Objectives and Challenges of
The UN Forum on Sustainability Standards (UNFSS)
The Emerging Intergovernmental Forum of Dialogue on Voluntary Sustainability Standards
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>Produce</th>
<th>Share in global supply, 2012 (%)</th>
<th>Sales growth, 2005-2011 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coffee</td>
<td>30</td>
<td>430</td>
</tr>
<tr>
<td>Cocoa</td>
<td>20</td>
<td>250</td>
</tr>
<tr>
<td>Tea</td>
<td>18</td>
<td>2000</td>
</tr>
<tr>
<td>Bananas</td>
<td>20</td>
<td>(2007-2010) 65</td>
</tr>
<tr>
<td>Palm Oil</td>
<td>13</td>
<td>25</td>
</tr>
<tr>
<td>Cotton lint</td>
<td>4</td>
<td>95</td>
</tr>
</tbody>
</table>

Voluntary (i.e. private) Sustainability Standards (VSS) are often viewed as a technicality, when VSS are tools that can be used to:

- 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.
- Can lead to internalization of environmental and social costs.

Importance of VSS (cont’d)
Benefits and Costs of VSS

Benefits of VSS use tend to arise at different levels:

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

Costs and benefits might arise at different points & levels (i.e. those bearing costs might not necessarily earn many benefits).
Some Key Systemic Challenges of VSS

- Multiplicity and lack of interoperability of VSS – bearing on compliance costs.
- Stringent, complex and multi-dimensional standards may reinforce marginalization of smallholders and less developed countries – compounding already existing capacity 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.
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**.
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
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.
Proposed UNFSS Structure

Steering Committee

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

Analysis of key issues and analytical framework: Key Partners

UN Forum on Sustainability Standards (UNFSS)

Analysis through partner programs: inter alia, UNCTAD-SCI (COSA, FAST, SCAN, SSI), T4SD of ITC, UNIDO and FAO VSS guides, UNEP sust prod & cons progr.

Members of the UNFSS
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 analysis of VSS
Pillars for Implementing UNFSS Activities

1st pillar: informed policy dialogue

2nd pillar: Working groups on
- impact assessment
- interoperability of VSS
- emerging standards initiatives

3rd pillar: National/regional VSS Platforms

UN Forum on Sustainability Standards (UNFSS)
UNFSS was inaugurated by a UN launching conference, held on 20-21 March 2013 in Geneva.

Meeting was attended by over 200 delegates from some 50 UN member countries, representing governments, the private sector, academe and civil society.

The report of the meeting and all presentations and background documents are available at the UNFSS website at:  www.unfss.org
In a Nutshell

• While there are arguments for and against voluntary sustainability standards (VSS), in many international markets VSS have become a reality and have long since graduated from niches. Therefore there is a need to discuss and analyze VSS more systematically to maximize their benefits and minimize their costs, in particular for small-scale producers and less developed countries.

• VSS can effectively address some acute problems, overcome policy inertia, policy and market failures.

• VSS are the new 'power tools' in international trade that form a meta-governance system largely outside the WTO, but may have a critical bearing on market access, market exclusion and the achievement of national sustainability goals.

• The five UN agencies partnering in the Forum are all actively working on VSS. They will aim at pooling resources, synchronizing efforts, and assuring policy coherence, coordination and collaboration among United Nations agencies. The effort is thus a concrete and very practical example of the "The UN Acting as One" to maximize impact and efficiency.
For more information on the UN Forum on Sustainability Standards see:

www.unfss.org