification process.

From the viewpoint of its **theory of change** additional perspectives on the FSS can be discovered. It describes the necessary steps, assumptions, and consequences to achieve the

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FSS' goals and describes its expected impacts on local social development. This knowledge is essential for all FSS key stakeholders in order to strategically focus internal and external communication and streamline planning, implementation, monitoring and evaluation properly. The FSS theory of change builds on the human rights framework.

FSS certification always applies to an agricultural producer. However, FSS is related to landscape approaches as it not only seeks to avoid negative impact on food security within the certified enterprise, but also looks at communities and the environment beyond the farm gate. Additionally, it requires the operator to monitor its impact on the surrounding area as well as identify ways to generate positive impact on the surrounding so-called area of influence. This way sustainability standards that integrate the FSS ensure that local and regional planning is considered. Climate protection and adaptation plans, spatial planning as well as the protection of land rights, indigenous lands and the environment are equally encompassed. Key concerns of the FSS are always social factors like health, education and social protection. In its objectives, as well as in its tools, the FSS reflects

the complex and intertwined factors which require a systematic human rights-based approach to ensure that everyone has access to adequate food at all times. In this regard it is more comprehensive than living wage / living income approaches.

As the FSS is designed to be added into an existing sustainability standard, the question what voluntary standards can achieve within food systems becomes crucial. Sustainability schemes can play a key role in translating sustainability requirements into agricultural best-practices and guidance. They are practice-oriented instruments that enhance sustainability and thereby become trade facilitators. Sustainability schemes can add considerable value for consumers too as they convey valuable information about the conditions during their production.

Within the changing legal landscape of corporate responsibility that is already being extended into the supply chains, the consequences of binding public instruments need to be assessed. So far, the final scope of the changes has not become clear. However, the holistic approach of the FSS certification makes this standard an ideal tool for agricultural enterprises to prove that the risk of human rights infringements – with an emphasis on the Right to Food - have been mitigated as far as possible within their operations.



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Sustainability schemes can play an important role in translating generic sustainability requirements into sector-specific best-practice and guidance and need to be recognized for what they are: practice-oriented instruments that not only enhance sustainability but in doing so facilitate trade and global value chains. If embedded into a popular consumer label that is publicly supervised, sustainability schemes can add considerable value to global agricultural production chains. The Food Security Standard (FSS) shows how an add-on with a specific purpose can be integrated into such a system and add value to it.

Sustainable food systems are key to ensuring that future generations are food secure and have access to healthy diets and that the environment survives as intact as possible. However, the transition towards sustainability requires a smart-mix of measures and tools that enable sustainable production systems and consumption patterns. The 2021 United Nations Food Systems Summit reinforced demands of firmer regulatory regimes from governments to ensure that internationally traded products are produced, processed and handled without harming people or the environment. There are already discussions in Germany about a new consumers' right to exclusively offer products that have been produced in accordance with the Universal Human Rights as codified in the EU Charter.

Currently, a number of products or certain components are identified by sustainability claims or labels. Some of these have been criticized of being marketing tools or "greenwashing" while others clearly represent genuine attempts to differentiate products according to the so-called "negative externalities", particularly, environmental degradation and human rights infringements.

The price for "negative externalities" is paid by workers at the bottom of the supply chain mainly in countries with weak labor regulations and enforcement as well as by the public wherever environmental degradation occurs (developed countries explicitly included). There is a general trend away from voluntary to mandatory due diligence on human rights and environmental standards for the private sector. But do (upcoming) stricter legal regulations render Private Voluntary Sustainability Certification Schemes irrelevant?

Voluntary and compulsory certification: From food safety and quality to due diligence and human rights

Private standards have become the dominant mode of governance in global supply chains for agricultural and food products. Since the 1990s food safety reforms shifted responsibility from sellers to retailers of food products. In response, retailers started to demand voluntary certification to demonstrate due diligence in case of authority controls or food safety crisis. This led to four distinct but interrelated developments:

1) Voluntary certification was used to ensure legal compliance and manage risks along the supply chain. As a rule, private food safety standards were quite closely adjusted to mandatory regulation and in most cases, they are applied to assure buyers in global food value chains that the respective regulatory requirements have been met.

2) Due to the growing legal framework, food safety certification has become semi-voluntary over time, as it has proven to be the most efficient way to demonstrate compliance within value chains.

As leading firms have made efforts to reduce transaction costs within their supply chains, private food safety and quality standards have evolved from predominantly business-to-business requirements into collective standards. Consequently, some private standards have emerged as important trade tools and some are

publicly recognized to provide evidence on compliance while others even made their way into national legislation.

3) At the same time voluntary standards have been employed to facilitate competition with respect to product differentiation for consumers against the background of an ever-increasing range of food safety and quality characteristics.

4) In a parallel development, environmental and human rights issues (e.g. organic production patterns or fair trade) were incorporated into this increasing range of marketable food quality characteristics. Consequently, these aspects were added to both product differentiation and due diligence strategies in international food trade too. Today, due diligence acts on human rights in supply chains follow a similar pattern as the creation of food safety and quality standards: actors on the demand side (buyers such as the food processing industry and retailers) bear a part of the responsibility for human rights infringements and environmental damage within their supply chains. With the use of Private Voluntary Sustainability Certification, producers demonstrate compliance with legal requirements and international standards which facilitates global trade.

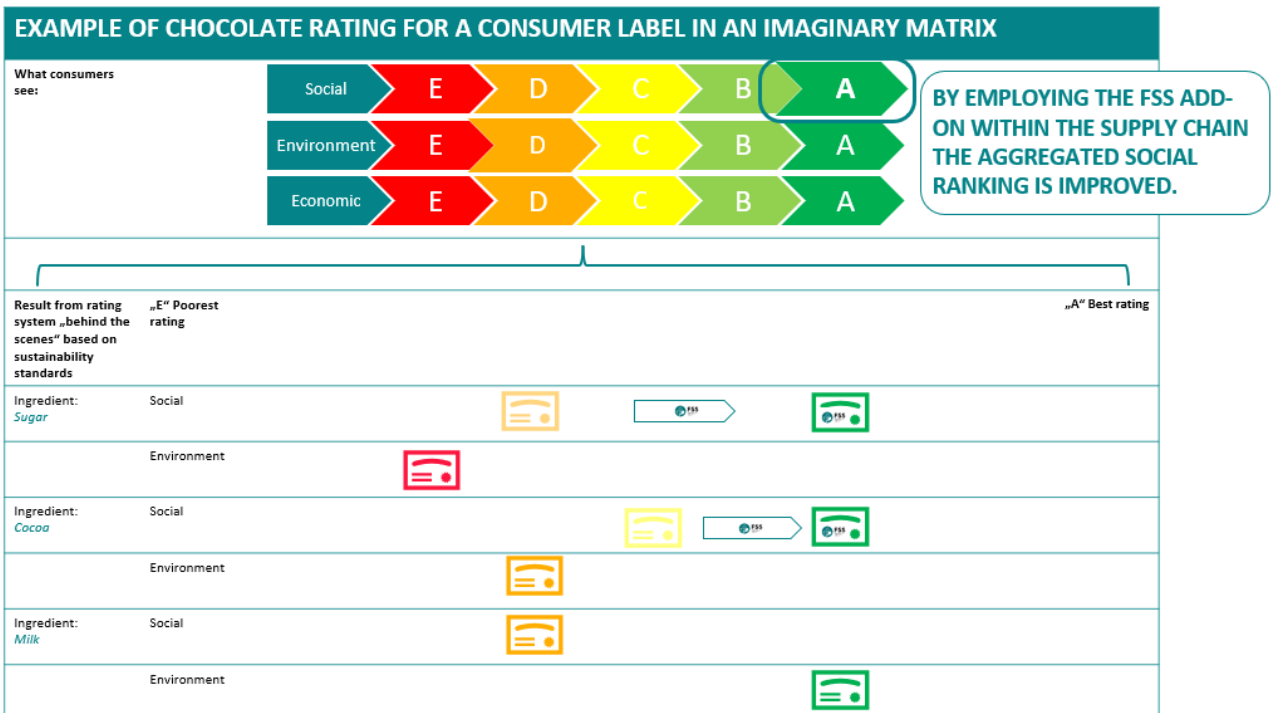
Assurance for Sustainability Reporting

The EU basket of corporate sustainability regulations is filling up: the Non-Financial Reporting Directive (NFRD, Directive 2014/95/EU) requires large companies to report on their management of social and environmental challenges and is likely to be replaced by the Corporate Sustainability Reporting Directive (CSRD). The extended requirements would then apply to all companies (with the exception of microenterprises) and make the assurance of the reported information mandatory. Therefore, especially third-party certification can increase legitimized reporting and support the trust-building process of companies independent of their size.

How can governments strengthen rules while maintaining economic dynamics?

However, to achieve this, a trustworthy and plausible rating system is needed. Such a new meta-system needs to contain a global sustainability matrix which includes all criteria – from weak to the most demanding requirements that are already part of existing sustainability schemes. Using a smart evaluation formula, schemes could then be ranked within this matrix covering social, environmental criteria as well as the governance system such as the verification and participation process as not all schemes are equally strict and inclusive. The ratings should then feed into a simple, broadly communicated consumer label (such as e.g. the EU-energy label or the German “Nutri-Score”) to realize a central objective: informing consumers and facilitating product choice. Additionally, initiatives like the [Standards Map](#) of the International Trade Centre or “[Siegelklarheit](#)” of the German government aim to educate consumers on the diverse landscape of standards and certificates. *Siegelklarheit* for example uses three categories to describe the usefulness of diverse consumer labels: credibility, environmental credentials, and social compatibility.

Currently, an ever-growing corpus of public and private standards adds unnecessary complexity to the trade environment. Ratings for consumers should therefore aggregate information about all components of a product including packaging, transport, and animal welfare, where applicable. Comparable to the current goals for improving animal welfare in German agriculture, the objective is to progress toward increasingly challenging requirements over time: setting clear goals for global production and processing of agricultural goods. Product or process-specific certification schemes shall operate in the background on a business-to-business level, as they provide specific guidance resulting from multi-stakeholder consultation processes. They make sustainability concrete and operational



Graphic: Example of chocolate bar illustrating consumer label based on sustainability matrix verified through private certification schemes.

Way forward

Another notable European Directive for Renewable Energy (Directive (EU) 2018/2001) accepts voluntary schemes to ensure that biofuels meet EU sustainability requirements. Why not apply a similar approach to other product groups and include schemes in trade agreements with sufficient enforcement mechanisms? Approval and ranking could be prepared by national bodies and supervised by an independent UN body like the Codex Alimentarius or the United Nations Forum on Sustainability Standards (UNFSS). This would allow for a global systemic sustainability approach that encompasses a comprehensive roadmap giving space to the private sector solutions combined with adequate public control and alignment.

The FSS, for example, is an add-on to sustainability standards with a very specific objective: to achieve and provide evidence for food security. By adding these criteria to an existing certification scheme, it allows for very specific claims related to the Right to Food in sustainability reporting. In a simplified consumer communication where different

sustainability dimensions add up, it enhances the aggregated social rating of the product.

Sustainability schemes play a crucial role in translating sustainability requirements into sector-specific best-practices and guidance. They are practice-oriented instruments that enhance sustainability and thereby become trade facilitators. Sustainability schemes can add considerable value for consumers if embedded into a common meta-system with public supervision – combining the best of both worlds.

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For advice on implementation or other questions, please don't hesitate to contact us.

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