TERMS OF REFERENCE

For the Rainforest Alliance Sustainable Agriculture Standard

July 2018

1. INTRODUCTION

In January 2018, UTZ and the Rainforest Alliance have merged to build a new organization under the name of the Rainforest Alliance. The organizations have merged in response to the critical challenges facing humanity: deforestation, climate change, systemic poverty, and social inequity. By combining their respective strengths, the new organization will be in a better position to achieve the scale of impact necessary to meet these challenges effectively. The mission of the Rainforest Alliance is to build a future in which nature is protected and biodiversity flourishes, where farmers, workers, and communities prosper, and where sustainable land use and responsible business practices are the norm. The Rainforest Alliance envisions a world where people and nature thrive in harmony, and aims:

- to bring together producers, businesses, governments, and civil society to create a more sustainable world;
- to rejuvenate agricultural landscapes and protect forests, foster sustainable livelihoods and build climate resilience across vulnerable regions;
- to transform business practices, drive supply chain innovation, and engage consumers in positive change; and
- to set the bar for sustainable agriculture.

Both UTZ and the Rainforest Alliance have a long-standing history and experience in certification of sustainably produced agricultural products as a tool to promote sustainable production and to connect markets, producers and consumers. The Rainforest Alliance has announced that it will publish a single, new agriculture certification program that builds on the best of both existing programs in 2019. Part of the new certification program will be a new sustainable agriculture standard that will be designed to maximize positive social, environmental, and economic impact, while offering farmers an enhanced framework to improve their livelihoods while protecting the landscapes where they live and work.

The Rainforest Alliance intends with the new standard not only to harmonize the existing standards, and to make revisions based on past experiences, but also to bring innovation, making use of recent knowledge and insights in certification and standard setting. UTZ did a review of its agricultural standard in May 2017. The Rainforest Alliance's newly revised standard became effective per 1 July 2017.

This Terms of Reference document for the Rainforest Alliance Sustainable Agriculture Standard contains information on the scope, the justification and the envisaged outcomes of the standard. It describes the identified risks and mitigating actions and provides a summary of the main intended features of the standard. The Terms of Reference will be updated at least with every subsequent revision of the standard.

2. SCOPE

The scope of the standard is to address sustainability issues in agricultural production. The standard focusses on the main categories of crops that are currently within the existing certification programs, which are tree crops (such as coffee, cocoa, tea and palm oil), fruits (such as bananas, coconuts and pineapples), nuts (such as hazelnuts) and cut flowers. Spices, herbs and vanilla may be included, and the Rainforest Alliance is also exploring possibilities to work with the Union for Ethical Biotrade (UEBT). The geographical scope of the standard is global, with a focus on the main geographical areas where mentioned crops are grown. Furthermore, the scope of the standard is on the whole farm, that is, the

requirements of the standard, as a principle, apply to the whole farm, and not just to the certified crop. Crop type specific agronomic practices for non-certified crops may be excluded from the audit scope of the farm. Also, not necessarily all crops or products derived from a certified farm can be sold as certified.

3. JUSTIFICATION

There are several sustainability issues at stake in agriculture. On the natural resources dimension main issues include degradation of land and terrestrial ecosystems, degradation of water resources, biodiversity loss, and overuse of pesticides and increase of green-house gas emissions. On the social dimension, main issues include gender inequality, social inequity, child labor, over exploitation of workers and bad working conditions.

Deforestation depletes biodiversity by destroying habitat. Maximizing harvests on existing cropland is critical to a global food security. The race to feed the world's growing population (projected to be 9.8 billion by 2050), while also addressing the impacts of climate change on farms, remains actual. Thriving farmers and healthy forests go hand-in-hand. Subsistence farming and commercial farming combined are responsible for more than 80 percent of tropical deforestation. As the world's population increases, so does the demand for food, and with it, the pressure to raze forests for more farmland. Making current cropland more productive is one of the most direct ways to improve farmer livelihoods and halt deforestation.

On the other hand, climate change threatens our ability to ensure global food security, eradicate poverty and achieve sustainable development. Climate change has both direct and indirect effects on agricultural productivity including changing rainfall patterns, drought, flooding and the geographical redistribution of pests and diseases. The vast amounts of CO_2 absorbed by the oceans causes acidification, influencing the health of our oceans and those whose livelihoods and nutrition depend on them (source: FAO).

Extreme poverty rates have been cut by more than half since 1990. While this is a remarkable achievement, one in five people in developing regions still live on less than $1.90 a day, and there are millions more who make little more than this daily amount, plus many people risk slipping back into poverty. Poverty is more than the lack of income and resources to ensure a sustainable livelihood. 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. Economic growth must be inclusive to provide sustainable jobs and promote equality (source: UN SDG #1).

The international community has made significant strides towards lifting people out of poverty. The most vulnerable nations – the least developed countries, the landlocked developing countries and the small island developing states – continue to make inroads into poverty reduction. However, inequality still persists and large disparities remain in access to health and education services and other assets. Additionally, while income inequality between countries may have been reduced, inequality within countries has risen. There is growing consensus that economic growth is not sufficient to reduce poverty if it is not inclusive and if it does not involve the three dimensions of sustainable development – economic, social and environmental. To reduce inequality, policies should be universal in principle paying attention to the needs of disadvantaged and marginalized populations (source: UN SDG#10).

These sustainability issues are not new, progress has been made in acknowledging and addressing them, but much remains to be done. The implementation and upscaling of a sustainable agriculture standard, as part of a certification program connecting producers, markets and consumers, has proven to be a useful tool to acknowledge and address the most pressing issues. The growing number of producers, producer groups, and buyers who have adopted and implemented the UTZ and/or the Rainforest Alliance standards shows that standards help actors in the value chain to address sustainability issues. At the same time, a growing body of evidence[1], including independent impact evaluations commissioned by our standards[2], show that the outcomes and impacts of standard implementation are variable and context dependent. Certification contributes, but is not sufficient to solve these problems. As a result of these insights UTZ and RA have expanded the scope of the program and interventions into sector-level and landscape level collaboration, and advocacy. At the same, there is a need to make the standard more flexible and responsive to local conditions.

There are other standards addressing sustainable agriculture production, such as Fairtrade, Fairtrade USA, Global Coffee Platform, UEBT, IFOAM, Global GAP and SAI. The Rainforest Alliance is of the opinion that, although many of these standards have the same or very similar goals and objectives, their approaches differ, so that they have a complementary function in making valuable contributions to solving the main sustainability issues. The Rainforest Alliance will continue to seek cooperation, where possible, with these standards, for example through ISEAL initiated activities, and also through direct interactions.

4. OUTCOMES

The Rainforest Alliance Theory of Change consists of three separate but related pathways. The first pathway helps the Rainforest Alliance achieve farm-level impacts through standards and assurance, training and capacity building, and farm-level project support strategies. These farm-level impacts are magnified through market development, consumer engagement, monitoring, evaluation and research, and advocacy for policies and incentives that support sustainable agriculture. The second pathway helps the Rainforest Alliance transform sectors through policy advocacy strategies. The third pathway helps the Rainforest Alliance build resilient communities and landscapes through stakeholder partnerships, and landscape and community-based project support strategies. These pathways both help the Rainforest Alliance realize sector-wide and landscape-level impacts and will be discussed together in this section.

The Rainforest Alliance Sustainable Agricultural Standard will be an essential element of the first pathway, that is, supporting and incentivizing farmers, groups and companies to achieve improved farm-level livelihood and conservation impacts. The Rainforest Alliance's standard setting and assurance strategies contribute to a more meaningful and practical standard and robust certification policies, systems and tools, which, in turn, result in a more effective, efficient and transparent Rainforest Alliance certification and assurance system.

---

[1] https://www.standardsimpacts.org/resources-reports/iseal-report-effectiveness-standards-driving-adoption-sustainability-practices; https://www.campbellcollaboration.org/library/agricultural-commodity-production-certification-systems-outcomes.html

[2] https://utz.org/what-we-offer/measuring-impact/commissionedstudies/; https://www.rainforest-alliance.org/latest?type=impact_report&types=research

The main economic, social and environmental outcomes that the standard seeks to achieve can be summarized as follows:

Economic outcomes	
Farm management	Groups and farms are managed in an efficient, transparent, inclusive and economically viable manner with reliable data management and good traceability and financial management.
Productivity	Farmers have optimized crop yields, improved crop quality, and reduced production costs, all of which help farms optimize productivity and profits over time.
Living income	Farmers are able to improve their business profitability and at least earn an income to allow their families / households to have a decent standard of living.
Resilience	Farmers build resilience and adaptive capacity to weather and climate related hazards. They diversify their production and income to be more resilient against climate and market volatility.
Social outcomes	
Living wage	Workers remuneration is sufficient for workers and their family to have a decent standard of living.
Working conditions	Farmers and workers have healthy and safe living & working conditions, including access to healthcare.
Human rights	Farms have improved capacity and performance in assessing and addressing risks and issues of child labor, forced labor, discrimination and gender based topics. Minors are not exposed to harmful labor conditions. Workers enjoy essential social rights, including freedom of association and collective bargaining.
Local communities	Farms support local communities and avoid negative impacts.
Environmental outcomes	
Forests and other natural ecosystems	Farmers conserve, maintain, and restore natural ecosystems and their services, in particular forests, wetlands, mountains and drylands. Farmers do not contribute to deforestation, forest degradation and destruction of other natural ecosystems.
Biodiversity	Farmers avoid degradation of natural habitats, contribute to improving biodiversity and help to prevent the extinction of threatened species.
Environment	Farmers reduce pollution, minimize release of hazardous chemicals and treat wastewater. Farmers reduce waste generation through prevention, reduction, recycling and reuse. Farmers do not use banned pesticides

| Ecosystem services	Farm inputs and natural resources are used efficiently and managed sustainably, minimizing the negative effects on the environment. Natural cycles are optimized to increase resilience to climate change, to improve soil fertility/health, to attract pollinators and natural enemies to pests, and to improve water retention and management.
Climate change mitigation	Farmers contribute to reduction of greenhouse gas emissions.

5. MAIN FEATURES

The Rainforest Alliance has internally formulated some main features of the new standard. They are based on the review of the current standards, on recent knowledge and insights in certification and standard setting, and on stakeholder input that was received over the past years. Those intended features of the new standard connect with the new strategy of the Rainforest Alliance. Of course, the standard will undergo a full public consultation process, in line with the ISEAL Standard Setting Code, and stakeholders will have ample possibilities to provide input, also on those intended features of the standard.

Performance driven
The new standard will define clear objectives and focus on measuring outcomes, in addition to prescribing practices. The data that will be gathered through this system will give better insights into the actual situation, can be used to diagnose the existing sustainability gaps, should give insights into improvements made, and would make it possible to drive and reward performance. The data coming from the implementation of the standard can be used to monitor commitments and to learn and exchange on best practices.

Figure 1: Basic structure of the new standard
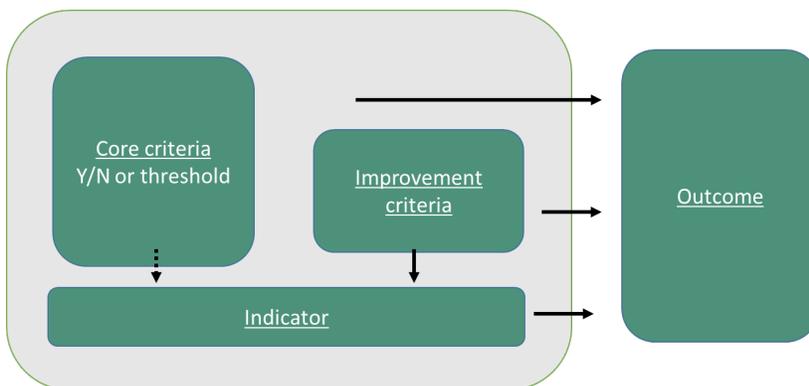
Core criteria
There will be a list of core criteria that are seen as requirements to become certified, and that will essentially be similar to the critical or mandatory criteria of the current Rainforest Alliance and UTZ standards. The Rainforest Alliance intends to restrict the number of core requirements, in particular for smallholders, e.g. by having less documentation requirements, so that more focus can go to the implementation of the standard instead of on documenting. The characteristics of the core criteria will

be mainly binary, and prescribing practices. In some cases, the core criteria will contain a set threshold (e.g. minimum wage).

Improvement criteria
For a selected number of key sustainability issues, the standard will include improvement criteria. Indicators will be developed to assess the performance (level of improvement) on these issues.
The new standard will allow for the possibility to include improvement targets; either at regional/global level, or demonstrating improvement compared to the previous audit.
The principle of continuous improvement can be expanded, moving away from the 4 or 6 year paths and allowing for a longer stretch depending on the local context. In this way, the new standard will give the opportunity to farmers to address the issues according to their capabilities and local context; it will be more contextualised, and potentially resulting in a greater impact. Additional monitoring would probably be required for these more systemic issues and to better understand the reasons for change. The Rainforest Alliance believes this will make the standard and the program stronger, as there will be more focus on improvement and on measuring improvement. Additionally, the standard, if possible, will lead farmers towards more advanced performance.

Local context
The new standard can be contextualized, based on producer's characteristics, activities and risks. Risk based approaches will be integrated, to enable producers, particularly groups of farmers, to better implement improvement criteria, target interventions and recognize the value of practices. The set-up of the new standard will eventually make it possible to develop local or regional benchmarks for the key indicators and set regional priorities and agree on mutual commitments towards key sustainability issues. It will be carefully considered if there are consequences for types of claims (off pack) that can be made. Also, contextualisation of the standard should, however, not lead to dilution of the standard, or to inconsistencies in the level of compliance.

Differentiation smallholders / estates
The new standard may enable certain differentiation between smallholders and plantations in regards to some core criteria and/or improvement criteria based on the inherent characteristics and feasibility of adopting certain practices. For example, for plantations, there will be a stronger focus on core criteria (compliance) regarding social issues for workers and on-farm living families, and certain environmental topics. The focus for smallholders will be more on improvement and on profitability, and less focus on documentation. Also, the improvement criteria may vary between smallholders and estates. This requires a clear line between smallholder group certification and plantations (individual) certification. The definition of smallholder may need to vary, depending on the country or region. The definition will likely take into account if farmers are primarily using hired labor, or family labor.

Data and indicators
The new standard needs to facilitate efficient data collection to allow for monitoring progress. The Rainforest Alliance is still exploring different ways of implementing the data collection for this new system: data can be collected through the IMS, trader M&E systems, external data sources (satellite) and/or additional data collection could be done by auditors/3rd parties. The Rainforest Alliance strives for mapping of GPS polygons of all farms (with GPS points as a minimum). It is important that collected data can be used at farm / IMS level, that support is given on collection and use of data, and that the data collection brings direct value.

Principle approach for some key topics

- Premium/Economic transparency – the Rainforest Alliance sees a certification premium as an important incentive and contribution to cover the investments for certification and will carefully review the role of a mandatory premium. It is important to realize that the farm economics discussion is however bigger than premium only, i.e. includes also general market pricing versus average costs of production, etc. and needs to be further explored. Also, it may include involving buyers / companies in specific targeted investments, based on outcome data retrieved form the certification program.
- Deforestation - the Rainforest Alliance is carefully exploring the option that farmers who have deforested/converted in the past can participate in the program, but only with compensation of recent conversion. Since this is a both complex and contentious topic, it needs substantial further research. The Rainforest Alliance intends to remain strict on current conversion by certificate holders.
- Child labor - the Rainforest Alliance wants to build on and further improve a child labor approach that goes beyond sanctions, and that aims to find real solutions through prevention, monitoring and remediation.
- Traceability – the Rainforest Alliance will give particular focus to improving traceability, in response to current credibility issues related to traceability
- Other important topics – the Rainforest Alliance will continue to address other important topics – as in the current standards – such as housing for workers on estates, use of Personal Protective Equipment (PPE) and labor rights on estates.
- In general: the Rainforest Alliance will safeguard that the standard is concise and written in clear, straightforward language to ensure good uptake with farmers and other stakeholders.

6. RISK ASSESSMENT

The Rainforest Alliance has made an assessment of risks in implementing the standard, that is, identification of factors that may negatively affect the ability to achieve its outcomes, and of potential unintended consequences from its implementation. Also, possible corrective actions to mitigate the risks have been identified, that will partly fall under standard development and partly on implementation and other RA programmes. They can be summarized as follows:

Risk	Corrective action
Lack of incentives to invest in and implement the standard	Explore incentive mechanisms for the different types of producers: Explore how premium or other benefits could act as incentives for farmers to adopt good practices (key for success of the re-imagine certification vision).

Implementation may not be already profitable in first year of certification	Define support mechanisms for producers to make their own cost/benefit assessment and create their own business case. Performance based system whereby farmers can have more flexibility in the pace of making improvements. Promote the set-up of demo plots to keep farmers motivated on outcomes. Record keeping demonstrating the real benefits of the adoption of sustainable practices. More systematic studies on the impact on farm level. Highlight and promote the benefit of inter-cropping systems, monitoring as well the income that comes from those crops and keeping good records by the farmers.
Insufficient knowledge to implement the standard	Develop proper training methodologies/practices, consistently implemented in different contexts. Including strengthening of IMS (e.g. on data management) Offering simple and clear dashboards to interpret the data that is collected through the certification system. Ensure literacy and numeracy skills are being promoted. Ensure access to education, at least for compulsory school-attending ages. Improve quality of certification related training offered by 3rd parties.
Insufficient market access to sell certified products	Explore how we can better link demand and supply (e.g. through engagement with retailers) Scale up sustainability as concept (beyond stimulating certification).
Insufficient access to inputs (e.g. crop propagating material, or alternatives to harmful pesticides)	Make sure the compliance with the minimum and improvement criteria is based on factors that can be controlled by the producers. Encourage training & service delivery from the IMS Take a more proactive role in identifying where and how inputs could be made available. For example, non-chemical pest control methods. Have IMS Implement a concerted approach for providing inputs with proper technical training/support for correct application on input. Sector approach initiatives (advocacy at national level) to ensure that the inputs required to produce sustainably can be available.

One standard may not be enough to properly reflect the particularities of different crops, regions and size/complexity of the farms	Development of clear modules, add-ons, annexes, interpretation guides (not necessarily always in form of documents) etc. to ensure the standard makes sense to different actors. Possibility of tiered performance leading to tiered communication (off pack).
Negative effects by surrounding non-certified farms (e.g. use of pesticides, or aerial fumigation)	Require buffer zones if the level of severity is too high. Work with non-certified farms, maybe through demonstration farms, so farmers are attracted to minimize the negative outcomes. Promote landscape governance policies.
Local norms and values might prohibit / complicate members to be able to meet the requirement.	Sector approach initiatives (advocacy at national level) to influence change. Include clear requirements to ensure inclusiveness from our members.
Standard contains too many topics / requirements - difficult to focus and provide quality	Standard consists of limited number of minimum criteria, without lowering the bar. Standard to focus on certain key topics/ issues. Stepwise approach allows for gradual implementation. Standard to be written in clear and concise language. Local contextualization based on crop/region/theme.

7. TIME PLAN

July 2018	Publication Terms of Reference
July 2018 – October 2018	Preparation first draft
November – December 2018	First round of public consultation
January – July 2019	Preparation second draft
August – September 2019	Second round of public consultation
October – December 2019	Preparation final version
December 2019	Publication final version (in English)
January 2020	Translations and roll-out plan for final version