The UN Forum on Sustainability Standards (UNFSS)
The Emerging Intergovernmental Forum of Dialogue on Voluntary Sustainability Standards
What are Voluntary Sustainability Standards (VSS)?

- Focus: mainly on voluntary private standards that are developed by commercial and non-commercial private bodies and typically cover health, safety, environmental, economic, social and animal welfare issues.
- Focus on “credence characteristics”, i.e. attributes which cannot be verified through examination of the product.
- Legally non mandatory, but can commercially become a de facto market entry hurdle.
- Most prominent (in terms of quantity, level of sophistication, and multi-dimensionality) in the food and agricultural sector.
- Also significant in textiles/clothing, footwear, toys, timber/timber products, natural cosmetics, liquid bio-fuels, & electrical and electronic goods.
- Energy and material/resource efficiency standards are emerging in several sectors as a supplement to other market-based and fiscal instruments.
- Carbon & water foot-printing standards are emerging as a new frontier.
Importance of VSS

- VSS are of key importance for market entry and sustainable development.
- Unless pro-actively addressed, VSS can become a serious market entry hurdle and a key challenge in particular for small-scale producers.
- Real developmental opportunities exist in the light of strong dynamics in markets for sustainably produced products, which generally expand much faster than conventional markets.

### Share and Growth Rates of Sustainable Produce

<table>
<thead>
<tr>
<th>Product</th>
<th>Share in global supply, 2009 (%)</th>
<th>Sales growth, 2005-2009 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>17</td>
<td>433</td>
</tr>
<tr>
<td>Tea</td>
<td>8</td>
<td>2000</td>
</tr>
<tr>
<td>Cocoa</td>
<td>1</td>
<td>248</td>
</tr>
<tr>
<td>Conventional food</td>
<td></td>
<td>12-15</td>
</tr>
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Voluntary (i.e. private) Sustainability Standards (VSS) are often viewed as a technicality, when VSS are tools that can be used to:

- Internalize environmental and social costs.
- Advance sustainable production and consumption methods (including opportunities for energy/material/resource efficiency and cost savings).
- Promote competitiveness in the growing and lucrative “sustainability” markets.
Benefits and Costs of VSS

Benefits of VSS use may arise at different levels:

- Enterprise level
- Sectoral level
- National level
- International level

Costs and benefits might arise at different points and levels (i.e. those bearing costs might not necessarily earn many of the benefits). Thus, governmental task to even out interests.
Some Key Systemic Challenges of VSS

• Multiplicity and lacking interoperability of VSS – bearing on compliance costs
• Stringent, complex and multi-dimensional standards may reinforce marginalization of smallholders and less developed countries – compounds already existing weaknesses.
• Fear that VSS might (directly or indirectly) undermine the hard-won disciplines in the WTO Agreements on TBT and SPS measures.
• Risk of being used as anti-competitive instruments for achieving vested commercial interests.
• Spate of VSS may jeopardize integrity of their sustainability objectives and fuel confusion at producers’ and consumers’ end – “green-washing”.
• Many VSS tend to be one-dimensional on addressing risks – challenge of holistic approach.
• Many VSS are part of an export-led approach/international supply chains – challenge of reflecting national priorities and respecting appropriate trade intensity of exporting countries.
## Balancing Public and Private Interest on VSS

<table>
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<tr>
<th>PUBLIC</th>
<th>PRIVATE</th>
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</table>
| **Common** | **Enhancing effectiveness & efficiency of VSS**  
Meeting due diligence requirements  
Improving quality of VSS  
Boosting the gains in sustainability per certified operator; increasing the number of certified operators  
Enhancing democratic legitimacy |
| Internalization of env./social costs  
Improving public goods & services  
Increasing the public interest orientation | |

<table>
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<tr>
<th><strong>Specific or conflicting</strong></th>
<th></th>
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</table>
| Achieving specific sustainability goals  
Avoiding market domination  
Avoiding marginalization  
Harmonization & equivalence  
Not undermining TBT & SPS disciplines | Narrow thematic focus  
Expanding market shares  
Often focus on dedicated suppliers  
Propensity to be specific  
ISEAL Codes |
Rational for Creating UNFSS

- **VSS as means** to Sustainable Development, *not as ends* in themselves.
- Contextualize **VSS** into the macro-economic development perspective (i.e. not only market access and market shares agenda).
- UNFSS should *focus on public interest & public goods* related to VSS.
- VSS need to be recognized as *strategic policy issue* (mitigating economic, food, climate and water crises).
- Understood within *overall life cycle* of products and related services (and within context of avoidance, minimization and management of ‘*real*’ risks).
- Also of increasing importance for **South-South trade**.
- **VSS** represent a *new meta-governance system* for international supply chains, largely *outside WTO rules*. 
What is important to address is that VSS are scrutinized as:

(i) proportionate to the (real) risk they claim to address;
(ii) scientifically-based; and
(iii) that the burden of compliance is distributed fairly.

In essence, VSS should not undermine or weaken rules of TBT and SPS agreements.
Pro-active Role of Developing Country Governments

Surveillance, Supportive and Facilitating Role

- Governance/Standard-setting
- Overcoming capacity gaps
- Devising flanking/support policies
- Assuring policy coherence
- Facilitating stakeholder dialogue
Pro-active Role of Developing Country Governments

Surveillance, Supportive and Facilitating Role

- Governance / Standard-setting
- Overcoming capacity gaps
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- Transparency, Inclusiveness, legitimacy, trade restrictiveness
- Anti-trust
- Assuring coherence between mandatory & VSS
- Facilitating interoperability between VSS
Pro-active Role of Developing Country Governments

Surveillance, Supportive and Facilitating Role

- Governance/Standard-setting
- Overcoming capacity gaps
- Devising flanking/support policies
- Assuring policy coherence
- Facilitating stakeholder dialogue

• In physical infrastructure
• In SMTQ systems & institutions
• Directing donor funding accordingly
Pro-active Role of Developing Country Governments

Surveillance, Supportive and Facilitating Role

- Governance/Standard-setting
- Overcoming capacity gaps
- Devising flanking/support policies
- Assuring policy coherence
- Facilitating stakeholder dialogue

- Awareness raising/training
- Financial support
- Information instruments/independent evaluation of VSS
- SME support
Pro-active Role of Developing Country Governments

Surveillance, Supportive and Facilitating Role

- Governance/Standard-setting
- Overcoming capacity gaps
- Devising flanking/support policies
- Assuring policy coherence
- Facilitating stakeholder dialogue

- Among government agencies dealing with VSS
- Between public & private requirements (e.g. perverse incentives)
- Towards donors
Pro-active Role of Developing Country Governments

Surveillance, Supportive and Facilitating Role

- Governance/Standard-setting
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- Facilitating and engaging in stakeholder dialogue on development & implementation of VSS
UNFSS Structure

Steering Committee

Advisory Panel
(2 reps per category)
Producer Associations
Processors/Traders
Standard-setters/ Certifiers
Trade negotiators
NGOs
Researchers
Consumers

UN Forum on Sustainability Standards (UNFSS)

Analysis of key issues and analytical framework:
Key Partners

Analysis through partner programs:
UNCTAD-SCI (COSA, FAST, SCAN, SSI);
T4SD of ITC; UNIDO VSS guide
Cluster of Activities of UNFSS

**Informed policy dialogue on developmental and market-access impact of VSS**

**Analytical & empirical work (including flagship analytical report)**

*Upon specific request from developing countries, assist with specific analysis of VSS and in implementing UNFSS recommendations*
UNFSS Added Value

• An unbiased and credible policy dialogue that guides and benefits from analytical, empirical and capacity-building activities.

• Structured to promote “ownership” by developing countries and assure the “demand-driven nature” of UNFSS activities.

• The only inter-governmental (and multi-stakeholder) forum that deals with generic and strategic issues of VSS in a consistent and pro-active way.

• Capitalizes on the strengths and specialization of each of the five UN organizations that partner on UNFSS.

• Better coordination of activities among UN partner organizations.
Advisory Panel Suggested Activity Focus

Recommendations build on over 3 years of consultations on VSSs including conferences (Tanzania, 2009), official briefing sessions; UN steering committee members related work and bilateral meetings

**Key Points:**

Specific Tools to be developed by the UNFSS:

- **Decision-making guide:** Policy-level and production needs assessment
- **Impact Assessment tools:** Building from and working with existing impact programs
- **Flagship report:** information on VSS programs, related markets and analysis of prioritized issues

**Key commodity/product groups:** Main focus on agricultural standards, with additional areas, energy efficiency, sustainable tourism, and resource management, minerals, mining and resource standards (but noted need for demand-driven approach)

**Working Groups:** to efficiently address prioritized issues. **Examples:** harmonization and equivalence; impact assessment; facilitating co-operation among standard initiatives to meet public goals; product/carbon-footprinting.
Next Steps

**Briefing Sessions**
National and regional briefing events: first series planned for China, Thailand, Kenya (for East Africa) and Panama (for Central America and Caribbean).

**UNFSS Launching Conference**

- Identifying priority subjects and commodity groups
- Structuring work programme
Structure of Launching Conference

**Theme:** Policy Making and Sustainability Standards: How can governments and private sector work together to achieve sustainable development goals?

**High-level multi-stakeholder panel discussion:**

**Topic:** How to make voluntary sustainability standards work to achieve public sustainability goals?

Involving: Trade and agricultural ministers, CEOs of companies and producer associations, heads of standard setters, certifiers and consumer organizations

**Demand-driven thematic discussion on:**

- Governmental interests and information needs
- Priority subjects and commodity focus
- Structure of UNFSS activities, reflecting prioritization of issues
- Capacity needs and needs assessment
- Flagship report and Discussion Paper series
Notification on the launching conference raised following questions:
- What are the priority themes the Forum should address?
- What are some key activities the Forum should undertake?
- What groups of commodities and goods should receive primary attention in UNFSS activities?
- What is the concrete expectation from a forum like the UNFSS?

Nomination of delegates for launching conference:
- Two to three delegates to be nominated.
- Delegates should come from government, the private sector and the NGO/academe community, with sufficient experience and interest in voluntary sustainability standards.
- Deadline for nominations for delegates, requiring sponsorship: 24 February 2013.
UN Forum on Sustainability Standards

For more information, contact:

Website: www.unfss.org

Current generic email: unfss.info@unctad.org
or through website www.unfss.org/contact-us/