



**International Convention on Sustainable Trade and Standards**  
Leveraging Trade, Global Value Chains, and Standards as engines of Sustainable  
Development  
**17-18 September 2018**  
**New Delhi, India**

## SUMMARY OF PROCEEDINGS

### I. Introduction

1. The International Convention on Sustainable Trade and Standards (ICSTS) was organized by the India National Platform on Private Sustainability Standards (India PSS Platform) and convened by the Quality Council of India, in collaboration with UNFSS. From topics on international trade, innovations in sustainable global value chains, and sustainability standard settings, to government policies and multi-stakeholder frameworks for sustainable trade, this 2-day event was the first of its kind multi-stakeholder convention dedicated solely to practical questions of leveraging trade, global value chains, standards and Sustainable Development Goals (SDGs).
2. Sustainability Standards are special guidelines that support groups like small-scale farmers or producers in developing countries; cover a full range of environmental impacts throughout a product's lifecycle; identify and promote best practices; and support continuous improvements environmentally, socially and economically. Sustainability Standards focus on economic sectors like forestry, farming, mining or fishing; concentrate on environmental factors like protecting water sources and biodiversity or reducing greenhouse gas emissions; support social protections and workers' rights. As compared to developed economies, emerging countries are more vulnerable to the adverse effects of these standards on market access and competitiveness.
3. The India Private Sustainability Standards (PSS) Platform, launched in 2016 with the support of UNFSS, is a national multi-stakeholder forum dedicated to sustainability standards and trade. The Platform facilitates dialogue between core public and private stakeholders on how to maximize the sustainable development benefits and market access opportunities of PSS. It also addresses the challenges of implementing sustainability standards, particularly for small-scale producers. UNFSS and the India PSS Platform work together to advance both national and international understanding of private standards and sustainable development.
4. The ICSTS was part of the India PSS Platform mandate to institutionalize an inclusive intergovernmental, multi-stakeholder platform for dialogue and access to the agenda-settings of sustainability standards. It sees a converging point between best practices and disruptive ideas to tackle issues related to sustainability within the realm of global value chains. It also stands in as a forum to launch pioneering products of sustainability standards ecosystem, initiate engagement across stakeholders, and resolve complexities mainly faced by producers and MSMEs at micro and macro level. The Convention provided a space for



actors across all levels of the value chains to share their experiences and best practices to collaborate in sustainable production, value chains and trade.

## **II. Opening Remarks**

5. The convention was opened with an inaugural session chaired by Mr Harsha Vardhana Singh, President/ Deputy DG, SC, India PSS Platform/ WTO, followed by high-level speakers, Mr. Adil Zainulbhai, Chairman, QCI, Mr Bonapas Onguglo, Chief, Trade Analysis Branch, UNCTAD, a video message by Ms Isabelle Durant, Deputy Secretary-General, UNCTAD, a video message by Mr Suresh Prabhu, Minister of Commerce and Industry, India and Mr. Ravi Singh, Secretary-General, QCI.
6. The statement delivered by Mr. Harsha Singh acknowledges the mandate that came from the Ministry of Commerce and Industry as creating opportunities through PSS/VSS, such countries that have adopted the VSS system are China, Brazil and Mexico, apart from India. He claims that ICSTS will facilitate to link up with the world for sustainable trade. He has also mentioned the two important launches that coincides with the event – UNFSS 3<sup>rd</sup> Flagship and the Handbook on Sustainability case studies by QCI which will be a useful tool moving forward. In that essence, the rise of consumer awareness demands sustainable trade in which PSS/VSS will facilitate the same.
7. The video message delivered by Ms. Isabelle Durant firstly recognized and appreciated the Government of India and QCI for organizing the ICSTS. Her note included the emergence of the 2030 Sustainable Development Goal launched on September 2015 as a comprehensive blue print for sustainable trade. Standards are the key to operation and standards play a pivotal role in the transformation of companies and the economy. The complexities of international standards may be simplified to localized VSS through National Platforms, which can bring positive environmental impacts.
8. As the final speaker of this session, Mr. Ravi Singh reemphasized that the launch of India PSS platform a couple of years ago had gone a long way, including dialogues with Brazil, China and Mexico, who had also adopted VSS at national level. ICSTS is the first National forum in India to have discussed on PSS/VSS at global level, thanking all the support and sponsor partners, as well as execution partners.

## **III. High-Level Plenary**

9. Session 02 on the Role of Trade and Trade Policy in Advancing the 2030 Agenda for Sustainable Development was chaired by the President of the Steering Council of the India National Platform on PSS, Mr Harsha Singh, together with speakers, Mr. Teppo Tauriainen, Director-General for Trade, Ministry of Foreign Affairs, Sweden, Mr. Ewa Synowiec, Directorate-General of Trade, European Commission and Mr. Bonapas Onguglo, Chief Trade Analysis Branch, UNCTAD.
10. Context: The UN General Assembly adopted 17 Sustainable Development Goals as part of the 2030 Agenda for the Sustainable Development which is contextualized with the support of 169 targets and indicators. The goals touch upon a variety of issues amongst which trade and its linkage with sustainable development also features, and include a range of possible



actions that require to be undertaken by the governments in cooperation with civil society, major groups and private sector stakeholders.

11. Ms. Ewa Synowiec delivered a speech pertaining to the EU experiences to promote SD Agenda 2030 such that it integrates sustainability for trade at all level. VSS alone cannot overcome challenges for implementation, social protection, environmental protection through corporate social responsibility and responsible business conduct. Private sector too has a vital role to play to achieve the goals for Sustainable Development. The EU, she claims has committed to implement the SDGs both in its internal and external policies. The key SDGs and its implementation promote sustained, inclusive and sustainable economic growth, full and productive employment such as:
  - Waiving off Export Subsidies reduces poverty
  - Gender equality as per SDG 5, by building awareness among society
  - Ethical Practices support the SDGs
  - 900m\$ projects with OECD to promote Sustainable Development
  - Working with private sectors, holding hand to work towards SDG implementation
  - Building awareness, creating multi-stakeholder platforms for promoting SDGs
  - Award benchmarking schemes launched by EU for implementing SDG practices.Emerging economies have the opportunity to enforce sustainable development in their practices and trade.
12. Mr Teppo Tauriainen on the other hand claims that growth is dependent on trade and trade can happen with globally acceptable practices, negotiate sustainable development requirements with bilateral or regional trade agreements. Inclusive growth, poverty reduction are key work areas in which by being innovative is catalytic of Sustainable Development. Private sectors play a vital role, incorporating the SD in their business goals to create a win-win situation.
13. Mr. Bonapas Onguglo's final remarks saw that SDGs can technically be promoted through trade by connecting the resource poor farmer to access the supermarket shelves, looked at the distribution of costs judiciously as the key initiatives to beat the cost barrier for sustainability. Transparency in standard setting is the key element to successfully achieve this implementation.
14. Session 03 on Trade, Global Value Chains, Standards, and Sustainable Development was chaired by again by Dr. Harsha Singh with panelists, Mr. Ajit Chavan, Secretary of Textile Committee in the Ministry of Textiles India, Mr. Dagmar Walter, Director ILO Decent Work Technical Support team for South Asia and Country Office of India, Mr. Anupam Kaul, Principal Counsellor Institute of Quality, Mr. Rajan Ratna, Economic Affairs Officer of the UN Economic & Social Commission for Asia & the Pacific as well as Mr. Konrad Uebelhoer, Director of Indo-German Bio-diveristy Programme.
15. Key takeaways from this session includes the fact that textile is the 2<sup>nd</sup> largest employment generation that has a great impact on trade by aligning practices on SD could actually be a trade barrier. Fast developing nation, PSS may act as barriers for international trade given the huge compliance cost, however if PSS are so important, business have to be engaged in which QCI has taken a good initiative to implement PSS in the country. Mr. Dagmar Walter sees PSS goal linkages with the SDGs and recommends National Response Structure to Govern the PSS Scheme. This will create the necessary ecosystem to facilitate knowledge sharing and awarding incentives when complied and has recommended to have the National Centre to study the impact of PSS.



16. On the other hand, Mr. Rajan Ratna claims that the responsibility lies with the national government for the implementation of the SDGs. In the present world, standards are going to play a vital role whether technical or management or trade economic, environment and social aspects. Developing countries need to be proactive and not reactive in setting right standards. While government has a major role to play, stakeholders must understand the sooner the standards are adopted the better it will be.

#### **IV. Panel Sessions**

17. Session 04 kicked off with the official launch of the 3<sup>rd</sup> Flagship Report having on stage Mr. Rogerio (InMetro), Mr. Sofia Pacheco (Ministerio de Economica, Mexico), Mr. Zhang (CAS China), Dr. Pande (QCI, India), Mr. I Nyoman (BSN Indonesia), Ms. Dineo Haxana (SABS South Africa), Steering Committee Representatives, Mr. Joseph Wozniak (ITC), Mr. Bonapas Onguglo (UNCTAD), Mr. Rene Van Berkel (UNIDO), Mr. Thomas Fues (DIE), Mr. Adil Zainulbhai (Chairman, QCI), Mr Harsha Singh (President PSS) and Mr. Ravi Singh (Secretary-General, QCI) to unwrap the printed copy of the Flagship Report.
18. It was then followed by a presentation delivered by Santiago with regards to the 3<sup>rd</sup> UNFSS Flagship Report with Steering Committee members together with Ms. Engela Schlemmer and Mr. Thomas Fues as commentators of the panel session. All the dais members appreciated the compilation of the themes in the report seeing studies like these as important instruments, specific to the context and countries involved. Questions discussed were related to the relevance of the publication and its linkages to each of the Steering Committee agencies' work program. There was however scepticism from the private sector specific to where sustainability standards have become a new regulatory form.
19. Session 05-07 builds on the agenda that addresses the challenges in Standards, Global Value Chains and Sustainable Development. The first focus was on the ecosystem of the sustainability standards, compliance costs, and capacity development of smallholders and SMEs to enter the GVCs. Ms. Vidya Rangan of ISEAL emphasized that the multiplicity of standards are dealt with by integrating the standards at ISEAL. Standards won't work along, government have a role to engage all stakeholders and enable conditions through policies and tax structures. The focus on the challenges in GVCs connected to social accountability draws on discussions shared between institutional bodies, Standards setters as well as the private sector, namely Walmart.
20. According to Walmart, responsible sourcing program is the key to demonstrate social accountability and it should be strictly monitored. Various principles are drawn from the fact that no employees should pay for job, responsible human resource and consumer goods forum. The use of technology for addressing supply chain issues and labour issues can be beneficial no matter how big the organization is, it is crucial to acknowledge the multiple stakeholders. On the other hand, Mr. Manoj Bhatt from Goodweave claims that profitability should not compromise the social accountability or environmental impact. 83.4% of workforce work in informal sectors and are not protected by the government regulations. Consumer awareness will also incentivize the efforts.
21. Sessions 08-09 touches on the agenda surrounding the efficacy of monitoring and impacts of consumption patterns and sustainability standardization on GVCs and SDGs. For the topic on driving a paradigm change from process-based standards to consumption-based in



GVCs in the context of sustainable development, the debate was particularly focused on whether the shift starts on the production or the consumption side, in which the terminology of ‘responsible global citizens’ fits the consumption –based standards while, regulating production on the other stream. The question was ‘why would consumers want to consume sustainably?’. Putting forth consumers, there was a debate on having sustainable consumption goals rather than sustainable development goals, in the case of India. The session concluded with the fact that consumption and production should go forward in parallel, not one after the other.

22. On simplifying targets and indicators, Ms. Rangan (ISEAL) emphasized the information gap between large scale producers and small-scale producers, therefore having concrete tools understood universally is key. While focusing on the developing aspects to better data collection, she states the importance of monitoring and evaluation for the reasons mainly 1) it is important to measure and reflect the progress and goals and, 2) for learning and improvement through data and its accessibility. The key point here is the need to find a way of closing the data loop.
23. Sessions 10-13 speaks about the strengthening of multi-stakeholder sectoral initiatives and responsible sourcing in 4 themes- Agri-food, Forestry, Textiles and Fisheries. Each of the theme was chaired by the UNFSS Steering Committee, except for Forestry as FAO representative was not able to attend.
24. Mr Wozniak (ITC) commenced the first thematic session on Agri-Food with speakers from diverse sectors, namely WWF India, BRC Global Standards, RSPO, Solidaridad, Agricultural and Processed Food Products Export Development Authority of India, as well as Walmart. The key takeaway of this session was to find ways to leverage and discuss new initiatives where Mr. Prasad (WWF India) emphasized that the importing sphere in India has a significant impact on the economy and that an innovative approach to influencing markets towards sustainability production and consumption of relevant commodities is crucial. Mr Bajaj key remark was to amplify ‘Traceability’ as a tool to assure to the world as a responsible supply chain. Interestingly, Mr. Pastore (Solidaridad), brought in a challenge that certified products does not seem to be distinguishable with uncertified products and proposes to look at sustainability in a larger perspective, how to integrate the stakeholders example farmers and where are the benefits going to. Looking forward, he claimed that compliance-based assurance to impact assurance since cost is imposed mainly on the farmers. We should no longer look into just product volumes but also the number of farmers that are benefitting through such certification as a supplier. There is really a need to look into affordability for domestic players to participate – more inclusive to smaller players, perhaps advocating for farmers online presence.
25. The theme on Fisheries was chaired by Mr. Bonapas Onguglo (UNCTAD), together with panelists Mr. Vinod (WWF India), Mr. Suseelan (MSC) and Mr. Saxena (EIC). Mr. Saxena claims that farmers are more dependent, but less knowledgeable in the sense that they are smart enough to look into their productivity. Therefore, there is a need to connect small farmers to the international market and find ways to help them comply to sustainability standards. Mr Vinod noted that Marine sustainability programme is mainly affecting the hospitality sector as there are demands for certification in importing countries. The cost factor however, sees that there are no Indian auditors to audit the Indian fishing therefore there is more costs involved where foreign auditors are concerned. Typically, farmers think that certification are barriers because they produce lesser but with price premiums. This is a clear case of information gaps in the fisheries certification in India.



26. On forestry, chaired by Mr. Manish Pande (QCI), together with Mr. Rawat (EPCH), Ms. Routela (NCCF), Mr. Manoharan (FSC), Mr. Yadav (IIFM), Mr. Sanan (IKEA) and Ms. Nair (IRSG) saw that there is a need to look into a bottom up approach. Mr. Rawat claimed that there is a shift from voluntary to regulation on export, where sustainability is concerned. Mr. Yadav on the other hand feels that this is a think-tank on forest management issue where India has become a huge importer of timber, more than an exporter. The fact that value chains are transparent, the materials however from the farmlands are not traceable, therefore leads to inaccurate studies.
27. Finally, on textile chaired by Mr. Rene Van Berkel (UNIDO) together with Mr. Chavan (Ministry of Textiles India), Ms. Garkhel (Fair Trade Foundation), Mr. Gupta (GOTS), Mr. Bajaj (Indian Chambers of Commerce & Industry), Mr. Singh (TUV) and Ms. Chandran (RJS Inspection) shared the implications of textile industry on sustainable trade. Mr. Chavan shared that India is the largest producer of cotton but have very poor conditions. Contamination is a problem that needs to be addressed, apart from the issues of traceability. Ms. Garkhel on the other hand claims that the retail sector is the 2<sup>nd</sup> fastest growing sector after IT with 75% of the overall industries are small sectors and many women working in this sector. It is also the 2<sup>nd</sup> biggest polluting industry and forced labor with high use of chemical and pesticides where workers also work under precarious conditions. Her key message is such that cotton farmers are often forgotten in the supply chain as it mostly focuses on water. The real question she quoted is “What is the right price of the product? If you are paying such a low price for a product, someone else is paying the price eg. Child labor/ forced labor etc.” Therefore, there is a need for consumers to move away from demanding cheap products.
28. Session 14, being the last panel session before the closing of the convention brought together 6 National Platforms from Brazil, represented by Mr. Rogerio of InMetro, from Mexico, represented by Ms. Pacheco (Ministerio de Economa), India, represented by Dr. Pande (QCI), China, represented by Ms. Liu Xin (CAS), Indonesia, represented by Mr. I Nyoman (BSN) and South Africa, represented by Ms. Dineo Haxena (SABS), while being chaired by Mr. Santiago Fernandez De Cordoba (UNCTAD/ UNFSS). Overall, China was very encouraged to develop association standards and promote the SDGs. Brazil wants to fulfil governance gaps related to VSS policies, awareness on VSS in order to meet the SDG, mitigate burdensome. They have started to map VSS in the country understanding the huge implication it poses on businesses. Mexico, on the other had had recently launched its National Platform, while Indonesia and South Africa are still in the process of identifying the national infrastructure in order to implement.
29. The closing of the convention was led by signing the ‘Declaration of Cooperation on Sustainability Standards between the National Platforms’ by Mexico Ms. Sofia Pacheco, Brazil Mr Rogerio and India Dr. Pande and witnessed by the UNFSS Steering Committee, namely Mr. Santiago representing UNFSS, Mr Bonapas Onguglo for UNCTAD, Mr Joseph Wozniak for ITC and Mr. Rene Van Berkel for UNIDO. This declaration enjoins cooperation in sustainability standards ecosystem amongst the National Platforms by linking the National Platforms on Voluntary Sustainability Standards with 9 action points to take into account in order to help implement the 2030 SDGs.
30. The convention was concluded with the Launch of the Good Practices Handbook initiated by QCI that speaks about the Good Practices towards Sustainable Value Chains highlighting



10 key areas where sustainability measures could be learned and practiced, each of which were contributions by several stakeholders of the value chain.

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