

Contents

Series Editors' Preface	iii
Abstract	ix
1. Introduction	1
2. Value chain sustainability	3
2.1 Definitions	3
2.1.1 Sustainability	3
2.1.2 Value chain	3
2.2 Importance of value chain sustainability	4
2.3 Reasons for policy instruments to improve and control value chain sustainability	8
2.3.1 Company perspective	8
2.3.2 Government perspective	10
3. Types and examples of policy instruments for value chain sustainability	13
3.1 Classification of policy instruments	13
3.2 Command and control instruments	13
3.2.1 Example 1: Dutch requirements for Green Public Procurement	14
3.2.2 Example 2: Timber regulation in the United States and in Europe	14
3.3 Economic instruments	17
3.3.1 Example 1: CO ₂ performance ladder	18
3.3.2 Example 2: Emissions trading	19
3.4 Informative instruments	21
3.4.1 Example 1: Sustainability certification of biofuels and other biomaterials. The Roundtable of Sustainable Biomaterials	21
3.4.2 Example 2: Sustainability reporting by GRI	23
3.4.3 Example 3: Information platform GoodGuide	24
3.5 Organizational instruments	24
4. Managing upstream value chain sustainability, developing a private approach	27
4.1 Role of the purchasing department	27
4.2 A structured approach	31
4.3 Recommendations to development of a private approach	34
4.3.1 Define a strong focus	34
4.3.2 Adopt a clear framework for sustainability	34
4.3.3 Combine suppliers' performance level with assurance requirements	35
4.3.4 Encourage competitive advantages	35
4.3.5 Define a growth model	35
5. Regulating value chain sustainability, options for a public approach	37
5.1 What policy instruments are available to national governments to improve and control value chain sustainability?	37
5.2 The role of co-regulation	38

6. Definition and benefits of co-regulation	41
6.1 Definition and types of co-regulation	41
6.2 International scope of co-regulation and how it can influence global supply chains	42
6.3 Examples of co-regulation processes	43
7. Practical case: Co-regulation in the European Union for biofuels sustainability	47
7.1 Set up of the co-regulation framework	47
7.2 Official process for the recognition of certification schemes	49
7.3 Strengths and weaknesses of officially recognized certification schemes	49
7.3.1 Certification schemes assessed	51
7.3.2 Assessment methodology	54
7.3.3 Assessment of environmental criteria	60
7.3.4 Assessment of socioeconomic criteria	63
7.3.5 Assessment of level of assurance	68
7.3.6 Summary of scores and quality ranking	72
7.4 Risks in the global application of sustainability certification. Does one size fit all?	75
7.4.1 Selection of case-study countries	76
7.4.2 Sustainability context for selected countries	77
7.4.3 Sustainability assurance of certification schemes	80
7.4.4 Use of certification schemes under different sustainability contexts	80
7.5 Ten findings concerning the EU biofuels co-regulation framework	83
8. Steps to select good quality certification schemes	87
8.1 Step 1: Identifying certification schemes with suitable standards	89
8.2 Step 2: Checking the use of codes of good practice	91
8.3 Step 3: Choosing chain of custody method	91
8.4 Step 4: Understanding level of assurance	92
8.4.1 Rules on the audit for verification system	93
8.4.2 Management system	94
8.4.3 Accreditation, membership and recognition	95
8.4.4 Recognition and acceptance of certificates by other certification schemes	95
8.5 Step 5: Calculating costs and benefits of selected certification options	96
8.5.1 Certification costs	96
8.5.2 Benefits of certification	96
8.6 Step 6: Select the most suitable certification scheme	96

9. Looking ahead to future co-regulation frameworks for value chain sustainability	97
9.1 Recommendations to policy makers	97
9.2 Recommendations to owners of certification schemes and other private control mechanisms	97
9.3 Recommendations to companies	98
References	99
Annex 1: Calculation of sustainability risk factors for selection of countries	103
A1.1 Environmental indicators	103
A1.2 Socio-economic indicators	108
A1.3 Governance indicators	115
A1.4 Summary assessment of countries risk	118
Author Biographies	121