



# UNFSS

United Nations Forum on Sustainability Standards  
a joint initiative of FAO, ITC, UNCTAD, UN Environment and UNIDO

## INTERNATIONAL QUALITY INFRASTRUCTURE FORUM

Hosted by UNIDO and African Union Commission  
Brussels, Belgium, 4 April 2019

---

UNFSS Represent:

Bonapas ONGUGLO,

Head, Trade Analysis Branch, UNCTAD

### ***HOW SUSTAINABILITY STANDARDS AND RELATED QI SERVICES CAN STEER THE PRIVATE SECTOR CONTRIBUTION TO SDGS***

Today, voluntary and private sustainability standards (VSS) are increasingly affecting some of the major exports of developing countries. For example, some economic sectors engaged with VSS include agri-food (soy, coffee, sugar, juices, cocoa, corn, banana, palm oil,), forestry (wood, paper, furniture sectors), farming (bovine, swine, and chicken products), tobacco, fish, essential oils and cotton and textiles.

VSS usually have parameters concerning environmental, social, economic, ethical and quality of products. Depending on the sectors, these parameters could cover issues such as hazardous waste creation, discharge and disposal, residue limits, ethical working conditions, legal employment benefits, sustainable harvest and conservation of natural resources (land and marine), climate friendly and natural disaster resistance, organic, equity, gender etc. There is a wide range of parameters to which VSS respond.

There are around 500 VSS developed by international brands (standard owners) like FairTrade, MSC Certificate Sustainable Food, Forest Stewardship Council, Better Cotton Initiative, Rainforest Alliance and Round Table on Sustainable Palm Oil.

There are also national standards that are recognized and taken up by global value chains. One example is the AYUSH Mark in India which has been designed to address issues related to the chemical residue that affects the product line in traditional medicine and nutraceuticals<sup>1</sup> in India. Other examples of a local VSS from China are the China Social Compliance “CSC9000T” which covers textiles and apparel,

---

<sup>1</sup> Products derived from food sources that are purported to provide extra medical or health benefits, in addition to the basic nutritional value found in foods, encompassing prevention and treatment of disease. Also consider as dietary supplements, they include vitamin or mineral supplements.





# UNFSS

United Nations Forum on Sustainability Standards  
a joint initiative of FAO, ITC, UNCTAD, UN Environment and UNIDO

the “Guidelines for Sustainable Development of Natural Rubber”, and the China “Guidelines for Social Responsibility in Outbound Mining Investments”.

In meeting such standards, products often get picked out by supermarkets to be displayed in striking areas, such as the shopfronts. They do that because the buyers receive assurance that the sustainability parameters have been met through certification of the products made visible through a label. Not only do these sustainability products enjoy higher customer traction, these supermarkets are also recognized to value products and give a higher premium to products that respects sustainability measures. For developing-country producers, complying with VSS can increase marketability of green exports in the growing and lucrative “sustainability” and nature-based markets in the world.

The importance of ecologically and/or societally friendly products worldwide has been growing over the past two decades, driven by growing consumer awareness along with NGOs and CSOs about progressing resource degradation and climate change. Another driver is consumers demand for healthier initiatives and/or fairer or equitable production processes. Another major catalyst is recognition by business of higher prices and income that can potentially be gained from such lucrative alternatives (as compared to traditional products), for securing future supply (by producing sustainably) and to be good corporate citizens. More and more global retailers opt for sourcing products that carry sustainability standards, or eco-labels.

Complying with VSS can also advance sustainable production methods in the field and contribute to the achievement of SDGs such as poverty elimination (SDG1), gender equality (SDG5), decent work (SDG8), sustainable production and consumption (SDG12), sustainable marine ecosystem (SDG15), and terrestrial ecosystems protection (SDG15). VSS were there before SDGs and become more relevant with SDGs. In a way, compliance with VSS enables matching of the economic, social and environmental dimensions of sustainable development.

However, there are some challenges. One is that the VSS ecosystem is not easily understood by SMEs and small producers in developing countries. Just as regulatory standards like TBT and SPT are often seen as a complex part of trade managed only in these complex committees or communities of trade or standards, so too are VSS. And because of that they are also seen more as barriers to trade than as tools to improve product quality and safety. So, there is need to bring it down to the level of the pedestrian, the small farmer and trader. This is compounded by a lack of available data on VSS, its costs, its benefits, and how it advances societal goals, which in turn makes it difficult to evaluate its impact in entirety and to develop responses to the market demand for VSS.





# UNFSS

United Nations Forum on Sustainability Standards  
a joint initiative of FAO, ITC, UNCTAD, UN Environment and UNIDO

A related challenge is the multiplicity, diversity and proliferation, often in a chaotic fashion, of VSS. The international VSS, with national-based VSS, aggravates the proliferation of international standards. This creates unnecessary confusions. While national regulations may introduce mandatory standards that foster environmentally and socially responsible practices, these national standards often overlap with the existing internationally recognized standards but are often less stringent, which adds to the complexity of the global standards landscape. The proliferation of VSS in the global market affects the capacity of SMEs in developing markets to participate in global trade as it can lock them out of such trade. Many actors have appreciated the value of voluntary or private sustainability initiatives to attain SDGs but expressed reservations about the multiplicity of standards and the cost of compliance and implementation of VSS for MSMEs. So there is urgent need to address the multiplicity of standards. There is a need to bring about coherence and ensure that these standards are meaningful and manageable. In this regard, some form of governance of VSS universe may be considered. Also, there is a need for mediation by strong actors such as the National VSS Multi-stakeholder platforms as well as global governance efforts like UNFSS to collectively represent the interests of SMEs in the VSS ecosystem.

Yet another challenge is that producers and exporters to the global market, large or small, increasingly understand the need for such standards in international trade and that it inevitably requires them to ensure their products meet the international standards requirements. In many cases they are obliged to meet more than one specific standard designed by importers or buyers (in addition to the regulatory standards). And more often, they must meet higher criteria and even VSS schemes at their own cost. These requirements are compounded by the inability of small-scale enterprises, without the means and adequate information, to implement such schemes. Furthermore, the cost of standard adoption and certification are already a financial burden, that can result in some companies especially SMEs to exit the value chain.

The rise of VSS as important market requirements on the one hand, and the challenges of paucity of information, costs and multiplicity of standards, international and national, on the other, led to the rise of partnerships to address them.

At the international level we have the United Nations Forum on Sustainability Standards (UNFSS). It was established in 2012 among 5 UN agencies (UNCTAD, UNIDO, ITC, UN Environment, and FAO) to align the support of these agencies on sustainability standards. The UNFSS has several functions like conducting research on VSS, captured in its flagship reports, sharing research, promoting awareness like its video on





# UNFSS

United Nations Forum on Sustainability Standards  
a joint initiative of FAO, ITC, UNCTAD, UN Environment and UNIDO

what are VSS, and support work of national VSS platforms. It aims to help producers, traders, consumers, standard-setters, certification-bodies, trade diplomats, non-governmental organizations and researchers

to talk to each other, find out more about Voluntary Sustainability Standards and influence decision makers and standard setters to work on VSS in a manner that promotes sustainable development. It also serves as an interagency platform in promoting greater coherence among the multiplicity of VSS.

At national level, UNFSS, with DIE (Germany), supported the development of national VSS multi-stakeholder platforms to domestic VSS locally. The National Platform play a crucial role in addressing several challenges that SMEs face about VSS, most crucially awareness and information gaps. With the support of UNFSS, they are meant to raise awareness among SMEs about standards, especially when involving the chamber of industry and commerce as well as other institutions and organizations relevant to SMEs. In addition, such platforms can shape the perception of SMEs with respect to standards by highlighting the value that VSS can bring to businesses. The benefits of certification are underlined so that SMEs can perceive standards compliance as a business opportunity, which in turn leads to the potentiality to boost the willingness of SMEs to adopt sustainable practices. The platforms' tailored information services for SMEs can bridge information gaps and improve the understandings about the complicated standard systems – empowering SMEs to undertake concrete measures toward sustainable standards implementation. National platforms are a recent innovation.

- The first national platform, the Indian National Platform on Private Sustainability Standards was launched in March 2016 by the Quality Council of India, which also provides the secretariat for the platform.
- It was then followed by the launch of Brazilian National Platform on VSS in May 2017 by the Brazilian National Institute of Metrology, Quality and Technology (INMETRO), also serving as its secretariat.
- This was followed by the launch of the Chinese National Platform on VSS in June 2017 by the China Association for Standardization (CAS), in cooperation with the Standardization Administration for China. The China Association for Standardization serves as the secretariat for the Chinese platform.
- The most recent platform to be launched was the Mexican National Platform on VSS, in April 2018 by Mexico's General Bureau of Standards (DGN).
- Several other countries are considering launching national platforms including Indonesia and South Africa. Regarding South Africa, a meeting on this is planned in Johannesburg in October this year by the South African Bureau of Standards.





# UNFSS

United Nations Forum on Sustainability Standards  
a joint initiative of FAO, ITC, UNCTAD, UN Environment and UNIDO

- All the national platforms were launched with the support and collaboration of the UNFSS (partnership of 5 UN agencies is UNCTAD, FAO, UN Environment, UNIDO and ITC) and German Institute for Development (DIE).

The national platforms are demand-driven, national public-private partnership initiatives to tackle the VSS issues. They are multi-stakeholder platforms that include the Government, national standardization bodies, national certification and accreditation bodies, private sector industries, civil society and the academia. The national platforms have three functions in common:

- (i) facilitation of dialogue among relevant stakeholders at the national level, level and as and when needed, with international expertise from the UNFSS and its partner agencies or other agencies;
- (ii) adaptation of external standards to domestic conditions; and
- (iii) fostering international networking. Endowed with little resources, they face significant challenges in the start-up phase and hence rely on international networking.

The National Platform play a crucial role in addressing several challenges that exporting SMEs face about VSS, most crucially awareness and information gaps.

- With the support of UNFSS, they raise awareness among SMEs about standards, especially when involving the chamber of industry and commerce as well as other institutions and organizations relevant to SMEs.
- They can shape the perception of SMEs with respect to standards by highlighting the value that VSS can bring to businesses. The benefits of certification are underlined so that SMEs can perceive standards compliance as a business opportunity, which in turn leads to the potentiality to boost the willingness of SMEs to adopt sustainable practices.
- Provided tailored information services for SMEs to bridge information gaps and improve the understandings about the complicated standard systems, the costs and the benefits.
- Promote linkages between VSS and SDGs;
- Undertake capacity development of small holders and producers including training and workshops;

In particular, the national platforms conduct studies to gather more accurate, impartial and in-depth information on VSS and what their implications, benefits, and costs are for production and exports. They can also formulate recommendations for governments on policies and measures on how to handle the



issues surrounding VSS. They aim to study and discuss pro-active policies and best practices for governments to better facilitate the use of VSS in a way that would maximize the benefits and minimize costs and adverse effects. For example:

- The Indian Platform prepared a study on “The India Story: Impact of Private Sustainability Standards on Market Access and Sustainable Development” which is available on UNFSS website.
- The Chinese platform implemented a study on producers’ awareness of VSS.
- The Brazilian platform is conducting a study on “The Brazilian VSS Story.”

They further agreed in September last year (2018) to cooperate across national platforms and adopted a declaration in this regard last year, namely, the Declaration of Cooperation in Sustainability Standards Ecosystem between National Platforms. It will be gradually put into action in the following areas:

- (a) Helping in setting up of a national platform in countries that do not have national platforms, and share the common agenda;
- (b) Ensuring deeper cooperation among national platforms;
- (c) Creating mechanisms for sharing and seeking inputs for exchange of ideas and case studies; and
- (d) Agreeing to participate in meetings that are held under the auspices of the UNFSS and identifying steps that would be of use for each country that is part of the "Platform of Platforms".

They also cooperate with UNFSS in terms of capacity development, convening of international dialogues and carrying out of research and studies on VSS. In this regard, a Conference on Voluntary Sustainability Standards was held by the China national platform within the framework of the June 2017 Qingdao Forum on International Standardization. It gathered international agencies members of UNFSS, others, national platform and China national platform members to discuss VSS.

Similarly, in September 2018, the Indian platform organized an International Convention on Sustainable Trade and Standards (ICSTS) in New Delhi in September last year (2018). It was convened by the Quality Council of India under the patronage of the Ministry of Commerce & Industry, and supported by UNFSS.

- It facilitated a multi-stakeholder dialogue at the international scale on best practices and innovative ideas to tackle issues related to sustainability within the realm of global value chains, and



# UNFSS

United Nations Forum on Sustainability Standards  
a joint initiative of **FAO, ITC, UNCTAD, UN Environment** and **UNIDO**

- Provided space to launch pioneering products of sustainability standards ecosystem, initiate engagement across stakeholders, and propose initiatives to resolve complexities mainly faced by Indian producers and MSMEs at micro and macro level.
- The Convention provided a space for actors across all levels of the value chains to raise awareness and share their experiences and best practices to collaborate in sustainable production, value chains and trade.

A similar international convention will be organized by the Brazilian platform in Rio de Janeiro in September this year to share the Brazilian experience.

The UNFSS 3<sup>rd</sup> Flagship Report on “Voluntary Sustainability Standards (VSS), Trade and Sustainable Development”, available on our UNFSS website which you can check on [www.unfss.org](http://www.unfss.org), has one part devoted to national platforms and a closer examination of the country cases for India, Brazil and China. It examines how VSS impact on sustainable development goals.

UNFSS agencies preparing the 4<sup>th</sup> flagship report, to be released in 2020, and it will focus on sustainable procurement.



International  
Trade  
Centre