

# Summary Report: Voluntary Sustainability Standards (VSS) Academic Advisory Council Inception Meeting

25 June 2020

## Background and Objectives

In the interest of consolidating knowledge on Voluntary Sustainability Standards (VSS), the United Nations Forum on Sustainability Standards (UNFSS)<sup>1</sup> and the Leuven Centre for Global Governance Studies (GGS) of the University of Leuven, with the support of the Research Foundation – Flanders (FWO – International Coordination Action) and the Swiss State Secretariat for Economic Affairs (SECO), established the “Academic Advisory Council on Voluntary Sustainability Standards” (VSS AAC). The virtual inception meeting was held on the 25th of June 2020 gathering around 40 participants, including international scholars and practitioners from international organizations.

The establishment of the AAC is a call to address the lack of multi-disciplinary academic exchange on sustainability standards by bringing together the knowledge and different theoretical and professional disciplines into one overarching network as an avenue to contribute to a comprehensive understanding of VSS design, effectiveness and impact. The meeting fostered a direct and comprehensive exchange between academics and practitioners. The diversity of participants in terms of background, specialty, work field and research interests created an interdisciplinary atmosphere where participants’ experiences and expertise complement one another. This is ultimately intended to make sustainability approaches exceptionally relevant in policy recommendations, especially in the COVID-19 aftermath.

The meeting was chaired by Santiago Fernandez de Cordoba, UNCTAD’s Senior Economist and UNFSS Coordinator, and Axel Marx, Leuven Centre for Global Governance Studies, KU Leuven. It was co-chaired by Bernard Hoekman, Professor and Director of the Global Economics at European University Institute.

## List of Participants

Research Institutions		Organizations	
Archna Negi	Jawaharlal Nehru University	Vidya Rangan	ISEAL
Ariel Hernandez	German Development Institute (DIE)/University of Duisburg-Essen	Christian Robin	SECO
Axel Marx	Leuven Centre for Global Governance Studies, University of Leuven	Anna Müller	WTO
Benjamin Cashore	National University of Singapore	Philippe Pelletier	WTO
Bernard Hoekman	European University Institute	Belinda Cleeland	ISO
Clara Brandi	German Development Institute (DIE)		

<sup>1</sup> UNFSS is an initiative under the coordination of five (5) United Nations (UN) Agencies – Food and Agriculture Organization (FAO), International Trade Centre (ITC), UN Environment, UN Industrial Development Organization (UNIDO) and the UN Conference on Trade and Development (UNCTAD) is the secretariat of UNFSS. UNFSS is a platform created to analyze Voluntary Sustainability Standards (VSS) and disseminate information about them. For more information [www.unfss.org](http://www.unfss.org)

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		UNFSS Steering Committee	
Charline Depoorter	Leuven Centre for Global Governance Studies, University of Leuven		
Engela Schlemmer	University of Witwatersrand	Ahmad Muktar	FAO
Eric Lambin	Stanford Woods Institute for the Environment, Stanford University	Joseph Wozniak	ITC
Eve Fouilleux	French Agricultural Research Centre for International Development (CIRAD)	Dominika Dor	UNIDO
Graeme Auld	Carleton University	Karin Monaco	UNIDO
Helga Willer	Research Institute of Organic Agriculture (FiBL)	Beatriz Carneiro	UN Environment
Jan Orbie	University of Ghent	Santiago Fernandez De Cordoba Briz	UNCTAD
Jorge Pérez-Pineda	Universidad Anáhuac México	Siti Rubiah Lambert	UNCTAD
Junji Nakagawa	University of Tokyo	Niematallah Elamin	UNCTAD
Lars H. Gulbrandsen	Fridtjof Nansen Institute	Cecilia Heuser	UNCTAD
Maja Tampe	Escuela Superior de Administración y Dirección (ESADE)	Anja-Katharina Von Moltke	UN Environment
Marcelo Olarreaga	University of Geneva		
Matteo Fiorini	European University Institute		
Philip Schleifer	University of Amsterdam		
Shaila Seshia	Graduate Institute of Geneva		
Stefano Ponte	Copenhagen Business School		
Thomas Dietz	University of Münster		
Vera Thorstensen	Getulio Vargas Foundation (FGV)		
Verena Bitzer	Maastricht University		

## Welcome note and aims of AAC

The meeting started with a welcome note and presentation of the aims and objectives of the AAC by the AAC secretariat (UNFSS and Leuven Centre for Global Governance Studies, KU Leuven). The AAC's objectives include, among others, creating a network of experts on VSS, namely researchers from universities and research centres around the world in order to foster pioneer research and academic debate on VSS via knowledge exchange and policy dialogues, as well as bringing together divergent strands of research on VSS, while widening its engagement in the fields of sustainable development, trade policy public governance. The AAC also functions to provide substantial inputs to the empirical and theoretical studies on VSS and to develop a common foundation upon which further research can be conducted.

## Presentations by AAC participants

The opening session was followed by a presentation by all AAC members. Participants introduced themselves, their area of work, and research interests.

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Each of the **academic scholars** introduced themselves and expressed their research areas which can overall be classified under four main categories, namely: sustainability standards and global governance, development in the field of VSS, impact and effectiveness of VSS, and public-private partnerships for sustainable development. A detailed presentation of the different research areas of the AAC members is provided below:

### 1. Sustainability standards and global governance:

- VSS as emerging governance systems and regulation tools.
- Political debate on VSS legitimation, deliberation, and power dimensions.
- Contextual and theoretical framework of VSS in global governance, international law, WTO law, and trade agreements.

### 2. Development in the field of VSS

- Different dynamics of adoption of VSS: How it differs across countries and how this can be explained.
- Comparative patterns of evolution and development of certification program in different countries and sectors.
- The 2030 Agenda (Sustainable Development Goals) as a guide for the design of VSS.
- Motivations and rationale behind the emergence of national standards alternatives.
- How national standards differ in their institutionalization, legitimation, and level of inclusiveness in comparison to international ones.

### 3. Impact and effectiveness of VSS

- Effectiveness of VSS in achieving the triple bottom line of sustainability - social, economy and environment: how effective VSS are, and through which mechanisms.
- Promoting Sustainable Development Goals achievement by leveraging the role of VSS.
- Conceiving and assessing standards in terms of the actual problems they are trying to address.
- The interlinkages between the governance and implementation of VSS and the impact they create on ground.
- The role of standards' features, institutional features, the policy context where standards are applied, and the nature of the problem they address in standards' effectiveness.
- Drivers behind firms' participation in certification programs and the impact of their characteristics on VSS effectiveness.
- Explanations behind the different levels of effectiveness of different certification schemes.

### 4. Public-Private Partnerships for sustainable development

- Public-Partnerships for sustainable development and its impact on VSS effectiveness.
- Diffusion of VSS through Public-Private Partnerships and the role of national government in emerging economies in the diffusion of VSS.
- The relation between VSS and public regulatory policies: complements or substitutes?

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- How the private voluntary dimension of VSS can fit into a model of collaboration between public and private policies.

All of the above points are potential topics that could either be discussed in the next Flagship Report or in thematic studies on VSS.

The **UNFSS steering committee**, the committee members also expressed their work on VSS as follows:

1. **United Nations Industrial Development Organization (UNIDO)** through the Division of Quality Infrastructure and Smart Production, explained their work on the standard enforcement side by working on quality infrastructure system to help facilitate market access for Small and medium-sized enterprises (SMEs) and private sector firms of beneficiary countries.
2. **Food and Agriculture Organization (FAO)**'s work around VSS was introduced through three main areas, namely fishery, forestry, and food and agriculture products. FAO's job on VSS includes working with stakeholders on understanding, implementing and sometimes developing sustainability standards. FAO also went briefly through their VSS-related tools including the Sustainability Assessment of Food and Agriculture Systems (SAFA) and sustainable food value chains knowledge platforms.
3. **International Trade Center (ITC)** through Trade for Sustainable Development (T4SD) program, expressed their focus on leveraging the IT platforms through operating the sustainability standards map that increases the transparency and visibility of VSS and provides numerous services to the map users. A second major area includes research and fieldwork where ITC provides capacity building on VSS to SMEs and business support organizations in developing countries.
4. **UN Environment** mentioned two main aspects of their work on VSS. First, its effort in enhancing and improving the information in the market through fostering the harmonization of standards' criteria, helping countries in developing their own national standards, and assisting SMEs in getting certified. While the second aspect is related to VSS in trade.
5. **United Nations Conference on Trade and Development (UNCTAD)** as part of being the focal point of the UN system in trade and development, stated that their view of the VSS issue is through their impact on trade, market access and development opportunities for developing countries. Based on this, UNCTAD works on research, capacity building, and international dialogue to help developing countries in understanding and utilizing sustainability standards.

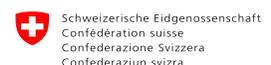
The AAC **partners and observers** have expressed their part in relation to the aims and objectives of the AAC as follows:

1. **The Swiss State Secretariat for Economic Affairs (SECO)** explained their strong engagement in supporting VSS since 1990, and their perception of sustainability standards as effective market-based tools that enhance the sustainability of global value chains and tackle global

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challenges. SECO also stated their engagement in strengthening the governance of the system of VSS and increasing the transparency in the VSS area. They also expressed their interest in how to scale up sustainability standards uptake, and how VSS can be used as tools that are more referenced in public policy.

2. **The World Trade Organization (WTO)** through the Agreement on Government Procurement (GPA) explained their VSS related area of interest, which includes the linkage between VSS, government procurement and trade. Two aspects were mentioned in this regard: first, how the GPA covers VSS and is open to the idea of sustainability standards, and how the GPA provisions provide flexibility for sustainability standards to be employed; second, the WTO work on sustainable procurement which was launched in 2015 with the objective of establishing a list of best practices in this regard.
3. **International Social and Environmental Accreditation and Labeling (ISEAL)** mentioned two ongoing projects that are of interest to the AAC group. First, Evidensia, a new research and evidence sharing platform which was set up with the aim of making more accessible and creditable research on supply chain sustainability tools that goes beyond standards and includes other market-based tools. And second, ISEAL credibility principles which represent the core values on which effective sustainability standards are built.
4. **International Organization for Standardization (ISO)** through the Research and Innovation Unit, explained their aim to promote research on the impact and effectiveness of international standards. The unit's work on conducting a mapping exercise linking ISO standard to some of the Sustainable Development Goals and reviewing the literature on the impact of voluntary standards was introduced.

### What is next?

In addition to the current research themes and ongoing work on VSS, the AAC members expressed possible research gaps and future work as follow:

#### 1. Training

It is important to work on the training side as a complementary aspect to the research side.

#### 2. Data

There is a need to work more on the data side and to provide a higher degree of transparency in terms of data availability.

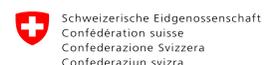
#### 3. Research

- With the lack of strong evidences regarding the actual impact of VSS on ground, it is essential to focus on building up a concrete evidence in this area rather than focusing only on outputs related to the increasing demand for or growth in VSS.

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- Research on VSS is conducted from different perspectives and disciplines, where different approaches and data types are utilized. This triggers the need to establish a common and harmonized framework of research on VSS.

#### *4. Information sharing*

AAC Members also expressed the significance of the AAC and similar practices as a vital tool for information sharing.

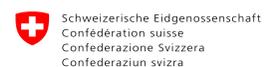
#### Presentation of the key findings of the 4<sup>th</sup> flagship

During this meeting, the 4th UNFSS Flagship Report was also presented. The rationale, aims and structure of the report were presented in depth, followed by a reflection of the AAC co-chair. This report will be launched during the fall of 2020.

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